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United States Department of Justice

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BENEFIT COSMETICS PLEADS GUILTY TO ILLEGALLY TRANSPORTING HAZARDOUS MATERIALS BY AIR

Company to pay \$350,000 fine and issue public apology

SAN FRANCISCO – United States Attorney Joseph P. Russoniello today announced that Benefit Cosmetics, a San Francisco based company, was convicted of one count of violating the Hazardous Materials Transportation Act. Benefit Cosmetics pleaded guilty today in front of the Honorable Susan Illston of illegally causing the transportation of hazardous materials by air. As part of the plea agreement, Judge Illston sentenced the company to a \$350,000 fine and ordered the company to issue a public apology.

The Hazardous Materials Transportation Act regulates the transportation of hazardous materials by air, road, vessel, and railcar. It is a crime to transport hazardous materials in violation of the Act's regulations. In particular, it is a crime to transport certain hazardous materials through air commerce due to the inherent danger to the public, environment, and infrastructure. See 49 United States Code Section 46312(a)(2).

Benefit Cosmetics is a wholesaler and retailer of beauty products. As part of its business, it ships large amounts of product interstate, both by ground and by air. Several of its products contain materials designated by the Secretary of the Department of Transportation as hazardous for air travel, because they are capable of posing an unreasonable risk to health, safety and property when transported aboard airplanes. At the time of the offense, Benefit was not a certified shipper of hazardous materials. Further, Benefit employees were not properly trained on the shipment of hazardous materials whether by ground or by air. The one count information alleged that on or about March 23, 2006, a Benefit employee recklessly caused a hazardous material, in this case, isopropyl alcohol, a flammable liquid, to be transported in air commerce in violation of law.

In addition to a \$350,000 fine, Benefit Cosmetics will issue a notice of public acknowledgment in an appropriate trade journal regarding this conviction. The notice is intended, in part, to raise awareness in the beauty industry of hazardous material transportation regulations.

Stacey Geis is the Assistant U.S. Attorney who prosecuted the case with the assistance of Legal

Technician Rayneisha Booth. The prosecution is the result of a two year investigation by the U.S. Department of Transportation Office of Inspector General and Federal Aviation Administration Security and Hazardous Materials Branch.

Further Information:

Case #: CR 08-0602

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at <http://www.cand.uscourts.gov/>

All press inquiries to the U.S. Attorney's Office should be directed to Joshua Eaton at (415) 436-6958 or by email at Josh.Eaton@usdoj.gov.

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