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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA,

Plaintiff,

v.

CISNE NY CONSTRUCTION, INC., CISNE JE
CONSTRUCTION, INC., CISNE
CONTRACTING, INC., JOSE PANCHIA, and
EDISON RUILOVA,

Defendants.

No. 22 Civ. 338

COMPLAINT

The United States of America, by and through its attorney Damian Williams, United States Attorney for the Southern District of New York, acting on behalf of the Administrator of the United States Environmental Protection Agency (“EPA”), alleges for its complaint against defendants CISNE NY Construction, Inc., CISNE JE Construction, Inc., CISNE Contracting, Inc., Jose Pancha, and Edison Ruilova (together, the “CISNE Defendants”), as follows:

INTRODUCTION

1. The CISNE Defendants have violated lead-based paint safety regulations at hundreds of New York City residences by failing to take basic, mandatory safety precautions when conducting renovation work in properties presumed to contain lead-based paint.

2. Lead poisoning—particularly in children—can lead to severe, irreversible health problems, and the most common cause of lead poisoning is exposure to lead in lead paint dust. Lead exposure can affect children’s brains and developing nervous systems, causing reduced IQ, learning disabilities, and behavioral problems.

3. Since at least 2017, the CISNE Defendants have been hired to conduct significant renovation work—demolishing walls, relocating interior plumbing, and more—in hundreds of New York City apartments. In dismantling, knocking down, and taking apart painted surfaces, the CISNE Defendants did not use mandatory safe work practices designed to prevent lead dust from contaminating other apartments, building common areas, or outside spaces. The CISNE Defendants also failed to provide legally required lead paint safety information to building owners or occupants of nearby apartments about the risks of lead exposure from the renovation dust and debris. And they failed to provide EPA with required records about the work they performed across New York City so that EPA could monitor their compliance with lead-based paint laws.

4. The apartments and buildings in which the CISNE Defendants performed renovation work were built before 1978 are therefore presumed by law to contain lead-based paint. Despite the presumption of lead-based paint inside these spaces, inspections conducted by EPA and the New York City Department of Health and Mental Hygiene (“DOH”) at several CISNE worksites revealed that the CISNE Defendants failed to take basic safety precautions to protect both their workers and others within the buildings they were renovating. In fact, during its inspection, DOH confirmed that dust generated by the CISNE Defendants’ renovation work contained lead at levels that exceeded legal standards. Yet, when asked about the CISNE

Defendants' compliance with lead-based paint laws, CISNE principal Edison Ruilova could not confirm that any of his firms was certified to perform renovation work under those laws.

5. The CISNE Defendants' pervasive, repeated violations of environmental regulations designed to protect the public from lead-based paint hazards present significant risks of lead poisoning, which can cause serious developmental problems in children, as well as high blood pressure, heart disease, and reduced fertility in adults.

6. To protect the public health, Congress enacted Title IV of the Toxic Substances Control Act ("TSCA") and EPA promulgated regulations codified at 40 C.F.R. Part 745, Subpart E (the "Renovation, Repair, and Painting Rule" or "RRP Rule"). The CISNE Defendants' conduct violates TSCA sections 402(c), 406(b), and 407 (15 U.S.C. §§ 2682(c), 2686(b), and 2687), and the RRP Rule.

7. The United States brings this action for an order enjoining the CISNE Defendants from conducting further renovation work until they demonstrate compliance with TSCA and the RRP Rule, compelling the CISNE Defendants to comply with TSCA and the RRP Rule in the future, and requiring them to mitigate harm caused by their misconduct.

JURISDICTION AND VENUE

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1345, and Section 17 of TSCA, 15 U.S.C. § 2616.

9. Venue is proper in the Southern District of New York pursuant to 28 U.S.C. §§ 1391(b) and (c) and 1395(a), because the violations occurred in this District, and because the defendants reside and have their principal place of business in this District.

THE PARTIES

10. Plaintiff is the United States of America on behalf of EPA.

11. Defendant CISNE NY Construction, Inc. (“CISNE NY”) is a New York corporation with a registered address in Ossining, New York and has performed numerous renovations covered by the RRP Rule at apartment buildings located in this District. CISNE NY Construction, Inc. is a “firm” performing renovations, as defined in 40 C.F.R. § 745.83.

12. Defendant CISNE JE Construction, Inc. (“CISNE JE”) is a New York corporation with a registered address in Ossining, New York, and has performed numerous renovations covered by the RRP Rule at apartment buildings located in this District. CISNE JE Construction, Inc. is a “firm” performing renovations, as defined in 40 C.F.R. § 745.83.

13. Defendant CISNE Contracting, Inc. (“CISNE Contracting”) is a New York corporation with a registered address in Ossining, New York, and has performed numerous renovations covered by the RRP Rule at apartment buildings located in this District. CISNE Contracting, Inc. is a “firm” performing renovations, as defined in 40 C.F.R. § 745.83.

