

2003-02-19 -- Ganes Chemical -- Settlement -- News Release

## **Judge Approves Settlement Between U.S. and Ganes Chemicals On Clean Air Act Violations**

CAMDEN - A federal judge today approved a settlement under which Ganes Chemicals Inc. in Salem County will pay the United States a civil penalty of \$303,600 for violations of the Clean Air Act, U.S. Attorney Christopher J. Christie announced.

The violations at the Ganes Chemicals manufacturing facility in Pennsville concern the company's failure to timely report and repair chlorofluorocarbon (CFC) leaks at its Pennsville plant and to upgrade equipment as needed. The violations also concern the company's failure to keep and provide to the Government documentation on its compliance with federal ozone and CFC emissions standards.

The U.S. Attorney's Office commenced the civil action on behalf of the U.S. Environmental Protection Agency (EPA) and Environmental Enforcement Section of the Department of Justice. The Complaint alleged that Ganes violated Clean Air Act new-source performance standards (NSPS) and the stratospheric ozone protection regulations at the Pennsville plant. This facility produces pharmaceutical intermediates and bulk powders for the pharmaceutical industry.

According to the Stipulation and Order signed by U.S. District Judge Stephen M. Orlofsky, Ganes owns and operates a steam generating unit subject to federal standards of performance for small steam generating units. Ganes also owns and operates two industrial process refrigeration units, with a capacity of greater than 50 pounds of chlorofluorocarbon (CFC) refrigerant and is therefore subject to Regulations on Recycling and Emissions Reduction.

The Stipulation and Order state that, during June 1998 EPA inspections of the site, the facility failed to give the EPA inspector copies of the required notifications and records that demonstrated compliance with the NSPS for a newly installed steam generating boiler, and failed to give the inspector critical information for determining compliance with the CFC leak detection and repair regulations. As a result of this inspection, EPA issued a Compliance Order which alleged that Ganes was in violation of the NSPS and the stratospheric ozone regulations. The Compliance Order also required Ganes to submit the notifications and reports required by the NSPS and to maintain the records required by Regulations on Recycling and Emissions Reduction. The Stipulation and Order also provides that Ganes admitted its failure to report and admitted that it needed to improve its paperwork with regard to the CFC requirements.

"Today's settlement," Christie said, "sends a message to all who may risk the public's health or damage our environment: Good business means protecting our environment and the health of generations to come."

The CFC provisions of the Clean Air Act are designed to prevent releases of CFC-containing refrigerant compounds, which cause depletion of the stratospheric ozone layer. The ozone layer shields the earth from harmful radiation from the sun. This increased radiation contributes to the incidence of skin cancers, cataracts and other health and environmental problems.

The settlement approved today requires that the penalty of \$303,600 be paid in three installments over three years. The first two installments will be \$75,000 each, and the last payment will be \$153,600. Interest on the settlement amount will be assessed to protect its value over time.

The Stipulation and Order states that Ganes, which has operated at its Industrial Park Road location since 1970, is currently in compliance with the Clean Air Act requirements.

Christie credited EPA Region 2 Inspectors in New York, under the direction of Regional Administrator Jane M. Kenny, and the U.S. Department of Justice with their work on this case.

The Government is represented by Assistant U.S. Attorney Louis J. Bizzarri, Deputy Chief of the U.S. Attorney's Office Civil Division in Camden.

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Defense Attorney: Arthur Bergman, Esq. Hackensack