

**IN THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION**

UNITED STATES OF AMERICA,

PLAINTIFF

v.

CIVIL ACTION NO.: 3:20-cv-729-CWR-LRA

**SSM PROPERTIES, LLC, STEVEN MAULDING, SR.,
JAMES ROE, and SHEILA MAULDING,**

DEFENDANTS

COMPLAINT

The United States of America (“United States”) alleges as follows:

I.

NATURE OF THE ACTION

1. This action is brought by the United States to enforce Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (“Fair Housing Act”), 42 U.S.C. §§ 3601-3619. It is brought under 42 U.S.C. § 3612(o) on behalf of Tanshenetta Veals and Herschel Williams, and under 42 U.S.C. § 3614(a).

II.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this action under 28 U.S.C. § 1345, 42 U.S.C. § 3612(o), and 42 U.S.C. § 3614(a).

3. Venue is proper in this District under 28 U.S.C. § 1391 because a substantial part of the events or omissions giving rise to the United States’ claims occurred in this District, the subject properties are located in this District, and Defendants reside in this District.

III.

DEFENDANTS AND THE SUBJECT PROPERTIES

4. Oak Manor Apartments (“Oak Manor”) is a multifamily apartment complex located at 2592 Old County Club Road, Pearl, Mississippi.

5. Pearl Manor Apartments (“Pearl Manor”) is a multifamily apartment complex located at 200 George Wallace Drive, Pearl, Mississippi.

6. 468 Place Townhomes (“the Townhomes”) is a multifamily apartment complex comprised of two adjacent parcels located at 2932 and 2934 State Highway 468, Pearl, Mississippi.

7. The units at Oak Manor, Pearl Manor, and the Townhomes are “dwellings” within the meaning of the Fair Housing Act, 42 U.S.C. § 3602(b).

8. Defendant SSM Properties, LLC is a Mississippi corporation whose place of business is in Pearl, Mississippi. At all times relevant to this action, SSM Properties owned and operated Oak Manor, Pearl Manor and the Townhomes. On or about August 14, 2018, SSM Properties sold Oak Manor.

9. Defendant Steven Maulding, Sr., is the manager and sole officer of SSM Properties. Maulding supervised Defendant James Roe and oversaw the management of the subject properties, including setting rental and application criteria. Steven Maulding resides in Pearl.

10. Defendant Sheila Maulding is the wife of Steven Maulding. She is the registered agent of SSM Properties. She owns the Townhomes parcel located at 2932 State Highway 468 in Pearl. She resides in Pearl.

11. At all times relevant to this action, Defendant Roe managed Oak Manor, Pearl Manor, and the Townhomes on behalf of, and for the benefit of, Defendants SSM Properties, Steven Maulding, and Sheila Maulding. Roe’s duties included responding to rental inquiries, renting units to prospective tenants, approving rental applications, and showing units. He worked out of an office at Oak Manor that served all three subject properties. He resides in Pearl.

IV.

FACTUAL ALLEGATIONS

12. Between November 2016 and November 2017, the Louisiana Fair Housing Action Center (formerly the Greater New Orleans Fair Housing Action Center) conducted a series of four tests to evaluate Defendants' compliance with the Fair Housing Act. Testing is a simulation of a housing transaction that compares responses given by housing providers to different types of home-seekers in order to determine whether or not illegal discrimination is occurring.

13. The tests revealed that Defendants engaged in housing discrimination on the basis of race by treating Black individuals who visited Defendants' properties to inquire about rental properties differently and less favorably than similarly-situated White individuals who visited Defendants' properties for the same purpose. Defendants' discriminatory conduct included, but was not limited to, the following:

- A. Defendant Roe repeatedly steered White testers to Pearl Manor and away from Oak Manor by encouraging White testers to rent at Pearl Manor, highlighting the positive aspects of the property, and telling White testers that they would be "happy" and "fit in" there. Roe also discouraged White testers from renting at Oak Manor, telling one White tester that he would "not be happy" there because Roe himself would not be happy there. Roe told another White tester that he would be "happier" at Pearl Manor than at Oak Manor, and told another White tester that the Oak Manor residents would "take advantage" of him.
- B. By contrast, Roe failed to inform Black testers of available units at Pearl Manor and, in most cases, failed to mention that property at all. He told one Black tester, Tanshenetta Veals, words to the effect, "I can't put you at Pearl Manor. Them old men 'll have a heart attack. They'll be thinking I done let the zoo out again."

Oak Manor was the only property where any of the Black testers were allowed to view units.

- C. Defendant Roe told Black testers that units were not available when, in fact, they were. For example, Roe told Veals on the phone that a unit at the Townhomes was available. However, when Veals arrived at the office, Roe said words to the effect, “You ain’t nothing what I expected,” and told her the unit had been rented. Approximately three hours later, Roe told a White tester that there was an available unit at the Townhomes. During another test, Roe told the Black tester that no units would be available until the end of that month, but told the White tester that a unit would be available at Pearl Manor the following week.
- D. Defendant Roe refused to show units to Black testers until their rental applications were approved, but showed units to White testers who did not have approved applications.
- E. Defendant Roe subjected Black testers to more detailed questions about their financial status and ability to pay than White testers. Roe told a Black Tester, Herschel Williams, that he could not rent to him if he was starting a job in the future but was not currently employed, but did not refuse to rent to White testers in similar circumstances. Roe also asked Williams detailed questions about his monthly expenses that he did not ask of White testers, even when they revealed that they were experiencing financial hardship.

