

**October 19, 2022**

**ATTORNEY GENERAL RAOUL ANNOUNCES OVER \$360,000 SETTLEMENT WITH STEPAN COMPANY  
OVER ALLEGED AIR POLLUTION**

***Chemical Manufacturer Also Required to Comply with Future Emission Checks***

**Chicago** — Attorney General Kwame Raoul announced a Will County Circuit Court judge entered a [consent order](#) with a chemical manufacturing company, over alleged environmental violations at its Elwood, Illinois facility. Through the consent order, Stepan Company agreed to pay a civil penalty in the amount of \$360,725 and take steps to prevent future air pollution.

Attorney General Raoul's office filed a complaint on June 24, 2022 against Stepan Company (Stepan), which manufactures specialty organic chemicals such as emulsifiers and detergent bases. Raoul's complaint alleged Stepan violated various air pollution provisions of the Illinois Environmental Protection Act, the Illinois Pollution Control Board regulations and federal regulations, as well as operating permit provisions.

"I appreciate Stepan Company's cooperation throughout this process, as we worked to resolve the issues and protect our environment from future violations," Raoul said. "I will continue working to protect Illinois' environment and to ensure polluters, not taxpayers, pay the cost of cleanup."

Raoul's complaint stemmed from 2020 incident during which routine preventative maintenance was attempted on an aboveground chemical storage tank at Stepan's Elwood facility. During this maintenance, an equipment failure resulted in the release of approximately 20 pounds of ethylene oxide into the atmosphere in just a two-minute period. Ethylene oxide is a listed hazardous air pollutant under the Clean Air Act.

In addition to paying a civil penalty, Stepan will complete catalyst checks on certain catalytic oxidizers no later than Dec. 31, 2022.

The lawsuit was based on a referral from the Illinois Environmental Protection Agency (IEPA).

"The Illinois EPA's referral of this matter to the Illinois Attorney General's Office, and their successful negotiated resolution, is another example of how Illinois has been a national leader in protecting against dangers associated with ethylene oxide emissions," said Illinois EPA Director John J. Kim. "The Illinois EPA has invested significant resources to address sources of ETO emissions in Illinois and will continue our work to enforce permit requirements to restrict emissions of this hazardous air pollutant."

Senior Assistant Attorney General Kathryn Pamerter handled the case for Raoul's Environmental Bureau.

**IN THE CIRCUIT COURT OF THE TWELFTH JUDICIAL CIRCUIT  
WILL COUNTY, ILLINOIS  
CHANCERY DIVISION**

PEOPLE OF THE STATE OF ILLINOIS, )  
*ex rel.* KWAME RAOUL, )  
Attorney General of the State of Illinois, )  
 )  
Plaintiff, )  
 )  
v. ) No. 2022CH000091  
 )  
STEPAN COMPANY, )  
a Delaware corporation, )  
 )  
Defendant. )

**CONSENT ORDER**

Plaintiff, PEOPLE OF THE STATE OF ILLINOIS, *ex rel.* KWAME RAOUL, Attorney General of the State of Illinois, the ILLINOIS ENVIRONMENTAL PROTECTION AGENCY (“Illinois EPA”), and Defendant, STEPAN COMPANY, a Delaware corporation, (collectively “Parties to the Consent Order”), have agreed to the making of this Consent Order and submit it to this Court for approval.

**I. INTRODUCTION**

This stipulation of facts is made and agreed upon for purposes of settlement only and as a factual basis for the Court’s entry of the Consent Order and issuance of any injunctive relief. None of the facts stipulated herein shall be introduced into evidence in any other proceeding regarding the violations of the Illinois Environmental Protection Act (“Act”), 415 ILCS 5/1 *et seq.* (2020), the Illinois Pollution Control Board (“Board”) regulations, federal regulations and Operating Permit provisions (as defined below) alleged in the Complaint, except as otherwise provided herein. It is the intent of the Parties to this Consent Order that it be a final judgment on the merits of this matter.

**A. Parties**

1. On June 24, 2022, a Complaint was filed on behalf of the People of the State of Illinois by Kwame Raoul, Attorney General of the State of Illinois, on his own motion and upon the request of the Illinois EPA, pursuant to Sections 42(d) and (e) of the Act, 415 ILCS 5/42(d) and (e) (2020), against Stepan Company, a Delaware corporation (“Defendant”).

