

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**



In the Matter of:	)	Docket No. TSCA-05-2026-0029
	)	
Moline Automotive, Inc.	)	Proceeding to Assess a Civil
Moline, Illinois,	)	Penalty Under Section 16(a) of the
	)	Toxic Substances Control Act,
Respondent.	)	15 U.S.C. § 2615(a)
_____	)	

Consent Agreement and Final Order

A. Preliminary Statement

1. This is an administrative action commenced and concluded under Section 16(a) of the Toxic Substances Control Act (TSCA), 15 U.S.C. § 2615(a), and Sections 22.1(a)(2), 22.13(b) and 22.18(b)(2) and (3) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), as codified at 40 C.F.R. §§ 22.1(a)(2), 22.13(b) and 22.18(b)(2) and (3).

2. Complainant is the U.S. Environmental Protection Agency (EPA). The EPA Administrator has delegated the authority to settle civil administrative penalty proceedings under Section 16(a) of TSCA to the Division Director of the Enforcement and Compliance Assurance Division, United States Environmental Protection Agency (EPA), Region 5.

3. Respondent is Moline Automotive, Inc., a corporation organized under the laws of the State of Illinois, and doing business in the State of Illinois.

4. EPA and Respondent agree that settling this action is in the public interest and consent to the entry of this Consent Agreement and Final Order (CAFO) without the adjudication of any issues of law or fact.

5. Respondent agrees to comply with the terms of this CAFO.

B. Jurisdiction

6. The alleged violations in this CAFO are pursuant to Section 1018 of Title X of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (the Lead Act), 42 U.S.C. § 4852d.

7. The Regional Judicial Officer of Region 5 is authorized to ratify the consent agreement memorializing the settlement between EPA and Respondent and to issue the attached Final Order. 40 C.F.R. §§ 22.4(b) and 22.18(b).

C. Statutory and Regulatory Background

8. The Lead Act at 42 U.S.C. § 4852d, requires the Administrator of EPA to promulgate regulations for the disclosure of lead-based paint hazards in target housing that is offered for sale or lease.

9. On March 6, 1996, EPA promulgated regulations at 40 C.F.R. Part 745, Subpart F, Disclosure of Known Lead-Based Paint and/or Lead-Based Paint Hazards Upon Sale or Lease of Residential Property (Disclosure Rule), pursuant to 42 U.S.C. § 4852d.

10. 40 C.F.R. § 745.103 defines “target housing” as any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless any child who is less than 6 years of age resides or is expected to reside in such housing) or any 0-bedroom dwelling.

11. 40 C.F.R. § 745.103 defines “lessor” as any entity that offers target housing for lease, rent or sublease, including but not limited to individuals, partnerships, corporations, trusts, government agencies, housing agencies, Indian tribes and nonprofit organizations.

12. 40 C.F.R. § 745.103 defines “lessee” as any entity that enters into an agreement to lease, rent or sublease target housing, including but not limited to individuals, partnerships, corporations,

trusts, government agencies, housing agencies, Indian tribes and nonprofit organizations.

13. 40 C.F.R. § 745.107(a) requires that, before the lessee is obligated under any contract to lease target housing, the lessor shall provide the lessee with an EPA-approved lead hazard information pamphlet. Such pamphlets include the EPA document entitled *Protect Your Family From Lead in Your Home* (EPA #747-K-94-001) or an equivalent pamphlet that has been approved for use in that State by EPA.

14. 40 C.F.R. § 745.113(b) requires that each contract to lease target housing include, either as an attachment or within the contract, the following: (1) a lead warning statement (40 C.F.R. § 745.113(b)(1)); (2) a statement by the lessor disclosing the presence of any known lead-based paint and/or lead-based paint hazards or the lack of knowledge of such presence (40 C.F.R. § 745.113(b)(2)); (3) a list of any records or reports available to the lessor regarding lead-based paints and/or lead-based paint hazards in the target housing or a statement that no such records exist (40 C.F.R. § 745.113(b)(3)); (4) a statement by the lessee affirming receipt of the information set out in 40 C.F.R. § 745.113(b)(2) and (3) and the Lead Hazard Information Pamphlet (40 C.F.R. § 745.113(b)(4)); and (5) the signatures and dates of signature of the lessor and lessee certifying the accuracy of their statements (40 C.F.R. § 745.113(b)(6)).

