

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA,

Plaintiff,

v.

ENVIRONMENTAL SAFETY
INTERNATIONAL, INC., a New Jersey
corporation, also d/b/a Environmental Products
International, Inc., and EPI,

JOSEPH CARNEY, individually and as an officer
of Environmental Safety International, Inc.,

SEAN CARNEY, individually and as an officer of
Environmental Safety International, Inc., and

RAYMOND CARNEY, individually and as an
officer of Carbro Sales & Survey, L.L.C.,

Defendants.

Case No. 2:21-cv-13350-MCA-LDW

**STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
CIVIL PENALTY JUDGMENT
AGAINST ENVIRONMENTAL
SAFETY INTERNATIONAL, INC.,
JOSEPH CARNEY, AND SEAN
CARNEY**

Plaintiff, the United States of America, acting upon notification and authorization to the Attorney General by the Federal Trade Commission (“Commission” or “FTC”), filed its Complaint for Permanent Injunction and Civil Penalties (“Complaint”) pursuant to Sections 5(a), 5(m)(1)(A), 13(b), 16(a), and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(a), 45(m)(1)(A), 53(b), 56(a), and 57b, and Section 6 of the Telemarketing and Consumer Fraud and Abuse Prevention Act (the “Telemarketing Act”), 15 U.S.C. § 6105. Defendants Environmental Safety International, Inc. (“ESI”), Joseph Carney, and Sean Carney have waived service of the summons and the Complaint. Plaintiff and Defendants ESI, Joseph Carney, and

Sean Carney stipulate to the entry of this Stipulated Order for Permanent Injunction and Civil Penalty Judgment Against Environmental Safety International, Inc., Joseph Carney, and Sean Carney (“Order”) to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

FINDINGS

1. This Court has jurisdiction over this matter.
2. The Complaint alleges that Defendants engaged in or assisted and facilitated engaging in acts or practices in violation of the FTC’s Telemarketing Sales Rule (“TSR”), as amended, 16 C.F.R. Part 310, by initiating or causing others to initiate, in connection with Telemarketing, (a) telephone calls to telephone numbers listed on the National Do Not Call Registry; (b) telephone calls that delivered a prerecorded message; (c) telephone calls to persons who previously have stated that they do not wish to receive a call; and (d) outbound telephone calls that fail to properly disclose the identity of the seller and that the purpose of the call is to sell goods or services. The Complaint also alleges that Defendants participated in deceptive practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, to induce payment for septic tank cleaning products.
3. Defendants ESI, Joseph Carney and Sean Carney neither admit nor deny any of the allegations in the Complaint, except as specifically stated in this Order. Only for purposes of this action, these Defendants admit the facts necessary to establish jurisdiction.
4. Defendants ESI, Joseph Carney and Sean Carney waive any claim that they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agree to bear their own costs and attorney fees.

5. Defendants ESI, Joseph Carney, and Sean Carney waive all rights to appeal or otherwise challenge or contest the validity of this Order.

DEFINITIONS

For the purpose of this Order, the following definitions apply:

- A. **“Defendants”** means all of the Individual Defendants and the Corporate Defendant, individually, collectively, or in any combination.
- B. **“Corporate Defendant”** means Environmental Safety International, Inc., also d/b/a Environmental Products International, Inc., and EPI, and its successors and assigns.
- C. **“Individual Defendants”** means Joseph Carney, Sean Carney, and Raymond Carney.
- D. **“Individual Settling Defendants”** means Joseph Carney and Sean Carney, individually, collectively, or in combination.
- E. **“Liquidating Receiver”** means the person appointed by the Court in this matter to serve as Liquidating Receiver pursuant to Section IX, below.
- F. **“National Do Not Call Registry”** means the “do-not-call” registry of telephone numbers maintained by the FTC pursuant to 16 C.F.R. § 310.4(b)(1)(iii)(B).
- G. **“Receivership Estate”** means all assets identified in Section VI.C, below, as well as any other assets transferred to the Liquidating Receiver pursuant to this Order, or other Order entered by this Court.
- H. **“Settling Defendants”** means the Individual Settling Defendants and the Corporate Defendant, individually, collectively, or in combination.

