UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION II
290 BROADWAY
NEW YORK, NEW YORK 10007-1866

SEP 16 2015

OVERNIGHT MAIL & EMAIL
RETURN RECEIPT REQUESTED

Brian G. Nichols
Vice President of Human Resources,
Legal Affairs & Risk Management
Katy Industries, Inc.
305 Rock Industrial Park Drive
Bridgeton, MO 63044

Re: Notice of Potential Liability and Request for Information Pursuant to 42 U.S.C. §§ 9607(a) and 9604(e) of the Comprehensive Environmental Response, Compensation, and Liability Act, San German Ground Water Contamination Site, San German, PR

Dear Mr. Nichols:

The U.S. Environmental Protection Agency ("EPA") is charged with responding to the release or threat of release of hazardous substances, pollutants, and contaminants into the environment and with enforcement responsibilities under the federal "Superfund" law, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended ("CERCLA"), 42 U.S.C. §§ 9601-9675.

EPA has documented the release and threat of release of hazardous substances into the environment at the San German Ground Water Contamination Superfund Site, located in San German, Puerto Rico (the "Site"). The Site includes a contaminated ground water plume that has contributed to contamination of the San German Urbano public water supply system serving an estimated population of 2,280 people in San German, Puerto Rico. Quarterly sampling collected by the Puerto Rico Aqueduct and Sewer Authority from 2001-2005 revealed that three of the seven public supply wells, identified as *Retiro*, *Lola Rodriguez de Tio I*, and *Lola Rodriguez de Tio II*, were contaminated with chlorinated solvents. These solvents included tetrachloroethylene ("PCE"), cis-1,2 dichloroethylene ("cis-1,2-DCE") and trichloroethylene ("TCE"). These three wells were taken out of service in 2006.

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On May 19. 2008, the Site was listed on the "National Priorities List," Superfund's list of releases and potential releases of hazardous substances, pollutants, and contaminants that appear to pose the greatest threat to public health, welfare, and the environment, established under Section 105(a) of CERCLA, 42 U.S.C. § 9605(a) of CERCLA. In response to these releases and the threat of future releases, EPA has spent public funds and EPA anticipates spending additional public funds at the Site.

Recently, EPA completed a remedial investigation and feasibility study ("RI/FS") at the Site. As part of the remedial investigation, soil samples were collected at five potential source areas in an effort to locate the source of the groundwater contamination. A total of 41 soil borings were completed and 159 soil samples were collected.

Two locations at the Site were identified as containing sources of contamination of the same contaminants present in the groundwater including, PCE, TCE, and DCE. These two properties are currently occupied by Wallace Silversmiths of P.R., Inc. ("Wallace"), and CCL Insertco de PR ("CCL") and are both located within the Retiro Industrial Park, which is owned by the Puerto Rico Industrial Development Company ("PRIDCO").

As part of its public participation responsibilities under Section 117(a) of CERCLA, EPA issued for public comment a Proposed Plan that describes the remedial alternatives developed for a portion of the Site and identifies a preferred remedy with the rationale for that preference. The public comment period for the proposed remedy closed on September 11, 2015. The administrative record file, which contains copies of the Proposed Plan and supporting documentation, is available to review at U.S. EPA Records Center, Region 2, 290 Broadway, 18th Floor, New York, New York 10007-1866 and by calling (212) 637-4308. A copy of the Proposed Plan may also be obtained at the following link:
http://www.epa.gov/region02/superfund/npl/sangerman/

International Silver of Puerto Rico ("International Silver"), a subsidiary of Insilco Corporation and Wallace International de P.R., Inc., ("Wallace International") leased the Wallace property and operated at the Retiro Industrial Park in San German, Puerto Rico from 1972 to 1986. As early as 1984, Katy Industries acquired the Insilco Corporation. This letter seeks your cooperation in providing information and documents relating to Wallace International's operations at the San German Site.

