

U.S. Department of Labor
Occupational Safety and Health Administration
3300 Vickery Road,
North Syracuse, NY 13212
Phone: 315-451-0808 Fax: 315-451-1351



Citation and Notification of Penalty

To:
Zotos International, Inc.
and its successors
Allen Hawker, Jr., Senior Manager
Environmental And Safety
P.O. Box 71,
Geneva, NY 14456

Inspection Site:
300 Forge Ave.
Geneva, NY 14456

Inspection Number: 191446
Inspection Date(s): 02/13/2012 - 05/24/2012
Issuance Date: 05/24/2012

The violation(s) described in this Citation and Notification of Penalty is (are) alleged to have occurred on or about the day(s) the inspection was made unless otherwise indicated within the description given below.

This Citation and Notification of Penalty (this Citation) describes violations of the Occupational Safety and Health Act of 1970. The penalty(ies) listed herein is (are) based on these violations. You must abate the violations referred to in this Citation by the dates listed and pay the penalties proposed, unless within 15 working days (excluding weekends and Federal holidays) from your receipt of this Citation and Notification of Penalty you mail a notice of contest to the U.S. Department of Labor Area Office at the address shown above. Please refer to the enclosed booklet (OSHA 3000) which outlines your rights and responsibilities and which should be read in conjunction with this form. Issuance of this Citation does not constitute a finding that a violation of the Act has occurred unless there is a failure to contest as provided for in the Act or, if contested, unless this Citation is affirmed by the Review Commission or a court.

Posting - The law requires that a copy of this Citation and Notification of Penalty be posted immediately in a prominent place at or near the location of the violation(s) cited herein, or, if it is not practicable because of the nature of the employer's operations, where it will be readily observable by all affected employees. This Citation must remain posted until the violation(s) cited herein has (have) been abated, or for 3 working days (excluding weekends and Federal holidays), whichever is longer.

Informal Conference - An informal conference is not required. However, if you wish to have such a conference you may request one with the Area Director during the 15 working day contest period. During such an informal conference you may present any evidence or views which you believe would support an adjustment

to the citation(s) and/or penalty(ies).

If you are considering a request for an informal conference to discuss any issues related to this Citation and Notification of Penalty, you must take care to schedule it early enough to allow time to contest after the informal conference, should you decide to do so. Please keep in mind that a written letter of intent to contest must be submitted to the Area Director within 15 working days of your receipt of this Citation. The running of this contest period is not interrupted by an informal conference.

If you decide to request an informal conference, please complete, remove and post the Notice to Employees next to this Citation and Notification of Penalty as soon as the time, date, and place of the informal conference have been determined. Be sure to bring to the conference any and all supporting documentation of existing conditions as well as any abatement steps taken thus far. If conditions warrant, we can enter into an informal settlement agreement which amicably resolves this matter without litigation or contest.

Right to Contest – You have the right to contest this Citation and Notification of Penalty. You may contest all citation items or only individual items. You may also contest proposed penalties and/or abatement dates without contesting the underlying violations. **Unless you inform the Area Director in writing that you intend to contest the citation(s) and/or proposed penalty(ies) within 15 working days after receipt, the citation(s) and the proposed penalty(ies) will become a final order of the Occupational Safety and Health Review Commission and may not be reviewed by any court or agency.**

Penalty Payment – Penalties are due within 15 working days of receipt of this notification unless contested. (See the enclosed booklet and the additional information provided related to the Debt Collection Act of 1982.) Make your check or money order payable to “DOL-OSHA”. Please indicate the Inspection Number on the remittance.

OSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than the full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

Notification of Corrective Action – For each violation which you do not contest, you must provide *abatement certification* to the Area Director of the OSHA office issuing the citation and identified above. This abatement certification is to be provided by letter within 10 calendar days after each abatement date. Abatement certification includes the date and method of abatement. If the citation indicates that the violation was corrected during the inspection, no abatement certification is required for that item. The abatement certification letter must be posted at the location where the violation appeared and the corrective action took place or employees must otherwise be effectively informed about abatement activities. A sample abatement certification letter is enclosed with this Citation. In addition, where the citation indicates that *abatement documentation* is necessary, evidence of the purchase or repair of equipment, photographs or video, receipts, etc., verifying that abatement has occurred is required to be provided to the Area Director.