14. Defendant Jose Pancha (also known as “Jose Paccha”) is a principal of CISNE NY, CISNE JE, and CISNE Contracting and resides in Ossining, New York. With defendant Edison Ruilova, Mr. Pancha controls (and at times personally performs) the work of CISNE NY, CISNE JE, and CISNE Contracting. He is an “individual doing business” in performing renovations and therefore a renovation “firm” within the meaning of the RRP Rule and a responsible corporate officer of CISNE NY, CISNE JE, and CISNE Contracting.

15. Defendant Edison Ruilova is a principal of CISNE NY, CISNE JE, and CISNE Contracting and resides in Verplank, New York. With Mr. Pancha, Mr. Ruilova controls (and at

times personally performs) the work of CISNE NY, CISNE JE, and CISNE Contracting. He is an “individual doing business” in performing renovations and therefore a renovation “firm” within the meaning of the RRP Rule and a responsible corporate officer of CISNE NY, CISNE JE, and CISNE Contracting.

STATUTORY AND REGULATORY BACKGROUND

16. Lead is toxic. *See* Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. § 4851. Ingestion even in small quantities can cause serious health problems, including hypertension, kidney failure, and infertility. *Id.* Children six years old and younger are most vulnerable to the harmful effects of lead. *Id.* Even “at low levels, lead poisoning in children causes intelligence quotient deficiencies, reading and learning disabilities, impaired hearing, reduced attention span, hyperactivity, and behavior problems.” *Id.*

17. In 1992, Congress enacted the Residential Lead-Based Paint Hazard Reduction Act of 1992, finding that “low-level lead poisoning is widespread among American children, afflicting as many as 3,000,000 children under age 6, with minority and low-income communities disproportionately affected.” *Id.* § 4851(1). The statute was intended “to encourage effective action to prevent childhood lead poisoning by establishing a workable framework for lead-based paint hazard evaluation and reduction”; “to ensure that the existence of lead-based paint hazards are taken into account in the . . . renovation of homes and apartments”; and “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. The Act amended TSCA by adding a new Title IV, entitled “Lead Exposure Reduction,” 15 U.S.C. §§ 2681 *et seq.*

18. In 2008, EPA promulgated the RRP Rule under TSCA section 402(c), 15 U.S.C. § 2682, to reduce the risk of lead exposure in the course of renovation work by establishing training and certification requirements for renovation companies, mandating lead-safe work practice standards for compensated renovations in most pre-1978 residential buildings, and ensuring that owners and occupants of most pre-1978 residential buildings understand the risks of lead exposure before renovations begin.

19. The RRP Rule applies to renovations performed for compensation in “target housing.” Target housing includes most housing constructed before 1978, the year in which the federal government first banned consumer use of lead-based paint in residential housing. 40 C.F.R. § 745.103. Residential buildings constructed before that year are presumed to contain lead-based paint. *See* 15 U.S.C. § 2681(17). Target housing does not include housing for the elderly or persons with disabilities (unless any child who is less than six years of age resides or is expected to reside in such housing) or any zero-bedroom dwelling. 40 C.F.R. § 745.103. In addition, the RRP Rule does not apply to renovations of residences that have been tested and found to be free of lead, as defined in 40 C.F.R. § 745.82.

20. Under the RRP Rule, “renovation” is defined as “the modification of any existing structure, or portion thereof, that results in the disturbance of painted surfaces,” including “the removal of building components (e.g., walls, ceilings, plumbing, windows)” as well as “[t]he removal, modification or repair of painted surfaces or painted components (e.g., modification of painted doors, surface restoration, window repair, surface preparation activity (such as sanding, scraping, or other such activities that may generate paint dust)).” 40 C.F.R. § 745.83.

21. The RRP Rule contains certification requirements designed to ensure that individuals performing renovations have been trained to minimize lead exposure. Under the RRP Rule, “[f]irms that perform renovations for compensation must apply to EPA for certification to perform renovations or dust sampling.” 40 C.F.R. § 745.89(a)(1). “Firms performing renovations” are responsible for ensuring that the requirements of the RRP Rule are satisfied at all renovation sites. 40 C.F.R. § 745.89(d).

22. Under the RRP Rule, all covered renovations must be performed or directed by at least one “Certified Renovator” who has successfully completed training in lead-safe work practices from an accredited training provider. 40 C.F.R. §§ 745.81(a)(3), 745.89(d)(2), & 745.90(a). The RRP Rule requires that Certified Renovators perform or direct critical tasks during the renovation, such as posting warning signs, establishing containment of the work area, and verifying cleanup of the work area after the renovation. 40 C.F.R. § 745.90(b). The RRP Rule further requires that any individual working on a renovation who is not a Certified Renovator be trained by a Certified Renovator on lead-safe work practices required by the RRP Rule. 40 C.F.R. §§ 745.81(a)(3) & 745.89(d)(1).