2. The Illinois EPA is an administrative agency of the State of Illinois, created pursuant to Section 4 of the Act, 415 ILCS 5/4 (2020).

3. At all times relevant to the Complaint, Defendant was and is a Delaware corporation qualified to transact business in the State of Illinois and registered with the Illinois Secretary of State’s Office as a foreign corporation in good standing.

4. Defendant operates a facility located at 2900 Millsdale Road, Elwood, Will County, Illinois (“Facility”) that manufactures specialty organic chemicals, such as phthalic anhydride, surfactants, emulsifiers, and detergent bases.

5. On December 15, 2016, Illinois EPA issued the renewed Clean Air Act Permit Program (“CAAPP”) Permit No. 96030061 to Defendant. On March 23, 2020, Defendant submitted a minor modification request to CAAPP Permit No. 96030061, which Illinois EPA granted to Defendant on June 16, 2020. CAAPP Permit No. 96030061, as modified on June 16, 2020, is referred to herein as the “Operating Permit”.

6. Prior to the filing of the Complaint, Defendant voluntarily conducted an extensive audit of its air emission sources and permits and submitted deviation reports to Illinois EPA detailing the results of the audit, as well as follow-up information identifying the corrective actions taken.

## **B. Allegations of Non-Compliance**

Plaintiff contends that Defendant violated the following provisions of the Act, federal regulations, Board regulations, and Operating Permit provisions:

Count I: Air Pollution in violation of Section 9(a) of the Act, 415 ILCS 5/9(a) (2020), and Section 201.141 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.141.

Count II: Failure to Install Pressure Relief Devices on EUAL Reactors R-501, R-502, and R-503 in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Sections 63.1422(d)(6) and 63.1434(c)(3) of Subpart PPP of the NESHAP Regulations, 40 CFR §§ 63.1422(d)(6) and 63.1434(c)(3), and Conditions 4.3.2.(e)(ii)(B), 5.2.4(b)(ii)(F), and 5.2.4(j)(iii)(C)(I) of the Operating Permit.

Count III: Failure to Submit Proper Notice for Group 1 Storage Vessel T-511 in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Section 63.1439(e)(7)(iii) of Subpart PPP of the NESHAP Regulations, 40 CFR § 63.1439(e)(7)(iii), and Conditions 4.3.2(e)(ii)(F) and 5.2.4(n)(v)(F)(III) of the Operating Permit.

Count IV: Failure to Maintain Required Records for the Extended Cookouts for EUAL Reactors R-501 and R-502 in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Sections 63.1427(j)(1) and (2) of Subpart PPP of the NESHAP Regulations, 40 CFR §§ 63.1427(j)(1) and (2), and Conditions 2.5(b)(i), 4.3.2(d)(ii)(B), 4.3.2(e)(ii)(F), 5.2.4(f)(x)(A)(I) and (II), and 5.2.4(f)(x)(A)(X)(1)(aa)-(cc) of the Operating Permit.

Count V: Failure to Submit a Complete and Accurate Notice of Compliance in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Sections 63.1427(k) and 63.1439(e)(5) of Subpart PPP of the NESHAP Regulations, 40 CFR §§ 63.1427(k) and 63.1439(e)(5), and Condition 5.2.4(f)(xi) of the Operating Permit.

Count VI: Failure to Submit Design Evaluation for new Polyether Polyol Products in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Section 63.1427(1) of Subpart PPP of the NESHAP Regulations, 40 CFR § 63.1427(1), and Conditions 3.1(f)(i)(G), 4.3.2(e)(ii)(F)(1), and 5.2.4(f)(xii) of the Operating Permit.

Count VII: Failure to Submit Design Evaluation and Monitoring Plan in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Section 63.120(d) of Subpart G, and Section 63.1432 of Subpart PPP, of the NESHAP Regulations, 40 CFR §§ 63.1420(d) and 63.1432, and

Conditions 4.3.2.(e)(i)(A) and 5.2.4(c) of the Operating Permit.

Count VIII: Failure to Submit Complete and Accurate Group Determinations for All Process Wastewater Sources in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Section 63.152(b) of Subpart G, Section 63.1433(a) of Subpart PPP, and Section 63.1439(e)(5)(i) of Subpart PPP, of the NESHAP Regulations, 40 CFR §§ 63.152(b), 63.1433(a), and 63.1439(e)(5)(i), and Conditions 5.2.4(i)(i) and (ii) of the Operating Permit.

