

**BEFORE THE
UNITED STATES DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**

IN THE MATTER OF:

**Cinco Electronics Recycling, Inc.
(Respondent)**

PHMSA Case Number:

24-0134-SH-EA

COMPROMISE ORDER

By this Order I find that Cinco Electronics Recycling, Inc. committed three (3) violations of the Hazardous Materials Regulations (HMR), 49 CFR Parts 171-180. Accordingly, I assess Respondent a civil penalty of \$10,632 for these violations.

I. Summary

<u>Respondent:</u>	Cinco Electronics Recycling, Inc. 860 East Jenkins Avenue Columbus, Ohio 43207 Ben Strunk, Vice President
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<u>No. of Violations:</u>	3
<u>Total Payment Due:</u>	\$10,632

II. Finding

This matter comes before me after Cinco Electronics Recycling, Inc. (Respondent) and the Pipeline and Hazardous Materials Safety Administration (PHMSA) agreed to a disposition of this case. I find that Respondent committed the violations described in the Compromise Agreement (Agreement), which I have attached hereto. I have reviewed the Agreement and I find that the terms as outlined therein are in the best interest of justice.

The Agreement, in its entirety, is incorporated and attached to this Order. All of the terms and conditions of the Agreement shall be given the full force of an Order issued pursuant to the Federal hazardous materials transportation law, 49 U.S.C. § 5101, et seq., or the Hazardous Materials Regulations, 49 CFR Parts 171-180.

So Ordered,

ADAM SCHAEFER
HORSLEY

Digitally signed by ADAM
SCHAEFER HORSLEY
Date: 2025.08.11 11:21:15
-04'00'

For Keith J. Coyle
Chief Counsel
Pipeline and Hazardous Materials Safety Administration

Date: 08/11/2025

Attachments:

Addendum A

Addendum B

Addendum C

ADDENDUM A

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Addendum A (Compromise Order)

Payment Information

Respondent must pay a total civil penalty of \$10,632 in accordance with the following:

Due date

Respondent must pay the civil penalty within thirty (30) days of the date of this Order.

Payment Method

Respondent must pay the civil penalty by wire transfer.

(1) Wire Transfer.

Detailed instructions for sending a wire transfer through the Federal Reserve Communications System (Fedwire) to the account of the U.S. Treasury are contained in Addendum B of this Order. Please direct questions concerning wire transfers to:

DOT/PHMSA/MMAC
AMK-325/HQ-RM 181
6500 S MacArthur Blvd
Oklahoma City, OK 73169
(405) 954-9309

Interest and Administrative Charges

If Respondent pays the civil penalty by the due date, no interest will be charged. If Respondent does not pay by that date, the FAA's Financial Operations Division will start collection activities and may assess interest, a late-payment penalty, and administrative charges under 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 49 C.F.R. § 89.23.

The rate of interest is determined under the above authorities. Interest accrues from the date of this Order. A late-payment penalty of six percent (6%) per year applies to any portion of the debt that is more than 90 days past due. The late-payment penalty is calculated from the date Respondent receives the Order.

Addendum A (Compromise Order)

Treasury Department Collection

FAA's Financial Operations Division may also refer this debt and associated charges to the U.S. Department of Treasury for collection. The Department of the Treasury may offset these amounts against any payment due Respondent (31 C.F.R. § 901.3).

Under the Debt Collection Act (see 31 U.S.C. § 3716(a)), a debtor has certain procedural rights prior to an offset. You, as the debtor, have the right to be notified of: (1) the nature and amount of the debt; (2) the agency's intention to collect the debt by offset; (3) the right to inspect and copy the agency records pertaining to the debt; (4) the right to request a review within the agency of the indebtedness and (5) the right to enter into a written agreement with the agency to repay the debt. This Order constitutes written notification of these procedural rights.

ADDENDUM B

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Addendum B (Compromise Order)

INSTRUCTIONS FOR ELECTRONIC FUNDS TRANSFER TO PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION, U.S. DEPARTMENT OF TRANSPORTATION

1. <u>RECEIVER'S ABA NO.</u> 021030004	2. <u>TYPE SUBTYPE</u> (provided by Sending bank)
3. <u>SENDING BANK ARB NO.</u> (provided by Sending bank)	4. <u>SENDING BANK REF NO.</u> (provided by Sending bank)
5. <u>AMOUNT</u>	6. <u>SENDING BANK NAME</u> (provided by Sending bank)
7. <u>RECEIVER NAME:</u> TREAS NYC	8. <u>PRODUCT CODE</u> (Normally CTR, or Sending bank)
9. <u>BENEFICIAL (BNF)- AGENCY LOCATION CODE</u> BNF=/AC-69140001	10. <u>REASONS FOR PAYMENT</u> <i>Example: PHMSA Payment for Case #/Ticket #</i>

INSTRUCTIONS: You, as sender of the wire transfer, must provide the sending bank with the information for Block (1), (5), (7), (9), and (10). The information provided in blocks (1), (7), and (9) are constant and remain the same for all wire transfers to the Pipeline and Hazardous Materials Safety Administration, Department of Transportation

Block #1 - RECEIVER ABA NO. - "021030004". Ensure the sending bank enters this nine digit identification number; it represents the routing symbol for the U.S. Treasury at the Federal Reserve Bank in New York.

