

STATE OF NEW YORK
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

In the Matter of the Alleged Violation of Article 17 of the Environmental Conservation Law (ECL) of the State of New York and Title 6 of the Official Compilation of Codes, Rules and Regulations of the State of New York (6 NYCRR),

ORDER

DEC Case No.
PBS.2-602260.4.2018

-by-

**941 ROGERS PLACE HOUSING DEVELOPMENT
FUND CORPORATION,**

Respondent.

This administrative enforcement proceeding addresses allegations of staff of the New York State Department of Environmental Conservation (Department or DEC) that respondent 941 Rogers Place Housing Development Fund Corporation violated ECL 17-1009 and 6 NYCRR 613-1.9(c) by failing to renew the registration of its petroleum bulk storage (PBS) facility at 941 Rogers Place, Bronx, New York (facility) on or before June 2, 2010, the date on which its prior registration expired. Located at the facility is an aboveground storage tank with a capacity of 2,000 gallons.

On July 16, 2018, an adjudicatory hearing was convened before Michael S. Caruso, Administrative Law Judge (ALJ) of DEC's Office of Hearings and Mediation Services. ALJ Caruso prepared the attached hearing report, which I adopt as my decision in this matter, subject to my comments below. As set forth in the ALJ's hearing report, respondent failed to file an answer to the complaint served by Department staff in this matter, failed to appear at a pre-hearing conference scheduled for March 9, 2018, and failed to appear for the adjudicatory hearing scheduled in the matter for April 10, 2018 and reconvened on July 16, 2018 (see Hearing Report at 4 [Finding of Fact No. 9]).

As a consequence of respondent's failure to answer or appear in this matter, the ALJ recommends that Department staff's motion for a default judgment be granted (see Hearing Report at 4-6). I concur that staff is entitled to a judgment on default pursuant to 6 NYCRR 622.15.

At the hearing on July 16, 2018, Department staff presented proof of facts sufficient to enable me to determine that staff has a viable claim and proved its case on the merits by a preponderance of the evidence (see Hearing Report at 5-6). Accordingly, staff is entitled to a judgment based on record evidence.

The record demonstrates that respondent was required to renew the registration of its PBS facility on or before June 2, 2010 (see ECL 17-1009[2]; Hearing Report at 4-5). Respondent's failure to properly renew the registration of its facility violated ECL 17-1009 and 6 NYCRR 613-1.9(c).

ECL 71-1929 provides for a civil penalty of up to thirty-seven thousand five hundred dollars (\$37,500) per day for each violation of title 10 of article 17 and its implementing regulations. Department staff, in its papers, sought a civil penalty in the amount of ten thousand dollars (\$10,000). Where, as here, an owner has not registered the facility for more than five years, and no other violations or mitigating or aggravating factors exist, a civil penalty of ten thousand dollars (\$10,000) is consistent with administrative precedent (see Matter of 12 Martense Associates LLC, Order of the Commissioner, December 19, 2011, at 2 [penalty ranges for PBS registration violations concerning heating oil tanks in New York City]). The requested penalty of ten thousand dollars (\$10,000) is authorized and appropriate.

I direct that respondent submit the civil penalty to the Department within fifteen (15) days of the service of this order upon respondent. I also direct that respondent submit to the Department a petroleum bulk storage application for the facility within fifteen (15) days of service of this order upon it, together with all applicable registration fees.

NOW, THEREFORE, having considered this matter and being duly advised, it is **ORDERED** that:

- I. Department staff's motion for a default judgment pursuant to 6 NYCRR 622.15 is granted. By failing to answer or appear in this proceeding, respondent 941 Rogers Place Housing Development Fund Corporation waived its right to be heard at the hearing.
- II. Moreover, based upon record evidence, respondent 941 Rogers Place Housing Development Fund Corporation violated ECL 17-1009 and 6 NYCRR 613-1.9(c), by failing to renew the registration of its petroleum bulk storage facility located at 941 Rogers Place, Bronx, New York on or before June 2, 2010, the date the prior registration expired.
- III. Within fifteen (15) days of the service of this order upon respondent 941 Rogers Place Housing Development Fund Corporation, respondent shall submit to the Department a complete petroleum bulk storage application for the facility, plus applicable registration fees.
- IV. Within fifteen (15) days of the service of this order upon respondent 941 Rogers Place Housing Development Fund Corporation, respondent shall pay a civil penalty in the amount of ten thousand dollars (\$10,000) by certified check, cashier's check or money order made payable to the New York State Department of Environmental Conservation.