Count IX: Failure to Identify Main Distillation Column as a Group 1 Process Vent and Conduct Required Performance Testing in violation of Sections 9(a), 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9(a), 9.1(d)(1) and 39.5(6)(a) (2020), Section 63.113(a)(2) of Subpart G of the NESHAP Regulations, 40 CFR § 63.113(a)(2), Section 218.433 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 218.433, and Conditions 4.1.2(d)(i)(E) and 4.1.2(g)(i)(D) of the Operating Permit.

Count X: Failure to Conduct Annual Visual Inspections of Closed Vent Systems for Scrubbers S-504.1 and S-506 in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Section 63.172(f)(2)(ii) of Subpart H, and Section 63.1434(a) of Subpart PPP, of the NESHAP Regulations, 40 CFR §§ 63.172(f)(2)(ii) and 63.1434(a), and Conditions 4.3.2(e)(1)(A) and 5.2.4(j) of the Operating Permit.

Count XI: Failure to Conduct and Maintain Records for Equipment in violation of Section 39.5(6)(a) of the Act, 415 ILCS 5/39.5(6)(a) (2020), and Conditions 2.3 and 4.3.2(f)(ii)(E)(II) of the Operating Permit.

Count XII: Failure to Properly Identify Wastewater Streams as Group 1 Wastewater Streams in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Sections 63.2485(a), (b), and (c) of Subpart FFFF of the NESHAP Regulations, 40 CFR §§ 63.2485(a), (b), and (c), and Conditions 4.2.2(f)(i)(A) and 4.4.2(e)(i)(a) of the Operating Permit.

Count XIII: Failure to Properly Identify Transfer Racks as Group 1 Transfer Racks in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Section 63.2475(a) of Subpart FFFF of the NESHAP Regulations, 40 CFR § 63.2475(a), and Conditions 4.5.2(e)(i) and 5.2.5(e) of the Operating Permit.

Count XIV: Failure to Maintain a Startup, Shutdown, and Malfunction Plan for the Group 1 Process Main Distillation Column (MDC) in violation of Section 9.1(d)(1) of the Act, 415 ILCS 5/9.1(d)(1) (2020), and Section 63.6(e)(3) of Subpart A of the NESHAP Regulations, 40 CFR § 63.6(e)(3).

Count XV: Failure to Maintain a Startup, Shutdown, and Malfunction Plan for the

Loading Operation of Distillate C in violation of Section 9.1(d)(1) of the Act, 415 ILCS 5/9.1(d)(1) (2020), and Section 63.2540 of Subpart FFFF of the NESHAP Regulations, 40 CFR § 63.2540.

Count XVI: Failure to Monitor Cooling Water Units in violation of Section 9.1(d)(1) of the Act, 415 ILCS 5/9.1(d)(1) (2020), and Section 63.104 of Subpart F of the NESHAP Regulations, 40 CFR § 63.104.

Count XVII: Failure to Submit Initial Compliance Notification for Boiler Tuneup and Conduct Annual Boiler Tuneups in violation of Section 9(a) of the Act, 415 ILCS 5/9(a) (2020), and Sections 217.155(a) and 217.166(a)-(e) of the Board Air Pollution Regulations, 35 Ill. Adm. Code 217.155 and 217.166(a)-(e).

Count XVIII: Failure to Submit Complete and Accurate Annual Emission Reports in violation of Sections 9(a) and 39.5(6)(a) of the Act, 415 ILCS 5/9(a) and 39.5(6)(a) (2020), Sections 201.302(a) and 254.132(a) of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.302(a) and 254.132, and Condition 3.5(c) of the Operating Permit.

Count XIX: Failure to Submit Complete and Accurate Annual Compliance Certifications in violation of Sections 39.5(6)(a) and 39.5(7)(p)(v)(C) of the Act, 415 ILCS 5/39.5(6)(a) and 39.7(p)(v)(C) (2020), and Condition 2.6(a) of the Operating Permit.

Count XX: Failure to Comply with Particulate Matter Opacity Limits in violation of Sections 9(a) and 39.5(6)(a) of the Act, 415 ILCS 5/9(a) and 39.5(6)(a) (2020), Section 212.123(a) of the Board Air Pollution Regulations, 35 Ill. Adm. Code 212.123(a), and Condition 4.1.2(a)(i)(B) of the Operating Permit.

