

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

**IN THE MATTER OF:**

John R. Ritchie, Jr., President )  
Ritchie Engineering Company, Inc. ) **Administrative Order**  
10950 Hampshire Avenue South )  
Minneapolis, Minnesota 55438-2306 ) **EPA-5-00-IN-5**  
)  
Proceeding Pursuant to )  
Section 113(a)(3) and 114(a) )  
of the Clean Air Act, 42 U.S.C. )  
§§ 7413(a)(3) and 7414(a). )  
)

**STATUTORY AUTHORITY**

1. This Administrative Order is issued pursuant to Sections 113(a)(3) and 114(a) of the Clean Air Act (Act), 42 U.S.C. §§ 7413(a)(3) and 7414(a).
2. Section 608(a)(2) of the Act, 42 U.S.C. § 7671g, authorizes the United States Environmental Protection Agency (U.S. EPA) to promulgate regulations establishing standards of performance for new sources and requirements regarding recycling and recovery equipment.
3. The Administrator initially promulgated these regulations on May 14, 1993, 58 Fed. Reg. 28712. The Administrator amended the regulations on August 19, 1994, 59 Fed. Reg. 42956; November 9, 1994, 59 Fed. Reg. 55926; and August 8, 1995, 60 Fed. Reg. 40440. The regulations were codified at 40 C.F.R. Part 82, Subpart F (§ 82.150 et seq.).
4. *Person* means any individual or legal entity, including an individual, corporation, partnership, association, state, municipality, political subdivision of a state, Indian tribe, and any agency, department, or instrumentality of the United States, and any officer, agent, or employee thereof.
5. *Approved equipment testing organization* means any organization which has applied for and received approval from the Administrator pursuant to 40 C.F.R. § 82.160.

6. *Certified refrigerant recovery or recycling equipment* means equipment certified by an approved equipment testing organization to meet the standards in § 82.158(b) or (d), equipment certified pursuant to § 82.36(a), or equipment manufactured before November 15, 1993, that meets the standards in § 82.158(c), (e), or (g).
7. 40 C.F.R. § 82.158(b) requires equipment manufactured or imported on or after November 15, 1993 for use during the maintenance, service, or repair of appliances except small appliances, motor vehicle air conditioners (MVACs), and MVAC-like appliances or during the disposal of appliances except small appliances, MVACs, and MVAC-like appliances be certified by an approved equipment testing organization to meet the ARI Standard 740-1993, Performance of Refrigerant Recovery, Recycling and/or Reclaim Equipment (ARI 740-1993) requirements.
8. 40 C.F.R. § 82.158(d) requires equipment manufactured or imported on or after November 15, 1993 for use during the maintenance, service, or repair of small appliances to be certified by an approved equipment testing organization to be capable of either: (1) Recovering 90% of the refrigerant in the test stand when the compressor of the test stand is operating and 80% of the refrigerant when the compressor of the test stand is not operating when used in accordance with the manufacturer's instructions under the conditions of Appendix C, Method for Testing Recovery Devices for Use with Small Appliances; or (2) Achieving a four-inch vacuum under the conditions of appendix B, ARI 740-1993.
9. 40 C.F.R. § 82.158(h) requires manufacturers and importers of equipment certified under paragraphs (b) and (d) of this section to place a label on each piece of equipment stating the following:

THIS EQUIPMENT HAS BEEN CERTIFIED BY [APPROVED  
EQUIPMENT TESTING ORGANIZATION] TO MEET EPA'S MINIMUM  
REQUIREMENTS FOR RECYCLING OR RECOVERY EQUIPMENT  
INTENDED FOR USE WITH [APPROPRIATE CATEGORY OF  
APPLIANCE].

The label shall also show the date of manufacture and the serial number (if applicable) of the equipment. The label shall be affixed in a readily visible or accessible location, be made of a material expected to last the lifetime of the equipment, present required information in a manner so that it is likely to remain legible for the

lifetime of the equipment, and be affixed in such a manner that it cannot be removed from the equipment without damage to the label.