Block #5 - AMOUNT - You as the sender provide the amount of the transfer. Please be sure the transfer amount is punctuated with commas and a decimal point. **EXAMPLE:**
\$10,000.00

Block #7 - RECEIVER NAME- "TREAS NYC." Ensure the sending bank enters this abbreviation, which must be used for all wire transfer to the Treasury Department.

Block #9 - BENEFICIAL - AGENCY LOCATION CODE - "BNF=/AC-69140001"
Ensure the sending bank enters this information. This is the Agency Location Code for Pipeline and Hazardous Materials Safety Administration, Department of Transportation

Block #10 - REASON FOR PAYMENT – "AC-Payment for PHMSA Case#" To ensure your wire transfer is credited properly, enter the case number/ticket number or Pipeline Assessment number."

Note: - A wire transfer must comply with the format and instructions or the Department cannot accept the wire transfer. You, as the sender, can assist this process by notifying, at the time you send the wire transfer, the General Accounting Division at (405) 954-9309 or 9-AMC- AMZ-AR-PHMSA@faa.gov.

ADDENDUM C

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**BEFORE THE
UNITED STATES DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**

IN THE MATTER OF:

Cinco Electronics Recycling, Inc.

PHMSA Case Number:

24-0134-SH-EA

COMPROMISE AGREEMENT

I. Parties

The Parties to this Compromise Agreement (“Agreement”) are:

Cinco Electronics Recycling, Inc. (“Respondent”), a lithium battery disassembler and repackager, who prepared lithium battery shipments for disposal and recycling,

and

The Pipeline and Hazardous Materials Safety Administration (“PHMSA”), a modal Administration of the United States Department of Transportation.

II. Authority/Jurisdiction

A. The Parties enter into this Agreement under authority of 49 U.S.C. § 5123(e) and 49 CFR § 107.327(a)(1).

B. For the Purposes of this Agreement, Respondent acknowledges:

(1) As an offeror of hazardous materials, it is a regulated entity subject to the HMR and to the jurisdiction of (a) the Secretary of Transportation, (b) PHMSA’s Associate Administrator for Hazardous Materials Safety, and (c) PHMSA’s Office of the Chief Counsel (49 U.S.C. § 5103(b) and 49 CFR § 107.301);

(2) PHMSA has sufficient proof to show by a preponderance of the evidence that Respondent violated the Federal regulations listed in Section V below; and

(3) That it received proper notice of PHMSA’s action in this proceeding.

III. Background

A. On May 14 and 15, 2024, an Investigator from PHMSA's Office of Hazardous Materials Safety Field Operations ("OHMSFO") conducted an inspection at Respondent's facility in Columbus, Ohio, pursuant to 49 U.S.C. § 5121 and 49 CFR § 107.305. PHMSA's Investigator reported three (3) alleged violations of the HMR. At the conclusion of the compliance inspection, PHMSA's Investigator conducted an "exit briefing," during which the Investigator discussed the alleged violations and the required corrective actions with Respondent's representatives.

B. Upon completion of the inspection, the Investigator submitted a report to the Director of OHMSFO's Eastern Region, who reviewed the report for accuracy and sufficiency of evidence. Based on that review, the Director referred the matter to PHMSA's Office of Chief Counsel, thereby recommending the initiation of a civil penalty action against Respondent, pursuant to 49 CFR § 107.311.

C. Based on a preliminary assessment of the apparent nature, circumstances, extent, and gravity of the probable violation, as set forth in the Investigator's report, on July 8, 2025, an attorney from PHMSA's Office of Chief Counsel issued a Notice of Probable Violation ("Notice"), alleging three (3) violations of the HMR, and proposing a \$14,176 civil penalty. Respondent accepted electronic service of process of the Notice on July 8, 2025.

IV. Basis of Agreement

A. Reply to Notice. Respondent accepted electronic service of process with an email response to the Notice on July 8, 2025. Respondent and PHMSA's attorney scheduled an informal conference, which took place on July 18, 2025. Following the informal conference, PHMSA's attorney offered Respondent 25% off the Notice penalties to settle the case.