Count XXI: Failure to Reduce Hazardous Air Pollutant Emissions in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Sections 63.2450(c)(2)(iii) and (v), 63.2470(a), 63.2475(a) of Subpart FFFF of the NESHAP Regulations, 40 CFR §§ 63.2450(c)(2)(iii) and (v), 63.2470(a) and 63.2475(a), and Conditions 4.4.2(e)(i)(A), 4.5.2(e)(i)(A), 5.2.5(b)(iii)(B)(III) and (V), 5.2.5(d)(i), and 5.2.5(e)(i) of the Operating Permit.

Count XXII: Failure to Keep Records of Initial Notifications and Compliance Tests for Sulfonators On-Site in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Section 60.705 of Subpart RRR of the NSPS Regulations, 40 CFR § 60.705, and Condition 5.2.9(d)(iii) of the Operating Permit.

Count XXIII: Failure to Demonstrate that Scrubber S-928 Achieved Emission Control Standards in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Sections 63.2460(b)(5) and 63.2525(b)(1)-(8) of Subpart FFFF of the NESHAP Regulations, 40 CFR

§§ 63.2460(b)(5) and 63.2525(b)(1)-(8), and Conditions 4.2.2(f)(i)(A), 5.2.5(c)(i), and 5.2.5(c)(iii)(VI) of the Operating Permit.

Count XXIV: Failure to Monitor Valves and Connectors Associated with Light Liquid Service and Gas Service in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Sections 63.1025(b)(3)(i), 63.1027(b)(3)(i), 63.1028(c)(1), and 63.1028(c)(3)(i) of Subpart UU of the NESHAP Regulations, 40 CFR §§ 63.1025(b)(3)(i), 63.1027(b)(3)(i), 63.1028(c)(1), and 63.1028(c)(3)(i), and Conditions 4.5.2(e)(i)(A) and 5.2.5(f)(i) of the Operating Permit.

Count XXV: Failure to Conduct Monitoring on Storage Tanks and Batch Process Vents in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Section 63.983(b)(1)(A) of Subpart SS, and Section 63.1034(b)(2) of Subpart UU, of the NESHAP Regulations, 40 CFR §§ 63.983(b)(1)(i)(A) and 63.1034(b)(2), and Conditions 4.2.2(f)(i)(A) and (D), 4.4.2(e)(i)(A)(II), and 5.2.5(a)(ii) of the Operating Permit.

Count XXVI: Failure to Maintain Records that Indicate Compliance with Startup, Shutdown, and Malfunction Plan in violation of Sections 9(a), 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9(a), 9.1(d)(1) and 39.5(6)(a) (2020), Section 63.10(b)(2)(v) of Subpart A of the NESHAP Regulations, 40 CFR § 63.10(b)(2)(v), Section 218.421 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 218.421, and Conditions 4.1.2(g)(i)(B) and (E), 4.3.2(e)(i)(C), 5.1.2(e)(i), and 5.2.5(k)(iii)(D) of the Operating Permit.

Count XXVII: Failure to Demonstrate Compliance with Control Requirements of Closed Vent System Controlling Storage Tank T-540 in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Section 60.112b(a)(3) of Subpart Kb of the NSPS Regulations, 40 CFR § 60.112b(a)(3), and Conditions 4.3.2(d)(i)(C), 4.3.2(f)(i)(F), and 5.2.10(b)(C)(I) of the Operating Permit.

Count XXVIII: Failure to Conduct Inspections on Demisters in violation of Section 39.5(6)(a) of the Act, 415 ILCS 5/39.5(6)(a) (2020), and Condition 4.2.2(h)(i)(H) of the Operating Permit.

Count XXIX: Failure to Maintain Complete and Accurate Records of Annual Catalyst Checks on Catalytic Oxidizers in violation of Section 9.1(d)(1) of the Act, 415 ILCS 5/9.1(d)(1) (2020), and Section 63.2450(k)(4) of Subpart FFFF of the NESHAP Regulations, 40 CFR § 63.2450(k)(4).

Count XXX: Failure to Complete an Accurate Notice of Compliance Status in violation of Sections 9.1(d)(1) and 39.5(6)(a) of the Act, 415 ILCS 5/9.1(d)(1) and 39.5(6)(a) (2020), Section 64.2460(c)(2)(v) of Subpart FFFF of the NESHAP Regulations, 40 CFR § 63.2460(c)(2)(v), and Conditions 4.1.2(g)(i)(E) and

5.2.5(c)(iii)(A) of the Operating Permit.

