

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

In the Matter of:)	Docket No. FIFRA-05-2026-0013
)	
Claros Technologies)	Proceeding to Assess a Civil Penalty
Minneapolis, Minnesota)	Under Section 14(a) of the Federal
)	Insecticide, Fungicide, and Rodenticide
Respondent.)	Act, 7 U.S.C. § 136l(a)
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Consent Agreement and Final Order

Preliminary Statement

1. This is an administrative action commenced and concluded under Section 14(a) of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), 7 U.S.C. § 136l(a), and Sections 22.13(b) and 22.18(b)(2) and (3) 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.
2. The Complainant is the Director of the Enforcement and Compliance Assurance Division, United States Environmental Protection Agency (EPA), Region 5.
3. Respondent is Claros Technologies, a corporation doing business in the State of Minnesota.
4. Where the parties agree to settle one or more causes of action before the filing of a complaint, the administrative action may be commenced and concluded simultaneously by the issuance of a consent agreement and final order (CAFO). 40 C.F.R. § 22.13(b).
5. The parties agree that settling this action without the filing of a complaint or the adjudication of any issue of fact or law is in their interest and in the public interest.
6. Respondent consents to the assessment of the civil penalty specified in this CAFO, and to

the terms of this CAFO.

Jurisdiction and Waiver of Right to Hearing

7. Respondent admits the jurisdictional allegations in this CAFO and neither admits nor denies the factual allegations in this CAFO.

8. Respondent waives its right to request a hearing as provided at 40 C.F.R. § 22.15(c), any right to contest the allegations in this CAFO and its right to appeal this CAFO. Respondent waives any rights or defenses that Respondent has or may have for this matter to be resolved in federal court, including but not limited to any right to a jury trial, and waives any right to challenge the lawfulness of the final order accompanying the consent agreement.

9. Respondent certifies that it is complying with FIFRA, 7 U.S.C. §§ 136-136y, and the regulations at 40 C.F.R. §152 and 40 C.F.R. §167.20.

Statutory and Regulatory Background

10. Section 12(a)(1)(A) of FIFRA, 7 U.S.C. § 136j(a)(1)(A), states that it is unlawful for any person in any state to distribute or sell to any person any pesticide that is not registered under Section 3 of FIFRA, 7 U.S.C. § 136a.

11. A “pesticide” is, among other things, any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest. 7 U.S.C. § 136(u).

12. A “pest” is any insect, rodent, nematode, fungus, weed, or any other form of terrestrial or aquatic plant or animal life or virus, bacteria, or other micro-organism which the Administrator of EPA declares to be a pest under Section 25(c)(1) of FIFRA, 7 U.S.C. § 136w(c)(1). 7 U.S.C. § 136(t).

13. A substance is considered to be intended for a pesticidal purpose, and thus to be a pesticide requiring registration, if the person who distributes or sells the substance claims, states, or implies (by labeling or otherwise) that the substance can or should be used as a pesticide. 40 C.F.R. § 152.15(a)(1).

14. Section 2(gg) of FIFRA, 7 U.S.C. § 136(gg), defines “to distribute or sell” as to distribute, sell, offer for sale, hold for distribution, hold for sale, hold for shipment, ship, deliver for shipment, release for shipment, or receive and (having so received) deliver or offer to deliver. *See also* 40 C.F.R. § 152.3.

15. Section 2(p)(1) of FIFRA, 7 U.S.C. § 136(p)(1), defines a “label” as “written, printed, or graphic matter on, or attached to, the pesticide or device or any of its containers or wrappers.”

16. Section 2(p)(2) of FIFRA, 7 U.S.C. § 136(p)(2), defines “labeling” in relevant part, as “all labels and all other written, printed, or graphic matter accompanying the pesticide or device at any time or to which reference is made on the label or in literature accompanying the pesticide or device.”

17. Section 2(w) of FIFRA, 7 U.S.C. § 136(w), defines the term “produce” in relevant part, as “to manufacture, prepare, compound, propagate, or process any pesticide or device or active ingredient used in producing a pesticide.” *See also* 40 C.F.R. § 167.3.

18. Section 2(dd) of FIFRA 7 U.S.C. § 136(dd), defines an “establishment” as “any place where a pesticide or device or active ingredient used in producing a pesticide is produced, or held, for distribution or sale.” *See also* 40 C.F.R. § 167.3.

