



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
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REPLY TO THE ATTENTION OF:
LC-8J

CERTIFIED MAIL

Receipt No. 7009 1680 0000 7672 1158

Mr. Michael Chambers
Taft, Stettinius, & Hollister LLP
One Indiana Square, Suite 3500
Indianapolis, Indiana 46204

Consent Agreement and Final Order
Ann Croft, Evansville, Indiana Docket No. TSCA-05-2012-0011

Dear Mr. Chambers:

I have enclosed a copy of an original fully executed Consent Agreement and Final Order in resolution of the above case. This document was filed on March 16, 2012, with the Regional Hearing Clerk.

The civil penalty in the amount of \$500.00 is to be paid in the manner described in paragraphs 29 and 30. Please be certain that the number **BD 2751247X011** and the docket number are written on both the transmittal letter and on the check. Payment is due by April 15, 2012, (within 30 calendar days of the filing date).

Thank you for your cooperation in resolving this matter.

Sincerely,

Leslie Blake
Pesticides and Toxic Compliance Section

Enclosures

cc: Eric Volck, Cincinnati Finance/MWD (w/Encl.)

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|----------------------------|---|---|
| In the Matter of: |) | Docket No. TSCA-05-2012-0011 |
| |) | |
| Ann Croft |) | Proceeding to Assess a Civil |
| Evansville, Indiana |) | Penalty Under Section 16(a) of the |
| |) | Toxic Substances Control Act, |
| Respondent. |) | 15 U.S.C. § 2615(a) |
| _____ |) | |

Consent Agreement and Final Order

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 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. The Complainant is the Director of the Land and Chemicals Division, U.S. Environmental Protection Agency, Region 5.

3. Respondent is Ann Croft, a sole proprietor doing business in the State of Indiana.

4. Where the parties agree to settle one or more causes of action before the filing of a complaint, the administrative action may be commenced and concluded simultaneously by the issuance of a consent agreement and final order (CAFO) (40 C.F.R. § 22.13(b)).

5. The parties agree that settling this action without the filing of a complaint or the adjudication of any issue of fact or law is in their interest and in the public interest.

6. Respondent consents to the assessment of the civil penalty specified in this CAFO, and to the terms of this CAFO.

Jurisdiction and Waiver of Right to Hearing

7. Respondent admits to the jurisdictional allegations in this CAFO and neither admits nor denies the factual allegations in this CAFO.

8. Respondent waives her right to request a hearing as provided at 40 C.F.R. § 22.15(c), any right to contest the allegations in this CAFO, and her right to appeal this CAFO.

Statutory and Regulatory Background

9. Section 1018 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (the Lead Act), 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.

10. 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.

11. 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.

12. 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.

13. 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.

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, 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. The Administrator of EPA may assess a civil penalty of up to \$11,000 for each violation of Section 409 of TSCA that occurred after July 28, 1997 through January 12, 2009 and may assess a civil penalty of up to \$16,000 for each violation of Section 409 that occurred after January 12, 2009, pursuant to 42 U.S.C. § 4852d(b)(5), 15 U.S.C. § 2615(a), and 40 C.F.R. Part 19.

Factual Allegations and Alleged Violations

17. Between at least May 8, 2009 and April 2, 2010, Respondent owned residential dwellings in Evansville, Indiana at 1309 East Illinois Street, 838 Stanley Avenue, 840 Stanley Avenue, 1311 East Illinois Street, 1424 East Illinois Street, 1425 Oak Hill Road, and 1634 East Indiana Street (Respondent's Properties).