23. The RRP Rule also sets forth safe work-practice requirements designed to contain any lead in dust and debris found in the renovation work area. Under the RRP Rule, renovators are required to close off the entire work area by sealing doors, closing windows, and covering air ducts, among other things. 40 C.F.R. §§ 745.85(a)(2). The RRP Rule also requires renovators to “clean the work area until no dust, debris or residue remains” after the renovation has been completed. 40 C.F.R. § 745.85(a)(5).

24. The RRP Rule further requires the provision of safety information designed to inform individuals affected by the renovation work of the risks of lead exposure. Under the RRP Rule, renovators must provide a pamphlet entitled “Renovate Right: Important Lead Hazard Information for Families, Child Care Providers, and Schools” (the Lead Hazard Information Pamphlet) to the owner and occupants of applicable housing before renovations begin, and to obtain either a written acknowledgment of receipt of the pamphlet from the owner, or a certificate of mailing of the pamphlet. 40 C.F.R. §§ 745.81(b) & 745.84(a). The “Lead Hazard Information Pamphlet” informs residents of buildings constructed before 1978 of basic facts regarding the effects of lead poisoning as well as precautions residents can take when their homes are being renovated.

25. Renovators must also post signs “clearly defining the work area and warning occupants and other persons not involved in renovation activities to remain outside of the work area.” 40 C.F.R. § 745.85(a)(1).

26. Finally, the RRP Rule sets forth recordkeeping requirements that provide an additional means by which EPA can monitor whether lead-safe work practices are being followed. The RRP Rule requires renovators to “retain and, if requested, make available to EPA all records necessary to demonstrate compliance” with the RRP Rule requirements described above. 40 C.F.R. § 745.86(a) & (b). Among the recordkeeping requirements are the following:

a. 40 C.F.R. § 745.84(a)(1) provides that: “No more than 60 days before beginning renovation activities in any residential dwelling unit of target housing, the firm performing the renovation must (i) obtain, from the owner, a written acknowledgment that the owner has received the pamphlet or (ii) obtain a certificate of mailing at least 7 days

prior to the renovation.” *See also* 40 C.F.R. § 745.84(a)(2)(i) (providing that the same pamphlet must be provided to an adult occupant of a unit, if that person differs from the owner); *id.* § 745.84(b)(2) (providing additional notice requirements where work is performed in common areas).

b. 40 C.F.R. § 745.86(b)(6) provides that certain records must be retained, including: “Documentation of compliance with the requirements of § 745.85, including documentation that a certified renovator was assigned to the project, that the certified renovator provided on-the-job training for workers used on the project, that the certified renovator performed or directed workers who performed all of the tasks described in § 745.85(a), and that the certified renovator performed the post-renovation cleaning verification described in § 745.85(b).”

c. 40 C.F.R. § 745.87(b) provides that failure to establish and maintain records or to make available or permit access to or copying of records, as required by this subpart, is a violation of Sections 15 and 409 of TSCA (15 U.S.C. §§ 2614 and 2689).

27. Violation of the RRP Rule is a prohibited act under Section 409 of TSCA, 15 U.S.C. § 2689, and thus constitutes a violation of the statute.

28. Section 17(a) of TSCA, 15 U.S.C. § 2616(a), provides federal district courts with jurisdiction to restrain any violation of Section 409 of TSCA, 15 U.S.C. § 2689.

29. Section 16(a) of TSCA, 15 U.S.C. § 2615(a), imposes liability for civil penalties, for violations of section 409, to be assessed by EPA in an administrative proceeding in an amount up to \$41,056 per violation per day for violations occurring after November 2, 2015. 85 Fed. Reg. 83820 (Dec. 23, 2020). The United States reserves the right to contend that violations found by

the finder of fact in this judicial matter will, under the doctrine of collateral estoppel, control in a future administrative proceeding for civil penalties.

**THE CISNE DEFENDANTS' VIOLATIONS OF THE TOXIC SUBSTANCES
CONTROL ACT AND THE RENOVATION, REPAIR, AND PAINTING RULE**

The CISNE Defendants

30. CISNE NY, CISNE JE, and CISNE Contracting (the “CISNE Entities”) are general contracting firms located in Ossining, New York. They are operated as a single entity by their two principals, Jose Pancha and Edison Ruilova. As defendant Edison Ruilova confirmed on a May 2021 phone call with the government, the three CISNE Entities are “all the same.”

31. Pancha and Ruilova each control the CISNE Entities’ performance of work, including their compliance with the RRP Rule and TSCA. Each personally performs and directs renovation work at jobs nominally performed by the CISNE Entities. Each has both actual and constructive knowledge of the CISNE Entities’ operations and practices, including non-compliance with the RRP Rule and TSCA.

32. Pancha and Ruilova are interchangeably designated as responsible for the firms in public filings. For example, Pancha is registered as the principal of CISNE NY with the New York City Department of Buildings (“DOB”), but Edison Ruilova is listed as owner of the firm in documents he submitted to EPA. Each of Pancha and Ruilova has held himself out as a representative for CISNE NY at worksites inspected by EPA and DOH.