19. 40 C.F.R. § 167.3 defines a “producer” as “any person, as described by the Act, who produces any pesticide, active ingredient, or device (including packaging, repackaging, labeling and relabeling).” *See also* Section 2(w) of FIFRA 7 U.S.C § 136(w).

20. Section 7(a) of FIFRA, 7 U.S.C. § 136e(a) states, in pertinent part, that no person shall produce any pesticide subject to this Act in any State unless the establishment in which it is produced is registered with the Administrator. *See also* 40 C.F.R. § 167.20.

21. Pursuant to Section 12(a)(2)(L) of FIFRA, 7 U.S.C. § 136j(a)(2)(L), it is unlawful for any person who is a producer to violate any of the provisions of Section 7 of FIFRA, 7 U.S.C. § 136e.

22. The Administrator of EPA may assess a civil penalty against any registrant, commercial

applicator, wholesaler, dealer, retailer, or other distributor who violates any provision of FIFRA of up to \$24,885 for each offense, pursuant to Section 14(a)(1) of FIFRA, 7 U.S.C. § 136l(a)(1), and 40 C.F.R. Part 19.

Factual Allegations and Alleged Violations

23. At all times relevant to this CAFO, Respondent was a “person” as that term is defined at Section 2(s) of FIFRA, 7 U.S.C. § 136(s).

24. At all times relevant to this CAFO, Respondent was a “producer” as that term is defined at Section 2(w) of FIFRA, 7 U.S.C. § 136(w).

25. At all times relevant to this CAFO, Respondent owned or operated a business located at 1600 Broadway Street NE, Suite 100, Minneapolis, Minnesota 55413.

26. On or about April 5, 2023, the U.S. Environmental Protection Agency Region 5 received a complaint outlining alleged violations of FIFRA occurring at Claros Technologies.

27. On September 26-27, 2023, an inspector employed by U.S. Environmental Protection Agency Region 5 and authorized to conduct inspections under FIFRA conducted an inspection at Respondent’s place of business in Minneapolis, Minnesota.

28. During the inspection occurring on September 26-27, 2023, the inspector collected a physical sample, label, photographs and distribution records for the product Log3Mask.

29. The product card included inside the packaging for the Log3Masks states “ZioShield Technology: All Log3Masks contain ZioShield Technology, which is proven to “inactivate 99.9% of viruses within 10 minutes.”

30. A brochure/tech sheet collected during the inspection was utilized as a marketing material for ZioShield. Claims present on this sheet include

- a. “ZioShield textiles are proven 99.9% effective at killing fungi, bacteria, and viruses”
- b. “antiviral”

- c. “antibacterial”
- d. “antifungal”
- e. “Inactivates 99.9% of coronaviruses within 10 minutes”
- f. “Eliminates 99.9999% of gram-positive and gram-negative bacteria including antibiotic-resistance bacteria such as MRSA”

31. Log3Mask is a “pesticide” as defined at Section 2(u) of FIFRA, 7 U.S.C. § 136(u).

32. Log3Mask was not registered as a pesticide with EPA under Section 3 of FIFRA, 7 U.S.C. § 136a, between January 1, 2022, and February 17, 2023.

33. Respondent distributed or sold Log3Mask via online orders 380 times between January 1, 2022, and February 17, 2023.

34. Respondent’s sales or distributions of Log3Mask via online orders on 380 occasions constitute 380 unlawful acts pursuant to Section 12(a)(1)(A) of FIFRA, 7 U.S.C. § 136j(a)(1)(A).

35. At all times relevant to this CAFO, Respondent was “producing” a pesticide, Log3Mask, as that term is defined at in Section 2(w) of FIFRA, 7 U.S.C. § 136(w) and 40 C.F.R. § 167.3, for distribution or sale at its place of business.

36. Respondent’s place of business is an “establishment” as defined at Section 2(dd) of FIFRA, 7 U.S.C. § 136(dd) and 40 C.F.R. § 167.3.

37. At all times relevant to this CAFO, Respondent’s establishment was not registered with EPA as required under Section 7 of FIFRA, 7 U.S.C. § 136e.

38. Respondent violated Section 7(a) of FIFRA, 7 U.S.C. § 136e(a) and 40 C.F.R. § 167.20(a) by producing pesticides at an unregistered establishment.