15. Under 42 U.S.C. § 4852d(b)(5) and 40 C.F.R. § 745.118(e), failure to comply with the Disclosure Rule violates Section 409 of TSCA, 15 U.S.C. § 2689, which may subject the violator to administrative civil penalties under Section 16(a) of TSCA, 15 U.S.C. § 2615(a), 42 U.S.C. § 4852d(b)(5), and 40 C.F.R. § 745.118(f).

16. Under 42 U.S.C. § 4852d(b)(5), 15 U.S.C. § 2615(a), and 40 C.F.R. Part 19, the Administrator of EPA may assess a civil administrative penalty of up to \$22,263 for each violation of 42

U.S.C. § 4852d and Section 409 of TSCA, 15 U.S.C. § 2689, that occurred after November 2, 2015.

D. Allegations

17. Complainant incorporates paragraphs 1 through 16 of this CAFO as if set forth in this paragraph.

18. Between in or about May 2020 and in or about December 2025, Respondent owned a multi-family dwelling at 1132 25th Street, Moline, Illinois.

19. Between in or about November 2022 and in or about December 2023, Respondent owned a multi-family dwelling at 1134 25th Street, Moline, Illinois.

20. Between in or about July 2021 and in or about June 2022, Respondent owned a multi-family dwelling at 2511 11th Street, Moline, Illinois.

21. The three properties described in paragraphs 18 through 20, above, are collectively referred to as “Respondent’s Properties.”

22. Each of Respondent’s Properties was constructed prior to 1978.

23. Each of Respondent’s Properties is “target housing” as defined in 40 C.F.R. § 745.103 that are not otherwise exempt under 40 C.F.R. § 745.101.

24. On or about October 31, 2024, Complainant sent to Respondent a Request for Information regarding Respondent’s compliance with the Lead Rule (“Request for Information”). In this Request for Information, Complainant asked Respondent to provide, among other things, records and other information about Respondent’s properties and the leasing of those properties.

25. On or about November 7, 2024, Respondent received Complainant’s Request for Information.

26. Respondent failed to provide a response to Complainant’s Request for Information.

27. On or about August 13, 2025, Complainant issued an administrative subpoena to Moline Automotive under the authority of Section 11 of TSCA, 15 U.S.C. § 2610, seeking, among other things, copies of all rental agreements and lead-based paint disclosure documentation for rental transactions at each of Respondent's properties during the period from January 1, 2023 through the date of the subpoena.

28. On or about September 26, 2025, Respondent provided Complainant with documents in response to the TSCA administrative subpoena referenced in paragraph 27, above. These documents included lease agreements between Moline Automotive and prospective tenants of each of Respondent's properties, and records relating to eviction proceedings instituted by the owner of Moline Automotive against a tenant of one of Respondent's properties.

29. On or about the following dates, Respondent directly entered into the following three lease agreements (contracts) with individuals for the lease of each of Respondent's properties:

Address	Date(s) of Lease	Term(s) of Lease
1132 25 th Street, Moline, Illinois	1/02/2025	1/01/2025 – 12/31/2025
2511 11 th Avenue, Moline, Illinois	6/30/2021	7/01/2021 – 6/30/2022
1134 25 th Street, Moline, Illinois	11/21/2022	12/01/2022 – 12/31/2023

30. Each of the three contracts referred to in paragraph 29, above, covered a term of occupancy greater than 100 days.

31. Respondent is a "lessor," as defined in 40 C.F.R. § 745.103, because Respondent offered the target housing referred to in paragraph 29, above, for lease.

