

**STATE OF NEW YORK  
DEPARTMENT OF ENVIRONMENTAL CONSERVATION**

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In the Matter of the Alleged Violations of Article 17 of the Environmental Conservation Law of the State of New York (“ECL”) and Section 612.2 of Title 6 of the Official Compilation of Codes, Rules and Regulations of the State of New York (“6 NYCRR”),

**ORDER**

DEC Case No.  
PBS 2-609241DK

-by-

**SUMBAL REALTY CORP.,**

Respondent.

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On July 27, 2011, an adjudicatory hearing was convened before Richard R. Wissler, Administrative Law Judge (“ALJ”) of the Office of Hearings and Mediation Services of the New York State Department of Environmental Conservation (“Department”). The hearing addressed the allegations of Department staff that respondent Sumbal Realty Corp. violated 6 NYCRR 612.2 by failing to renew the registration for its petroleum bulk storage (“PBS”) facility located at 540 East 187<sup>th</sup> Street, Bronx, New York (“facility”).

ALJ Wissler prepared the attached hearing report, which I adopt as my decision in this matter. As set forth in the ALJ’s hearing report, respondent Sumbal Realty Corp. 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 June 29, 2011, as directed in the cover letter served with the notice of hearing and complaint, and failed to appear for the adjudicatory hearing scheduled in the matter on July 27, 2011, as directed in the notice of hearing (see Hearing Report, at 3 [Finding of Fact No. 8]).

As a consequence of respondent’s failure to answer or appear in this matter, the ALJ recommended that Department staff’s motion for default be granted (see Hearing Report, at 3), and I concur that staff is entitled to a judgment on default pursuant to 6 NYCRR 622.15. Furthermore, at the hearing Department staff presented a prima facie case on the merits, and proved its case by a preponderance of the evidence (see Hearing Report, at 4). Accordingly, staff is entitled to a judgment based on record evidence.

Department staff, in its papers, requested a penalty of ten thousand dollars (\$10,000), but requested a lower penalty of seven thousand five hundred dollars (\$7,500) at the hearing to be consistent with the penalty amounts sought in similar cases. ECL 71-1929 provides for a penalty of up to thirty-seven thousand five hundred dollars per day for each violation, and the requested penalty is substantially below this statutory amount. I note that the violation in this matter has continued for about three years (see Hearing

Exhibits 2 [Department staff complaint, ¶¶ 22 and 23] and 4 ). Based on this record, the requested penalty of seven thousand five hundred dollars (\$7,500) is authorized and appropriate.

**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 Sumbal Realty Corp. waived its right to be heard at the hearing.
- II. Moreover, based upon record evidence, respondent Sumbal Realty Corp. is adjudged to have violated 6 NYCRR 612.2 for failing to renew the petroleum bulk storage registration for the petroleum bulk storage facility that it owns and which is located at 540 East 187<sup>th</sup> Street, Bronx, New York.
- III. Within fifteen (15) days of the service of this order upon respondent, respondent shall submit to the Department a petroleum bulk storage facility renewal application, plus applicable registration fees.
- IV. Within fifteen (15) days of the service of this order upon respondent, respondent Sumbal Realty Corp. shall pay a civil penalty in the amount of seven thousand five dollars (\$7,500) by certified check, cashier's check or money order made payable to the New York State Department of Environmental Conservation.
- V. The facility petroleum bulk storage renewal application, applicable registration fees, and the penalty payment shall be sent to the following address:

Office of General Counsel  
New York State Department of Environmental Conservation  
625 Broadway, 14<sup>th</sup> Floor  
Albany, New York 12233-1500  
Attn: Brooke Turallo.
- VI. Any questions or other correspondence regarding this order shall also be addressed to Brooke Turallo at the address referenced in paragraph V of this order.

VII. The provisions, terms and conditions of this order shall bind respondent Sumbal Realty Corp., its agents, successors and assigns, in any and all capacities.

For the New York State Department  
of Environmental Conservation

By: \_\_\_\_\_/s/\_\_\_\_\_  
Joseph J. Martens  
Commissioner

Dated: Albany, New York  
August 22, 2011

STATE OF NEW YORK  
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

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In the Matter of the Alleged Violations of Article 17 of  
the Environmental Conservation Law of the State of New York  
("ECL") and Section 612.2 of 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 2-609241DK

-by-

SUMBAL REALTY CORP.,

Respondent.