33. Each CISNE Entity shares the same business address and phone number. Pancha and Ruilova use the same business phone number in their personal registrations as general contractors.

34. The CISNE Entities are alter egos of each other and of their principals.

35. The CISNE Defendants continue to work in the renovation business and are likely to perform renovation work covered by the RRP Rule in the future. Although Jose Pancha's general contractor license expired in January 2020 and the last New York City Department of Buildings permit known to the government to have been issued to Jose Pancha or Edison Ruilova expired in March 2020, when asked by phone whether the CISNE Entities remained operational in May 2021, Edison Ruilova confirmed that they did. Although Edison Ruilova later contradicted that statement, claiming that the CISNE Entities were no longer performing construction work, each of the CISNE Entities remains in active status with the New York State Department of State as of the date of this complaint and CISNE Contracting received federal Paycheck Protection Program loans on March 1, 2020, and February 5, 2021, reflecting ongoing operation and either current or anticipated future renovation work.

The CISNE Defendants' Renovation Work

36. As set forth in detail below, the CISNE Defendants have not cooperated with EPA's requests for information about the nature and scope of their renovation work. Therefore, the full scope of their renovation activities remains unknown. However, information from DOB shows that the CISNE Defendants received at least sixty-two work permits for renovation projects in New York City between January of 2017 and March of 2020.

37. These work permits covered construction work across hundreds of apartments in eight buildings in New York City. Each of these buildings was built prior to 1978 and therefore is presumed to contain lead paint. Five were built before 1940 and two were built between 1940 and 1960. According to the American Healthy Homes Survey conducted by the U.S. Department of

Housing and Urban Development Office of Healthy Homes and Lead Hazard Control, an estimated 87% of buildings built before 1940 are likely to have lead paint, and 69% of buildings constructed between 1940 and 1960 are likely to have lead paint.

38. Given that the CISNE Entities all remain active with the New York State Department of State and that CISNE Contracting recently received Paycheck Protection Program loans, the CISNE Defendants may have continued to perform renovation work in New York City since the expiration of their most recent DOB work permit, although Edison Ruilova denies that he has done so. And, subject to discovery, it is likely that these entities have performed additional renovation projects not covered by DOB permits, either because they did not obtain permits or because the work took place outside of New York City.

Renovations at Target Housing in 160 East 48th Street

39. The CISNE Defendants undertook numerous large renovation projects in forty apartments on the second through fifteenth floors of 160 East 48th Street, New York, New York 10017 (“160 E. 48th Street”), a 300-unit apartment building in Manhattan built in 1929. Under the terms of a work permit issued by the DOB to Jose Pancha on behalf of CISNE NY, this project was approved on August 10, 2016, with work to continue through March 3, 2018.

40. In response to an unsafe work practices complaint, DOH conducted an inspection of the work being done by the CISNE Entities at 160 E. 48th Street on August 17, 2017. DOH inspectors observed that dust from the ongoing construction work was visible on the ground in common areas on several floors. The construction site had no floor containment measures and plastic sheets erected for door containment were unsecured, allowing dust and debris to enter

common areas from worksites. DOH inspectors took ten dust samples from the areas in which dust was observed, and eight samples exceeded local and federal lead hazard standards.

41. As a result of these observations, the New York City Commissioner of Health issued an order on August 24, 2017, to the property manager of 160 E. 48th Street directing him to cease construction work in the building until such work could be done in compliance with local lead safety laws.

42. In addition, DOH informed EPA of its observations within 160 E. 48th Street on August 21, 2017. This referral alerted EPA that “[c]onstruction dust from on-going renovation/demolition work inside multiple vacant apartments . . . was observed in common areas” within the building.

43. EPA inspectors conducted an inspection of the construction work on September 7, 2017. CISNE Defendant Edison Ruilova was present for the inspection and informed EPA inspectors that he was the owner of CISNE NY. Ruilova told EPA inspectors that he was not sure whether CISNE NY had an RRP certification, whether any Certified Renovator was assigned to the job, or whether the owner of the building had been provided with EPA’s Lead Hazard Information Pamphlet. Further investigation by EPA revealed that in fact CISNE NY had no RRP certification at the time the EPA conducted this inspection. And without a Certified Renovator on the job, CISNE NY could not have complied with the requirement that non-certified workers receive on-the-job training.

44. When inspecting areas of the building where the CISNE Defendants were working, EPA inspectors identified several ways in which the CISNE Defendants’ work violated the safe work practices requirements of the RRP Rule, thus creating lead hazards for tenants, building

visitors, building staff, and workers employed by both the CISNE Defendants and other contractors in the building.

45. In a partially demolished 2-bedroom apartment, EPA inspectors observed an open window with dust and debris on the windowsill and ledge, an open pipe chase with large amounts of painted plaster debris and dust on the floor, a lack of plastic sheeting installed on the floor, and no lead warning signs posted.