10. 40 C.F.R. § 82.166(d) requires approved equipment testing organizations submit to EPA within 30 days of the certification of a new model line of recycling or recovery equipment the name of the manufacturer and the name and/or serial number of the model line.
11. Under Section 113(a)(3) of the Act, 42 U.S.C. § 7413(a)(3), when the Administrator of U.S. EPA finds that a person is violating Section 608 of the Act, 42 U.S.C. § 7671(g), relating to established standards and requirements for recycling and recovery equipment, the Administrator may issue an order requiring the person to comply with the applicable standards.
12. Under Section 114(a) of the Act, 42 U.S.C. § 7414(a), the Administrator may require any person who owns or operates any emission source or who is subject to any requirement of the Act to provide certain information required by the Administrator.
13. Under Section 113 of the Act, 42 U.S.C. § 7413, the Administrator may assess and recover a civil penalty of not more than \$27,500 per day of violation from a person who has received an order under Section 113 of the Act, and has failed to comply with the order.

#### STATEMENT OF FACTS

14. On June 2, 1999, U.S. EPA issued Ritchie a Section 114 Information Request Letter seeking specific information about the manufacturing and subsequent sale of their recycling and/or recovery equipment.
15. On July 7, 1999, U.S. EPA received Ritchie's response to the Information Request sent on June 2, 1999. Mr. Ajit Ramachandran, Vice President of Engineering and Manufacturing, responded to the Information Request and provided the information requested in the Information Request Letter. Mr. Ramachandran indicated in his response that Ritchie had taken all the necessary steps needed to meet all Air-Conditioning & Refrigeration Institute (ARI) requirements for certification as required by U.S. EPA regulations prior to the actual sale of the R60 Model Refrigerant Recovery System and any other models that they

had built. Mr. Ramachandran also submitted the labels that were affixed to the machines and indicated that the labels very clearly state that the unit meets all U.S. EPA regulations.

16. On July 15, 1999, U.S. EPA issued ARI a Section 114 Information Request Letter seeking additional information specifically targeted to the recovery machine, Model R60. ARI was asked to provide a sample of any label ARI provided to Ritchie for attachment to the Model R60, along with a date it was provided.
17. On August 2, 1999, U.S. EPA received ARI's response to the Information Request sent on July 15, 1999. ARI stated that: Model R60 was certified on March 22, 1999 (prior to lab testing); Ritchie, as the manufacturer, certifies the capabilities, ratings or other features of its products to ARI; ARI reviews the ratings and determines whether to accept them; Later, ARI, through an independent testing laboratory, verifies the ratings; Once the ratings are accepted they are published in a Directory of Certified Products.
18. Ritchie started selling the R60 units shortly after March 22, 1999, without meeting the labeling requirements specified in 40 C.F.R. §82.158(h). The labels did not include the date of manufacture and serial number of the equipment; the labels were not made of material that would last the lifetime of the equipment or remain legible for the lifetime of the equipment; and the labels do not include the name of the approved testing organization.
19. According to the July 1, 1999 Information Request response, ARI requested Integral Sciences, Inc. (ISI) of Columbus, Ohio, to sample one unit of Model R60 at random and test it. The Model R60 was selected on March 31, 1999, and tested April 22-30, 1999.
20. According to the July 1, 1999 Information Request response, test results were formally transmitted from ARI to Ritchie by a letter dated May 13, 1999. The Model R60 failed to achieve the ratings originally certified.
21. ARI did not provide Ritchie with any labels, but instead referred Ritchie to Clavert-McBride Company, the printing house that produces the Certification Symbol Labels for ARI.