39. Respondent’s production of pesticide products in an unregistered establishment constitutes one unlawful act pursuant to Section 12(a)(2)(L) of FIFRA, 7 U.S.C. § 136j(a)(2)(L), and its implementing regulations at 40 C.F.R. § 167.20.

Civil Penalty

40. Pursuant to Section 14(a)(4) of FIFRA, 7 U.S.C. § 136l(a)(4), Complainant determined that an appropriate civil penalty to settle this action is **\$82,280**. In determining the penalty amount, Complainant considered the appropriateness of the penalty to the size of Respondent's business, the effect on Respondent's ability to continue in business, and the gravity of the violation. Complainant also considered EPA's FIFRA Enforcement Response Policy, dated December 2009.

41. Respondent agrees to pay a civil penalty in the amount of **\$82,280** ("Assessed Penalty") within thirty (30) days after the effective date of this CAFO.

42. Respondent shall pay the Assessed Penalty and any interest, fees, and other charges due using any method, or combination of appropriate methods, as provided on the EPA website: <https://www.epa.gov/financial/makepayment>. For additional instructions see: <https://www.epa.gov/financial/additional-instructions-making-payments-epa>.

43. When making a payment, Respondent shall:

- a. Identify every payment with Respondent's name and the docket number of this CAFO, **FIFRA-05-2026-0013**,
- b. Concurrently with any payment or within 24 hours of any payment,

Respondent shall serve proof of such payment to the following person(s):

Regional Hearing Clerk (E-19J)
U.S. EPA, Region 5
r5hearingclerk@epa.gov

Jayna Kozlowski (ECP-17J)
Pesticides and Toxics Compliance Section
U.S. EPA, Region 5
kozlowski.jayna@epa.gov
and
R5lecab@epa.gov

Sophie Grueterich (C-14J)
Office of Regional Counsel
U.S. EPA, Region 5
grueterich.sophie@epa.gov

U.S. Environmental Protection Agency
Cincinnati Finance Center
Via electronic mail to:
CINWD_AcctsReceivable@epa.gov

“Proof of payment” means, as applicable, confirmation of credit card or debit card payment, or confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to EPA requirements, in the amount due, and identified with the appropriate docket number and Respondent’s name.

44. Interest, Charges, and Penalties on Late Payments. Pursuant to 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 40 C.F.R. § 13.11, if Respondent fails to timely pay any portion of the Assessed Penalty, interest, or other charges and penalties per this CAFO, the entire unpaid balance of the Assessed Penalty and all accrued interest shall become immediately due and owing, and EPA is authorized to recover the following amounts.

- a. Interest. Interest begins to accrue from the effective date of this CAFO. If the Assessed Penalty is paid in full within thirty (30) days, interest accrued is waived. If the Assessed Penalty is not paid in full within thirty (30) days, interest will continue to accrue until any unpaid portion of the Assessed Penalty as well as any interest, penalties, and other charges are paid in full. To protect the interests of the United States the rate of interest is set at the IRS standard underpayment rate, any lower rate would fail to provide Respondent adequate incentive for timely payment.

- b. Handling Charges. Respondent will be assessed monthly a charge to cover EPA's costs of processing and handling overdue debts.
- c. Late Payment Penalty. A late payment penalty of six percent (6%) per annum, will be assessed monthly on all debts, including any portion of the Assessed Penalty, interest, penalties, and other charges, that remain delinquent more than ninety (90) days.

45. Late Penalty Actions. In addition to the amounts described in the prior Paragraph, if Respondent fails to timely pay any portion of the Assessed Penalty, interest, or other charges and penalties per this CAFO, EPA may take additional actions. Such actions EPA may take include, but are not limited to, the following.

- a. Refer the debt to a credit reporting agency or a collection agency pursuant to 40 C.F.R. §§ 13.13 and 13.14.
- b. Collect the debt by administrative offset (i.e., the withholding of money payable by the United States government to, or held by the United States government for, a person to satisfy the debt the person owes the United States 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.
- c. Suspend or revoke Respondent's licenses or other privileges, or suspend or disqualify Respondent from doing business with EPA or engaging in programs EPA sponsors or funds, 40 C.F.R. § 13.17.
- d. Request that the Attorney General bring a civil action in the appropriate district court to recover the amount outstanding pursuant to 7 U.S.C. §

136l(a)(5).