Employer Discrimination Unlawful – The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under this Act. An employee who believes that he/she has been discriminated against may file a complaint no later than 30 days after the discrimination occurred with the U.S. Department of Labor Area Office at the address shown above.

Employer Rights and Responsibilities – The enclosed booklet (OSHA 3000) outlines additional employer rights and responsibilities and should be read in conjunction with this notification.

Notice to Employees – The law gives an employee or his/her representative the opportunity to object to any abatement date set for a violation if he/she believes the date to be unreasonable. The contest must be mailed to

the U.S. Department of Labor Area Office at the address shown above and postmarked within 15 working days (excluding weekends and Federal holidays) of the receipt by the employer of this Citation and Notification of Penalty.

Inspection Activity Data – You should be aware that OSHA publishes information on its inspection and citation activity on the Internet under the provisions of the Electronic Freedom of Information Act. The information related to these alleged violations will be posted when our system indicates that you have received this citation. You are encouraged to review the information concerning your establishment at www.osha.gov. If you have any dispute with the accuracy of the information displayed, please contact this office.



NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

An informal conference has been scheduled with OSHA to discuss the citation(s) issued on 05/24/2012. The conference will be held at the OSHA office located at 3300 Vickery Road,, North Syracuse, NY 13212 on _____ at _____. Employees and/or representatives of employees have a right to attend an informal conference.

CERTIFICATION OF CORRECTIVE ACTION WORKSHEET

Inspection Number: 191446

Company Name: Zotos International, Inc.
Inspection Site: 300 Forge Ave., Geneva, NY 14456
Issuance Date: 05/24/2012

List the specific method of correction for each item on this citation in this package that does not read "Corrected During Inspection" and return to: **U.S. Department of Labor – Occupational Safety and Health Administration, 3300 Vickery Road,, North Syracuse, NY 13212**

Citation Number 1 and Item Number 1 was corrected on _____
By (Method of Abatement): _____

Citation Number 1 and Item Number 2b was corrected on _____
By (Method of Abatement): _____

Citation Number 1 and Item Number 2c was corrected on _____
By (Method of Abatement): _____

Citation Number 1 and Item Number 3 was corrected on _____
By (Method of Abatement): _____

Citation Number 1 and Item Number 4a was corrected on _____
By (Method of Abatement): _____

Citation Number 1 and Item Number 4b was corrected on _____
By (Method of Abatement): _____

Citation Number _____ and Item Number 5 was corrected on _____
By (Method of Abatement): _____

Citation Number 1 and Item Number 6 was corrected on _____
By (Method of Abatement): _____

Citation Number 1 and Item Number 7 was corrected on _____
By (Method of Abatement): _____

Citation Number 1 and Item Number 8 was corrected on _____
By (Method of Abatement): _____

I certify that the information contained in this document is accurate and that the affected employees and their representatives have been informed of the abatement.

Signature

Date

Typed or Printed Name

Title

NOTE: 29 USC 666.(g) whoever knowingly makes any false statements, representation or certification in any application, record, plan or other documents filed or required to be maintained pursuant to the Act shall, upon conviction, be punished by a fine of not more than \$10,000 or by imprisonment of not more than 6 months or both.

POSTING: A copy of completed Corrective Action Worksheet should be posted for employee review



Citation and Notification of Penalty

Company Name: Zotos International, Inc.
Inspection Site: 300 Forge Ave., Geneva, NY 14456

Citation 1 Item 1 Type of Violation: **Serious**

29 CFR 1910.110(b)(6)(vi): Readily ignitable materials were not removed from within ten feet of any LP Gas container:

a) On or about 2/14/2012, Aerosol Area: Wooden dunnage was stored underneath tank #5 which was labeled as a LPG tank.