Count XXXI: Failure to Submit a Complete and Accurate CAAPP Renewal Permit Application in violation of Section 39.5(6)(b) of the Act, 415 ILCS 5/39.5(6)(b) (2020).

Count XXXII: Failure to Comply with 8 lb/hr Limit For Volatile Organic Material Releases in violation of Sections 9(a) and 39.5(6)(a) of the Act, 415 ILCS 5/9(a) and 39.5(6)(a) (2020), Section 218.301 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 218.301, and Condition 4.1.2(d)(1)(D) of the Operating Permit.

**C. Non-Admission of Violations**

Defendant represents that it has entered into this Consent Order for the purpose of settling and compromising disputed claims without having to incur the expense of contested litigation. By entering into this Consent Order and complying with its terms, Defendant does not affirmatively admit the allegations of violation within the Complaint and referenced above, and this Consent Order shall not be interpreted as including such admission.

**II. APPLICABILITY**

1. This Consent Order shall apply to and be binding upon the Parties to the Consent Order. Defendant waives as a defense to any enforcement action taken pursuant to this Consent Order the failure of any of its officers, directors, agents, employees or successors or assigns to take such action as shall be required to comply with the provisions of this Consent Order. This Consent Order may be used against Defendant in any subsequent enforcement action or permit proceeding as proof of a past adjudication of violation of the Act, federal regulations, Board regulations, and Operating Permit provisions for all violations alleged in the Complaint in this matter, for purposes of Sections 39 and 42 of the Act, 415 ILCS 5/39 and 42 (2020).

2. Defendant shall notify each contractor to be retained to perform work required in this Consent Order of each of the requirements of this Consent Order relevant to the activities to be performed by that contractor, including all relevant work schedules and reporting deadlines,



and shall provide a copy of this Consent Order to each contractor already retained no later than thirty (30) calendar days after the date of entry of this Consent Order. In addition, Defendant shall provide copies of all schedules for implementation of the provisions of this Consent Order to the prime vendor(s) supplying the control technology systems and other equipment required by this Consent Order.

3. No change in ownership, corporate status or operator of the Facility shall in any way alter the responsibilities of Defendant under this Consent Order. In the event that Defendant proposes to sell or transfer any real property or operations subject to this Consent Order, Defendant shall notify the Plaintiff thirty (30) calendar days prior to the conveyance of title, ownership or other interest, including a leasehold interest in the Facility or a portion thereof. Defendant shall make as a condition of any such sale or transfer, that the purchaser or successor provide to Defendant site access and all cooperation necessary for Defendant to perform to completion any compliance obligation(s) required by this Consent Order. Defendant shall provide a copy of this Consent Order to any such successor in interest and Defendant shall continue to be bound by and remain liable for performance of all obligations under this Consent Order. In appropriate circumstances, however, Defendant and a proposed purchaser or operator of the Facility may jointly request, and the Plaintiff, in its discretion, may consider modification of this Consent Order to obligate the proposed purchaser or operator to carry out future requirements of this Consent Order in place of, or in addition to, Defendant. This provision does not relieve Defendant from compliance with any regulatory requirement regarding notice and transfer of applicable Facility permits.

### **III. JUDGMENT ORDER**

This Court has jurisdiction of the subject matter herein and of the Parties to the Consent Order and, having considered the stipulated facts and being advised in the premises, finds the following relief appropriate:

#### **IT IS HEREBY ORDERED, ADJUDGED AND DECREED:**

##### **A. Civil Penalty**

1. Defendant shall pay a civil penalty of Three Hundred Sixty Thousand Seven Hundred and Twenty-Five Dollars (\$360,725.00). Payment shall be tendered at time of entry of the Consent Order.

2. The civil penalty payment shall be made by certified check or money order payable to the Illinois EPA for deposit into the Environmental Protection Trust Fund (“EPTF”).

3. The case name and case number shall appear on the face of the certified check or money order.

##### **B. Stipulated Penalties, Interest and Default**

1. If Defendant fails to complete any activity or fails to comply with any response or reporting requirement by the date specified in this Consent Order, Defendant shall provide notice to the Plaintiff of each failure to comply with this Consent Order and shall pay stipulated penalties in the amount of \$400.00 per day per violation for up to the first fifteen (15) days of violation, \$500.00 per day per violation for the next fifteen (15) days of violation, and \$1,000.00 per day per violation thereafter until such time that compliance is achieved. The Plaintiff may make a demand for stipulated penalties upon Defendant for its noncompliance with this Consent Order. However, failure by the Plaintiff to make this demand shall not relieve Defendant of the obligation to pay stipulated penalties. All stipulated penalties shall be payable within thirty (30) calendar days of the

date Defendant knows or should have known of its noncompliance with any provision of this Consent Order.

