CITY OF NEW YORK
COMMISSION ON HUMAN RIGHTS

In the Matter of the Complaint of:

NEW YORK CITY COMMISSION ON
HUMAN RIGHTS,

Complainant,

- against -

NOOKLYN NYC LLC and ANTHONY BENNETT,

VERIFIED COMPLAINT

Complaint No.: M-H-G-24-144500

Respondents.

NATURE OF THE CASE

The New York City Commission on Human Rights ("Commission") brings this action against Nooklyn NYC LLC ("Nooklyn") and Anthony Bennett ("Bennett"), (collectively, "Respondents") for violations of §§ 8-107(5)(a), 8-107(17), 8-107(20) of the Administrative Code of the City of New York ("NYCHRL" or "Code"). The Commission alleges that Respondents have engaged in discriminatory practices in violation of the Code. Specifically, Respondents have prioritized "cash paying tenants" over individuals with a lawful source of income by offering viewings to those without housing vouchers. The Commission allege as follows:

JURISDICTION AND VENUE

The Commission initiates this Complaint through its Law Enforcement Bureau ("LEB") pursuant to § 8-109(c) of the Administrative Code of the City of New York ("Code"). The unlawful policies and practices alleged in this complaint occurred in the City of New York.

THE PARTIES

1. LEB's address for service of process is 22 Reade Street, 3rd Floor, New York, NY 10007.

- 2. Respondent Nooklyn is a residental real estate brokerage company that, for another person and for a fee, lists for sale, exchange, purchase, or rental of an estate or interest in real estate, as defined under § 8-102 of the Code. Respondent Nooklyn address for service of process is 28 Scott Avenue, Apartment 106, Brooklyn, NY 11237 and/or 765 Franklin Avenue, Brooklyn, NY 11238.
- 3. Respondent Bennett is an employee and/or agent of Respondent Nooklyn and is a real estate broker and/or real estate salesperson as defined by § 8-102 of the Code. Respondent Bennett's address for service of process is c/o Nooklyn NYC LLC, 28 Scott Avenue, Apartment 106, Brooklyn, NY 11237 and/or Nooklyn NYC LLC, 765 Franklin Avenue, Brooklyn, NY 11238.

FACTS

Background

- 4. Respondent Nooklyn is an independent residential real estate brokerage with eighty-two (82) licensed agents, salespersons, brokers, and employees.
- 5. Respondents and/or their agents have "ghosted" prospective tenants with housing vouchers by ignoring their repeated calls and texts about publicly advertised rental units and have offered opportunities such a viewings and chances to apply prospective tenants who are considered "cash paying tenants."
- 6. This practice of 'ghosting' prospective tenants with vouchers withholds viable apartments for rent because of their lawful source of income and prevents voucher holders from applying.

Test 1

- 7. On or about August 19, 2024, a tester employed by the Commission and posing as a Section 8 voucher holder and disabled veteran ("Tester 1"), responded to an ad for 802 Knickerbocker Avenue, Suite #1G, Brooklyn, NY 11207, a studio apartment listed on Streeteasy.com for rent at \$2,263.00. The ad listed Respondent Bennett as the listing agent. The tester submitted an inquiry through the StreetEasy.com platform but did not receive a response.
- 8. On or about August 20, 2024, the tester reached out a second time to Respondent Bennett on Streeteasy.com for the same unit and asking again if the unit was still available.
- 9. On or about August 22, 2024, Respondent Bennett responded to the tester's second inquiry by email, confirming the unit's available. Respondent Bennett requested information on the number of people moving in, credit score, annual income, guarantor information, and move-in date, or words to that affect.
- 10. Later that day, the tester responded they will be using a Section 8 voucher and their veteran benefits, or words to that affect. Respondent Bennett did not reply.
- 11. On or about August 23, 2024, the tester sent a follow-up email to Respondent Bennett stating they have not heard back and asked if the unit was still available, or words to that affect.

 Respondent Bennett did not respond.
- 12. On or about August 26, 2024, the tester sent an additional email to Respondent Bennett, stating they have not heard back and asked if the unit was still available, or words to that affect.

 Respondent Bennett did not respond.

13. From on or about August 19, 2024, to on or about August 26, 2024, the StreetEasy ad for the unit remained active throughout this correspondence and listed the ad as available for rent.

Test 2

- 14. On or about August 28, 2024, a tester employed by the Commission ("Tester 2") responded to the same ad for 802 Knickerbocker Avenue, Suite #1G, Brooklyn, NY 11207. The unit was still being advertised for \$2,263.00 and listed Respondent Bennett as the agent to contact, with the phone number (347) 679-1968.
- 15. The tester called Respondent Bennett at (347) 679-1968 and left a voicemail message and followed up with a text message regarding the unit, asking if it was still available or words to that affect.
- 16. Later that day, Respondent Bennett texted the tester, stating the unit was available and requested the number of people moving in, credit score, annual income, guarantor information, and move-in date, or words to that affect. The tester, posing as an employed and cashing paying tenant, responded stating it was just one person, income of \$115k per year and credit in the 740s, no pets, and asking for a viewing that same week, or words to that affect.
- 17. Later that day, Respondent Bennett responded stating he can do a viewing the next day and sent a video of the apartment.
- 18. On or about August 29, 2024, Respondent Bennett texted the tester to confirm the viewing for that day was proceeding as planned.

