

Enclosure

CLEAN AIR ACT MOBILE SOURCE EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO. CAA-19-8399 Respondent: Diesel Innovations, Inc.
6529 Cunningham Road, Suite 2101
Houston, Texas, 77041

- 1 The parties enter into this Clean Air Act Mobile Source Expedited Settlement Agreement (Agreement) to settle the civil violations discovered following the inspection specified in Table 1, attached, incorporated into this Agreement by reference. The civil violations that are the subject of this Agreement are described in Table 2, attached, incorporated into the Agreement by reference, regarding the vehicles engines specified therein.
- 2 Respondent admits to being subject to the Clean Air Act (CAA) and its associated regulations, and that the United States Environmental Protection Agency (EPA) has jurisdiction over the Respondent and the Respondent's conduct described in Table 2. Respondent does not contest the findings detailed therein, and waives any objections Respondent may have to the EPA's jurisdiction.
- 3 Respondent consents to the payment of a penalty in the amount of \$1,600, further described in Table 3, attached, incorporated into this Agreement by reference. This penalty was assessed, in part, upon Respondent's submittal of financial information supporting Respondent's contention that it is unable to pay a significant penalty and continue to remain in business. Respondent agrees to follow the instructions in "CAA Mobile Source Expedited Settlement Agreement Instructions," attached, incorporated into this Agreement by reference. Respondent certifies that the required remediation, detailed in Table 3, has been carried out.
- 4 By its first signature below, the EPA approves the findings resulting from the inspection and the alleged violations set forth in Tables 1 and 2. Upon signing and returning this Agreement to the EPA, Respondent consents to the terms of this Agreement without further notice. Respondent acknowledges this Agreement is binding on the parties signing below, and becomes effective on the date of the EPA Air Enforcement Division Director's ratifying signature.

APPROVED BY EPA:

[Redacted Signature]

Date: 3/28/19

for Phillip A. Brooks, Director, Air Enforcement Division

APPROVED BY RESPONDENT:

Name (print): [Redacted]

Title (print): Owner

Signature: [Redacted]

Date: 5-2-19

RATIFIED BY EPA:

[Redacted Signature]

Date: 5/14/19

for Phillip A. Brooks, Director, Air Enforcement Division

Table 1 - Inspection Information	
Entry/Inspection/Letter Date(s):	Docket Number:
September 22, 2016 / February 8, 2018	C A A - 1 9 - 8 3 9 9
Respondent Location:	Entry/Inspection Number(s)
6529 Cunningham Road, Suite 201	
City:	Inspector(s) Name(s):
Houston	Ethan Chatfield
State: Zip Code:	EPA Approving Official:
TX 77041	Phillip A. Brooks
Respondent:	EPA Enforcement Contact(s):
Diesel Innovations, Inc.	Mark Palermo, Attorney-Advisor, (202) 564-8894

Table 2 - Description of Violations and Vehicles/Engines		
<p>In May 2018, Diesel Innovations (Respondent) responded to a February 8, 2018 EPA Information Request and provided information that it sold products which render inoperative emission control systems on EPA-certified motor vehicles and motor vehicle engines (defeat devices). From January 1, 2015, until February 8, 2018, the EPA has determined that Respondent sold at least 39 defeat devices in violation of Title II of the Clean Air Act (CAA) § 203(a)(3)(B), 42 U.S.C. § 7522(a)(3)(B). These violations include the sale of (1) Exhaust Gas Recirculation (EGR) replacement components that delete or bypass EGR emission control systems; and (2) exhaust pipe replacement components that delete or bypass aftertreatment emission control devices such as Diesel Oxidation Catalysts (DOC) and Diesel Particulate Filter (DPF) systems.</p>		
Defeat Device Description	Part Number	Quantity Sold
Diamond Eye Turbo-Back Exhaust pipe	DEMK4346A-RP	2
Deviant Deluxe EGR/Cooler Upgrade Kit	DRP87110	22
Sinister Diesel EGR/Valve Delete Kit	SINSD-EGRD-6.7C-07	4
Sinister Diesel EGR/Valve Delete Kit	SINSD-EGRD-6.7-10	11

Table 3 - Penalty and Required Remediation	
Penalty	\$1,600
Required Remediation	In addition to paying the monetary penalty, Respondent must cease and refrain from purchasing, selling, and/or installing any device that defeats, bypasses, or otherwise renders inoperative an emission component of any motor vehicle engine regulated by the EPA. Also, Respondent must cease and refrain from tampering with emission control systems on EPA-certified motor vehicles and motor vehicle engines. Toward that end, Respondent acknowledges receipt of the Compliance Plan attached as Appendix A. Respondent shall also ensure that all staff receive a copy of the attached Compliance Plan on an annual basis.