46. Allocation of Payments. Pursuant to 31 C.F.R. § 901.9(f) and 40 C.F.R. § 13.11(d), a partial payment of debt will be applied first to outstanding handling charges, second to late penalty charges, third to accrued interest, and last to the principal that is the outstanding Assessed Penalty amount.

47. Tax Treatment of Penalties. Penalties, interest, and other charges paid pursuant to this CAFO shall not be deductible for purposes of federal taxes.

48. Pursuant to 26 U.S.C. § 6050X and 26 C.F.R. § 1.6050X-1, EPA is required to send to the Internal Revenue Service (“IRS”) annually, a completed IRS Form 1098-F (“Fines, Penalties, and Other Amounts”) with respect to any court order or settlement agreement (including administrative settlements), that require a payor to pay an aggregate amount that EPA reasonably believes will be equal to, or in excess of, \$50,000 for the payor’s violation of any law or the investigation or inquiry into the payor’s potential violation of any law, including amounts paid for “restitution or remediation of property” or to come “into compliance with a law.” EPA is further required to furnish a written statement, which provides the same information provided to the IRS, to each payor (i.e., a copy of IRS Form 1098-F). Failure to comply with providing IRS Form W-9 or Tax Identification Number (“TIN”), as described below, may subject Respondent to a penalty, per 26 U.S.C. § 6723, 26 U.S.C. § 6724(d)(3), and 26 C.F.R. § 301.6723-1. In order to provide EPA with sufficient information to enable it to fulfill these obligations, EPA herein requires, and Respondent herein agrees, that:

- a. Respondent shall complete an IRS Form W-9 (“Request for Taxpayer Identification Number and Certification”), which is available at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>;

- b. Respondent shall therein certify that its completed IRS Form W-9 includes Respondent's correct TIN or that Respondent has applied and is waiting for issuance of a TIN;
- c. Respondent shall email its completed Form W-9 to Milton Wise at EPA's Cincinnati Finance Center at wise.milton@epa.gov, within 30 days after the effective date of this CAFO, and EPA recommends encrypting IRS Form W-9 email correspondence; and
- d. In the event that that Respondent has certified in its completed IRS Form W-9 that it does not yet have a TIN but has applied for a TIN, Respondent shall provide EPA's Cincinnati Finance Center with Respondent's TIN, via email, within five (5) days of Respondent's receipt of a TIN issued by the IRS.

General Provisions

49. The parties consent to service of this CAFO by e-mail at the following valid e-mail addresses: grueterich.sophie@epa.gov (for Complainant), and h.max.kelln@faegredrinker.com (for Respondent). Respondent understands that the CAFO will become publicly available upon filing.

50. Respondent's full compliance with this CAFO resolves only Respondent's liability under FIFRA for federal civil penalties for the violations alleged in the CAFO.

51. This CAFO does not affect the rights of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law.

52. This CAFO does not affect Respondent's responsibility to comply with FIFRA and other applicable federal, state and local laws.

53. This CAFO is a "final order" for purposes of EPA's FIFRA Enforcement Response

Policy.

54. The terms of this CAFO bind Respondent, its successors and assigns.

55. Each person signing this CAFO certifies that he or she has the authority to sign for the party whom he or she represents and to bind that party to its terms.

56. Each party agrees to bear its own costs and attorneys fees, in this action.

57. This CAFO constitutes the entire agreement between the parties.

Claros Technologies, Respondent

03/04/2026

Date



Michelle Bellanca
CEO
Claros Technologies

United States Environmental Protection Agency, Complainant

Carolyn Persoon
Divison Director
Enforcement and Compliance Assurance Division
U.S. Environmental Protection Agency, Region 5

In the Matter of Claros Technologies
Docket No.: FIFRA-05-2026-0013

Final Order

This Consent Agreement and Final Order, as agreed to by the parties, shall become effective immediately upon filing with the Regional Hearing Clerk. This Final Order concludes this proceeding pursuant to 40 C.F.R. §§ 22.18 and 22.31. IT IS SO ORDERED.

Ann L. Coyle
Regional Judicial Officer
United States Environmental Protection Agency
Region 5