

Ethnic Discrimination and Violation of Laws

<http://www.contracabal.org/801-06.html>

The National Council of Jewish Women built and refurbished the Council House, a residence for senior citizens on Capitol Hill, Seattle. They obtained federal financial assistance through the US Department of Housing and Urban Development (HUD) for the original construction and rehabilitation. The Directors currently employ an Acting Administrator (Stephen Mitchell) who must comply with HUD Directive #4381.5 when managing the building and dealing with residents.

Historically, ethnic minority groups have united through their mutual experience of oppression, their fight against bigotry, and their quest for social justice. However, the ethnic relationship between landlord and tenant, or the powerful and the powerless, remains volatile. Latent prejudices have passed from generation to generation until they have become distorted through ignorance and affluence.¹ Ethnic discrimination in housing lingers like a bad habit: it encourages ordinarily neutral people to become bigots.²

The National Council of Jewish Women built and refurbished the Council House, a residence for senior citizens on Capitol Hill, Seattle. They obtained federal financial assistance through the US Department of Housing and Urban Development (HUD) for the original construction and rehabilitation. The board of directors formerly employed a project administrator (Mark Mullen) and now employs an acting administrator (Stephen Mitchell). Federal regulations require administrators to comply with HUD Directive #4381.5 when managing the building and dealing with residents. They must not discriminate against anyone by hiding information about job opportunities and deliberately not advertising them. Moreover, they must provide equal treatment to all residents and consider all qualified applicants for employment notwithstanding their race, color, creed, national origin, gender, age, or familial status.

HUD defines duties and gives administrators rules to follow when handling the day-to-day operations at independent living facilities designed for senior citizens. They usually report to a board of directors. Generally, those residences employ administrators instead of contractors. The administrator has a job description and/or employment agreement and receives a salary rather than a management fee.³

Council House Inc., classifies as a domestic nonprofit corporation registered in the State of Washington. The Secretary of State requires nonprofit corporations to file an annual report that contains the names and addresses of all officers and directors. However, Mullen, the federal-approved administrator (doubling as the state registered agent and as a board director: a blatant conflict of interest) did not file a report during 1993 and the Secretary dissolved the corporation. The board of directors applied for reinstatement and the Secretary granted a certificate to that effect (08 Oct 93), on payment of a reinstatement filing fee. The registered agent has again neglected to file a license renewal application so both Council House Inc. and Council House Foundation have again defaulted (31 Aug 00). They now technically rank as inactive corporations and must again apply for reinstatement. Such negligence continues to boggle the mind.

Through neglect, indifference, and lack of HUD oversight, combined with ethnic prejudice this residence has become a theater of the absurd. Moreover, its choreographers do not learn from negative curtain calls. For example, the registered agent, Mark Mullen (\$53,100.00/year), responsible for filing the annual report has consistently not included all the directors' names and addresses according to law.⁴ Moreover, to cover up his neglect he consistently refused access to public information to deny residents contact with the directors and to cover up other unlawful activities. The acting administrator continues that policy.

Much more serious neglect has occurred at the federal level. For six years, Mullen and the board have not complied with HUD directives.⁵ They filed neither borrower's certificates nor management entity profiles required by a 1994 revision to HUD regulations. Pressure applied to HUD using the Freedom of Information Act (FOIA) resulted in Sheila Sternberg and Lynn Wartnik, co-presidents, retroactively signing and filing those documents on April 22, 2000. By association, this neglect has denied residents the right properly to organize and to present complaints about adverse living conditions to the directors and to HUD for more than six years. It has allowed Mullen to evade the issues by denying access to mandated resident complaint procedures.

Mullen announced his resignation (May 17) as administrator. He sang a heart-rending swan song citing the primary reason for leaving as a need for an increase in salary. This despite receiving a \$5,104.00 (10.63%) increase to \$53,100.00/year and a "generous holiday gift" from the Council House board only four months previously. Less than 30% of the residents attended the meeting. At that meeting, Mullen promised them that the directors would make a national search for a qualified administrator to replace him.

The directors violated both the spirit and intent of federal equal opportunity laws by conspiring to manipulate employment criteria. Those laws preclude discrimination in both housing and employment. They require the directors to advertise in a way that provides equal opportunity to all qualified applicants notwithstanding race, color, creed, national origin, gender, age, or familial status. This means that any qualified resident or current employee may also apply for the position. The directors must by law make their selection based on merit without ethnic or racial prejudice. They must advertise nationally for a competent, permanent administrator or management company according to HUD regulations and publicly show that they have complied with all state and federal laws. They have failed to do so.

The directors appointed a search committee to discuss hiring a replacement administrator. At a committee meeting, they voiced concerns about advertising nationally because it would result in black people applying for the position and conspired to exclude them. Another director gave a negative response, based on ethnicity, when a resident suggested that the Director of Environmental Services, a black person, should interview for the job. Both the committee and that director violated federal laws that prohibit discrimination in housing and employment.

The board of directors appointed Stephen Mitchell acting administrator when Mullen left (02 Jun 00). He started work immediately (05 Jun 00). An unemployed actor, Mitchell has virtually no qualifications for the job and does not meet HUD standards for administrators of financially-assisted HUD buildings. Despite Mitchell's lack of qualifications, Sternberg and Wartnik recommended Mitchell to HUD for the permanent administrator position at \$40,000.00/year (\$13,100.00 less than they paid Mullen). They signed and filed a HUD borrower's certificate and a management entity profile the same day that Mitchell began working as acting administrator. That document contained false and misleading information. Moreover, the directors neither mounted the promised nation-

wide search nor properly advertised the position to comply with the Equal Opportunity Employment Act. Judiciously, HUD has not approved the appointment and the 45 days time frame allowed for action has now expired.

