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News Release

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Red Wing landlords charged with violating the Fair Housing Act

The United States has filed a lawsuit against a Red Wing company for violating the Fair Housing Act. The civil case, commenced late yesterday in U.S. District Court, alleges that Loki Properties, which owns a number of rental properties in Red Wing, and Robert Ryan, one of the company's business partners, violated the Act when they refused to rent a dwelling to someone based on race. The United States is seeking an injunction to prevent any future discriminatory practices by the company or Ryan.

In its suit, the U.S. alleges that in August of 2008, the prospective tenant was referred to Loki Properties by the Red Wing Housing and Redevelopment Authority ("RWHRA") but was denied housing because he is an African-American male. Initially, Ryan told the tenant that the property, located at 402 East 7th Street, was undergoing renovations and would not be ready until October of 2008. However, on September 1, 2008, one of the units was leased to a white female. Then, in October of 2008, when the prospective African-American, male tenant again contacted Ryan about renting a unit, he was allegedly told by Ryan that renting to him "would not work" or words to that effect. In addition, he was purportedly informed he could not rent an apartment because of his criminal background.

While Loki Properties stated that it routinely conducts background checks on rental applicants by searching online public court records, it reported that it does not do so for people referred by the RWHRA, since that agency performs that service. Nonetheless, the company seemed aware of the applicant's criminal background but failed to let him discuss it, which is contrary to the company's own policy of allowing applicants the opportunity to explain their backgrounds. Ryan and Loki Properties reported that they disqualified this particular applicant because his criminal background showed three felony complaints, all of which were dismissed, and a conviction for a misdemeanor disorderly conduct charge. In November of 2008, Loki Properties leased an apartment to a white man who had been convicted of four felonies. Allegedly, Ryan told the man that "everybody needs a second chance. We'll give you a second

chance.” Loki Properties rented the white applicant an apartment despite a policy of not renting to anyone with a felony on his or her record.

On January 16, 2009, the prospective tenant filed a complaint of discrimination with the U.S. Department of Housing and Urban Development (“HUD”), alleging housing discrimination on the basis of race and sex. HUD investigated the complaint and learned that Loki Properties had not rented an apartment to any African-American man. On May 11, 2010, HUD issued a charge of discrimination against the defendants, alleging they engaged in discriminatory housing practices based on race and sex, in violation of the Fair Housing Act.

The Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, familial status, national origin and disability. Civil Rights enforcement is a priority of the U.S. Justice Department (DOJ). Individuals who believe that they may have been victims of housing discrimination can call the Housing Discrimination Tip Line (1-800-896-7743), e-mail DOJ at fairhousing@usdoj.gov, or contact HUD at 1-800-669-9777.

Assistant U.S. Attorney Ana Voss represents the U.S. in this lawsuit.