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NEWS FOR IMMEDIATE RELEASE

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Attorney General Kaul, DATCP Launch FAQ Page for Those Impacted by Settlement with Milwaukee Landlord Berrada Properties Management

MADISON, Wis. – The Wisconsin Department of Justice (DOJ) and the Department of Agriculture, Trade and Consumer Protection (DATCP) today launched a <u>frequently</u> <u>asked questions page</u> for those impacted by the settlement between the State of Wisconsin and Milwaukee Landlord Youssef (Joe) Berrada and his property management company, Berrada Properties Management, Inc., (Defendants). The Milwaukee Circuit Court has entered the Consent Judgment between the State and the Defendants to resolve the landlord/tenant enforcement action the State filed on November 15, 2021. The agreement was previously approved by the Wisconsin Legislature's Joint Committee on Finance.

"The resolution in this case establishes programs that will provide support to many Berrada Properties tenants," said Attorney General Kaul. "I encourage those who may be eligible to learn more."

"I am proud of the DATCP Consumer Protection team's work to investigate and refer this case, and thankful for the efforts of the Department of Justice that have brought about a solution for affected tenants," said DATCP Secretary Randy Romanski. "Illegal business practices that harm consumers are not tolerated in Wisconsin. Any tenant or landlord with questions about their rights and responsibilities should explore our free online resources or contact our Consumer Protection Hotline."

As part of the agreement, Berrada Properties Management will implement several important remediation programs. Berrada Properties Management has agreed to:

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- Run an income-based rental program for up to 300 of their tenants for a period of three to five years.
- Participate in an eviction diversion program.
- Establish a \$1,300,000 credit account to provide rent assistance grants to Defendants' qualifying tenants.
- Offer up to \$400,000 in move-out assistance payments to Defendants' tenants facing eviction to help the tenant move before an eviction is filed.

These remediation programs—income-based rent, eviction diversion, rent assistance, and move-out assistance—will be overseen by a third-party administrator, Community Advocates of Milwaukee through the Milwaukee Rental Housing Resource Center. If you have questions about any of these programs, please contact the Rental Housing Resource Center by email at info@renthelpmke.org, or by phone at (414)-895-7368.

In addition, Defendants have agreed to vacate and seal eviction judgments affected by late rent fees or attorney fees that the State alleged were illegally charged to tenants. The agreement also includes a restitution program that requires Berrada Properties Management to make payments to tenants who paid late rent or attorney fees that were not authorized, did not get full credit for their security deposit, had property confiscated, or were subjected to a self-help eviction.

Many of the agreement's benefits for current and past tenants will take time to implement. For information about the settlement, applicable timelines, remediation programs, and frequently asked questions by tenants, please visit <u>BerradaSettlementFAQ.wi.gov</u>; information will be updated as more details are identified. For example:

Q.) I was/am a Berrada tenant. Will I receive restitution? How can I find out? A.)_The restitution payments to current and past tenants will take some time to finalize. Current and former tenants since 2015 do not need to do anything to be considered for restitution; your tenancy is automatically being considered. Tenants before 2015 are ineligible for restitution. Tenants who qualify for restitution will hear directly from either Berrada Properties Management or DOJ. However, tenants will not receive a payment if the balance of restitution owed is less than the balance of legally valid unpaid rent owed prior to the Court signing the consent judgment. You may contact DOJ at consumerprotection@doj.state.wi.us if you want to verify that any contacts you receive are legitimate. Included in the Consent Judgment is a monetary payment of over \$1,700,000 owed by Berrada Properties Management. The monetary payment consists of a civil forfeiture of \$986,455.92, attorney fees and costs of \$249,225, as well as other surcharges and fees provided by state statute.

By entering into this agreement, Defendants do not admit liability for any claim alleged in the State's lawsuit, or to any violation of law or wrongdoing alleged by the State. Defendants deny that they have violated any law, and the agreement does not constitute a finding by a Court that Defendants have engaged in any illegal practice.

The State's enforcement case was brought by DOJ after referral from the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP), which investigated the alleged violations. Wisconsinites can file a landlord/tenant complaint by visiting DATCP's <u>File a Consumer Complaint webpage</u> at datcp.wi.gov or contact the Consumer Protection Hotline with questions or concerns at 1-800-422-7128.

Staff from DOJ who worked on the case include Assistant Attorneys General Robert B. Bresette, Cameron D. Oliveira, and Gregory A. Myszkowski and Paralegal-Advanced Wendy Phifer of the Department of Justice Public Protection Unit; Assistant Attorneys General Colin T. Roth and Anthony D. Russomanno of the Department of Justice Special Litigation and Appeals Unit; and former Assistant Attorneys General R. Duane Harlow and Ezekiel J. Roth-Reynolds. Staff from DATCP who worked on this case include Consumer Protection Investigator Valerie Schmidt, Mediation and Enforcement Section Manager Nicole Raisbeck and DATCP Assistant Legal Counsel Paul LaZotte, in addition to others in the complaint mediation unit.