NOTICE OF POTENTIAL LIABILITY

Under CERCLA, responsible parties may be held liable for all monies expended by the federal government in taking response actions in connection with a site where hazardous substances have been released -- including the costs of EPA's investigative, planning, removal, remedial, and enforcement actions. Responsible parties also may be ordered by EPA to take response actions themselves. Responsible parties under CERCLA include, among others, the owners and operators of a facility from which there has been a release or threatened release of a hazardous substance.

By this letter, we notify you that as the owner of prior operators at the Site during which we have reason to believe there was a release or threatened release of a hazardous substance, you are a potentially responsible party for the Site pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a).

REQUEST FOR INFORMATION

EPA requires that you provide a complete and truthful response to the enclosed Request for Information within **21** calendar days of your receipt of this letter. Under Section 104(e) of CERCLA, 42 U.S.C. § 9604(e), EPA has broad information-gathering authority which allows EPA to require persons to provide information or documents relating to the materials generated, treated, stored, or disposed of at or transported from a facility, the nature or extent of a release or threatened release of a hazardous substance, pollutant, or contaminant at or from a facility, and the ability of a person to pay for or perform a cleanup.

While EPA seeks your cooperation in this investigation, your compliance with the Request for Information is required by law. When you have prepared your response to the Request for Information, please sign and have notarized the enclosed "Certification of Answers to Request for Information," and return that Certification to EPA along with your response. Please note that false, fictitious, or fraudulent statements or representations may subject you to civil or criminal penalties under federal law. In addition, Section 104 of CERCLA authorizes EPA to pursue penalties for failure to comply with requests for information.

Some of the information EPA is requesting may be considered by you to be confidential. Please be aware that you may not withhold the information on that basis. If you wish EPA to treat all or part of the information confidentially, you must advise EPA of that fact by following the procedures described in the Instructions included in the attached information request, including the requirement of supporting your claim of confidentiality.

If you have information about other parties who may have information which may assist EPA in its investigation of the Site or who may be responsible for contamination at the Site, that information should be submitted to EPA within the time period stated above.

Please note that if after submitting your response you obtain additional or different information concerning the matters addressed by this Request for Information, it is necessary that you promptly notify EPA.

This Request for Information is not subject to the approval requirements of the Paperwork Reduction Act of 1980, 44 U.S.C. §§ 3501-3520.

Your response to this Request for Information, which may be submitted electronically, should be mailed to the following:

Henry Guzman
Assistant Regional Counsel
Office of Regional Counsel
U.S. Environmental Protection Agency, Region II
290 Broadway, 17th Floor
New York, NY 10007-1866
Guzman.Henry@epa.gov

With a copy to:

Gez Bushra
On Scene Coordinator
U.S Environmental Protection Agency, Region II
Removal Action Branch
2890 Woodbridge Avenue, MS-211
Edison, New Jersey 08837
Bushra.Gez@epa.gov

Please give the matters addressed in this letter your immediate attention, and if you have any questions, please contact Mr. Guzman at (212) 637-3166. We appreciate your attention to this matter.

Sincerely,

Nicoletta DiForte

Nicoletta DiForte
Deputy Director of Enforcement
Emergency and Remedial Response Division

cc: Adalberto Bosque, PhD, MBA
Remedial Project Manager
U.S. Environmental Protection Agency
Caribbean Environmental Protection Division

ATTACHMENT A

INSTRUCTIONS FOR RESPONDING TO REQUEST FOR INFORMATION

1. Answer Every Question and Information Request Completely. EPA requires that you provide a complete and truthful response to this Request for Information, issued pursuant to Section 104(e) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended ("CERCLA"), 42 U.S.C. § 9604(e). A complete and separate response should be given by Katy Industries, Inc. ("Katy") for each question and/or information request contained in **Attachment B** of this letter. If information or documents responsive to a question are not in Katy's possession, custody, or control, please identify the person(s) from whom such information may be obtained.

