

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

2014 MAY 16 PM 2: 07

BEFORE THE ADMINISTRATOR

In the Matter of)

Jose Garcia)
1405 Osage Trail)
Independence, Missouri 64058)

Respondent)

) Docket No. TSCA-07-2014-0010

) COMPLAINT AND NOTICE OF
) OPPORTUNITY FOR HEARING

COMPLAINT

Jurisdiction

1. This Complaint and Notice of Opportunity for Hearing (Complaint) serves as notice that the United States Environmental Protection Agency (EPA), Region 7 has reason to believe that Respondent has violated Section 409 of the Toxic Substances Control Act (TSCA), 15 U.S.C. 2689, by failing to comply with the regulatory requirements of 40 C.F.R. Part 745, Subpart E, *Residential Property Renovation*, promulgated pursuant to 15 U.S.C. 2682, 2686, and 2687.

2. This administrative action for the assessment of civil penalties is instituted pursuant to Section 16(a) of TSCA, 15 U.S.C. 2615(a), and in accordance with the EPA's 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, 40 C.F.R. Part 22 (Consolidated Rules), a copy of which is enclosed along with this Complaint.

Parties

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

4. Respondent Jose Garcia, is an individual performing renovations in the state of Missouri.

Statutory and Regulatory Background

5. Congress passed the Residential Lead-Based Paint Hazard Reduction Act of 1992 (the Act), 42 U.S.C. §§ 4851 to 4856, to address the need to control exposure to lead-based paint hazards. One of the stated purposes of the Act is to implement a broad program to reduce lead-based paint hazards in the Nation's housing stock. 42 U.S.C. § 4851a(2). The Act amended TSCA by adding *Title IV - Lead Exposure Reduction*, TSCA Sections 401 to 412, 15 U.S.C. §§ 2681 to 2692.

6. Section 402 of TSCA, 15 U.S.C. § 2682, requires that the Administrator of EPA promulgate regulations regarding the activities of individuals and contractors engaged in lead-based paint activities, including renovation of residences built prior to 1978, and regulations for the certification of such individuals and contractors.

7. In 1996, EPA promulgated regulations to implement Section 402(a) of TSCA, 15 U.S.C. § 2682(a). These regulations are set forth at 40 C.F.R. Part 745, Subpart L. In 1998, EPA promulgated regulations to implement Section 406(b) and Section 407 of the Act. These regulations are set forth at 40 C.F.R. Part 745, Subpart E. In 2008, EPA promulgated regulations to implement Section 402(c)(3) of TSCA, 15 U.S.C. § 2682(c)(3), by amending 40 C.F.R. Part 745, Subparts E and L (the "Renovation, Repair and Painting Rule" or the "RRP Rule"). *See* Lead; Renovation, Repair, and Painting Program, 73 Fed. Reg. 21692, 21758 (issued Mar. 31,

2008) (codified at 40 C.F.R. Part 745, Subpart E). The RRP Rule pertains to lead-based paint activities, and the regulations set forth work practice standards for the renovation of residences built prior to 1978 and require certification of individuals and firms who are involved in these activities.

8. Section 401(17) of TSCA, 15 U.S.C. § 2681(17) defines *target housing* to mean any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless any child who is less than six (6) years of age resides or is expected to reside in such housing) or any zero-bedroom dwelling.

9. 40 C.F.R. § 745.81 (a)(2)(ii) states that on or after April 22, 2010, no firm may perform, offer, or claim to perform renovations without certification from EPA under §745.89 in target housing or child-occupied facilities, unless the renovation qualifies for one of the exceptions identified in §745.82(a) or (c).

10. 40 C.F.R. § 745.83 defines *renovation* to mean the modification of any existing structure, or portion thereof, that results in the disturbance of painted surfaces, unless that activity is performed as part of an abatement as defined by 40 C.F.R. § 745.223. The term renovation includes (but is not limited to): the removal, modification or repair of painted surfaces or painted components (e.g., modification of painted doors, surface restoration, window repair, surface preparation activity (such as sanding, scraping, or other such activities that may generate paint dust)); the removal of building components (e.g., walls, ceilings, plumbing, windows); weatherization projects (e.g., cutting holes in painted surfaces to install blown-in insulation or to gain access to attics, planning thresholds to install weather stripping), and interim controls that disturb painted surfaces.

11. 40 C.F.R. § 745.83 defines person as *person* means any natural or judicial person including any individual, corporation, partnership, or association; any Indian Tribe, State, or political subdivision thereof; any interstate body; and any department, agency, or instrumentality of the Federal Government.

