

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
WESTERN DIVISION

|                           |   |                |
|---------------------------|---|----------------|
| UNITED STATES OF AMERICA, | ) |                |
|                           | ) |                |
| Plaintiff,                | ) |                |
|                           | ) | No. 15 C 50295 |
| v.                        | ) |                |
|                           | ) | Judge          |
| DENNIS HARDESTY,          | ) |                |
|                           | ) |                |
| Defendant.                | ) |                |

**COMPLAINT OF THE UNITED STATES  
FOR DECLARATORY AND INJUNCTIVE RELIEF**

Plaintiff, the United States of America, on behalf of the United States Environmental Protection Agency (“EPA”) and the Department of Housing and Urban Development (“HUD”), through its undersigned counsel, alleges as follows:

**PRELIMINARY STATEMENT**

1. This is a civil action for declaratory and injunctive relief brought against Dennis Hardesty (“Defendant”) for violations of the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. §§ 4851-4856 (“Lead Hazard Reduction Act”), and the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2692 (“TSCA”).

2. The Lead Hazard Reduction Act is intended to, among other things, protect tenants (particularly children under the age of six) from lead poisoning by requiring the owners and managing agents of residential properties to warn tenants about any known presence of lead-based paint and lead-based paint hazards, and to provide prospective tenants with certain information about how to protect themselves and their families against the dangers of lead poisoning. Defendant violated the Lead Hazard Reduction Act by failing to make the required

disclosures, thereby denying many families residing in the subject properties described below the opportunity to take steps to protect themselves and their children from lead poisoning.

3. Section 1018(b)(5) of the Lead Hazard Reduction Act, 42 U.S.C. § 4852d(b)(5), states that it is a violation of Section 409 of the Toxic Substances Control Act (“TSCA”), 15 U.S.C. § 2689, to fail to comply with a rule issued under 42 U.S.C. § 4852d.

4. By this action, the United States seeks to enjoin Defendant from further violations of the Lead Hazard Reduction Act and TSCA.

### **JURISDICTION AND VENUE**

5. This Court has jurisdiction over the subject matter pursuant to 28 U.S.C. §§ 1331, 1345, and 1367(a), 42 U.S.C. § 4852d(b)(2) and (5), and 15 U.S.C. § 2616.

6. Venue is proper in the Northern District of Illinois pursuant to 28 U.S.C. § 1391(b) and (c) because the lawsuit involves actions that took place, and the subject properties are located, in the Northern District of Illinois.

### **PARTIES**

7. Plaintiff is the United States of America, acting at the request of and upon behalf of EPA and HUD.

8. Defendant owns and manages residential rental units in buildings located in or near Rockford, Winnebago County, Illinois.

## GENERAL ALLEGATIONS

### A. Applicable Laws and Regulations

9. In 1992, Congress enacted the Lead Hazard Reduction Act.

10. The purpose of the Lead Hazard Reduction Act is, among other things, (A) “to encourage effective action to prevent childhood lead poisoning by establishing a workable framework for lead-based paint hazard evaluation and reduction”; (B) “to ensure that the existence of lead-based paint hazards are taken into account in the . . . sale, rental, and renovation of homes and apartments”; and (C) “to educate the public concerning the hazards and sources of lead-based paint poisoning and steps to reduce and eliminate such hazards.” 42 U.S.C. § 4851a.

11. The Lead Hazard Reduction Act and its implementing regulations, found at 24 C.F.R. Pt. 35, Sbpt. A, and 40 C.F.R. Pt. 745, Sbpt. F, require, among other things, lessors of residential properties subject to the Lead Hazard Reduction Act to provide certain information to tenants when a new lease is entered into or, if the lease predates the effective date of the Lead Hazard Reduction Act, at the first change to the terms of an existing lease after the effective date of the Lead Hazard Reduction Act, such as a rent increase. See 24 C.F.R. §§ 35.88 and 35.92 and 40 C.F.R. §§ 745.107 and 745.113.

12. Lessors are required to disclose or provide to each tenant, among other things, the following information:

- a. Any known information concerning lead-based paint and lead-based paint hazards;
- b. Any records or reports available to the lessors pertaining to lead-based paint and lead-based paint hazards; and
- c. A lead hazard information pamphlet approved by EPA.

13. In addition, lessors are required to include in each contract for a lease or as an attachment to the lease, among other things:

- a. A Lead Warning Statement containing specific language as set forth in the regulations;
- b. A statement disclosing the presence of known lead-based paint and lead-based paint hazards or a statement that there is no knowledge of such information;
- c. A list of any records or reports pertaining to lead-based paint and lead-based paint hazards that have been provided to the lessee or a statement that there are no such reports;
- d. A statement by the tenant affirming receipt of the information set out in Paragraphs 12 and 13, above; and
- e. The signatures of the lessors and agents certifying to the accuracy and completeness of their required disclosures, and signatures of the lessees attesting to their receipt of the required disclosures, along with the dates of all parties' signatures.

