

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA

UNITED STATES OF AMERICA,)
)
 Plaintiff,) CIVIL ACTION NO. _____
 v.)
)
 ROBERT NEAL HATFIELD,)
)
 Defendant.)
 _____)

COMPLAINT AND DEMAND FOR JURY TRIAL

The United States of America alleges as follows:

1. The United States brings this action to enforce the provisions of Title VIII of the Civil Rights Act of 1968, as amended, 42 U.S.C. §§ 3601, *et seq.* (“the Fair Housing Act”), and the Equal Credit Opportunity Act, 15 U.S.C. §§ 1691, *et seq.* (“ECOA”).

JURISDICTION AND VENUE

2. This Court has jurisdiction over this action under 28 U.S.C. §§ 1331 and 1345, 42 U.S.C. § 3614(a), and 15 U.S.C. § 1691e(h).

3. Venue is proper in this district under 28 U.S.C. § 1391(b) because the actions and omissions giving rise to the United States’ allegations occurred in the Western District of North Carolina, and the Defendant resides and/or does business in the Western District of North Carolina.

FACTUAL ALLEGATIONS

4. The Defendant Robert Neal Hatfield is a resident of Wilkesboro, North Carolina.

5. The Defendant has been engaged in the residential real estate business in Wilkes County, North Carolina, for more than fifteen years. His business involves the sale and rental of residential properties. Since approximately 2001 through the present, the Defendant has sold or made available to rent at least fifty residential properties located in Wilkes County (the “subject properties”).

6. The Defendant’s business also includes engaging in residential real estate-related transactions within the meaning of 42 U.S.C. § 3605, and credit transactions within the meaning of 15 U.S.C. § 1691. Specifically, his business involves the making of loans to purchase the subject properties and securing those loans with a deed of trust for the subject property being sold. These loans allow the applicants to purchase the subject properties from the Defendant and defer payments.

7. The Defendant is a creditor as defined by ECOA, 15 U.S.C. § 1691a(e), and Consumer Financial Protection Bureau Regulation B, 12 C.F.R. § 1002.2(l) (“Reg. B”).

8. The subject properties are dwellings within the meaning of 42 U.S.C. § 3602(b).

9. At all times relevant to this action, the Defendant has controlled all aspects of the management of each subject property including, but not limited to, advertising available properties, showing the properties to prospective tenants or purchasers, accepting or rejecting prospective tenants or purchasers, setting terms and prices for rent, sales, and loans, collecting and accepting rent or loan payments, and responding to requests for repairs.

10. At all times relevant to this action, the Defendant has controlled all aspects of the management of each credit transaction including, but not limited to, accepting or rejecting

prospective loan applications, setting terms and prices for loans, and collecting and accepting loan payments.

11. Since at least 2004 through the present, the Defendant has subjected female credit applicants and actual and prospective female tenants or purchasers of the subject properties to discrimination on the basis of sex, including severe, pervasive, and unwelcome sexual harassment, on multiple occasions. Such conduct has included, but is not limited to:

- a. Making unwelcome sexual comments and unwelcome sexual advances to actual and prospective female tenants or purchasers or credit applicants;
- b. Groping or otherwise touching actual and prospective female tenants or purchasers or credit applicants on their breasts and bodies without their consent;
- c. Offering to grant tangible benefits—such as reducing rent, loan, or down payments, or overlooking or excusing late or unpaid rent or loan obligations—in exchange for sexual favors; and
- d. Taking adverse housing actions, or threatening to take such actions, against female purchasers or credit applicants who have objected to his unwelcome sexual harassment or to granting sexual favors.

12. Those female actual and prospective tenants, purchasers, or credit applicants are all persons within the meaning of the Fair Housing Act, 42 U.S.C. § 3602(d), and applicants within the meaning of ECOA, 15 U.S.C. § 1691a(b), and Reg. B, 12 C.F.R. § 1002.2(e).