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Procedural History

Respondent Sumbal Realty Corp. was served with a notice of hearing and complaint, dated May 25, 2011, alleging a violation of ECL 17-1009 and its implementing regulation, 6 NYCRR 612.2, for failure to renew the registration of its petroleum storage ("PBS") facility located at 540 East 187<sup>th</sup> Street, Bronx, New York 10458. The complaint seeks an order of the Commissioner (1) finding respondent in violation of ECL 17-1009 and 6 NYCRR 612.2; (2) assessing a civil penalty in the amount of ten thousand dollars (\$10,000)<sup>1</sup>; (3) directing respondent to register its petroleum storage facility within fifteen (15) days of the service of the Commissioner's Order; and (4) granting such other and further relief as the Commissioner may deem just and proper.

Inasmuch as respondent is an active domestic business corporation in the State of New York, service of the notice of hearing and complaint was made on the New York Secretary of State on June 2, 2011. Respondent was also served with the notice of hearing and complaint by regular mail on June 2, 2011. Respondent failed to file an answer to the complaint; failed to appear at a pre-hearing conference scheduled for June 29, 2011, as directed in the cover letter served with the notice of hearing and complaint; and failed to appear for the adjudicatory hearing scheduled in the matter on July 27, 2011, as directed in the notice of hearing.

On July 27, 2011, an adjudicatory hearing was convened before the undersigned Administrative Law Judge ("ALJ") of the Department of Environmental Conservation's ("Department") Office of Hearings and Mediation Services ("OHMS") at the Department's Region 2 offices, 1 Hunter's Point Plaza, 47-40 21<sup>st</sup> Street, Long Island City, New York 11101-5407. Pursuant to an order of the Third Judicial Department, issued in accordance with its Rules at 22 NYCRR 805.5, Department staff was represented by legal intern Nadia Arginteanu under the supervision of Scott W. Caruso,

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<sup>1</sup> As discussed below, at the hearing, Department staff requested a lower penalty amount of \$7,500.

Esq., Section Chief, Spill and Bulk Storage Section, Office of General Counsel, New York State Department of Environmental Conservation, 625 Broadway, Albany, New York 12233-1500. No one appeared on behalf of respondent.

Department staff called one witness, Nicholas Lombardo, Agency Program Aide with the Petroleum Bulk Storage (“PBS”) Unit of the Department’s Region 2 office. In all, nine (9) exhibits were received in evidence.

### Applicable Regulatory Provision

#### Section 612.2. Registration of Facilities

(a) Existing facilities.

(1) Within one year of the effective date of these regulations, the owner of any petroleum storage facility having a capacity of over 1,100 gallons must register the facility with the department. This shall include any out-of-service facility which has not been permanently closed.

(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.

(b) Transfer of ownership. If ownership of the facility changes, the new owner must reregister the facility with the department within 30 days of ownership transfer.

(c) New facilities. The owner must register any new facility with the department before it is placed in service.

(d) Substantially modified facilities. Within 30 days prior to substantially modifying a facility, the owner must notify the department of such modification on forms supplied by the department.

### Findings of Fact

1. Respondent Sumbal Realty Corp. is the owner of a petroleum storage facility having a capacity of over 1,100 gallons located at 540 East 187<sup>th</sup> Street, Bronx, New York 10458. In particular, petroleum storage tank number 001 at the facility has a capacity of 2,000 gallons and is located aboveground. (Staff Exhibits 3, 4 and 5.)
2. Respondent is an active domestic business corporation in the State of New York. (Staff Exhibit 6.)
3. Pursuant to a renewal registration application filed by respondent and received by the Department on September 15, 2003, on September 16, 2003, the Department