12. 40 C.F.R. § 745.83 defines *firm* as a company, partnership, corporation, sole proprietorship or individual doing business, association, or other business entity; a Federal State, Tribal, or local government agency; or a nonprofit organization.

13. 40 C.F.R. § 745.89(a)(1) provides that “[f]irms that perform renovations for compensation must apply to EPA for certification to perform renovations or dust sampling.”

14. 40 C.F.R. § 745.89(d)(2) requires firms performing renovations to ensure that “[a] certified renovator is assigned to each renovation performed by the firm and discharges all of the certified renovator responsibilities identified in § 745.90 [Renovator Certification and Dust Sampling Technician Certification].”

15. The RRP Rule sets forth the regulations for “Work Practice Standards” that must be followed by firms performing renovations on target housing. These work practice standards are outlined in 40 C.F.R § 745.85, and they require, in pertinent part:

(a) Pursuant to 40 C.F.R. § 745.85(a)(2)(ii)(C), the renovation firm, before beginning the renovation, must cover the ground with plastic sheeting or other disposable impermeable material extending 10 feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to collect falling paint debris, whichever is greater, unless the property line prevents 10 feet of such ground covering;

(b) Pursuant to 40 C.F.R. § 745.85(a)(4)(ii) which requires that at the end of each work day and at the conclusion of the renovation, waste that has been collected from

renovation activities must be stored under containment, in an enclosure, or behind a barrier that prevents the release of dust and debris out of the work area and prevents access to dust and debris.

16. Pursuant to 15 U.S.C. § 2686, EPA promulgated regulations requiring each person who performs for compensation a renovation of target housing to provide a lead hazard information pamphlet to the owner and occupant of such housing prior to commencing the renovation. 40 C.F.R. § 745.84(a)(1) requires that, no more than 60 days before beginning renovation activities in any residential dwelling unit of target housing, the firm performing the renovation must provide the owner of the unit with the EPA pamphlet titled *Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools* (EPA Pamphlet). 40 C.F.R. § 745.84(a)(2) further requires that if the owner does not occupy the dwelling unit, the firm must provide an adult occupant of the unit with the pamphlet and comply with all requirements of 40 C.F.R. § 745.84(a)(2).

17. Failure to comply with any provision of 40 C.F.R. Part 745, Subpart E (RRP Rule) violates Section 409 of TSCA, 15 U.S.C. § 2689, which may subject the violator to administrative penalties under section 16(a) of TSCA, 15 U.S.C. § 2615(a) and 40 C.F.R. § 745.87(d).

18. Section 16(a) of TSCA, 15 U.S.C. § 2615(a), and 40 C.F.R. § 745.87(d) authorize the EPA Administrator to assess a civil penalty of up to \$25,000 for each violation of Section 409 of TSCA, 15 U.S.C. § 2689. Each day that such a violation continues constitutes a separate violation of section 15 of TSCA, 15 U.S.C. § 2614. The Debt Collection Improvement Act of 1996, 31 U.S.C. § 3701, and its implementing regulations at 40 C.F.R. Part 19, increased these statutory maximum penalties to \$37,500 for violations that occurred after January 12, 2009.

General Factual Allegations

19. Respondent, at all times referred to herein, was a person as defined in 40 C.F.R. § 745.83.

20. Respondent, at all times referred to herein, was a “firm” as defined in 40 C.F.R. § 745.83.

21. Presently, and at the time of the actions described herein, Respondent is an individual doing business in Missouri.

22. Respondent was neither a certified renovation firm nor a certified renovator when performing renovations on a residential property located at 511, 515 and 521 Maple Boulevard, Kansas City, Missouri (Property or Properties) where renovations were being performed. The Properties were a multi-family residential units located in three buildings and share common grounds.

23. At all times relevant to this Complaint, the renovation projects at Properties were a “renovations for compensation” subject to the RRP Rule per 40 C.F.R. § 745.82.

24. At the time of Inspection, there were not children present at the Properties. The Properties were a 1920’s residential property. The Properties were constructed before 1978 and is target housing as defined by 40 C.F.R. § 745.103.

25. On October 2, 2012, pursuant to its authority under Section 11 of TSCA, 15 U.S.C. §2610, United State Environmental Protection Agency, Region 7 conducted work practice inspection at the work sites at the Property to evaluate Respondent’s compliance with the RRP Rule. A copy of the inspection report was mailed to Respondent on November 20, 2012.

26. As a result of the inspection and additional information obtained by EPA, Complainant has identified the following violation of Section 409 of TSCA, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and the RRP Rule, as set forth in 40 C.F.R. Part 745, Subpart E.

