



## EPA Files Record Climate Enforcement Action Against Corporate HFC Importer

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On March 21, 2024, the U.S. Environmental Protection Agency (EPA) reached a settlement with Resonac America Inc., a subsidiary of the Tokyo-based Resonac Corporation, imposing a record penalty of \$416,003 for illegally importing hydrofluorocarbons (HFCs) used in refrigeration and air conditioning on four occasions in 2023 and 2024. In addition to the unprecedented monetary penalty, the settlement also requires the company to destroy 1,693 pounds of HFCs, marking the first time that any company is required to destroy climate pollutants to resolve EPA allegations.

This enforcement action is notable as the record-high penalty highlights EPA's stringent enforcement approach and its close adherence to established enforcement priorities. Furthermore, the enforcement case against a corporation in addition to a prior case against an individual citizen (see below) denotes the agency's focus on both corporate and individual violations. EPA will likely continue to take strong enforcement actions under its [National Enforcement and Compliance Initiatives](#) (NECIs), including those related to climate change.

The action was a result of EPA finding that the company illegally imported 6,208 pounds of HFCs into the United States through the Port of Los Angeles, failed to timely notify EPA of planned HFC shipments, and violated the requirement to submit reports to EPA regarding HFC imports.

Invoking the climate risks posed by HFCs, the global community agreed under the Kigali Amendment to the Montreal Protocol to phase down the production and import of HFCs in developed countries by 85 percent from historic levels by 2036.

This enforcement action comes on the heels of a [separate case](#) against an individual in San Diego, California, who was criminally charged under the 2020 American Innovation and Manufacturing Act for illegally importing HFC-containing refrigerants into the U.S. and attempting to sell them on Facebook Marketplace, OfferUp, and other websites.

This Alert Update supplements a [VNF alert from August 2023](#) regarding the enforcement priorities of EPA for fiscal years (FY) 2024-2027, as well as a [February 2024 VNF alert](#) discussing EPA's emphasis on its criminal enforcement program. The National Enforcement and Compliance Initiatives, issued through EPA's Office of Enforcement and Compliance Assurance (OECA), emphasizes the agency's focus on addressing climate change through targeted enforcement efforts.

### For More Information

Van Ness Feldman has extensive experience conducting internal investigations and compliance reviews. The Firm also closely monitors and advises clients on EPA priorities, rules, and actions and their implications for the energy and transportation sectors and other regulated industries. For additional information, please contact [Britt Fleming](#), [Mike Farber](#), [A.J. Singletary](#), [Paul Libus](#), [Richard Penna](#), or any member of the firm's Environmental Practice in Washington, D.C. at (202) 298-1800.

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