

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

The Secretary, United States)
Department of Housing and Urban)
Development, on behalf of)
Kimberlie LeBlanc and Project Sentinel,)
)
Charging Party,)
)
v.)
)
Lester B. Workman Trust,)
Nancy C. Workman Trust,)
Terry Stultz and Toni Stultz,)
)
Respondents.)
)

FHEO No. 09-07-0927-8
FHEO No. 09-07-0953-8

CHARGE OF DISCRIMINATION

I. **JURISDICTION**

On May 2, 2007, Complainant Kimberlie LeBlanc (“Complainant LeBlanc”) filed a verified complaint with the United States Department of Housing and Urban Development (“HUD”), alleging that Respondents Lester B. Workman Trust, Nancy C. Workman Trust and Terry Last Name Unknown (“Terry LNU”) violated the Fair Housing Act as amended in 1988, 42 U.S.C. Section 3601 *et seq.* (the “Act”), by refusing to rent based upon familial status and discriminatory statements in violation of 42 U.S.C. §3604. On January 31, 2008, Complainant LeBlanc amended the complaint to identify Respondent Terry LNU as Respondent Terry Stultz, and to add Respondent Toni Stultz as a Respondent.

On May 7, 2007, Complainant Project Sentinel (“Complainant Project Sentinel” or “Project Sentinel”) filed a verified complaint with HUD, also alleging that Respondents Lester B. Workman Trust, Nancy C. Workman Trust and Terry LNU violated the Act by refusing to rent based upon familial status and discriminatory statements in violation of 42 U.S.C. §3604. On September 18, 2008, Complainant Project Sentinel amended the complaint to identify Respondent Terry LNU as Respondent Terry Stultz, and to add Respondent Toni Stultz as a Respondent.

Collectively, Respondents are Lester B. Workman Trust, Nancy C. Workman Trust, Terry Stultz and Toni Stultz (“Respondents”).

The Act authorizes the issuance of a charge of discrimination on behalf of an aggrieved person 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 to the General Counsel (54 Fed.Reg. 13121), who has redelegate to the Regional Counsel (67 Fed.Reg. 44234), the authority to issue such a charge, following a determination of reasonable cause by the Assistant Secretary for Fair Housing and Equal Opportunity or his or her designee.

The Office of Fair Housing and Equal Opportunity Region IX Director, on behalf of the Assistant Secretary for Fair Housing and Equal Opportunity, has determined that reasonable cause exists to believe that discriminatory housing practices have occurred in these cases based on familial status, and has authorized and directed the issuance of this Charge of Discrimination. HUD's efforts to conciliate the complaints were unsuccessful. *See* 42 U.S.C. § 3610(b).

II. SUMMARY OF ALLEGATIONS IN SUPPORT OF THIS CHARGE

Based on HUD's investigation of the allegations contained in the aforementioned HUD complaints and Determination of Reasonable Cause, Respondents Lester B. Workman Trust, Nancy C. Workman Trust, Terry Stultz and Toni Stultz are charged with discriminating against Complainants LeBlanc and Project Sentinel, aggrieved persons as defined by 42 U.S.C. §3602(i), based on familial status in violation of 42 U.S.C. §§3604(a) and (c) of the Act as follows:

1. It shall be unlawful to refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, familial status, or national origin. 42 U.S.C. §3604(a). *See also* 24 C.F.R. §100.60.
2. It shall be 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, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation or discrimination. 42 U.S.C. §3604(c). *See also* 24 C.F.R. §100.75.
3. At all times relevant to this Charge, Respondents Lester B. Workman Trust and Nancy C. Workman Trust were the owners of the property located at 770 Northrup Avenue, San Jose, California 95126 ("Subject Property"). At all times relevant to this Charge, Respondents Terry Stultz and Toni Stultz were the resident managers of the Subject Property.
4. The Subject Property, commonly known as Northrup Gardens, consists of twenty-two junior one-bedroom apartments that are approximately 500 square feet in size.

