

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street San Francisco, CA 94105

Certified Mail No. 7016 1370 0000 2234 8466 Return Receipt Requested

Mr. Kiley Ayoso, President Simply Building, Inc. 97 Menlo Avenue Daly City, CA 94015

MAY 0 3 2017

Re:

<u>Consent Agreement and Final Order</u> In the Matter of Simply Building, Inc.

Dear Mr. Ayoso:

Please find enclosed the final executed Consent Agreement and Final Order (CA/FO) negotiated between the United States Environmental Protection Agency, Region 9 (EPA), and Simply Building, Incorporated (SBI).

This CA/FO sets out the terms for resolution of the Toxic Substances Control Act (TSCA) administrative civil penalty action against SBI for its alleged failure to adhere to the Renovation, Repair and Painting Rule when work was performed at a 2015 residential home located in San Francisco, California.

SBI's full compliance with the payment terms of this CA/FO and completion of all tasks in accordance with the terms of this CA/FO will close this case. If you have any questions regarding the alleged TSCA violations governing your operations or the rules which govern the proceedings terminated by the enclosed document, please contact Christopher Rollins of my staff at (415) 947-4166, or Azure'De M. Wilkins, in the Office of Regional Counsel, at (415) 972-3554.

Sincerely,

Kathleen H. Johnson

Director, Enforcement Division

U.S. Environmental Protection Agency, Region 9

Enclosure

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION IX 75 HAWTHRONE STREET SAN FRANCISCO, CA 94105

** FILED ** 03MAY2017 - 10:10AM U.S.EPA - Region 09

In the Matter of:
Simply Building, Inc.,

Docket No. TSCA-09-2017-2004
CONSENT AGREEMENT
AND FINAL ORDER
PURSUANT TO 40 C.F.R.
S\$ 22.13 AND 22.18

Respondent.

I. CONSENT AGREEMNT

The United States Environmental Protection Agency, Region IX

("EPA") and Simply Building, Inc. ("Respondent") agree to settle this

matter and consent to the entry of this Consent Agreement and Final

Order ("CAFO"), which simultaneously initiates and concludes this

matter in accordance with 40 C.F.R. §§ 22.13(b) and 22.18(b).

A. AUTHORITY AND PARTIES

- 1. This is a civil administrative penalty action initiated against Respondent pursuant to Section 16(a) of the Toxic Substances Control Act ("TSCA"), 15 U.S.C § 2615(a), for violation of Section 409 15 U.S.C. § 2689, by failing to comply with Sections 402 and 406 of TSCA, 15 U.S.C. §§ 2682 and 2686, and their implementing federal regulations promulgated at 40 C.F.R. Part 745, Subpart E.
- 2. Complainant is the Director of the Enforcement Division, EPA Region IX, who has been duly delegated the authority to bring this action and to sign a consent agreement settling this action.
- 3. Respondent is a California corporation doing business at Consent Agreement and Final Order In the Matter of Simply Building Inc.

1521 Bayshore Highway, Burlingame, California.

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B. APPLICABLE STATUTORY AND REGULATORY SECTIONS

- 4. Pursuant to Section 406(b) of TSCA, 15 U.S.C. § 2686(b), 40 C.F.R. Part 745, Subpart E requires a person who performs for compensation a renovation of target housing and child-occupied facilities to provide a lead hazard information pamphlet to the owner and occupant before beginning the renovation.
- 5. Pursuant to Sections 402(a) and (c) of TSCA, 15 U.S.C. §§ 2682(a) and (c), 40 C.F.R. Part 745, Subpart E provides requirements for certification of individuals and firms engaged in lead-based paint activities and work practice standards for renovation, repair, and painting activities in target housing and child-occupied facilities.
- 6. "Target housing" means any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless any child who is six years of age resides or is expected to reside in such housing) or any 0-bedroom dwelling. Section 401 of TSCA, 15 U.S.C. § 2681.
- 7. "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. 40 C.F.R. § 745.83.
- 8. "Firm" means 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. 40 C.F.R. § 745.83.
- 9. "Renovation" means the modification of any existing structure, or portion thereof, that results in the disturbance of painted Consent Agreement and Final Order In the Matter of Simply Building Inc.

surfaces, unless that activity is part of an abatement as defined by 40 C.F.R. § 745.233. 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 installation or to gain access to attics planning thresholds to install weatherstripping), and interim controls that disturb painted surfaces...The term "renovation" does not include minor repair and maintenance activities. 40 C.F.R. § 745.83.