Alleged Violations

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

Count One

28. Each and every preceding paragraph is incorporated by reference herein.

29. Pursuant to 40 C.F.R. § 745.81(a)(2)(ii), firms performing renovations for compensation must be certified by the EPA and have obtained initial certification prior to performance of renovations unless the renovation qualifies for one of the exceptions identified in §745.82(a) or (c).

30. Pursuant to 40 C.F.R. § 745.89(a), firms that perform renovations for compensation must apply to EPA for certification to perform renovations or dust sampling.

31. At the time of inspection, Respondent had not applied for certification nor obtained initial certification to be a firm performing renovations for compensation.

32. The renovation did not qualify for one of the exceptions identified in §745.82(a) or (c).

33. Respondent's failure to apply for certification and ensure that it obtained initial firm certification prior to the renovations at the Property for compensation constitutes a violation of 40 C.F.R. § 745.81(a)(2)(ii) and 40 C.F.R. § 745.89(a). Respondent, therefore, violated Section 409 of TSCA, 15 U.S.C. § 2689.

Count Two

34. Each and every preceding paragraph is incorporated by reference herein.

35. Pursuant to 40 C.F.R. § 745.85(a)(2)(ii)(C), the renovation firm, before beginning the renovation, must cover the ground with plastic sheeting or other disposable impermeable material extending 10 feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to collect falling paint debris, whichever is greater, unless the property line prevents 10 feet of such ground covering.

36. Respondent failed to cover the ground with plastic sheeting or other disposable impermeable material extending 10 feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to collect falling paint debris, whichever is greater, unless the property line prevents 10 feet of such ground covering before beginning the renovation.

37. Respondent's failure to cover the ground with plastic sheeting or other disposable impermeable material extending 10 feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to collect falling paint debris, whichever is greater, unless the property line prevents 10 feet of such ground covering before beginning the renovation constitutes a violation of 40 C.F.R. § 745.85(a)(2)(ii)(C). Respondent, therefore, violated Section 409 of TSCA, 15 U.S.C. § 2689.

Count Three

38. Each and every preceding paragraph is incorporated by reference herein.

39. Pursuant to 40 C.F.R. § 745.85(a)(4)(ii), at the conclusion of each work day and at the conclusion of the renovation, waste that has been collected from the renovation activities must be stored under containment, in an enclosure, or behind a barrier that prevents release of

unit with the EPA pamphlet, if the owner does not occupy the dwelling unit, no more than 60 days before beginning renovation activities.

48. Respondent failed to provide an adult occupant of the unit, where the owner did not occupy the dwelling unit, with the EPA Pamphlet no more than 60 days before beginning renovation activities.

49. Respondent's failure to provide the owner of the unit with the EPA Pamphlet no more than 60 days before beginning renovation activities constitutes a violation of 40 C.F.R. § 745.84(a)(2). Respondent, therefore, violated Section 409 of TSCA, 15 U.S.C. § 2689. to provide the owner of the unit with the pamphlet no more than 60 days before beginning renovation activities.

Count Six

50. Each and every preceding paragraph is incorporated by reference herein.

51. Pursuant to 40 C.F.R. § 745.89(d)(2), requires a firm performing renovations to ensure a certified renovator is assigned to each renovation performed by the firm and discharges all of the certified renovator responsibilities identified in 40 CFR §745.90.

52. Respondent, failed to ensure a certified renovator is assigned to each renovation performed by the firm and discharges all of the certified renovator responsibilities identified in 40 CFR §745.90.

53. Respondent's failure to ensure a certified renovator is assigned to each renovation performed by the firm and discharges all of the certified renovator responsibilities identified in §745.90 constitutes a violation of 40 C.F.R. § 745.89(d)(2). Respondent, therefore, violated Section 409 of TSCA, 15 U.S.C. § 2689.

Relief

54. Respondent is subject to civil penalties under Section 16 of TSCA, 15 U.S.C. § 2615 for violations of Section 409 of TSCA, 15 U.S.C. § 2689. Pursuant to Section 16 of TSCA, 15 U.S.C. 2615 and based upon the facts set forth above, it is proposed that a civil administrative penalty be assessed against Respondent.

55. Section 16(a) of TSCA, 42 U.S.C. § 2615, and 40 C.F.R. § 745.87(d), authorize the EPA Administrator to assess a civil penalty of up to \$25,000 for each violation of Section 409 of TSCA. Each day that such a violation continues constitutes a separate violation of Section 15 of TSCA, 15 U.S.C. § 2614. The Debt Collection Improvement Act of 1996, 31 U.S.C. § 3701, and its implementing regulations at 40 C.F.R. Part 19, increased these statutory maximum penalties to \$37,500 for violations that occurred after January 12, 2009.