Abatement certification is required for this item.

Date by which Violation must be Abated:
Proposed Penalty:

Corrected During Inspection
\$5000.00

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for injury or illness.

Citation 1 Item 2 a Type of Violation: **Serious**

29 CFR 1910.119(d)(2)(i)(A): Information pertaining to the equipment in the process did not include a Block Flow Diagram of the process:

a) On or about 2/13/2012, Alcohol Area: There was no Block Flow Diagram for the Alcohol unit.

Date by which Violation must be Abated:
Proposed Penalty:

Corrected During Inspection
\$5000.00



Citation and Notification of Penalty

Company Name: Zotos International, Inc.
Inspection Site: 300 Forge Ave., Geneva, NY 14456

Citation 1 Item 2 b Type of Violation: **Serious**

29 CFR 1910.119(d)(3)(i)(B): Information pertaining to the equipment in the process did not include accurate Piping and Instrument Diagrams and did not represent equipment that was existing and was part of the process.

a) On or about 2/13/2012, Alcohol Area: The existing P&ID's had discrepancies between the drawings and what was actually in place, such as, but not limited to:

1) The plans, drawing G-4, show that there should be three High capacity emergency vents, while there are only two on the tank.

2) There were two level indicators located on the tank, and they were not shown or addressed on the drawing G-4.

3) None of the valving for the filling and dispensing of alcohol on the main tank was shown on the drawing G-4 nor any other drawing.

4) None of the process valving or relief valving was shown on drawing M-1, depicting the batching room.

5) Two tanks in room 5a had been removed (T90 and T95), but were still on drawing M-1, while one tank was moved (T93) and one tank was added (HC5), which was not added to drawing M-1.

b) On or about 2/14/2012, Aerosol Area: The existing P&ID's had discrepancies between the drawings and what was actually in place, such as, but not limited to:

1) On piping associated with tank numbers 1, 2, and 3, there was a valve and nipple with a plug that was located after PI-0-400, which did not appear on the drawings.

Abatement certification is required for this item.

Date by which Violation must be Abated:

06/23/2012



Citation and Notification of Penalty

Company Name: Zotos International, Inc.
Inspection Site: 300 Forge Ave., Geneva, NY 14456

Citation 1 Item 2 c Type of Violation: **Serious**

29 CFR 1910.119(d)(3)(i)(D): Information pertaining to the equipment in the process did not include relief system design and design basis:

a) On or about 2/13/2012, Alcohol Area: There were no design plans, or basis for the Alcohol room relief system.

Abatement certification is required for this item.

Date by which Violation must be Abated:

06/23/2012

Citation 1 Item 3 Type of Violation: **Serious**

29 CFR 1910.119(d)(3)(ii): The employer did not document that equipment complies with recognized and generally accepted good engineering practices:

a) On or about 2/13/2012, Alcohol Area: The employer did not ensure that all equipment complied with recognized and generally accepted good engineering practices such as not limited to the following consensus standards:

1) The tank venting system in use located after tank flame arrestors, was constructed with PVC piping that showed signs of heat exposure and failure. Reference NFPA 30, Flammable and Combustible Liquids Code, section 27.4.4.1

2) The exterior Ethanol storage tank had emergency venting that was located below the roof line and vents of three surrounding buildings. Reference NFPA 90A Installation of Air Conditioning and Ventilating Systems, section 2-2.1.1 and NFPA 69 Explosion Prevention Systems, section 3-3.3.1.



Citation and Notification of Penalty

Company Name: Zotos International, Inc.
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3) The room venting from building 5a was located in line with intake vents for building 2. Reference NFPA 90A Installation of Air Conditioning and Ventilating Systems, section 2-2.1.1 and NFPA 69 Explosion Prevention Systems, section 3-3.3.1.

4) The spill containment area was provided with an unsecured valve to the waste water treatment plant. Reference NFPA 30 Flammable and Combustible Liquids Code, section 5-4.1.2 and section 5-4.2.

Abatement certification is required for this item.