18. Respondent's properties are "target housing" as defined in 40 C.F.R. § 745.103.

19. On the following dates, Respondent entered into the following seven lease agreements (contracts) with individuals for the lease of Respondent's residential dwellings in Evansville, Indiana:

| Address | Date of lease |
|---------------------------|----------------------|
| 1309 East Illinois Street | February 4, 2010 |
| 838 Stanley Avenue | March 5, 2010 |
| 840 Stanley Avenue | December 1, 2009 |
| 1311 East Illinois Street | December 11, 2009 |
| 1424 East Illinois Street | May 8, 2009 |
| 1425 Oak Hill Road | November 30, 2009 |
| 1634 East Indiana Street | April 2, 2010 |

20. Each of the seven contracts referred to in paragraph 19, above, covered a term of occupancy greater than 100 days.

21. Respondent is a "lessor," as defined in 40 C.F.R. § 745.103, because she offered the target housing referred to in paragraph 19, above, for lease.

22. Each individual who signed a lease to pay rent in exchange for occupancy of the target housing referred to in paragraph 19, above, became a "lessee" as defined in 40 C.F.R. § 745.103.

23. Respondent failed to include a lead warning statement, either within the contract or as an attachment to the contract for the lease of Respondent's properties at 1309 East Illinois Street, 838 Stanley Avenue, 840 Stanley Avenue, 1311 East Illinois Street, 1424 East Illinois Street, 1425 Oak Hill Road, and 1634 East Indiana Street, located in Evansville, Indiana, in violation of 40 C.F.R. § 745.113(b)(1), 15 U.S.C. § 2689, and 42 U.S.C. § 4852d(b)(5).

24. Respondent failed to include a statement disclosing either the presence of any known lead-based paint and/or lead-based paint hazards in the target housing or a lack of knowledge of such presence, either within the contract or as an attachment to the contract for the lease of Respondent's properties at 1309 East Illinois Street, 838 Stanley Avenue, 840 Stanley

Avenue, 1311 East Illinois Street, 1424 East Illinois Street, 1425 Oak Hill Road, and 1634 East Indiana Street, located in Evansville, Indiana, in violation of 40 C.F.R. § 745.113(b)(2), 15 U.S.C. § 2689, and 42 U.S.C. § 4852d(b)(5).

25. Respondent failed to include a list of any records or reports available to the lessor regarding lead-based paint and/or lead-based paint hazards in the target housing that have been provided to the lessee or a statement that no such records are available, either within the contract or as an attachment to the contract for the lease of Respondent's properties at 1309 East Illinois Street, 838 Stanley Avenue, 840 Stanley Avenue, 1311 East Illinois Street, 1424 East Illinois Street, 1425 Oak Hill Road, and 1634 East Indiana Street, located in Evansville, Indiana, in violation of 40 C.F.R. § 745.113(b)(3), 15 U.S.C. § 2689, and 42 U.S.C. § 4852d(b)(5).

26. Respondent failed to include 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 required under 15 U.S.C. § 2696, either within the contract or as an attachment to the contract for the lease of Respondent's properties at 1309 East Illinois Street, 838 Stanley Avenue, 840 Stanley Avenue, 1311 East Illinois Street, 1424 East Illinois Street, 1425 Oak Hill Road, and 1634 East Indiana Street, located in Evansville, Indiana, in violation of 40 C.F.R. § 745.113(b)(4), 15 U.S.C. § 2689, and 42 U.S.C. § 4852d(b)(5).

27. 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 at 1309 East Illinois Street, 838 Stanley Avenue, 840 Stanley Avenue, 1311 East Illinois Street, 1424 East Illinois Street, 1425 Oak Hill Road, and 1634 East Indiana Street, located in Evansville, Indiana, in violation of 40 C.F.R. § 745.113(b)(6), 15 U.S.C. § 2689, and 42 U.S.C. § 4852d(b)(5).

Civil Penalty

28. Pursuant to Section 16(a) of TSCA, 15 U.S.C. § 2615(a), Complainant determined that an appropriate civil penalty to settle this action is five hundred dollars (\$500). In determining the penalty amount, Complainant considered the nature, circumstances, extent, and gravity of the violations, as well as Respondent's ability to pay, any history of such prior violations, degree of culpability, and the effect on Respondent's ability to continue to do business. Complainant considered EPA's Section 1018 – Disclosure Rule Enforcement Response and Penalty Policy, dated December 2007 in its determination.