46. In another 2-bedroom apartment, EPA inspectors observed painted plaster and dust on the floor, no plastic sheeting on the floors, no lead warning signs, and several green waste disposal bags in the apartment which contained plaster demolition debris and had dust on their exteriors.

47. In a 3-bedroom apartment, EPA again observed plaster debris and dust on the floors, no lead warning signs, and no plastic sheeting installed in an area where work was being conducted.

48. And in the last apartment inspected, a 2-bedroom unit, large amounts of plaster debris were observed on the floor, a window was left open, lead warning signs were not posted, the floors were uncovered, and disposal bags covered with dust and debris were lying on the floor.

Renovations at Target Housing in 915 West End Avenue

49. The CISNE Defendants also conducted significant renovation projects at 915 West End Avenue, New York, New York 10025 (“915 West End Avenue”), a 94-unit apartment building in Manhattan constructed in 1923. Again, pursuant to work permits issued by the DOB to Jose Pancha on behalf of CISNE NY, the CISNE Defendants began renovating forty apartments in 915 West End Avenue in December of 2016 and its renovation project continued at least through March

of 2019. According to bidding documents and invoices prepared by CISNE NY associated with the project, the renovation work was valued in the millions of dollars.

50. DOH inspectors conducted numerous inspections of the renovation work at 915 West End Avenue between early 2017 and early 2018. These inspections revealed similar problems to those identified in 160 E. 48th Street. For example, on June 24, 2017, DOH inspectors “[o]bserved renovation dust throughout the common area (some of which w[as] foot print dust)” and “[o]bserved defective/inadequate plastic sheeting on doors to unit[s] with inactive work.” On June 27, 2017, visible construction dust and debris was observed on twelve floors of the fifteen-floor building. Workers were manually sanding sheetrock, plastic containment flaps were not properly attached, and “[c]onstruction workers were observed not wiping their shoes prior to leaving the work-site[,] dispersing dust into the common area[s].”

51. After DOH’s first inspection of 915 West End Avenue, DOH sent a referral to EPA to inform EPA that “[c]onstruction dust [was] observed from on-going renovation/demolition work inside multiple vacant apartments.”

52. Dust samples collected from the construction site during DOH inspections contained quantities of lead above acceptable levels. As a result, the Commissioner of Health issued an order on June 27, 2017, directing the management company responsible for 915 West End Avenue to cease work in progress, and “[n]ot to resume any further work at the[] premises until a notarized affidavit of compliance . . . has been completed and results of dust wipe sample laboratory analysis for lead content have both been submitted to and approved by the Department.”

53. In response to the Commissioner’s order, an agent from 915 West End’s management company swore an affidavit on July 7, 2017, affirming that a “clean-up of debris and

dust generated by renovation work was performed” and that “when renovation work resumes it w[ould] be performed” using safe work practices. DOH inspectors inspected the property the next day and lifted the stop-work order.

54. However, thereafter, the CISNE Defendants again began employing unsafe work practices. For example, on February 13, 2018, DOH again inspected 915 West End Avenue and observed “[v]isible construction dust . . . on [the] floor of [the] second floor public hallway” and “[p]lastic containment flaps were not observed properly attached, allowing dust to disperse into the hallway.”

55. Six months after EPA had inspected the CISNE Defendants’ work at 160 E. 48th Street, EPA determined that CISNE NY still had not obtained an RRP firm certification. Thereafter, EPA selected 915 West End Avenue as a location for a follow-up inspection, which they conducted on March 29, 2018.

56. During this inspection, EPA inspectors observed painted wall systems that were partially demolished with large amounts of dust and debris on the floor and in crevices; bathrooms that were partially demolished with painted plaster debris and dust on the floor; and several apartments with large amounts of plaster debris and dust present, including on a windowsill where the window was partially opened.

57. After inspecting seven apartments of target housing, EPA inspectors observed that:

- (1) “Lead Warning signs were not posted or visible on any floor or in any part of the building”;
- (2) “A window was open in apartment 4-02 that was still undergoing active demolition”;
- (3) “Plastic sheeting (or other impermeable material) was not installed in any apartment that was

undergoing demolition”; and (4) “Large amounts of uncontained painted plaster, dust and debris were in [all of the] apartments.”

58. CISNE principals Jose Pancha and Edison Ruilova were responsible for and contributed to the unsafe work practices detailed above. For example, when a DOH inspection on September 12, 2017, revealed visible construction dust in the hallways and no plastic containment flaps on the doors of apartments undergoing renovations, inspectors spoke with Jose Pancha at the site and instructed him to follow safe work practices to prevent a stop work order. And at another DOH inspection on December 15, 2017, a doorman contacted Edison Ruilova so that DOH inspectors could inform him that partially demolished walls had been left without plastic covering. Mr. Ruilova agreed to have the walls covered as soon as possible. Mr. Ruilova and Mr. Pancha had previously had similar discussions with DOH inspectors on August 5, 2017, and June 24, 2017, during which they were informed of the importance of utilizing safe work practices.