I. **“Telemarketing”** means any plan, program, or campaign which is conducted to induce the purchase of goods or services or a charitable contribution, by use of one or more telephones, and which involves more than one interstate telephone call, whether or not covered by the Telemarketing Sales Rule.

ORDER

I. BAN ON CERTAIN TELEPHONE CALLS

IT IS ORDERED that Settling Defendants, whether acting directly or through an intermediary, are permanently restrained and enjoined from:

A. Engaging in, assisting others, or causing others to engage in Telemarketing, which includes, without limitation, using or providing others with access to automated dialing systems, providing others with Caller ID numbers, and providing others with data lists containing consumer information;

B. Initiating, causing others to initiate, or assisting others in initiating any telephone call to consumers (i) to provide information about septic systems or septic products, (ii) to solicit information from consumers about their septic systems or use of septic products, or (iii) whose telephone numbers are listed on the National Do Not Call Registry;

C. Initiating, causing others to initiate, or assisting others in initiating any telephone call that plays or delivers a prerecorded message;

D. Initiating, causing others to initiate, or assisting others in initiating any telephone call to any person who previously has stated that he or she does not wish to receive a call made by or on behalf of the Defendants; and

E. Holding any ownership interest, share, or stock in any business that engages in any

of the acts or practices listed in paragraphs A-D of this Section.

Provided however, that it is not a violation of the Order for the Individual Settling Defendants to own a non-controlling stock interest in a publicly traded company that engages in conduct banned in Section I.

Provided further, that this Section does not prohibit the Individual Settling Defendants, individually (including as an employee of another person or legal entity) or through any business either of them owns or operates, from initiating any Manually Dialed Call when such a call is not part of a plan, program, or campaign which is conducted to induce the purchase of goods or services or a charitable contribution through a telephone call and is only incidental to the business. For purposes of this provision, “Manually Dialed Call” means a telephone call that is dialed by an individual who manually selects the telephone number to be called without the assistance of an automated dialer or similar device and without the use of any prerecorded message.

II. PROHIBITION AGAINST MISREPRESENTATIONS

IT IS FURTHER ORDERED that Settling Defendants, and each of their officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with promoting or offering for sale, or attempting to collect payment for, any good or service, are permanently restrained and enjoined from misrepresenting or assisting others in misrepresenting, expressly or by implication:

- A. that a consumer may be referred to an attorney;
- B. that a consumer may be referred to a collection agency; or

C. any other fact material to consumers concerning any good or service, such as: the total costs; any material requirements to returning a product, including the timeframe for the return and any costs to return a product; any material restrictions, limitations or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.

**III. PROHIBITION ON CHARGING, BILLING, OR
ATTEMPTING TO COLLECT PAYMENT FROM CUSTOMERS**

IT IS FURTHER ORDERED that Settling Defendants, and each of their officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are permanently restrained and enjoined from charging, billing, or attempting to collect payment from any consumer in connection with Defendants' septic tank cleaning products, including but not limited to Corporate Defendant's accounts receivables.

**IV. INJUNCTION CONCERNING NOTIFICATION TO
EXISTING CUSTOMERS**

IT IS FURTHER ORDERED that Settling Defendants shall, within 14 days of entry of this Order, provide adequate and timely notice of this Order by email (if any email address was provided) or United States Postal Service (if an email address was not provided) to each customer who has not paid his or her account balance in full. The notice shall be in the exact wording and format set forth in Attachment A and shall not include any other message, attachment, or enclosure. The subject line of the email and letter must read "Septic tank cleaning products from Environmental Safety International (ESI) or Environmental Products International (EPI)."

**V. DISSOLUTION OF ENVIRONMENTAL SAFETY
INTERNATIONAL, INC.**

IT IS FURTHER ORDERED that Settling Defendants shall apply to dissolve Corporate Defendant within 30 days of entry of this Order and shall not reinstate Corporate Defendant or conduct activities in the name of the Corporate Defendant, except as necessary to dissolve and wind up Corporate Defendant.

