

**UNITED STATES DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT**

**TITLE VIII**

**CONCILIATION AGREEMENT**

**Between**

**U.S. Department of Housing and Urban Development  
John D. Trasviña, Assistant Secretary for the Office of Fair Housing and Equal  
Opportunity**

(Complainant)

**and**

**USA4SALE Network, Inc.**

(Respondent)

HUD CASE NUMBER: 00-08-0003-8

## **A. PARTIES**

### **Complainant**

John D. Trasviña Assistant Secretary  
Office of Fair Housing and Equal Opportunity  
U.S. Department of Housing and Urban Development  
451 Seventh Street, S.W., Room 5241  
Washington, DC 20410

### **Respondent**

USA4SALE Network, Inc.  
22 South Pine Avenue  
Ocala, Florida 34474

## **B. STATEMENT OF POSITIONS**

### **1. Complainant's Positions**

This complaint was filed with the United States Department of Housing and Urban Development ("the Department") alleging that the Respondent, USA4SALE Network, Inc. ("USA4SALE"), violated §804(c) of the Fair Housing Act as amended in 1988, 42 U.S.C. 3601 et seq. ("the Act"), by publishing allegedly discriminatory housing advertisements on its website. Section 804(c) makes it unlawful "[t]o 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).

The Department of Housing and Urban Development (the Department) filed its complaint on September 10, 2008. The complaint alleged that on July 25, 2007, USA4SALE printed an advertisement on its Ocala-area webpage, ocala4sale.com that indicated a preference, limitation, or discrimination, on the basis of familial status ("No children" or "No Kids"). Further, the complaint alleged that on July 22, 2008, the Department's Systemic Office reviewed and printed the current discriminatory housing advertisements that included "No children" statements. An ordinary reader of these print advertisements would reasonably believe that housing is limited or restricted based on familial status.

2. **Respondent's Position**

USA4SALE states they have policies and procedures in place to guard against violations of the Federal Fair Housing Law. If a violation has occurred, such violation was unintentional and notwithstanding their best efforts at prevention.

3. **The Department's Position**

Under 42 U.S.C. §3604(c) (Section 804(c) of the Fair Housing Act), it is illegal “[t]o 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, national origin, or an intention to make any such preference, limitation, or discrimination.” This prohibition applies not just to persons making discriminatory statements, but also to persons publishing or printing discriminatory statements or advertisements. Numerous ads highlighted by the Complainant indicates a preference or limitation, based on familial status, in the rental of residential dwellings in violation of Section 804(c) of the Fair Housing Act. These ads were published or printed on USA4SALE’s website.

While the Fair Housing Act does not mention the Internet, the Fair Housing Act’s prohibition against discriminatory statements does not limit itself to any particular medium. The Fair Housing Act, in general, and §3604(c) specifically, has been interpreted broadly. In addition, HUD has always interpreted the Fair Housing Act to cover services that print or publish real estate postings, regardless of whether the service was on the Internet or in print.

**C. TERM OF AGREEMENT**

4. This Conciliation Agreement (hereinafter “Agreement”) shall govern the conduct of the parties to it for a period of two years from the effective date of the Agreement.

**D. EFFECTIVE DATE**

5. The parties expressly agree that this Agreement constitutes neither a binding contract under state or federal law nor a Conciliation Agreement pursuant to the Act, unless and until such time as it is approved by the U.S. Department of Housing and Urban Development.
6. This Agreement shall become effective on the date on which it is approved by the Director, Office of Systemic Investigations. Office of Fair Housing and Equal

Opportunity (FHEO) in Washington, DC of the United States Department of Housing and Urban Development (HUD).