- 10. "Painted surface" means a component surface covered in whole or in part with paint or other surface coatings. 40 C.F.R. § 745.83.
- 11. "Component or building component" means specific design or structural elements or fixtures of a building or residential dwelling that are distinguished from each other by form, function, and location. These include, but are not limited to interior components such as...windows and trim (including sashes, window heads, jambs, sills or stools and troughs) ...and exterior components such as...siding...windowsills or stools and troughs, casings, sashes and wells. 40 C.F.R. § 745.83.
- 12. "Renovator" means any individual who either performs or directs workers who perform renovations. A certified renovator is a renovator who has successfully completed a renovator course accredited by EPA or an EPA-authorized State or Tribal program. 40 C.F.R. § Consent Agreement and Final Order In the Matter of Simply Building Inc.

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13. Section 16(a) of TSCA, 15 U.S.C. § 2615(a), and the Civil Monetary Penalty Inflation Adjustment Rule at 40 C.F.R. Part 19, which implements the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, as amended, authorize civil penalties not to exceed \$37,500 per day for each violation of Section 409 of TSCA, 15 U.S.C. § 2689, that occurred after December 6, 2013.

C. ALLEGATIONS

- 14. Respondent is a "person" as that term is defined at 40 C.F.R. § 745.83.
- 15. At all times relevant to this CAFO, Respondent is a "firm" as that term is defined at 40 C.F.R. § 745.83.
- 16. On or about April 14, 2015, Respondent removed and replaced the exterior siding and windows at a residential property located at 992 Portola Drive in San Francisco, California.
- 17. At all times relevant to this CAFO, the exterior siding and windows at 992 Portola Drive in San Francisco, California were "components or building components," as that term is defined at 40 C.F.R. § 745.83.
- 18. On or about April 14, 2015, Respondent performed a "renovation," as that term is defined at 40 C.F.R. § 745.83 for compensation at the residential property located at 992 Portola Drive in San Francisco, California.
- 19. At all times relevant to this CAFO, the residential property located at 992 Portola Drive in San Francisco, California was "target housing," as that term is defined at 40 C.F.R. § 745.83.
- 20. Firms that perform renovations for compensation must apply to EPA for certification to perform renovations. 40 C.F.R. § 745.89 Consent Agreement and Final Order In the Matter of Simply Building Inc.

(a).

- 21. On or after April 22, 2010, no firm may perform a renovation without certification from EPA under 40 C.F.R. § 745.89 in target housing, unless the renovation is performed in target housing that has been determined to be lead-free pursuant to 40 C.F.R. § 745.82(a). 40 C.F.R. § 745.81(a)(2)(ii).
- 22. At all times relevant to this CAFO, Respondent did not have certification from EPA to perform the renovation for compensation at target housing located at 992 Portola Drive in San Francisco, California.
- 23. At all times relevant to this CAFO, the target housing located at 992 Portola Drive in San Francisco, California had not been determined to be lead-free pursuant to 40 C.F.R. § 745.82(a).
- 24. Respondent's performance of a renovation for compensation at target housing located at 992 Portola Drive in San Francisco, California without firm certification from EPA under 40 C.F.R. § 745.89(a) constitutes a violation of 40 C.F.R. § 745.81(a)(2)(ii) and Section 409 of TSCA, 15 U.S.C. § 2689.
- 25. On or after July 6, 2010, all renovations must be performed in accordance with the work practice standards in 40 C.F.R. § 745.85 and the associated recordkeeping requirements in 40 C.F.R. § 745.85(b)(1) and (b)(6) in target housing or child-occupied facilities, unless the renovation qualified for the exception identified in 40 C.F.R. § 745.82(a). 40 C.F.R. § 745.81(a)(4)(ii).
- 26. Firms must post signs clearly defining the work area and warning occupants and other persons not involved in renovation activities to remain outside the work area. To the extent practicable, signs must be in the primary language of the occupants. Consent Agreement and Final Order In the Matter of Simply Building Inc.