2. Number Each Answer. Identify each answer with the number of the question and/or information request and the subpart to which it responds. For each document produced in response to this Request for Information, indicate on the document, or in some other reasonable manner, the question to which it applies.

3. Provide the Best Information Available. Provide responses to the best of your ability, even if the information sought was never put down in writing or if the written documents are no longer available. You should seek out responsive information from current and former employees and/or agents. Submission of cursory responses when other responsive information is available to Katy may be considered non-compliance with this Request for Information. Whenever in this request for Information there is a request to identify a natural person or an entity other than a natural person, state among other things the person or entity's full name and present or last known address. Consult with all present and past employees and agents of Katy whom you have reason to believe may be familiar with the matter to which the question pertains.

4. Identify Sources of Answers. In answering each question and/or information request, identify (see Definitions) each individual and any other source of information (including documents) that was relied on in producing Katy's answer.

5. Inability to Answer or Provide Documents. If Katy is unable to answer a question and/or information request in a detailed and complete manner or if it is unable to provide any of the information or documents requested, indicate the reason for its inability to do so. If Katy cannot provide a precise answer to a question and/or information request, please approximate, but in any such instance, state the reason for your inability to be specific. If Katy has reason to believe that an individual or entity other than one employed by or known to your Company may be able to provide additional details or documentation in response to any question, state that person or entity's name, last known address, phone number, and the reasons for your belief.

6. Documents. If a document is requested but not available, state the reason for its unavailability. To the best of your ability, identify the document by author, date, subject matter, and number of pages, and identify all recipients of the document with their addresses. If

anything is omitted from a document produced in your response to this Request for Information, state the reason for, and the subject matter of, the omission.

7. Continuing Obligation to Provide and to Correct Information. If additional information or documents responsive to this Request become know or available to Katy after it responds to this Request, EPA hereby requests pursuant to Section 104(e) of CERCLA that you supplement your response to EPA.

8. Confidential Information. The information requested herein must be provided even though Katy may contend that it includes confidential information or trade secrets. Katy may assert a confidentiality claim that covers part or all of the information requested, pursuant to Sections 104(e) (7) (E) and (F) of CERCLA, 42 U.S.C. §§ 9604(e) (7) (E) and (F), and 40 C.F.R. §2.203(b). If Katy makes a claim of confidentiality for any of the information it submits to EPA, it must prove that claim. For each document or response it claims is confidential, you must separately address the following points:

a. the portions of the information alleged to be entitled to confidential treatment;

b. the period of time for which confidential treatment is desired (e.g., until a certain date, until the occurrence of a specific event, or permanently);

c. measures taken by Katy to guard against an unintended disclosure of the information to others;

d. the extent to which the information has been disclosed to others, and the precautions taken in connection therewith;

e. pertinent confidentiality determinations, if any, by EPA or other federal agencies, and a copy of any such determination if available or a reference to them; and

f. if you assert that disclosure of the information would likely result in substantial harmful effects on your business' competitive position, describe what those harmful effects would be, why they should be viewed as substantial, and provide an explanation of the causal relationship between disclosure and such harmful effects.

To make a confidentiality claim, please stamp or type "Confidential" on all confidential responses and any related confidential documents. Confidential portions of otherwise non-confidential documents should be clearly identified. You should indicate a date, if any, after which the information need no longer be treated as confidential. Please submit in separate envelopes both a clean and a redacted version of any documents or response for which you make a claim of confidentiality.

All confidentiality claims are subject to EPA verification. It is important that Katy satisfactorily show that it has taken reasonable measures to protect the confidentiality of the information, that it intends to continue to do so, and that it is not and has not been obtainable by legitimate means without Katy's consent.

Information covered by such claim will be disclosed by EPA only to the extent permitted by CERCLA Section 104(e) and 40 C.F.R. Part 2, Subpart B. If no such claim accompanies the information when it is received by EPA, then it may be made available to the public by EPA without further notice to Katy.

