

UNITED STATES OF AMERICA
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF ADMINISTRATIVE LAW JUDGES

Secretary, United States Department of
Housing and Urban Development, on behalf of
Complainants [REDACTED]
[REDACTED] and two minor
children,

Charging Party,

v.

Lawrence Properties, Inc., Michael Lawrence,
William Bounds, Lawrence at Lakewood, LLC

Respondents.

ALJ No. _____

FHEO No. 04-08-0355-8

CHARGE OF DISCRIMINATION

I. JURISDICTION

On December 17, 2007, Complainant [REDACTED] filed a verified complaint with the United States Department of Housing and Urban Development ("HUD complaint") alleging that Respondents Lawrence Properties, Inc. ("Respondent Lawrence Properties"); Michael Lawrence ("Respondent Lawrence"); and William Bounds ("Respondent Bounds") violated the Fair Housing Act, 42 U.S.C. §§ 3601-19 ("the Act"). The HUD complaint was amended on April 20, 2009 to add Lawrence Properties, Inc. and Nina Davis as respondents and to add [REDACTED] as aggrieved parties. The HUD complaint was amended again on April 11, 2012, to add Lawrence at Lakewood, LLC as a respondent, to remove Nina Davis as a respondent, and to add [REDACTED] as an aggrieved party. The HUD complaint, as amended, alleges that Respondents refused to rent to Complainants, set different terms and conditions for rental, and made discriminatory statements based on race, color, and national origin, in violation of subsections 804(a), (b), and (c) of the Act.

The Act authorizes the Secretary of HUD to issue a Charge of Discrimination on behalf of aggrieved persons following an investigation and a determination that reasonable cause exists to believe that a discriminatory housing practice has occurred. 42 U.S.C. §§ 3610(g)(1) and (2). The Secretary has delegated that authority to the General Counsel (24 C.F.R. §§ 103.400 and 103.405), who has re-delegated the authority to the Assistant General Counsel for Fair Housing Enforcement. 76 Fed. Reg. 42462, 42465 (July 18, 2011).

The Region IV Director for the Office of Fair Housing and Equal Opportunity, on

behalf of the Assistant Secretary for Fair Housing and Equal Opportunity, has determined that reasonable cause exists to believe that a discriminatory housing practice has occurred in this case and has authorized and directed the issuance of this Charge of Discrimination. 42 U.S.C. § 3610(g)(2).

II. SUMMARY OF FINDINGS IN SUPPORT OF THIS CHARGE

Based on HUD's investigation of the allegations contained in the aforementioned HUD Complaint and Determination of Reasonable Cause, Respondents Lawrence Properties, Inc., Michael Lawrence, William Bounds, and Lawrence at Lakewood, LLC are hereby charged with violating the Act as follows:

A. Legal Authority

1. It is unlawful to refuse to rent after the making of a bona fide offer, or to refuse to negotiate for the rental of, or to otherwise make unavailable or deny, a dwelling to any person because of race, color and/or national origin. 42 U.S.C. § 3604(a); 24 C.F.R. § 100.60(a) and (b)(5).
2. It is unlawful to discriminate against any person in the terms, conditions, or privileges of rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color and/or national origin. 42 U.S.C. § 3604(b); 24 C.F.R. §§ 100.65(a), (b)(3) and (b)(4); 100.70(b) and (d)(3).
3. It is unlawful to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color and/or national origin, or an intention to make any such preference, limitation, or discrimination. 42 U.S.C. § 3604(c); 24 C.F.R. § 100.75(a), (c)(1) and (c)(2).

B. Parties and Subject Property

4. Complainants [REDACTED] and the two minor children of [REDACTED] are African-American/Black and are aggrieved persons as defined by subsection 802(i) of the Act, 42 U.S.C. § 3602(i).
5. Respondents Lawrence at Lakewood, LLC and Lawrence Properties, Inc. are located at 1065 Alabama St., Carrollton, Georgia. At all times relevant to the allegations described in this Charge, Respondent Lawrence at Lakewood, LLC, owned and Respondent Lawrence Properties, Inc. managed Heritage Point Mobile Home Park ("Heritage Point"), located at 1200 West Boulevard, Montgomery, Alabama.
6. At all times relevant to the allegations described in this charge, Complainant owned the mobile home located at Lot [REDACTED] at Heritage Point and Respondent Lawrence at Lakewood, LLC owned the lot on which it was located. The subject property, including both the mobile home and Lot [REDACTED], is a "dwelling" as defined by 42 U.S.C. § 3602(b) and 24 C.F.R.

§ 100.20.

7. At all times relevant to this Charge, Respondent Michael Lawrence, who is White, has been Chief Executive Officer of Respondents Lawrence at Lakewood, LLC, and Lawrence Properties, Inc.

8. At all times relevant to this Charge, Respondent William Bounds, who is White, has been District Manager for Respondent Lawrence Properties, Inc. His duties include the general management of four mobile home parks in Alabama, including Heritage Point.

C. Factual Allegations

9. On or about April 1, 2007, Complainant [REDACTED] purchased a mobile home that was located on lot [REDACTED] of Heritage Point. Complainant [REDACTED] intended to live in the mobile home with all other Complainants and the two minor children.

10. On or about April 3, 2007, Complainants [REDACTED] visited Heritage Point's rental office and completed a rental application. Present in the office were manager Nina Davis and two men, one of whom may have been Respondent Bounds. All three are White. Complainant [REDACTED] submitted the rental application, and Ms. Davis informed Complainants that they must pass a "background check" and would receive a response in one to two days. Respondents did not require Complainants to pay an application fee.

