

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5

FILED

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U.S. EPA REGION 5  
HEARING CLERK

In the Matter of:	)	Docket No. TSCA-05-2025-0024
	)	
TBS Properties, L.L.C.	)	Proceeding to Assess a Civil
Chicago, Illinois,	)	Penalty Under Section 16(a) of the
	)	Toxic Substances Control Act,
Respondent.	)	15 U.S.C. § 2615(a)
_____	)	

**Consent Agreement and Final Order**

**A. Preliminary Statement**

1. This is an administrative action commenced and concluded under Section 16(a) of the Toxic Substances Control Act (TSCA), 15 U.S.C. § 2615(a), and Sections 22.1(a)(2), 22.13(b) and 22.18(b)(2) and (3) the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules) as codified at 40 C.F.R. Part 22.

2. Complainant is the U.S. Environmental Protection Agency (EPA). The EPA Administrator has delegated the authority to settle civil administrative penalty proceedings under Section 16(a) of TSCA to the Division Director of the Enforcement and Compliance Assurance Division, EPA, Region 5.

3. Respondent is TBS Properties, L.L.C., a corporation with a place of business located at 3754 North Southport Avenue, Chicago, Illinois 60613.

4. EPA and Respondent agree that settling this action is in the public interest and consent to the entry of this Consent Agreement and Final Order (CAFO) without the

adjudication of any issues of law or fact.

5. Respondent agrees to comply with the terms of this CAFO.

### **B. Jurisdiction**

6. The alleged violations in this CAFO are pursuant to Section 1018 of Title X of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (the Lead Act), 42 U.S.C. § 4852d.

7. The Regional Judicial Officer of Region 5 is authorized to ratify the consent agreement memorializing the settlement between EPA and Respondent and to issue the attached Final Order. 40 C.F.R. §§ 22.4(b) and 22.18(b).

### **C. Statutory and Regulatory Background**

8. The Lead Act at 42 U.S.C. § 4852d, requires the Administrator of EPA to promulgate regulations for the disclosure of lead-based paint hazards in target housing that is offered for sale or lease.

9. On March 6, 1996, EPA promulgated regulations at 40 C.F.R. Part 745, Subpart F, Disclosure of Known Lead-Based Paint and/or Lead-Based Paint Hazards Upon Sale or Lease of Residential Property (Disclosure Rule) pursuant to 42 U.S.C. § 4852d.

10. 40 C.F.R. § 745.103 defines “target housing” as any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless any child who is less than 6 years of age resides or is expected to reside in such housing) or any 0-bedroom dwelling.

11. 40 C.F.R. § 745.103 defines “lessor” as any entity that offers target housing for lease, rent, or sublease, including but not limited to individuals, partnerships, corporations, trusts, government agencies, housing agencies, Indian tribes and nonprofit organizations.

12. 40 C.F.R. § 745.103 defines “lessee” as any entity that enters into an agreement to

lease, rent or sublease target housing, including but not limited to individuals, partnerships, corporations, trusts, government agencies, housing agencies, Indian tribes and nonprofit organizations.

13. 40 C.F.R. § 745.103 defines “agent” as any party who enters into a contract with a seller or a lessor, including any party who enters into a contract with a representative of the seller or lessor, for the purpose of selling or leasing target housing.

14. 40 C.F.R. § 745.113(b) requires that each contract to lease target housing include, as an attachment or within the contract, a lead warning statement; a statement by the lessor disclosing the presence of any known lead-based paint and/or lead-based paint hazards or the lack of knowledge of such presence; a list of any records or reports available to the lessor regarding lead-based paints and/or lead-based paint hazards in the target housing or a statement that no such records exist; a statement by the lessee affirming receipt of the information set out in 40 C.F.R. § 745.113(b)(2) and (3) and the Lead Hazard Information Pamphlet; and, the signatures and dates of signature of the lessor, agent and lessee certifying the accuracy of their statements.

15. Under 42 U.S.C. § 4852d(b)(5) and 40 C.F.R. § 745.118(e), failure to comply with the Disclosure Rule violates Section 409 of TSCA, 15 U.S.C. § 2689, which may subject the violator to administrative civil penalties under Section 16(a) of TSCA, 15 U.S.C. § 2615(a), 42 U.S.C. § 4852d(b)(5), and 40 C.F.R. § 745.118(f).

16. Under 42 U.S.C. § 4852d(b)(5), 15 U.S.C. § 2615(a), and 40 C.F.R. Part 19, the Administrator of EPA may assess a civil administrative penalty of up to \$22,263 for each violation of 42 U.S.C. § 4852d and Section 409 of TSCA, 15 U.S.C. § 2689, that occurred after

November 2, 2015, where penalties are assessed on or after January 8, 2025.