Date by which Violation must be Abated:	06/23/2012
Proposed Penalty:	\$5000.00

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for injury or illness.

Citation 1 Item 4 a Type of Violation: **Serious**

29 CFR 1910.119(e)(3)(iv): The process hazard analysis did not address the consequences of failure of engineering and administrative controls:

a) On or about 2/14/2012, Aerosol Area: The PHA did not consider the consequences of failure of the engineering and administrative controls, such as, but not limited to the failure of the interlocks on the doors to the gas houses.

Abatement certification is required for this item.

Date by which Violation must be Abated:	06/23/2012
Proposed Penalty:	\$5000.00



Citation and Notification of Penalty

Company Name: Zotos International, Inc.
Inspection Site: 300 Forge Ave., Geneva, NY 14456

Citation 1 Item 4 b Type of Violation: **Serious**

29 CFR 1910.119(e)(5): The employer did not develop a written schedule of actions to resolve Process Hazard Analysis (PHA) recommendations.

a) On or about 2/13/2012, Alcohol Area: There was no written schedule to address items identified in the August 2011 PHA.

Abatement certification is required for this item.

Date by which Violation must be Abated:

06/23/2012

Citation 1 Item 5 Type of Violation: **Serious**

29 CFR 1910.119(e)(4): The team performing the process hazard analyses did not include at least one employee who had experience and knowledge specific to the process being evaluated.

a) On or about 2/13/2012, Alcohol Area: Employees were not included in the Process Hazard Analysis (PHA) process.

Abatement certification is required for this item.

Date by which Violation must be Abated:

06/23/2012

Proposed Penalty:

\$5000.00



Citation and Notification of Penalty

Company Name: Zotos International, Inc.
Inspection Site: 300 Forge Ave., Geneva, NY 14456

Citation 1 Item 6 Type of Violation: **Serious**

29 CFR 1910.119(f)(1)(i)(d): The employer had not developed and implemented written operating procedures that provided clear instructions for safely conducting activities involved in the covered process:

a) On or about 2/13/2012, Alcohol Area: There were no written procedures for the start up, operation, shutdown and emergency shutdown of the Ethanol unit.

Abatement certification is required for this item.

Date by which Violation must be Abated:

06/23/2012

Proposed Penalty:

\$5000.00

Citation 1 Item 7 Type of Violation: **Serious**

29 CFR 1910.119(j)(5): The employer did not correct deficiencies in equipment that was outside acceptable limits (defined by the process safety information on paragraph (d) of this section) before use or in a safe and timely manner:

a) On or about 2/13/2012 and 3/14/2012, Alcohol Area: In the Ethanol unit the following deficiencies were noted:

1) Tank 77 had a valve control arm that was being held closed with a large rubber band.

2) A bottom low pressure thermo couple and conduit, was not supported.

3) The main pump control had been pulled free from a column and was solely supported by its own conduit.



Citation and Notification of Penalty

Company Name: Zotos International, Inc.
Inspection Site: 300 Forge Ave., Geneva, NY 14456

- 4) The bracket holding one of two LEL meters was broken, and the meter was suspended by conduit.
- 5) The second LEL meter was not secured, and suspended on the end of a piece of conduit.
- 6) A section of the PVC vent system was missing a support strap.
- 7) None of the valving (shut off, emergency or bypass) was identified and labeled.
- 8) An emergency stop for the main alcohol pump, located outside of room 5a, was lacking the entire stop button.

b) On or about 2/14/2012, Propellant Unit: In the Propellant Unit the following deficiencies were noted:

- 1) A grounding strap leading from the flammable gas bulkhead to a tanker truck was not attached to bare metal of the tanker truck.
- 2) A product inlet valve for tank number 3 had a manufacturers flow direction opposite of what direction the product was flowing.

Abatement certification is required for this item.

