

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 Ranesha Halliburton,)
)
Charging Party,)
)
v.)
)
Pearl Beck and Gregory Beck,)
)
Respondents.)
_____)

HUDALJ No.:
FHEO No.: 05-07-1320-8

CHARGE OF DISCRIMINATION

I. JURISDICTION

On or about July 27, 2007, Complainant Ranesha Halliburton timely filed a verified complaint with the U.S. Department of Housing and Urban Development ("HUD"), alleging that Respondent Pearl Beck violated the Fair Housing Act, as amended in 1988, 42 U.S.C. §§ 3601 *et seq.* (the "Act"), when she discriminated against Complainant on the basis of race and/or color by making discriminatory statements and refusing to rent, or otherwise making unavailable and denying Complainant available housing in violation of 42 U.S.C. §§ 3604 (a) and (c). On March 9, 2009, Complainant amended her complaint to name Gregory Beck as a respondent.

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 re-delegated to the Regional Counsel (73 Fed. Reg. 68442), 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 V Director, 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 based on race, and has authorized and directed the issuance of this Charge of Discrimination.

II. SUMMARY OF ALLEGATIONS IN SUPPORT OF THIS CHARGE

Based on HUD's investigation of the allegations contained in the aforementioned Complaint and Determination of Reasonable Cause, Respondents Pearl Beck and Gregory Beck are charged with discriminating against Complainant Ranesha Halliburton, an aggrieved person, on the basis of race in violation of 42 U.S.C. § 3604(a) and (c):

1. It is 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. 42 U.S.C. § 3604(a); 24 C.F.R. §100.60(a).
2. 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, or an intention to make any such preference, limitation, or discrimination. 42 U.S.C. §3604(c); 24 C.F.R. §100.75.
3. Complainant Ranesha Halliburton is an African-American female. At all times relevant to this charge, she was a Section 8 voucher holder.
4. At all times relevant to this charge, Respondent Pearl Beck and Respondent Gregory Beck owned and managed the duplex rental units located at 710-712 West Lake Avenue, Detroit Lakes, Minnesota, a single-family rental property located at 708 W. Lake Avenue, Detroit Lakes, Minnesota, and a single-family home, believed to be the personal residence of Respondent Gregory Beck, at 117 E. Willow, Detroit Lakes, Minnesota. In addition, Respondent Pearl Beck individually owned a single-family rental property located at 1103 Roosevelt Avenue, Detroit Lakes, Minnesota, and a single family home, believed to be her residence, at 1153 Lake Avenue, Detroit Lakes, Minnesota. On information and belief, Respondents continue to own the aforementioned properties.
5. In an August 14, 2007 answer to the HUD complaint, Respondent Pearl Beck admits that she has been a "professional landlord" for about 40 years, and that she has been informed of and understands fair housing laws at the federal, state and local levels.
6. At all times relevant to this charge, Respondents had available, and advertised, a unit for rent in the duplex owned by them at 712 West Lake Avenue, Detroit Lakes, Minnesota ("subject property").
7. On or about July 10, 2007, Complainant called (218) 847-8701, the telephone number in a rental advertisement she saw for the subject property, and spoke to a person who identified herself as Pearl Beck. Complainant expressed interest in the subject property. In response, Respondent Pearl Beck confirmed the availability of the unit,

described the subject property to Complainant, and gave Complainant rental terms for the unit.

