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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,

Plaintiff,

-against-

LOVENTHAL SILVER RIVERDALE LLC,
GOODMAN MANAGEMENT COMPANY,
JESUS VELASCO,

Defendants.
----- X

Case No. 11 Civ. 6713 (BSJ)

ECF Case

Jury Trial Demanded

COMPLAINT

The United States of America alleges as follows:

NATURE OF THE ACTION

1. The United States brings this civil rights action for declaratory relief, injunctive relief, monetary damages and civil penalties under the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (the “Fair Housing Act”), 42 U.S.C. §§ 3601, *et seq.*, to redress discrimination on the basis of race and color.

2. As alleged more fully below, defendants Loventhal Silver Riverdale LLC (“Loventhal”) and Goodman Management Company (“Goodman Management”), the owner and

management company of a residential apartment complex located at 3800 Independence Avenue in the Bronx, New York (the “Apartment Complex”), and defendant Jesus Velasco (“Velasco,” and collectively with Loventhal and Goodman Management, “Defendants”), the superintendent of the Apartment Complex, have engaged in a pattern or practice of unlawfully discriminating against African-Americans based on their race and color by (a) failing to inform African-Americans about available apartments, or telling such persons that certain apartments are not available, while telling similarly situated Caucasian persons about the availability of such apartments; (b) failing to show African-Americans available apartments, or negotiate for the rental of such apartments, while at the same time showing similarly situated Caucasian persons available apartments, and negotiating for the rental of such apartments; (c) failing to give African-Americans rental applications, while providing similarly situated Caucasian persons with rental applications; (d) failing to provide the contact information for Goodman Management to African-Americans, while providing such information to similarly situated Caucasian persons; and (e) failing to quote the same discounted rent prices to African-Americans offered to similarly situated Caucasian persons.

3. The conduct of Defendants described above constitutes a pattern or practice of resistance to the full enjoyment of rights granted by the Fair Housing Act, 42 U.S.C. §§ 3601-3619; and a denial to a group of persons of rights granted by the Fair Housing Act, 42 U.S.C. §§ 3601-3619, which denial raises an issue of general public importance.

4. Defendants’ conduct violates the Fair Housing Act and should be declared unlawful and permanently enjoined, and appropriate money damages should be awarded.

5. The United States requests a trial by jury as to the issues of liability and compensatory and punitive damages.

JURISDICTION AND VENUE

6. This Court has jurisdiction over this action under 28 U.S.C. §§ 1331 and 1345 and 42 U.S.C. § 3614(a).

7. Venue is proper in this District because the claims alleged in this action arose in Bronx County, New York, in the Southern District of New York, and concern or otherwise relate to real property located in this District.

PARTIES

8. The plaintiff is the United States of America.

9. Upon information and belief, defendant Loventhal, located at 180 South Broadway, White Plains, New York 10605, is an owner of the Apartment Complex. Loventhal is incorporated under the laws of New York.

10. Upon information and belief, defendant Goodman Management, located at 2736 Independence Avenue, Suite A, Riverdale, New York 10465, is the management company for the Apartment Complex. Goodman Management is incorporated under the laws of New York.

11. Upon information and belief, defendant Velasco, located at 3800 Independence Avenue, Bronx, New York 10463, is the superintendent of the Apartment Complex.

FACTS

11. The Apartment Complex is a 72-unit residential apartment building located in the Bronx, New York. The rental units of the Apartment Complex are “dwellings” within the meaning of 42 U.S.C. § 3602(b).

12. On April 8, 2009, Velasco refused to give a rental application to an African-American tester unless and until the tester spoke to Goodman Management about an available

apartment. The Superintendant also refrained from contacting Goodman Management on behalf of the African-American tester regarding an available apartment.

13. On April 8, 2009, Velasco contacted Goodman Management on behalf of, and gave a rental application to, a Caucasian tester after informing him of an available apartment at the Apartment Complex.

14. On April 29, 2009, an African-American tester inquired about the availability of one-bedroom apartments at the Apartment Complex, and was informed by Velasco that there were no apartments available.

15. On April 29, 2009, soon after the African-American tester left the Apartment Complex, a Caucasian tester inquired about the availability of one-bedroom apartments at the Apartment Complex. Velasco showed the Caucasian tester an available apartment, gave her a rental application and contacted Goodman Management on her behalf.