**D. Allegations**

17. Complainant incorporates paragraphs 1 through 16 of this CAFO as if set forth in this paragraph.

18. Between 2019 and 2023, Respondent managed residential apartment buildings in Illinois that were located at 2131 West Giddings Street, Chicago, Illinois 60625, and 2129 North Dayton Street, Chicago, Illinois 60614.

19. Respondent's properties are "target housing" as defined in 40 C.F.R. § 745.103 because the properties were constructed prior to 1978 and are not housing for the elderly or persons with disabilities or 0-bedroom dwellings.

20. On or about the following dates, Respondent directly entered into the following seven (7) lease agreements (contracts) with individuals for the lease of apartment units within Respondent's properties:

<b>Ln No.</b>	<b>Address</b>	<b>Apt. No.</b>	<b>Age</b>	<b>Lease Execution Date</b>	<b>Lease Dates</b>
1	2131 West Giddings Street Chicago, Illinois 60625	1A	1929	July 12, 2021	August 17, 2021 – August 31, 2022
2	2131 West Giddings Street Chicago, Illinois 60625	1B	1929	July 1, 2021	July 3, 2021 – July 31, 2022
3	2131 West Giddings Street Chicago, Illinois 60625	1D	1929	May 3, 2021	May 27, 2021 – May 31, 2022
4	2131 West Giddings Street Chicago, Illinois 60625	2C	1929	July 2, 2021	July 31, 2021 – July 31, 2022
5	2131 West Giddings Street Chicago, Illinois 60625	2D	1929	July 5, 2021	July 29, 2021 – July 31, 2022
6	2129 North Dayton Street Chicago, Illinois 60614	202	1925	April 27, 2021	June 1, 2021 – May 31, 2022
7	2129 North Dayton Street Chicago, Illinois 60614	GDN1	1925	February 9, 2021	March 15, 2021 – July 31, 2022

21. Each of the seven contracts referred to in Paragraph 20 above, covered a term of occupancy greater than 100 days.

22. Respondent is a “lessor,” as defined in 40 C.F.R. § 745.103, because it offered the target housing referred to in Paragraph 20 above, for lease.

23. Each individual who signed a lease to pay rent in exchange for occupancy of the target housing referred to in Paragraph 20 above, became a “lessee” as defined in 40 C.F.R. § 745.103.

24. Complainant asserts that Respondent failed to include the signatures of the lessor and the lessees certifying to the accuracy of their statements and the dates of such signatures, either within the contract or as an attachment to the contract for the lease of Respondent’s properties listed in Paragraph 20, which constitutes seven violations of 40 C.F.R. § 745.113(b)(6), 15 U.S.C. § 2689, and 42 U.S.C. § 4852d(b)(5).

#### **E. Terms of Consent Agreement**

25. For the purposes of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:

- a. admits to the jurisdictional allegations in this CAFO;
- b. neither admits nor denies the allegations stated in Section D of this CAFO;
- c. consents to the assessment of a civil penalty as stated below;
- d. consents to any conditions specified in this CAFO;
- e. waives any right to contest the allegations set forth in Section D of this CAFO, while neither admitting or denying the allegations; and
- f. waives its right to appeal this CAFO.

26. For the purposes of this proceeding, Respondent:

- a. agrees this CAFO states a claim upon which relief may be granted against Respondent;
- b. acknowledges this proceeding constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions;
- c. waives any and all remedies, claims for relief and otherwise available rights to judicial or administrative review that Respondent may have with respect to any issue of fact or law set forth in this CAFO, including any right of judicial review under Section 19 of TSCA, 15 U.S.C. § 2618;
- d. waives its right to request a hearing as provided at 40 C.F.R. § 22.15(c);
- e. waives any rights or defenses that Respondent has or may have for this matter to be resolved in federal court, including but not limited to any right to a jury trial, and waives any right to challenge the lawfulness of the final order accompanying the consent agreement; and
- f. waives any rights it may possess at law or in equity to challenge the authority of EPA to bring a civil action in a United States District Court to compel compliance with the CAFO, and to seek an additional penalty for noncompliance, and agrees that federal law shall govern in any such civil action.

27. Based on analysis of the factors specified in Section 16(a) of TSCA, 15 U.S.C.

§ 2615(a), the facts of this case and Respondent's cooperation, EPA has determined that an appropriate civil penalty to settle this action is \$1,795.

28. Respondent agrees to pay a civil penalty in the amount of \$1,795 (Assessed Penalty) within thirty (30) days after the date the Final Order ratifying this Agreement is filed with the Regional Hearing Clerk (Filing Date).

