

**BEFORE THE
UNITED STATES DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**

IN THE MATTER OF:

**Keavy's Corner,

(Respondent).**

PHMSA CASE NUMBER

12-0099-SB-SO

COMPROMISE ORDER

By this Order I find that Keavy's Corner (Respondent) committed four (4) violations of the Hazardous Materials Regulations (HMR), 49 C.F.R. Parts 171-180. Accordingly, I assess Respondent a \$495 civil penalty for these violations.

I. Summary

Respondent: Keavy's Corner
168 McCoy Drive
Lake Placid, FL 33852

No. of Violations: 4

Total Payment Due: \$495

II. Finding

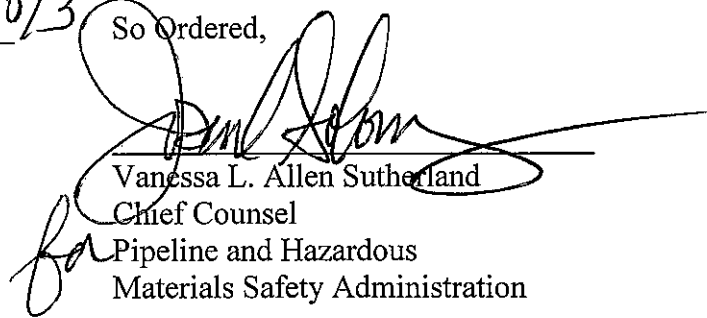
This matter comes before me after Respondent and the Pipeline and Hazardous Materials Safety Administration (PHMSA) agreed to a disposition of this civil enforcement action. I have reviewed the Compromise Agreement (Agreement) and I find that the terms as outlined therein are in the best interest of justice. I find Respondent committed the violations as described in the Agreement, which is attached as Addendum A to this Order, and I impose

a civil penalty of \$495. Respondent must pay the civil penalty in accordance with the instructions contained in Addendum B to this Order.

The Agreement, in its entirety, is incorporated in and attached to this Order. All of the terms and conditions of the Agreement shall be given the full force and effect of an Order issued pursuant to the Federal hazardous materials transportation law, 49 U.S.C. § 5101, et seq., or the Hazardous Materials Regulations, 49 C.F.R. Parts 171 – 180.

Dated: 5/30/2013

So Ordered,



Vanessa L. Allen Sutherland
Chief Counsel
Pipeline and Hazardous
Materials Safety Administration

CERTIFICATE OF SERVICE

This is to certify that on the 31st day of May, 2013, the undersigned served in the following manner the designated copies of this Order with attached Addendums to each party listed below:

Original Order with
Copy of Agreement
Certified Mail Return Receipt

Keavy's Corner
168 McCoy Drive
Lake Placid, FL 33852
ATTN: Mr. Steve Pardee, Owner

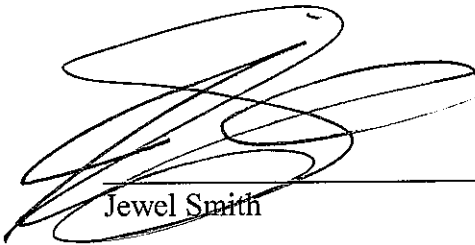
One Original
First Class Mail – Return Receipt

Mr. James Reynolds, Enforcement Officer (Acting)
Office of Hazardous Materials Enforcement
1200 New Jersey Avenue, S.E.
Washington, D.C. 02590-0001

One Copy (without enclosures)
Electronic Mail

Mr. John P. Heneghan, Director
Hazardous Materials Enforcement Office
Southern Region, PHH-46
233 Peachtree Street NE, Suite 602
Atlanta, Georgia 30303

One Copy (without enclosures)
Electronic Mail



Jewel Smith

ADDENDUM A

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**BEFORE THE
UNITED STATES DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**

IN THE MATTER OF:

**Keavy's Corner
(Respondent)**

PHMSA CASE Number:

12-0099-SB-SO

COMPROMISE AGREEMENT

I. Parties

The Parties to this Compromise Agreement (Agreement) are:

Keavy's Corner ("Respondent"), an internet based business specializing in sodium chlorite solutions, located in Lake Placid, FL

and

The Pipeline and Hazardous Materials Safety Administration ("PHMSA"), a modal Administration of the United States Department of Transportation.

II. Authority/Jurisdiction

A. The Parties enter into this Agreement under authority of 49 U.S.C. § 5123(e) and 49 C.F.R. § 107.327(a)(1).

B. For the Purposes of this Agreement, Respondent acknowledges:

(1) As an internet based business specializing in sodium chlorite solutions, it is a regulated entity subject to the Hazardous Materials Regulations (HMR) and to the jurisdiction of (a) the Secretary of Transportation, (b) the PHMSA's Associate Administrator for Hazardous Materials Safety, and (c) PHMSA's Office of the Chief Counsel (49 U.S.C. § 5103(b) and 49 C.F.R. § 107.301);

(2) PHMSA has sufficient proof to show by a preponderance of the evidence that Respondent violated the Federal regulations listed in Section V below; and

(3) That it received proper notice of PHMSA's action in this proceeding.