#### **E. GENERAL PROVISIONS**

7. The parties acknowledge that this Agreement is a voluntary and full settlement of the disputed complaints. The parties affirm that they have read and fully understand the terms set forth herein. No party has been coerced, intimidated, threatened or in any way forced to become a party to this Agreement.
8. The Respondent acknowledges that the Fair Housing Act makes it is unlawful to retaliate against any person because that person has made a complaint, testified, assisted or participated in any manner in a proceeding under the Act. Respondent further acknowledges that any subsequent retaliation or discrimination constitutes both a material breach of this Agreement, and a statutory violation of the Act.
9. The parties to this Agreement agree that, after it has been approved by the Systemic Office Director, or his or her designee, it is binding upon them, their employees, heirs, successors and assigns and all others in active concert with them in the ownership or operation of their respect organization's services.
10. It is understood that, pursuant to Section 810(b) (4) of the Act, upon approval of this Agreement by the Systemic Office Director or his designee, it is a public document.
11. This Agreement does not in any way limit or restricts the Department's authority to investigate any other complaint involving the Respondent made pursuant to the Fair Housing Act, or any other complaint within the Department's jurisdiction.
12. No amendment to, modification of, or waiver of any provisions of this Agreement shall be effective unless: (a) all signatories or their successors to the Agreement agree in writing to the amendment, modification or waiver; (b) the amendment, modification or waiver is in writing; and (c) the amendment, modification or waiver is approved and signed by the Systemic Office Director.
13. The parties agree that the execution of this Agreement may be accomplished by separate execution of consents to this Agreement, and that the original executed signature pages attached to the body of the Agreement constitute one document.
14. Respondent USA4SALE Network, Inc., hereby forever waives, releases, and covenants not to sue the Department, agents, employees and attorneys with regard to any and all claims, damages and injuries of whatever nature whether presently known or unknown, arising out of the subject matter of HUD Case Numbers 00-08-0003-8, or which could have been filed in any action or suit arising from said subject matter. Respondent USA4SALE also agrees to work with Complainant as outlined in Paragraph 20 to address any ads subsequently appearing on USA4SALE that state a prohibited preference.

## F. SETTLEMENT TERMS

15. While Respondent USA4SALE currently uses, and will continue to use, a “flagging” system that allows users to flag offensive ads for removal by USA4SALE, Respondent USA4SALE agrees to also install content filters on its website to assist in that effort. Respondent USA4SALE will supplement its existing review practices by developing a screening filter, to consist of words and phrases that, if detected in a housing ad, will prevent the ad from being immediately posted. Respondent USA4SALE will review any ad flagged by its filters and examine the context in which the words or phrases are being used to determine compliance with the Fair Housing Act. The Respondents’ filter shall serve only as a guide to alert Respondent to possible noncompliance and not constitute its entire review effort. Respondent USA4SALE will review all such ads to determine if, in fact, the advertisement contains a prohibited preference. If not, the ad will then be posted. If the ad contains a prohibited preference, the user attempting to place the ad will be immediately notified that the ad was refused and the reason thereof. Respondent USA4SALE agrees to have the filters in place within thirty (30) days of the effective date of this Agreement. Respondent USA4SALE further agrees to monitor and review the results of the filtering efforts and communicate its findings to the Systemic Office Director on, at least, a quarterly basis.
16. In addition to installing filters, Respondent USA4SALE will develop priority notification/communication channels, enabling local Fair housing advocacy groups to provide priority messages to Respondent USA4SALE customer service personnel regarding potentially discriminatory housing advertisements that may slip through the filters. The channels will be operational no later than the date the filters are installed pursuant to Paragraph 15. Any discriminatory advertisement must be removed upon notification.
17. When an advertisement or posting is removed from Respondent USA4SALE’s website as a result of the use of the priority notification channel discussed in Paragraph 16, Respondent USA4SALE will automatically send an email to the user who posted the advertisement informing him or her that the advertisement was removed from the site because it contained prohibited preference and did not comply with the Federal Fair Housing Act.
18. Should the Department identify any discriminatory housing ad currently on a Respondent USA4SALE website, or anytime prior to the filters being installed, Respondent USA4SALE agrees to remove the discriminatory ad within 24 hours after receiving notification of the ad from the Department.
19. For any discriminatory housing ad identified by the Department that has previously appeared on Respondent USA4SALE from July 25, 2007 to the present, but that is no longer posted, USA4SALE agrees to send an educational fair housing email to

the person or persons who posted the identified ad on Respondent USA4SALE's website.