8. During their July 10, 2007 conversation, Respondent inquired into Complainant's employment. Complainant told her that she worked at Kentucky Fried Chicken. Complainant also told Respondent that she had a Section 8 voucher and that once her boyfriend was approved for Section 8, she planned to add him to her lease. Respondent replied that Section 8 was not a problem so long as she was a "good clean tenant." Respondent volunteered that one of her existing tenants was a Section 8 tenant. Complainant and Respondent Pearl Beck agreed to meet at the subject property once Complainant made transportation arrangements, as she did not then own a car. Complainant called Respondent back later that day, and they made an appointment to meet at 4:00 p.m. at the subject property.
9. During the HUD investigation, Respondent Pearl Beck was asked, under oath, if she knew that Complainant was African-American or black when she spoke to her over the telephone on July 10, 2007; she replied, "No. No way. No."
10. On or about July 10, 2007, Complainant, travelled to the subject property to keep her appointment with Respondent Pearl Beck. Complainant was driven to the subject property by her boyfriend's father, Ronald Lawrence, Sr. and she was accompanied by her boyfriend, Ronald Lawrence, Jr. . Ronald Lawrence, Jr. and Sr. are African-Americans.
11. Complainant and her companions arrived at the subject property before Respondents. Complainant and Ronald Lawrence, Jr. exited the vehicle, a truck, and sat on the stairs to the porch of the subject property. Ronald Lawrence, Sr. remained in or near his truck with his dog, Otis. On information and belief, Otis is a twenty pound mixed breed pug and Chihuahua.
12. Respondents Pearl and Gregory Beck arrived together by car and parked on the street in front of the subject property. Respondent Gregory Beck got out of the car and walked up to the porch where Complainant and Ronald Lawrence, Jr. were waiting and said "hi" or "hello." He fumbled through his keys and then opened the door to the porch. Respondent Pearl Beck remained in or near the car in which Respondents arrived.
13. Moments later, Respondent Pearl Beck looked at Complainant and her companions and then hailed Respondent Gregory Beck, beckoning him to return to the car. She stated, "No way," "No way, it's not for rent," "I can't do this," and "I'm not renting to these kinds of people," or words to that effect.
14. Respondent Gregory Beck locked the porch door and returned to the car. Respondents left without further explanation and did not return to the subject property while Complainant was still there.

15. At all times relevant to this charge, Ronald Lawrence, Sr. lived with Karen Nelson, a friend. Karen Nelson is white. Complainant and her companions shared with Karen Nelson what had transpired at the subject property and shared their suspicion that race was an issue.
16. In response, on or about July 10 or July 11, 2007, Karen Nelson called Respondent Pearl Beck, posing as a prospective renter, a nurse with a disabled child. Respondent Pearl Beck confirmed availability of the unit and made an appointment to show Karen Nelson the subject property.
17. On or about July 11, 2007, Karen Nelson viewed the subject property. Throughout the tour of the subject property, Karen Nelson was accompanied by Otis, the same dog that was present at the subject property the day of Complainant's appointment with Respondents. Respondent Pearl Beck bent down to pet the dog but informed Nelson that she did not accept dogs in her units.
18. During Karen Nelson's tour of the subject property, she noted that there were packed boxes in the unit. Claiming concern for her son, Karen Nelson asked Respondent Pearl Beck if she rented to "blacks" or "natives." Respondent Pearl Beck responded negatively and added, "a car load come by the other day, but I will keep the unit vacant, or move in myself, before renting to blacks," or words to that effect.
19. On or about July 12, 2007, Complainant contacted Legal Services of Northwest Minneapolis, Incorporated to complain about how she was treated by Respondents on account of her race. On or about July 13, 2007, Complainant spoke with attorney Heidi Uecker, who agreed to call Respondent Pearl Beck and ask her to show Complainant the subject property.
20. Neither Heidi Uecker nor Legal Services of Northwest Minneapolis represented Complainant at the time of Heidi Uecker's call to Respondent Pearl Beck and do not now represent Complainant.
21. On or about July 13, 2007, Heidi Uecker called and spoke with Respondent Pearl Beck. Respondent Pearl Beck confirmed with Heidi Uecker that the apartment was still available. Respondent Pearl Beck told Heidi Uecker, in relevant part, that if she rented to "black people" the next door neighbors would move out and she was not going to lose her tenants. Respondent Pearl Beck also told Heidi Uecker that she planned to leave the unit empty and later, that she was going to move into it herself. Ultimately, Respondent Pearl Beck agreed to show Complainant the unit at the subject property.
22. Later in the day on or about July 13, 2007, Respondent Pearl Beck called Legal Services of Northwest Minneapolis trying to reach Heidi Uecker. When Heidi Uecker was not available, Respondent Pearl Beck spoke with a paralegal, Sherry Gruenhagen. Respondent asked Sherry Gruenhagen for Complainant's name and

phone number. In the course of their conversation, Respondent Pearl Beck told Sherry Gruenhagen that she was not prejudiced, but that one of her tenants would not continue to rent from her if she rented to a black person. The tenant had rented from her for a long time and was a good tenant. She added that her son is married to an "Indian" woman, who is "very nice." Respondent Pearl Beck also told Sherry Gruenhagen that she did not want a lawsuit, so she was willing to show the unit to Complainant, even though it was already rented to someone else.

