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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 HAWTHORNE STREET
SAN FRANCISCO, CALIFORNIA 94105

| | | |
|--------------------|---|------------------------------|
| In the Matter of: |) | Docket No. CAA-09-2022-0012 |
| |) | |
| SHJY Trading Corp. |) | CONSENT AGREEMENT AND |
| |) | FINAL ORDER PURSUANT TO |
| |) | 40 C.F.R. §§ 22.13 and 22.18 |
| |) | |
| Walnut, California |) | |
| |) | |
| Respondent. |) | |
| _____ |) | |

I. CONSENT AGREEMENT

A. Preliminary Statement

1. This is a civil administrative penalty assessment proceeding brought under section 205(c)(1) of the Clean Air Act (“CAA” or the “Act”), 42 U.S.C. § 7524(c)(1), and sections 22.13 and 22.18 of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (“Consolidated Rules”), as codified at 40 C.F.R. Part 22. In accordance with 40 C.F.R. §§ 22.13 and 22.18, entry

of this Consent Agreement and Final Order ("CAFO") simultaneously initiates and concludes this matter.

2. Complainant is the Assistant Director of the Air, Waste & Chemicals Branch of the Enforcement and Compliance Assurance Division, U.S. Environmental Protection Agency Region IX (the "EPA"), who has been delegated the authority to initiate and settle civil administrative penalty proceedings under section 205(c)(1) of the CAA, 42 U.S.C. § 7424(c)(1). EPA Delegation 7-19 (January 18, 2017); EPA Region 9 Redefinition R9-7-19 (October 5, 2017); Memorandum from John W. Busterud, Regional Administrator, Region 9, to all Region 9 supervisors and employees re: EPA R9 Organizational Realignment General Redefinition of Authority (May 5, 2020).

3. Respondent is SHJY Trading Corp. ("SHJY"), a California corporation distributing motor vehicle parts. SHJY is headquartered at 153 Redstone Dr. in Walnut, California.

4. Complainant and Respondent, having agreed that settlement of this action is in the public interest, consent to the entry of this CAFO without adjudication of any issues of law or fact herein, and Respondent agrees to comply with the terms of this CAFO.

B. Governing Law

5. This proceeding arises under Part A of Title II of the CAA, CAA §§ 202-219, 42 U.S.C. §§ 7521-7554, and the regulations promulgated thereunder. These laws aim to reduce emissions from mobile sources of air pollution, including hydrocarbons and oxides of nitrogen ("NOx").

6. Section 203(a)(3)(B) of CAA, 42 U.S.C. § 7522(a)(3)(B), prohibits any person from manufacturing, selling, offering to sell, or installing parts or components where a principal effect is to bypass, defeat, or render inoperative a motor vehicle emission control device or element of

design, where the person knows or should know that the part is being offered for sale or installed for such use.

7. Violations of CAA section 203(a)(3)(B) are subject to civil penalties of up to \$4,876 per defeat device violation that occurred after November 2, 2015, where penalties are assessed on or after December 23, 2020. Section 205 of the CAA, 42 U.S.C. § 7524 and 40 C.F.R. Part 19.

8. Definitions:

a. Section 302(e) of the CAA, 42 U.S.C. § 7602(e), defines "person" as "an individual, corporation, partnership, association, State, municipality, political subdivision of a State, and any agency, department, or instrumentality of the United States and any officer, agent or employee thereof."

b. Section 216(2) of the CAA, 42 U.S.C. § 7550(2), defines "motor vehicle" as "any self-propelled vehicle designed for transporting persons or property on a street or highway."

9. The CAA requires EPA to prescribe and revise, by regulation, standards applicable to the emission of any air pollutant from new motor vehicles or new motor vehicle engines which cause or contribute to air pollution, which may reasonably be anticipated to endanger public health or welfare. CAA §§ 202(a)(1) and (3)(B), 42 U.S.C. §§ 7521(a)(1) and (3)(B).

10. Highway motor vehicles are one category of motor vehicles for which the EPA has promulgated emission standards. See 42 U.S.C. § 7521; see generally 40 C.F.R. Part 86.

11. Highway motor vehicle manufacturers employ many devices and elements of design to meet these emission standards. Certain hardware devices serve as emission control systems to manage and treat exhaust from highway motor vehicles in order to reduce levels of regulated

pollutants from being created or emitted into the ambient air. Such devices include catalytic converters.