**VI. MONETARY JUDGMENT FOR CIVIL PENALTY
AND PARTIAL SUSPENSION**

IT IS FURTHER ORDERED that:

A. Judgment in the amount of Ten Million Two Hundred Three Thousand Seven Hundred Eighty-Four Dollars and Thirty Cents (\$10,203,784.30) is entered in favor of Plaintiff against Settling Defendants, jointly and severally, as a civil penalty.

B. Settling Defendants are ordered to pay to Plaintiff, by making payment to the Treasurer of the United States, One Million Six Hundred Forty-Six Thousand Two Hundred Ten Dollars (\$1,646,210.00), which as Settling Defendants stipulate, their undersigned counsel holds in escrow for no purpose other than payment to Plaintiff. Such payment must be made within 7 days of entry of this Order by electronic fund transfer in accordance with instructions previously provided by a representative of Plaintiff. Upon such payments and other assets transfers as specified in Subsection C of this Section, the remainder of the judgment is suspended, subject to the Subsections below.

C. Immediately upon entry of this Order, Defendant Joseph Carney shall cooperate fully and take such steps as the Liquidating Receiver may require, including executing any documents, providing any necessary information, and paying any necessary fees or expenses, to

cause the transfer to the Liquidating Receiver, or to his qualified settlement fund, within 7 days of entry of this Order, of possession and legal and equitable title to the real property located in the city of Hillsdale, county of Bergen, state of New Jersey, commonly known as 20 Appletree Lane, Parcel Number Block 501 Lot 17 (hereinafter, "Appletree Property").

1. Following transfer of title and possession, the Liquidating Receiver shall be responsible for all maintenance, utilities, taxes, homeowners' association fees, and all other expenses of any nature related to the Appletree Property, which were not incurred prior to the transfer.

2. Defendant Joseph Carney represents that there are no liens or encumbrances on the Appletree Property, and that he will not add any such encumbrances after signing this Order.

3. The costs and expenses of transferring the Appletree Property shall be paid by Defendant Joseph Carney.

4. Defendant Joseph Carney expressly agrees that the Appletree Property was his and his spouse Athanasia Carney's personal residence as such is defined and/or interpreted by the Internal Revenue Code (title 26); as such, pursuant to 26 U.S.C. §121, the first \$500,000 from the sales proceeds is excluded from taxation if any gain is derived therefrom (the "Personal Residence Exclusion"). Defendant Joseph Carney and Athanasia Carney hereby transfer and deliver the Personal Residence Exclusion to the Liquidating Receiver for the Liquidating Receiver's benefit to utilize upon sale of the Appletree Property. Defendant Joseph Carney and Athanasia Carney forever waive, release, discharge, and disclaim all right, title, and interest in the Appletree Property. Athanasia Carney forever waives, releases, relinquishes, discharges and disclaims any and all marital, equitable or other right, title, and interest in the Appletree Property (collectively

referred to as the “Spousal Waiver”). Athanasia Carney acknowledges and agrees that she is receiving adequate consideration for such Spousal Waiver as a result of this Stipulated Order in favor of her spouse Defendant Joseph Carney.

5. Defendant Joseph Carney represents and acknowledges that the Commission and Plaintiff are relying on the material representation that he is the sole owner in fee simple of the Appletree Property.

6. Until Defendant Joseph Carney transfers title and possession of the Appletree Property to the Liquidating Receiver:

- a) Joseph Carney and Athanasia Carney shall maintain, and take no action to diminish the value of, the Appletree Property, including any structures, fixtures, and appurtenances thereto, in the same condition as on the date Defendant Joseph Carney executed his sworn financial statement dated February 13, 2021;
- b) Joseph Carney shall remain current on all amounts due and payable on the Appletree Property, including but not limited to tax, insurance, homeowner’s assessments, reasonable and necessary maintenance, and similar fees; and
- c) Joseph Carney shall retain existing insurance coverage on the Appletree Property in full force and effect.

7. In order to transfer possession of the Appletree Property to the Liquidating Receiver, Defendant Joseph Carney and Athanasia Carney shall vacate the Appletree Property in good, clean, and broom swept condition, deliver all keys and alarm, security, fire, sprinkler or any

other codes, if any, to the Liquidating Receiver along with written notice that possession is surrendered.