14. Defendant Roe’s discriminatory practices were made within the scope of his employment and authority to act on behalf of Defendants SSM Properties, Steven Maulding, and Sheila Maulding, who are therefore liable for Roe’s conduct.

V.

HUD ADMINISTRATIVE PROCESS

15. Tanshenetta Veals and Herschel Williams timely filed complaints of discrimination with the U.S. Department of Housing and Urban Development (“HUD”).

16. In accordance with 42 U.S.C. § 3610(a) and (b), the Secretary of HUD investigated these complaints, attempted conciliation without success, and prepared final investigative reports. Based on the information gathered in the course of this investigation, the Secretary determined, under 42 U.S.C. § 3610(g), that reasonable cause existed to believe that Defendants SSM Properties, Steven Maulding, and Roe violated the Fair Housing Act. Accordingly, on September 22, 2020, under 42 U.S.C. § 3610(g)(2)(A), the Secretary issued a Determination of Reasonable Cause and Charge of Discrimination against Defendants SSM Properties, Steven Maulding, and Roe.

17. On October 14, 2020, Tanshenetta Veals and Herschel Williams timely elected to have these charges resolved in a civil action under 42 U.S.C. § 3612(a).

18. The Secretary of HUD subsequently authorized the Attorney General to file this action on behalf of these HUD complainants under 42 U.S.C. § 3612(o).

VI.

CLAIMS FOR RELIEF

First Claim: 42 U.S.C. § 3612(o)

19. The United States incorporates the allegations as set forth above.

20. This claim is brought only against Defendants SSM Properties, Steven Maulding, and Roe.

21. By the actions and statements described above, Defendants SSM Properties, Steven Maulding, and Roe have:

- (a) Refused to rent, refused to negotiate for the rental for, or otherwise made unavailable or denied, a dwelling because of race, in violation of 42 U.S.C. § 3604(a);
- (b) Discriminated in the terms, conditions or privileges of the rental of a dwelling, or in the provision of services or facilities in connection therewith, on the basis of race, in violation of 42 U.S.C. § 3604(b);
- (c) Made statements with respect to the rental of a dwelling that indicated a preference, a limitation, or discrimination based on race, in violation of 42 U.S.C. § 3604(c); and
- (d) Represented, because of race, that a dwelling was not available for inspection or rental when such dwelling was, in fact, so available, in violation of 42 U.S.C. § 3604(d).

22. Tanshenetta Veals and Herschel Williams have suffered damages as a result of Defendants' discriminatory conduct and are "aggrieved persons" under 42 U.S.C. § 3602(i).

23. These Defendants' actions and statements, as set forth above, were intentional, willful, and taken in reckless disregard of the rights of others.

Second Claim: 42 U.S.C. § 3614(a)

24. The United States incorporates the allegations as set forth above.

25. This claim is brought against all Defendants.

26. Defendants' actions, conduct and statements, as described above, constitute:

- (a) A pattern or practice of resistance to the full enjoyment of rights granted by the Fair Housing Act, 42 U.S.C. §§ 3601-3619, in violation of 42 U.S.C. § 3614(a);
and

- (b) A denial to a group of persons of rights granted by the Fair Housing Act, 42 U.S.C. §§ 3601-3619, which raises an issue of general public importance, in violation of 42 U.S.C. § 3614(a).

27. In addition to Tanshenetta Veals and Herschel Williams, other persons or entities may have been injured by Defendants' discriminatory actions and practices as described above. These persons or entities are also "aggrieved persons" under the Fair Housing Act, 42 U.S.C. § 3602(i).

28. Defendants' actions, as set forth above, were intentional, willful, and taken in reckless disregard of the rights of others.

WHEREFORE, the United States prays that this Court enter an order that:

1. Declares that Defendants' actions, policies and practices, as alleged herein, violate the Fair Housing Act;
2. Enjoins Defendants, their agents, employees and successors, and all other persons in active concert or participation with them, from:
 - (a) discriminating on the basis of race in any aspect of the rental of a dwelling;
 - (b) failing or refusing to take such steps as may be necessary to restore, as nearly as practicable, the victims of Defendants' unlawful practices to the position they would have been in but for the discriminatory conduct; and
 - (c) failing or refusing to take such 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' unlawful housing practices.
3. Awards monetary damages to all persons harmed by Defendants' discriminatory housing practices, under 42 U.S.C. §§ 3612(o)(3), 3613(c)(1), and 3614(d)(1)(B);
4. Assesses a civil penalty against each Defendant to vindicate the public interest in an amount authorized by 42 U.S.C. § 3614(d)(1)(C) and 28 C.F.R. § 85.5; and

5. Awards such additional relief as the interests of justice may require.

VII.

JURY DEMAND

The United States hereby demands a trial by jury of all issues so triable in accordance with Rule 38 of the Federal Rules of Civil Procedure.

Dated: November 12, 2020

Respectfully submitted,

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