32. Each individual who signed a lease to pay rent in exchange for occupancy of the target housing referred to in paragraph 29, above, became a "lessee," as defined in 40 C.F.R. § 745.103.

Counts 1 through 3: 40 C.F.R. § 745.113(b)(1)

33. Complainant incorporates paragraphs 1 through 32 of this CAFO as if set forth in this

paragraph.

34. For each leasing transaction referred to in paragraphs 29 through 32, above, Respondent failed to include, either within the contract or as an attachment to the contract to lease target housing, a Lead Warning Statement as set out in 40 C.F.R. § 745.113(b)(1).

35. Respondent's failure to include, either within each contract or as an attachment thereto, a Lead Warning Statement for each leasing transaction referred to in paragraphs 29 through 32, above, constitutes three separate and distinct violations of 40 C.F.R § 745.113(b)(1), 15 U.S.C. § 2689, and 42 U.S.C. § 4852d(b)(5).

Counts 4 through 6: 40 C.F.R. § 745.113(b)(2)

36. Complainant incorporates paragraphs 1 through 32 of this CAFO as if set forth in this paragraph.

37. For each leasing transaction referred to in paragraphs 29 through 32, above, Respondent failed to include, either within the contract or as an attachment to the contract to lease target housing, a statement by the lessor disclosing either the presence of any known lead-based paint and/or lead-based paint hazards in the target housing or a lack of knowledge of such presence.

38. Respondent's failure to include, either within each contract or as an attachment, a statement by the lessor disclosing either the presence of any known lead-based paint and/or lead-based paint hazards in the target housing being leased or a lack of knowledge of such presence for each leasing transaction referred to in paragraphs 29 through 32, above, constitutes three separate and distinct violations of 40 C.F.R. § 745.113(b)(2), 15 U.S.C. § 2689, and 42 U.S.C. § 4852d(b)(5).

Counts 7 through 9: 40 C.F.R. § 745.113(b)(3)

39. Complainant incorporates paragraphs 1 through 32 of this CAFO as if set forth in this

paragraph.

40. For each leasing transaction referred to in paragraphs 29 through 32, above, Respondent failed to include, either within the contract or as an attachment to the contract to lease target housing, a list of any records or reports available to the lessor regarding lead-based paint and/or lead-based paint hazards in the housing that have been provided to the lessee or a statement that no such records are available.

41. Respondent's failure to include, either within each contract or as an attachment, a list of any records or reports available to the lessor regarding lead-based paint and/or lead-based paint hazards in the target housing that have been provided to the lessee, or a statement that no such records are available, for each leasing transaction referred to in paragraphs 29 through 32, above, constitutes three separate and distinct violations of 40 C.F.R. § 745.113(b)(3), 15 U.S.C. § 2689, and 42 U.S.C. § 4852d(b)(5).

Counts 10 through 12: 40 C.F.R. § 745.113(b)(4)

42. Complainant incorporates paragraphs 1 through 32 of this CAFO as if set forth in this paragraph.

43. For each leasing transaction referred to in paragraphs 29 through 32, above, Respondent failed to include, either within the contract or as an attachment to the contract to lease target, a statement by the lessee affirming receipt of the information required by 40 C.F.R. § 745.113(b)(2) and (3) and the Lead Hazard Information Pamphlet required under 15 U.S.C. § 2686.

44. Respondent's failure to include, either within each contract or as an attachment, a statement by the lessee affirming receipt of the information required by 40 C.F.R. § 745.113(b)(2) and (3) and the Lead Hazard Information Pamphlet required under 15 U.S.C. § 2686 for each leasing

transaction referred to in paragraphs 29 through 32, above, constitutes three separate and distinct violations of 40 C.F.R § 745.113(b)(4), 15 U.S.C. § 2689, and 42 U.S.C. § 4852d(b)(5).

