



UNITED STATES ATTORNEY'S OFFICE

Southern District of New York

U.S. ATTORNEY PREET BHARARA

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CONTACT: Ellen Davis, Jerika Richardson,
Jennifer Queliz
(212) 637-2600

MANHATTAN U.S. ATTORNEY RECOVERS \$2 MILLION FOR VICTIMS OF ALLEGED SEXUAL HARASSMENT BY LANDLORD

Preet Bharara, the United States Attorney for the Southern District of New York, announced today a settlement of the United States' lawsuit against STANLEY KATZ, the owner of buildings located at 144 West 73rd Street and 140 West 75th Street, and the previous owner of a building located at 142 West 75th Street, New York, New York, (the "Properties"), WILLIAM BARNASON, the former Superintendent of the Properties, and STEPHEN KATZ, the building manager of the Properties. The Government's lawsuit alleged that the defendants violated the Fair Housing Act by discriminating on the basis of sex and subjecting numerous female tenants to severe, unwelcome, and pervasive sexual harassment. Under the settlement, the defendants will pay more than \$2 million to the tenants who were alleged to have been the victims of the harassment. In addition, the defendants will pay \$55,000 in civil penalties, the maximum penalty available under the Fair Housing Act. The settlement agreement, in the form of a consent decree, was submitted today in Manhattan federal court and is subject to approval by U.S. District Judge Robert W. Sweet. The \$2,058,000, agreement represents the largest recovery ever in a sexual harassment suit brought by the United States under the Fair Housing Act.

Manhattan U.S. Attorney Preet Bharara said: "The conduct alleged in this case subjected Stanley Katz's female tenants to forms of harassment that would be unacceptable in any environment, let alone in their homes – it was also blatantly illegal. The right to live in an environment that is free from sexual harassment is sacrosanct, and conduct that violates that right will not be tolerated. As this case demonstrates, we will aggressively use our authority to protect the right to be free from discrimination in any form."

As alleged in the Complaint and Amended Complaint (the "Complaint") filed in Manhattan Federal Court:

STANLEY KATZ hired BARNASON, a Level 3 registered sex offender, to serve as the superintendent of the Properties. While employed in that role, BARNASON sexually harassed female tenants by: attempting to enter their apartments while inebriated and demanding sex; engaging in unwelcome groping and fondling; subjecting them to unwanted verbal sexual advances; demanding sexual favors in return for tangible housing benefits such as rent reductions; and taking adverse actions against women who refused to comply with his demands for sex. STEPHEN KATZ, who was hired by his father STANLEY to manage the Properties, created a hostile environment for female tenants by repeatedly subjecting them to vulgar and offensive epithets because of their gender, threatening them, and engaging in other intimidating,

humiliating, and abusive behavior. STANLEY KATZ was aware of his employees' sexual harassment of the tenants, condoned the conduct, and failed to take any steps to halt the harassment despite receiving numerous complaints.

The conduct at issue in this case constitutes severe, unwelcome and pervasive sexual harassment, thereby creating a hostile environment for female tenants and/or amounting to quid pro quo harassment in violation of the Fair Housing Act. The Fair Housing Act, among other things, prohibits gender-based discrimination in connection with rentals, or in the provision of services in connection with rentals.

Under the terms of the settlement:

- The defendants are enjoined from discriminating against any person in the terms or conditions of renting a dwelling because of sex.
- STANLEY KATZ is prohibited from managing the Properties.
- STANLEY KATZ must implement a written policy against sexual harassment at his Properties; educate his employees on federal housing discrimination laws; and provide requested information to the Government about rental activity at his Properties.
- BARNASON is permanently enjoined from entering the Properties in the future and from having any involvement in the management or maintenance of occupied rental housing properties. He will only be permitted to perform maintenance in completely unoccupied properties, or in the vacant apartments of occupied properties when accompanied by a third party.
- STEPHEN KATZ must complete a program of educational training focusing on the sexual discrimination provisions of federal, state, and local fair housing laws, regulations, and ordinances.

Fighting illegal housing discrimination is a top priority of the Department of Justice. The federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, familial status (having one or more children under 18), national origin, and disability. Persons who believe they have experienced or witnessed unlawful housing discrimination may call the U.S. Attorney's Office civil rights complaint hotline in the Southern District of New York at 1-212-637-0840, the national Housing Discrimination Tip Line at 1-800-896-7743, or contact HUD at 1-800-669-9777.

This case is being handled by the Office's Civil Rights Unit. Assistant United States Attorneys Tara M. La Morte and Jeannette A. Vargas are in charge of the case.