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**UNITED STATES DISTRICT COURT**

**THE DISTRICT OF OREGON**

CV '06 . 1 42 \* \* S  
Civil No. \_\_\_\_\_

**UNITED STATES OF AMERICA,**

Plaintiff,

v.

**COMPLAINT**

**TED BALLIS, MARY BALLIS and LOUIS  
BALLIS,**

Defendants.

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The United States of America alleges:

### **JURISDICTION AND VENUE**

1. This is a civil action brought by the United States of America to enforce Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§ 3601-3619 (The “Fair Housing Act”). This action is brought by the United States on behalf of Deneen Hayward, Randolph Irwin Kelly and the Fair Housing Council of Oregon pursuant to Section 812(o) of the Fair Housing Act, as amended, 42 U.S.C. § 3612(o).
2. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1345 and 42 U.S.C. § 3612(o).
3. Venue is proper under 28 U.S.C. § 1391(b) because the actions giving rise to the United States’ allegations occurred in the District of Oregon and the subject property is located in the District of Oregon.

### **PARTIES AND PROPERTY**

4. Complainant Randolph Irwin Kelly is a black male.
5. Complainant Deneen C. Hayward is a white female.
6. Complainant Fair Housing Council of Oregon (FHCO) is a non-profit Oregon corporation. FHCO’s purpose is to advance equal access to housing of choice for all persons in Oregon and Southwest Washington, without regard to race, color, sex, religion, national origin, familial status or disability.
7. The subject property is located at 2648 S.E. 141<sup>st</sup> Avenue, Portland, Oregon. It is a two-bedroom, one-bathroom apartment in a duplex. The subject property is part of a nine-unit

complex consisting of two duplexes, a triplex and two townhouse units. The subject property is a dwelling as defined in Section 802(b) of the Fair Housing Act, 42 U.S.C. § 3602(b).

8. At all times relevant to this action, Defendant Louis Ballis was the owner of the subject property located in Portland, Oregon.
9. At all times relevant to this action, Defendants Ted Ballis and Mary Ballis managed the subject property for their son, Defendant Louis Ballis.

### **FACTUAL ALLEGATIONS**

10. On or about Monday, May 31, 2004, Defendant Ted Ballis told Complainant Hayward's mother, Colleen Hayward, that there was a vacancy at the subject property. Mr. Ballis asked Colleen Hayward if she knew of any potential tenants. Ms. Hayward mentioned her daughter, Complainant Deneen Hayward. Mr. Ballis encouraged Ms. Hayward to have her daughter come see the apartment. Colleen Hayward knew the managers at the subject property, Defendants Mary Ballis and Ted Ballis, since Ms. Hayward's younger daughter already was renting property managed by Defendants Mary Ballis and Ted Ballis and owned by Defendant Louis Ballis.
11. On the same day, Complainants Hayward and Kelly, accompanied by Ms. Hayward's mother, went to see the subject property. Defendant Ted Ballis showed them the unit and told Complainants Hayward and Kelly that the apartment was theirs if they wanted it. Defendant Ted Ballis informed them he did not need references because he knew Complainant Hayward's parents. Complainant Hayward said she needed to check into

storing some of her belongings. Defendant Ted Ballis gave Complainant Hayward a rental application and told her to call him if she wanted the apartment.

12. On or about June 1, 2004, Colleen Hayward called the Defendant managers and spoke to Defendant Mary Ballis, who said she had shown the unit the night before to another woman, who had given her money to hold the apartment. Defendant Mary Ballis asked if Complainant Hayward would be interested in an identical unit in a different duplex, which would be available at the end of the month. Later that day, Complainant Hayward went to the subject property with her mother. Complainant Hayward told Defendant Mary Ballis that she wanted to rent the subject property, but she was not interested in the other unit.
13. On the morning of June 2, 2004, Defendant Ted Ballis called Complainant Hayward's mother and told her that they had decided not to rent to the other applicant. Defendant Ted Ballis said that if Complainants Hayward and Kelly were still interested in the original unit, Complainant Hayward should meet him at the property with her checkbook. Complainant Hayward's mother relayed the conversation to Complainant Hayward.
14. Complainant Hayward called Defendant Mary Ballis later on the morning of June 2, 2004, and told her she wanted the unit and would give her a rent check. Defendant Mary Ballis stated that Complainant Hayward could meet Defendant Ted Ballis at the unit at 1:00 p.m. that day.
15. On June 2, 2004, Complainant Hayward and her mother met Defendant Ted Ballis at the subject property. When they arrived at approximately 1:00 p.m., Defendant Ted Ballis immediately told them there was a problem. He explained that several long-term tenants

had threatened to move if he rented to her, because her boyfriend, Complainant Kelly, was black. He explained that a previous black male tenant had caused problems.