V. Violations and Civil Penalty

In a subsequent Order, the Chief Counsel will find that Respondent committed the following violations and will assess the following civil penalty:

Viol. No.	HMR Violation	NOPV Penalty Amount	Compromise Penalty Amount
1	Placing untested lithium batteries in transportation for the purpose of disposal or recycling, without having them packed in a strong outer packaging, in violation of 49 CFR §§ 171.2(b), 173.24(c)(1)(ii), and 173.185(d).	\$9,375	\$7,031 (-\$2,344 in the interest of settling the matter)
2	Offering for transportation in commerce a hazardous material without a shipping paper, in violation of 49 CFR §§ 171.2(b) and 172.200(a).	\$4,200	\$3,000 (-\$1,200 in the interest of settling the matter)

3	Failing to create a record of hazmat training in conformance with the HMR, in violation of 49 CFR § 172.704(d)(5).	\$601	\$601 (already lowest possible)
TOTAL	----- -----	\$14,176	\$10,632 (-\$3,544 in the interest of settling the matter)

VI. Factors Considered in Determining the Civil Penalty

In determining the amount of a civil penalty, PHMSA considered the following statutory criteria (49 U.S.C. § 5123(c)):

- (1) The nature, circumstances, extent, and gravity of the violations;
- (2) The degree of culpability and history of prior violations;
- (3) Respondent's size;
- (4) Respondent's ability to pay the penalty and its ability to continue to do business; and
- (5) Other matters as justice may require.

Respondent provided full corrective action prior to the issuance of the Notice, and PHMSA's attorney reduced the Notice penalty by the maximum permitted at the time of issuance. Following the informal conference, PHMSA's attorney was able to offer a further 25% penalty reduction from the Notice, in the interest of settling the matter, for a new total penalty of \$10,632.

VII. Terms and Conditions

A. Respondent agrees to pay a total civil penalty of \$10,632 as full satisfaction of the civil penalty proposed in the Notice within thirty (30) days from the date the Chief Counsel issues the Compromise Order, which will issue after Respondent signs and returns this Agreement.

B. By entering into this Agreement, Respondent waives:

- (1) Any right to present further written or oral explanations, information, and arguments in this matter;
- (2) Any right to Administrative appeal; and
- (3) Any right to seek judicial review or otherwise contest or challenge the validity of this Agreement or the Notice associated with this case.

C. This Agreement resolves only the violation noted in PHMSA Ref. No. **24-0134-SH-EA**, as referenced in Section V of this Agreement. In the event Respondent commits any future violations of the Federal hazardous material transportation law, 49 U.S.C. § 5101 *et seq.*, the HMR, or any exemption, or order issued thereunder, this violation shall constitute a prior violation under 49 U.S.C. § 5123.

D. After Respondent returns this signed Agreement, PHMSA's representative will present the Agreement to the Chief Counsel, requesting that the Chief Counsel adopt the terms of this Agreement by issuing a Compromise Order (49 CFR § 107.327(a)(1)). The terms of this Agreement constitute an offer of compromise until accepted by the Chief Counsel.

E. After issuance of the Compromise Order, Respondent must pay the civil penalty in accordance with the terms of this Agreement. Upon receipt of Respondent's full payment, the Chief Counsel will close this case with prejudice to the Respondent (49 CFR § 107.327(a)(1)(ii)).

VIII. Miscellaneous Provisions

A. By signing this Agreement, Respondent or its representative warrants to have read the Agreement and understood its terms and conditions.

B. The individuals signing on behalf of the Respondent and PHMSA represent that they are authorized to sign and have authority to enter into this Agreement.

C. Respondent's failure to sign and return this Agreement within thirty (30) days from its receipt will result in the withdrawal of this Agreement and the Chief Counsel will issue an Order pursuant to 49 CFR § 107.317(d), for the full amount of the penalty proposed in the Notice.

D. Respondent must return the signed Agreement by electronic mail to:

Brittany.Besser@dot.gov

Respondent

Federal Tax ID #: 74-2751369 ¹

By: 
Ben Strunk, Vice President

Date: 8/7/2025

**Pipeline and Hazardous
Materials Safety Administration**

By: **BRITTANY**
SIGRID BESSER
Brittany S. Besser, Attorney-Advisor

Digitally signed by BRITTANY
SIGRID BESSER
Date: 2025.08.11 11:04:27
-04'00'

Date:

¹ The Taxpayer Identifying Number is required by 31 U.S.C. § 7701(c)(3). PHMSA will use this number for purposes of collecting and reporting on any delinquent amounts arising out of this agreement.