C. Alleged Violations of Law

12. Respondent sells and distributes motor vehicle parts to various individual customers located throughout the United States.

13. On May 13, 2021 EPA sent an information request pursuant to section 208(a) of the CAA, 42 U.S.C. § 7542(a), to Respondent regarding hardware Respondent sold since January 1, 2018.

14. Based on Respondent's responses on June 2, 2021 and July 6, 2021 to EPA's information requests and additional information gathered during EPA's investigation, EPA alleges that SHJY sold various exhaust gas recirculation delete hardware ("subject EGR delete hardware") for highway motor vehicles identified in Appendix A of this CAFO (collectively referred to as the "Devices").

15. The subject EGR delete hardware replaces and removes the EGR valve and cooler systems found on newer diesel and gas engines from highway motor vehicles for which they are designed. This delete hardware typically includes EGR block off plates and/or intake or exhaust manifolds that do not include an EGR port. In addition, EGR delete hardware includes throttle valve delete hardware that removes the throttle valve assembly from the air intake resulting in the disablement of the EGR system.

16. Hardware devices and emission control systems, such as EGRs, are "device[s] or element[s] of design installed on or in a motor vehicle or motor vehicle engine in compliance with [CAA] regulations" within the meaning of section 203(a)(3)(B) of the CAA, 42U.S.C. § 521(a)(3)(B).

17. Each subject EGR delete hardware part is, and at all relevant times herein was, intended for use with certified motor vehicles and motor vehicle engines including Ford Motor Company (“Ford”), Fiat Chrysler Automobiles US LLC (“Chrysler Dodge”), General Motors Company (“GMC”), and Toyota Motor Corporation (“Toyota”) vehicles ("Motor Vehicles").

18. A principal effect of each subject EGR delete hardware part is to bypass, defeat, or render inoperative device(s) and/or element(s) of design such as the EGR that was installed on these Motor Vehicles.

19. Respondent knew or should have known that each subject EGR delete hardware part was being offered for sale or installed for such use or put to such use.

20. Between January 1, 2018 and May 13, 2021, SHJY sold 1,547 Devices to individual customers located throughout the United States.

21. The manufacture, sale, offering for sale, or installation of a device that bypasses, defeats, or renders inoperative a vehicle’s emission control systems is prohibited under section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B).

22. EPA alleges that SHJY has committed approximately 1,547 violations of section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B), by manufacturing, selling, or offering for sale the Devices.

D. Terms of Consent Agreement

23. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:

- a. admits that EPA has jurisdiction over the subject matter alleged in this CAFO and over Respondent;
- b. neither admits nor denies the specific factual allegations contained in Section I.C of this CAFO;

- c. consents to the assessment of a civil penalty under this Section, as stated below;
- d. consents to the conditions specified in this CAFO;
- e. waives any right to contest the allegations set forth in Section I.C of this CAFO;
- and
- f. waives their rights to appeal the proposed Order contained in this CAFO.

E. Civil Penalty

24. Respondent submitted financial information to EPA which supports Respondent's claim that they are unable to pay a full penalty for the alleged violations.

25. Respondent agrees to:

- a. pay the civil penalty of FIFTEEN THOUSAND DOLLARS (\$15,000) (“EPA Penalty”) within 30 days of the Effective Date of this CAFO; and
- b. pay the EPA Penalty using any method, or combination of methods, provided on the website <https://www.epa.gov/financial/makepayment>, and identifying the payment with “Docket No. CAA-09-2022-0012.” Within 24 hours of payment of the EPA Penalty, send proof of payment to Nathan Dancher at dancher.nathan@epa.gov (“proof of payment” means, as applicable, a copy of the check, confirmation of credit card or debit card payment, confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate the payment has been made according to the EPA requirements, in the amount due, and identified with “Docket No. CAA-09-2022-0012”).

26. If Respondent does not timely pay the civil penalty, specified in Paragraph 25, then Respondent shall pay to the EPA a stipulated penalty in the amount of FIVE HUNDRED

DOLLARS (\$500.00) for each day the default continues plus the remaining balance of the penalty sum specified in Paragraph 25 upon written demand by the EPA.

