

FAIR HOUSING COACH

Train your staff to avoid costly discrimination complaints

APRIL 2026

LESSON AT A GLANCE

HOW TO REDUCE THE RISK OF SEXUAL HARASSMENT CLAIMS	1
WHAT DOES THE LAW SAY?	2
■ Two Types of Harassment	3
■ Vicarious Liability	3
FOLLOW 5 RULES FOR REDUCING THE RISK OF A SEXUAL HARASSMENT CLAIM	4
■ Rule #1: Establish a Zero-Tolerance Policy Against Sexual Harassment ...	4
■ Rule #2: Provide Sexual Harassment Training to All Employees	4
■ Rule #3: Don't Ignore Sexual Harassment Complaints	5
■ Rule #4: Take Prompt Action to Halt Harassment	6
■ Rule #5: Don't Retaliate Against Anyone Complaining About Sexual Harassment	6
COACH'S QUIZ	7

How to Reduce the Risk of Sexual Harassment Claims

We give you five rules for preventing harassment and avoiding claims against your property and employees.

A year ago at this time when we were talking about HUD budget cuts and staff shortages, it seemed that enforcement of the Fair Housing Act (FHA) wouldn't be a high priority of the Trump administration. But a quick scan of recent Justice Department (DOJ) press releases

reveals that the administration is very actively enforcing the FHA, especially when it comes to one particular type of discrimination:

- **Feb. 18, 2026:** *Justice Department Secures \$850,000 Settlement in Sexual Harassment*



Lawsuit Against Kentucky Landlord and Property Manager

- **Jan. 9, 2026:** *Justice Department Secures \$325,000 Settlement in Sexual Harassment Lawsuit Against Iowa Landlord and Property Manager*
- **Dec. 18, 2025:** *Justice Department Secures \$480,000 Settlement in Sexual Harassment Lawsuit Against Ohio Landlords and Property Managers*

As you can see from the headlines above, claims for sexual harassment, which is considered a form of housing discrimination based on sex, are still very much on the radar. And they can cost thousands—in some cases millions—in settlements or court awards, civil penalties, and attorney’s fees, not to mention lasting damage to the psyche of the victims and reputation of the property and managers involved.

To help you stay out of the government’s crosshairs and avoid sexual

harassment claims, our April lesson will explain the fair housing rules banning sexual harassment and offer five rules to help you minimize the risk of such a claim against your property. Then, you can take the COACH’s Quiz to see how much you’ve learned.

WHAT DOES THE LAW SAY?

The federal Fair Housing Act prohibits discrimination in housing because of race, color, national origin, familial status, disability, religion, or sex. Courts, HUD, and the DOJ have consistently recognized sexual harassment as a form of prohibited sex discrimination.

When people think of sexual harassment, they typically envision an empowered male targeting a vulnerable female. While this is the most common scenario, it’s important to recognize that the law protects both men and women from sexual harassment, whether the perpetrator

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Managers may face liability for sexual harassment even if they weren't directly involved.

and victim are male or female. What the law prohibits is unwelcome sexual conduct that's directed at a particular individual because of their gender. Such conduct may be motivated by sexual desire, whether heterosexual or homosexual, or by hostility toward a particular gender.

Example: A gay New York City tenant complained that his male landlord made sexual advances toward him, spied on him through his apartment window, told the tenant's friends that he wanted to have sex with the tenant, followed the tenant from the building on various occasions, and otherwise "monitored" the tenant's activities. The court upheld the NY Department of Human Rights' ruling that the landlord created a hostile housing environment that forced the tenant to move out [State Div. of Human Rights v. Stoute, December 2006].

TWO TYPES OF HARASSMENT

There are two basic types of sexual harassment:

"Quid pro quo" harassment (in Latin, meaning "this for that") occurs when housing benefits are explicitly or implicitly conditioned on sexual favors. In other words, a landlord, manager, or other housing provider pressures an applicant or resident to accept unwelcome sexual advances in exchange for getting or keeping the housing or obtaining housing-related services, such as plumbing repairs. Quid pro quo sexual harassment may occur regardless of whether the victim actually submitted to the sexual demands or lost a housing opportunity for refusing to do so.