5. As of December 17, 2007, the Subject Property had twenty-one occupied units containing adult tenants. At that time, no children or families with children resided at the Subject Property.
6. No families with children have resided at the Subject Property since September 22, 2006. Between February 1, 2004 and September 22, 2006, five families with children resided at the Subject Property. Respondents last rented to two families, each with a seventeen-year-old child, on May 15, 2006 and September 22, 2006.
7. At all times relevant to this Charge, Kimberlie LeBlanc was a Complainant. Complainant LeBlanc is a single mother of a twelve-year-old son.
8. At all times relevant to this Charge, Project Sentinel was a Complainant. Complainant Project Sentinel is a non-profit organization that works to ensure fair housing by providing a variety of services directed toward education and enforcement. Complainant Project Sentinel is committed to the prevention and elimination of housing discrimination in the greater California Bay Area and Central Valley. Complainant Project Sentinel serves the people of the greater California Bay Area and Central Valley by offering fair housing education, counseling, referral services and enforcement/testing activities.
9. On or about May 7, 2006, Complainant LeBlanc saw an advertisement for the Subject Property in a local newspaper, *San Jose Mercury News*. The advertisement indicated the availability of one-bedroom apartments starting at \$775. In response to the advertisement, Complainant LeBlanc visited the Subject Property with her mother-in-law, Debbie Ciccotti, on May 8, 2006. Complainant LeBlanc met with Respondent Toni Stultz, who indicated that a unit was available and proceeded to show Complainant LeBlanc an available unit.
10. During Complainant LeBlanc and Respondent Toni Stultz's May 8, 2006 conversation, Respondent Toni Stultz inquired as to who would be residing in the unit. Complainant LeBlanc indicated that she and her son would be residing there.
11. Upon hearing that Complainant LeBlanc's household included a child, Respondent Toni Stultz indicated that Respondents do not rent to families with children and that the Subject Property is not set up for children.
12. Shortly after viewing Respondents' vacant apartment, Complainant LeBlanc contacted Project Sentinel seeking their assistance as a victim of a discriminatory housing practice.
13. Based upon the information provided by Complainant LeBlanc, Project Sentinel began investigating her claims, as well as the rental practices of the Respondents. As part of their investigation, Complainant Project Sentinel developed a test designed to determine if the Respondents were discriminating against families with children in violation of the Act.

14. On June 6, 2006, a tester under contract with Complainant Project Sentinel contacted Respondents regarding the availability of units at the Subject Property. The tester visited the Subject Property and advised that she was interested in renting an apartment for herself and her daughter. Respondent Terry Stultz informed the tester that there were no one-bedroom units available and that no units would be available for one year. Respondent Terry Stultz also indicated that Respondents "weren't really set up for kids," and that the tester would have to "deal with the owners on that."
15. On June 8, 2006, another tester under contract with Complainant Project Sentinel contacted Respondents regarding the availability of units at the Subject Property. This tester visited the Subject Property and advised that she was interested in renting an apartment for herself and for her fiancé. Respondent Terry Stultz informed this tester that there were no one-bedroom units available and that no units would be available for one year.
16. On May 8, 2006, when Respondents informed Complainant LeBlanc of their policy to not rent to families with children and discouraged her from renting, Respondents made unavailable and/or denied a dwelling to families with children in violation of 42 U.S.C. §3604(a).
17. On May 8, 2006, when Respondents informed Complainant LeBlanc that the Subject Property was not set up for children and that Respondents do not rent to families with children, Respondents violated 42 U.S.C. §3604(c).
18. On June 6, 2006, when Respondents informed a tester with a child and under contract with Project Sentinel that Respondents "weren't really set up for kids," and that the tester would have to "deal with the owners on that," Respondents violated 42 U.S.C. §3604(a).
19. On June 6, 2006, when Respondents informed a tester with a child and under contract with Project Sentinel that Respondents "weren't really set up for kids," and that the tester would have to "deal with the owners on that," Respondents indicated a preference to not rent to families with children in violation of 42 U.S.C. §3604(c).
20. As a result of Respondents' discriminatory conduct, Complainant LeBlanc has suffered damages including, but not limited to loss of housing opportunities, emotional distress and substantial inconvenience.
21. As a result of Respondents' discriminatory conduct, Complainant Project Sentinel has suffered damages, including economic loss through diversion of its resources, and frustration of its mission to achieve equal housing opportunities. Complainant Project Sentinel incurred damages, including but not limited to filing costs, investigation costs, testing costs, and other miscellaneous costs as a direct result of the Respondents' discriminatory conduct.

22. The Respondents' discriminatory conduct denied rental-housing opportunities to families with children and deprived California citizens of living in non-segregated communities.

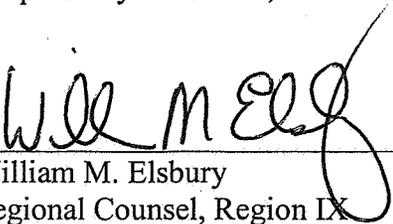
III. CONCLUSION

WHEREFORE, the Secretary of the U.S. 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 Section 3604(a) and (c) of the Act, and prays that an order be issued that:

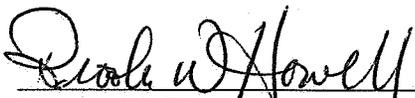
1. Declares that the discriminatory housing practices of the Respondents, as set forth above, violate the Fair Housing Act, as amended 42 U.S.C. § 3601 *et seq.*;
2. Enjoins Respondents, their agents, employees, and successors, and all other persons in active concert or participation with them from discriminating because of familial status against any person in any aspect of the rental of a dwelling;
3. Awards such damages as will fully compensate Complainant LeBlanc and Complainant Project Sentinel, including but not limited to actual damages, substantial inconvenience, emotional distress, embarrassment, humiliation and any and all other damages caused by Respondents' discriminatory conduct pursuant to 42 U.S.C. § 3604(a) and (c); and
4. Assesses a civil penalty against Respondents for each violation of the Act that the Respondents have committed pursuant to 42 U.S.C. § 3612(g)(3).

The Secretary of HUD further prays for additional relief as may be appropriate under 42 U.S.C. § 3612(g)(3).

Respectfully submitted,



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