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PRESS RELEASE

City Attorney Grant F. Langley announced today that the City of Milwaukee has served a Notice of Intent to File Application for Appointment of a Receiver upon Elijah Mohammad Rashaed and legal entities he controls. This notice is a procedural requirement before the City may file a lawsuit against Mr. Rashaed under Wis. Stat. § 823.23. The notice alleges that Mr. Rashaed has used multiple legal entities to maintain a public nuisance while avoiding legal duties such as 1) complying with building code requirements, 2) adequately managing residential rental property, 3) paying debts and judgments, and 4) complying with administrative regulations regarding residential rental practices.

By law, the notice provides Mr. Rashaed with 60 days to abate all nuisance conditions described in the notice. If the public nuisance is not abated within that time, the City will proceed with a lawsuit that seeks to place 176 parcels of residential rental property in a receivership and remove Mr. Rashaed's authority to manage those properties. While several of the properties included in the notice are owned by entities that may not appear to have a direct connection to Mr. Rashaed, the City is prepared to show such a connection exists if necessary.

Anyone with information regarding the past or current property ownership or management practices of Mr. Rashaed or his entities/associates is encouraged to call the City Attorney's Office at 414-286-2601 or email Assistant City Attorney Kail Decker at kdecke@milwaukee.gov. Confidential reports will be accepted.

Since 2001, the City has observed almost 15,000 building code violations at the properties controlled and still owned by one of Mr. Rashaed's entities. Over 1,000 violations still exist at the properties that are subject to this notice and 5 of those buildings are condemned and subject to a raze order. The notice further requires Mr. Rashaed to properly manage the rental properties by:

- Proactively inspecting, maintaining, and repairing rental properties
- Providing a single contact for each tenant to call for maintenance and repairs
- Creating separate records, finances, and operations for each LLC
- Paying all unsatisfied judgments (90 of which are in favor of the City totaling almost \$290,000)

- Correcting the business practices that have resulted in a rapid increase in evictions (Mr. Rashaed's entities only owned 476 residential units at the end of the year, but filed 340 eviction actions in 2016)
- Returning any emergency assistance funds accepted without actually renting a property to a tenant
- Complying with all administrative codes that govern residential rental practices

In addition to the nuisance activity described, the City also based its decisions on historic evidence of mismanagement or possible criminal activity committed by entities controlled by Mr. Rashaed, including:

- Improper use of LLCs to avoid legal duties or gain a personal advantage
- Fraud against a financial institution
- Unfair residential rental practices

This investigation started in 2015, and led to the filing of two lawsuits against entities controlled by Mr. Rashaed. In Case No. 15-CV-3720, Mr. Rashaed agreed to appoint a general contractor to repair a dilapidated building at 2405 West National Avenue. By interfering with the general contractor's plans and withholding payments to subcontractors, Mr. Rashaed caused this project to prolong and eventually stall out. In Case No. 15-CV-7228, Mr. Rashaed agreed to raze a dilapidated structure at 2710 West Juneau Avenue. He failed to meet several deadlines for taking the structure down and then secretly conveyed the parcel to another individual who did not have the resources to comply with the order. Due to Mr. Rashaed's failure to produce the results he agreed to produce and overt attempts to obstruct the City's efforts, further action was necessary.

Tenants, neighbors, and the Milwaukee community as a whole deserve a good quality housing stock that is properly managed. The vast majority of landlords provide this service, but some fail to meet this standard. This notice is intended to directly change the behavior of one person who has failed to achieve that standard, and should change the behavior of any others who are failing to achieve that standard.

For further comment, please contact Assistant City Attorney Kail Decker at kdecke@milwaukee.gov or 414-286-2601.

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