Example: The owner and managers of three Manhattan apartment buildings paid more than \$2 million to settle allegations that the superintendent, a Level 3 registered sex offender, routinely demanded to

have sex with residents and threatened to evict or withhold mail and repairs if they refused. Another employee was accused of repeatedly subjecting female residents to vulgar and offensive gender-related epithets. The complaint also claimed the owner was aware of, condoned, and failed to take any steps to halt the conduct despite receiving numerous complaints. In addition to the money, the settlement agreement permanently banned the superintendent from having any involvement in the management or maintenance of rental housing properties [U.S. v. Barnason, May 2012].

Hostile housing environment means sexual behavior that's so severe and pervasive that it interferes with the residents' use and enjoyment of their home. A single incident isn't usually enough to establish a hostile housing environment claim because "isolated or sporadic" sexually inappropriate conduct isn't sufficiently pervasive or severe enough to interfere with the resident's tenancy. In general, courts look at the "totality of the circumstances" to determine whether the conduct is sufficiently pervasive and severe, including the context, nature, severity, scope, frequency, duration, and location of the incidents, as well as the characteristics of the people involved.

VICARIOUS LIABILITY

Under a legal concept known as "vicarious liability," owners and managers may face liability for sexual harassment even if they weren't directly involved in any misconduct. In general, the law holds owners and managers accountable if they knew or should have known about sexual harassment committed by their employees or agents but failed to do anything to stop it. For example, HUD says that if a manager authorizes a maintenance worker to enter a resident's apartment to make repairs, and the worker sexually harasses

Reassure residents they won't be subject to any form of retaliation for reporting sexual harassment.

the resident, then the management company is legally responsible for the discriminatory actions of the maintenance worker.

Example: In December 2025, the owners of rental properties in Ohio agreed to pay \$480,000 to settle a lawsuit alleging that their former rental manager sexually harassed female residents and prospects for almost 20 years. In addition to the money penalties, the settlement required the owners to adopt policies and procedures to prevent future sexual harassment at their properties and to attend training on the requirements of the FHA, including its prohibition on sexual harassment [United States v. Lucas et al., Case No. 2:23-cv-2813 (S.D. Ohio)].

Owners and property managers may also be liable for harassment of one resident by another, according to HUD. Some courts have held owners and managers liable in situations where they knew of tenant-on-tenant harassment and did nothing to stop it.

FOLLOW 5 RULES FOR REDUCING THE RISK OF A SEXUAL HARASSMENT CLAIM

Rule #1: Establish a Zero-Tolerance Policy Against Sexual Harassment

Adopt a zero-tolerance policy against sexual harassment at your property. Whether as part of your general fair housing policy or a stand-alone policy, it's important to have a clear, written policy that sexual harassment of any kind will not be tolerated and that violations will bring prompt disciplinary action, up to and including termination.

Your policy should thoroughly explain that sexual harassment consists of unwelcome sexual conduct—through words or actions—toward prospects, applicants, residents, guests, and other visitors, regardless of their gender. Emphasize that employees should treat applicants and residents professionally and offer examples of prohibited conduct, such as:

- Explicitly or implicitly suggesting sex in return for living at the property, receiving services, or otherwise changing the terms and conditions of the tenancy;
- Suggesting or implying that failure to accept a date or sex would adversely affect the resident's tenancy;
- Initiating unwanted physical contact, such as touching, grabbing, or pinching;
- Making sexually suggestive or obscene comments, jokes, or propositions;
- Sending, forwarding, or asking for sexually suggestive letters, notes, emails, or images; and
- Displaying sexually suggestive photos, cartoons, videos, or objects.