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- 27. At all times relevant to this CAFO, Respondent did not post any signs in the work area at the renovation that Respondent performed at 992 Portola Drive, San Francisco, California.
- 28. Respondent's failure to post signs defining the work area and warning occupants and other persons not involved in renovation activities to remain outside the work area; post signs in the primary language of the occupants; and post signs before beginning the renovation and keeping them in place and readable until the renovation and the post-renovation cleaning verification was completed at the renovation that Respondent performed at 992 Portola Drive in San Francisco, California constitutes a violation of 40 C.F.R. § 745.85(a)(1) and Section 409 of TSCA, 15 U.S.C. § 2689.
- 29. Firms must ensure that doors within the work area that would be used while the job is being performed are covered with plastic sheeting or other impermeable material in a manner that allows workers to pass through while confining the dust and debris to the work area. 40 C.F.R. § 745.85(a)(2)(ii)(B).
- 30. At all times relevant to this CAFO, Respondent did not ensure that doors within the work area were covered with plastic sheeting or other impermeable material in a manner that allowed workers to pass through while confining the dust and debris to the work area during the renovation that Respondent performed at 992 Portola Drive, San Francisco, California.
- 31. Respondent's failure to cover doors with plastic sheeting or other impermeable material in a manner that allowed workers to pass Consent Agreement and Final Order In the Matter of Simply Building Inc.

 through while confining the dust and debris to the work area during the renovation that Respondent performed at 992 Portola Drive in San Francisco, California constitutes a violation of 40 C.F.R. § 745.85(a)(2)(ii)(B) and Section 409 of TSCA, 15 U.S.C. § 2689.

- 32. Firms 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 was greater, unless the property line prevented 10 feet of such ground covering. 40 C.F.R. § 745.85(a)(2)(ii)(C).
- 33. At all times relevant to this CAFO, Respondent did not 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 and the property line did not prevent 10 feet of ground covering.
- 34. 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 at the renovation that Respondent performed at 992 Portola Drive in San Francisco, California constitutes a violation of 40 C.F.R. § 745.85(a)(2)(ii)(C) and Section 409 of TSCA, 15 U.S.C. § 2689.
- 35. Firms performing renovations must retain documentation of compliance with the requirements of § 745.85, including documentation that a certified renovator was assigned to the project; that a certified renovator provided on-the-job training for workers used on the project; that a certified renovator performed or directed workers who performed all of the tasks described in § 745.85(a); and Consent Agreement and Final Order In the Matter of Simply Building Inc.

- 36. Respondent did not retain documentation that a certified renovator was assigned to the project; that a certified renovator provided on-the-job training for workers used on the project; that a certified renovator performed or directed workers who performed all of the tasks described in § 745.85(a); and that a certified renovator performed the post-renovation cleaning verification described in § 745.85(b) for the renovation that Respondent performed at 992 Portola Drive in San Francisco, California.
- 37. Respondent's failure to retain documentation that a certified renovator was assigned to the project; that a certified renovator provided on-the-job training for workers used on the project; that a certified renovator performed or directed workers who performed all of the tasks described in § 745.85(a); and that a certified renovator performed the post-renovation cleaning verification described in § 745.85(b) for the renovation that Respondent performed at 992 Portola Drive in San Francisco, California constitutes four (4) violations of 40 C.F.R. § 745.86(b)(6) and Section 409 of TSCA, 15 U.S.C. § 2689.
- 38. Firms performing renovations must ensure that a certified renovator is assigned to each renovation performed by the firm and discharges all the certified renovator responsibilities identified in § 745.90. 40 C.F.R. § 745.89(d)(2).
- 39. Respondent did not ensure that a certified renovator discharged all of the certified renovator responsibilities identified in § 745.90 for the renovation that Respondent performed at 992 Portola Drive in San Francisco, California.

 Consent Agreement and Final Order
 In the Matter of Simply Building Inc.

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Consent Agreement and Final Order In the Matter of Simply Building Inc.

In accordance with 40 C.F.R. § 22.18(b)(2) and for the

D. RESPONDENT'S ADMISSIONS

discharged all of the certified renovator responsibilities identified

Portola Drive in San Francisco, California constitutes a violation of

40 C.F.R. § 745.89 (d)(2) and Section 409 of TSCA, 15 U.S.C. § 2689.

in § 745.90 for the renovation that Respondent performed at 992

Respondent's failure to ensure that a certified renovator

41. purpose of this proceeding, Respondent (i) admits that EPA has jurisdiction over the subject matter of this CAFO and over Respondent; (ii) neither admits nor denies the specific factual allegations contained in Section I. C of this CAFO; (iii) consents to any and all conditions specified in this CAFO and to the assessment of the civil administrative penalty under Section I.E. of this CAFO; (iv) waives any right to contest the allegations contained in Section I.C of this CAFO; and (v) waives the right to appeal the proposed final order contained in this CAFO.