8. Further, upon surrender, Defendant Joseph Carney shall provide (1) name, account numbers, and contact information for all utility companies, (2) name and contact information for all companies utilized to maintain the Appletree Property, (3) a copy of any and all warranties for all appliances at the Appletree Property, (4) a copy of any work or other permits and/or architectural designs or blueprints for any improvements to the Appletree Property, (5) any and all insurance policies and insurance riders for personal property, and (6) any other relevant information.

D. The Commission's and Plaintiff's agreement to the suspension of part of the judgment is expressly premised upon the truthfulness, accuracy, and completeness of the Settling Defendants' sworn financial statements and related documents (collectively, "Financial Representations") submitted to the Commission, namely:

1. The Financial Statement of Defendant Environmental Safety International, Inc., signed on February 13, 2021, but mistakenly dated February 13, 2020, including the attachments;
2. The Financial Statement of Defendant Joseph Carney, signed on February 13, 2021, including the attachments;
3. The Financial Statement of Defendant Sean Carney, signed on February 13, 2021, including the attachments; and
4. Additional information including any attachments provided to the Commission through counsel by separate emails on February 9, 2021,

February 16, 2021, February 17, 2021, February 18, 2021, February 23, 2021, March 8, 2021, and March 9, 2021.

E. The suspension of the judgment will be lifted as to any Settling Defendant if, upon motion by the Commission or Plaintiff, the Court finds that (1) such Settling Defendant failed to disclose any material asset, materially misstated the value of any asset, or made any other material misstatement or omission in the Financial Representations identified above or in the representations regarding property in Subsection VI.C, above, or (2) Settling Defendant is in default on any obligation under Section VI of this Order.

F. If the suspension of the judgment is lifted, the judgment becomes immediately due as to that Settling Defendant in the amount specified in Subsection VI.A, above (which the parties stipulate only for purposes of this Section represents the amount of the civil penalty for the violations alleged in the Complaint), less any payment previously made pursuant to this Section plus interest computed from the date of entry of this Order.

VII. ADDITIONAL MONETARY PROVISIONS

A. Settling Defendants relinquish dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets. Defendant Joseph Carney's spouse, Athanasia Carney, relinquishes dominion and all legal, marital and equitable rights, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets ("Asset Waiver"). Athanasia Carney acknowledges and agrees that she is receiving adequate consideration for such Asset Waiver as a result of this Order in favor of her spouse Defendant Joseph Carney.

B. The facts alleged in the Complaint will be taken as true as to Settling Defendants, without further proof, in any subsequent civil litigation by or on behalf of the Commission, including in a proceeding to enforce its rights to any payment or monetary judgment pursuant to this Order.

C. Settling Defendants agree that the civil penalty judgment represents a civil penalty owed to the government of the United States, is not compensation for actual pecuniary loss, and, therefore, as to Individual Settling Defendants, it is not subject to discharge under the Bankruptcy Code pursuant to 11 U.S.C. § 523(a)(7).

D. Settling Defendants acknowledge that their Taxpayer Identification Numbers (Social Security Numbers or Employer Identification Numbers), which Settling Defendants previously submitted to the Commission, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.

VIII. CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Settling Defendants, Settling Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are permanently restrained and enjoined from directly or indirectly:

A. disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, Social Security Number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of this Order; and

B. failing to destroy such customer information in all forms in their possession, custody, or control within 30 days after receipt of written direction to do so from a representative of the Commission.

Provided, however, that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by law, regulation, or court order.

IX. LIQUIDATING RECEIVER

IT IS FURTHER ORDERED that:

A. Anthony Sodono, III, is hereby appointed as Liquidating Receiver with the full power of an equity receiver. The Liquidating Receiver shall be an agent of this Court, and solely the agent of this Court, in acting as Liquidating Receiver under this Order. The Liquidating Receiver shall comply with all laws and Local Rules of this Court governing receivers. Except for an act of gross negligence, the Liquidating Receiver and any professionals it retains to assist it shall not be liable for any loss or damage incurred by Joseph Carney or Athanasia Carney, their agents, employees, and attorneys or any other person, by reason of any act performed or omitted to be performed by the Liquidating Receiver or any professional it retains to assist it in connection with the discharge of its duties and responsibilities.

