

## **CASE STUDIES**

### **Groome and United States v. Jefferson Parrish, (E.D. La.) – Persons with Disabilities**

In June 1999, the United States District Court for the Eastern District of Louisiana held that Jefferson Parish violated the Fair Housing Act when it refused to permit the operation of a group residence for five adults with Alzheimer's disease. The Parish zoning ordinance required the group home provider to seek an accommodation to house five persons instead of the permitted four. The court held that the Parish broke the law when it failed to act on the request because of opposition from neighborhood residents and a member of the Parish Board.

The Parish appealed the decision to the Court of Appeals for the Fifth Circuit, arguing that the Fair Housing Act protections for persons with disabilities are unconstitutional. The Civil Rights Division intervened and filed a brief arguing that Congress had power to pass the legislation under both the Commerce Clause and the Fourteenth Amendment to the Constitution. The United States also filed an amicus brief in the district court. On November 20, 2000, a unanimous three-judge panel joined three other Courts of Appeal holding that the Commerce Clause authorizes Congress to regulate the housing market.

### **United States v. Bouchon (E.D. La.) – Race and Color**

On August 29, 2011, the United States filed a complaint and consent decree in *United States v. Bouchon* (E.D. La.), a pattern or practice case alleging that the owners and operators of a 16 unit apartment complex in New Orleans, Louisiana denied housing to African American prospective renters on the basis of race and color. The allegations were based on fair-housing testing conducted by the Greater New Orleans Fair Housing Action Center (GNOFHAC). The lawsuit alleges that the building manager, Betty Bouchon, failed to return phone calls from African-American testers while returning phone calls from white testers, made statements to white testers indicating that she would not rent to African-Americans, and falsely told an African-American tester that an apartment was not available for rent when in fact it was available. The consent decree requires the defendants to pay **\$50,000** to GNOFHAC and a total of **\$20,000** in civil penalties to the United State. The defendants must also adopt non-discriminatory policies and procedures and comply with specified reporting and recordkeeping requirements. The court entered the consent decree on September 2, 2011.

## **United States v. Champagne (E.D. La.) – Race**

On March 16, 2001, the United States filed a complaint alleging that the defendants made statements to a tenant indicating a preference or discrimination because of race in violation of the Fair Housing Act. This election case was referred by HUD after the complainant elected to proceed in federal court. The evidence showed that the defendant landlords harassed and ultimately evicted the complainant, who is white, from her apartment because African American friends assisted her in her move into the unit. The victim received **\$8,000** as part of the consent order, which also included injunctive relief and a note of apology from the defendants.

### **United States v. Collier (W.D. La.) – Race**

On September 28, 2010, the court entered judgment in favor of the United States in *United States v. Collier, et al.* (W.D. La.). After a two day trial, the court found that Collier implemented "a scheme or device to exclude blacks" from Camp Joy Marina and engaged in a pattern or practice of discrimination. The court credited the testimony of one government witness who operated the marina restaurant and bar, and who testified that Collier threatened to cancel his lease if he allowed African-Americans on the property. The court also found that when a couple living at the marina tried to sell their home, Collier caused the sale to fall apart and then repossessed the house because he was afraid they would sell it to an African-American. The lawsuit, which resulted from an investigation conducted by the Department of Housing and Urban Development (HUD), alleged that Collier engaged in a pattern or practice of discrimination by excluding African-Americans from the Camp Joy Marina, located outside Shreveport, and by interfering with the sale of a home based on the perceived race of the buyer. The court ordered Collier to pay a **\$25,000** civil penalty to the United States, and to pay more than \$25,000 to compensate the victims of the discrimination.

### **United States v. Pecan Terrace (W.D. La.) – Familial Status**

On September 30, 2008, the United States filed a complaint and a consent decree in *United States v. Pecan Terrace* (W.D. La.). The court entered the consent decree on October 8th. The complaint alleged that the owner and manager of a Pecan Terrace Apartments in Lafayette, Louisiana discriminated against families with children in violation of the Fair Housing Act. Specifically, the defendants had and exercised a policy of refusing to rent second floor units to families with children and discouraging families with children from renting at the complex. Under the agreement the defendants will pay up to **\$115,000** to compensate victims of discrimination at Pecan Terrace Apartments, as well as pay **\$30,000** in civil penalties to the United States. The settlement also calls for numerous corrective measures, including training on the requirements of federal housing law, a nondiscrimination policy, record keeping and monitoring. Evidence for this case was developed through the Housing Section's testing program.