27. If Respondent fails to timely pay any portion of the penalty assessed under this CAFO, the EPA may:

- a. request the Attorney General to bring a civil action in an appropriate district court to recover: the amount assessed; interest at rates established pursuant to 26 U.S.C. § 6621(a)(2); the United States' enforcement expenses; and a 10 percent quarterly nonpayment penalty, 42 U.S.C. § 7413(d)(5);
- b. refer the debt to a credit reporting agency or a collection agency, 42 U.S.C. § 7413(d)(5), 40 C.F.R. §§ 13.13, 13.14, and 13.33;
- c. collect the debt by administrative offset (i.e., the withholding of money payable by the United States to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, 40 C.F.R. Part 13, Subparts C and H; and
- d. suspend or revoke Respondent's licenses or other privileges granted by EPA, or suspend or disqualify Respondent from doing business with EPA or engaging in programs EPA sponsors or funds, 40 C.F.R. § 13.

F. Certification of Compliance

28. Respondent certifies that as of the date of their signature of this Consent Agreement, Respondent is complying fully with section 203(a)(3) of the CAA, 42 U.S.C. § 7522(a)(3).

29. Respondent is aware of EPA's November 23, 2020 "Tampering Policy: The EPA Enforcement Policy on Vehicle and Engine Tampering and Aftermarket Defeat Devices under the Clean Air Act."

30. The provisions of this CAFO shall apply to and be binding upon Respondent and their officers, directors, employees, agents, trustees, servants, authorized representatives, successors, and assigns. Respondent must give written notice and a copy of this CAFO to any successors in interest prior to any transfer of ownership or control of any portion of or interest in Respondent. Simultaneously with such notice, Respondent shall provide written notice of such transfer, assignment, or delegation to EPA. In the event of any such transfer, assignment, or delegation, Respondent shall not be released from the obligations or liabilities of this CAFO unless EPA has provided written approval of the release of said obligations or liabilities.

31. By signing this CAFO, Respondent acknowledges that this CAFO will be available to the public and agrees that this CAFO does not contain any confidential business information or personally identifiable information.

32. By signing this CAFO, the undersigned representative of Complainant and the undersigned representative of Respondent each certify that he or she is fully authorized to execute and enter into the terms and conditions of this CAFO and has the legal capacity to bind the party he or she represents to this CAFO.

33. By signing this CAFO, Respondent certifies that the information they have supplied concerning this matter was at the time of submission true, accurate, and complete for each such submission, response, and statement. Respondent acknowledges that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.

34. Each party agrees to bear its own costs and attorney's fees in this action.

G. General Provisions

35. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this CAFO resolves only Respondent's liability for federal civil penalties for the violations and facts specifically alleged above.

36. This civil penalty paid pursuant to this CAFO is not deductible for federal tax purposes.

37. Nothing in this CAFO shall relieve Respondent of the duty to comply with all applicable provisions of the Act and other federal, state, or local laws or statutes, nor shall it restrict EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit.

38. This CAFO constitutes the entire agreement between the parties and supersedes any prior agreements or understandings, whether written or oral, among the parties with respect to the subject matter hereof.

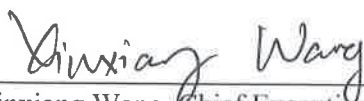
H. Effective Date

39. Respondent and Complainant agree to issuance of the attached Final Order. Upon filing, EPA will transmit a copy of the filed CAFO to the Respondent. This CAFO shall become effective after execution of the Final Order by the Regional Judicial Officer on the date of filing with the Regional Hearing Clerk.

The foregoing Consent Agreement In the Matter of: SHJY Trading Corp. Docket No. CAA-09-2022-0012 is hereby stipulated, agreed, and approved for entry:

SHJY Trading Corp., Respondent

12/8/2021
Date


Xinxiang Wang, Chief Executive Officer
SHJY Trading Corp.

The foregoing Consent Agreement In the Matter of: SHJY Trading Corp. Docket No. CAA-09-2022-0012 is hereby stipulated, agreed, and approved for entry:

United States Environmental Protection Agency, Complainant

1/20/2022

Date

**CLAIRE
TROMBADORE**

Digitally signed by
CLAIRE TROMBADORE
Date: 2022.01.20
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Claire Trombadore
Assistant Director
Enforcement and Compliance Assurance Division
United States Environmental
Protection Agency, Region IX
75 Hawthorne Street
San Francisco, CA 94105

**Consent Agreement and Final Order
In the Matter of: SHJY Trading Corp.
Docket No. CAA-09-2022-0012**

II. FINAL ORDER

EPA Region IX and SHJY Trading Corp., having entered into the foregoing Consent Agreement,

IT IS HEREBY, ORDERED that this Consent Agreement and Final Order (Docket No. CAA-09-2022-0012), shall be entered and Respondent shall pay a civil administrative penalty in the amount of FIFTEEN THOUSAND DOLLARS (\$15,000), and otherwise comply with the terms set forth in the CAFO. This Final Order concludes this proceeding pursuant to 40 C.F.R. §§ 22.18 and 22.31.

