

**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

-by-

DEC Case No.
PBS.2-609724.5.2018

PRINCE HALL FOUNDATION, INC.,

Respondent.

This administrative enforcement proceeding addresses allegations by staff of the New York State Department of Environmental Conservation (Department) that respondent Prince Hall Foundation, Inc. violated ECL 17-1009 and 6 NYCRR 613-1.9(c) by failing to renew the registration of its petroleum bulk storage (PBS) facility on or before October 6, 2009, the date on which its prior registration expired. Respondent's facility is located at 454 West 155th Street, New York, New York, and includes an underground petroleum bulk storage tank with a capacity of 2,000 gallons.

Administrative Law Judge (ALJ) Maria E. Villa of the Department's Office of Hearings and Mediation Services was assigned to this matter and prepared the attached default summary report, which I adopt as my decision in this matter, subject to my comments below.

As set forth in the ALJ's default summary 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 April 10, 2018, and failed to appear for the adjudicatory hearing scheduled for May 10, 2018 (see Default Summary Report at 3 [Finding of Fact No. 8]). At the May 10, 2018 adjudicatory hearing, Department staff made an oral motion for a default judgment before ALJ Michael Caruso. ALJ Caruso reserved on the motion, and Department staff later submitted a written motion for default judgment with supporting papers which was considered by ALJ Villa.

As a consequence of respondent's failure to answer or appear in this matter, ALJ Villa recommends that Department staff's motion for a default judgment be granted (see Default Summary Report at 5). I concur that staff is entitled to a judgment on default pursuant to 6 NYCRR 622.15. The pleadings and the papers submitted with and in support of the motion provide enough facts to enable me to determine that staff has a viable claim that respondent failed to renew the registration of its PBS facility on or before October 6, 2009, the date on which its registration expired, in violation of ECL 17-1009 and, since October 11, 2015,

6 NYCRR 613-1.9(c).¹ In addition to my review of the record of this proceeding, I am taking official notice (see 6 NYCRR 622.11[a][5]) of the Department’s current database on PBS registrations. The database further corroborates that no timely re-registration of the facility has occurred.

Department counsel correctly points out that the requirement to register PBS facilities is one of the “cornerstones” of the PBS regulatory scheme (see Motion for Default Judgment, Exhibit B, Affirmation of Deborah Gorman, Esq., dated May 20, 2018, ¶ 14). Proper registration assists in the oversight of other requirements for a PBS facility (e.g., leak detection, monitoring, and reporting), with the goal of protecting the environment and public health.

Department staff seeks a civil penalty in the amount of ten thousand dollars (\$10,000). ECL 71-1929(1), which applies to the statutory and regulatory violation at issue in this proceeding, provides for a penalty of up to thirty-seven thousand five hundred dollars (\$37,500) per day for each violation. Staff’s requested civil penalty of ten thousand dollars (\$10,000) is in accordance with general penalty guidelines for violations of PBS registration requirements for certain facilities in New York City where violations continue for more than five years, as is the case here (see e.g. Matter of 12 Martense Associates, LLC, Order of the Commissioner, December 19, 2011, at 2). Respondent was required to renew the registration of its facility no later than October 6, 2009, but failed to do so (see Default Summary Report at 3 [Findings of Fact Nos. 5-6]). Based on this record, 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. In addition, I direct that respondent submit a petroleum bulk storage application for the facility, including the correct corporate name of the facility owner, plus applicable registration fees, to the Department within fifteen (15) days of the service of this order upon respondent.

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 Prince Hall Foundation, Inc. waived its right to be heard at the hearing.
- II. Based on the pleadings and papers submitted with and in support of Department staff’s motion, respondent Prince Hall Foundation, Inc. is determined to have violated ECL 17-1009 and, since October 11, 2015, 6 NYCRR 613-1.9(c), by failing to renew the registration of its petroleum bulk storage facility located at 454 West 155th Street, New York, New York on or before October 6, 2009, the date the prior registration expired.

¹ As referenced in the Default Summary Report, 6 NYCRR 613-1.9 replaced former 6 NYCRR 612.2 which similarly included the registration renewal requirement.

- III. Within fifteen (15) days of the service of this order upon respondent Prince Hall Foundation, Inc., respondent shall submit to the Department a complete petroleum bulk storage application for the facility, including the correct corporate name of the facility owner, plus applicable and past due registration fees.
- IV. Within fifteen (15) days of the service of this order upon respondent Prince Hall Foundation, Inc., 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 Prince Hall Foundation, Inc., 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: Albany, New York
September 5, 2018

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),

**DEFAULT SUMMARY
REPORT**

-by-

DEC Case No.
PBS.2-609724.5.2018

PRINCE HALL FOUNDATION, INC.,

Respondent.

