



6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

[EPA-HQ-OECA-2017-0206; FRL-9964-67-OECA]

Clean Water Act Class II: Proposed Administrative Settlement, Penalty Assessment and Opportunity to Comment Regarding JPMorgan Chase Bank, N.A.

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency (EPA) has entered into a Consent Agreement with JPMorgan Chase Bank, N.A. (JPMC or Respondent) to resolve violations of the Clean Water Act (CWA), the Clean Air Act (CAA), the Resource Conservation and Recovery Act (RCRA) and the Emergency Planning and Community Right-to-Know Act (EPCRA) and their implementing regulations.

The Administrator is hereby providing public notice of this Consent Agreement and proposed Final Order (CAFO), and providing an opportunity for interested persons to comment on the CAFO. Upon closure of the public comment period, the CAFO and any public comments will be forwarded to the Agency's Environmental Appeals Board (EAB).

DATES: Comments are due on or before ***[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]***.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-HQ-OECA-2017-0206, to the *Federal eRulemaking Portal*: <https://www.regulations.gov>. Follow the online instructions for submitting comments. Once submitted, comments cannot be edited or withdrawn. The EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or

other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (i.e. on the web, cloud, or other file sharing system). For additional submission methods, the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit <https://www2.epa.gov/dockets/commenting-epa-dockets>.

FOR FURTHER INFORMATION CONTACT: Philip Milton, Waste and Chemical Enforcement Division (2249-A), U.S. Environmental Protection Agency, 1200 Pennsylvania Avenue, NW, Washington, D.C. 20460; telephone: (202) 564-5029; fax: (202) 564-0010; e-mail: milton.philip@epa.gov.

SUPPLEMENTARY INFORMATION

Background

This proposed settlement agreement is the result of voluntary disclosures of CWA, CAA, RCRA and EPCRA violations by JPMC to the EPA. JPMC and affiliated entities comprise one of the largest financial services firms in the United States, offering investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management, both domestically and internationally. JPMorgan Chase Bank, N.A. is a national banking association with its main office located at 1111 Polaris Parkway, Columbus, Ohio 43240.

On August 6, 2014, EPA accepted JPMC's June 19, 2014 proposal to enter into an audit agreement to audit 133 facilities owned and/or operated by JPMC or affiliated entities for

compliance with the CAA, CWA, EPCRA, and RCRA under EPA's *Incentives for Self-Policing: Discovery, Disclosure, Correction and Prevention of Violations* (Audit Policy), 65 FR 19618 (April 11, 2000). On December 19, 2014, JPMC provided its final report.

In follow-up to its 2014 Audit and JPMC's commitment to prevent recurrence of noncompliance in the future, JPMC developed and implemented a compliance management system (CMS) that includes annual auditing. JPMC approached the design of this annual audit program with the same integrity and objectivity as used in the original 2014 Audit program. With the benefit of this expertise, JPMC conducted annual internal audits in 2015 (at 42 sites) and 2016 (at 39 sites) and disclosed additional potential noncompliance discovered through its 2015 and 2016 internal audits on November 20, 2015 and December 2, 2016, respectively.

All violations discovered and disclosed by the Respondent are listed in Attachments A and B to the CAFO.

Proposed Settlement

The EPA determined that Respondent satisfactorily completed its audit and has met all conditions set forth in the Audit Policy for the violations identified in Attachment A of the CAFO. Therefore, 100 percent of the gravity-based penalty calculated for the violations identified in Attachment A of the CAFO is being waived.

Attachment B of the CAFO identifies certain violations that did not meet all the conditions of the Audit Policy. For these violations, a gravity-based penalty of \$52,977 is assessed.

For all violations listed in Attachments A and B, EPA calculated an economic benefit of noncompliance of \$177,415. This number was calculated using specific cost information provided by Respondent and use of the Economic Benefit (BEN) computer model.

JPMC has agreed to pay a total civil penalty of \$230,392 for all the violations identified in

Attachments A and B of the CAFO. Of this amount, \$177,415 is the economic benefit of noncompliance and \$52,977 is the gravity-based penalty for the violations listed in Attachment B of the CAFO.

Of this total amount, \$16,731 is attributable to the CAA violations, \$88,538 is attributable to the CWA SPCC violations, \$27,649 is attributable to the RCRA violations, and \$97,474 is attributable to the EPCRA violations.

The EPA and Respondent negotiated the Consent Agreement in accordance with the Consolidated Rules of Practice, 40 CFR Part 22, specifically 40 CFR 22.13(b) and 22.18(b) (*In re: JPMorgan Chase Bank, N.A.*; enforcement settlement identifier numbers CAA-HQ-2017-6001, CWA-HQ-2017-6001; EPCRA-HQ-2017-6001; and RCRA-HQ-2017-6001). This Consent Agreement is subject to public notice and comment under Section 311(b)(6)(C) of the CWA, 33 U.S.C. 1321(b)(6)(C). The procedures by which the public may comment on a proposed CWA Class II penalty order, or participate in a Class II penalty proceeding, are set forth in 40 CFR 22.45. The deadline for submitting public comment on this proposed Final Order is [***INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER***]. All comments will be transferred to the EAB for consideration. The EAB's powers and duties are outlined in 40 CFR 22.4(a).