23. Sherry Gruenhagen did not give Respondent Pearl Beck Complainant's phone number. Heidi Uecker conveyed to Complainant that Respondents were willing to show her the unit, but ultimately, Complainant decided that she would not be comfortable living there.
24. In or around August of 2007 Respondents rented the subject property to a white male.
25. Complainant has suffered significant damages, including, but not limited to: out-of-pocket expenses, emotional and physical distress, economic losses, inconvenience, embarrassment, and humiliation as a result of Respondents' discriminatory conduct.
26. Specifically, Complainant was forced to remain living in the overcrowded house of Ronald Lawrence, Sr. for an additional month while she sought alternative housing. About ten people were living in the small four-bedroom house at the time. It was inconvenient, uncomfortable, and expensive; Complainant was anxious to move out of the situation.
27. Complainant has also suffered significant emotional distress due to Respondents' discriminatory acts. This was the first time Complainant understood herself to be personally discriminated against because of her race. Since Respondents' discriminatory treatment of her, she feels insecure and self-conscious about what white people are really thinking about her because she is black.
28. Finally, Complainant suffered financial losses in that she had to take an extra day off from work because of Respondents' discrimination.

III. FAIR HOUSING ACT VIOLATIONS

29. By refusing to show the subject property to Complainant because of her race and/or color, Respondents Pearl and Gregory Beck refused to rent or negotiate to rent, and otherwise made unavailable and denied, the subject property to Complainant in violation of §3604(a) of the Fair Housing Act.
30. By stating, in the presence of Complainant, Ronald Lawrence, Jr. and Ronald Lawrence, Sr., "No way," "No way, it's not for rent," "I can't do this," and "I'm not renting to these kinds of people," or words to that effect, Respondent Pearl Beck made statements with respect to the rental of a dwelling that indicated preference,

limitation, or discrimination on the basis of race and/or color in violation of §3604(c) of the Fair Housing Act.

31. By stating to Karen Nelson that she would move into the subject property herself or leave it vacant, before renting to "blacks," Respondent Pearl Beck made statements with respect to the rental of a dwelling that indicated preference, limitation, or discrimination on the basis of race and/or color in violation of §3604(c) of the Fair Housing Act.
32. By telling Heidi Uecker and Sherry Gruenhagen that she did not show the apartment to Complainant because the neighbor, who was also her tenant, would move out if she rented to a "black," Respondent Pearl Beck made statements with respect to the rental of a dwelling that indicated preference, limitation, or discrimination on the basis of race and/or color in violation of §3604(c) of the Fair Housing Act.

IV. CONCLUSION

Wherefore, the Secretary of HUD, through the Office of the General Counsel and pursuant to 42 U.S.C. § 3610(g)(2)(A), hereby charges Respondents with engaging in discriminatory housing practices as set forth above and prays that an order be issued that:

A. Declares that Respondents' discriminatory housing practices, as set forth above, violate the Fair Housing Act, 42 U.S.C. §§ 3601-19 and its implementing regulations;

B. Enjoins Respondents, their agents, employees and successors, and all other persons in active concert or participation with them, from discriminating against any person based on race or color in any aspect of the sale, rental, occupancy, use or enjoyment of a dwelling;

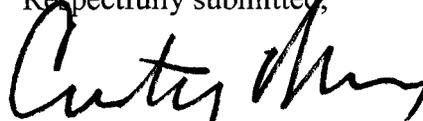
C. Awards such monetary damages as will fully compensate Complainant for her losses, including but not limited to, all out-of-pocket expenses, emotional and physical distress, embarrassment, humiliation, inconvenience, the loss of a housing opportunity and any and all other damages caused by Respondents' discriminatory conduct;

D. Orders Respondents to attend training on the Fair Housing Act;

E. Awards a civil penalty of \$16,000 against each Respondent for each violation of the Act; and

F. Awards such additional relief as may be appropriate pursuant to 42 U.S.C. § 3612(g)(3).

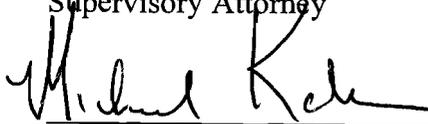
Respectfully submitted,



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4/6/09

Date