Procedural History

Staff of the New York State Department of Environmental Conservation (Department) served respondent Prince Hall Foundation, Inc. (respondent) with a notice of hearing and complaint, dated March 5, 2018, alleging a violation of ECL 17-1009 and its implementing regulation, 6 NYCRR 613-1.9(c), for failing to renew the registration of its petroleum bulk storage (PBS) facility located at 454 West 155th Street, New York, New York (facility) on or before October 6, 2009, the date on which its prior registration expired. The complaint seeks an order of the Commissioner: (i) finding respondent in violation of ECL 17-1009 and 6 NYCRR 613-1.9(c); (ii) assessing a civil penalty in the amount of ten thousand dollars (\$10,000); (iii) directing respondent to register its petroleum bulk storage facility within fifteen (15) days of the service of the Commissioner's order, remit the applicable registration fee, and submit a complete registration application; and (iv) granting such other and further relief as the Commissioner shall deem just and appropriate.

Respondent is an active not-for-profit corporation in the State of New York. Service of the notice of hearing and complaint upon respondent was made by personally serving the New York State Department of State on March 5, 2018 (Motion for Default Judgment, Exhibit C). Department staff also provided additional service by sending the notice of hearing and complaint to respondent by first class mail on or about March 5, 2018. Id. Respondent failed to file an answer to the complaint, and failed to appear at a pre-hearing conference scheduled for April 10, 2018, as directed in the cover letter and notice of hearing served with the complaint (Motion for Default Judgment, Exhibit A).

As stated in the notice of hearing, on May 10, 2018, an adjudicatory hearing was convened before administrative law judge ("ALJ") Michael S. Caruso. Department staff was represented by Deborah Gorman, Esq., Remediation Bureau, Office of General Counsel, New

York State Department of Environmental Conservation, 625 Broadway, Albany, New York. No one appeared on behalf of respondent.

ALJ Caruso noted for the record that respondent had failed to answer the complaint, failed to appear for the pre-hearing conference and failed to appear for the reconvened adjudicatory hearing. Department staff moved orally for a default judgment pursuant to 6 NYCRR 622.15. ALJ Caruso reserved on the oral motion, allowing the record to remain open for Department staff to submit the documentation required by 6 NYCRR 622.15(b). On August 20, 2018, staff submitted a written motion for a default judgment with supporting papers.¹ Department staff served the motion and supporting papers on respondent by first class mail on August 20, 2018 (Affirmation of Service of Deborah Gorman, dated August 20, 2018).

Applicable Regulatory Provision

Section 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.

Findings of Fact

The following facts are found based upon the pleadings and papers submitted with and in support of staff's motion for a default judgment:

1. Respondent Prince Hall Foundation, Inc. is the owner of a PBS facility having a capacity of over 1,100 gallons located at 454 West 155th Street, New York, New York (facility). PBS tank number 001 at the facility has a capacity of 2,000 gallons and is located underground. Motion for Default Judgment, Exhibits E, F, and H.
2. Respondent is an active not-for-profit corporation in the State of New York. Motion for Default Judgment, Exhibit I.
3. On September 10, 2004, Most Worshipful Prince Hall Grand Lodge of the Most Ancient and Honorable Fraternity of Free and Accepted Masons of the State of New York

¹ The motion includes the affirmation of Deborah Gorman, Esq., as Exhibit B ("Gorman Supporting Affirmation"). The affirmation is dated May 20, 2018, but includes attachments after that date. It is clear that the affirmation date is a typographical error, but the affirmation itself is supported by the attachments. Accordingly, the affirmation has been considered on this motion.

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."

transferred all right, title and interest in the facility to Prince Hall Foundation, Inc., the facility's current owner. Motion for Default Judgment, Exhibit D.

4. Pursuant to a registration application dated September 22, 2004, the Department issued PBS Certificate Number 2-609724 to Most Worshipful Prince Hall, the owner of the facility, on October 6, 2004, with an expiration date of October 6, 2009. The application and certificate identify the owner as "Most Worshipful Prince Hall." Motion for Default Judgment, Exhibits E and F.
5. On March 2, 2018, a search of the Department's PBS registration database revealed that respondent's registration expired on October 6, 2009 and, as of March 2, 2018, had not been renewed. Motion for Default Judgment, Exhibit A, Affirmation of Deborah Gorman, Esq., dated March 5, 2018, ¶¶ 9-11; Exhibit F.
6. As of August 20, 2018, respondent had not registered the facility. Gorman Supporting Affirmation, ¶¶ 9-10; Exhibit H.
7. Respondent was served personally, on March 5, 2018, pursuant to section 306 of the Not-For-Profit Corporation Law, with a notice of hearing and complaint dated March 5, 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 PBS facility located at 454 West 155th Street, New York, New York on or before October 6, 2009, 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 March 5, 2018. Motion for Default Judgment, Exhibit C.
8. Respondent failed to file an answer to the complaint, failed to appear at a pre-hearing conference scheduled for April 10, 2018, as directed in the cover letter and notice of hearing served with the complaint, and failed to appear for the adjudicatory hearing scheduled in the matter on May 10, 2018, as directed in the notices of hearing. Gorman Supporting Affirmation, ¶¶ 4-6.