The policy should encourage anyone who believes they've been subjected to sexual harassment to file a complaint. Identify whom to contact and explain how sexual harassment complaints will be handled, such as how they're investigated, and the consequences of committing sexual harassment, and, if applicable, support offered to victims. Reassure residents that they will not be subject to any form of retaliation for complaining about or reporting sexual harassment.

Rule #2: Provide Sexual Harassment Training to All Employees

Require all employees—from leasing agents to maintenance workers, whether full- or part-time—to receive fair housing training, including on your sexual harassment policy. New hires should get the basics before they're allowed to interact with the public, and get more in-depth training as soon as possible after starting work. Give them a copy of your sexual harassment policy and have them sign an acknowledgement that they received, read, and understood it.

Fair housing sexual harassment training should cover:

New hires should get basic fair housing training before they're allowed to interact with the public.

- What sexual harassment is—that is, quid quo pro and hostile environment harassment;
- Who can commit it;
- Who can be on the receiving end;
- The property's sexual harassment policy, including reporting and investigating incidents; and
- Discipline.

During employee training, explain what sexual harassment is—with examples of prohibited conduct—and that any sexual harassment will bring prompt disciplinary action, up to and including dismissal. Tell employees to treat everyone with courtesy and to report anything that they may see or hear that might suggest discrimination or sexual harassment by coworkers, contractors, or residents. Keep records of the training to document who attended, what was covered, and when it occurred.

Take steps to verify that employees understood and are capable of applying their training. You can do this by using various tools, such as quizzes, case studies, and role playing, that will help demonstrate their competence. And make sure sexual harassment training isn't "one and done"—schedule periodic refresher courses for all employees.

COACH'S TIP:

Review policies and procedures to reduce the risk of a sexual harassment claim, particularly related to maintenance or other staff members with access to residents' apartments. For example, you could adopt rules and train employees to:

- ☑ Enter apartments only for repairs or maintenance or in case of emergency;
- ☑ Give reasonable notice before repair or maintenance visits;
- ☑ If the resident is home, don't enter the apartment unless the resident lets you in;
- ☑ Don't enter apartments if anyone under 18 is home without an adult present; and
- ☑ Don't fraternize with residents or put yourself in a compromising position.

Rule #3: Don't Ignore Sexual Harassment Complaints

Take it seriously if someone raises the possibility of sexual harassment at your property. If you witness or get a report from a resident or employee about questionable conduct, it's important to investigate and resolve the problem as quickly as you can.

Contact your attorney and begin a prompt investigation by interviewing everyone involved. The investigator should be an objective person with experience in investigating sexual harassment. Never let somebody involved in the case do the investigating. There should also be an alternative person or department for receiving harassment complaints in case the manager or designated person to whom tenants are supposed to report is—or is directly tied to—the person who harassed them.

The investigator should explain your sexual harassment policy and that the investigation will be fair and impartial. A trained investigator will listen carefully, be respectful, and take detailed notes. The investigator will speak with the person making the complaint to get the details of what occurred, ask about any witnesses, and contact them to find out what they saw or heard. The investigator will also speak to the person accused of sexual harassment and ask for their side of the story.

The worst thing you can do is to ignore a sexual harassment complaint—either because you don't believe it or don't think it's that bad. Courts are more than willing to find owners responsible for sexual harassment if they knew or should have known about it but didn't take adequate steps to stop it.

Example: The manager of a Kansas rental property engaged in a pattern of sexually harassing residents over a five-year period. In January 2020, a federal district court found the property owner vicariously liable for the manager's harassment

and awarded \$160,000 in damages to 11 of the victims [United States v. Cao, Case 6:17-cv-01310-EFM (D. Kan.)].

COACH'S TIP:

For further guidance on conducting an investigation, as well as a Model Sexual Harassment Investigation Checklist, see [10 Pitfalls to Avoid When Responding to a Sexual Harassment Complaint](#).