STEVEN JAWGIEL

Digitally signed by STEVEN
JAWGIEL

Date: 2022.01.27 16:19:29 -08'00'

Date

Steven Jawgiel
Regional Judicial Officer
U.S. Environmental Protection Agency
Region 9

Appendix A

SHJY Trading Corp., Violations of CAA § 203 for the period January 1, 2018 through May 13, 2021 for offering for sale or sale of 1,547 EGR Delete Hardware

| # | sku | Product Title | Vehicle Type | Qty |
|----|---------|--|---------------------------------------|-----|
| 1 | EG31901 | 6.0L Powerstroke Diesel Complete EGR Bypass and Delete Kit For 2003-2010 Ford | 2003-2010 Ford F250 F350 | 256 |
| 2 | EG31902 | Blue EGR Valve Delete Kit & Intake Elbow For 2008-2010 Ford 6.4L Powerstroke Diesel | 2008-2010 Ford F250 F350 | 94 |
| 3 | EG31906 | 6.0L Powerstroke Diesel EGR Basic Bypass Delete Kit For 2003-2007 Ford F250 F350 | 2003-2007 Ford F250 F350 | 17 |
| 4 | EG31908 | 6.7L Cummins Diesel EGR Valve Cooler Delete Kit for 2010-2016 Dodge Ram 2500 | 2010-2016 Dodge Ram | 71 |
| 5 | EG31923 | Blue EGR Valve Cooler Delete Kit for 2011-2014 Ford F250 F350 6.7L Powerstroke Diesel | 2011-2014 Ford F250 F350 | 86 |
| 6 | EG31961 | 6.0L Powerstroke Diesel Turbocharger EGR Delete Exhaust Up Pipe For 03-07 Ford | 2003-2007 Ford F250 F350 | 2 |
| 7 | EG31911 | EGR Delete & High Flow Intake Elbow For May 04-05 Chevy GMC Duramax Diesel 6.6L | 2004-2005 Chevy Silverado GMC Sierra | 141 |
| 8 | EG31909 | 6.7L Diesel Cummins EGR Valve Cooler Delete Kit For 07-09 Dodge Ram 2500 3500 L6 | 2007-2009 Dodge Ram | 68 |
| 9 | EG31916 | Blue Delete Kit&High Flow Intake Elbow for 2006.5-2007 GM 6.6L Duramax Diesel LBZ EGR | 2006-2007 Chevy Silverado GMC Sierra | 49 |
| 10 | EG31917 | 6.4L Powerstroke Diesel EGR Valve Cooler Delete Kit For 2008-2010 Ford F-250 | 2008-2010 Ford F250 F350 | 163 |
| 11 | EG53001 | For EGR Delete Tube Plug Intake Block Off Plate LS LSX Silverado 4.8L 5.3L 6.0L | Chevy Silverado LS LSX 4.8L 5.3L 6.0L | 2 |
| 12 | EG31953 | Red Throttle Valve Delete Kit for 2007-2017 Dodge Ram L6 Turbo 6.7L Cummins Diesel | 2007-2017 Dodge Ram | 8 |
| 13 | EG31924 | Black EGR Valve Cooler Delete Kit for 2011-2014 Ford F250 F350 6.7L Powerstroke Diesel | 2011-2014 Ford F250 F350 | 20 |
| 14 | EG31926 | Silver EGR Valve Delete Kit & Intake Elbow For 2008-2010 Ford 6.4L Powerstroke Diesel | 2008-2010 Ford F250 F350 | 23 |
| 15 | EG31939 | Black EGR Valve Delete Kit & Intake Elbow For 2008-2010 Ford 6.4L Powerstroke Diesel | 2008-2010 Ford F250 F350 | 207 |
| 16 | EG31940 | Red EGR Valve Delete Kit & Intake Elbow For 2008-2010 Ford 6.4L Powerstroke Diesel | 2008-2010 Ford F250 F350 | 176 |
| 17 | EG31944 | EGR Delete Cooler Valve Kit Turbo Diesel For 2004.5-2005 GM 6.6L Duramax LLY | 2004-2005 Chevy Silverado GMC Sierra | 29 |
| 18 | EG31951 | Blue Throttle Valve Delete Kit for 2007-2017 Dodge Ram L6 Turbo 6.7L Cummins Diesel | 2007-2017 Dodge Ram | 4 |
| 19 | EG31952 | Silver Throttle Valve Delete Kit for 2007-2017 Dodge Ram L6 Turbo 6.7L Cummins Diesel | 2007-2017 Dodge Ram | 64 |
| 20 | EG53004 | EGR Pressure Testing Plates For 2011-2015 LML Duramax 6.6l GMC Turbo | 2011-2015 Chevy Silverado GMC Sierra | 1 |
| 21 | EG31954 | Black Throttle Valve Delete Kit for 2007-2017 Dodge Ram L6 Turbo 6.7L Cummins Diesel | 2007-2017 Dodge Ram | 1 |
| 22 | EG31955 | EGR Delete Kit fit 2006-2007 Chevy Silverado GMC Sierra 6.6L V8 Duramax LBZ | 2006-2007 Chevy Silverado GMC Sierra | 3 |
| 23 | EG31957 | EGR Smog Delete Exhaust Intake Block Off Plate Air Plug For Toyota 20R 22RE | Toyota 20R 22RE | 5 |
| 24 | EG31963 | EGR Valve Block Off Plate for 2003-2007 Ford 6.0L Powerstroke Diesel Turbo | 2003-2007 Ford F250 F350 | 3 |