20. Should there be a disagreement between the Department and Respondent USA4SALE as to whether a housing ad contains an illegal preference in violation of the Federal Fair Housing Act, the decision by the Department's Office of Fair Housing and Equal Opportunity will govern whether the ad must be removed.
21. Within twelve (12) months of the effective date of this Agreement, Respondent USA4SALE agrees that those officers, directors and employees responsible for advertisement approval and customer support will participate in a four (4) sessions that are to be 2- two hour in duration Fair Housing training seminars to be conducted by a fair housing organization. In order to fulfill this requirement, written approval to attend a Fair Housing training seminar offered by such an organization must be solicited from the Systemic Office Director at least ten (10) days prior to the commencement of the seminar, and obtained at least 3 days prior. These trainings if hosted by and open to the public via USA4SALE website, will be counted towards the requirements of in-kind services.
22. In the spirit of improving Respondent USA4SALE's best practices for its housing classified advertisements throughout the United States, and as consideration for this conciliation agreement, Respondent USA4SALE offers and agrees to do the following:
  - a. Collaborate with the Department, along with Fair Housing advocacy groups, to improve Fair Housing educational materials hosted by USA4SALE;
  - b. Collaborate with the Department, along with Fair Housing advocacy groups, to improve the notifications and warnings that are shown before housing ads can be posted;
  - c. Host a minimum of two 2-hour Fair Housing forums on its websites staffed by Fair Housing advocacy groups nationwide to provide guidance to USA4SALE users on compliance with national, state and local fair housing laws; the Fair Housing advocacy group must be approved by the Department.
  - d. Include on its websites highlighted links to sites of Fair Housing advocacy groups approved by the Department, which provide guidance to USA4SALE users on compliance with national, state and local fair housing laws;
  - e. Develop in collaboration with the Department, specialized extensions of the community flagging system to further empower community response to potential fair housing law violations;
  - f. Continue to work with the Department to improve the effectiveness of the content filters and priority notification channels; and

- g. Cooperate with the Department and Fair Housing groups to publicize fair housing enforcement actions across the United States, utilizing USA4SALE website..
- 23. If a link to the Department's Office of Fair Housing and Equal Opportunity websites is not already included in Respondent USA4SALE's Fair Housing links, Respondent USA4SALE agrees to add a link under the appropriate state or local page within ten (10) days of the effective date of this Agreement.
- 24. Respondent USA4SALE agrees that, upon request by of the Department, Respondent USA4SALE will provide to the Department identification information for third-party users who have posted discriminatory housing advertisements on its site, including but not limited to the name of the person or entity posting the advertisement and the person or entity's contact information, including IP address. Complainant agrees that any information Respondent USA4SALE provides pursuant to this paragraph will be used for the specific purpose of allowing the Complainant to pursue the third-party users for remedies under Federal, state, or local fair housing laws.
- 25. Respondent USA4SALE agrees that, within thirty (30) days of the effective date of this Agreement, Respondent USA4SALE will maintain records of all housing advertisements or postings then and subsequent on its website and information about these advertisements and postings including, but not limited to, the text of the ad, which user posted the advertisement, the date the advertisement was posted, the length of time it appeared on the site, and the number of times the advertisement or posting was viewed. Respondent USA4SALE agrees to retain these records for a period of not less than 180 days from the last date of posting. Respondent USA4SALE also agrees to make these records available to the Department upon reasonable notice and demand for the specific purpose of allowing the Department to pursue the third-party users for remedies under federal, state, or local fair housing laws.
- 26. Respondent USA4SALE agrees to make the following donation and will provide the Department with written certification within thirty (30) days of completion that said donation has been made:
  - a. Respondent USA4SALE agrees to donate a minimum of \$7500.00 cash and up to \$7500.00 in-kind services (Fair Housing advertisements) the combination of monetary donation and in-kind services totaling \$15,000.00. The \$7500.00 donation in the form of a certified or cashier's check will be donated to a fair housing organization of Respondent's choice, which is approved by the Systemic Office Director, within ten (10) days of the effective date of this Agreement. The Respondent shall make the check payable to the fair housing organization, and mail it to the fair housing organization by Federal Express or certified mail.