22. Ritchie derated the Model R60 and its certification claims were accepted by ARI and included in the July 1999 issue of ARI's certified and recycling equipment directory.
23. On January 13, 2000, U.S. EPA issued Ritchie an Administrative Order ordering Ritchie to comply with the requirements of Section 608(a) of the Act, 42 U.S.C. § 7671 g(a), and the National Recycling and Emissions Reduction Rule, promulgated thereunder, and codified at 40 C.F.R. Part 82, Subpart F. Specifically, U.S. EPA ordered Ritchie to comply with the labeling provisions of 40 C.F.R. § 82.158(h).
24. Ritchie responded to the Administrative Order by letter dated February 22, 2000. Ritchie certified that they would place labels on each piece of equipment, which included the name of the testing agency and the specific category of appliance subject to Section 608 for which the equipment is appropriate. Ritchie also certified that the label would last a reasonable amount of time on the machine. Ritchie would change their label material and the adhesive used to comply with United Laboratories' (UL) standard.
25. According to the letter, Ritchie agreed to provide a sample of the label as soon as it received an approved sample from the printing vendor.
26. On May 10, 2000, Doyle Houser, Environmental Manager, Air Compliance Section of the Indiana Department of Environmental Health, and Bernie Sukala, Environmental Health Specialist of the Dekalb County Health Department, conducted an inspection at the Ritchie facility in Garrett, Indiana.
27. Mr. Houser interviewed Mr. Ramachandran. Mr. Ramachandran indicated to Mr. Houser that the Model R60 unit is now identified as the Model R70 unit. Ritchie had manufactured 1,477 R70 units since January 11, 2000.
28. The R70 unit has not been tested nor certified by an approved testing organization.
29. UL or ARI has not notified the Agency that the new model line, R70, had been certified.
30. Ritchie is manufacturing and selling equipment that has not been certified.

31. Ritchie is improperly labeling, R70, equipment in violation of 40 C.F.R. § 82.158.
32. At the time of the inspection, there were no Model R70 units on site in inventory. This indicates that at least 1,477 R70 units have been sold since January 11, 2000 without proper certification.
33. At the time of the inspection, Mr. Ramachandran stated that new labels were currently at the printer and would be completed the following week. Ritchie is currently using improper (R60) labels on the refrigerant recovery equipment.
34. Mr. Houser was given a prototype of the new label for R70. According to Mr. Houser, the new label did not list the specific appliance for which the model is approved. It listed the refrigerants for which it the machine is approved.

#### **FINDINGS OF VIOLATION**

35. Prior to July 1999, Ritchie failed to certify Refrigerant Recovery System Model R60 by an approved testing organization to meet the applicable requirements of 40 C.F.R. § 82.158(b) or (d).
36. After July 1999, Ritchie failed to properly label its Refrigerant Recovery System Model R60, in violation of 40 C.F.R. § 82.158(h).
37. Ritchie failed to certify Refrigerant Recovery System Model R70 by an approved testing organization to meet the applicable requirements of 40 C.F.R. § 82.158(b) or (d), in violation of 40 C.F.R. § 82.166(d).

#### **IT IS ORDERED THAT:**

38. Ritchie must immediately cease and desist all activities involving the improper labeling of all its refrigerant recycling and recovery system models including, but not limited to Models R60 and R70 at its facility located at 1120 Fuller Drive, Garrett, Indiana.
39. Ritchie must immediately cease the sale and/or distribution of all refrigerant recovery and recycling equipment, including but not limited to Model R70, that is manufactured by Ritchie and is not properly certified by an approved

equipment testing organization.

40. Ritchie must certify in writing to the Administrator within 10 calendar days of receipt of this Order, that it is now placing labels on each piece of equipment which includes the name of the approving testing organization and include all of the required language set forth in 40 C.F.R. § 82.158(h), as follows:

*This equipment has been certified by [INSERT NAME OF THE EQUIPMENT TESTING ORGANIZATION] to meet EPA's minimum requirements for recycling or recovery equipment intended for use with [INSERT THE APPROPRIATE CATEGORY OF APPLIANCE].*

