5-8-1974

Fair Housing At Its Worst: the flagrant violation of Title VIII of the 1968 Civil Rights Act in Greater Hartford, Connecticut, report 5.

Education/Instruccion

Follow this and additional works at: http://digitalrepository.trincoll.edu/cssp_archives

Part of the Education Commons

Recommended Citation
FAIR HOUSING AT ITS WORST

The flagrant violation of Title VIII of the 1968 Civil Rights Act in Greater Hartford, Connecticut

EQUAL HOUSING OPPORTUNITY

education / instrucción

1170 Albany Avenue, Hartford, Connecticut 06112
CONTENTS: REPORT FIVE

PRELIMINARY STATEMENT

Section 16: Response: Connecticut Real Estate Commission

Community Action: HUD Complaint
Federal Suit

Section 17: Response: Greater Hartford Board of Realtors

Community Action: HUD Complaint
Federal Suit planning

Section 18: Response: Greater Hartford Chamber of Commerce

Community Action: U.S. Dept. of Labor complaint
U.S. Dept. of HUD complaint
Equal Employment Opportunity Commission complaint
State of Connecticut Insurance Dept. complaint
U.S. Commission on Civil Rights complaint

Education/Instruccion expresses appreciation to the following students who have and will work long and hard in research and writing for this series of reports:

Jeanne Bost  Rick Casilli
Donna Fatsi  Daniel Horwitch
Gale Smith

We also wish to thank a large group of Anglo, Black and Puerto Rican individuals who have registered bona fide complaints, have served as testers, and/or have submitted to extended interviews. They shall remain anonymous to protect the integrity of a large number of upcoming administrative and legal actions.
PRELIMINARY STATEMENT

On February 22, 1974, a coalition of community groups and concerned organizations held an historic news conference for Connecticut. All press, T.V., Radio, and the real estate industry (State Real Estate Commission, Board of Realtors, individual real estate firms, etc.) were invited for an information-sharing session. News that eight of the nine largest Hartford area firms were being charged with violations of Title VIII of the Civil Rights Act of 1968 had been released nationwide by Associated Press two days earlier.

The coalition consisted of United Family Action, Upper Albany Community Organization, Education/Instruccion, Open Housing Coalition, the Black Alliance of Social Workers, and the Hartford Spanish Action Coalition. Included in the conference was the announced support from the Connecticut Coalition For Open Suburbs including as members:

- Anti-Defamation League
- Connecticut Civil Liberties Union
- Connecticut Council of Churches
- Education/Instruccion
- Office of Urban Affairs, Archdiocese of Hartford
- Suburban Action Institute
- Christian Community Action

The stage had been set and the confrontation had officially begun. (See preliminary Statement Report One). The coalition released the first four reports and discussed their contents.

Almost three months have passed since that first public discussion of the issues. Report Five will focus on the reaction of the real estate industry, the community at large, and further action taken by Education/Instruccion and the Coalition.

More than 500 full sets of the reports 1-4 and newspaper clippings have been mailed to many parts of the country. Two grants, one from the New World Foundation and one from the Field Foundation, have helped defray the cost of typing, reproduction and mailing these documents. A second set of 500 sets of Reports 1-4 has been printed, along with 500 sets of reports 5-8 in an effort to keep pace with the demand.

If you or your organization wishes to receive one or more sets of this report series, please contact Project YA BASTA, Education/Instruccion, Hartford, Conn. 06112, or call (203) 522-7960 for details.
Response to charges of racial steering against individual firms and the condoning and maintaining of discriminatory practices by every level of responsibility on the state and local scene was loud and fast. It was led, as could be predicted, by the Connecticut Real Estate Commission and the Greater Hartford Board of Realtors.

