

**U. S. ENVIRONMENTAL PROTECTION AGENCY
REGION 7
11201 RENNER BOULEVARD
LENEXA, KANSAS 66219**

BEFORE THE ADMINISTRATOR

In the Matter of)	
)	Docket No. TSCA-07-2012-0015
)	
Wallis Family Trust)	
Ottawa, Kansas)	
)	
Respondent)	

CONSENT AGREEMENT AND FINAL ORDER

The U.S. Environmental Protection Agency (EPA), Region 7 and the Wallis Family Trust (Respondent) have agreed to a settlement of this action before filing of a Complaint, and thus this action is simultaneously commenced and concluded pursuant to Rules 22.13(b) and 22.18(b)(2) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits (Consolidated Rules), 40 C.F.R. §§ 22.13(b) and 22.18(b)(2).

Section I

Jurisdiction

1. This proceeding is an administrative action for the assessment of civil penalties instituted pursuant to Section 16(a) of the Toxic Substances Control Act (TSCA), 15 U.S.C. § 2615(a).
2. This Consent Agreement and Final Order (CAFO) serves as notice that EPA has reason to believe that Respondent has violated Section 409 of TSCA, 15 U.S.C. § 2689, by

failing to comply with the regulatory requirements of 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*, promulgated pursuant to Section 1018 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (the Act), 42 U.S.C. § 4852d.

Section II

Parties

3. The Complainant, by delegation from the Administrator of EPA and the Regional Administrator, EPA, Region 7, is the Chief, Toxics and Pesticides Branch, EPA, Region 7.

4. The Respondent is Wallis Family Trust (Wallis).

Section III

Statutory and Regulatory Background

5. Congress passed the Act, 42 U.S.C. §§ 4851 to 4856, to address the need to control exposure to lead-based paint hazards. The Act amended TSCA by adding Sections 401 to 412, 15 U.S.C. §§ 2681 to 2692. Section 1018 of the Act required EPA and the Department of Housing and Urban Development (HUD) to jointly issue regulations requiring the disclosure of known lead-based paint and/or lead-based paint hazards by persons selling or leasing housing constructed before the phaseout of residential lead-based paint use in 1978. The regulations, issued March 6, 1996, and codified at 40 C.F.R. Part 745 Subpart F, require that sellers and lessors of most residential housing built before 1978: (a) disclose the presence of known lead-based paint and/or lead-based paint hazards in the target housing; (b) provide purchasers and lessees with any available records or reports pertaining to the presence of lead-based paint and/or lead-based paint hazards; (c) provide purchasers and lessees with a federally approved lead

hazard information pamphlet; (d) provide purchasers with a 10-day opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards before the purchaser is obligated under any purchase contract; and (e) include certain disclosure and acknowledgment language in the sales or leasing contract. The failure or refusal to comply with the regulations is a violation of Section 1018 of the Act and Section 409 of TSCA.

Section IV

General Factual Allegations

6. Respondent is and, at all times referred to herein, was a “person” within the meaning of TSCA.

7. Respondent is the lessor, as defined by 40 C.F.R. § 745.103, for twenty-two units in Ottawa, Kansas, including the properties located at 734 South Ash Street in Ottawa, Kansas; 1125 North Oak Street in Ottawa, Kansas; 934 South Locust Street in Ottawa, Kansas; 744 South Ash Street in Ottawa, Kansas; 211 South Cedar Street in Ottawa, Kansas; 711 South Oak Street in Ottawa, Kansas; 329 South Sycamore Street in Ottawa, Kansas; 522 East Fifth Street in Ottawa, Kansas (the Properties).

8. The Properties were constructed before 1978.

9. The Properties are “target housing” as defined by 40 C.F.R. § 745.103.

Violations

10. The Complainant hereby states and alleges that Respondent has violated TSCA and federal regulations promulgated thereunder, as follows:

Count 1

11. The facts stated in Paragraphs 6 through 9 above are herein incorporated.

12. Respondent entered into contracts to lease the target housing at 734 South Ash Street in Ottawa, Kansas, on or about March 3, 2011.

13. Respondent failed to provide the lessees of 734 South Ash Street with an EPA-approved lead hazard information pamphlet before lessees were obligated under contract to lease the target housing unit.

14. Respondent's failure to perform the act indicated in Paragraph 13 above is a violation of 40 C.F.R. §§ 745.107 and in accordance with 40 C.F.R. § 745.118(e), violations of Section 1018 of the Act, 42 U.S.C. § 4852d, and Section 409 of TSCA, 15 U.S.C. § 2689, and thus Respondent is subject to civil penalties under Section 16 of TSCA, 15 U.S.C. § 2615.

Section V

Consent Agreement

15. For purposes of this proceeding, Respondent admits the jurisdictional allegations set forth above.

16. Respondent neither admits nor denies the factual allegations set forth above.

17. Respondent waives its right to contest any issue of fact or law set forth above and its right to appeal the Final Order accompanying this Consent Agreement.