III. Background

A. On April 3, 2012, an Inspector from PHMSA's Office of Hazardous Materials Safety Field Operations (OHMSFO) conducted a routine compliance inspection at Respondent's business pursuant to 49 U.S.C. § 5121 and 49 C.F.R. § 107.305. PHMSA's Inspector reported four (4) alleged violations of the HMR. At the conclusion of the compliance inspection, PHMSA's Inspector conducted an "exit briefing" during which the Inspector discussed the alleged violations and the required corrective actions with Respondent's representative.

B. Upon completion of the compliance inspection, the Inspector submitted a report to the Region Director of OHMSO's Southern Region, who reviewed the report for accuracy and sufficiency of evidence. Based on that review, the Region Director referred the matter to PHMSA's Office of Chief Counsel thereby recommending the initiation of a civil penalty action against Respondent pursuant to 49 C.F.R. § 107.311.

C. Based on a preliminary assessment of the apparent nature, circumstances, extent, and gravity of the probable violations, as set forth in the Inspector's report, on October 18, 2012, an attorney from PHMSA's Office of Chief Counsel issued a Notice of Probable Violation (Notice) alleging four (4) violations of the HMR and proposing a \$15,840 civil penalty.

IV. Basis of Agreement

A. Reply to Notice. On November 19, 2012, Respondent requested an extension of time in which to reply to the Notice. Respondent's request was granted, and on December 19, 2012, Respondent submitted a timely reply to the Notice and requested reconsideration.

B. Corrective Action. In correspondence dated April 18, 2012, May 1, 2012, May 17, 2012, and December 19, 2012, Respondent submitted evidence of corrective actions it had taken in response to the exit briefing. The following is a summary of all of Respondent's corrective actions.

Violation Number	Respondent's Corrective action
1	Respondent stated that it had immediately ceased sales of the subject hazmat to address the compliance issues. Respondent also indicated that it was going to permanently discontinue the sale of the subject hazmat. Respondent eventually submitted photographs of a package and sample shipping paper that it had prepared in accordance with the regulatory requirements.
2	Respondent submitted a sample shipping paper that it intends to use when it transports hazardous materials. Respondent eventually submitted photographs of a package and sample shipping paper that it had prepared in accordance

	with the regulatory requirements.
3	Respondent stated that it understands that labeling and marking requirements for the subject hazmat. Respondent also indicated that it was going to discontinue the sale of the subject hazmat. Respondent eventually submitted photographs of a package and sample shipping paper that it had prepared in accordance with the regulatory requirements.
4	Respondent indicated that it had trained its hazmat employees in all the required areas. Respondent provided a training record of its hazmat employees' completed training as further proof of its corrective action for this violation.

C. Small Business Size. Evidence in the record also substantiates that Respondent is a small business.

V. Violations and Civil Penalty

In a subsequent Order, the Chief Counsel will find that Respondent committed the following violations and will assess the following civil penalty:

Viol. No.	HMR Violation	NOPV Penalty Amount	Compromise Penalty Amount
1	Offering for transportation, in commerce, a hazardous material (UN 1496, Sodium chlorite, 5.1, PG II), in an unauthorized non-UN standard or non-specification packaging, when specification packaging is prescribed, in violation of 49 CFR §§ 171.2(a), (b), & (e), 172.101, 173.22(a)(2), 173.24(c), and 173.212.	\$5,600	Abated
2	Offering for transportation, in commerce, a hazardous material (UN1496, Sodium chlorite, 5.1, PG II), while failing to provide a proper hazardous materials shipping paper as prescribed by 49 CFR §§ 172.200, in violation of 49 CFR §§ 171.2(a), (b), (e), & (f), 172.200(a), 172.201, 172.202(a), 172.203(k), and 172.204.	\$2,400	Abated
3	Offering for transportation, in commerce, a hazardous material (UN1496, Sodium chlorite, 5.1, PG II), while failing to mark and label the package as prescribed by 49 CFR §§ 172.301 and 172.400, in violation of 49 CFR §§ 171.2(a), (b), & (e), 172.301(a), and 172.400(a)(1), and (b).	\$6,400	Abated
4	Allowing employees to perform a function subject to the requirements of federal hazardous materials regulations when the employees had not received initial hazardous materials training in the areas of	\$1,440	\$495

	general awareness, function-specific, safety, and security awareness as required by 172.704(c)(1), in violation of 49 CFR §§ 171.2(a), (b) & (e), 172.702(a), 172.704(a)(1-4), and 172.704(c)(1).		
TOTAL	-----	\$15,840	\$495

VI. Factors Considered in Determining the Civil Penalty

In determining the amount of a civil penalty, PHMSA considered the following statutory criteria (49 U.S.C. § 5123(c)):

- (1) The nature, circumstances, extent, and gravity of the violations;
- (2) The degree of culpability and history of prior violations;
- (3) Respondent's size;
- (4) Respondent's ability to pay the penalty and its ability to continue to do business; and
- (5) Other matters as justice may require.