- V. The petroleum bulk storage application, applicable registration fees, and the penalty payment shall be sent to the following address:

Office of General Counsel (Remediation Bureau)
NYS Department of Environmental Conservation
625 Broadway, 14th Floor
Albany, New York 12233-1500
Attn: Deborah Gorman, Esq.

- VI. Any questions or other correspondence regarding this order shall also be addressed to Deborah Gorman, Esq. at the address referenced in paragraph V of this order.
- VII. The provisions, terms and conditions of this order shall bind respondent 941 Rogers Place Housing Development Fund Corporation, and its agents, successors and assigns, in any and all capacities.

For the New York State Department
of Environmental Conservation

By: _____/s/_____
Basil Seggos
Commissioner

Dated: October 10, 2018
Albany, New York

To:

941 Rogers Place Housing Development
Fund Corporation
Attention: Awilda Santiago
941 Rogers Place
Bronx, New York 10459

(Via Certified Mail)

Office of General Counsel (Remediation Bureau)
NYS Department of Environmental Conservation
625 Broadway, 14th Floor
Albany, New York 12233-1500
Attn: Deborah Gorman, Esq.

(Via Intra-Agency Mail)

STATE OF NEW YORK
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

In the Matter of the Alleged Violation of Article 17 of the Environmental Conservation Law (ECL) of the State of New York and Title 6 of the Official Compilation of Codes, Rules and Regulations of the State of New York (6 NYCRR),

HEARING REPORT

DEC Case No.
PBS.2-602260.4.2018

-by-

**941 ROGERS PLACE HOUSING DEVELOPMENT
FUND CORPORATION,**

Respondent.

Procedural History

Staff of the New York State Department of Environmental Conservation (Department) served respondent 941 Rogers Place Housing Development Fund Corporation (respondent) with a notice of hearing and complaint, dated February 1, 2018, alleging a violation of ECL 17-1009 and 6 NYCRR 613-1.9(c) for failing to renew the registration of its petroleum bulk storage facility located at 941 Rogers Place, Bronx, New York on or before June 2, 2010, the date on which its prior registration expired. The complaint seeks an order of the Commissioner: (1) finding respondent in violation of ECL 17-1009 and 6 NYCRR 613-1.9(c); (2) assessing a civil penalty in the amount of ten thousand dollars (\$10,000); (3) directing respondent to register its petroleum bulk storage facility within fifteen (15) days of service of the Commissioner's order by remitting the applicable registration fee along with a complete registration application; and (4) granting such other and further relief as the Commissioner shall deem just and appropriate.

Because respondent is an active domestic business corporation in the State of New York, service of the notice of hearing and complaint on respondent was made by serving the New York State Department of State on February 1, 2018 (see Staff Exhibit 3). Department staff provided additional service by sending the notice of hearing and complaint to respondent by first class mail on or about February 1, 2018 (see id.). Respondent failed to file an answer to the complaint, and failed to appear at a pre-hearing conference scheduled for March 9, 2018, as directed in the notice of hearing and accompanying cover letter (see Staff Exhibit 2).

As stated in the notice of hearing, on April 10, 2018, an adjudicatory hearing was convened before the undersigned. Department staff was represented by Deborah Gorman, Esq., Senior Attorney, Office of General Counsel, New York State Department of Environmental Conservation, 625 Broadway, Albany, New York. No one appeared on behalf of respondent.

Department staff indicated that it was prepared to proceed with the hearing, and proffered a staff witness. Noting for the record that respondent had not answered the complaint, had not appeared for the pre-hearing conference, and failed to appear for the adjudicatory hearing, Department staff moved orally for a default judgment pursuant to 6 NYCRR 622.15. I reserved on the default motion, allowing the record to remain open for Department staff to submit the documentation required by 6 NYCRR 622.15(b), and indicated that, upon staff's request, the hearing would be reconvened on a subsequent date and on notice to respondent.

On June 13, 2018, the Office of Hearings and Mediation Services served a Notice of Hearing on respondent by first class mail, advising respondent that the hearing would be reconvened on July 16, 2018. On July 16, 2018, the adjudicatory hearing was reconvened before me at the Department's Central Office at 625 Broadway, Albany, New York. Department staff was represented by law student intern Zachary Randall, under the supervision of the Office of General Counsel. No one appeared on behalf of respondent.