| # | sku | Product Title | Vehicle Type | Qty |
|----|---------|--|---------------------------------------|-------|
| 25 | EG31918 | 6.0L Powerstroke Diesel EGR Cooler Delete Kit For Ford 2003-2007 F250 E Series | 2003-2007 Ford F250 F350 | 18 |
| 26 | EG31983 | Black Intake Tube Bridge & EGR Valve Cooler Delete Kit for 11-15 GM 6.6L LML Duramax | 2011-2015 Chevy Silverado GMC Sierra | 3 |
| 27 | EG31990 | Gray Intercooler Pipe & Y-Bridge Kit for 2006-2010 GM 6.6L LBZ LMM Duramax Diesel | 2006-2010 Chevy Silverado GMC Sierra | 2 |
| 28 | EG31992 | 6.7L Cummins Diesel EGR Cooler Delete Kit for 2013-2018 Dodge Ram 2500 3500 4500 | 2013-2018 Dodge Ram 2500 3500 4500 | 5 |
| 29 | EG31993 | 6.7L Cummins Diesel EGR Delete Kit For 2013-2018 Dodge Ram 3500 4500 Cab&Chassis | 2013-2018 Dodge Ram 2500 3500 4500 | 1 |
| 30 | EG31912 | EGR Valve Cooler Delete Kit For 05.2007-2010 Chevy GMC 6.6L LMM Duramax Diesel | 2007-2010 Chevy Silverado GMC Sierra | 11 |
| 31 | EG53003 | For LS Truck EVAP Purge Solenoid Tube Plug Intake Block Off Delete 4.8 5.3 6.0L | Chevy Silverado LS LSX 4.8L 5.3L 6.0L | 2 |
| 32 | EG31910 | 6.7L Diesel Cummins EGR Valve Cooler Delete Kit For 07-08 Dodge Ram 2500 3500 L6 | 2007-2008 Dodge Ram | 11 |
| 33 | EG53007 | Intake Plug EGR Delete Block Off Plate For Camaro LS1 LS6 Z28 Manifold Trans Am | Camaro LS LS1 LQ4 | 1 |
| | | | Total | 1,547 |

CERTIFICATE OF SERVICE

This is to certify that the fully executed Consent Agreement and Final Order, (**Docket No CAA-09-2022-0012**) was filed with the Regional Hearing Clerk and that a true and correct copy of the same was sent to the following parties:

Via ELECTRONIC MAIL to:

Xinxiang Wang, Chief Executive Officer
SHJY Trading Corp.
153 Redstone Dr.
Walnut, CA 91789-2575
xxwang1234@gmail.com

Via ELECTRONIC MAIL to:

Denise Leong
Assistant Regional Counsel (ORC 2-1)
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75 Hawthorne Street
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Armsey
, Steven
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by Armsey, Steven
Date: 2022.01.28
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Regional Hearing Clerk
U.S. EPA, Region IX

Date