The Real Estate Commission's Executive Director, James Carey, issued a statement questioning the "right" and "authority" of Education/Instruction to "hold themselves out as a police agency to conduct an investigation into possible criminal violations". He questioned the credibility of E/I's information and raised "serious questions concerning the authority, qualifications, experience, training and ability of the individuals who participated in the testing". Mr. Carey also claimed to be doing an 'investigation' of his own but at no time did he or any member of the Real Estate Commission contact any of the community groups who called the news conference to obtain further information or ideas.

The community based coalition continued to expand support during this period, most noticeably from religious leaders:

A RESOLUTION ON HOUSING AND EDUCATION

WE, THE BOARD OF DIRECTORS OF THE GREATER HARTFORD COUNCIL OF CHURCHES, THEREFORE APPLAUD all efforts to remove barriers to equal housing opportunity including testing and reporting to the U.S. Department of Justice as is being initiated by Education/Instruction....

WE FURTHER encourage continued action on the part of all concerned bodies until problems such as "steering" in real estate sales and segregation in the schools cease;

WE FURTHER urge church members to examine their response to these issues in light of religious faith and act in such a way that equality of opportunity for all might be promoted in the region; and

WE FURTHER urge the state and towns of the region to identify the problems and work together to establish solutions that assure equality of opportunity instead of the maintenance of an inequitable status quo.

April 23, 1974
On April 19, 1974, a suit was filed against the Real Estate Commission in New Haven Federal District Court. The plaintiffs included a Realtor, six citizens (Black, White, Spanish-surnamed), fifteen community organizations, Education/Instruccion and the Connecticut Coalition for Open Suburbs.

The complaint announced, for the first time publicly, that a Title VII Open Housing Complaint had been filed with the Regional Office of the Department of Housing and Urban Development, Boston, against the Connecticut Real Estate Commission (and the Connecticut Association of Real Estate Boards, the Greater Hartford Board of Realtors and the Hartford Area Office of HUD) on February 1, 1974.

The complaint alleged the following:

1. The State of Connecticut has been plagued by the Real Estate industry's "racial steering" and "blockbusting" techniques and discriminatory hiring practices.

2. Such practices were so flagrant that the Commission knew, or ought to have known, of the occurrence of these racially discriminatory practices; and by its failure to act to curtail these practices, had participated in racial discrimination and segregation in housing and had violated the civil rights of the plaintiffs.

3. The Commission knew or ought to have known that it has violated plaintiffs' civil rights by its failure to analyze all of its operations to ascertain if and how it was participating in arrangements which had the net effect of discrimination on the basis of race, religion and national origin, and that it had become a party, by its failure to so administer the agency as to prevent the practices of blockbusting, steering and other discriminatory acts, to an agreement, arrangement, or plan which had the effect of sanctioning discrimination.

4. The Commission knew or ought to have known that it had violated the plaintiffs' civil rights by failing to take such action in the exercise of its licensing or regulatory power as to prevent the denial of housing to persons on the basis of race, religion, or national origin.
5. The Commission had violated the plaintiffs' civil rights in that it has failed to investigate various verified complaints submitted to it.

6. The Commission had violated plaintiffs' civil rights in that it had granted licenses to, and renewed licenses of, real estate brokers and real estate salespersons who were dishonest, untruthful, and did not deal in good faith, and who were incompetent to transact their business in such manner as to safeguard the interests of the public.

7. The Commission had violated plaintiffs' civil rights in that it failed to cooperate with the State Commission on Human Rights and Opportunities (HROC) in their enforcement and educational programs, in that it had failed to comply with the HROC request for information concerning practices inconsistent with the state policy against discrimination, and that it failed to consider the HROC's recommendations for effectuation and implementing that policy.

8. There were no Spanish-speaking personnel employed by the Real Estate Commission who are trained in or responsible for the dissemination of information to and reception of complaints from Spanish-speaking people. This inhibited the ability of Spanish-speaking people to lodge complaints with the Commission and to acquire information concerning housing, real estate practices, real estate firms, real estate licenses, and real estate regulations.