### **United States v. Apartment and Home Hunters, Inc. (E.D. La.) –Race and/or Familial Status**

In this case, the United States claimed that a housing referral agency in New Orleans, Louisiana, had honored the requests of several housing complexes to screen out prospective tenants based on their race and/or familial status. The matter settled before

trial and the consent decree provided for mandatory training, self-testing, advertising targeting the minority community, and a ban on the use of an occupancy standard more restrictive than two persons per bedroom. In addition, the defendants agreed to pay a total of **\$180,000** in damages, including a **\$50,000** victim compensation fund, a **\$10,000** civil penalty, **\$30,000** to a victim, and **\$90,000** to the Greater New Orleans Fair Housing Action Center.

## OUT-OF-STATE

### **United States v. Sawicki, et al. (D. Mass.) – Lead-based Paint**

In this HUD election case, filed on January 18, 2001, we alleged in our complaint that the defendants discriminated on the basis of familial status by refusing to rent or show apartments containing lead-based paint to families with young children. The complainant who called to inquire about an apartment she had seen advertised. When the defendant heard the complainant young daughter in the background, she said the apartment could not be rented because it was not de-lead. State law requires the owners of dwellings containing lead-based paint to de-lead any property in which a child under the age of six lives, and specifically prohibits familial status discrimination on this basis. Nonetheless, the defendants, who were property owners as well as rental agents, consistently told testers that lead-containing apartments could not be rented to families with young children. They also offered unadvertised but available apartments to testers who did not have children, but failed to mention these apartments to testers with young children. In addition to injunctive relief, the consent order, entered on April 4, 2001, requires the defendants to pay **\$9,000** to the complainant

### **United States v. Acme Investments, Inc., et al. (E.D. Mich.) – Race**

On July 7, 2010, the court entered a consent decree resolving all claims in *United States v. Acme Investments, Inc., et al.* (E.D. Mich.). The complaint, filed by the United States and the U.S. Attorney's Office for the Eastern District of Michigan on March 3, 2010, alleged a pattern or practice of racial discrimination in violation of the Fair Housing Act by the owner and property manager, Laurie Courtney of Ivanhoe House Apartments located in Ann Arbor, Michigan. The complaint alleged discrimination against African Americans in the rental and inspection of apartments. The case was developed through testing conducted by the Fair Housing Center of Southeastern Michigan, which filed suit on July 16, 2009, alleging the same violations. The cases were later consolidated by the court. Under the settlement, the defendants will pay **\$35,000** in damages to three victims who the United States contends were discriminated against because of their race at Ivanhoe House Apartments; pay **\$7,500** in a civil penalty to the United States; and pay **\$40,000** to the Fair Housing Center of Southeastern Michigan as damages for the non-profit's efforts in testing and investigating the apartment complex. The settlement also requires the defendants and their employees to undergo fair housing training, conduct self-testing of the apartment complex, and provide periodic reports to the Justice Department and the Fair Housing Center of Southeastern Michigan. This case was handled jointly by the United States

and the U.S. Attorney's Office for the Eastern District of Michigan. The consent decree will remain in effect for three years.

### **United States v. Midtown Development, LLC (S.D. Miss.) – Reasonable Accommodation and Retaliation**

On July 10, 2008, the court entered a consent decree in *United States v. Midtown Development, LLC* (S.D. Miss.). The complaint, filed on June 20, 2007, by the U.S. Attorney's Office alleged that the defendants, the owner and property manager of an apartment complex in Biloxi, Mississippi, violated sections 3604(f)(2), 3604(f)(3)(B) and section 3617 of the Fair Housing Act by failing to provide complainant an assigned accessible parking space and by taking steps to evict him in retaliation for his reasonable accommodation requests. Before the eviction process was complete, Hurricane Katrina decimated the property. The consent decree requires the defendants to pay the complainant **\$2,000**, to undergo fair housing training and to adopt a reasonable accommodation policy and comply with various reporting requirements if they go back into the residential property rental business. The case was referred to the Division after the Department of Housing and Urban Development (HUD) received a complaint, conducted an investigation and issued a charge of discrimination.

## **United States v. MEM Property Management Corp., et al. (D. N.J.)**

On May 16, 2005, the court entered the consent order resolving *United States v. MEM Property Management Corp. et al.* (D. N.J.). The Defendants in this case are a condominium association, its president, its retained management firm, and the management firm employee responsible for the complex. The complaint alleged that the defendants refused to allow the complainant to install a clothes washer and dryer in her condominium, and thereby denied her a reasonable accommodation, in violation of 42 U.S.C. § 3604(f)(3)(B). The complainant alleged that she needed these appliances because of her disabilities, including carpal tunnel syndrome and asthma, which made it impossible for her to carry loads of laundry to the common laundry room located on the ground floor. The consent decree requires the defendants to: allow the complainant to install the requested appliances; pay her **\$2,000** in compensatory damages; adopt a nondiscrimination policy, and conduct training for employees and members of the board of the condominium association. The consent order will remain in effect for three years.