B. The Liquidating Receiver shall assume responsibility for management and maintenance of the Receivership Estate, including all assets transferred pursuant to the section titled Monetary Judgment for Civil Penalty and Partial Suspension at Section VI of this Order. The Liquidating Receiver shall preserve and protect such assets by undertaking necessary repairs, procuring appropriate insurance, and making required payments for taxes, insurance, assessments,

reasonable and necessary maintenance, and any other actions necessary to efficiently manage the assets and to maintain their value. Payment for any service or activity necessary to preserve or protect such assets is payable from the assets of the Receivership Estate, without prior approval by the Court. All such payments shall be itemized in the Liquidating Receiver's reports to the Court or motions related to the sale of such asset.

C. The Liquidating Receiver shall liquidate the assets of the Receivership Estate and all net proceeds, after payment of any liens and necessary expenses of the Liquidating Receiver, shall be paid to the Plaintiff. Such payment shall be made within 7 days following the Court's approval of the Liquidating Receiver's final application for compensation and expenses, by electronic fund transfer in accordance with instructions to be provided by a representative of the Plaintiff.

D. The Liquidating Receiver is authorized to retain any professionals, including, but not limited to attorneys, auctioneer, and accountant to assist in the administration of the estate. Any application to retain professionals must be filed and approved by the Court.

E. In liquidating the assets of the Receivership Estate, the following provisions apply:

1. Pursuant to the provisions of 28 U.S.C. § 2001(b), the Liquidating Receiver shall, at reasonable cost and in a commercially reasonable fashion, liquidate the assets of the Receivership Estate.
2. The Court approves the use of a realtor's marketing analysis as one of the three appraisals required by 28 U.S.C. § 2001(b).
3. Joseph Carney and Athanasia Carney shall cooperate fully with the Liquidating Receiver and take such other steps as the Liquidating Receiver

may require in connection with the listing, marketing, and sale of the assets of the Receivership Estate.

4. Joseph Carney and Athanasia Carney shall sign any documents necessary for the sale of the assets of the Receivership Estate, including, but not limited to, powers of attorney and any documents necessary to effectuate a transfer of any such assets to third parties.
5. Joseph Carney and Athanasia Carney shall cooperate fully and not interfere with the Liquidating Receiver's efforts to enter onto, market, and sell the real or personal property in the Receivership Estate. Joseph Carney and Athanasia Carney shall provide timely and reasonable access to all prospective buyers and realtors, if their cooperation or assistance is necessary to accomplish such access. Joseph Carney and Athanasia Carney shall have no authority, discretion, or control over the Liquidating Receiver's efforts to market or sell the property in the Receivership Estate.
6. If applicable, all ad valorem taxes, any transfer fees, recording fees, other fees, advertising, and any commissions associated with or resulting from the sale of the assets of the Receivership Estate shall be paid from the proceeds of the sale(s) at the time the assets of the Receivership Estate are sold. Pursuant to N.J.S.A. 46:15-10(6)(g), any realty transfer fee is not applicable insofar as a receiver is exempt from such transfer fee.
7. The Liquidating Receiver is authorized to open any bank account in the name of the Liquidating Receiver.

F. The Liquidating Receiver is entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by it. The Liquidating Receiver's compensation and the compensation of any persons hired by it are to be paid solely from the assets of the Receivership Estate or the proceeds of the sale of the assets of the Receivership Estate, and such payments shall have priority over all other distributions except for any transfer fees, recording fees, or other payments owed through the transfer of the assets of the Receivership Estate at the time of their sale.

G. The Liquidating Receiver shall prepare and file all necessary reports or filings to comply with applicable state or federal laws with regard to the Receivership Estate, file its final report and application for fees, prepare and file the tax return for the Receivership Estate, complete liquidation, and terminate its service within 6 months of the date of this Order unless good cause is shown to extend the estate beyond 6 months.

H. Upon completion of the above tasks and the final transfer of all funds to the Plaintiff pursuant to this Section, the duties of the Liquidating Receiver shall terminate, be satisfied, and the Liquidating Receiver shall be entitled to an order discharging the Liquidating Receiver.

