



## Alerts

### USEPA Hits Home Builder With \$1 Million Penalty for Permitting and Storm Water Runoff Violations

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*Hinshaw Alert*

On April 20, 2010, the United States Environmental Protection Agency (EPA) announced that Hovnanian Enterprises, a nationwide homebuilder, consented to pay \$1 million in civil penalties for alleged regulatory violations relating to permits and the control of storm water runoff at its construction sites. The action was initially triggered by the EPA's scrutiny of permit-related documentation submitted by the company. Hovnanian was accused of permit violations, including a failure to obtain approval for certain permits prior to the commencement of construction, and of failing to utilize Best Management Practices (BMPs) to minimize discharge of silt and debris in storm water runoff. The federal government will share part of the \$1 million in civil penalties with the District of Columbia and the states of Maryland, Virginia and West Virginia, all of which joined in the settlement. In addition to paying \$1 million in penalties, Hovnanian must also upgrade its pollution prevention plans for 591 sites and comply with heightened training, inspection and reporting requirements, including a requirement that it conduct and document a pre-construction inspection and review at every site prior to commencing construction activity. The company must also designate a national storm water compliance manager, and implement a new management and internal reporting system.

The EPA's settlement with Hovnanian is an example of the Agency's initiative designed to target and crack down on construction companies across the nation, which has yielded similar consent decrees with a number of national and regional home building companies. In the wake of the EPA's current campaign, those involved in construction are urged to be vigilant in matters of regulatory compliance, and to remember that as of February 2010, the first in a series of sweeping changes affecting construction sites took affect. Those changes include new storm water runoff protocols and soil stabilization requirements.

For more information, please contact [Charles F. Helsten](#) or your regular [Hinshaw attorney](#).

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#### Service Areas

Environmental