2. If Defendant fails to make any payment required by this Consent Order on or before the date upon which the payment is due, Defendant shall be in default and the remaining unpaid balance of the penalty, plus any accrued interest, shall be due and owing immediately. In the event of default, the Plaintiff shall be entitled to reasonable costs of collection, including reasonable attorney's fees.

3. Pursuant to Section 42(g) of the Act, interest shall accrue on any penalty amount owed by Defendant not paid within the time prescribed herein. Interest on unpaid penalties shall begin to accrue from the date such are due and continue to accrue to the date full payment is received. Where partial payment is made on any penalty amount that is due, such partial payment shall be first applied to any interest on unpaid penalties then owing.

4. The stipulated penalties shall be enforceable by the Plaintiff and shall be in addition to, and shall not preclude the use of, any other remedies or sanctions arising from the failure to comply with this Consent Order.

**C. Stipulated Penalty and Interest Payment Procedures**

1. All payments required by Section III.B of this Consent Order shall be made by certified check or money order payable to the Illinois EPA for deposit into the EPTF. Payments shall be sent by first class mail and delivered to:

Illinois Environmental Protection Agency  
Fiscal Services  
1021 North Grand Avenue East  
P.O. Box 19276  
Springfield, IL 62794-9276

2. The case name and case number shall appear on the face of the certified check or money order. A copy of the certified check or money order and any transmittal letter shall be sent to:

Kathryn A. Pamenter  
Senior Assistant Attorney General  
Environmental Bureau  
Illinois Attorney General's Office  
69 W. Washington Street, Suite 1800  
Chicago, Illinois 60602

**D. Future Compliance**

1. On or before December 31, 2022, Defendant shall complete the catalyst checks on Catalytic Oxidizers No. 3 H-003, No. 4 H-004, and No. 5-005 at Defendant's Facility and maintain records of such catalyst checks in accordance with Section 63.2450(k)(4) of Subpart FFFF of the NESHAP Regulations, 40 CFR § 63.2450(k). [Count XXIX]

2. The Illinois EPA, its employees and representatives, and the Attorney General, his employees and representatives, shall have the right of entry into and upon Defendant's Facility, which is the subject of this Consent Order, at all reasonable times for the purposes of conducting inspections and evaluating compliance status. In conducting such inspections, the Illinois EPA, its employees and representatives, and the Attorney General, his employees and representatives, may take photographs, samples, and collect information, as they deem necessary.

3. This Consent Order in no way affects the responsibilities of Defendant to comply with any other federal, state or local laws or regulations, including but not limited to the Act and the Board regulations.

4. Defendant shall cease and desist from future violations of the Act, federal regulations, Board regulations, and Operating Permit provisions that were the subject matter of the Complaint.

**E. Force Majeure**

1. *Force majeure* is an event arising solely beyond the control of Defendant, which prevents the timely performance of any of the requirements of this Consent Order and shall include, but is not limited to, events such as floods, fires, tornadoes, other natural disasters, and labor disputes beyond the reasonable control of Defendant. An increase in costs associated with implementing any requirement of this Consent Order shall not, by itself, excuse Defendant for a failure to comply with such a requirement.

2. When a *force majeure* event occurs which causes or may cause a delay in the performance of any of the requirements of this Consent Order, Defendant shall orally notify the Illinois EPA (Kent Mohr 217-782-5544) within forty-eight (48) hours of the occurrence. Written notice shall be given to the Plaintiff's representatives as listed in Section III.H of this Consent Order as soon as practicable, but no later than ten (10) calendar days after the claimed occurrence. This section shall be of no effect as to the particular event involved if Defendant fails to comply with these notice requirements.

3. Within ten (10) calendar days of receipt of any written *force majeure* notice, the Plaintiff shall respond in writing regarding Defendant's claim of a delay or impediment to performance. If the Plaintiff agrees that the delay or impediment to performance has been or will be caused by circumstances beyond the control of Defendant and that Defendant could not have prevented the delay by the exercise of due diligence, the parties shall stipulate to an extension of the required deadline(s) for all requirement(s) affected by the delay, by a period equivalent to the delay actually caused by such circumstances. Such stipulation may be filed as a modification to this Consent Order. Defendant shall not be liable for stipulated penalties for the period of any such stipulated extension.