9. The Commission had not published Connecticut Statutes relating to the Commission, regulations and instructions to those wishing to lodge complaints with it, or informational material about real estate market or the real estate industry, etc. in Spanish. The Commission thus had not protected the paramount interest of the Spanish-speaking segment of the public.

10. There were no courses offered in Spanish in preparation for the real estate salesperson and real estate broker examinations. The Commission failed to require that any such preparatory courses be given in Spanish. The result was denial of the opportunity for Spanish-speaking people to deal in real estate, and the denial of opportunity for Spanish-speaking clients to deal with persons who are part of and understand their community, merely because of their inability to comprehend and speak English.

11. The examination for real estate salesperson and real estate broker were given only in English, although the Commission had the statutory authority to give said examinations in Spanish as well. The result has been to deter Spanish-speaking people from
becoming real estate salespersons and real estate brokers, thus causing the entire Spanish-speaking community to be discriminated against.

12. The Commission knew or ought to have known about the overwhelming racial segregation in the staffs of companies licensed to engage in the business of real estate and that racial discrimination in affiliations with real estate brokers was a common practice.

The plaintiffs asked for relief in the form of a Court directed, comprehensive affirmative action plan including at a minimum the following elements:

That:

a) Real Estate Commission-initiated investigation occur for all verified complaints of discrimination.

b) A series of public hearings be held in Hartford, New London, Danbury, Norwalk, New Haven, Bridgeport, Waterbury (and surrounding towns in such locations as will be most accessible to those likely to be aggrieved) to receive testimony and complaints concerning race, religion, sex, and national origin discriminatory real estate practices.

c) Real Estate Commission Investigation Division examination of the cities and towns identified above to determine the extent, use, type and perpetrators of discriminatory practices.

d) A special report based on the findings of (b) and (c) to be submitted to the Governor and the General Assembly along with recommendations for legislation.

e) A determination as to whether the examination used for real estate salespersons and brokers were racially or culturally biased and were validated for residents of major cities.

f) Administration of real estate courses and examinations in Spanish as well as in English.

g) That all applications, licenses, regulations, forms and any other material issued by the Commission be printed in both Spanish and English.
h) All courses offered in preparation for the real estate salesperson examination include a minimum of four (4) hours of instruction on the topics fair housing, blockbusting, steering, and other forms of racial discrimination in the real estate business, and relevant federal and state statutes and regulations relating to open housing, racial discrimination, and civil rights; further, that all courses offered in preparation for the real estate broker examination include a minimum of twelve (12) hours of instruction on the aforesaid topics.

i) Every real estate broker and every real estate salesperson attend a one-day, eight (8) hour seminar on the topics of racially discriminatory real estate practices and relevant federal or state statutes and regulations at least every three (3) years.

j) Experience requirements be waived when discrimination based on race, religion, sex or national origin interfered with a potential applicant's ability to meet such requirements.

k) Material, printed in both Spanish and English, describing housing opportunities, procedures, brokerage services, etc. be made available in each area of the state with a brief, easily understandable, explanation of Title VIII of the Civil Rights Act of 1968.

l) Every real estate company be required to file an affirmative action equal employment opportunity plan consisting of (1) an organizational profile by race, national origin and sex; (2) goals and timetables for minority and female utilization. Such a plan to be approved by the Real Estate Commission and considered public information.
Section 17: Response: Greater Hartford Board of Realtors (GHBR)

Community Action

GHBR responded cautiously, at first, claiming surprise and no knowledge of specific charges on individual cases. Within two hours of the 2/22/74 community news conference, GHBR was examining the documents and discussing the matter with its lawyers from Ribicoff and Kotkin, a prestigious Hartford law firm.

