



Oregon

Kate Brown, Governor

Department of Environmental Quality

Headquarters
811 SW Sixth Avenue
Portland, OR 97204-1390
(503) 229-5696
FAX (503) 229-6124
TTY: 711

March 17, 2016

CERTIFIED MAIL No. 70142870000133782955

Northwest REO Preservation, LLC
c/o Incorp Services, Inc., Registered Agent
5305 North River Road, Suite B1
Keizer, OR 97303

Re: Notice of Civil Penalty Assessment and Order
No. AQ/AB-NWR-16-028

This letter is to inform you that DEQ has issued you a civil penalty of \$2,200 for allowing unlicensed persons to perform a friable asbestos abatement project. The unlicensed abatement project took place in December 2015 when your employees or agents disturbed and removed asbestos-containing siding while renovating a residence in the Portland (the Facility). This is a violation of ORS 468A.715(1) and OAR 340-248-0110(2).

DEQ issued this penalty because as the owner and operator of the Facility, you are responsible for ensuring that asbestos is properly managed. You also allowed the waste from the abatement project to be openly accumulated at the Facility, creating the potential for public exposure. The abatement project did not comply with applicable asbestos regulations, and likely caused the release of asbestos fibers into the atmosphere. Asbestos fibers are a respiratory hazard proven to cause lung cancer, mesothelioma and asbestosis. Asbestos is a danger to public health and a hazardous air contaminant for which there is no known safe level of exposure.

If you wish to appeal this matter, DEQ must receive a request for a contested case hearing within 20 calendar days from your receipt of this letter. The hearing request must be in writing. Send your hearing request to DEQ Office of Compliance and Enforcement – Appeals:
Via mail - 811 S.W. 6th Ave., Portland, OR 97204
Via fax - 503-229-5100

Once DEQ receives your request, we will arrange to meet with you to discuss this matter. If DEQ does not receive a timely written hearing request, the penalty will become due. Alternatively, you can pay the penalty by sending a check or money order to the above address.

The attached Notice further details DEQ's reasons for issuing the penalty and provides further instructions for appealing the penalty. Please review it and refer to it when discussing this case with DEQ.

DEQ may allow you to resolve part of your penalty through the completion of a Supplemental Environmental Project (SEP). SEPs are environmental improvement projects that you sponsor in lieu of paying your penalty. Enclosed is more detail on how to pursue a SEP. SEP documents are available on the internet at <http://www.deq.state.or.us/programs/enforcement/SEP.htm>, or by calling the number below to request a paper copy.



Northwest REO Preservation, LLC
No. AQ/AB-NWR-16-028
Page 2

DEQ's rules are available on the internet at <http://www.deq.state.or.us/regulations/rules.htm>, or by calling the number below to request a paper copy.

If you have any questions, please contact DEQ Environmental Law Specialist Esther Westbrook, at (503) 229-5374. You may call toll-free within Oregon at 1-800-452-4011, extension 5374.

Sincerely,

*Sarah Wheeler
for*

Leah K. Feldon, Manager
Office of Compliance and Enforcement

Enclosures

cc: Zeb Bates, Northwest Region, DEQ
Audrey O'Brien, Northwest Region, DEQ

1 BEFORE THE ENVIRONMENTAL QUALITY COMMISSION

2 OF THE STATE OF OREGON

3	IN THE MATTER OF:)	NOTICE OF CIVIL PENALTY
4	NORTHWEST REO)	ASSESSMENT AND ORDER
5	PRESERVATION, LLC,)	
6	a Washington limited liability company,)	NO. AQ/AB-NWR-16-028
	Respondent.)	

7 I. AUTHORITY

8 This Notice of Civil Penalty Assessment and Order is issued pursuant to Oregon Revised
9 Statutes (ORS) 468.100 and 468.126 through 468.140, ORS Chapters 183 and 468A, and Oregon
10 Administrative Rules (OAR) Chapter 340, Divisions 011, 012 and 248.

11 II. FINDINGS OF FACT

12 1. At all material times, Respondent was an owner and "operator," as defined in
13 OAR 340-248-0010(33), of the single family home located at 2807 SE 52nd Avenue in Portland,
14 Multnomah County, Oregon (the Facility).

15 2. Respondent is a general contractor licensed by the Oregon Construction
16 Contractors Board.

17 3. The exterior siding material at the Facility contained approximately 5% chrysotile
18 "asbestos," as defined in OAR 340-248-0010(5).

19 4. On or before December 18, 2015, Respondent began "renovation" activities, as
20 defined in OAR 340-248-0010(36), at the Facility by altering interior and exterior facility
21 components.

22 5. On or about December 18, 2015, Respondent's employees or agents disturbed or
23 removed approximately 30 square feet of asbestos-containing siding material from the exterior of
24 the Facility when removing the back porch and a small amount of siding material from the front
25 of the Facility.