9. Disclosure to EPA Contractor. Information which Katy submits in response to this Request for Information may be disclosed by EPA to authorized representatives of the United States, pursuant to 40 C.F.R. Part 2.310(h), such as for the purpose of organizing and/or analyzing the information contained in the responses to this Request for Information, even if you assert that all or part of your submission is confidential business information. Any knowing or willful disclosure of such information by such a contractor may subject that contractor to penalties under Section 104(e)(7)(B), 42 U.S.C. § 9604(e)(7)(B). If Katy is submitting information which it asserts is entitled to treatment as confidential business information, you may comment on this potential disclosure within fourteen (14) days of receiving this Request for Information.

10. Personal Privacy Information. Personnel and medical files, and similar files that if disclosed to the general public may constitute an invasion of privacy, should be segregated among Katy's responses, included on separate sheet(s), and marked as "Personal Privacy Information."

11. Objections to Questions. If Katy has objections to some or all the questions within this Request for Information, it is still required to respond to each question.

12. If additional information or documents responsive to this Request for Information become known or available to you after you respond to this Request, EPA hereby requests pursuant to CERCLA Section 104(e) that you supplement your response to EPA.

B. Definitions

1. As used herein, the term "Site" shall refer to the San German Groundwater Contamination Site ("Site"). The Site includes a contaminated plume of groundwater originating at the Retiro Industrial Park and its surrounding areas and the sources thereof.

2. As used herein, the term "you," "your," and "Katy" shall refer to Katy Industries, Inc. "Wallace International" shall refer to Wallace International de P.R., Inc,, "International Silver" shall refer to International Silver of Puerto Rico, Inc., and "Insilco" shall refer to Insilco Corporation.

3. The term "Facility" shall refer to the buildings leased by Katy, Wallace International, International Silver, and/or Insilco at the Retiro Industrial Park in San German, Puerto Rico.

4. The term "hazardous substance" shall have the meaning set forth in Section 101(14) of CERCLA, at 42 U.S.C. § 9601(14). The substances which have been designated as hazardous substances pursuant to Section 102(a) of CERCLA (which, in turn, comprise a portion of the substances that fall within the definition of "hazardous substance" under Section 101(14) of CERCLA) are set forth at 40 CFR Part 302.

5. As used herein, the term "industrial waste" shall mean any solid, liquid, or sludge or any mixture thereof which possesses any of the following characteristics:

a. it contains one or more "hazardous substances" (at concentration) as defined in 42 U.S.C. § 9601(14);

b. it is a " hazardous waste" as defined in 42 U.S.C. § 6903(5); it has a pH less than 2.0 or greater than 12.5; it reacts violently when mixed with water;

c. it generates toxic gases when mixed with water; it easily ignites or explodes;

d. it is an industrial waste product;

e. it is an industrial treatment plant sludge or supernatant;

f. it is an industrial byproduct having some market value;

g. it is coolant water or blowdown waste from a coolant system; or

h. it is a spent product which could be reused after rehabilitation; or it is any material which you have reason to believe would be toxic if either ingested, inhaled or placed in contact with your skin.

6. The term "identify" means, with respect to a natural person, to set forth the person's name, present or last known employer and business address and business telephone number, and present or last known home address and home telephone number. With respect to a corporation, partnership, business trust, or other association or business entity (including a sole proprietorship), the term "identify" means to provide its full name, address, and any affiliation it has with Katy.