GHBR response evolved two major ways. First, Mr. Edward Taddei, Chairperson of the GHBR Equal Opportunities in Housing Committee, put heavy emphasis on the participation of GHBR members in the series of "voluntary affirmative marketing" meetings which began in October '73 with the cooperation of HUD, the Greater Hartford Urban League, and the Real Estate Commission. He felt this group was correcting many of the things which the Realtors were now charged with. Second, GHBR declared the steering charges an "unwarranted and vicious attack" and established a policy "not to engage in a verbal exchange surrounding nebulous allegations." The GHBR clearly intended to ride out the storm while it 1) warned each Realtor to treat every customer as if he/she were a tester, and 2) sponsored an "equal opportunity is good business" luncheon.

The luncheon deserves special mention. It featured out-of-state speakers who had either already been cited by the Justice Department for discrimination or were part of explanatory efforts to enforce and live out equal opportunity in marketing efforts. Hartford area realtors were astounded at what they heard. They were told that they were "steering", that there was no defense for it, that they should not spend time defending themselves, that they would probably not listen to this advice and that they would end up in jail.

The community coalition's position has been that:

1) The GHBR has already had a "voluntary" nondiscrimination plan in effect since 1966 - the Code of Practices. Because the GHBR did not live up to the spirit or letter of this Code, the community could not trust all Realtors to obey a second "voluntary" effort, no matter what the good intentions of a few.
A final draft of the proposed "voluntary affirmative marketing plan" includes the following important highlights:

**Advertising:**
1. Require the term "equal housing opportunity" on the HUD logo in every real estate advertisement.
2. Encourage the Press to carry out the recommended "publisher's notice" in the real estate section.
3. Advertisements in both Spanish and English are to be used extensively.
4. Words, phrases, and sentences which contain discriminatory responses shall not be used.

**Education:**
1. Public seminars to educate the public to real estate law and equal opportunity policies.
2. Equal opportunity training for all members.

**In-House Procedures:**
1. A single unified list of all listings.
3. A cease to show release statement to be signed by all buyers:

   ....I understand that my Agent, under all the conditions outlined above, is asking me of my own free will to release him/her from the obligation of showing any more houses unless the contract offer is rejected and to indicate my belief that I have received Equal Housing Opportunity.

4. Record-keeping by race of homes shown.
Reporting and Monitoring:
1. Staff analysis by race and sex.
2. Summary of homes sold by location (town) and race.

Disciplinary Measures:
1. The GHBR will suspend for no less than 60 days any member who violates the voluntary plan.
2. The GHBR will publish (public information) finding on investigations relative to discriminatory charges.

The GHBR has not yet voted to accept or reject the proposed plan. Given current and future administrative and legal actions, it appears that the plan will be adopted. However, the plan as presented will not solve the problem because it has defined the cause of discrimination as a lack of knowledge of the law, hence predetermines the solution as an "inspired" and "good faith" commitment to open housing. Nonsense! The solution to the problem of unethical and premeditated discrimination is revocation of privileges and licenses; aggressive monitoring by an objective group; specific equal employment opportunity plans, with measurable goals and timetables; a high powered marketing program to overcome the effects and negative images already created for the City of Hartford, Bloomfield and the Wilson section of Windsor by years of discrimination; and public hearings to develop information regarding extent, use, type, and perpetrators of discriminatory practices. None of these items appear in this cosmetic approach to the widespread violation of open housing law in the Capitol Region.

The community coalition has searched for and is coordinating legal counsel and legal research capable of bringing a massive federal suit against all eight realtor firms and other co-conspirators in the real estate industry. It appears that such organizations exist outside the State of Connecticut and that they are willing to accept the case.

Regardless of private and individual litigation, the big question in the minds of all concerned is whether or not the Department of Justice will sue the eight firms which were charged with violations of Title VIII by the research and testing program organized and reported by Education/Instruccion.
On May 2, 1974, the Justice Department filed suits against seven of the eight firms accused by Project YA BASTA. They were:

1. The Barrows and Wallace Company
2. J. Watson Beach Real Estate Company
3. Richard C. Buckley Associates
4. Colli-Wagner Realty Company
5. The Heritage Group
6. Hurwit and Simons Realtors
7. The T. R. Preston Company

At this writing, Red Carpet Realtors has not yet been named by the Justice Department for litigation. (We make no further comment on the merits until the Justice Department makes its own statement).