14. The Lead Hazard Reduction Act and its implementing regulations also impose certain requirements on “agents” who enter into contracts with lessors for the purpose of leasing housing subject to the Lead Hazard Reduction Act. Among other things, each such agent is required to inform lessors of their obligations under various regulations, including 24 C.F.R. §§ 35.88 and 35.92 and 40 C.F.R. §§ 745.107 and 745.113. Agents are also required either to ensure that lessors perform all activities required under 24 C.F.R. §§ 35.88 and 35.92 and 40 C.F.R. §§ 745.107 and 745.113 or to personally ensure compliance with the requirements of such provisions. 24 C.F.R. § 35.94 and 40 C.F.R. § 745.115.

15. Section 1018(b)(5) of the Lead Hazard Reduction Act, 42 U.S.C. § 4852d(b)(5), states that it is a violation of Section 409 of the TSCA, 15 U.S.C. § 2689, to fail to comply with a rule issued under 42 U.S.C. § 4852d.

16. TSCA Section 17(a), 15 U.S.C. § 2616(a), provides the district court with jurisdiction over civil actions to restrain any violation of section 2614 or 2689.

**B. The Violations**

17. Defendant is a “person” within the meaning of the Lead Hazard Reduction Act and a “lessor” and/or “agent” within the meaning of 24 C.F.R. § 35.86 and 40 C.F.R. § 745.103.

18. Defendant owns and manages approximately 50 residential properties in Rockford, Loves Park and Machesney Park, Illinois, that contain 52 units subject to the Lead Hazard Reduction Act.

19. All of the properties referenced in Paragraph 18 were built prior to 1978.

20. For his residential properties in or near Rockford, Illinois, Defendant has failed to make one or more of the disclosures required by the Lead Hazard Reduction Act or complete one or more of the disclosure activities required by the Lead Hazard Reduction Act.

21. Defendant was cited or given notice by the Winnebago County Health Department in the State of Illinois for owning and managing at least 7 properties where a child had an elevated blood lead level in a unit with known lead-based paint hazards.

22. In 2012, Defendant provided HUD with rental leases and information regarding his compliance with the Lead Hazard Reduction Act and its implementing regulations.

23. HUD reviewed rental leases and information for the properties referenced in Paragraph 18, and identified leasing transactions where Defendant did not comply with the requirements in the Lead Hazard Reduction Act and its implementing regulations.

24. The acts or omissions referred to in Paragraph 23 constitute violations of the Lead Hazard Reduction Act and its implementing regulations. As a result of such violations,

Defendant has denied families residing in the residential properties the opportunity to take steps to protect themselves and their children from lead poisoning.

### **CLAIM FOR RELIEF**

25. Section 1018 of the Lead Hazard Reduction Act, 42 U.S.C. § 4852d, and the applicable regulations, found at 24 C.F.R. Pt. 35, Sbpt. A, and 40 C.F.R. Pt. 745, Sbpt. F, impose upon Defendant the requirements identified in Paragraphs 11 through 14 set forth above.

26. Defendant has violated the Lead Hazard Reduction Act by failing to make required disclosures or complete the required disclosure activities or by failing to ensure that the lessors made the required disclosures or completed the required disclosure activities, to persons leasing residential properties subject to the Lead Hazard Reduction Act. Defendant may thereby have endangered the health, welfare, or safety of the occupants of these premises. Under Section 1018(b)(2), 42 U.S.C. § 4852d(b)(2) and Section 15 of TSCA, 15 U.S.C. § 2616, because Defendant failed to comply with the Lead Hazard Reduction Act, the United States may seek injunctive relief from Defendant.

### **PRAYER FOR RELIEF**

**WHEREFORE**, the United States prays that this Court:

1. Issue a declaratory judgment finding that Defendant failed to comply with the Lead Hazard Reduction Act and TSCA;
2. Issue an order requiring that Defendant comply with the Residential Lead-Based Hazard Reduction Act and TSCA;
3. Require Defendant to take appropriate measures to rectify past violations of the Lead Hazard Reduction Act; and

4. Provide for any and all other relief that this Court deems just and proper.

Respectfully submitted,

FOR THE UNITED STATES OF AMERICA

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4. Provide for any and all other relief that this Court deems just and proper.

Respectfully submitted,

FOR THE UNITED STATES OF AMERICA

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