7. The term "document" or "documents" shall mean any object that records, stores, or presents information, and includes writings of any kind, formal or informal, whether or not wholly or partially in handwriting, including but not limited to the following: papers, books, records, letters, photographs, correspondence, communications, telegrams, cables, Telex messages, memoranda, laboratory work papers, batch sheets, other work papers, ledger sheets, transcripts, minutes, reports and recordings of telephone or other conversations, or of interviews or of conferences, or of other meetings, affidavits, statements, summaries, opinions, reports, studies, drafts, analyses, bulletins, notices, announcements, advertisements, instructions, charts, manuals, brochures, publications, schedules, journals, statistical records, diaries, lists, logs, well logs, field logs, tabulations, sound recordings, computer printouts, computer-readable materials, chromatograms, spectrographs, mass spectra or spectrograms, data generated from any physico-chemical methods of analysis, data processing input and invoices, checks, notes, diagrams, maps, graphs, or materials with handwriting or other printing on them and other tangible material. "Document" shall also include any data compilation from which information can be obtained or translated if necessary by you through detection devices into reasonably usable form.

8. The term "entity" or "entities" refers to persons, individuals, companies, partnerships, or any other type of business association.

9. The term "release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including the abandonment or discharging of barrels, containers, and other closed receptacles containing any hazardous substance or pollutant or contaminant.

10. All terms not defined herein shall have their ordinary meaning, unless such terms are defined in CERCLA, in which case the statutory definitions shall apply.

ATTACHMENT B

REQUEST FOR INFORMATION

1. Provide the full legal name and mailing address of Katy Industries, Inc.

2. If Katy wishes to designate an individual for all future correspondence concerning this Site, including any legal notices, please so indicate here by providing that individual's name, address, telephone number, email address, and FAX number.

3. For Katy, please provide:

    a. The date of incorporation;
    b. State of incorporation; and
    c. Agent for service of process.

4. If Katy currently is, or was at any time, a subsidiary or affiliate of another corporation or other business entity, identify each of those other entities and each entity's Chief Executive Officer, President, and Chairman of the Board.

5. Describe the nature of (a) the acquisition of International Silver, (b) the acquisition of Wallace International de P.R., Inc., and (c) the purchase of Insilco Corporation.

    a. Describe the nature of the sale and/or transaction of each.
    b. State if the transaction consisted of a merger, consolidation, sale or transfer of assets, and submit all documents relating to such transaction, including all documents pertaining to any agreements, express or implied, for the purchasing corporation to assume the liabilities of the selling corporation.
    c. Did Katy retain the liabilities of International Silver, Wallace International, or Insilco for events prior to the sale?
    d. Is Katy the successor to any of the liabilities of International Silver, Wallace International, and Insilco, including those under CERCLA?
    e. Describe the nature of Katy's succession of liabilities for International Silver, Wallace International, and Insilco and provide the relevant documentation.
    f. Describe Katy's sale of any stock, assets, or other interest in Wallace International or Insilco?

6. Describe the condition of the Facility (a) at the time International Silver commenced operations at the Facility, (b) at the time Wallace International commenced operations at the Facility, and (c) at the time Wallace International was sold. Provide all available photos and/or documents that would substantiate this.

7. Before either International Silver's and/or Wallace International's operations at the Facility, did Insilco, International Silver, Wallace International, Katy, or any of these companies' agents, officers, or employees enter into any arrangements to investigate the physical and/or environmental conditions at the Facility? If so, please provide copies of all reports, analyses, and characterizations relating to the physical and/or environmental conditions at the Facility.

8. Describe in detail the nature of the business and the production processes conducted at the Facility by International Silver and Wallace International until such time as each company terminated operations at the Facility including:

    a. The date such operation commenced and concluded;
    b. The types of work performed at each location, including but not limited to the industrial, chemical, or institutional processes undertaken at each location; and
    c. A description of the generation, storage, placement, disposal, or treatment of wastes at the Facility by date.

9. During the time that both International Silver and Wallace International operated at the Facility, please provide lists for:

    a. All the chemicals that were used at the Facility. Provide the quantity for each chemical that was used on a yearly basis. Relate the use of these chemicals to the manufacturing process;
    b. All wastes that were generated at the Facility. Provide the quantity of each waste that was generated on a yearly basis; and
    c. All chemicals and wastes that were stored at the Facility, the method of storage (*e.g.*, drums, tanks, etc.), and the location of storage.