Date by which Violation must be Abated:
Proposed Penalty:

06/23/2012
\$5000.00

U.S. Department of Labor
Occupational Safety and Health Administration

Inspection Number: 191446
Inspection Date(s): 02/13/2012 - 05/24/2012
Issuance Date: 05/24/2012



Citation and Notification of Penalty

Company Name: Zotos International, Inc.
Inspection Site: 300 Forge Ave., Geneva, NY 14456

Citation 1 Item 8 Type of Violation: **Serious**

29 CFR 1910.119(o)(1): The employer did not certify that they have evaluated compliance with the provisions of this section at least every three years:

a) On or about 2/13/2012, Alcohol Area: No Compliance Audits had been performed for the Alcohol Unit.

Abatement certification is required for this item.

Date by which Violation must be Abated:
Proposed Penalty:

06/15/2012
\$5000.00

A handwritten signature in blue ink, appearing to read "Chris Adams", written over a horizontal line.

Christopher Adams CIH CSP
Area Director

U.S. Department of Labor
Occupational Safety and Health Administration
3300 Vickery Road,
North Syracuse, NY 13212
Phone: 315-451-0808 Fax: 315-451-1351



INVOICE / DEBT COLLECTION NOTICE

Company Name: Zotos International, Inc.
Inspection Site: 300 Forge Ave., Geneva, NY 14456
Issuance Date: 05/24/2012

Summary of Penalties for Inspection Number	191446
Citation 1, Serious	\$40000.00
TOTAL PROPOSED PENALTIES	\$40000.00

To avoid additional charges, please remit payment promptly to this Area Office for the total amount of the uncontested penalties summarized above. Make your check or money order payable to: "DOL-OSHA". Please indicate OSHA's Inspection Number (indicated above) on the remittance.

OSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than the full amount due, and will cash the check or money order as if these restrictions or conditions do not exist.

If a personal check is issued, it will be converted into an electronic fund transfer (EFT). This means that our bank will copy your check and use the account information on it to electronically debit your account for the amount of the check. The debit from your account will then usually occur within 24 hours and will be shown on your regular account statement. You will not receive your original check back. The bank will destroy your original check, but will keep a copy of it. If the EFT cannot be completed because of insufficient funds or closed account, the bank will attempt to make the transfer up to 2 times.

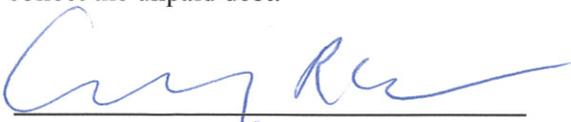
Pursuant to the Debt Collection Act of 1982 (Public Law 97-365) and regulations of the U.S. Department of Labor (29 CFR Part 20), the Occupational Safety and Health Administration is required to assess interest, delinquent charges, and administrative costs for the collection of delinquent penalty debts for violations of the Occupational Safety and Health Act.

Interest: Interest charges will be assessed at an annual rate determined by the Secretary of the Treasury on all penalty debt amounts not paid within one month (30 calendar days) of the date on which the debt amount

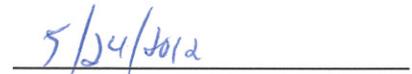
becomes due and payable (penalty due date). The current interest rate is one percent (1%). Interest will accrue from the date on which the penalty amounts (as proposed or adjusted) become a final order of the Occupational Safety and Health Review Commission (that is, 15 working days from your receipt of the Citation and Notification of Penalty), unless you file a notice of contest. Interest charges will be waived if the full amount owed is paid within 30 calendar days of the final order.

Delinquent Charges: A debt is considered delinquent if it has not been paid within one month (30 calendar days) of the penalty due date or if a satisfactory payment arrangement has not been made. If the debt remains delinquent for more than 90 calendar days, a delinquent charge of six percent (6%) per annum will be assessed accruing from the date that the debt became delinquent.

Administrative Costs: Agencies of the Department of Labor are required to assess additional charges for the recovery of delinquent debts. These additional charges are administrative costs incurred by the Agency in its attempt to collect an unpaid debt. Administrative costs will be assessed for demand letters sent in an attempt to collect the unpaid debt.



Christopher Adams CIH CSP
Area Director



Date