29. Respondent shall pay the Assessed Penalty and any interest, fees, and other charges due using any method, or combination of appropriate methods, as provided on the EPA

website: <https://www.epa.gov/financial/makepayment>. For additional instructions see:

<https://www.epa.gov/financial/additional-instructions-making-payments-epa>.

30. When making a payment, Respondent shall:

- a. Identify every payment with Respondent's name and the docket number of this Agreement, *TSCA-05-2025-0024*,
- b. Concurrently with any payment or within 24 hours of any payment, Respondent shall serve proof of such payment to the following persons:

Regional Hearing Clerk (E-19J)  
U.S. Environmental Protection Agency, Region 5  
[r5hearingclerk@epa.gov](mailto:r5hearingclerk@epa.gov)

Christina Saldivar  
Enforcement and Compliance Assurance Division  
U.S. Environmental Protection Agency, Region 5  
[saldivar.christina@epa.gov](mailto:saldivar.christina@epa.gov)  
[R5lecab@epa.gov](mailto:R5lecab@epa.gov)

Nora Wells  
Office of Regional Counsel  
U.S. Environmental Protection Agency, Region 5  
[wells.nora@epa.gov](mailto:wells.nora@epa.gov)

U.S. Environmental Protection Agency  
Cincinnati Finance Center  
Via electronic mail to:  
[CINWD\\_AcctsReceivable@epa.gov](mailto:CINWD_AcctsReceivable@epa.gov)

"Proof of payment" means, as applicable, a copy of the check, confirmation of credit card or debit card payment, or confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to EPA requirements, in the amount due, and identified with the appropriate docket number and Respondent's name.

31. Interest, Charges, and Penalties on Late Payments. Pursuant to 15 U.S.C. § 2615(a)(4), 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 40 C.F.R. § 13.11, if Respondent fails to timely pay the full amount of the Assessed Penalty per this Agreement, the entire unpaid

balance of the Assessed Penalty and all accrued interest shall become immediately owing, and EPA is authorized to recover the following amounts.

- a. Interest. Interest begins to accrue from the Filing Date. If the Assessed Penalty is paid in full within thirty (30) days, interest accrued is waived. If the Assessed Penalty is not paid in full within thirty (30) days, interest will continue to accrue until any unpaid portion of the Assessed Penalty as well as any interest, penalties, and other charges are paid in full. Per 15 U.S.C. § 2615(a)(4), interest will be assessed pursuant to currently prevailing rates.
- b. Handling Charges. The United States' enforcement expenses including, but not limited to, attorneys' fees and costs of handing collection.
- c. Late Payment Penalty. A ten percent (10%) quarterly non-payment penalty.

32. Late Penalty Actions. In addition to the amounts described in the prior Paragraph, if Respondent fails to timely pay any portion of the Assessed Penalty, interest, or other charges and penalties per this Agreement, EPA may take additional actions. Such actions EPA may take include, but are not limited to, the following.

- a. Refer the debt to a credit reporting agency or a collection agency, per 40 C.F.R. §§ 13.13 and 13.14.
- b. Collect the debt by administrative offset (i.e., the withholding of money payable by the United States government to, or held by the United States government for, a person to satisfy the debt the person owes the United States government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, per 40 C.F.R. Part 13, Subparts C and H.
- c. Suspend or revoke Respondent's licenses or other privileges or suspend or disqualify Respondent from doing business with EPA or engaging in programs EPA sponsors or funds, per 40 C.F.R. § 13.17.
- d. Request that the Attorney General bring a civil action to enforce the Final Order and recover the full remaining balance of the Assessed Penalty, in addition to interest and the amounts described above, per 15 U.S.C. § 2615(a)(4). In any such action, the validity, amount, and



appropriateness of the Assessed Penalty and Final Order shall not be subject to review.

33. Allocation of Payments. Pursuant to 31 C.F.R. § 901.9(f) and 40 C.F.R. § 13.11(d), a partial payment of debt will be applied first to outstanding handling charges, second to late penalty charges, third to accrued interest, and last to the principal that is the outstanding Assessed Penalty amount.

34. Tax Treatment of Penalties. Penalties, interest, and other charges paid pursuant to this Agreement shall not be deductible for purposes of federal taxes.

35. By signing this CAFO, Respondent consents to the release of any information in this CAFO to the public and agrees this CAFO does not contain business information that is entitled to confidential treatment under 40 C.F.R. Part 2.

36. By signing this CAFO, the undersigned representative of EPA and the undersigned representative of Respondent each certify that they are fully authorized to execute and enter into the terms and conditions of this CAFO and have the legal capacity to bind the party they represent to this CAFO.

