

August 3, 2023

Contact:

Alejandra Lopez The Legal Aid Society <u>ailopez@legal-aid.org</u>

*****FOR IMMEDIATE RELEASE*****

Legal Aid Secures Temporary Restraining Order Against Bronx Landlord For Predatory Scheme to Evade Rent Stabilization Laws

Court Order Stops Landlord from Harassing or Illegally Evicting Low-Income New Yorkers; Lawsuit Also Seeks Compensatory Damages for Tenants

(NEW YORK, NY) – The Legal Aid Society's Housing Justice Unit-Group Advocacy <u>secured</u> a <u>Temporary</u> <u>Restraining Order</u> against Bronx against landlord <u>Ved Parkash</u>, room rental business operator, Luis Bello, and their associates, to stop the landlords from harassing or evicting tenants through an "<u>illusory tenancy</u>" scheme to evade the Rent Stabilization Laws (RSL) and Code. The <u>lawsuit</u> was filed in June 2023 on behalf of five tenants in the Bronx.

The RSL and Code have long condemned "illusory tenancies" as an unscrupulous rental practice where a landlord leases a rent-stabilized apartment to a named tenant who the landlord knows does not physically reside in the apartment, and instead the apartment is then leased to subtenants to earn profits above the legal regulated rent.

Under the scheme, Parkash leased rent-stabilized apartments throughout his massive real estate portfolio of 65 residential buildings in the Bronx to Luis Bello, who operates a room rental business. Bello used his business to locate tenants in need of affordable housing, and leased rooms to them at exploitative rents. The landlords extracted higher rents than the legally allowed amount set by the RSL by charging occupants more than their proportionate rent share and by squeezing families and individuals who are strangers in living rooms, bedrooms, and other spaces within each unit.

Moreover, to maximize profits and prevent tenants from asserting their rights, Bello and his agents engaged in egregious behavior, regularly intimidating and harassing some tenants by destroying their property, making physical and verbal threats, and illegally locking them out of their homes. In one case, a family with three young children were locked out for an entire week. In another case, a family with two young children were unlawfully evicted from a rent stabilized apartment, lost their possessions, and were then prevented from returning, despite a Judge's order directing Bello to allow them to return to their home.

As a further part of this scheme, Parkash commenced dozens of sham eviction proceedings, nominally to collect rent from Bello, but which actually served to evict the families living in these rooms, leaving Bello free to replace them with new occupants and continue the scheme.

"Our clients are vulnerable New Yorkers, many of whom have serious health issues, who were deceived and subjected to the most egregious forms of harassment and manipulation by these landlords," said Jeanne Schoenfelder, staff attorney in the Housing Justice Unit - Group Advocacy, Bronx Neighborhood Office, at The Legal Aid Society. "We look forward to continuing to fight in court on their behalf, and against these unscrupulous landlords who illegally circumvent the rent stabilization laws that exist to protect tenants and preserve affordable housing."

The litigation is seeking rent-stabilized leases for each of the tenants, as well as damages related to unlawful overcharges, illegal evictions, and other forms of tenant harassment.

The Housing Justice Unit-Group Advocacy is funded by the City's **Anti-Harassment Tenant Protection** (**AHTP**) **Program**, which has served over 75,000 New York City tenants. AHTP is a crucial program that works with low-income tenant and housing groups, largely from communities of color, against landlord harassment, discrimination, and displacement and to promote and preserve affordable housing by improving housing conditions and enforcing and expanding tenant rights throughout New York City.

###

The Legal Aid Society exists for one simple yet powerful reason: to ensure that New Yorkers are not denied their right to equal justice because of poverty. For over 145 years, we have protected, defended, and advocated for those who have struggled in silence for far too long. Every day, in every borough, The Legal Aid Society changes the lives of our clients and helps improve our communities. <u>www.legalaidnyc.org</u>