

Congress of the United States
House of Representatives

SELECT SUBCOMMITTEE ON THE CORONAVIRUS CRISIS

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July 28, 2022

The Honorable Lina M. Khan
Chair
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Chair Khan:

For the past year, the Select Subcommittee on the Coronavirus Crisis has been investigating four large corporate landlords that filed a large number of eviction actions during the first 16 months of the coronavirus pandemic. One of these corporate landlords was the Siegel Group (Siegel).¹ Today the Select Subcommittee is releasing the enclosed staff report on our findings. Included in this report is evidence that Siegel unlawfully sought to induce its tenants to vacate by falsely conveying that they were no longer protected by law against eviction.

As the report details, in May 2021, a Siegel executive ordered regional and property managers to post and distribute a copy of a May 5, 2021 court order vacating the CDC moratorium, even though that order had been stayed. The executive indicated that the company's intent was to "bluff" tenants out of their apartments by deceiving them to believe that the CDC eviction moratorium was no longer in effect.² Documents obtained by the Select

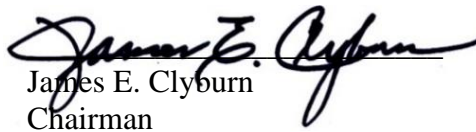
¹ Letter from Chairman James E. Clyburn, Select Subcommittee on the Coronavirus Crisis, to Stephen Siegel, the Siegel Group (July 19, 2021) (online at <https://coronavirus.house.gov/news/letters/clyburn-investigate-pandemic-evictions-corporate-landlords>). The other three were Invitation Homes, Pretium Partners, and Ventron Management. These investigative targets were identified based on publicly available data, news reports, and court records indicating that they filed to evict tenants aggressively during the pandemic and may have failed to cooperate with rental assistance programs or to comply with the Centers for Disease Control and Prevention (CDC) eviction moratorium.

² Email from Senior Vice President of Operations, Siegel Suites and Siegel Select, to Regional and Property Managers, Siegel Suites (May 7, 2021) (online at <https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/5.7.2021%20SVP%20to%20Managers%20re%20order.pdf>); Email from Senior Vice President of Operations, Siegel Suites and Siegel Select, to Regional and Property Managers, Siegel Suites, and Vice President of Operations, The Siegel Group (May 10, 2021) (online at <https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/5.10.21%20SVP%20to%20managers%20re%20order.pdf>); Email from Senior Vice President for Operations, Siegel Suites and Siegel Select, to Regional Manager and San Antonio Property Manager, Siegel Suites (May 21, 2021) (online at <https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/5.21.21%20SVP%20to%20managers%20re%20san%20antonio%20list.pdf>); Email from Regional Manager, Siegel Suites, to Senior Vice President for Operations, Siegel Suites and Siegel Select, and Vice President for Operations, The Siegel Group (May 17, 2021) (online at

Subcommittee show that managers subsequently wrote to confirm to Siegel executives that they carried out this directive.³ In light of the Federal Trade Commission and Consumer Financial Protection Bureau (CFPB) guidance stating that failure to provide notice of CDC moratorium protections could violate federal law, and CFPB's regulation requiring landlords' agents to give tenants notice of the CDC moratorium's protections, Siegel's intentionally deceptive practices appear to have been unlawful.⁴

In light of these findings, I respectfully request that you investigate whether Siegel's actions violated federal law and consider appropriate enforcement actions.

Sincerely,


James E. Clyburn
Chairman

Enclosure

cc: The Honorable Steve Scalise, Ranking Member

<https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/5.17.21%20Regional%20Manager%20to%20SVP%20VP%20re%20orders.pdf>); Minute Order, *Alabama Association of Realtors v. U.S. Department of Health and Human Services*, Case No. 20-cv-3377 (D.D.C. May 5, 2021).

³ Email from Vice President for Operations, The Siegel Group, to Property Manager, Siegel Suites (May 11, 2021) (online at <https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/5.11.21%20VP%20Siegel%20to%20Property%20Manager.pdf>); Email from Regional Manager, Siegel Suites, to Senior Vice President for Operations, Siegel Suites and Siegel Select, and Vice President for Operations, The Siegel Group (May 17, 2021) (online at <https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/5.17.21%20Regional%20Manager%20to%20SVP%20VP%20re%20orders.pdf>).

⁴ Federal Trade Commission, *Press Release: Joint Statement by FTC Acting Chairwoman Rebecca Kelly Slaughter and CFPB Acting Director Dave Uejio* (Mar. 29, 2021) (online at <https://ftc.gov/news-events/news/press-releases/2021/03/joint-statement-ftc-acting-chairwoman-rebecca-kelly-slaughter-cfpb-acting-director-dave-uejio>); Consumer Financial Protection Bureau, *Press Release: CFPB Rule Clarifies Tenants Can Hold Debt Collectors Accountable for Illegal Evictions* (Apr. 19, 2021) (online at <https://consumerfinance.gov/about-us/newsroom/cfpb-rule-clarifies-tenants-can-hold-debt-collectors-accountable-for-illegal-evictions/>).