41. Within 10 calendar days, Ritchie must certify in writing to the Administrator that its Garrett, Indiana facility is now placing labels on each piece of equipment which state the specific category of appliance subject to Section 608 requirements for which the equipment is appropriate.
42. Within 10 calendar days, Ritchie must certify in writing to the Administrator that its Garrett, Indiana facility is now placing labels on each piece of certified equipment made of material expected to last the lifetime of the equipment.
43. Within 10 calendar days Ritchie must certify in writing to the Administrator that its' Garrett, Indiana facility is now placing labels on each piece of certified equipment in a manner that is likely to remain legible for the lifetime of the equipment; the labels must include the date of manufacture and serial number of the equipment; and the labels must include the name of the approved testing organization.
44. Within 10 calendar days, Ritchie must provide a sample of the corrected label now being used by Ritchie which complies with the requirements of 40 C.F.R. § 82.158(h).
45. Within 10 calendar days, Ritchie must certify in writing that Ritchie has stopped the sale of any Model R70 or other models of refrigerant recovery or recycling equipment that have not been properly certified, such that each model of certified equipment can appear on the list maintained by the Administrator under 40 C.F.R. § 82.158(i).

**GENERAL PROVISIONS**

46. The provisions of this Order shall apply to and be binding upon Ritchie, its officers, directors, agents, employees, and any successor(s) in interest. Ritchie must give written notice of this Order to any successor in interest prior to transfer of ownership, and must simultaneously notify U.S. EPA, Region 5, in writing that such notice has been given.
47. This Order in no way affects Ritchie's responsibility to comply with all applicable Federal, State or local laws and regulations, including Section 303 of the Act, 42 U.S.C. § 7603; other applicable provisions of 40 C.F.R. Part 82; and any State or County orders to cease work at any of Ritchie's facilities.
48. Nothing in this Order shall be construed to prevent or limit, in any way, U.S. EPA's right to collect penalties and pursue appropriate relief under Sections 113(b) and 113(d) of the Act, 42 U.S.C. §§ 7413(b) and 7413(d).
49. Pursuant to Section 114 of the Act, 42 U.S.C. § 7414, the Administrator or authorized representatives of U.S. EPA shall have the right of entry into, upon and through the Ritchie facility in Garrett, Indiana for the purpose of carrying out any inspections, taking photographs, reviewing any records, observing tests, and conducting any tests, which are deemed by the Administrator to be necessary to ensure compliance with this Order.
50. Nothing in this Order shall be construed to restrict, in any way, U.S. EPA's authority to request additional information under Section 114 of the Act, 42 U.S.C. § 7414.
51. This Order will become effective on June 26, 2000 at 5:00 p.m Central Time.
52. U.S. EPA has elected to issue this Administrative Order in order to prevent the improper labeling of Refrigerant recovery systems and improper sale of uncertified systems.

53. U.S. EPA reserves the right to determine, based on available information, that additional violations relative to recycling and recovery equipment have occurred at the Garrett, Indiana facility.

6-23-00

\_\_\_\_\_  
Date



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Bharat Mathur, Director  
Air and Radiation Division

CERTIFICATE OF MAILING

I, Betty Williams, certify that I sent the Administrative Order, EPA Order No. EPA-5-00-IN-5, by Federal Express, next business day delivery to:

Mr. John R. Ritchie, Jr., President  
Ritchie Engineering Company, Inc.  
10950 Hampshire Avenue South  
Minneapolis, Minnesota 55438-2306

I also certify that I sent a copies of the Administrative Order, EPA Order No. EPA-5-00-IN-5, First Class Mail to:

Ms. Ann Foss, Enforcement Manager  
Minnesota Pollution Control Agency  
520 Lafayette Road N.  
St. Paul, Minnesota 55155-4194

Mr. Doyle Houser, Environmental Manager  
IDEM, Northern Regional Office  
220 Colfax Avenue, Suite 200  
South Bend, IN 46601-1634

Mr. Mike Garrett, Environmental Health Specialist  
DeKalb County Health Dept.  
215 East 9th Street  
Auburn, Indiana 46706

on the 23 day of June, 2000.

Mance Rucker for  
Betty Williams, Secretary  
AECAS, (IL/IN)  
(312) 353-1129

CERTIFIED MAIL RECEIPT NUMBER: 806326838806