4. If the Plaintiff does not accept Defendant's claim of a *force majeure* event, the Defendant must file a petition with the Court within twenty (20) calendar days of receipt of the Plaintiff's determination in order to contest the imposition of stipulated penalties. The Plaintiff shall have twenty (20) calendar days to file its response to said petition. The burden of proof of establishing that a *force majeure* event prevented the timely performance shall be upon Defendant. If this Court determines that the delay or impediment to performance has been or will be caused by circumstances solely beyond the control of Defendant and that Defendant could not have prevented the delay by the exercise of due diligence, Defendant shall be excused as to that event (including any imposition of stipulated penalties), for all requirements affected by the delay, for a period of time equivalent to the delay or such other period as may be determined by this Court.

**F. Enforcement and Modification of Consent Order**

1. This Consent Order is a binding and enforceable order of this Court. This Court shall retain jurisdiction of this matter and shall consider any motion by any party for the purposes of interpreting and enforcing the terms and conditions of this Consent Order. Defendant agrees that notice of any subsequent proceeding to enforce this Consent Order may be made by mail and waives any requirement of service of process.

2. The Parties to the Consent Order may, by mutual written consent, extend any compliance dates or modify the terms of this Consent Order without leave of this Court. A request for any modification shall be made in writing and submitted to the representatives designated in Section III.H of this Consent Order. Any such request shall be made by separate document, and shall not be submitted within any other report or submittal required by this Consent Order. Any such agreed modification shall be in writing and signed by authorized representatives of each party, for filing and incorporation by reference into this Consent Order.

## **G. Dispute Resolution**

1. Except as provided herein, the Parties to the Consent Order may seek to informally resolve disputes arising under this Consent Order, including but not limited to the Illinois EPA's decision regarding appropriate or necessary response activity, approval or denial of any report, plan or remediation objective, or the Plaintiff's rejection of a request for modification or termination of the Consent Order. The Plaintiff reserves the right to seek enforcement by the Court where Defendant has failed to satisfy any compliance deadline within this Consent Order. The following are also not subject to the dispute resolution procedures provided by this section: a claim of *force majeure*, a failure to make any required payment and any circumstances posing a substantial danger to the environment or to the public health or welfare of persons.

2. The dispute resolution procedure must be invoked by a party through a written notice describing the nature of the dispute and the party's position with regard to such dispute. The other party shall acknowledge receipt of the notice and schedule a meeting to discuss the dispute informally not later than fourteen (14) calendar days from the receipt of such notice. These informal negotiations shall be concluded within thirty (30) calendar days from the date of the first meeting between the parties, unless the parties agree, in writing, to shorten or extend this period. The invocation of dispute resolution, in and of itself, shall not excuse compliance with any requirement, obligation or deadline contained herein, and stipulated penalties may be assessed for failure or noncompliance during the period of dispute resolution. As part of the resolution of any dispute, the Parties to the Consent Order, by agreement or by order of this Court, may extend or modify the schedule for completion of work under this Consent Order to account for the delay in the work that occurred as a result of dispute resolution.

3. In the event that the parties are unable to reach agreement during the informal negotiation period, the Plaintiff shall provide Defendant with a written summary of its position regarding the dispute. The position advanced by the Plaintiff shall be considered binding unless, within twenty (20) calendar days of Defendant's receipt of the written summary of the Plaintiff's position, Defendant files a petition with this Court seeking judicial resolution of the dispute. The Plaintiff shall respond to the petition by filing the administrative record of the dispute and any argument responsive to the petition within twenty (20) calendar days of service of Defendant's petition. The administrative record of the dispute shall include the written notice of the dispute, any responsive submittals, the Plaintiff's written summary of its position, Defendant's petition before the Court and the Plaintiff's response to the petition. The Plaintiff's position shall be affirmed unless, based upon the administrative record, it is against the manifest weight of the evidence.