Documentation of Respondent's corrective actions for these violations and the fact that Respondent is a small business, justify assessing a civil penalty of \$495.

VII. Terms and Conditions

A. Respondent agrees to pay the sum of \$495, as full satisfaction of the civil penalty proposed in the Notice. Respondent is to make the payment within 30 days from the date the Chief Counsel issues the Final Order, which will issue after Respondent signs and returns this Agreement.

B. The subject case, herein PHMSA Ref. No. 12-0099-SB-SO, and as referenced in Section V of this Agreement, and the remaining amount of \$15,345, which represents the difference between the \$495 compromise amount of this Agreement, and the \$15,840 civil penalty amount originally proposed in the Notice, shall be abated for a period of one (1) year from the date of the Compromise Order.

C. During the one (1) year abatement period referenced in Section VII, Paragraph B of this Agreement, PHMSA may conduct a compliance inspection at Respondent's business.

D. In the event that a compliance inspection conducted within the one (1) year abatement period of this Agreement reveals new violations, and results in the initiation of a PHMSA civil enforcement case against Respondent, the subject case, PHMSA Ref. No. 12-0099-SB-SO, and as referenced in Section V of this Agreement, shall be reactivated, and Respondent shall be liable for the abated amount of \$15,345 of the subject case.

E. Respondent may also be liable for any civil penalty amount of any PHMSA civil enforcement case against Respondent that arises from a compliance inspection conducted within the one (1) year abatement period of this Agreement.

F. By entering into this Agreement, Respondent waives:

(1) Any right to present further written or oral explanations, information, and arguments in this matter;

(2) Any right to Administrative appeal; and

(3) Any right to seek judicial review or otherwise contest or challenge the validity of this Agreement or the Notice associated with this case.

G. This Agreement resolves only the violations noted in PHMSA Ref. No. 12-0099-SB-SO as referenced in Section V of this Agreement. In the event Respondent commits any future violations of the Federal hazardous material transportation law, 49 U.S.C. § 5101 *et seq.*, the HMR, or any exemption, or order issued thereunder these violations shall constitute a prior violation under 49 U.S.C. § 5123.

H. After Respondent returns this signed Agreement, PHMSA's representative will present the Agreement to the Chief Counsel requesting that the Chief Counsel adopt the terms of this Agreement by issuing a Compromise Order (49 C.F.R. § 107.327(a)(1)). The terms of this Agreement constitute an offer of compromise until accepted by the Chief Counsel.

I. After issuance of the Compromise Order, Respondent must pay the civil penalty in accordance with the terms of this Agreement. Upon receipt of Respondent's payment, and completion of the one (1) year abatement period in accordance with the terms and conditions of this Agreement, the Chief Counsel will close this case with prejudice to the Respondent (49 C.F.R. § 107.327(a)(1)(ii)).

VIII. Miscellaneous Provisions

A. By signing this Agreement, Respondent or its representative warrants to have read the Agreement and understood its terms and conditions.

B. The individuals signing on behalf of the Respondent and PHMSA represent that they are authorized to sign and have authority to enter into this Agreement.

C. Respondent's failure to sign and return this Agreement within thirty (30) days from its receipt will result in the withdrawal of this Agreement and the Chief Counsel will issue an Order pursuant to 49 C.F.R. §§ 107.317(d), for the full amount of the penalty proposed in the Notice.

D. Respondent must return the signed Agreement to:

Vincent Lopez
United States Department of Transportation
Pipeline and Hazardous
Materials Safety Administration
1200 New Jersey Avenue, S.E.,
PHC-10, Room E26-331
Washington, D.C. 20590-0001

Respondent

Federal Tax ID #: 261-51-0130 (SSN)

By: *[Signature]* (owner) Date: 5/30/2013
Name, Capacity or position

**Pipeline and Hazardous
Materials Safety Administration**

By: *[Signature]* Date: 5-30-13
Vincent Lopez, Attorney-Advisor

¹ The Taxpayer Identifying Number is required by 31 U.S.C. § 7701(c)(3). PHMSA will use this number for purposes of collecting and reporting on any delinquent amounts arising out of this agreement.

ADDENDUM B

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Payment Information

Respondent must pay a total civil penalty of \$495 in accordance with the following:

Due date

Respondent must pay the civil penalty within 30 days of the date of this Order.