X. COOPERATION WITH THE LIQUIDATING RECEIVER

IT IS FURTHER ORDERED that Joseph Carney and Athanasia Carney shall fully cooperate with and assist the Liquidating Receiver. This cooperation and assistance shall include, but not be limited to, providing any information to the Liquidating Receiver that is reasonably necessary to enable the Liquidating Receiver to exercise its authority and discharge its responsibilities under this Order.

XI. ORDER ACKNOWLEDGMENTS

IT IS FURTHER ORDERED that Settling Defendants obtain acknowledgments of receipt of this Order:

A. Each Settling Defendant, within 7 days of entry of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.

B. For 5 years after entry of this Order, each Individual Settling Defendant for any business that such Defendant, individually or collectively with any other Defendants, is the majority owner or controls directly or indirectly, and each Corporate Defendant, must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees having managerial responsibilities for conduct related to the subject matter of the Order and all agents and representatives who participate in conduct related to the subject matter of the Order; (3) all companies providing telephone or VoIP services to that business; and (4) any business entity resulting from any change in structure as set forth in the Section titled Compliance Reporting. Delivery must occur within 7 days of entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

C. From each individual or entity to which a Settling Defendant delivered a copy of this Order, that Defendant must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

XII. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Settling Defendants make timely submissions to the Commission:

A. One year after entry of this Order, each Settling Defendant must submit a compliance report, sworn under penalty of perjury.

1. Each Settling Defendant must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission and Plaintiff may use to communicate with Defendant; (b) identify all of that Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant (which Individual Defendants must describe if they know or should know due to their own involvement); (d) describe in detail whether and how that Defendant is in compliance with each Section of this Order; and (e) provide a copy of each Order Acknowledgement obtained pursuant to this Order, unless previously submitted to the Commission.

2. Additionally, each Individual Settling Defendant must: (a) identify all telephone numbers and all physical, postal, email and Internet addresses, including all residences; (b) identify all business activities, including any business for which such Defendant performs services whether as an employee or otherwise and any entity in which such Defendant has any ownership interest; and (c) describe in

detail such Defendant's involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

B. For 10 years after entry of this Order, each Settling Defendant must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:

1. Each Settling Defendant must report any change in: (a) any designated point of contact; or (b) the structure of any Corporate Defendant or any entity that Defendant has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.

2. Additionally, each Individual Settling Defendant must report any change in: (a) name, including aliases or fictitious name, or residence address; or (b) title or role in any business activity, including any business for which such Defendant performs services whether as an employee or otherwise and any entity in which such Defendant has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity.

C. Each Settling Defendant must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Defendant within 14 days of its filing.

D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury under the laws of the United States of America

that the foregoing is true and correct. Executed on: _____” and supplying the date, signatory’s full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: FTC v. Environmental Safety International, Inc., Matter Number 1823201.

XIII. RECORDKEEPING

IT IS FURTHER ORDERED that Settling Defendants must create certain records for 10 years after entry of the Order, and retain each such record for 5 years. Specifically, Corporate Defendant and each Individual Settling Defendant for any business that such Defendant, individually or collectively with any other Defendants, is a majority owner or controls directly or indirectly, must create and retain the following records:

- A. accounting records showing the revenues from all goods or services sold;
- B. personnel records showing, for each person providing services, whether as an employee or otherwise, that person’s: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;
- D. records of all telephone calls dialed by any Defendant or dialed on behalf of any Defendant or his businesses by their vendors, contractors, or telecommunications providers,

including for each call: (1) the number called; (2) the caller ID number displayed; (3) the time and date of the call; (4) the duration of the call; and (5) any telephone number or IP address to which the call was forwarded or transferred;

E. all records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission;

F. a copy of each unique advertisement or other marketing material; and

G. a copy of each unique invoice or collection notice sent to a consumer.

XIV. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring Settling Defendants' compliance with this Order, including the financial representations upon which part of the judgment was suspended and any failure to transfer any assets as required by this Order:

A. Within 14 days of receipt of a written request from a representative of the Commission or Plaintiff, each Settling Defendant must submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents for inspection and copying. The Commission and Plaintiff are also authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

B. For matters concerning this Order, the Commission and Plaintiff are authorized to communicate directly with each Settling Defendant. Settling Defendant must permit representatives of the Commission and Plaintiff to interview any employee or other person

affiliated with any Defendant who has agreed to such an interview. The person interviewed may have counsel present.