Disclosed and Corrected Violations

CWA

Respondent disclosed that it failed to prepare and/or implement a Spill Prevention, Control, and Countermeasure (SPCC) Plan in violation of CWA Section 311(j), 33 U.S.C. 1321(j), and the implementing regulations found at 40 CFR Part 112, at the following forty-four (44) facilities located in Arizona, California, Delaware, Florida, Indiana, Kentucky, Louisiana, Massachusetts,

Michigan, New Hampshire, New Jersey, New York, Ohio, and Texas, identified in Attachments A and B of the CAFO.

Facility	Street	City	State
Sky Harbor Operations Center	1820 E Sky Harbor Circle S	Phoenix	Arizona
560 Mission Street	560 Mission Street	San Francisco	California
Iron Hill-Cole House Bldg.	4041 Ogletown Road	Newark	Delaware
880 Powder Mill Rd	880 Powder Mill Rd	Wilmington	Delaware
Four Christina Center	300 King Street	Wilmington	Delaware
7255 Baymeadows Way	7255 Baymeadows Way	Jacksonville	Florida
7301 Baymeadows Way	7301 Baymeadows Way	Jacksonville	Florida
H01 - H03 Highland Manor Drive	10410-30 Highland Manor Drive	Tampa	Florida
4200 W Cypress Street	4200 W. Cypress Street, Suite 350	Tampa	Florida
HO1-10430 Highland Manor	10430 Highland Manor Drive	Tampa	Florida
Indianapolis West Operation Center	7610 West Washington Street	Indianapolis	Indiana
IRS Louisville Operations	5101 Interchange Way	Louisville	Kentucky
Vault Complex	1245 Edwards Road	Harahan	Louisiana
Delta Drive Complex	780 Kansas Lane 780 Delta Drive 700 Kansas Lane	Monroe	Louisiana
Zachary Command Center	4431-B Highway 19	Zachary	Louisiana
451 D Street	70 Fargo Street	Boston	Massachusetts
Belleville Technology Center	9000 Haggerty Road	Belleville	Michigan
1 Northeastern Blvd 4 Northeastern Blvd 5 Northeastern Blvd	1 Northeastern Blvd 4 Northeastern Blvd 5 Northeastern Blvd	Salem	New Hampshire
Carlstadt Data Center	600 Commerce Boulevard	Carlstadt	New Jersey
NOC 5 - 575 Washington	575 Washington Boulevard	Jersey City	New Jersey
Weehawken Data Center	300 Boulevard East	Weehawken	New Jersey
Flatbush Ave	883 Flatbush Avenue	Brooklyn	New York
WM5469 Dekalb	9 DeKalb Ave	Brooklyn	New York
New Rochelle Main St	491 Main Street	New Rochelle	New York
SoHo	525 Broadway	New York	New York
383 Madison Avenue (BSC)	383 Madison Avenue	New York	New York
WM5477 East Village	130 Second Ave	New York	New York
270 Park Avenue	270 Park Avenue	New York	New York
1000 Polaris	1000 Polaris Parkway	Columbus	Ohio
Polaris McCoy Center	1111 Polaris Parkway	Columbus	Ohio
3415 Vision Drive	3415 Vision Drive	Columbus	Ohio
340 McCoy Building	340 South Cleveland Avenue	Westerville	Ohio
370 McCoy Building	370 South Cleveland Avenue	Westerville	Ohio
380 McCoy Building	380 South Cleveland Avenue	Westerville	Ohio

Facility	Street	City	State
Arlington Call Center	4501 New York Avenue	Arlington	Texas
WM7097 Dallas EDC 1	2500 Marsh Lane	Carrollton	Texas
Freeport IV	1111 North Point Drive	Coppell	Texas
Freeport TX	625 Freeport Parkway	Coppell	Texas
JPMIP One	14201 North Dallas Parkway	Farmers Branch	Texas
1111 Fannin	1111 Fannin	Houston	Texas
WM7266 Royal Ridge Operations Center RROC	3929 W John Carpenter Freeway	Irving	Texas
Lake Vista III (BSC)	2780 Lake Vista Drive	Lewisville	Texas
Lake Vista 7 – Lewisville	2777 Lake Vista Drive	Lewisville	Texas
WM2200 Stone Oak Bldg C	20855 Stone Oak Parkway	San Antonio	Texas

Under CWA Section 311(b)(6)(A), 33 U.S.C. 1321(b)(6)(A), any owner, operator, or person in charge of a vessel, onshore facility, or offshore facility from which oil is discharged in violation of CWA Section 311(b)(3), 33 U.S.C. 1321(b)(3), or who fails or refuses to comply with any regulations that have been issued under CWA Section 311(j), 33 U.S.C. 1321(j), may be assessed an administrative civil penalty of up to \$226,338 by the EPA. Class II proceedings under CWA Section 311(b)(6), 33 U.S.C. 1321(b)(6), are conducted in accordance with 40 CFR Part 22. As authorized by CWA Section 311(b)(6), 33 U.S.C. 1321(b)(6), the EPA has assessed a civil penalty for these violations.