56. The proposed penalty is based upon the facts alleged in this Complaint and upon the factors set forth in Section 16(a)(2)(B) of TSCA, 15 U.S.C. 2615(a)(2)(B), including the nature, circumstances, extent and gravity of the violations, and with respect to the Respondents: a) their ability to pay, b) the effect on their ability to continue to do business, c) any history of prior violations, d) the degree of culpability, and e) such other matters as justice may require.

57. To assess a penalty for the alleged violations in this Complaint, Complainant has taken into account the particular facts and circumstances of this case with specific reference to EPA's August 2010 Interim Final Policy entitled, "Consolidated Enforcement Response and Penalty Policy for the Pre-Renovation Education Rule; Renovation, Repair and Painting Rule; and Lead-Based Paint Activities Rule" (the "LBP Consolidated ERPP"), a copy of which is enclosed with this Complaint. The LBP Consolidated ERPP provides a rational, consistent, and equitable calculation methodology for applying the statutory penalty factors enumerated above

to particular cases. Complainant proposes that Respondent be assessed a civil penalty in the amount of twenty-six thousand six hundred eighty dollars (\$26,680) for the TSCA violations alleged in this Complaint (*See* Attachment 1 to this Complaint explaining the reasoning for this penalty).

58. The proposed penalty is based on the best information available to EPA at the time the Complaint is issued. The penalty may be adjusted if the Respondents establish bona fide issues of ability to pay or other defenses relevant to the appropriate amount of the proposed penalty.

Payment of Proposed Penalty in Full

59. A Respondent may resolve this proceeding at any time by paying the full penalty proposed in the Complaint and filing a copy of the check or other instrument of payment with the Regional Hearing Clerk. Payment of the total penalty of twenty-six thousand six-hundred eighty dollars (\$26,680) may be made by certified or cashier's check payable to the "Treasurer, United States of America," and remitted to:

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

Wire transfers should be directed to the Federal Reserve Bank of New York:

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, New York 10045
Field Tag 4200 of the Fedwire message should read
"D 68010727 Environmental Protection Agency"

A copy of the check must 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.

Checks should reference the name and docket number of this Complaint.

Payment of Proposed Penalty in Lieu of an Answer

60. A Respondent who wishes to resolve a proceeding by paying the proposed penalty in full instead of filing an answer to the Complaint may do so within thirty (30) days of receipt of the Complaint, in accordance with the procedures set forth above. A Respondent who wishes to resolve a proceeding by paying the proposed penalty in full instead of filing an answer but who needs additional time to pay the penalty, may file a written statement with the Regional Hearing Clerk within thirty (30) days of receipt of the Complaint, in accordance with Rule 22.18(a)(1) of the Consolidated Rules. The written statement shall state that Respondent agrees to pay the proposed penalty in full within sixty (60) days of receipt of the Complaint. The written statement need not contain any response to, or admission of, the allegations in the Complaint. A Respondent must then pay the full amount of the proposed penalty within sixty (60) days of receipt of the Complaint. Failure to pay the full penalty within sixty (60) days of receipt of the Complaint may subject a Respondent to default, as set forth below.

NOTICE OF OPPORTUNITY FOR HEARING

Answer and Request for Hearing

61. A Respondent must file a written answer within thirty (30) days of receipt of this Complaint if Respondent: a) contests any material fact upon which this Complaint is based; b) contends that the penalty proposed in this Complaint is inappropriate; or c) contends that it is entitled to judgment as a matter of law. The answer shall clearly and directly admit, deny, or explain each of the factual allegations contained in this Complaint with regard to which a Respondent has any knowledge. Where a Respondent has no knowledge of a particular factual allegation, the answer shall so state. Failure to admit, deny or explain any of the factual allegations in the Complaint constitutes an admission of the allegation. The answer shall also state: d) the circumstances or arguments which are alleged to constitute the grounds of any defense; e) the facts that a Respondent disputes; f) the basis for opposing the proposed penalty; and g) whether a hearing is requested.