29. Within thirty (30) days after the effective date of this CAFO, Respondent must pay a five hundred dollar (\$500) civil penalty for the TSCA violations by sending a cashier's or certified check, payable to "Treasurer, United States of America," to:

U.S. EPA
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, Missouri 63197-9000

The check must state the case title ("In the Matter of: Ann Croft"), the docket number of this CAFO, and the billing document number.

30. Respondent must send a notice of payment that states Respondent's name, complete address, the case docket number and the billing document number to EPA at the following addresses when it pays the penalty:

Regional Hearing Clerk (E-19J)
U.S. EPA, Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604

Leslie Blake (LC-8J)
Pesticides and Toxics Compliance Section
U.S. EPA, Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604

Jerome Kujawa (C-14J)
Office of Regional Counsel
U.S. EPA, Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604

31. This civil penalty is not deductible for federal tax purposes.

32. If Respondent does not pay timely the civil penalty, EPA may refer this matter to the Attorney General who will recover such amount, plus interest, in the appropriate district court of the United States under Section 16(a) of TSCA, 15 U.S.C. § 2615(a). The validity, amount and appropriateness of the civil penalty are not reviewable in a collection action.

33. Pursuant to 31 C.F.R. § 901.9, Respondent must pay the following on any amount overdue under this CAFO. Interest will accrue on any amount overdue from the date the payment was due at a rate established pursuant to 31 U.S.C. § 3717. Respondent must pay a \$15 handling charge each month that any portion of the penalty is more than 30 days past due. In addition, Respondent must pay a 6 percent per year penalty on any principal amount 90 days past due.

General Provisions

34. This CAFO resolves only Respondent's liability for federal civil penalties for the violations alleged in the CAFO.

35. This CAFO does not affect the rights of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law.

36. This CAFO does not affect Respondent's responsibility to comply with the Lead

Act and the Disclosure Rule and other applicable federal, state, and local laws:

- 37. Respondent certifies that she is complying with the Lead Act and the Disclosure Rule.
- 38. The terms of this CAFO bind Respondent, and her successors and assigns.
- 39. Each person signing this agreement certifies that he or she has the authority to sign for the party whom he or she represents and to bind that party to its terms.
- 40. Each party agrees to bear its own costs and attorney's fees in this action.
- 41. This CAFO constitutes the entire agreement between the parties.

Ann Croft, Respondent

February 15, 2012
Date

Ann Croft
Ann Croft

United States Environmental Protection Agency, Complainant

3/12/12
Date

Michael D. Harris *for M.G.*
Margaret M. Guerriero
Director
Land and Chemicals Division

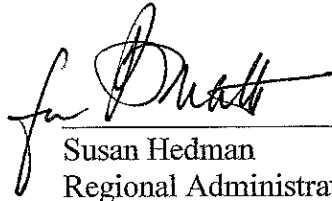
In the Matter of:
Ann Croft
Docket No. TSCA-05-2012-0011

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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.

3-13-12
Date



Susan Hedman
Regional Administrator
United States Environmental Protection Agency
Region 5

CERTIFICATE OF SERVICE

This is to certify that the original and one copy of this Consent Agreement and Final Order , involving Ann Croft, was filed on Maarch 16, 2012, with the Regional Hearing Clerk (E-19J), U.S. EPA, Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604, and that a true correct copy was sent by Certified Mail, Receipt No. 7009 1680 0000 7672 1158 , along with a copy each of the to:

Mr. Michael Chambers
Taft,Stettinius, & Hollister LLP
One Indiana Square, Suite 3500
Indianapolis, Indiana 46204

and forwarded intra-Agency copies to:

Marcy Toney, Regional Judicial Officer, ORC/C-14J
Jerome Kujawa, Counsel for Complainant/C-14J
Eric Volck, Cincinnati Finance/MWD



Frederick Brown, PTCS (LC-8J)
U.S. EPA - Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604

Docket No. TSCA-05-2012-0011

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