- issued respondent Petroleum Bulk Storage (“PBS”) Certificate Number 2-609241, registering the facility. This registration expired on September 16, 2008. (Staff Exhibits 3, 4 and 5.)
4. Nicholas Lombardo is an employee of the Department whose duties include the care, custody, and maintenance of the petroleum storage facility records filed with the Department, which records include petroleum storage facility registrations filed pursuant to 6 NYCRR 612.2. (Testimony of Lombardo.)
  5. On July 27, 2011, Nicholas Lombardo searched the petroleum storage facility records of the Department for any facility registration or renewal registration filed by respondent for the facility. (Testimony of Lombardo.)
  6. As a result of his search, Nicholas Lombardo determined that respondent had not renewed the facility’s registration after September 16, 2008, the date on which PBS Certificate Number 2-609241 expired. (Testimony of Lombardo.)
  7. As shown by Receipt for Service No. 201106150299 issued by the New York State Department of State, respondent was served, on June 2, 2011, pursuant to section 306 of the Business Corporation Law with a notice of hearing and complaint dated May 25, 2011, alleging a violation of ECL 17-1009 and its implementing regulation, 6 NYCRR 612.2, for failure to renew the registration of its petroleum storage facility located at 540 East 187<sup>th</sup> Street, Bronx, New York 10458. The notice of hearing and complaint was also served on respondent by regular mail on June 2, 2011. (Staff Exhibits 2 and 7.)
  8. Respondent failed to file an answer to the complaint; failed to appear at a pre-hearing conference scheduled for June 29, 2011, as directed in the cover letter served with the notice of hearing and complaint; and failed to appear for the adjudicatory hearing scheduled in the matter on July 27, 2011, as directed in the notice of hearing. (Hearing Record.)

### Discussion

Department staff’s proof presents a prima facie case demonstrating that respondent failed to renew its petroleum storage facility registration on or after the expiration of PBS Certificate Number 2-609241 on September 16, 2008, in violation of 6 NYCRR 612.2.

The record shows that respondent failed to file an answer to the complaint; failed to appear at a pre-hearing conference scheduled for June 29, 2011, as directed in the cover letter served with the notice of hearing and complaint; and failed to appear for the adjudicatory hearing scheduled in the matter on July 27, 2011, as directed in the notice of hearing. 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 its petroleum storage facility registration in violation of 6 NYCRR 612.2. The Department is entitled to judgment upon the facts proven.

At the hearing, Department staff requested a reduction in the penalty requested, to ensure consistency with the penalty amounts sought in similar cases. Specifically, Department staff requested that the penalty be reduced from \$10,000 to \$7,500. Department staff's proposed order and the \$7,500 civil penalty it seeks are consistent with the Department's penalty policy as well as applicable provisions of ECL article 71.

#### Recommendation

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

1. Granting Department staff's motion for default, finding respondent in default pursuant to the provisions of 6 NYCRR 622.15;
2. Finding respondent in violation of 6 NYCRR 612.2 for failure to renew the registration for a petroleum storage facility it owns located at 540 East 187<sup>th</sup> Street, Bronx, New York 10458, based upon the proof adduced at the adjudicatory hearing;
3. Directing respondent to submit a registration renewal application to the Department for the above facility;
4. Directing respondent to pay a civil penalty in the amount of seven thousand five hundred dollars (\$7,500.00); and
5. Directing such other and further relief as he may deem just and proper.

\_\_\_\_\_/s/\_\_\_\_\_  
Richard R. Wissler  
Administrative Law Judge

Dated: Albany, New York  
August 10, 2011

**EXHIBIT CHART – PBS EXPEDITED PROCEEDINGS**

*Matter of Sumbal Realty Corp. – Region 2*

*July 27, 2011*

Edirol File No. 020826130312

| Exhibit No. | Description   | ID'd? | Rec'd ? | Offered By       | Notes |
|-------------|---|-------|---------|------------------|-------|
| 1           | April 27, 2011 order (Mercure) for appointment of law interns, including Nadia Arginteanu, Legal Intern, with attached consent to appearance  | ✓     | ✓       | Department Staff |       |
| 2           | Pleadings, including: cover letter, notice of hearing, complaint, and statement of readiness (all dated May 25, 2011), with affidavit in support of Brooke Turallo, sworn to May 26, 2011 | ✓     | ✓       | Department Staff |       |
| 3           | PBS Application   | ✓     | ✓       | Department Staff |       |
| 4           | PBS Certificate, issued September 16, 2003; expired September 16, 2008  | ✓     | ✓       | Department Staff |       |
| 5           | Facility Information Report   | ✓     | ✓       | Department Staff |       |
| 6           | New York State Department of State Entity Information printout  | ✓     | ✓       | Department Staff |       |
| 7           | Affidavit of Service of Brooke Turallo, sworn to July 26, 2011, including NYS Department of State receipt   | ✓     | ✓       | Department Staff |       |



| Exhibit No. | Description   | ID'd? | Rec'd<br>? | Offered By          | Notes |
|-------------|---|-------|------------|---------------------|-------|
| 8           | Deed  | ✓     | ✓          | Department<br>Staff |       |
| 9           | Affidavit of Deborah Gorman, sworn to July 25, 2011 re: search for contact number | ✓     | ✓          | Department<br>Staff |       |