

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C.**

In the Matter of:  
  
RIL USA Inc.,  
  
Respondent.

Administrative Settlement  
Agreement  
AED/MSEB # 7969

This Administrative Settlement Agreement (ASA) is made and entered into by and between the United States Environmental Protection Agency (EPA) and RIL USA Inc. (Respondent) having an office at 2000 W. Sam Houston Parkway South, Suite 700, Houston, TX 77042.

**Purpose:**

1. The purpose of this ASA is to resolve Respondent's violations of the Clean Air Act (CAA) and the Renewable Fuel Standards regulations promulgated thereunder at 40 C.F.R. Part 80, Subpart M (RFS2 Regulations).

**Statutory and Regulatory Authority:**

2. Section 211(o) of the CAA, 42 U.S.C. § 7545(o), as amended by the Energy Independence and Security Act of 2007, Pub. L. No. 110-140, 121 Stat. 1492, required EPA to promulgate regulations designed to increase the amount of renewable fuels used in transportation fuel in the United States, lower greenhouse gas emissions, and reduce the nation's reliance on foreign-sourced petroleum.
3. The RFS2 Regulations require renewable fuel producers and importers to generate and assign Renewable Identification Numbers (RINs) in proportion to the amount

and type of renewable fuel that they produce or import. 40 C.F.R. §§ 80.1425, 80.1426.

4. 40 C.F.R. § 80.1406 defines an obligated party as “any refiner that produces gasoline or diesel fuel within the 48 contiguous states or Hawaii, or any importer that imports gasoline or diesel fuel into the 48 contiguous states or Hawaii during a compliance period.”
5. 40 C.F.R. §§ 80.1427(a) and 80.1430 require each obligated party and each exporter of renewable fuel to demonstrate compliance with its Renewable Volume Obligation (RVO) by obtaining and retiring the number of RINs required by the calculation set forth at 40 C.F.R. §§ 80.1407 or 80.1430.
6. 40 C.F.R. § 80.1431(a)(1)(vi) provides that a RIN that does not represent renewable fuel as defined in 40 C.F.R. § 80.1401 is invalid, and 40 C.F.R. § 80.1431(a)(1)(ix) provides that a RIN that was improperly generated is invalid.
7. 40 C.F.R. § 80.1460(c)(1) states that no person shall fail to acquire sufficient RINs, or use invalid RINs, to meet the person’s RVO under 40 C.F.R. § 80.1427.
8. 40 C.F.R. § 80.1461(a)(1) states that any person who violates a prohibition under 40 C.F.R. § 80.1460(a)–(d) is liable for the violation of that prohibition.
9. 40 C.F.R. § 80.1463(a) provides that any person who is liable for a violation under 40 C.F.R. § 80.1461 is subject to a civil penalty as specified in sections 205 and 211(d) of the CAA, 42 U.S.C. §§ 7524 and 7545(d), for every day of each such violation.

10. 40 C.F.R. § 80.1463(b) provides that any person who is liable under 40 C.F.R. § 80.1461(a) for a violation of 40 C.F.R. § 80.1460(c) for failure to meet its RVO is subject to a separate violation for each day in the compliance period.
11. Sections 205 and 211(d) of the CAA authorize EPA to assess a civil penalty of up to \$37,500 per day for each violation, plus the economic benefit or savings resulting from each violation. 42 U.S.C. §§ 7524, 7545(d).

**Background:**

12. Respondent used the 500,000 RINs identified in Attachment A (the Subject RINs), which were generated by Clean Green Fuels, LLC, to meet its 2010 RVO.
13. EPA alleges that the Subject RINs are invalid because they do not represent renewable fuel and were improperly generated.
14. Respondent represents that it implemented remedial actions by removing the Subject RINs from its RFS0301: 2010 RFS2 annual compliance report and resubmitted corrected reports to EPA, as required by 40 C.F.R. § 80.1431(b).
15. Respondent represents that it believed that the Subject RINs were valid at the time it acquired the Subject RINs and at the time it used the Subject RINs to meet its RVO.
16. EPA and Respondent (the Parties), desiring to settle and resolve this matter, in consideration of the mutual covenants and agreements contained herein, which consideration is acknowledged by the Parties to be adequate, agree as set forth herein. By agreeing to the terms of this ASA, Respondent makes no admission of law or fact with respect to any of the allegations set forth in this ASA.

**Violations:**

17. EPA has alleged that Respondent violated section 211(o) of the CAA, 42 U.S.C. § 7545(o), and 40 C.F.R. § 80.1460(c)(1) by using the Subject RINs to meet its 2010 RVO.

**Terms of the Agreement and Civil Penalty:**

18. In any enforcement or penalty action arising out of this ASA or the subject matter of this ASA:

- a. The Parties agree that the settlement of this matter is in the public interest and that this ASA is the most appropriate means of resolving the matter;  
and
- b. The Parties further agree that jurisdiction to settle this matter exists pursuant to sections 205 and 211 of the CAA, 42 U.S.C. §§ 7524 and 7545, 40 C.F.R. Part 80, and other provisions of law.

19. Respondent agrees to pay a civil penalty of \$ 50,000 to the United States of America within thirty (30) calendar days of the effective date of this ASA (penalty due date), but not before the effective date. Late payment of the penalty is subject to interest and fees as specified in 31 U.S.C. § 3717. Respondent agrees to pay the amount by either:

- a. Certified check or cashier's check payable to the "United States of America," and mailed via the United States Postal Service to:

U.S. Environmental Protection Agency  
Fines and Penalties  
Cincinnati Finance Center  
P.O. Box 979077  
St. Louis, MO 63197-9000  
ATTN: AED/MSEB # 7969

Simultaneously, a copy of the check shall be emailed to Evan M. Belser at belser.evan@epa.gov. This check shall be identified with the case number and Respondent's name; or

- b. Making an online payment through the Department of the Treasury by visiting WWW.PAY.GOV. In the "Search Public Forms" field, enter "SFO 1.1", click "EPA Miscellaneous Payments - Cincinnati Finance Center" and complete the "SFO Form Number 1.1." Within twenty-four hours of payment, Respondent shall email a copy of the online payment receipt to Evan M. Belser at belser.evan@epa.gov.