18. Respondent and EPA agree to conciliate this matter without the necessity of a formal hearing and to bear their respective costs and attorneys' fees.

19. Respondent certifies by the signing of this CAFO that it is presently in compliance with all requirements of 40 C.F.R. Part 745, Subpart F.

20. Respondent consents to the issuance of the Final Order hereinafter recited and consents to the payment of a civil penalty as specified in the Final Order.

21. Payment of this civil penalty in full shall resolve all civil and administrative claims for all violations of Section 409 of TSCA, 15 U.S.C. 2689 and 40 C.F.R. Subpart F alleged in this document.

22. In settlement of this matter, Respondent agrees to complete the following Supplemental Environmental Project (SEP), which the parties agree is intended to secure significant environmental and/or public health benefits: Respondent will hire a certified renovator to perform a window replacement SEP, per EPA's Renovation, Repair, and Painting (RRP) rule, to address potential lead based paint hazards at Respondent's properties. The window replacement SEP will reduce potential lead based paint hazards in said properties by replacing the properties original windows.

23. The total expenditure for the SEP shall not be less than seven thousand five hundred sixty dollars (\$7,560.00) and the SEP shall be completed no later than one year from the effective date of the Final Order. All work required to complete the SEP shall be performed in compliance with all federal, state, and local laws and regulations.

24. Respondent agrees that the window replacement work on the SEP project referenced in Paragraph 22 above will be performed by entities licensed and/or certified by the EPA per RRP regulations. Respondent is responsible for ensuring that the entity or entities performing the SEP project described in Paragraph 22 above receive a copy of this Consent Agreement and Final Order (CAFO) and all attachments pertaining to the SEP project including the EPA approved SEP Work Plan, if applicable. Respondent is responsible for any failure to complete the SEP in accordance with all applicable terms of this agreement.

25. Before RRP work begins on the SEP, Respondent will send a letter to the Kansas Department of Health and Environment (KDHE) informing them of Respondent's intent to perform a RRP SEP and requesting procedural information pertaining to performance of the RRP SEP. The notice should be sent to the following contact at the KDHE and a copy of the notice to the following EPA contact:

Tom Langer
Department of Health and Environment
Healthy Homes and Lead Hazard Prevention Program
1000 Southwest Jackson Street, Suite 330
Topeka, Kansas 66612-1274

and

Candace Bias
WWPD/TOPE
U.S. Environmental Protection Agency
Region 7
11201 Renner Boulevard
Lenexa, Kansas 66219.

26. Within sixty (60) days of the effective date of this Final Order, Respondent shall submit an Interim SEP Report to EPA and the KDHE. The Interim SEP Report shall contain the following:

- (i) The total number of windows that will be replaced during the window replacement SEP;
- (ii) The addresses for the pre-1978 units/properties where the windows will be replaced;
- (iii) A copy of the bid or invoice for the renovation work that identifies the certified renovation firm; and
- (iv) Photographs of the windows to be replaced that document their age and condition.

27. Within thirty (30) days of completion of the SEP, Respondent shall submit a SEP Completion Report to EPA and the KDHE. The SEP Completion Report shall contain the following:

- (i) A detailed description of the SEP as implemented;
- (ii) The total amount Respondent spent on the window replacement SEP including itemized costs, documented by copies of purchase orders, receipts or canceled checks;
- (iii) The worksheet/record keeping checklist, required by the RRP rule; and
- (iv) The following certification signed by Respondent:

I certify under **penalty of law** that I have examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment.

All reports shall be directed to the following:

Candace Bias
WWPD/TOPE
U.S. Environmental Protection Agency
Region 7
11201 Renner Boulevard
Lenexa, Kansas 66219

And

Tom Langer
Department of Health and Environment
Healthy Homes & Lead Hazard Prevention Program
1000 Southwest Jackson Street, Suite 330
Topeka, Kansas 66612-1274.

28. If the SEP referenced above is not timely completed to the satisfaction of the EPA in accordance with the terms of this Final Order, Respondent shall pay a stipulated penalty in the amount of 100% of the projected costs of the SEP minus any documented expenditures

determined by the EPA to be acceptable for the SEP. This stipulated penalty is consistent with the EPA SEP Policy, effective May 1, 1998. For the SEP, the following instances constitute a failure to complete the project in accordance with the terms of this Final Order:

- (i) Failure to expend the funds in a manner acceptable to the EPA or otherwise to complete the project pursuant to the terms of this consent agreement.
- (ii) Failure to ensure, through good faith and timely efforts, that the SEP project is completed by the anticipated completion date of within one (1) year of the effective date of the Final Order. In the event of circumstances beyond its control rendering the anticipated completion date unfeasible, Respondent may demonstrate good faith by promptly notifying the EPA Region 7 contact identified in Paragraph 26(iv) above of the change in circumstances and proposing a new completion date acceptable to the EPA for the SEP.
- (iii) Any stipulated penalties for which Respondent is liable under this agreement shall be due and payable within ten (10) days of Respondent's receipt of a written demand from Complainant.