Leon Harris, a Council House resident, asked Mitchell (August 9) for details about when and where the directors had nationally advertised the administrator position. Mitchell feigned ignorance and deferred to Audrey Dunbar, his activities director, who hedged the question. Harris persisted and Dunbar told him (August 11) that the directors will not mount a national search because they cannot afford the cost of relocating a successful candidate. Obviously, this claim to poverty does not ring true when the directors have more than \$250,000.00 deposited in a contingency endowment fund. Harris then questioned Mitchell directly about alleged local advertising. He asked him where and when the directors had placed advertisements relating to the administrator position. Mitchell refused to provide Harris with that public information. In addition, neither Mitchell nor Dunbar have posted the advertisement on the bulletin board to give qualified residents and current employees the opportunity to apply for the position.

The report in *Pygmy Abstracts* (28 July 00) about advertising for a replacement administrator apparently prodded Bradley K. Spear (a Council House director) to act. Spear placed advertisements in *The Jewish Transcript*, Seattle, (11 and 25 Aug 00). One wonders how many *goyim* read that paper and would reply to an advertisement that has obviously biased intent. As an attorney, Spear knows that he must follow the letter also the spirit of the law. He must now mitigate by nationally advertising the position in non-sectarian publications. Neglect to do so will probably result in presently interested organizations hauling him before the civil rights commission and the bar association disciplinary committee.

Lynn G. Stowell, FOIA Officer, HUD-Seattle continues to withhold public records. Under pressure from the US Department of Justice, Washington, DC (DOJ). HUD-Seattle Senior Counsel, David F. Morado, has now released some of them. However, he still unlawfully withholds others apparently to cover up alleged neglect by the HUD project manager, Kathy Klein, who remains responsible for liaison. Moreover, this silent withholding of documents also covers up a pattern and practice by the Council House board of directors. That pattern shows intentional and repeated violation of rights granted to residents under the constitution and by federal law.

Klein recently approved an increase in food service fees to cover up a \$24,328.00 (23.41%) cost overrun caused by Mullen's bungling. HUD-Seattle has refused to provide copies of the public records supporting this contention which has resulted in another appeal to a DOJ official. That official has evidently ordered HUD-Washington DC to release the financial records silently withheld by HUD-Seattle. However, documents obtained from other sources verify the amount of a food service cost overrun charged back to residents. Council House residents must now pay \$10.00/month in perpetuity to cover expenditures incurred through administrative incompetence:

an unacceptable burden upon people trying to survive on a fixed income. An audit investigation of these questionable charges may eventually force the directors to refund to residents any charges for food service made to them unlawfully.

Sternberg and Wartnik (with their board of directors) continue to violate the Equal Employment Opportunity laws. They avoid giving the administrator job to a black person (or any other minority considered unacceptable) by not properly advertising the job. This ploy effectively precludes minority people from applying and contravenes Fair Housing/Equal Opportunity Requirements. When the administrator and the directors discriminate against job applicants they violate their contract with HUD and can face serious criminal penalties.⁶

Moreover, HUD directives require the directors to appoint a qualified administrator not a cheap mullenium clone who panders to the ethnically motivated wishes of the directors. Administrators should manage buildings. They should not try to influence the minds of residents with their prejudicial ideologies and coercion.

Any attempt to appoint Mitchell to the permanent position should receive thorough investigation by federal authorities. He has already escalated the untenable and unlawful situation that he inherited from Mullen. More than three months experience shows a continuance of those policies using Dunbar as his public relations flack (propagandist).

Council House needs an administrator and a service coordinator qualified according to HUD criteria with selection based only upon merit and experience and not upon ethnicity or degree of subservience. It also needs a competent book-keeper/secretary, a qualified security person, and an industrious maintenance staff. Facilities designed for independent living do not need in-house services like activity directors and housekeepers or employees willing to break laws and subserve to dictatorial and prejudiced directors. Activity directors and housekeepers cater to only a few preferred residents who can obtain better services locally. Using outside services will probably result in better service and relieve the unnecessary drain on Council House resources. The salary savings can then go toward paying a competent administrator, properly.

The important thing remains: the Council House directors must abandon their discriminatory policies and fire their oligarches. By law, they must appoint the most qualified administrator that they can find for the job after a nationwide search. They must select all management personnel only on merit and experience and not on the grounds of race, color, creed, national origin, gender, age, or familial status. The Council House ethnic mix remains morally and legally irrelevant when deciding about employees. The US congress has decreed that landlords may not use their power to impose their ideology or religion through coercive persuasion of residents. Moreover, enforcement of discrimination laws removes the power of bigoted landlords who personally despise and oppress residents of ethnic groups different from their own.

Nmesis. **Full Text** <http://www.contracabal.org/801-06.html>

1. Elsa C. Arnett, Struggles to unite blacks and Jews but economic forces divide, *Seattle Times*, 12 August 2000.
2. Frederick Schweitzer, Manhattan College, New York.
3. US Department of Housing and Urban Development, *HUD Directive #4381.5 (Rev-2)*, 2.3(d).
4. RCW 24.03.395 and WAC 434-110-120(d).
5. US Department of Housing and Urban Development, *HUD Directive #4381.5 (Rev-2)* and *4350.1*, generally.
6. US Department of Housing and Urban Development, *HUD Directive #4381.5 (Rev-2)*, 7.3(b)(5).