11. At some point after purchasing the mobile home, Complainant [REDACTED] and his brother [REDACTED] attempted to move some furniture into the home. Respondent Davis observed them and notified the Montgomery police department. A police officer arrived at the scene and told Complainant [REDACTED] and his brother that they were not allowed to move anything into the home without Respondents' permission. Complainant [REDACTED] and his brother then left the property without moving the furniture into the mobile home.

12. After submitting the rental application, Complainant [REDACTED] made several inquiries about the status of the application and "background check."

13. On or about April 7, 2007, Ms. Davis informed Complainant [REDACTED] that her application was incomplete and that Complainants would have to return to the office to complete additional paperwork.

14. On or about April 8, 2007, Complainant [REDACTED] and Complainant [REDACTED] returned to Heritage Point's rental office, where a male employee requested Complainant [REDACTED] driver's license and car tag numbers. Complainants provided the requested information.

15. At some point during the month of April, 2007, Respondent Bounds falsely informed Complainant [REDACTED] via telephone that Complainants' rental application was denied

due to "late payments."

16. At no time did Respondents process Complainants' application or submit it for any "background check."

17. Respondents required Complainants to move their mobile home out of Heritage Point by May 5, 2007. Complainants complied with this request and relocated their mobile home to another mobile home park in Montgomery. Lot [REDACTED] at Heritage Point remained vacant thereafter.

18. On or about November 27, 2007, Ms. Davis contacted Complainant [REDACTED] and informed her that Respondents never processed Complainants' application because they were African American. Respondent Bounds had previously told Ms. Davis that Respondent Lawrence "does not want any more Blacks moving into Heritage Point or Lakewood." Respondent Bounds had also previously informed Ms. Davis that Respondent Lawrence would not hire any Black employees to prevent the possibility that a Black employee would approve a prospective Black tenant's application to reside in a mobile home park.

19. At all times relevant to this Charge, Respondents employed a policy of excluding and/or limiting the admission of residents who were African American/Black at Heritage Point and other mobile home parks. Respondents' policy preferred Hispanic applicants and residents. Respondents' policy was verbally communicated to the employees who were responsible for managing the mobile home parks and selecting their residents.

20. At all times relevant to this Charge, Respondents often did not require Hispanic applicants to submit rental applications and did not perform background checks on them.

D. Legal Allegations

21. As described in paragraphs 9-20 above, Respondents violated subsection 804(a) of the Act when they denied Complainants' application to rent Lot [REDACTED] and forced Complainants to move their mobile home out of Heritage Point based on race, color and/or national origin. 42 U.S.C. § 3604(a); 24 C.F.R. § 100.60(a) and (b)(5).

22. As described in paragraphs 9-20 above, Respondents violated subsection 804(b) of the Act when they required Complainants to submit an application to rent and failed to process or consider that application, based on race, color and/or national origin. 42 U.S.C. § 3604(b); 24 C.F.R. §§ 100.65(a), (b)(3) and (b)(4); 100.70(b) and (d)(3).

23. As described in paragraphs 9-20 above, Respondents violated subsection 804(c) of the Act because of race, color and/or national origin by employing a verbal policy that excluded and/or limited the admission of African Americans/Blacks to Heritage Point and other mobile home parks. 42 U.S.C. § 3604(c); 24 C.F.R. § 100.75(a), (c)(1) and (c)(2).

24. As a result of Respondents' discriminatory conduct, Complainants suffered actual damages, including out-of-pocket losses, a lost housing opportunity and emotional distress.

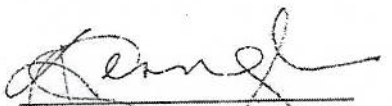
III. CONCLUSION

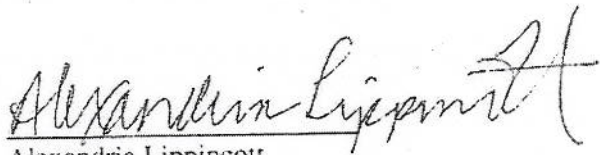
WHEREFORE, the Secretary of the United States Department of Housing and Urban Development, through the Office of the General Counsel, and pursuant to 42 U.S.C. § 3610(g)(2)(A) of the Act, hereby charges Respondents with engaging in discriminatory housing practices in violation of 42 U.S.C. § 3604 (a), (b), and (c), and requests that an Order be issued that:

1. Declares that the discriminatory housing practices of Respondents, as set forth above, violate the Fair Housing Act, as amended. 42 U.S.C. §§ 3601-19;
2. Enjoins Respondents, their agents, employees, and successors, and all other persons in active concert or participation with any of them, from discriminating because of race, color, or national origina against any person in any aspect of the sale or rental of a dwelling;
3. Awards such monetary damages as will fully compensate Complainants;
4. Assesses the full civil penalty of \$16,000 against each Respondents for his or its violation of the Act, pursuant to 42 U.S.C. § 3612(g)(3) and 24 C.F.R. § 180.671; and
5. Awards any additional relief as may be appropriate, pursuant to 42 U.S.C. § 3612(g)(3).

Respectfully submitted on this 23 day of July, 2012,

Jeanine Worden
Associate General Counsel
for Fair Housing


Kathleen M. Pennington
Assistant General Counsel
for Fair Housing Enforcement


Alexandria Lippincott
Trial Attorney

U.S. Department of Housing
and Urban Development
Office of General Counsel
Office of Fair Housing Enforcement
451 7th Street, S.W., Room 10270
Washington, D.C. 20410
Phone: (202) 402-5072
Fax: (202) 708-3389