Pursuant to CWA Section 311(b)(6)(C), 33 U.S.C. 1321(b)(6)(C), the EPA will not issue an order in this proceeding prior to the close of the public comment period.

EPCRA

Respondent disclosed that it violated EPCRA Section 311(a), 42 U.S.C. 11021(a), and the implementing regulations found at 40 CFR Part 370, at seventy-four (74) facilities listed in Attachments A and B of the CAFO when it failed to submit a Material Safety Data Sheet (MSDS) for a hazardous chemical(s) and/or extremely hazardous substance(s) or, in the alternative, a list of such chemicals, to the LEPCs, SERCs, and the fire departments with jurisdiction over these facilities. These seventy-four (74) facilities are located in the following

states: Arizona, California, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Missouri, New Hampshire, New Jersey, New York, Ohio, and Texas.

Respondent disclosed that it violated EPCRA Section 312(a), 42 U.S.C. 11022(a), and the implementing regulations found at 40 CFR Part 370, at seventy-three (73) facilities listed in Attachments A and B of the CAFO when it failed to prepare and submit emergency and chemical inventory forms to the LEPCs, SERCs, and the fire departments with jurisdiction over these facilities. These seventy-one facilities are located in the following states: Arizona, California, Delaware, Florida, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Missouri, New Hampshire, New Jersey, New York, Ohio, and Texas.

Under EPCRA Section 325, 42 U.S.C. 11045, the Administrator may issue an administrative order assessing a civil penalty against any person who has violated applicable emergency planning or right-to-know requirements, or any other requirement of EPCRA. Proceedings under EPCRA Section 325, 42 U.S.C. 11045, are conducted in accordance with 40 CFR Part 22. The EPA, as authorized by EPCRA Section 325, 42 U.S.C. 11045, has assessed a civil penalty for these violations.

CAA

ODS Requirements

Respondent disclosed that it violated CAA Sections 608(a)(1) and (2), 42 U.S.C. 7671g (a)(1) and (2), and the implementing regulations found 40 CFR Part 82, at thirty-four (34) facilities listed in Attachments A and B of the CAFO when it failed to maintain records required by 40 CFR 82.166 for its appliances. These thirty-four (34) facilities are located in the following states: Arizona, California, Illinois, Louisiana, Michigan, Missouri, New York, Ohio, Oklahoma, Oregon, Texas, and Wisconsin.

CAA NSPS Subpart III

Respondent disclosed that it failed to comply with CAA Section 111, 42 U.S.C. 7411, and 40 CFR Part 60, Subpart III when it failed to maintain a 12-month rolling total log of the hours of operation for four (4) compression ignition internal combustion engines (emergency generators) at one (1) facility in Michigan.

Under CAA Section 113(d), 42 U.S.C. 7413(d), the Administrator may issue an administrative penalty order to any person who has violated or is in violation of any applicable requirement or prohibition of the CAA, including any rule, order, waiver, permit, or plan. Proceedings under CAA Section 113(d), 42 U.S.C. 7413(d), are conducted in accordance with 40 CFR Part 22. The EPA, as authorized by the CAA, has assessed a civil penalty for these violations.

RCRA

Respondent disclosed that it failed to comply with RCRA Section 3002 of RCRA, 42 U.S.C. 6922, and the regulations found at 40 CFR Part 273, at seventy-eight (78) facilities listed in Attachments A and B of the CAFO when it failed to maintain proper universal waste disposal and handling by failing to properly store, label, or inventory spent fluorescent lamps and tubes, used lead-acid batteries, and by failing to train employees in proper identification. These seventy-eight (78) facilities are located in the following states: Arizona, California, Colorado, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Michigan, New Hampshire, New Jersey, New York, Ohio, Oklahoma, Texas, Washington, and Wisconsin.

Under RCRA Section 3008, 42 U.S.C. 6928, the Administrator may issue an order assessing a civil penalty for any past or current violation the RCRA. Proceedings under RCRA Section 3008, 42 U.S.C. 6928, are conducted in accordance with 40 CFR Part 22. The EPA, as authorized by the RCRA, has assessed a civil penalty for these violations.

List of Subjects

Environmental protection.

Dated: June 29, 2017.

Susan Shinkman, Director
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance

[FR Doc. 2017-15376 Filed: 7/20/2017 8:45 am; Publication Date: 7/21/2017]