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TERMINIX COMPANIES AGREE TO PAY \$10 MILLION FOR APPLYING RESTRICTED-USE PESTICIDE TO RESIDENCES IN THE U.S. VIRGIN ISLANDS

All TERMINIX Locations Have Ceased Using Pesticides Containing Methyl Bromide in the United States Employees Illegally Applied Pesticides Containing Methyl Bromide to Residences in St. John, St. Croix, and St. Thomas, U.S.V.I.

The pest control corporation Terminix International Company LP (TERMINIX LP) and its U.S. Virgin Islands operation Terminix International USVI LLC (TERMINIX, USVI), were charged today with multiple violations of the Federal Insecticide, Fungicide and Rodenticide Act for illegally applying fumigants containing methyl bromide in multiple residential locations in the U.S. Virgin Islands, including the condominium resort complex in St. John where a family of four fell seriously ill last year after the unit below them was fumigated, the Department of Justice and the Environmental Protection Agency (EPA) announced today.

In a plea agreement, TERMINIX LP and TERMINIX, USVI agreed to pay a total of \$10 million in criminal fines, community service and restitution payments. Except for completing one government contract at the Port of Baltimore, TERMINIX LP has stopped using pesticides containing methyl bromide in the United States and U.S. Territories. Under the agreement TERMINIX, USVI will pay \$5 million in fines and \$1 million in restitution to the EPA for response and clean-up costs at the St. John resort. TERMINIX LP will pay a fine of \$3 million and will fund a \$1 million community service project in the U.S.V.I. The plea agreement is subject to approval by the district court.

“When misused, highly toxic pesticides can have catastrophic consequences, and that’s why those who are certified to apply them must do so responsibly and lawfully,” said Assistant Attorney General John C. Cruden for the Justice Department’s Environment and Natural Resources Division. “The facts in this case show the Terminix companies knowingly failed to properly manage their pest control operations in the U.S. Virgin Islands, allowing pesticides containing methyl bromide to be applied illegally and exposing a family of four to profoundly debilitating injuries. While on probation the companies are required to demonstrate to the EPA changes to their internal management and systems to ensure this type of tragedy does not reoccur.”

“This prosecution demonstrates the importance of complying with environmental laws and regulations,” said U.S. Attorney Ronald W. Sharpe of the District of the Virgin Islands. “Tragically, the defendants’

failure to do so resulted in catastrophic injuries to the victims and exposed many others to similar harm. The United States Attorney's Office is committed to the enforcement of environmental laws and will take all necessary steps to hold those who violate these laws criminally accountable and to protect residents and visitors of the Virgin Islands."

"When you break a law that protects public health, there are real victims and real consequences, as this case tragically shows," said Assistant Administrator Cynthia Giles for EPA's Office of Enforcement and Compliance Assurance. "This incident illustrates how important it is for EPA to enforce environmental laws and hold anyone accountable for endangering our safety. Today's charges should send a clear message to the industry, and directs important funds toward training programs to help ensure this can't happen again."

In 1984 EPA banned the indoor use of methyl bromide products. The few remaining uses are severely restricted. Pesticides containing methyl bromide in the U.S. are restricted-use due to their acute toxicity, meaning that they must only be applied by a certified applicator. Health effects of acute exposure to methyl bromide are serious and include central nervous system and respiratory system damage. Pesticides can be very toxic and it is critically important that they be used only as approved by EPA.

After the government began its investigation, TERMINIX LP voluntarily ceased its use of methyl bromide in the U.S. and in U.S. territories, except for one remaining supervised government contract.

According to the information filed in federal court in the U.S. District Court of the Virgin Islands today, the defendants knowingly applied restricted-use fumigants at the Sirenusa resort in St. John for the purpose of exterminating household pests on or about Oct. 20, 2014, and on or about March 18, 2015. The companies were also charged with applying the restricted-use pesticide in 12 residential units in St. Croix and one additional unit in St. Thomas between September 2012 and February 2015.

According to the factual basis of the plea agreement, TERMINIX, USVI provided pest control services in the Virgin Islands including fumigation treatments for Powder Post Beetles, a common problem in the islands. These fumigation treatments were referred to as "tape and seal" jobs, meaning that the affected area was to be sealed off from the rest of the structure with plastic sheeting and tape prior to the introduction of the fumigant. Customers were generally told that after a treatment persons could not enter the building for a two to three-day period.

On or about March 18, 2015, two employees of TERMINIX, USVI, performed a fumigation pesticide treatment at the lower rental unit of Building J at Sirenusa in St. John. The upper unit in Building J was occupied by a Delaware family of four. Via various means, methyl bromide from the lower unit migrated to the upper unit of Building J, causing serious injury to and hospitalization of the entire family.

EPA regional staff responded immediately to the incident in St. John, securing the scene, performing testing and addressing the contamination. Within days, the EPA sent out a pesticide use warning to pesticides applicators in Puerto Rico and the U.S. Virgin Islands, followed by a broader pesticide notice to regulators in all states, the British Virgin Islands, and to other Caribbean and Latin American countries.

As a special condition of the companies' three year probation, the defendants shall make good faith efforts to resolve past and future medical expenses for the family through separate civil proceedings. If they do not do so before the end of the probationary period, they would be subject to an order of restitution and the government may petition the District Court to reopen the sentencing proceedings to seek recovery of past and future medical and other expenses.

The \$10 million penalty includes \$8 million in criminal fines, \$1 million in restitution to the EPA for response and clean-up costs, and a \$1 million community service payment to the National Fish and Wildlife Foundation for the purpose of engaging a third party to provide training to pesticide applicators in the U.S. Virgin Islands.

The case was investigated by EPA Criminal Investigation Division working cooperatively with the Virgins Islands government and, the Agency for Toxic Substances and Disease Registry.

Senior Litigation Counsel Howard P. Stewart of the Department of Justice, Environmental Crimes Section, and Assistant U.S. Attorney Kim L. Chisholm of the District of the Virgin Islands are prosecuting the case with assistance of Patricia Hick, EPA Region II Regional Criminal Enforcement Counsel.

The investigation is ongoing.