FIRST CAUSE OF ACTION: FAIR HOUSING ACT

13. By the actions and statements described above, the Defendant has:
 - a. Discriminated in the terms, conditions, or privileges of the rental or sale of dwellings, or in the provision of services or facilities in connection therewith, because of sex, in violation of 42 U.S.C. § 3604(b);
 - b. Made statements with respect to the sale or rental of dwellings that indicate a preference, a limitation, or discrimination based on sex, in violation 42 U.S.C. § 3604(c);
 - c. Discriminated in the terms or conditions of residential real estate-related transactions because of sex, in violation of 42 U.S.C. § 3605; and
 - d. Coerced, intimidated, threatened, or interfered with persons in the exercise or enjoyment of, or on account of their having exercised or enjoyed, their rights granted or protected by Sections 804 and 805 of the Fair Housing Act, in violation of 42 U.S.C. § 3617.
14. The Defendant's conduct constitutes:
 - a. A pattern or practice of resistance to the full enjoyment of the rights granted by the Fair Housing Act, 42 U.S.C. §§ 3601, *et seq.*; or
 - b. A denial to a group of persons of rights granted by the Fair Housing Act, 42 U.S.C. §§ 3601, *et seq.*, which denial raises an issue of general public importance.
15. These female tenants and purchasers and prospective female tenants and purchasers have been injured by the Defendant's discriminatory conduct. These persons are aggrieved persons as defined in 42 U.S.C. § 3602(i), and have suffered damages as a result of the Defendant's conduct.

16. The Defendant's conduct was intentional, willful, and taken in reckless disregard of the rights of others.

SECOND CAUSE OF ACTION: EQUAL CREDIT OPPORTUNITY ACT

17. By the actions and statements described above, the Defendant has discriminated on the basis of sex against applicants with respect to credit transactions, in violation of ECOA, 15 U.S.C. § 1691(a).

18. The Defendant's conduct constitutes a pattern or practice of discrimination in violation of rights protected by ECOA, 15 U.S.C. §§ 1691, *et seq.*

19. These female credit applicants have been injured by the Defendant's discriminatory conduct. These persons are aggrieved applicants as described in ECOA, 15 U.S.C. § 1691e, and have suffered damages as a result of the Defendant's conduct.

20. The Defendant's conduct was intentional, willful, and taken in reckless disregard of the rights of others.

PRAYER FOR RELIEF

WHEREFORE, the United States requests that the Court enter an Order that:

- a. Declares that the Defendant's discriminatory practices violate the Fair Housing Act, 42 U.S.C. §§ 3601, *et seq.*, and the Equal Credit Opportunity Act, 15. U.S.C. §§ 1691, *et seq.*;
- b. Enjoins the Defendant, his agents, employees, and successors, and all other persons in the active concert or participation with him from:
 - i. Discriminating on the basis of sex, including engaging in sexual harassment, in any aspect of the rental or sale of a dwelling, or in any aspect of a residential real estate-related transaction or other credit transaction;

- ii. Interfering with or threatening to take any action against any person engaged in the exercise or enjoyment of rights granted or protected by the Fair Housing Act;
 - iii. Failing or refusing to take such affirmative steps as may be necessary to restore, as nearly as practicable, the victims of the Defendant's past unlawful practices to the position they would have been in but for the discriminatory conduct; and
 - iv. 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, as nearly as practicable, the effects of the Defendant's unlawful practices;
- c. Awards monetary damages to each person aggrieved by the Defendant's discriminatory conduct, pursuant to 42 U.S.C. § 3614(d)(1)(B) and 15 U.S.C. § 1691e(h);
 - d. Assesses civil penalties against the Defendant to vindicate the public interest, pursuant to 42 U.S.C. § 3614(d)(1)(C); and
 - e. Awards such additional relief as the interests of justice may require.

JURY DEMAND

The United States demands a trial by jury of all issues so triable pursuant to Rule 38 of the Federal Rules of Civil Procedure.

Dated: July 13, 2017

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Respectfully submitted,

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