62. The original and one copy of the answer shall be filed with the following, in accordance with Section 22.15 of the Consolidated Rules:

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

A copy of the answer shall be sent to:

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

63. After the filing of Respondent's Answer to the Complaint, the Hearing Clerk at EPA

Headquarters will serve as the Regional Hearing Clerk, and all further filings in this matter (except for the filing of a Consent Agreement and Final Order pursuant to 40 C.F.R. § 22.18(b)(3)) must be filed with the Hearing Clerk at the following addresses, as appropriate:

If using the US Postal Service:

Hearing Clerk
U.S. Environmental Protection Agency
Office of Administrative Law Judges
Mailcode 1900R
1200 Pennsylvania Avenue NW
Washington, DC 20460

If using UPS/FedEx/DHL:

Hearing Clerk
U.S. Environmental Protection Agency
Office of Administrative Law Judges
Ronald Reagan Building, Room M1200
1300 Pennsylvania Avenue NW
Washington, DC 20460

Default

64. If, within thirty (30) days of receipt of a Complaint, a Respondent fails to: a) submit full payment of the proposed penalty; b) submit a written statement to the Regional Hearing Clerk that Respondent agrees to pay the penalty within sixty (60) days of receipt of the Complaint; or c) file a written answer to the Complaint; a Respondent may be found in default. Default by a Respondent constitutes, for the purposes of this proceeding, an admission of all facts alleged in the Complaint and a waiver of a Respondents' right to contest such factual allegations. A Default Order may thereafter be issued by the Presiding Officer and the civil penalty proposed in the Complaint shall be assessed unless the Presiding Officer finds that the proposed penalty is clearly inconsistent with the record of the proceeding or TSCA.

Informal Settlement Conference

65. The EPA encourages settlement of a proceeding at any time if the settlement is consistent with the provisions and objectives of TSCA and the regulations upon which this action is based. Regardless of whether a Respondent requests a hearing, a Respondent may request an informal settlement conference to discuss the facts of this case, the proposed penalty, and the possibility of settlement. To request an informal settlement conference, please contact:

Jennifer Trotter, Attorney
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 7
11201 Renner Boulevard
Lenexa, Kansas 66219
Telephone (913) 551-7180

66. Any settlement which may be reached as a result of such a conference shall be recorded in a written consent agreement signed by all parties or their representatives and shall conform with the provisions of Section 22.18(b)(2) of the Consolidated Rules. No settlement or consent agreement shall dispose of this proceeding without a final order from the Regional Judicial Officer or the Regional Administrator.

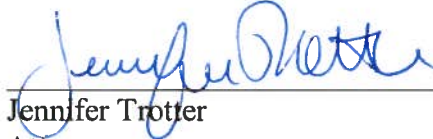
67. Please note that a request for an informal settlement conference does not extend the thirty (30) day period during which a written answer must be filed.

Date: 5/15/2014



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

Date: 5/15/2014




Jennifer Trotter
Attorney
Office of Regional Counsel

Attachment

CERTIFICATE OF SERVICE

I hereby certify that the original and one true and correct copy of the foregoing Complaint, Compliance Order, and Notice of Opportunity for Hearing were hand delivered to the Regional Hearing Clerk, U.S. Environmental Protection Agency, Region 7, 11201 Renner Boulevard, Lenexa, KS 66219, on 5/16/14. A true and correct copy of the foregoing Complaint, Compliance Order, and Notice of Opportunity for Hearing together with a copy of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation or Suspension of Permits were sent by certified mail, return receipt requested, on 5/16/14 to:

Jose Garcia
1405 Osage Trail
Independence, Missouri 64058.



Jennifer Trotter
Assistant Regional Counsel

| Address of Target Housing | Violation | Extent | Circumstance | Gravity Based Penalty | Micro \$100,000 \$300,000 | Micro Under \$100,000 |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------------|-----------------------|---------------------------|-----------------------|
| 511, 515 and 521 Maple Boulevard Kansas City, MO | §745.81(a)(2)(ii) Failure of a firm to obtain initial certification | Minor | Level 3a | \$4,500 | \$600 | \$450 |
| | §745.84(a)(1) Failure of a firm to provide the owner a pamphlet | Minor | Level 1b | \$2,840 | \$380 | \$280 |
| | §745.84(a)(2) Failure of a firm to provide the occupant with a pamphlet | Minor | Level 1b | \$2,840 | \$380 | \$280 |
| | §745.89(d)(2) Failure of a firm to assign a certified renovator | Minor | Level 3a | \$4,500 | \$600 | \$450 |
| | §745.85(a)(2)(ii)(C) Failure to cover the ground with 10 feet of plastic sheeting or other disposable impermeable material before beginning the renovation | Minor | Level 2a | \$6,000 | \$800 | \$600 |
| | §745.85(a)(4)(ii) Failure to store waste from the renovation under containment, in an enclosure, or behind a barrier that prevents release of dust and debris and access at the end of the day or conclusion of the renovation. | Minor | Level 2a | \$6,000 | \$800 | \$600 |
| Total | | | | \$26,680 | \$3,560 | \$2,660 |