Mass media gave broad coverage to the filing of the Justice Department complaints. (See related news articles for specific details).
Section 18: The Greater Hartford Chamber of Commerce
: Community Action

In October, 1973, as a member of the Greater Hartford Chamber of Commerce, Education/Instruction had informed General Manager, David Bauer, of the existence of the real estate testing program and had requested help in funding legal expenses to bring charges in court against those firms who appeared to be guilty of violating Title VIII.

This fact ... that "other forces in the community" were working on the problem of blockbusting, steering and discrimination and that "certain things would be happening shortly including probably...a lawsuit against specific brokers found guilty of improper practices" was reported to the Chamber's Committee on Regional Matters. The committee consists of:

Chairperson: Edward Bates, President
Connecticut Mutual Life Ins.Co.

Vice Chairperson:

Joseph McCormick, President
Hartford Electric Light Co.
Walter Connolly, President
Connecticut Bank & Trust Co.
William Glynn, Partner
Gay, Berry & Howard
Edwin May, President
May, Potter, Murphy & Carter
Arthur Smith, Chairperson
United Aircraft Corp.
Fred Watkins, President
Aetna Insurance Co.
Robert Willis, President
Connecticut National Gas Corp.
Paul Erhardt, Government Relations
Greater Hartford Process
Other discussion of a variety of charges and investigations relative to housing discrimination led the Chamber to "persuade" the Hartford Area Office of HUD that local firms should not enter into intensive negotiations with HUD's equal opportunity office; instead, the Chamber wanted an opportunity to pursue the topic of racial imbalance in regional housing patterns quietly, privately.

A special Regional Matters Sub-Committee on Industrial Practices Affecting Residential Housing Patterns was appointed with the charge of developing a policy statement for the Chamber of Commerce. Representatives included:

- Connecticut General Insurance Co.
- Hartford National Bank
- Society for Savings
- Aetna Insurance
- Travelers Insurance
- Hartford Insurance Group
- Connecticut Bank and Trust
- Connecticut Mutual Life Insurance
- Aetna Life and Casualty
- Greater Hartford Process

Education/Instruccion twice requested to be a member of this subcommittee but was refused. E/I wrote the subcommittee membership twice registering opposition to the way policy was being formed (without community participation and under "not for publication" restrictions) and opposition to the policy (work-product) arrived at which did not address basic real estate industry problems including Greater Hartford Board of Realtors' participation in racist hiring practices, price fixing, and restraint of trade.

(It should be noted that (1) 28 members of the GHBR - including the GHBR itself - are dues-paying members of the Greater Hartford Chamber of Commerce, and (2) The Chamber of Commerce has not yet officially adopted any housing policy).

Inasmuch as the Chamber Subcommittee on Industry Practices refused to admit Education/Instruccion as a member of the committee, E/I approached Connecticut General Life Insurance, Aetna Life & Casualty, and the Travelers individually as stockholders. In each instance, Report 4, Section 15, of this reporting series was used as a major topic for discussion: (Steering: Big Business Participates).
Connecticut General responded quickly and affirmatively by offering to rewrite its Relocation Policy Guide and to include the new plan into its Affirmative Action Program where it belongs.

Aetna Life & Casualty demonstrated its willingness to cooperate by offering immediate planning sessions and the consideration of all criticism, suggestion, etc., by the Corporate Responsibility Committee of its Board of Directors.

The Travelers Insurance Co. remained indifferent. The Company was apparently confident that its relocation policy and existing criteria for mortgage project selection were not violating regulations for major U.S. Government contractors in either the spirit or letter of the law.