Counts 13 through 15: 40 C.F.R. § 745.113(b)(6)

45. Complainant incorporates paragraphs 1 through 32 of this CAFO as if set forth in this paragraph.

46. For each leasing transaction referred to in paragraphs 29 through 32, above, Respondent failed to include, either within the contract or as an attachment to the contract to lease target housing, the signatures of the lessor and the lessee certifying to the accuracy of their statements and the dates of such signatures.

47. Respondent's failure to include, either within each contract or as an attachment, the signatures of the lessor and the lessee certifying to the accuracy of their statements and the dates of such signatures for each leasing transaction referred to in paragraphs 29 through 32, above, constitutes three separate and distinct violations of 40 C.F.R. § 745.113(b)(6), 15 U.S.C. § 2689, and 42 U.S.C. § 4852d(b)(5).

Count 16: 40 C.F.R. § 745.107(a)(1)

48. Complainant incorporates paragraphs 1 through 32 of this CAFO as if set forth in this paragraph.

49. Information provided by a lessee showed that Respondent failed to provide the lessee with the EPA-approved lead hazard information pamphlet entitled *Protect Your Family From Lead in Your Home* (EPA Pamphlet) for Respondent's property located at 1134 25th Street, Moline, Illinois, before the lessee was obligated under a contract to lease the housing.

50. Respondent failed to provide the required EPA Pamphlet as required by 40 C.F.R. §

745.107(a)(1).

51. Respondent's failure to provide the required EPA Pamphlet as required by 40 C.F.R. § 745.107(a)(1) referred to in paragraphs 49 and 50, above, constitutes a violation of 40 C.F.R. § 745.107(a)(1), 15 U.S.C. § 2689, and 42 U.S.C. § 4852d(b)(5).

E. Terms of Consent Agreement

52. For the purposes of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:

- a. admits to the jurisdictional allegations in this CAFO;
- b. neither admits nor denies the allegations stated in Section D of this CAFO;
- c. consents to the assessment of a civil penalty as stated below;
- d. consents to any conditions specified in this CAFO;
- e. waives any right to contest the allegations set forth in Section D of this CAFO; and
- f. waives its right to appeal this CAFO.

53. For the purposes of this proceeding, Respondent:

- a. agrees this CAFO states a claim upon which relief may be granted against Respondent;
- b. acknowledges this proceeding constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions;
- c. waives any and all remedies, claims for relief and otherwise available rights to judicial or administrative review that Respondent may have with respect to any issue of fact or law set forth in this CAFO, including any right of judicial review under Section 19 of TSCA, 15 U.S.C. § 2618;
- d. waives its right to request a hearing as provided at 40 C.F.R. § 22.15(c);
- e. waives any rights or defenses that Respondent has or may have for this matter to be resolved in federal court, including but not limited to any right to a jury trial, and waives any right to challenge the lawfulness of the final order accompanying the consent agreement; and

- f. waives any rights it may possess at law or in equity to challenge the authority of EPA to bring a civil action in a United States District Court to compel compliance with the CAFO, and to seek an additional penalty for noncompliance, and agrees that federal law shall govern in any such civil action.
- g. Certifies that it is currently in compliance with the Disclosure Rule and the Lead Act, 42 U.S.C. § 4852d.

54. Based on analysis of the factors specified in Section 16(a) of TSCA, 15 U.S.C. § 2615(a), the facts of this case, including Respondent's cooperation, ability to pay, the effect of the penalty on Respondent's ability to continue to do business, any history of prior such violations, the degree of culpability, and such other matters as justice may require, EPA has determined that an appropriate civil penalty to settle this action is \$100.

55. Respondent agrees to pay a civil penalty in the amount of \$100 (Assessed Penalty) within thirty (30) days after the date the Final Order ratifying this Agreement is filed with the Regional Hearing Clerk (Filing Date). EPA conducted an analysis of Respondent's financial information and determined Respondent has a limited ability to pay. Consequently, in accordance with applicable law, EPA determined that the Assessed Penalty is an appropriate amount to settle this action

56. Respondent shall pay the Assessed Penalty and any interest, fees, and other charges due using any method, or combination of appropriate methods, as provided on the EPA website:

<https://www.epa.gov/financial/makepayment>. For additional instructions see:

<https://www.epa.gov/financial/additional-instructions-making-payments-epa>.

