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## FEDERAL SUIT CHALLENGES TENANT BLACKLISTING PRACTICES

Two low income New York City tenants filed suit today in Manhattan Federal Court against On-Site Manager, Inc., a large, California-based, tenant screening bureau, for violations of the federal Fair Credit Reporting Act as well as New York State credit reporting and deceptive business practices laws.

The suit (Deborah Wenning & Andres Correa v. On-Site Manager, Inc. SDNY Docket No. 14 CV 9693) alleges that On-Site issued credit reports about the plaintiffs to prospective landlords that falsely claimed they had been sued by their previous landlords in purported **"FORCIBLE/ENTRY DETAINER"** actions in the New York City Housing Court. Significantly, New York does not recognize a Forcible/Entry Detainer" claim by a landlord against a tenant. The suit also seeks an injunction requiring On-Site to fundamentally change the way it reports information about New York City Housing Court cases to prospective landlords.

Andres Correa, one of the plaintiffs, had been subletting a Manhattan apartment from a rent stabilized tenant in 2012 with the understanding that the arrangement had been approved by the landlord. However, unknown to Mr. Correa, the tenant did not have the landlord's permission to sublet, and, as a result, the landlord filed an illegal subletting holdover proceeding in the Housing Court. The prime tenant failed to appear in the case and Mr. Correa settled with an agreement to move out. Two years later, Mr. Correa applied for a low income "80-20" apartment. His application was denied after the prospective landlord received On-Site's report which falsely claimed he had been named in a

“FORCIBLE/ENTRY DETAINER” action in 2011. Mr. Correa’s credit standing was otherwise spotless.

Deborah Wenning, the co-plaintiff, had a situation similar to Mr. Correa’s. She was a rent stabilized tenant in a Manhattan apartment whose landlord challenged her primary residency at the apartment in 2011. Before the landlord could even commence an eviction proceeding against her Ms. Wenning signed an agreement to move out. She fully complied with the agreement. Three years later, Ms. Wenning’s name came up in a lottery for a low income “80-20” apartment. She met all of the criteria for the apartment and her credit standing was flawless however she was rejected solely because of the On-Site report which falsely claimed she had been named in a “FORCIBLE/ENTRY DETAINER” action in 2011.

The lawsuit seeks monetary damages against On-Site as well as an injunction requiring it to not only accurately report Housing Court cases but to also fundamentally change the way it reports Housing Court cases by including far more details about them.

James B. Fishman, of the tenant and consumer rights firm Fishman & Mallon, LLP, represents the plaintiffs. Mr. Fishman stated, “On-Site’s practices cause substantial harm to tenants who were sued in the New York City Housing Court. Their reports willfully misrepresent the nature of previous Housing Court cases and willfully omit significant facts about them. These practices caused the plaintiffs, and thousands of other New York City tenants to unfairly become “blacklisted” and therefore unable to rent another apartment, regardless of the nature of the prior case. This suit seeks to fundamentally change the way On-Site operates in New York City.”