On April 19, 1974, Education/Instruccion filed formal complaints against The Travelers with four governmental agencies and a request for expediting an investigation already underway with another. They were as follows:

1. Office of Federal Contract Compliance
   U.S. Department of Labor
   A complaint for not complying with Title 41, Code Federal Regulations, Chapter 60, especially 60-2.33 (identification of problem areas) such as lack of access to suitable housing which inhibits the recruitment and employment of qualified minorities.

2. Office of Equal Opportunity
   U.S. Department of HUD
   A Title VIII complaint for relocation and contractual policies which condone and maintain real estate discrimination on the basis of race, religion and national origin in the Capitol Region of Connecticut.

3. Equal Employment Opportunity Commission
   A complaint against relocation and contractual policies which undermine equal employment opportunity for minority utilization in Standard Classification 63 (Insurance Carriers) which as a national average and Hartford SMSA performance are already unacceptable.
4. Insurance Department
State of Connecticut

A complaint against relocation and contractual policies which have the effect of sanctioning discriminatory practices in violation of Connecticut Statutes regarding public accommodations and the code of fair practices.

5. U.S. Commission on Civil Rights

A request for a continuation of research begun several months ago in the Hartford area by the Commission regarding discrimination in lending and the policies and practices of major financial institutions.

Education/Instruction research since the initial report writing has turned up yet another direct tie between larger corporations and Realtors.

In 1974, representatives of major national corporations formed a nonprofit organization called The Employees Relocation Council. The purpose of the Council is "to study, evaluate, and communicate information on practices and procedures in the relocation of employees who are transferred to different geographical locations so that the transfer may be accomplished with maximum efficiency and minimum disruptions to the employee, his family, and his employer".

The major service seems to be the annual publication of the ERREAC Directory (Employee Relocation Real Estate Services) ... a guide in locating appraisers and brokers in "bedroom" communities surrounding 20 major metropolitan centers.

The anti-city approach of this nationally distributed ERREAC Directory is clear from its definition. In Connecticut, for example, Darien has 11 firms listed, Westport 10 firms, Farmington 4, West Hartford 4, and the City of Hartford only 3. Looking further, one notes that none of the three firms listed under Hartford (Barrows and Wallace, Compass Realty and the Heritage Group) even has an office in the city! These three firms also indicate the median price of homes available through them in Hartford is:

<table>
<thead>
<tr>
<th>Firm</th>
<th>Median Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barrows and Wallace</td>
<td>$35,000</td>
</tr>
<tr>
<td>Compass Realty</td>
<td>$40,000</td>
</tr>
<tr>
<td>The Heritage Group</td>
<td>$40,000</td>
</tr>
</tbody>
</table>
Such a high median price means the firms are not servicing homes in the multi-racial Blue Hills area, for instance, which sell for $20,000-$30,000.

The Relocation Council has singled out those real estate firms who especially seek to provide service on employee housing work. The Hartford area Realtors listed below have attested in writing that since January 1, 1972 they have worked directly with the firms shown on relocation housing services for transferees:

- **Aetna Life & Casualty**
  - The Heritage Group, Inc.
  - Red Carpet, Realtors

- **Combustion Engineering**
  - Red Carpet, Realtors
  - Westledge Associates, Inc.

- **General Motors**
  - Barrows & Wallace

- **General Electric**
  - The Heritage Group, Inc.

- **Hartford Insurance Group**
  - Compass Realty
  - The Heritage Group
  - Rainbow Realty
  - Barrows & Wallace Co.

- **IBM**
  - Barrows & Wallace Co.

- **Litton Industries**
  - Rainbow Realty

- **Monsanto**
  - Rainbow Realty

- **Travelers Insurance**
  - Red Carpet, Realtors
  - Westledge Associates, Inc.

Although the ERREAC Directory disclaims any endorsement of these individual real estate firms, the Relocation Council does state they are "more likely to perform satisfactorily". The Realtors involved are clearly attempting to associate themselves with big business, and there seems to be no objection from the major employers.