16. On May 8, 2009, an African-American tester inquired about the availability of one-bedroom apartments at the Apartment Complex, and was informed by Velasco that there were no apartments available.

17. On May 8, 2009, soon after the African-American tester left the Apartment Complex, a Caucasian tester inquired about the availability of one-bedroom apartments at the Apartment Complex. Velasco showed the Caucasian tester an available one-bedroom apartment. Velasco also informed the Caucasian tester that he could negotiate a lower rent and gave the tester a rental application and the contact information for Goodman Management.

18. On November 18, 2009, an African-American tester inquired about the availability of one-bedroom apartments at the Apartment Complex, and was told by Velasco that there were no apartments available. Velasco also informed the African-American tester that the

rent for apartments at the Apartment Complex ranged from \$1,300 to approximately \$1,600 or \$1,800 per month, and that the tester could not view any apartments because they were all occupied.

19. On November 18, 2009, a few hours after the African-American tester left the Apartment Complex, a Caucasian tester inquired about the availability of one-bedroom apartments at the Apartment Complex. Velasco showed an occupied apartment to the Caucasian tester and asked if he was interested in renting the apartment. After the Caucasian tester answered in the affirmative, Velasco contacted Goodman Management on behalf of the Caucasian tester. Velasco also informed the Caucasian tester that he could rent the available apartment for a discounted price of less than \$1,300 per month and gave the tester a rental application.

CLAIM FOR RELIEF

For Violations of the Fair Housing Act

20. Plaintiff repeats the allegations set forth in paragraphs 1 through 19 of this Complaint as if fully set forth herein.

21. Defendants violated the Fair Housing Act by (a) refusing to negotiate for the rental of, or otherwise making unavailable or denying dwellings to persons because of race or color, in violation of 42 U.S.C. § 3604(a); (b) discriminating against persons in the terms, conditions or privileges of rental, or in the provision of services or facilities in connection therewith, because of race or color, in violation of 42 U.S.C. § 3604(b); and (c) representing to persons because of race or color that dwellings are not available for rental when such dwellings are in fact so available, in violation of 42 U.S.C. § 3604(d).

22. Defendants' conduct constitutes a pattern or practice of resistance to the full enjoyment of rights granted by the Fair Housing Act, 42 U.S.C. §§ 3601-3619; and a denial to a group of persons of rights granted by the Fair Housing Act, 42 U.S.C. §§ 3601-3619, which denial raises an issue of general public importance.

23. Upon information and belief, there are persons who have been the victims of discriminatory housing practices by Defendants. Such persons are aggrieved persons as defined in 42 U.S.C. § 3602(i), and have suffered injuries as a result of Defendants' conduct described above.

24. The discriminatory actions of Defendants were intentional, willful, and taken in disregard for the rights of the victims of this discrimination.

RELIEF REQUESTED

WHEREFORE, the United States requests that the Court enter judgment that:

a. Declares that Defendants' discriminatory practices violate the Fair Housing Act, as amended, 42 U.S.C. §§ 3601 *et seq.*;

b. Enjoins Defendants, their agents, employees and successors, and all other persons in active concert or participation with them, from discriminating on the basis of race or color against any person in any aspect of the rental of a dwelling, pursuant to 42 U.S.C.

§ 3614(d)(1)(A);

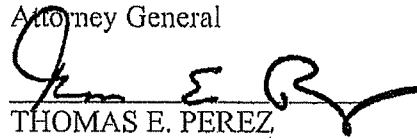
c. Enjoins Defendants, their agents, employees and successors, and all other persons in active concert or participation with them, from failing or refusing to take such affirmative steps as may be necessary to prevent the recurrence of any discriminatory conduct in the future and to eliminate, to the extent practicable, the effects of Defendants' discriminatory practices;

- d. Awards monetary damages, pursuant to 42 U.S.C. §§ 3613(c)(1), and 3614(d)(1)(B), to all persons harmed by Defendants' discriminatory practices;
- e. Assesses a civil penalty against Defendants in the maximum amount authorized by 42 U.S.C. § 3614(d)(1)(C), to vindicate the public interest; and
- f. Grants such further relief as the interests of justice may require.

Dated: New York, New York
August 27, 2011


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