Payment Method

Respondent must pay the civil penalty by one of the following: (1) wire transfer, (2) certified check or money order, or (3) credit card via the Internet.

(1) Wire Transfer.

Detailed instructions for sending a wire transfer through the Federal Reserve Communications System (Fedwire) to the account of the U.S. Treasury are contained in the enclosure to this Order. Please direct questions concerning wire transfers to:

Financial Operations Division
Attn: Robin Cecil
Federal Aviation Administration
Mike Monroney Aeronautical Center
AMZ-341
P.O. Box 269039
Oklahoma City, OK 73125
Telephone (405) 954-8845.

(2) Check or Money Order.

Make check or money order payable to "U.S. Department of Transportation" (include the Ref. No. of this case on the check or money order) and send to:

Chief, Financial Operations Division
Attn: Robin Cecil
Federal Aviation Administration
Mike Monroney Aeronautical Center
AMZ-341
P.O. Box 269039
Oklahoma City, OK 73125.

(3) Credit Card.

To pay electronically using a credit card, visit the following website address and follow the instructions:

<https://www.pay.gov/paygov/>

Interest and Administrative Charges

If Respondent pays the civil penalty by the due date, no interest will be charged. If Respondent does not pay by that date, the FAA's Financial Operations Division will start collection activities and may assess interest, a late-payment penalty, and administrative charges under 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 49 C.F.R. § 89.23.

The rate of interest is determined under the above authorities. Interest accrues from the date of this Order. A late-payment penalty of six percent (6%) per year applies to any portion of the debt that is more than 90 days past due. The late-payment penalty is calculated from the date Respondent receives the Order.

Treasury Department Collection

FAA's Financial Operations Division may also refer this debt and associated charges to the U.S. Department of Treasury for collection. The Department of the Treasury may offset these amounts against any payment due Respondent (31 C.F.R. § 901.3).

Under the Debt Collection Act (see 31 U.S.C. § 3716(a)), a debtor has certain procedural rights prior to an offset. You, as the debtor, have the right to be notified of: (1) the nature and amount of the debt; (2) the agency's intention to collect the debt by offset; (3) the right to inspect and copy the agency records pertaining to the debt; (4) the right to request a review within the agency of the indebtedness and (5) the right to enter into a written agreement with the agency to repay the debt. This Order constitutes written notification of these procedural rights.

**INSTRUCTIONS FOR ELECTRONIC FUNDS TRANSFER TO
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION,
U.S. DEPARTMENT OF TRANSPORTATION**

1. <u>RECEIVER'S ABA NO.</u> 021030004	2. <u>TYPE SUBTYPE</u> (provided by sending bank)
3. <u>SENDING BANK ARB NO.</u> (provided by sending bank)	4. <u>SENDING BANK REF NO.</u> (provided by sending bank)
5. <u>AMOUNT</u>	6. <u>SENDING BANK NAME</u> (provided by sending bank)
7. <u>RECEIVER NAME:</u> TREAS NYC	8. <u>PRODUCT CODE</u> (Normally CTR, or sending bank)
9. <u>BENEFICIAL (BNF)- AGENCY LOCATION CODE</u> BNF=/AC-69140001	10. <u>REASONS FOR PAYMENT</u> <i>Example: PHMSA Payment for Case #/Ticket</i>

INSTRUCTIONS: You, as sender of the wire transfer, must provide the sending bank with the information for Block (1), (5), (7), (9), and (10). The information provided in blocks (1), (7), and (9) are constant and remain the same for all wire transfers to the Pipeline and Hazardous Materials Safety Administration, Department of Transportation

Block #1 - RECEIVER ABA NO. - "021030004". Ensure the sending bank enters this nine digit identification number; it represents the routing symbol for the U.S. Treasury at the Federal Reserve Bank in New York.

Block #5 - AMOUNT - You as the sender provide the amount of the transfer. Please be sure the transfer amount is punctuated with commas and a decimal point. **EXAMPLE:** **\$10,000.00**

Block #7 - RECEIVER NAME- "TREAS NYC." Ensure the sending bank enters this abbreviation, which must be used for all wire transfer to the Treasury Department.

Block #9 - BENEFICIAL - AGENCY LOCATION CODE - "BNF=/AC-69140001"
Ensure the sending bank enters this information. This is the Agency Location Code for Pipeline and Hazardous Materials Safety Administration, Department of Transportation

Block #10 - REASON FOR PAYMENT – "AC-Payment for PHMSA Case#" To ensure your wire transfer is credited properly, enter the case number/ticket number or Pipeline Assessment number."

Note: - A wire transfer must comply with the format and instructions or the Department cannot accept the wire transfer. You, as the sender, can assist this process by notifying, at the time you send the wire transfer, the General Accounting Division at (405) 954-8893.