**Stipulated Penalties:**

20. Respondent shall pay stipulated penalties of \$1,000 per day for failure to timely pay the penalty, or provide proof thereof, pursuant to Paragraph 19.
21. Stipulated penalties under Paragraph 20 of this ASA shall begin to accrue on the day after performance is due and shall continue to accrue until the day compliance is achieved. Stipulated penalties shall be paid in accordance with Paragraph 19 of this ASA.

**General Provisions:**

22. This ASA becomes effective upon the date executed by EPA (effective date of the ASA), at which time a copy will be returned to Respondent.
23. Notwithstanding any other provision of this ASA, upon Respondent's failure to perform, or default, or failure to comply with any term of this ASA, EPA may refer this matter to the United States Department of Justice to recover civil penalties pursuant to section 205 of the CAA, 42 U.S.C. § 7524, commence an

action to enforce this ASA, recover the civil penalty pursuant to section 205 of the CAA, or pursue any other remedies available to it. Respondent specifically agrees that in the event of such default or failure to comply, EPA may proceed in an action based on the original claim of violations of the CAA and the regulations promulgated thereunder at 40 C.F.R. Part 80. Respondent expressly waives its right to assert that such action is barred by 28 U.S.C. § 2462, any applicable statute of limitation, or other provisions limiting actions as a result of passage of time. Respondent acknowledges that its tax identification number may be used for collecting or reporting any delinquent monetary obligation arising from this Agreement. *See* 31 U.S.C. § 7701.

24. The Parties represent that the individual or individuals executing this ASA on behalf of Respondent are authorized to do so and that such execution is intended and is sufficient to bind Respondent, its agents, assigns, or successors.
25. Respondent waives its rights, if any, to a hearing, trial or any other proceeding on any issue of fact or law relating to the matters consented to herein.
26. The validity, enforceability, and construction of all matters pertaining to this ASA shall be determined in accordance with applicable federal law.
27. This ASA is contingent upon the truthfulness, accuracy and completeness of Respondent's disclosures and representations to EPA in this ASA.

**Effect of ASA:**

28. This ASA resolves the EPA's civil claims for the violations alleged in Paragraph 17. The resolution of claims set forth in this Paragraph shall take effect upon the receipt by the United States of the civil penalty payment required by Paragraph

19. Nothing herein shall limit the right of EPA to proceed against Respondent in the event of default or noncompliance with this ASA, for violations of section 211 of the CAA, 42 U.S.C. § 7545, which are not the subject matter of this ASA, for other violations of law, or with respect to other matters not within the scope of this ASA. This ASA in no way affects or relieves Respondent of responsibility to comply with other state, federal, or local laws or regulations.

SIGNATURES ON FOLLOWING PAGES

*Administrative Settlement Agreement – In the Matter of:*  
*RIL USA Inc.*  
*AED/MSEB # 7969*

The following agree to the terms of this ASA:

**RIL USA Inc.**

By: \_\_\_\_\_

Date: 03/27/12

Typed or Printed Name: \_\_\_\_\_

FARZAD ASKARI

Typed or Printed Title: \_\_\_\_\_

CEO

Federal Tax Identification Number: \_\_\_\_\_

77-0721748



*Administrative Settlement Agreement – In the Matter of:  
RIL USA Inc.  
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**United States Environmental Protection Agency**

By: 

Phillip A. Brooks, Director  
Air Enforcement Division  
Office of Civil Enforcement

Date: 4/18/12

**Attachment A**  
**Administrative Settlement Agreement, AED/MSEB # 7969**

**List of Invalid Renewable Identification Numbers RIL USA Inc.  
Retired for Compliance Purposes**

220103460840000380915200000036400009000	22010346084000038371520000000100007500
22010346084000038101520000000100009750	22010346084000038381520000000100007500
22010346084000038111520000000100010500	22010346084000038391520000000100006750
22010346084000038121520000000100010500	22010346084000038401520000000100006750
22010346084000038131520000000100000613	22010346084000038411520000000100006000
220103460840000381315200000061400007500	22010346084000038421520000000100006750
22010346084000038141520000000100009750	22010346084000038431520000000100006000
22010346084000038151520000000100009750	22010346084000038441520000000100009750
22010346084000038161520000000100012000	22010346084000038451520000000100009750
22010346084000038171520000000100012000	22010346084000038461520000000100007500
22010346084000038181520000000100009750	22010346084000038471520000000100007500
22010346084000038191520000000100009750	22010346084000038481520000000100007500
22010346084000038201520000000100007500	22010346084000038491520000000100009000
22010346084000038211520000000100007500	22010346084000038501520000000100009000
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22010346084000038241520000000100006000	22010346084000038531520000000100010500
22010346084000038251520000000100006750	22010346084000038541520000000100007500
22010346084000038261520000000100006000	22010346084000038551520000000100009750
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22010346084000038301520000000100007500	22010346084000038591520000000100009750
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22010346084000038321520000000100009750	22010346084000038611520000000100007500
22010346084000038331520000000100012000	22010346084000038621520000000100007500
22010346084000038341520000000100012000	22010346084000038631520000000100006750
22010346084000038351520000000100009750	22010346084000038641520000000100006750
22010346084000038361520000000100009750	22010346084000038651520000000100004613