E. CIVIL ADMINISTRATIVE PENALTY

- 42. Respondent agrees to the assessment of a penalty in the amount of TWENTY-FOUR THOUSAND, ONE HUNDRED AND FIVE DOLLARS (\$24,105) as final settlement of the civil claims against Respondent arising under TSCA as alleged in Section I.C of this CAFO.
- Respondent shall pay the assessed penalty no later than 43. thirty (30) days after the effective date of this CAFO. The assessed penalty shall be paid by certified or cashier's check, payable to "Treasurer, United States of America," or paid by one of the other methods listed below and sent as follows:

Regular Mail: 1 U.S. Environmental Protection Agency 2 Fines and Penalties Cincinnati Finance Center 3 PO Box 979077 4 St. Louis, MO 63197-9000 5 Wire Transfers: 6 Wire transfers must be sent directly to the Federal Reserve Bank in 7 New York City with the following information: 8 Federal Reserve Bank of New York 9 ABA = 021030004Account = 6801072710 SWIFT address = FRNYUS33 11 33 Liberty Street New York, NY 10045 12 Field Tag 4200 of the Fedwire message should read "D 68010727 Environmental Protection Agency" 13 Overnight Mail: 14 U.S. Bank 15 1005 Convention Plaza Mail Station SL-MO-C2GL ATTN Box 979077 17 St. Louis, MO 63101 18 ACH (also known as REX or remittance express): 19 US Treasury REX/Cashlink ACH Receiver 20 ABA = 051036706Account Number 310006, Environmental Protection Agency 21 CTX Format Transaction Code 22 - checking Physical location of US Treasury Facility 22 5700 Rivertech Court 23 Riverdale, MD 20737 Remittance Express (REX): 1-866-234-5681 24 25 26 27

On Line Payment:

2 | This Payment option can be accessed from the information below:

www.pay.gov

Enter "sfo1.1" in the search field Open form and complete required fields

If clarification regarding a particular method of payment remittance is needed, contact the EPA Cincinnati Finance Center at 513-487-2091.

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Concurrently, a copy of the check or notification that the payment has been made by one of the other methods listed above, including proof of the date payment was made, shall be sent with a transmittal letter indicating Respondent's name, the case title, and the docket number to:

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a) Regional Hearing Clerk (ORC-1)
 Office of Regional Counsel
 U.S. Environmental Protection Agency, Region IX
 75 Hawthorne Street
 San Francisco, California 94105

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b) Christopher Rollins Waste & Chemical Section (ENF-2-2) Enforcement Division U.S. Environmental Protection Agency, Region IX 75 Hawthorne Street San Francisco, California 94105

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44. Payment of the above civil administrative penalty shall not be used by Respondent or any other person as a tax deduction from Respondent's federal, state, or local taxes.

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45. If Respondent fails to pay the assessed civil administrative penalty specified in Paragraph 42 by the deadline specified in Paragraph 43, then Respondent shall pay to EPA a stipulated penalty of \$500 per day in addition to the assessed penalty. Stipulated penalties shall accrue until such time as the assessed penalty and all accrued stipulated penalties are paid and Consent Agreement and Final Order In the Matter of Simply Building Inc.

shall become due and payable upon written request by EPA. In addition, failure to pay the civil administrative penalty by the deadline specified in Paragraph 43 may lead to any or all of the following actions:

- a. The debt being referred to a credit reporting agency, a collection agency, or to the Department of Justice for filing of a collection action in the appropriate United States District Court. 40 C.F.R. §§ 13.13, 13.14, and 13.33. In any such collection action, the validity, amount, and appropriateness of the assessed penalty and of this CAFO shall not be subject to review.
- b. The debt being collected by administrative offset (i.e., the withholding of money payable by the United States to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds. 40 C.F.R. Part 13, Subpart C and H.
- c. EPA may (i) suspend or revoke Respondent's licenses or other privileges; or (ii) suspend or disqualify Respondent from doing business with EPA or engaging in program EPA sponsors or funds. 40 C.F.R. § 13.17.
- d. In accordance with the Debt Collection Act of 1982 and 40 C.F.R. Part 13, interest, penalties charges, and administrative costs will be assessed against the outstanding amount that Respondent owes to EPA for Respondent's failure to pay the civil administrative penalty by the deadline specified in Paragraph 43. Interest will be assessed at an annual rate that is equal to the rate of current value of funds to the United States Treasury (i.e., the Treasury tax and loan account rate) as prescribed and published by the Secretary of the Consent Agreement and Final Order In the Matter of Simply Building Inc.