Department staff orally renewed its motion for a default judgment. Department staff called one witness, Benjamin Conlon, Associate Attorney with the Department's Office of General Counsel, and Section Chief in the Bureau of Remediation. In all, eleven (11) exhibits were received in evidence.¹

Applicable Regulatory Provision

613-1.9 Registration ²

* * *

“(c) *Renewal*. Registration must be renewed every five years from the date of the last valid registration certificate until the department receives written notice and documentation from the facility owner that the facility has been permanently closed in accordance with section 613-2.6(b), 613-3.5(b), or 613-4.5(b) of this Part, or that ownership of the facility has been transferred in accordance with subdivision (d) of this section.”

¹ At hearing, Department staff moved to keep the record open to allow staff time to correct a date reference in the affidavit of service (Exhibit 3). I granted staff's motion, and staff submitted the corrected affidavit on July 19, 2018, which was received into evidence, and the record was closed.

² Effective October 11, 2015, 6 NYCRR 613-1.9 replaced 6 NYCRR 612.2, Registration of Facilities, which read in part, “(a) *Existing facilities*. . . . (2) Registration must be renewed every five years from the date of the last valid registration until the department receives written notice that the facility has been permanently closed or that ownership of the facility has been transferred.” ECL 17-1009(2) requires facility registrations to be “renewed every five years or whenever ownership of a facility is transferred, whichever occurs first.”

Findings of Fact

The following facts are found based upon the preponderance of evidence presented at the hearing, see 6 NYCRR 622.11(c):

1. Respondent 941 Rogers Place Housing Development Fund Corporation (respondent) is the owner of a petroleum bulk storage facility having a capacity of over 1,100 gallons located at 941 Rogers Place, Bronx, New York (facility). In particular, petroleum storage tank number 001 at the facility has a capacity of 2,000 gallons and is located aboveground. See Testimony of Benjamin Conlon (Conlon Testimony); Staff Exhibits 5, 6, 7, 8, and 9.
2. Respondent is an active domestic business corporation in the State of New York. See Conlon Testimony; Staff Exhibit 4.
3. Pursuant to a registration application received May 18, 2005, the Department issued Petroleum Bulk Storage (PBS) Registration Certificate No. 2-60260 to “941 Rogers Pl. HDFC” identified on the certificate as the owner of the facility, on May 24, 2005 with an expiration date of June 2, 2010. The PBS application received by Department staff on May 18, 2005 identifies the owner as “941 Rogers Pl. HDFC”. See Conlon Testimony; Staff Exhibits 6 and 9.
4. On December 20, 2010, Department staff received a PBS application from 941 Rogers Pl. HDFC for a renewal of the certificate. The renewal application was returned to the respondent on December 20, 2010 because the tank installation date had not been provided. See Conlon Testimony; Staff Exhibits 7.
5. On December 27, 1990, the City of New York, by deed, transferred all right, title and interest in the facility to respondent 941 Rogers Place Housing Development Fund Corporation, the facility’s current owner. This deed is recorded in the Office of the City Register of the City of New York, on Reel 1027, Page 0585. See Conlon Testimony; Staff Exhibit 5.
6. Benjamin Conlon is an Associate Attorney in the Department’s Office of General Counsel, serving as a Section Chief in the Bureau of Remediation, whose responsibilities include enforcement of the Petroleum Bulk Storage, Chemical Bulk Storage, and Major Oil Storage Facilities laws and regulations. Mr. Conlon is authorized to access and inspect the Department’s unified information system (UIS) and the electronic repository for scanned documents known as DecDOCS. The UIS and DecDOCS are databases maintained by the Department and contain petroleum bulk storage facility records filed with the Department, which records include petroleum bulk storage facility registrations filed pursuant to 6 NYCRR 613-1.9. See Conlon Testimony.
7. On July 12, 2018, Benjamin Conlon searched the petroleum bulk storage facility records contained in the Department’s UIS and DecDOCS databases for any petroleum bulk storage facility registration application filed by respondent for the facility. Mr. Conlon

determined that respondent's registration expired on June 2, 2010 and, as of July 12, 2018, had not been renewed. See Conlon Testimony; see also Staff Exhibits 8 and 9.