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1 V. NOTICE OF RIGHT TO REQUEST A CONTESTED CASE HEARING

2 You have a right to a contested case hearing on this Notice, if you request one in writing.

3 You must ensure that DEQ receives the request for hearing **within 20 calendar days** from the
4 date you receive this Notice. If you have any affirmative defenses or wish to dispute any
5 allegations of fact in this Notice or attached exhibit(s), you must include them in your request for
6 hearing, as factual matters not denied will be considered admitted, and failure to raise a defense
7 will be a waiver of the defense. (See OAR 340-011-0530 for further information about requests
8 for hearing.) You must mail the request for hearing to: **DEQ, Office of Compliance and**
9 **Enforcement - Appeals, 811 SW Sixth Avenue, Portland, Oregon 97204**, or fax it to **503-229-**
10 **5100**. An administrative law judge employed by the Office of Administrative Hearings will
11 conduct the hearing, according to ORS Chapter 183, OAR Chapter 340, Division 011 and OAR
12 137-003-0501 to 0700. You have a right to be represented by an attorney at the hearing, or you
13 may represent yourself unless you are a corporation, agency or association.

14 Active duty service-members have a right to stay proceedings under the federal Service
15 members Civil Relief Act. For more information, please call the Oregon State Bar at 1-800-
16 452-8260 or the Oregon Military Department at 1-800-452-7500. Additional information can be
17 found online at the United States Armed Forces Legal Assistance (AFLA) Legal Services
18 Locator website <http://legalassistance.law.af.mil/content/locator.php>.

19 If you fail to file a request for hearing in writing within 20 calendar days of receipt of the
20 Notice, the Notice will become a final order by default without further action by DEQ, as per
21 OAR 340-011-0535(1). If you do request a hearing but later withdraw your request, fail to attend
22 the hearing or notify DEQ that you will not be attending the hearing, DEQ will issue a final order
23 by default pursuant to OAR 340-011-0535(3). DEQ designates the relevant portions of its files,
24 including information submitted by you, as the record for purposes of proving a prima facie case.

25 March 17, 2016

26 Date

25 Sarah Wheeler for

26 Leah K. Feldon, Manager

27 Office of Compliance and Enforcement

EXHIBIT NO. 1

FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

VIOLATION 1: Allowing a person other than a licensed asbestos abatement contractor to perform an asbestos abatement project on a facility Respondent owns or operates in violation of ORS 468A.715(1) and OAR 340-248-0110(2).

CLASSIFICATION: This is a Class I violation pursuant to OAR 340-012-0054(1)(p).

MAGNITUDE: The magnitude of the violation is minor pursuant to OAR 340-012-0135(1)(h)(C), because the violation involved approximately 30 square feet of asbestos-containing material (ACM).

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:
$$BP + [(0.1 \times BP) \times (P + H + O + M + C)] + EB$$

"BP" is the base penalty, which is \$2,000 for a Class I, minor magnitude violation in the matrix listed in OAR 340-012-0140(3)(b)(A)(iii) and applicable pursuant to OAR 340-012-0140(3)(a)(B).

"P" is whether Respondent has any prior significant actions, as defined in OAR 340-012-0030(19), in the same media as the violation at issue that occurred at a facility owned or operated by the same Respondent, and receives a value of 0 according to OAR 340-012-0145(2)(a)(A), because there are no prior significant actions.

"H" is Respondent's history of correcting prior significant actions and receives a value of 0 according to OAR 340-012-0145(3)(c), because there is no prior history.

"O" is whether or not the violation was repeated or ongoing and receives a value 0 according to OAR 340-012-0145(4)(a), because there was one occurrence of the violation. The unlicensed asbestos abatement project occurred on December 18, 2015.

"M" is the mental state of the Respondent and receives a value of 4 according to OAR 340-012-0145(5)(c), because Respondent's conduct was negligent. Respondent is a real estate developer who purchases and renovates homes for resale and is licensed by the Oregon Construction Contractors Board as a general contractor. Based on these circumstances, Respondent reasonably should have known that older homes can contain asbestos and that it is required to hire a DEQ-licensed abatement contractor to remove any friable asbestos-containing materials or non-friable asbestos-containing material that would be rendered friable by removal methods prior to conducting renovation activities. When Respondent allowed workers to disturb and remove asbestos-containing material in a manner that

rendered it friable during the renovation project, Respondent failed to take reasonable care to avoid a foreseeable risk that it would violate asbestos requirements and potentially expose workers and the public to asbestos fibers.

"C" is Respondent's efforts to correct or mitigate the violation and receives a value of -3 according to OAR 340-012-0145(6)(c), because Respondent made reasonable efforts to minimize the effects of the violation. Respondent hired a licensed asbestos abatement contractor to abate the remaining asbestos-containing siding.

"EB" is the approximate economic benefit that an entity gained by not complying with the law. It is designed to "level the playing field" by taking away any economic advantage the entity gained and to deter potential violators from deciding it is cheaper to violate and pay the penalty than to pay the costs of compliance. In this case, "EB" receives a value of \$0 because DEQ has insufficient evidence on which to base a finding that Respondent received an economic benefit from the violation.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= \text{BP} + [(0.1 \times \text{BP}) \times (\text{P} + \text{H} + \text{O} + \text{M} + \text{C})] + \text{EB} \\ &= \$2,000 + [(0.1 \times \$2,000) \times (0 + 0 + 0 + 4 + (-3))] + \$0 \\ &= \$2,000 + [(\$200) \times (1)] + \$0 \\ &= \$2,000 + \$200 + \$0 \\ &= \$2,200 \end{aligned}$$