**H. Notice and Submittals**

Except for payments, the submittal of any notice, reports or other documents required under this Consent Order, shall be delivered to the following designated representatives:

As to the Plaintiff

Kathryn A. Pamenter  
Senior Assistant Attorney General  
Environmental Bureau  
Illinois Attorney General's Office  
69 W. Washington Street, Suite 1800  
Chicago, Illinois 60602  
[Kathryn.Pamenter@ilag.gov](mailto:Kathryn.Pamenter@ilag.gov)



Maureen Wozniak  
Assistant Counsel, Division of Legal Counsel  
Illinois Environmental Protection Agency  
1021 North Grand Avenue East  
P.O. Box 19276  
Springfield, Illinois 62794-9276  
Maureen.wozniak@illinois.gov

FOR DEFENDANT

Byron F. Taylor, Esq.  
Sidley Austin LLP  
One South Dearborn  
Chicago, IL 60603  
bftaylor@sidley.com

**I. Release from Liability**

In consideration of Defendant's payment of a \$360,725 penalty, its commitment to cease and desist as contained in Section III.D.4. above, and completion of all activities required hereunder, the Plaintiff releases, waives and discharges Defendant from any further liability or penalties for the violations of the Act, federal regulations, Board regulations, and Operating Permit provisions that were the subject matter of the Complaint herein. The release set forth above does not extend to any matters other than those expressly specified in Plaintiff's Complaint filed on June 24, 2022. The Plaintiff reserves, and this Consent Order is without prejudice to, all rights of the State of Illinois against Defendant with respect to all other matters, including but not limited to the following:

- a. criminal liability;
- b. liability for future violations;
- c. liability for natural resources damage arising out of the alleged violations; and
- d. Defendant's failure to satisfy the requirements of this Consent Order.

Nothing in this Consent Order is intended as a waiver, discharge, release, or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the State of Illinois may have against any person, as defined by Section 3.315 of the Act, 415 ILCS 5/3.315, other than Defendant.

**K. Execution and Entry of Consent Order**

This Order shall become effective only when executed by all Parties to the Consent Order and the Court. This Order may be executed by the parties in one or more counterparts, all of which taken together shall constitute one and the same instrument. The undersigned representatives for each party certify that they are fully authorized by the party whom they represent to enter into the terms and conditions of this Consent Order and to legally bind them to it.

*[Remainder of Page Blank; Text Continues on Page 18]*

WHEREFORE, the parties, by their representatives, enter into this Consent Order and submit it to this Court that it may be approved and entered.

AGREED:


FOR THE PLAINTIFF:

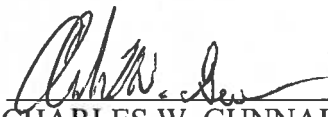
PEOPLE OF THE STATE OF ILLINOIS  
*ex rel.* KWAME RAOUL, Attorney General  
of the State of Illinois

ILLINOIS ENVIRONMENTAL  
PROTECTION AGENCY

MATTHEW J. DUNN, Chief  
Environmental Enforcement/  
Asbestos Litigation Division

JOHN J. KIM, Director  
Illinois Environmental Protection Agency

BY:   
STEPHEN J. SYLVESTER, Chief  
Environmental Bureau  
Assistant Attorney General

BY:   
CHARLES W. GUNNARSON  
Chief Legal Counsel

DATE: 10/11/22

DATE: 10/11/22

FOR DEFENDANT:

STEPAN COMPANY

BY: \_\_\_\_\_

Its: \_\_\_\_\_

DATE: \_\_\_\_\_

ENTERED:

\_\_\_\_\_  
JUDGE  
October 12, 2022

DATE: \_\_\_\_\_

WHEREFORE, the parties, by their representatives, enter into this Consent Order and submit it to this Court that it may be approved and entered.

AGREED:

FOR THE PLAINTIFF:

PEOPLE OF THE STATE OF ILLINOIS  
*ex rel.* KWAME RAOUL, Attorney General  
of the State of Illinois

ILLINOIS ENVIRONMENTAL  
PROTECTION AGENCY

MATTHEW J. DUNN, Chief  
Environmental Enforcement/  
Asbestos Litigation Division

JOHN J. KIM, Director  
Illinois Environmental Protection Agency

BY: \_\_\_\_\_  
STEPHEN J. SYLVESTER, Chief  
Environmental Bureau  
Assistant Attorney General

BY: \_\_\_\_\_  
CHARLES W. GUNNARSON  
Chief Legal Counsel

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

FOR DEFENDANT:

STEPAN COMPANY

BY: *David G. Rabbes*  
*David G. Rabbes*

Its: *Vice President & General Counsel*

DATE: *October 7, 2022*

ENTERED: *John C. Ancker*

\_\_\_\_\_  
JUDGE  
October 12, 2022  
DATE: \_\_\_\_\_