Subsequent Interactions

- 19. After the tester did not respond, Respondent Bennet emailed Tester 1, stating he was previously overseas, and that the unit now had a gross rental price of \$2,750.00.
- 20. Tester 1 responded, asking Respondent Bennett to explain what he meant by gross rental price.
 Respondent Bennett did not respond.
- 21. Upon information and belief, housing providers can advertise an apartment at a net effective rent when they offer concessions like a month of free rent to encourage prospective tenants to sign a lease. The next effective rent factors the concessions into the advertised rent price, giving the tenant a discount. Conversely, the gross rent is the higher rental amount without the concessions or discounts factored in.
- 22. Due to confusion between the net rent and gross rent prices, in 2020, StreetEasy.com modified the way it presents rents in listing so that all new StreetEasy listings will state any concessions related to the rent and any lease modifications, and clearly display the gross rent at the top of the listing with the clarifying net effective rent also prominently displayed underneath.
- 23. Upon information and belief, StreetEasy's 2020 website modifications are still in effect.
- 24. Respondent Bennet did not inform Tester 2 of a gross rent price.
- 25. Upon information and belief, the ad posted on StreetEasy.com never advertised a gross rent price or specified any rental discounts or concessions warranting a change in price.
- 26. Upon information and belief, Respondent Nooklyn and its agents engage in a pattern and practice of ghosting prospective tenants once they reveal they utilize a housing voucher or rental assistance subsidy.

- 27. Upon information and belief, Respondent Nooklyn and its agents engage in a pattern and practice of misrepresenting the gross rental price of units to prospective tenants once they reveal they utilize a housing voucher or rental assistance subsidy.
- 28. Upon information and belief, Respondents intentionally discriminate against applicants based on lawful source of income.
- 29. Upon information and belief, Respondents have a pattern and/or practice of discriminating against applicants based on lawful source of income.
- 30. Upon information and belief, Respondents' practices have a disparate impact against applicants based on lawful source of income.

CHARGE I

Lawful Source of Income Discrimination in a Housing Accommodation in Violation of § 8-107(5) of the NYCHRL

- 31. The Commission incorporates and realleges paragraphs 1 through 30 of the Complaint as though fully set forth herein.
- 32. The Commission charges that Respondents have committed an unlawful discriminatory practice by refusing to rent or lease, and/or refusing to negotiate for the rental or lease of, or approve the rental or lease of a housing accommodation because of prospective tenants' lawful source of income in violation of § 8-107(5) of the NYCHRL, and have damaged them thereby.
- 33. The Commission charges that Respondents have committed unlawful discriminatory practices in the terms, conditions, and privileges of a housing accommodation against prospective tenants on the basis of their lawful source of income in violation § 8-107(5) of the NYCHRL, and have damaged them thereby.

- 34. The Commission charges that Respondents have committed unlawful discriminatory practices by declaring, or causing to be declared, a statement which expresses, directly or indirectly, a limitation, specification or discrimination as to lawful source of income in violation of § 8-107(5) of the NYCHRL, and have damaged them thereby.
- 35. Upon information and belief, Respondents are engaging in a pattern and practice of discrimination on the basis of lawful source of income in violation of § 8-107(5) of the NYCHRL, and have damaged them thereby.

CHARGE II

Disparate Impact based on Lawful Source of Income in Housing Accommodations in Violation of 8-107(17) of the NYCHRL

- 36. The Commission incorporates and realleges paragraphs 1 through 30 of the Complaint as though fully set forth herein.
- 37. The Commission charges that Respondents' policy of ghosting voucher holders creates a disparate impact upon applicants who are recipients of housing subsidies in violation of § 8-107(17) of the NYCHRL.
- 38. The Commission charges that Respondents' policy advertising net rents only creates a disparate impact upon applicants who are recipients of housing subsidies in violation of § 8-107(17) of the NYCHRL.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests judgment against Respondents as follows:

a) Declaring that Respondents' acts, practices, and omissions complained of herein violate the NYCHRL;

b) Enjoining Respondents and their agents, employees, and successors and all other persons

in active concert or participation from aiding, abetting, inciting, compelling, or coercing

any of the acts forbidden by the NYCHRL;

c) Directing Respondents to make all necessary modifications to their policies, practices, and

procedures to comply with NYCHRL;

d) Directing Respondents to train all management, agents, employees, and shareholders on

NYCHRL;

e) Directing Respondents to engage in affirmative relief, including anti-discrimination

training, policy revisions, posting and notice to employees, and monitoring;

f) Directing Respondents to pay civil penalties; and

g) Awarding such other relief as the Commissioner deems just and proper.

Katherine Carroll, being duly sworn, deposes and says: that I am the Deputy Commissioner of

the Law Enforcement Bureau of the New York City Commission on Human Rights, the

Complainant herein; I have read the foregoing Complaint and know the content thereof; that the

same is true of my own knowledge except as to the matters therein stated on information and belief;

and that as to those matters, I believe the same to be true.

Dated: New York, New York

September 272024

Subscribed and Sworn to before me

cotember, 2024

Prepared by: Stephanie Rivera, Esq.

STEPHANIE RIVERA Notary Public - State of New

NO. 02RI6419769 Qualified in Kings County

My Commission Expires Jul 19, 2025