- b. Respondent USA4SALE must make the donation pursuant to this agreement, and not under the terms of any other agreement or required payment.
27. Respondent USA4SALE agrees that, within ten (10) days of the effective date of this Agreement, USA4SALE will inform all of its agents and employees responsible for compliance with this Agreement, including any officers and board members, of the terms of this Agreement and shall provide each such person with a copy of this Agreement.

#### **G. MONITORING**

28. The Department shall determine compliance with the terms of this Agreement. During the term of this Agreement, HUD may review compliance with this Agreement. Monitoring this agreement may include, but is not limited to, conducting fair housing tests by the Department or other entity. As part of such review, HUD may inspect USA4SALE's websites, examine witnesses and copy pertinent records of Respondent USA4SALE. Respondent USA4SALE agrees to provide its full cooperation in any monitoring review undertaken by HUD to ensure compliance with this Agreement.

#### **H. REPORTING AND RECORDKEEPING**

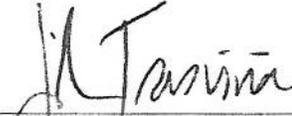
29. Respondent USA4SALE agrees that, within thirty (30) days of the effective date of this Agreement, Respondent USA4SALE will transmit a photocopy of the cancelled check identified in paragraph 26 and a letter from the Fair Housing organization acknowledging the donation.
30. Respondent USA4SALE agrees to forward to the Department objective evidence of the participation in the Fair Housing training seminar pursuant to Paragraph 21, in the form of a Certificate or a letter from the entity conducting the seminar, together with a list of participants, within five (5) days of the conclusion of the seminar.
31. Respondent USA4SALE agrees to notify the Department, in writing, of the completion of all activities outlined in Paragraphs 15, 16, 19, 22, and 26 of this Agreement. Respondent USA4SALE will include in the notification copies of any resulting work products generated.
32. All required submissions to the Department from Respondent USA4SALE pursuant to Paragraphs 32, 33, and 34 should be submitted to:

Office of Systemic Investigations  
Attn: Joel D. Armstrong, Director  
Office of Fair Housing and Equal Opportunity  
U.S. Department of Housing and Urban Development  
451 Seventh Street S.W., Room 5234  
Washington, DC 20410

**I. CONSEQUENCES OF BREACH**

33. Whenever the Department has reasonable cause to believe that the Respondent has breached this Agreement, the matter may be referred to the Attorney General of the United States, to commence a civil action in the appropriate U. S. District Court, pursuant to §§ 810(c) and 814(b)(2) of the Act.
34. Any time limits for performance imposed by this Agreement may be extended by mutual agreement of all parties with approval of the Department.

**J. SIGNATURES**

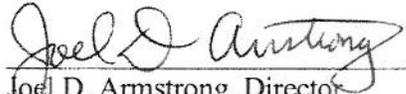
  
\_\_\_\_\_  
John D. Trasviña, Assistant Secretary  
Office of Fair Housing and Equal Opportunity  
(Complainant)

5-18-11  
Date

  
\_\_\_\_\_  
[RESPONDENT]

5/9/11  
Date

**L. APPROVAL**

  
\_\_\_\_\_  
Joel D. Armstrong, Director  
Office of Systemic Investigations

5-18-11  
Date