EPA’s Correspondence with the CISNE Defendants

59. EPA’s efforts to investigate the CISNE Defendants’ compliance with TSCA and the RRP Rule have been thwarted because—in violation of mandatory regulations—the CISNE Defendants have ignored EPA’s requests to produce information the CISNE Defendants are required to maintain pursuant to the RRP Rule.

60. To begin—even before EPA had conducted inspections on CISNE worksites—the CISNE Defendants ignored multiple letters sent by EPA to Jose Pancha, as representative for CISNE NY, first on June 20, 2016, and then on March 27, 2017, informing CISNE NY of its duty to comply with the RRP Rule and TSCA. These letters informed CISNE NY that, when working on pre-1978 housing, they must be certified by EPA as renovation firms, assign a Certified

Renovator to each renovation, follow lead-safe work practices, prepare and retain job related records for at least three years, and provide copies of EPA's Lead Hazard Information Pamphlet to the owners and tenants of the renovated property. The CISNE Defendants never acknowledged receipt of these letters and none of the CISNE Entities even applied for firm certification until a year later, in March of 2018.

61. On January 24, 2018, EPA sent a letter to Edison Ruilova, in his capacity as president of CISNE NY, requesting records about the CISNE Defendants' work at 160 E. 48th Street that the CISNE Defendants were required to maintain under the RRP Rule. The CISNE Defendants confirmed receipt of the information request letter, but the CISNE Defendants never responded.

62. On April 3, 2018, EPA sent Edison Ruilova a follow-up letter seeking the same information and informing the CISNE Defendants that failure or refusal to permit inspection of their records was a violation of TSCA and the RRP Rule. Again, the CISNE Defendants confirmed receipt of the letter, but never responded.

63. On October 2, 2020, the United States Attorney's Office for the Southern District of New York ("USAO"), on behalf of EPA, sent a follow-up information request letter by mail to CISNE NY requesting information required to be maintained by the RRP Rule for a broader set of the CISNE Defendants' renovation work. The USAO sent this letter again by email to the CISNE Defendants on January 11, 2021. The CISNE Defendants did not respond to either communication.

64. On February 26, 2021, the USAO again sent an information request to the CISNE Defendants, this time to five separate mailing addresses each known to be associated with at least

one of the CISNE Defendants. And again, the USAO forwarded these letters to the CISNE Defendants by email on May 11, 2021. But again, the CISNE Defendants did not respond.

65. CISNE NY eventually obtained EPA RRP firm certification in April of 2018. Because the CISNE Defendants have not responded to any of EPA's or the USAO's requests for information, and in light of CISNE NY's pattern of violations, EPA has no reason to believe that CISNE NY has come into compliance with other aspects of TSCA and the RRP Rule. None of the other CISNE Entities have ever received an EPA certification.

The CISNE Defendants' Conduct Risks Harm to the Public

66. For years, the CISNE Defendants have performed renovation work in New York City housing without EPA certification. Where inspections were conducted, the CISNE Defendants were materially out of compliance with TSCA and the RRP Rule's lead-safe work practices and requirements to inform building tenants and owners of the dangers of lead paint. And the full extent of the CISNE Defendants' noncompliance with TSCA and the RRP Rule remains unknown because the CISNE Defendants have consistently ignored EPA's requests for information, despite being required by the RRP Rule to make their records available. In light of the pervasive nature of the CISNE Defendants' repeated violations and their non-compliance with information requests, the United States believes the CISNE Defendants' violations of the RRP Rule are highly likely to be ongoing.

67. The CISNE Defendants' pervasive violations of the RRP Rule pose a serious risk of harm. First, the CISNE Defendants' repeated failures to ensure that their renovation sites are contained and to inform occupants of potential lead hazards present significant risks of lead poisoning to individuals—particularly children—living in apartments and homes neighboring the

work site. The CISNE Defendants' failure to ensure that its worksites are supervised by a Certified Renovator who could train workers on lead-safe work practices similarly presents a significant risk to neighbors and to the health of workers who are exposed to dust and debris potentially containing lead resulting from the demolition work they are performing, and carrying such lead dust to their homes on their clothing. And the CISNE Defendants' failure to provide to EPA records of their compliance with the RRP Rule has hampered EPA's ability to enforce TSCA and the RRP Rule to protect public safety.

FIRST CLAIM FOR RELIEF

**Violations of TSCA and the RRP Rule:
Failure to Obtain Firm Certification
(15 U.S.C. § 2689; 40 C.F.R. §§ 745.89(a)(1) & 745.89(a)(2)(ii))**

68. The United States restates the allegations of paragraphs 1 to 67, above.

69. The RRP Rule requires firms to obtain a valid RRP firm certification prior to performing renovation work on target housing. 40 C.F.R. §§ 745.89(a)(1) and 745.81(a)(2)(ii).