8. As shown by Receipt for Service No. 201802070550 issued by the New York State Department of State, respondent was served personally, on February 1, 2018, pursuant to section 306 of the Business Corporation Law, with a notice of hearing and complaint dated February 1, 2018 alleging a violation of ECL 17-1009 and its implementing regulation, 6 NYCRR 613-1.9(c), together with a cover letter, statement of readiness and supporting affirmation, for failure to renew the registration of its petroleum bulk storage facility located at 941 Rogers Place, Bronx, New York on or before June 2, 2010, the date the prior registration expired. Consistent with CPLR 3215(g)(4), Department staff also provided additional service by sending the notice of hearing and complaint to respondent by first class mail on or about February 1, 2018. See Staff Exhibits 2 and 3; see also Hearing Record.
9. Respondent failed to file an answer to the complaint, failed to appear at a pre-hearing conference scheduled for March 9, 2018 as directed in the notice of hearing and the accompanying cover letter, and failed to appear for the adjudicatory hearing scheduled in the matter for April 10, 2018 and reconvened on July 16, 2018, as directed in the notices of hearing. See Hearing Record.

Discussion

A respondent upon whom a complaint has been served must serve an answer within 20 days of receiving a notice of hearing and complaint (see 6 NYCRR 622.4[a]). A respondent's failure to file a timely answer "constitutes a default and a waiver of respondent's right to a hearing" (6 NYCRR 622.15[a]). In addition, attendance by a respondent at a scheduled pre-hearing conference or hearing is mandatory, "and failure to attend constitutes a default and a waiver of the opportunity for a hearing" (6 NYCRR 622.8[c]; see also 6 NYCRR 622.15[a] ["A respondent's ... failure to appear at the hearing or the pre-hearing conference ... constitutes a default and a waiver of respondent's right to a hearing"]).

Upon a respondent's failure to answer a complaint or failure to appear for a pre-hearing conference or hearing, Department staff may make a motion to an ALJ for a default judgment. Such motion must contain (i) proof of service upon respondent of the notice of hearing and complaint; (ii) proof of respondent's failure to appear or to file a timely answer; and (iii) a proposed order (see 6 NYCRR 622.15[b][1]-[3]).

As the Commissioner has held, "a defaulting respondent is deemed to have admitted the factual allegations of the complaint and all reasonable inferences that flow from them" (Matter of Alvin Hunt, d/b/a Our Cleaners, Decision and Order of the Commissioner, July 25, 2006, at 6 [citations omitted]). In addition, in support of a motion for a default judgment, staff must "provide proof of the facts sufficient to support the claim" (Matter of Queen City Recycle Center, Inc., Decision and Order of the Commissioner, December 12, 2013, at 3). Staff is required to support their motion for a default judgment with enough facts to enable the ALJ and

the Commissioner to determine that staff has a viable claim (see Matter of Samber Holding Corp., Order of the Commissioner, March 12, 2018, at 1 [citing Woodson v Mendon Leasing Corp., 100 NY2d 62, 70-71 (2003)]; see also State v Williams, 44 AD3d 1149, 1151-1152 [3d Dept 2007] and CPLR 3215[f]).

The record establishes that: (i) Department staff served the notice of hearing and complaint upon respondent; (ii) respondent failed to file an answer to the complaint and failed to appear at a pre-hearing conference scheduled for March 9, 2018, as directed in the cover letter and notice of hearing served with the complaint; and (iii) respondent failed to appear for the adjudicatory hearing scheduled for April 10, 2018 and reconvened on July 16, 2018, as directed in the notices of hearing. Department staff has submitted a proposed order.

Department staff's submissions in support of the motion for a default judgment provide proof of facts sufficient to enable me to determine that staff has a viable claim that respondent failed to renew the registration of its petroleum bulk storage facility located at 941 Rogers Place, Bronx, New York on or before June 2, 2010, the date on which its registration expired, in violation of ECL 17-1009 and 6 NYCRR 613-1.9(c) (see Matter of Samber Holding Corp., Order of the Commissioner at 1). Based upon the foregoing, the Department is entitled to a default judgment in this matter pursuant to the provisions of 6 NYCRR 622.15.

Moreover, the proof adduced at the hearing, conducted in respondent's absence, demonstrates by a preponderance of the evidence that respondent failed to renew the registration of its petroleum bulk storage facility located at 941 Rogers Place, Bronx, New York, in violation of ECL 17-1009 and 6 NYCRR 613-1.9(c). The Department is entitled to judgment upon the facts proven.