16. Complainant Hayward stated to Defendant Ted Ballis that it was against the law to discriminate. Defendant Ted Ballis replied that he knew it was, but these people were long-term tenants and he had to go with them.
17. Defendant Ted Ballis then called Defendant Mary Ballis. The two Defendants had a brief conversation. Defendant Ted Ballis then gave the phone to Complainant Hayward. Defendant Mary Ballis stated to Complainant Hayward that she was sorry, but they could not rent the apartment to her.
18. Complainant Hayward again stated to Defendant Ted Ballis that what he was doing was against the law. Defendant Ted Ballis replied that he knew that. Complainant Hayward and her mother left.
19. Defendants subsequently rented the subject property to a non-black household.
20. On June 3, 2004, Complainant Hayward contacted Complainant Fair Housing Council of Oregon ("FHCO") to report her experience attempting to rent a unit from the Defendants. FHCO interviewed Complainant Hayward.
21. In response to the information provided by Complainant Hayward, FHCO staff designed and conducted two paired on-site tests for housing discrimination. The first pair consisted of a black woman and a white woman. The second test consisted of a black man and a white man. During the second test, Defendants treated the white male tester in a more favorable way than the black male tester.

22. In April and June 2005, the Complainants filed timely complaints of discrimination with the Secretary of the Department of Housing and Urban Development (“the Secretary”) alleging that Defendants engaged in housing discrimination on the basis of race in violation of the Fair Housing Act.
23. Pursuant to the requirements of Sections 810(a) and (b) of the Fair Housing Act, 42 U.S.C. §§ 3610(a) and (b), the Secretary conducted an investigation of the complaints, attempted conciliation without success, and prepared a final investigative report.
24. Based on the information gathered in that investigation, the Secretary, pursuant to 42 U.S.C. § 3610(g)(1), determined that reasonable cause exists to believe that a discriminatory housing practice occurred. On December 15, 2005, the Secretary issued a Charge of Discrimination pursuant to Section 810(g)(2)(A) of the Fair Housing Act, 42 U.S.C. § 3610(g)(2)(A), charging the Defendants with engaging in discriminatory housing practices, based on race and sex, in violation of the Fair Housing Act.
25. On or about January 4, 2006, the Defendants timely elected to have the charge resolved in a federal civil action pursuant to Section 812(a) of the Fair Housing Act, 42 U.S.C. § 3612(a).
26. On or about January 11, 2006, the Secretary authorized the Attorney General to commence a civil action on behalf of the Complainants pursuant to Section 812(o) of the Fair Housing Act, 42 U.S.C. § 3612(o).

#### **FAIR HOUSING ACT CLAIMS**

27. By the facts and conduct alleged above in Paragraphs 4 - 20, Defendants have:

- A. Refused to rent after the making of a bona fide offer, or refused to negotiate for the rental of, or otherwise made unavailable or denied, a dwelling to persons because of race and sex, in violation of Section 804(a) of the Fair Housing Act, 42 U.S.C. § 3604(a);
  - B. Discriminated against persons in the terms, conditions or privileges of rental of a dwelling because of race and sex, in violation of Section 804(b) of the Fair Housing Act, 42 U.S.C. § 3604(b); and
  - C. Made statements with respect to the rental of a dwelling indicating a preference, limitation, or discrimination based on race and sex, or an intention to make any such preference, limitation, or discrimination, in violation of Section 804(c) of the Fair Housing Act, 42 U.S.C. § 3604(c).
28. As a result of Defendants' conduct, Complainants are aggrieved persons as defined in Section 802(i) of the Fair Housing Act, 42 U.S.C. § 3602(i), and have suffered injury.
29. Defendants' conduct described herein was intentional, willful, and taken in disregard for the rights of Complainants.

### **PRAYER FOR RELIEF**

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

- (i) Declares that Defendants' conduct as alleged herein violates the Fair Housing Act, as amended, 42 U.S.C. §§ 3601, *et seq.*;
- (ii) 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 sex against any person in any aspect of the rental of a dwelling, pursuant to 42 U.S.C. §§ 3612(o)(3) and 3613(c)(1);


(iii) Awards monetary damages to Complainants pursuant to 42 U.S.C. §§ 3612(o)(3) and 3613(c)(1); and

(iv) Awards such additional relief as the interests of justice may require.

Dated this 1<sup>st</sup> day of February, 2006.

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