10. For the time that International Silver and Wallace International operated at the Facility, describe how any chemical wastes that were generated were disposed of. Provide manifests or shipping papers to document.

11. Did International Silver and/or Wallace International store or stockpile any industrial wastes at the Facility? Did any agents, representatives, officers or employees of International Silver, Wallace International, Insilco, or Katy enter into arrangements of any kind relating to the treatment, storage or disposal of industrial wastes? If so, explain all such arrangements, with whom they were made, the chemical names and the appropriate volumes of the industrial wastes, and the time period such arrangements were in effect. Provide copies of all documents that are relevant to your response to these questions.

12. Did International Silver and/or Wallace International use or install any underground or aboveground storage tanks on the properties? If yes, please provide the answers and all documents that are relevant to your responses:

    a. Please supply the date when they were installed, their size and material of construction, where they were installed, for what purpose, and what chemicals/wastes were stored in them.
    b. Were any of these tanks ever removed or did they ever leak?
    c. Were any of the tanks already present at the Facility prior to International Silver's and/or Wallace International's operations?

13. During both International Silver's and Wallace International's operations at the Facility, describe all leaks, spills, or releases at or from the Facility of materials that were or may have been hazardous, toxic, flammable, reactive, or corrosive, or may have contained hazardous substances, including, but not limited to:

    a. The date of each such occurrence;
    b. The specific location at the Facility of each such occurrence; and
    c. The materials that were involved in each such occurrence in terms of the nature, composition, color, smell, and physical state (solid or liquid) of such material.

14. During International Silver's and Wallace International's operations at the Facility, were any type of water, soil or sediment sampling at or near the Facility for purposes of identifying whether there had been a release of any chemical(s) to the environment and/or in compliance with or response to any Federal or Commonwealth environmental regulation(s)? Provide all reports or analytical data that would substantiate this.

15. During International Silver's and Wallace International's operations at the Facility, were soils remediated, excavated or removed from the Facility?

    a. If yes, what was the source(s) of the material that was used to backfill the excavation(s)?
    b. Please provide the vendor/location from where the backfill material was obtained and what efforts were taken to determine whether the material was clean; and
    c. Detail the effort and provide documentation to substantiate your response, including photographs, reports, and analytical data.

16. Identify and provide copies of all insurance policies and indemnification agreements held or entered into which arguably could indemnify International Silver, Wallace International, Insilco, and/or Katy against any liability which it may be found to have under CERCLA for releases and threatened releases of hazardous substances at and from the Site. In response to this request, please provide not only those insurance policies and agreements which currently are in effect, but also include those which were in effect during the years Wallace International operated at the Facility.

17. Provide the name, address, and phone number of all persons that Wallace International employed during the time Wallace International leased at the Facility that would be familiar with the Wallace International's operations, waste storage and disposal practices, and any remediation, excavation, or removal of soil from the properties.

18. In the event that you have any additional information or documents which may help EPA identify other companies that may have contributed to contamination in the ground water plume at the San German Ground Water Contamination Site, please provide that information and those documents, and identify the source or your information.

19. Please state the name, title and address of each individual who assisted or was consulted in the preparation of your response to this CERCLA Request for Information. In addition, state whether this person has personal knowledge of the information in the answers provided.

SAN GERMAN GROUND WATER CONTAMINATION SITE
CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

State of

County of

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information) and all documents submitted herewith, and that I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. I am also aware that I am under a continuing obligation to supplement my response to EPA's Request for Information if any additional information relevant to the matters addressed in EPA's Request for Information or my response thereto should become known or available to me.

_____
NAME (print or type)

_____
TITLE (print or type)

_____
SIGNATURE

Sworn to before me this

__ day of _____, 2015

_____
Notary Public