37. By signing this CAFO, Respondent certifies that the information it has supplied concerning this matter was at the time of submission true, accurate and complete for each such submission, response and statement. Respondent further acknowledges that knowingly and willfully providing false information to EPA in violation of 18 U.S.C. § 1001, or knowingly falsifying, concealing, covering up or destroying any record with the intent to impede, obstruct or influence the investigation or proper administration of any matter within the jurisdiction of

EPA in violation of 18 U.S.C. § 1519, may subject TBS Properties, L.L.C. to criminal penalties, including but not limited to possibility of fines and/or imprisonment.

38. Each party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding, except in the case of a civil action brought by the Attorney General of the United States to recover unpaid penalties as described above.

**F. Effect of Consent Agreement and Attached Final Order**

39. The parties consent to service of this CAFO by e-mail at the following valid e-mail addresses: [wells.nora@epa.gov](mailto:wells.nora@epa.gov) (for Complainant), and [rmw@wigodalaw.com](mailto:rmw@wigodalaw.com) (for Respondent).

40. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this CAFO resolves only Respondent's liability for federal civil penalties for the violations specifically alleged in this CAFO.

41. This CAFO constitutes the entire agreement and understanding of the parties and supersedes any prior agreements or understandings, whether written or oral, among the parties with respect to this matter.

42. The terms, conditions, and compliance requirements of this CAFO may not be modified or amended except upon the written agreement of both parties and approval of the Regional Judicial Officer.

43. The provisions of this Agreement shall apply to and be binding upon Respondent and its officers, directors, authorized representatives, successors, and assigns.

44. Any violation of this CAFO may result in a civil judicial action for an injunction under TSCA Section 17, 15 U.S.C. § 2616, or civil penalties of up to \$49,772 per day per

violation, or both, as provided in Section 16(a) of TSCA, 15 U.S.C. § 2615(a), and 40 C.F.R. § 19.4, as well as criminal sanctions as provided in Section 16(b) of TSCA, 15 U.S.C. § 2615(b). EPA may use any information submitted under this CAFO in an administrative, civil judicial, or criminal action.

45. Nothing in this CAFO relieves Respondent of the duty to comply with all applicable provisions of TSCA and other federal, state, or local laws or statutes, nor does it restrict EPA's authority to seek compliance with any applicable laws or regulations, nor is it a ruling on, or determination of, any issue related to any federal, state, or local permit.

46. Nothing in this CAFO limits the power of EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.

47. EPA reserves the right to revoke this CAFO and settlement penalty if and to the extent that EPA finds, after signing this CAFO, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to EPA, and to assess and collect any civil penalties permitted by statute for any violation described herein. EPA will give Respondent written notice of its intent to revoke this CAFO, which will not be effective until received by Respondent.

48. It is understood and agreed that this CAFO was entered into by Respondent as a compromise of a disputed claim, and that the payment of the Assessed Penalty is not to be construed as an admission or denial of liability on the part of Respondent.

49. This CAFO or any other documents delivered in connection with it may be electronically signed, and any electronic signatures appearing on this CAFO such other

documents shall be deemed to have the same legal effect as if executed by handwritten signature for the purposes of validity, enforceability, and admissibility.

**G. Effective Date**

50. This CAFO will be effective after the Regional Judicial Officer executes the attached Final Order, on the date of filing with the Regional Hearing Clerk. Upon filing, EPA will transmit a copy of the filed CAFO to Respondent.

**Consent Agreement and Final Order  
In the Matter of TBS Properties, L.L.C., Respondent  
Docket No.: TSCA-05-2025-0024**

X  \_\_\_\_\_

Ms. Andrea Silverstein  
Registered Agent  
TBS Properties, L.L.C.

 \_\_\_\_\_  
Date

**Consent Agreement and Final Order  
In the Matter of TBS Properties, L.L.C., Respondent  
Docket No.: TSCA-05-2025-0024**

**United States Environmental Protection Agency, Complainant**

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Carolyn Persoon  
Division Director  
Enforcement and Compliance Assurance Division  
U.S. Environmental Protection Agency, Region 5

**Consent Agreement and Final Order**  
**In the Matter of TBS Properties, L.L.C., Respondent**  
**Docket No.: TSCA-05-2025-0024**

**Final Order**

This Consent Agreement and Final Order, as agreed to by the parties, shall become effective immediately upon filing with the Regional Hearing Clerk. This Final Order concludes this proceeding pursuant to 40 C.F.R. §§ 22.18 and 22.31. IT IS SO ORDERED.

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Ann L. Coyle  
Regional Judicial Officer  
United States Environmental Protection Agency  
Region 5