Treasury in the Federal Register and the Treasury Fiscal Requirements Manual Bulletins. 40 C.F.R. § 13.11(a)(1). Penalty charges will be assessed monthly at a rate of 6% per annum. 40 C.F.R. § 13.11(c). Administrative costs for handling and collecting Respondent's overdue debt will be based on either actual or average cost incurred, and will include both direct and indirect costs. 40 C.F.R. § 13.11(b). In addition, if this matter is referred to another department or agency (e.g., the Department of Justice, the Internal Revenue Service), that department or agency may assess its own administrative costs, in addition to EPA's administrative costs, for handling and collecting Respondent's overdue debt.

F. RESPONDENT'S CERTIFICATION

46. In executing this CAFO, Respondent certifies that it is now In compliance with the federal regulations promulgated at 40 C.F.R. Part 745, Subpart E.

G. RETENTION OF RIGHTS

47. In accordance with 40 C.F.R. § 22.18(c), this CAFO only resolves Respondent's liability for federal civil penalties for the violations and facts specifically alleged in Section I.C of this CAFO. Nothing in this CAFO is intended to or shall be construed to resolve (i) any civil liability for violations of any provision of any federal, state, or local law, statute, regulation, rule, ordinance, or permit not specifically alleged in Section I.C of this CAFO; or (ii) any criminal liability. EPA specifically reserves any and all authorities, rights, and remedies available to it (including, but not limited to, injunctive or other equitable relief or criminal sanctions) to address any violation of this CAFO or any violation not specifically alleged in Section I.C of this CAFO. Consent Agreement and Final Order

In the Matter of Simply Building Inc.

48. This CAFO does not exempt, relieve, modify, or affect in any way Respondent's duty to comply with all applicable federal, state, and local laws, regulations, rules, ordinances, and permits.

H. ATTRONEYS' FEES AND COSTS

49. Each party shall bear its own attorneys' fees, costs, and disbursements incurred in this proceeding.

I. EFFECTIVE DATE

50. In accordance with 40 C.F.R. §§ 22.18(b)(3) and 22.31(b), this CAFO shall be effective on the date that the final order contained in this CAFO, having been approved and issued by either the Regional Judicial Officer or Regional Administrator, is filed.

J. BINDING EFFECT

- 51. The undersigned representative of Complainant and the undersigned representative of Respondent each certifies that he or she is fully authorized to enter into the terms and conditions of this CAFO and to bind the party he or she represents to this CAFO.
- 52. The provisions of this CAFO shall apply to and be binding upon Respondent and its officers, directors, employees, agents, trustees, servants, authorized representatives, successors, and assigns.

Consent Agreement and Final Order In the Matter of Simply Building Inc.

FOR RESPONDENT, SIMPLY BUILDING, INC.

4/17/2017

Kiley Ayosb President

Simply Building, Inc.

FOR COMPLAINANT, U.S. ENVIRONMENTAL PROTECTION AGENCY, REGION IX

4/28/17 DATE

Kathleen H. Johnson
Director
Enforcement Division
U.S. ENVIRONMENTAL PROTECTION AGENCY,
REGION IX

Consent Agreement and Final Order In the Matter of Simply Building Inc.

II. FINAL ORDER

Complainant and Respondent, having entered into the foregoing Consent Agreement,

IT IS HEREBY ORDERED that this CAFO (Docket No. TSCA-09-2017be entered, and that Respondent shall pay a civil
administrative penalty in the amount of TWENTY-FOUR THOUSAND, ONE
HUNDRED AND FIVE DOLLARS (\$24,105) and comply with the terms
and conditions set forth in the Consent Agreement. This Consent
Agreement and Final Order shall become effective upon filing.

05/02/17

05/02 DAME

 STEVEN L. JAWGIEL

Regional Judicial Officer

U.S. Environmental Protection Agency, Region IX

Consent Agreement and Final Order In the Matter of Simply Building Inc.

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CERTIFICATE OF SERVICE

I certify that the original of the fully executed Consent Agreement and Final Order in the matter of **Simply Building, Inc.** (**Docket #: TSCA-09-2017-00**) was filed with the Regional Hearing Clerk, U.S. EPA, Region IX, 75 Hawthorne Street, San Francisco, CA 94105, and that a true and correct copy of the same was sent to the following parties:

A copy was mailed via CERTIFIED MAIL to:

Mr. Kiley Ayoso, President Simply Building, Inc. 97 Menlo Avenue Daly City, CA 4015

CERTIFIED MAIL NUMBER:

7016 1370 0000 2234 8466

And additional copy was hand-delivered to the following U.S. EPA case attorney:

Azure'De M. Wilkins, Esq. Office of Regional Counsel U.S. EPA, Region IX 75 Hawthorne Street San Francisco, CA 94105

Regional Hearing Clerk U.S. EPA, Region IX May 3, 2017