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 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[s]" alleged in the complaint. *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 April 10, 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 on May 10, 2018, as directed in the notices of hearing. Department staff has submitted a proposed order (Motion for Default Judgment, Exhibit J). Based upon the foregoing, the Department is entitled to a default judgment in this matter pursuant to the provisions of 6 NYCRR 622.15. Staff also served respondent with copies of the motion for default judgment and supporting papers (Affirmation of Service of Deborah Gorman, dated August 20, 2018 ¶ 2).

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 99 University Place, New York, New York on or before October 6, 2009, the date on which its registration expired, in violation of ECL 17-1009 (*see Matter of Samber Holding Corp.*, Order of the Commissioner at 1). Respondent was in violation of 6 NYCRR 613-1.9(c) from the effective date of the current part 613, October 11, 2015.

Department staff seeks a civil penalty in the amount of ten thousand dollars (\$10,000), and staff's submissions on the motion for a default judgment elaborate on the requested penalty, discussing the Department's Civil Penalty Policy, DEE-1, and administrative precedent relating to similar violations (Motion for Default Judgment, Exhibit A, Complaint, at Wherefore Clause ¶ II; Gorman Supporting Affirmation, ¶¶ 14-19).

Staff's request for a civil penalty in the amount of ten thousand dollars (\$10,000) is consistent with the Department's penalty policy as well as applicable provisions of ECL article 71 and administrative precedent (*see e.g. Matter of 12 Martense Associates LLC*, Order of the Commissioner, December 19, 2011, at 2).

In addition, respondent should be directed to correct the name of the corporation on the PBS application to reflect the legal name of the corporation as filed with the Department of State.

Conclusion of Law

By failing to renew the registration of its PBS facility located at 454 West 155th Street, New York, New York on or before October 6, 2009, the date the prior registration expired, respondent violated ECL 17-1009 and 6 NYCRR 613-1.9(c).

Recommendation

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

1. Granting Department staff's motion for default judgment, holding respondent Prince Hall Foundation, Inc. in default pursuant to the provisions of 6 NYCRR 622.15;
2. Holding that respondent Prince Hall Foundation, Inc. violated ECL 17-1009 and 6 NYCRR 613-1.9(c) by failing to renew the registration of its PBS facility located at 454 West 155th Street, New York, New York on or before October 6, 2009, the date the prior registration expired;
3. Directing respondent Prince Hall Foundation, Inc. to submit to the Department, within fifteen (15) days of service of the Commissioner's order, a complete registration application for the facility, including correction of the facility owner's corporate name, together with the applicable registration fees;
4. Directing respondent Prince Hall Foundation, Inc. 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/_____
Maria E. Villa
Administrative Law Judge

Dated: Albany, New York
August 28, 2018

APPENDIX A

Matter of Prince Hall Foundation, Inc.
DEC File No. PBS.2-609724.5.2018
Motion for Default Judgment

1. Cover letter, dated August 20, 2018, addressed to Chief Administrative Law Judge James McClymonds of the Department's Office of Hearings and Mediation Services, attaching staff's motion papers
2. Notice of Motion for Default Judgment dated August 20, 2018
3. Motion for Default Judgment, dated August 20, 2018, attaching Exhibits A and B:
 - A. Cover letter, Notice of Hearing, Complaint, Statement of Readiness, and Affirmation of Deborah Gorman, Esq., all dated March 5, 2018
 - B. May 20, 2018 [error in date] Affirmation of Deborah Gorman, Esq., attaching Exhibits C – J:
 - C. Affidavit of Service of Dale Thiel, sworn to August 20, 2018, attaching March 5, 2018 Department of State Receipt for Service, reflecting service upon respondent pursuant to section 306 of the Business Corporation Law
 - D. Printout of search on Automated City Register Information System (ACRIS), dated July 5, 2018, attaching deed dated September 10, 2004
 - E. Petroleum Bulk Storage (PBS) Application from "Most Worshipful Prince Hall Grand Lodge", PBS No. 2-609724, dated September 22, 2004
 - F. PBS Certificate No. 2-609724 issued to "Most Worshipful Prince Hall" on October 6, 2004, expired October 6, 2009
 - G. [No Exhibit G]
 - H. Facility Information Report, PBS No. 2-609724, printed July 5, 2018
 - I. NYS Department of State, Division of Corporations, Entity Information Sheet regarding Prince Hall Foundation, Inc., reflecting information through July 5, 2018
 - J. Draft Order
4. August 20, 2018 Affirmation of Service of Deborah Gorman