57. When making a payment, Respondent shall:

- a. Identify every payment with Respondent's name and the docket number of this Agreement, TSCA-05-2026-0029
- b. Concurrently with any payment or within 24 hours of any payment, Respondent shall serve proof of such payment to the following persons:

Regional Hearing Clerk (E-19J)
U.S. Environmental Protection Agency, Region 5
r5hearingclerk@epa.gov

Jorge Corral
Enforcement and Compliance Assurance Division
U.S. Environmental Protection Agency, Region 5
corral.jorge@epa.gov
R5lecab@epa.gov

James Cha
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 5
cha.james@epa.gov

U.S. Environmental Protection Agency
Cincinnati Finance Center
Via electronic mail to:
CINWD_AcctsReceivable@epa.gov

“Proof of payment” means, as applicable, a copy of the check, confirmation of credit card or debit card payment, or confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to EPA requirements, in the amount due, and identified with the appropriate docket number and Respondent’s name.

58. Interest, Charges, and Penalties on Late Payments. Pursuant to 15 U.S.C. § 2615(a)(4), 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 40 C.F.R. § 13.11, if Respondent fails to timely pay the full amount of the Assessed Penalty per this Agreement, the entire unpaid balance of the Assessed Penalty and all accrued interest shall become immediately owing, and EPA is authorized to recover the following amounts.

- a. Interest. Interest begins to accrue from the Filing Date. If the Assessed Penalty is paid in full within thirty (30) days, interest accrued is waived. If the Assessed Penalty is not paid in full within thirty (30) days, interest will continue to accrue until any unpaid portion of the Assessed Penalty as well as any interest, penalties, and other charges are paid in full. Per 15 U.S.C. § 2614(a)(4), interest will be assessed pursuant to currently prevailing rates.

- b. Handling Charges. The United States' enforcement expenses including, but not limited to, attorneys' fees and costs of handling collection.
- c. Late Payment Penalty. A ten percent (10%) quarterly non-payment penalty.

59. Late Penalty Actions. In addition to the amounts described in the prior Paragraph, if Respondent fails to timely pay any portion of the Assessed Penalty, interest, or other charges and penalties per this Agreement, EPA may take additional actions. Such actions EPA may take include, but are not limited to, the following.

- a. Refer the debt to a credit reporting agency or a collection agency, per 40 C.F.R. §§ 13.13 and 13.14.
- b. Collect the debt by administrative offset (i.e., the withholding of money payable by the United States government to, or held by the United States government for, a person to satisfy the debt the person owes the United States government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, per 40 C.F.R. Part 13, Subparts C and H.
- c. Suspend or revoke Respondent's licenses or other privileges or suspend or disqualify Respondent from doing business with EPA or engaging in programs EPA sponsors or funds, per 40 C.F.R. § 13.17.
- d. Request that the Attorney General bring a civil action to enforce the Final Order and recover the full remaining balance of the Assessed Penalty, in addition to interest and the amounts described above, per 15 U.S.C. § 2614(a)(4). In any such action, the validity, amount, and appropriateness of the Assessed Penalty and Final Order shall not be subject to review.

60. Allocation of Payments. Pursuant to 31 C.F.R. § 901.9(f) and 40 C.F.R. § 13.11(d), a partial payment of debt will be applied first to outstanding handling charges, second to late penalty charges, third to accrued interest, and last to the principal that is the outstanding Assessed Penalty amount.

61. Tax Treatment of Penalties. Penalties, interest, and other charges paid pursuant to this Agreement shall not be deductible for purposes of federal taxes.

62. By signing this CAFO, Respondent consents to the release of any information in this CAFO to the public and agrees this CAFO does not contain business information that is entitled to confidential treatment under 40 C.F.R. Part 2.