Rule #4: Take Prompt Action to Halt Harassment

After completing your investigation, analyze all the information received to decide whether sexual harassment occurred and to identify the appropriate response.

If you find that a sexual harassment complaint is justified, then you should promptly take steps reasonably designed to end the harassment. Ask your attorney about how best to proceed because the appropriate response depends on several factors, including who's involved and what's alleged.

If it's against an employee, take appropriate disciplinary action as provided in your employment policies. Depending on the severity of the misconduct, such disciplinary action may involve a reprimand, suspension, or even termination—whatever level of discipline you reasonably believe will be effective in stopping the misconduct.

Example: In dismissing the lawsuit of an employee who was terminated for sexual harassment, the Fifth Circuit praised the employer for its “prompt remedial action,” saying it “took allegations seriously, conducted prompt and thorough investigations, and immediately implemented remedial and disciplinary measures based on the results of such investigation” [Williams-Boldware v.

Denton County, Tex., 741 F.3d 635, 640 (5th Cir. 2014)].

Get legal advice about complaints about vendors or other residents. It may be a bit more complicated to investigate and resolve such complaints, but it's necessary to do so promptly and effectively. Courts have been willing to hold owners liable for sexual harassment by third parties, such as contractors and other residents, if they knew or should have known about problem behavior but didn't do enough to stop it.

Rule #5: Don't Retaliate Against Anyone Complaining About Sexual Harassment

Be on guard against a retaliation claim—a separate offense under fair housing law—when dealing with residents who've complained about sexual harassment. Under the FHA, it's unlawful to “coerce, intimidate, threaten, or interfere with” anyone who has exercised her rights under fair housing law—as well as anyone who has helped or encouraged someone to do so.

You could face a retaliation claim if you take action against a resident—by evicting or not renewing her lease, for example—because she lodged a sexual harassment complaint against your property. The law punishes landlords for retaliating against residents for filing a sexual harassment complaint, even if the harassment complaint is eventually dismissed.

Example: An Ohio landlord paid \$177,500 to settle charges of sex harassment against at least 20 residents, including refusing to make repairs for women in retaliation for spurning sexual advances [U.S. v. Klosterman, (S.D. Ohio), Oct. 1, 2020].

COACH'S TIP:

For more information on avoiding retaliation claims, see [Take 8 Steps to Minimize Risks of Retaliation Liability](#).



We've suggested five rules to reduce the risk of a sexual harassment claim at your property. Now let's look at how the rules might apply in the real world. Take the Coach's Quiz to see how much you've learned.

Instructions: Each question has one and only one correct answer. The correct answers (with explanations) are published in a separate PDF available in the Archive with the lesson PDF and follow the quiz online. Good luck!

Submitting this quiz to your supervisor?

Put your name here:

QUESTION #1

A prospect says she's interested in a unit, but says the rent is higher than she expected. The leasing agent says he's sure they can work out some arrangement if she'd go out with him. The leasing agent says he'd be doing her a favor by reducing the rent, so it's not sexual harassment. True or false?

- a. True
- b. False

QUESTION #2

A male resident complains that the on-site manager, a woman, has been repeatedly calling and texting him with sexually suggestive comments and messages. Sexual harassment occurs only when a man harasses a woman, so you don't have to worry about a sexual harassment complaint. True or false?

- a. True
- b. False

**QUESTION #3**

A resident reports that a neighbor has been sexually harassing her. If you ignore the complaint, your property could be sued for sexual harassment. True or false?

- a. True
- b. False

QUESTION #4

A resident recently accused a maintenance worker of sexual harassment for leering at her during a service call. An investigation exonerates the worker of any wrongdoing, but now the resident says it's a cover-up and threatens to file a fair housing complaint. The manager says she's a troublemaker and wants to get rid of her when her lease is up next month. The property could face a fair housing claim if the manager decides against renewing her lease. True or false?

- a. True
- b. False