In its complaint, Department staff seeks an order imposing a civil penalty of ten thousand dollars (\$10,000). ECL 71-1929(1) provides for a civil penalty of up to thirty-seven thousand five hundred dollars (\$37,500) per day for each violation. In proceedings concerning violations of PBS registration requirements in the New York City area, calculation of an appropriate penalty turns in part on the duration of the violations. See e.g. Matter of 540 Jackson Realty Corp., Order of the Commissioner, May 18, 2016, at 2; see also Matter of 12 Martense Associates LLC, Order of the Commissioner, December 19, 2011 (12 Martense Associates), at 2.

Department staff's proposed order seeks a civil penalty of ten thousand dollars (\$10,000). This requested civil penalty is consistent with the Department's penalty policy as well as applicable provisions of ECL article 71 and administrative precedent (see 12 Martense Associates, at 2).

Conclusion of Law

By failing to renew the registration of its PBS facility located at 941 Rogers Place, Bronx, New York on or before June 2, 2010, the date the prior registration expired, respondent violated ECL 17-1009 and 6 NYCRR 613-1.9(c).

Recommendations

Based upon the foregoing, I recommend that the Commissioner issue an order:

1. Granting Department staff's motion for default, holding 941 Rogers Place Housing Development Fund Corporation in default pursuant to the provisions of 6 NYCRR 622.15;
2. Holding that, based upon the proof adduced at the adjudicatory hearing, respondent 941 Rogers Place Housing Development Fund Corporation violated ECL 17-1009 and 6 NYCRR 613-1.9(c) by failing to renew the registration of its petroleum bulk storage facility located at 941 Rogers Place, Bronx, New York on or before June 2, 2010, the date the prior registration expired;
3. Directing respondent 941 Rogers Place Housing Development Fund Corporation to submit to the Department, within fifteen (15) days of service of the Commissioner's order, a complete petroleum bulk storage registration application for the facility, together with applicable registration fees;
4. Directing respondent 941 Rogers Place Housing Development Fund Corporation to pay a civil penalty in the amount of ten thousand dollars (\$10,000) within fifteen (15) days of service of the Commissioner's order; and
5. Directing such other and further relief as he may deem just and appropriate.

_____/s/_____
Michael S. Caruso
Administrative Law Judge

Dated: August 1, 2018
Albany, New York

EXHIBIT CHART – PBS EXPEDITED PROCEEDINGS

Matter of 941 Rogers Place Housing Development Fund Corporation
 941 Rogers Place, Bronx, New York – DEC Case No. PBS.2-602260.4.2018
 July 16, 2018 – Central Office
 Edrol File No. 180716144338

Exhibit No.	Description	ID'd?	Rec'd ?	Offered By	Notes
1	May 29, 2018 Practice Order of the Appellate Division, Third Department (Garry, P.J.), authorizing Zachary Randall to act as a law intern in New York State Department of Environmental Conservation.	✓	✓	Department Staff	
2	Cover Letter from Deborah Gorman, Esq. to respondent, with Notice of Hearing, Complaint, and Statement of Readiness, and Affirmation of Deborah Gorman all dated February 1, 2018.	✓	✓	Department Staff	
3	Affidavit of Service of Dale Thiel, sworn to July 19, 2018 with New York State Department of State Receipt for Service dated February 1, 2018.	✓	✓	Department Staff	
4	NYS Department of State Entity Information, current through July 11, 2018.	✓	✓	Department Staff	
5	New York City Department of Finance, ACRIS Title Search, dated June 14, 2018, and deed to respondent, dated December 27, 1990.	✓	✓	Department Staff	

Exhibit No.	Description	ID'd?	Rec'd ?	Offered By	Notes
6	PBS Application, received May 18, 2005 from 941 Rogers Pl. HDFC for 941 Rogers Place, Bronx, New York.	✓	✓	Department Staff	
7	PBS Application incompleteness notice dated December 20, 2010 with PBS Application received December 20, 2010 from 941 Rogers Pl. HDFC for 941 Rogers Place, Bronx, New York attached.	✓	✓	Department Staff	
8	PBS Program Facility Information Report, printed June 15, 2018.	✓	✓	Department Staff	
9	PBS Registration Certificate issued May 24, 2005, expiration date June 2, 2010.	✓	✓	Department Staff	
10	Affirmation of attempted contact of Deborah Gorman, dated June 22, 2018.	✓	✓	Department Staff	
11	Proposed Order.	✓	✓	Department Staff	