70. The CISNE Defendants have repeatedly performed renovation work on target housing without first obtaining certification from EPA, in violation of 40 C.F.R. §§ 745.89(a)(1) and 745.81(a)(2)(ii), and 15 U.S.C. § 2689.

71. The CISNE Defendants' violations of the RRP Rule's certification and training requirements threaten irreparable harm to the health and safety of residents and workers. These activities likewise threaten irreparable harm to the United States' interest in protecting the public from the harmful effects of lead exposure.

72. CISNE NY has subsequently obtained firm certification; the other CISNE Defendants have not. The CISNE Defendants other than CISNE NY are likely to violate the RRP Rule's certification requirements in the future.

73. Pursuant to Sections 17 and 409 of TSCA, 15 U.S.C. §§ 2616 and 2689, the Court should issue an order (i) restraining the CISNE Defendants from conducting any renovation work on target housing without compliance with TSCA and the RRP Rule, (ii) enjoining the CISNE Defendants to perform all future renovation work on target housing in compliance with TSCA and the RRP Rule, (iii) requiring the CISNE Defendants to mitigate the harms resulting from their violations of TSCA and the RRP Rule, and (iv) providing other available equitable remedies.

SECOND CLAIM FOR RELIEF

Violations of TSCA and the RRP Rule: Failure to Use Certified Renovators and Ensure Proper Training (15 U.S.C. § 2689; 40 C.F.R. §§ 745.81(a)(3), 745.89(d)(1), and 745.89(d)(2))

74. The United States restates the allegations of paragraphs 1 to 73, above.

75. The RRP Rule requires that a renovation firm assign a Certified Renovator to renovation work on target housing and that the Certified Renovator provide on-the-job training to any employees not trained by a Certified Renovator. 40 C.F.R. §§ 745.81(a)(3), 745.89(d)(1), and 745.89(d)(2).

76. The CISNE Defendants have repeatedly violated the Certified Renovator and on-the-job training requirements of the RRP Rule.

77. The CISNE Defendants' violations of the RRP Rule's Certified Renovator and training requirements threaten irreparable harm to the health and safety of residents and workers.

These activities likewise threaten irreparable harm to the United States' interest in protecting the public from the harmful effects of lead exposure.

78. Pursuant to Sections 17 and 409 of TSCA, 15 U.S.C. §§ 2616 and 2689, the Court should issue an order (i) restraining the CISNE Defendants from conducting any further renovation work on target housing until they can demonstrate compliance with TSCA and the RRP Rule; (ii) enjoining the CISNE Defendants to perform all future renovation work on target housing in compliance with TSCA and the RRP Rule, (iii) requiring the CISNE Defendants to mitigate the harms resulting from their violations of TSCA and the RRP Rule, and (iv) providing other available equitable remedies.

THIRD CLAIM FOR RELIEF

Violations of TSCA and the RRP Rule: Failure to Comply with Safe Work-Practice Requirements (15 U.S.C. § 2689; 40 C.F.R. § 745.85(a))

79. The United States restates the allegations of paragraph 1 to 78, above.

80. The RRP Rule requires that renovation firms comply with mandatory lead-safe work practice standards to ensure that dust and debris are contained during interior renovation projects that may disturb lead paint, including that they: “[c]lose windows and doors in the work area” and maintain “[d]oors . . . covered with plastic sheeting or other impermeable materials,” 40 C.F.R. § 745.85(a)(2)(i)(C); “[c]over the floor surface . . . with taped-down plastic sheeting or other impermeable material in the work area,” *id.* § 745.85(a)(2)(i)(D); and “[u]se precautions to ensure that all personnel, tools, and other items, including the exteriors of containers of waste, are free of dust and debris before leaving the work area,” *id.* § 745.85(a)(2)(i)(E).

81. The CISNE Defendants have systematically failed to comply with these requirements, as indicated by EPA inspections at both 160 E. 48th and 915 West End Avenue. Doors and windows were left open in construction areas, not properly sealed by plastic sheeting. Floors lacked covers. And dust and debris were left behind in common areas, windowsills, and on containers of waste in numerous construction sites. Because basic safety deficiencies were noted at both EPA inspections conducted, it is likely that the CISNE Defendants failed to follow lead-safe work practice requirements at other worksites.

82. The CISNE Defendants' violations of the RRP Rule's lead-safe work practice requirements threaten irreparable harm to the health and safety of residents, neighbors, pedestrians, and workers. These activities likewise threaten irreparable harm to the United States' interest in protecting the public from the harmful effects of lead exposure.

83. Pursuant to Sections 17 and 409 of TSCA, 15 U.S.C. §§ 2616 and 2689, the Court should issue an order (i) restraining the CISNE Defendants from conducting any further renovation work on target housing until they can demonstrate compliance with TSCA and the RRP Rule; (ii) enjoining the CISNE Defendants to perform all future renovation work on target housing in compliance with TSCA and the RRP Rule, (iii) requiring the CISNE Defendants to mitigate the harms resulting from their violations of TSCA and the RRP Rule, and (iv) providing other available equitable remedies.