C. The Commission and Plaintiff may use all other lawful means, including posing, through its representatives as consumers, suppliers, or other individuals or entities, to Settling Defendants or any individual or entity affiliated with Settling Defendants, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

D. Upon written request from a representative of the Commission or Plaintiff, any consumer reporting agency must furnish consumer reports concerning Individual Settling Defendants, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(a)(1).

XV. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

SO ORDERED this 15th day of July, 2021.



Hon. Madeline Cox Arleo
UNITED STATES DISTRICT JUDGE

SO STIPULATED AND AGREED:

FOR PLAINTIFF:

THE UNITED STATES OF AMERICA

BRIAN M. BOYNTON
Acting Assistant Attorney General
Civil Division

ARUN G. RAO
Deputy Assistant Attorney General

GUSTAV W. EYLER
Director
Consumer Protection Branch

LISA K. HSIAO
Assistant Director

By: *s/ Zachary L. Cowan*

Zachary L. Cowan
Trial Attorney
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FEDERAL TRADE COMMISSION

Amy C. Hocevar

Amy C. Hocevar, OH # 0075510

Christian M. Capece, WV # 10717

Derek E. Diaz, OH # 0069755

Fil M. de Banate, OH #0086039

Federal Trade Commission

Telephone: (216) 263-3409 (Hocevar)

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FOR DEFENDANTS ENVIRONMENTAL SAFETY INTERNATIONAL, INC., ALSO D/B/A ENVIRONMENTAL PRODUCTS INTERNATIONAL, INC. AND EPI, AND JOSEPH CARNEY AND SEAN CARNEY, BOTH INDIVIDUALLY AND AS OFFICERS OF ENVIRONMENTAL SAFETY INTERNATIONAL, INC.:

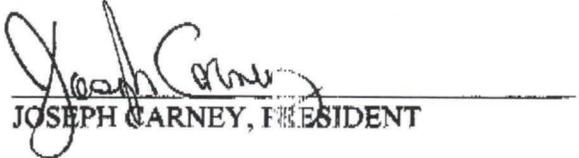


Date: 3/22/21

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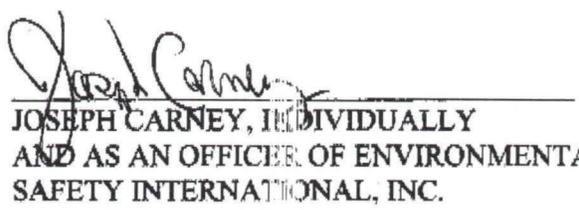
COUNSEL FOR DEFENDANTS ENVIRONMENTAL SAFETY INTERNATIONAL, INC., ALSO D/B/A ENVIRONMENTAL PRODUCTS INTERNATIONAL, INC. AND EPI, AND JOSEPH CARNEY AND SEAN CARNEY, BOTH INDIVIDUALLY AND AS OFFICERS OF ENVIRONMENTAL SAFETY INTERNATIONAL, INC.

DEFENDANT ENVIRONMENTAL SAFETY INTERNATIONAL, INC., ALSO D/B/A ENVIRONMENTAL PRODUCTS INTERNATIONAL, INC. AND EPI:


JOSEPH CARNEY, PRESIDENT

Date: 3/21/21

DEFENDANT JOSEPH CARNEY:


JOSEPH CARNEY, INDIVIDUALLY
AND AS AN OFFICER OF ENVIRONMENTAL
SAFETY INTERNATIONAL, INC.

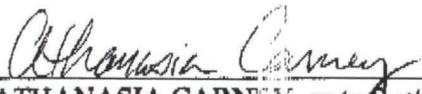
Date: 3/21/21

DEFENDANT SEAN CARNEY:



SEAN CARNEY, INDIVIDUALLY
AND AS AN OFFICER OF ENVIRONMENTAL
SAFETY INTERNATIONAL, INC.

Date: 3/21/21



ATHANASIA CARNEY, as to Sections VI C.4,
6, and 7, VII, IX E.3-5, and Section X only

Date: 03/21/21