

Edgar Filing: ASHLAND INC. - Form 8-K

On April 25, 2006, Ashland Inc. ("Ashland") was notified by the staff of the Securities and Exchange Commission (the "Commission") of the staff's intent to seek authorization from the Commission to pursue a civil action against Ashland relating to adjustments which reduced its environmental remediation reserves for certain sites for the fiscal years 1999 and 2000. These adjustments to environmental reserves totaled \$12.2 million in 1999 and \$12.6 million in 2000. The staff advised that it intends to seek injunctive and/or administrative relief against Ashland and that it will not recommend any fines, penalties or restatements from Ashland nor allege any intentional misconduct by Ashland. Ashland intends to file a Wells submission and will vigorously oppose the staff's request that the Commission authorize a civil action against Ashland.

Ashland anticipates that the staff will also seek authorization from the Commission to pursue similar, perhaps more extensive, relief against a current employee who was responsible for establishing Ashland's environmental reserves during 1999 and 2000.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ASHLAND INC.

(Registrant)

Date: April 25, 2006

/s/ David L. Hausrath

Name: David L. Hausrath
Title: Senior Vice President,
General Counsel and Secretary