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**FOR IMMEDIATE RELEASE**

April 20, 2010

## **Residential Homebuilder Settles Clean Water Act Violations in 18 States and D.C.**

### *Settlement affects 161 construction sites in Chesapeake Bay watershed*

**WASHINGTON** — Hovnanian Enterprises, Inc., a builder of residential homes nationwide, has agreed today to pay a \$1 million civil penalty to resolve alleged Clean Water Act violations at 591 construction sites in 18 states and the District of Columbia, the U.S. Environmental Protection Agency (EPA) and the U.S. Justice Department announced today. As part of the settlement, the company will also implement a company-wide stormwater compliance program designed to improve compliance with storm water run-off requirements at existing and future construction sites around the country.

"This case is a result of EPA's effort to protect local waters by vigorously enforcing the nation's environmental laws," said Cynthia Giles, assistant administrator of EPA's Office of Enforcement and Compliance and Assurance. "Without appropriate onsite pollution controls, sediment-laden runoff from construction sites can pollute local waterways. This enforcement agreement will mean cleaner water for hundreds of communities across the country."

"Restoring and preserving the Chesapeake Bay is one of EPA's top priorities, and preventing polluted stormwater from entering the bay watershed is vital to keeping it healthy," said Peter S. Silva, assistant administrator for EPA's Office of Water. "This enforcement action will help protect the bay by addressing stormwater pollution at the source."

"This settlement will bring positive change to construction sites in 18 states and the District of Columbia, said Ignacia S. Moreno, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. "Harmful storm water run-off from construction sites is something that is easily prevented. The construction industry needs to implement required controls or face the possibility of a federal lawsuit."

A portion of the settlement helps EPA efforts to protect the Chesapeake Bay, North America's largest and most biologically diverse estuary. The bay and its tidal tributaries are threatened by pollution from a variety of sources, and overburdened with nitrogen, phosphorus and sediment that can be carried by storm water. A total of 161 Hovnanian

construction sites in the District of Columbia, Maryland, Virginia and West Virginia fall within the bay watershed and are covered by this settlement.

The U.S. government complaint, filed simultaneously with the settlement agreement in federal court in Philadelphia, alleges a pattern of violations that was discovered by reviewing documentation submitted by the company, and through federal and state site inspections. The alleged violations include failure to obtain permits until after construction had begun, or failing to obtain them at all. At sites with permits, violations included failure to prevent or minimize the discharge of pollutants such as silt and debris in storm water runoff.

The settlement requires Hovnanian to develop improved pollution prevention plans for each construction site, conduct additional site inspections and promptly correct any problems detected. The company must properly train construction managers and contractors, and will be required to designate trained staff for each site. Hovnanian must also implement a management and internal reporting system to improve oversight of on-the-ground operations and submit annual reports to EPA.

The Clean Water Act requires that construction sites have controls in place to prevent pollution from being discharged with storm water into nearby waterways. These controls include simple pollution prevention techniques such as silt fences, phased site grading, and sediment basins to prevent common construction contaminants from entering the nation's waterways.

Improving compliance at construction sites is one of EPA's national enforcement initiatives. Construction projects have a high potential for environmental harm because they disturb large areas of land and significantly increase the potential for erosion. Without onsite pollution controls, sediment-laden runoff from construction sites can flow directly to the nearest waterway and degrade water quality. In addition, storm water can pick up other pollutants, including concrete washout, paint, used oil, pesticides, solvents and other debris. Polluted runoff can harm or kill fish and wildlife, degrade aquatic habitat, and affect drinking water quality.

This settlement is the latest in a series of enforcement actions to address storm water violations from construction sites around the country. Similar consent decrees have been reached with multiple national and regional home building companies.

Along with the federal government, the District of Columbia, the states of Maryland and West Virginia and the Commonwealth of Virginia have joined the settlement. The District and each of the states will receive a portion of the \$1 million penalty.

The consent decree, lodged in the U.S. District Court for the Eastern District of Pennsylvania, is subject to a 30-day public comment period and approval by the federal court.

More information on the settlement:

<http://www.epa.gov/compliance/resources/cases/civil/cwa/hovnanian.html>

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