FOURTH CLAIM FOR RELIEF

**Violations of TSCA and the RRP Rule:
Failure to Provide Lead Hazard Warning and Lead Hazard Information
(15 U.S.C. § 2689; 40 C.F.R. §§ 745.84(a)(1)(i) & 745.85(a)(1))**

84. The United States restates the allegations of paragraph 1 to 83, above.

85. The RRP Rule requires that “[f]irms must post signs defining the work area and warning occupants and other persons not involved in the renovation activities to remain outside of the work area.” 40 C.F.R. § 745.85(a)(1). It further requires firms to provide the owner of target housing with a Lead Hazard Information Pamphlet explaining the risks of lead exposure and “[o]btain, from the owner, a written acknowledgment that the owner has received the pamphlet.” *Id.* § 745.84(a)(1)(i).

86. The CISNE Defendants have systematically failed to comply with these requirements, as indicated by EPA inspections at both 160 E. 48th and 915 West End Avenue. EPA inspectors observed that there were no warning signs at either of the inspections they conducted at CISNE worksites. When Edison Ruilova was asked whether the owners of units on those worksites received EPA’s pamphlet on lead exposure, he expressed that he did not know anything about the pamphlet. Because these violations were noted at each EPA inspection conducted and because the CISNE Entities’ principal was unaware of the EPA lead-exposure pamphlet requirement, it is likely that these violations were repeated at other CISNE worksites.

87. The CISNE Defendants’ violations of the RRP Rule’s lead hazard warning and information distribution requirements threaten irreparable harm to the health and safety of residents, building visitors, and workers. These activities likewise threaten irreparable harm to the United States’ interest in protecting the public from the harmful effects of lead exposure.

88. Pursuant to Sections 17 and 409 of TSCA, 15 U.S.C. §§ 2616 and 2689, the Court should issue an order (i) restraining the CISNE Defendants from conducting any further renovation work on target housing until they can demonstrate compliance with TSCA and the RRP Rule; (ii) enjoining the CISNE Defendants to perform all future renovation work on target housing in

compliance with TSCA and the RRP Rule, (iii) requiring the CISNE Defendants to mitigate the harms resulting from their violations of TSCA and the RRP Rule, and (iv) providing other available equitable remedies.

FIFTH CLAIM FOR RELIEF

Violations of TSCA and the RRP Rule: Failure to Retain and Make Available Records (15 U.S.C. § 2689; 40 C.F.R. § 745.86(a))

89. The United States restates the allegations in paragraphs 1 to 88 above.

90. The RRP Rule requires that “[f]irms performing renovations must retain and, if requested, make available to EPA all records necessary to demonstrate compliance with this subpart for a period of 3 years following completion of the renovation.” 40 C.F.R. § 745.86(a).

91. The CISNE Defendants have not complied with this provision of the RRP Rule. Despite multiple requests from EPA and the U.S. Attorney’s Office for records related to the CISNE Defendants’ renovation work, the CISNE Defendants failed to provide such records. The CISNE Defendants either failed to maintain any required records or have records but refuse to provide them.

92. The CISNE Defendants’ violations of the RRP Rule’s recordkeeping requirements have hampered EPA’s ability to monitor the CISNE Defendants’ compliance with TSCA and the RRP Rule, threatening irreparable harm to the health and safety of people living in or near buildings the CISNE Defendants renovate, visitors to these buildings, and to the untrained workers involved in these renovations. These activities likewise threaten irreparable harm to the United States’ interest in protecting the public from the harmful effects of lead exposure.

93. Pursuant to Sections 17 and 409 of TSCA, 15 U.S.C. §§ 2616 and 2689, the Court should issue an order (i) restraining the CISNE Defendants from conducting any further renovation work on target housing until they can demonstrate compliance with TSCA and the RRP Rule; (ii) enjoining the CISNE Defendants to perform all future renovation work on target housing in compliance with TSCA and the RRP Rule, (iii) requiring the CISNE Defendants to mitigate the harms resulting from their violations of TSCA and the RRP Rule, and (iv) providing other available equitable remedies.

PRAYER FOR RELIEF

WHEREFORE, the United States respectfully requests that this Court:

- i. Enter judgment against the CISNE Defendants and in favor of the United States for the violations alleged in this complaint;
- ii. Enter an order restraining the CISNE Defendants from performing any renovation work until they can demonstrate compliance with TSCA and the RRP Rule;
- iii. Enter a permanent injunction compelling the CISNE Defendants to comply with TSCA and the RRP Rule;
- iv. Order the CISNE Defendants to mitigate the harms resulting from their conduct;
- v. Order the CISNE Defendants to provide EPA with all previously requested information and promptly provide any additional information requested; and

vi. Grant such other and further equitable and other relief as the Court deems just and appropriate.

Date: January 13, 2022
New York, New York

Respectfully submitted,

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