63. By signing this CAFO, the undersigned representative of EPA and the undersigned representative of Respondent each certify that they are fully authorized to execute and enter into the terms and conditions of this CAFO and have the legal capacity to bind the party they represent to this CAFO.

64. By signing this CAFO, Respondent certifies that the information it has supplied concerning this matter was at the time of submission true, accurate and complete for each such submission, response and statement. Respondent further acknowledges that knowingly and willfully providing false information to EPA in violation of 18 U.S.C. § 1001, or knowingly falsifying, concealing, covering up or destroying any record with the intent to impede, obstruct or influence the investigation or proper administration of any matter within the jurisdiction of EPA in violation of 18 U.S.C. § 1519, may subject Respondent or its owner to criminal penalties, including but not limited to possibility of fines and/or imprisonment.

65. Each party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding, except in the case of a civil action brought by the Attorney General of the United States to recover unpaid penalties as described above.

F. Effect of Consent Agreement and Attached Final Order

66. The parties consent to service of this CAFO by e-mail at the following e-mail addresses cha.james@epa.gov (for EPA), and molineautomotive@yahoo.com (for Respondent).

67. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this CAFO resolves only Respondent's liability for federal civil penalties for the violations specifically alleged in this CAFO.

68. This CAFO constitutes the entire agreement and understanding of the parties and supersedes any prior agreements or understandings, whether written or oral, among the parties with respect to this matter.

69. The terms, conditions, and compliance requirements of this CAFO may not be modified or amended except upon the written agreement of both parties and approval of the Regional Judicial Officer.

70. The provisions of this Agreement shall apply to and be binding upon Respondent and its officers, directors, authorized representatives, successors, and assigns.

71. Any violation of this CAFO may result in a civil judicial action for an injunction under TSCA Section 17, 15 U.S.C. § 2616, or civil penalties of up to \$49,772 per day per violation, or both, as provided in Section 16(a) of TSCA, 15 U.S.C. § 2615(a), and 40 C.F.R. § 19.4, as well as criminal sanctions as provided in Section 16(b) of TSCA, 15 U.S.C. § 2615(b). EPA may use any information submitted under this CAFO in an administrative, civil judicial, or criminal action.

72. Nothing in this CAFO relieves Respondent of the duty to comply with all applicable provisions of TSCA and other federal, state, or local laws or statutes, nor does it restrict EPA's authority to seek compliance with any applicable laws or regulations, nor is it a ruling on, or determination of, any issue related to any federal, state, or local permit.

73. Nothing in this CAFO limits the power of EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.

74. EPA reserves the right to revoke this CAFO and settlement penalty if and to the extent that EPA finds, after signing this CAFO, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to EPA, and to assess and collect any civil penalties permitted by statute for any violation described herein. EPA will give Respondent written notice of its intent to revoke this CAFO, which will not be effective until received by Respondent.

G. Effective Date

75. This CAFO will be effective after the Regional Judicial Officer executes the attached Final Order, on the date of filing with the Regional Hearing Clerk. Upon filing, EPA will transmit a copy of the filed CAFO to Respondent.

In the Matter of Moline Automotive, Inc.

Moline Automotive, Inc., Respondent

6-13-26

Date



Herminio Zepeda
President/Owner

United States Environmental Protection Agency, Complainant

Carolyn Persoon
Division Director
Enforcement and Compliance Assurance Division
U. S. Environmental Protection Agency
Region 5

Consent Agreement and Final Order
In the Matter of Moline Automotive, Inc.
Docket No.: TSCA-05-2026-0029

Final Order

This Consent Agreement and Final Order, as agreed to by the parties, shall become effective immediately upon filing with the Regional Hearing Clerk. This Final Order concludes this proceeding pursuant to 40 C.F.R. §§ 22.18 and 22.31. IT IS SO ORDERED.

Ann L. Coyle
Regional Judicial Officer
U.S. Environmental Protection Agency
Region 5