29. Respondent certifies that it is not required to perform or develop the SEP by any federal, state or local law or regulation; nor is Respondent required to perform or develop the SEP by agreement, grant or as injunctive relief in this or any other case or to comply with state or local requirements. Respondent further certifies that Respondent has not received, and is not presently negotiating to receive, credit in any other enforcement action for the SEP.

30. Respondent certifies that it is not a party to any open federal financial assistance transaction that is funding or could be used to fund the same activity as the SEP. Respondent further certifies that, to the best of its knowledge and belief after reasonable inquiry, there is no such open federal financial transaction that is funding or could be used to fund the same activity as the SEP, nor has the same activity been described in an unsuccessful federal financial assistance transaction proposal submitted to the EPA within two years of the date of this settlement (unless the project was barred from funding as statutorily ineligible). For the purposes of this certification, the term "open federal financial assistance transaction" refers to a grant,

cooperative agreement, loan, federally-guaranteed loan guarantee or other mechanism for providing federal financial assistance whose performance period has not yet expired.

31. For federal income tax purposes, Respondent agrees that it will neither capitalize into inventory or basis nor deduct any costs or expenditures incurred in performing the SEP.

32. Any public statement, oral or written, in print, film or other media, made by Respondent making reference to the SEP shall include the following language: "This project was undertaken in connection with the settlement of an enforcement action taken by the United States Environmental Protection Agency."

33. Respondent understands that its failure to timely pay any portion of the civil penalty described in Paragraph 1 of the Final Order below or any portion of a stipulated penalty as stated in Paragraph 28 above may result in the commencement of a civil action in Federal District Court to recover the full remaining balance, along with penalties and accumulated interest. In such case, interest shall accrue thereon at the applicable statutory rate on the unpaid balance until such civil or stipulated penalty and any accrued interest are paid in full. A late payment handling charge of \$15 will be imposed after thirty (30) days and an additional \$15 will be charged for each subsequent thirty (30) day period. Additionally, as provided by 31 U.S.C. § 3717(e)(2), a six percent (6%) per annum penalty (late charge) may be assessed on any amount not paid within ninety (90) days of the due date.

Section VI

Final Order

Pursuant to the provisions of TSCA, 15 U.S.C. §§ 2601-2692, and based upon the information set forth in the Consent Agreement accompanying this Final Order, **IT IS HEREBY ORDERED THAT:**

1. Respondent shall pay a civil penalty of three thousand six hundred forty dollars (\$3,640) within thirty (30) days of the effective date of this Final Order. Such payment shall identify Respondent by name and docket number and shall be by certified or cashier's check made payable to the "United States Treasury" and sent to:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
PO Box 979077
St. Louis, Missouri 63197-9000.

2. A copy of the check or other information confirming payment shall simultaneously be sent to the following:

Regional Hearing Clerk
U.S. Environmental Protection Agency
Region 7
11201 Renner Boulevard
Lenexa, Kansas 66219
And

Jennifer Trotter, Attorney
Office of Regional Counsel
U.S. Environmental Protection Agency
Region 7
11201 Renner Boulevard
Lenexa, Kansas 66219.

3. Respondent and Complainant shall each bear their own costs and attorneys' fees incurred as a result of this matter.

**RESPONDENT:
WALLIS FAMILY TRUST**

Date: 11-27-12


By: Jerry L Wallis

Jerry L. Wallis
Print Name


Owner
Title

**COMPLAINANT:
U. S. ENVIRONMENTAL PROTECTION AGENCY**

Date: 12/13/12

By: 
Jamie Green
Chief
Toxics and Pesticides Branch
Water, Wetlands and Pesticides Division

Date: 12.4.12

By: 
Jennifer Trotter
Attorney
Office of Regional Counsel

IT IS SO ORDERED. This Order shall become effective immediately.

Date: 1/22/13

Karina Borromeo
KARINA BORROMEO
Regional Judicial Officer

IN THE MATTER OF Wallis Family Trust, Respondent
Docket No. TSCA-07-2012-0015

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Order was sent this day in the following manner to the addressees:

Copy hand delivered to
Attorney for Complainant:

Jennifer Trotter
Assistant Regional Counsel
Region 7
United States Environmental Protection Agency
11201 Renner Blvd.
Lenexa, Kansas 66219

Copy by First Class Mail to:

Jerry L. Wallis
3947 Eisenhower Road
Ottawa, Kansas 66067

Dated: 1/22/13



Kathy Robinson
Kathy Robinson
Hearing Clerk, Region 7