


Wildly Inappropriate Behavior’: Real Estate Group Is Accused of Cover-ups

The Appraisal Institute faces concerns that one of its leaders has a history of harassing women and that it did not disclose that some certification exams were incorrectly scored.

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By Debra Kamin

Debra Kamin interviewed more than 20 appraisers and former staff members of the Appraisal Institute, and obtained a confidential legal settlement, text messages, emails and internal reports about testing materials.

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The organization that influences how much houses and commercial buildings are worth in the United States privately paid one woman \$412,000 to settle a sexual harassment claim and fielded similar complaints from at least seven other women that have swirled within the group over the last decade, The New York Times has found.

All the harassment accusations inside the Appraisal Institute are against one man — Craig Steinley, 64, a former president and the current vice president of the trade group, who denied the allegations.

The Appraisal Institute, which produces the certification materials and fills the state boards that regulate the estimated 70,000 real estate appraisers working in all 50 states, did not respond directly to questions about the allegations. A spokesman said the group has policies that prohibit harassment, retaliation and discrimination. But The Times interviewed 12 women who said they have had uncomfortable interactions with Mr. Steinley, a South Dakota-based appraiser described by his colleagues as charismatic with a flirtatious manner.

The women, several of whom asked for anonymity for fear of retaliation, said Mr. Steinley’s behavior often turned physical — an unwanted touch on the leg, a hug that lasted too long. Three women said Mr. Steinley groped their buttocks, according to interviews and a review

of a letter sent from one woman's lawyers to the Appraisal Institute.



All the accusations inside the Appraisal Institute are against one man — Craig Steinley, 64, a former president and the current vice president of the trade group. He denies the allegations. via Craig Steinley

One of the accusations was made public on Thursday, when Cindy Chance, the group's former chief executive, sued the Chicago-based group for wrongful termination in Illinois state court. Ms. Chance, 59, who was fired last year, said Mr. Steinley groped her buttocks without her consent, made lewd comments about her body and referred to her as his "girlfriend," according to her lawsuit.

The Appraisal Institute and Mr. Steinley did not immediately respond to requests for comment on the lawsuit on Thursday.

"He manipulates and controls people through sexual harassment," Ms. Chance said of Mr. Steinley in an interview. Ms. Chance also confirmed that, in her role as chief executive, she approved the confidential six-figure settlement that was paid to another woman who had worked at the trade group and had filed sexual harassment claims against both Mr. Steinley and the organization.

In an emailed statement sent on Monday, Mr. Steinley said he came into leadership at the Appraisal Institute as an “outside change agent” and had “encountered resistance and backlash from those that have been entrenched in power,” adding that he had “fought for more transparency despite repeated attacks on my character.”

In a follow-up email sent on Wednesday, he suggested the women interviewed by The Times represented a “narrow and targeted view” of his tenure, and not a “representative set of perspectives.”

Mr. Steinley directed questions about the specific allegations to his lawyer, Craig Capilla. “Mr. Steinley wholly denies any allegations of any unwanted touching or harassment. It simply did not occur,” Mr. Capilla wrote in an email on Tuesday.

Appraisers from Georgia to Virginia to South Dakota, including longtime board members and new recruits to the field, all said that complaints about Mr. Steinley have been an open secret in the organization for years. The trade group’s leaders, they said, have not adequately addressed the issue, in a disregard that mirrors how they have handled other urgent matters within the Appraisal Institute.

Alissa Akins, 42, the group’s former director of education and publications, said she was fired shortly after she and her staff discovered that the answers to tests used to certify hundreds of appraisal applicants in Florida and Georgia had been misread. Some of those applicants were told they had passed their state accreditation exams when, in fact, they had not earned high enough scores to meet state requirements. Those students were potentially now working in the field as certified appraisers.

Such miscalculations, Ms. Akins said, appeared to have gone back as far as 2020, meaning hundreds of people could have been wrongly certified. Other issues were brought to her attention that dated back as far as 2008.

To get a sense of how widespread the errors were, Ms. Akins and her team gathered a random sampling of 300 Appraisal Institute exams with more than 50 questions and rescored them. These were tests being used in every state. They found at least 17 percent of the exams had been scored incorrectly.

“Plaintiff was terminated from her job for reporting and refusing to participate in an ongoing fraud,” a lawsuit that she filed in March says. “The fraud was occurring against both individual consumers and multiple state regulatory authorities.”

Though Ms. Akins recommended an audit, she said John Udelhofen, who had stepped in as interim chief executive after Ms. Chance left, gave her signals to ignore her findings and also warned her that Mr. Steinley would “make life hell” for her if she didn’t leave the organization. She was fired weeks later; she said her boss told her the group was going in a different direction. The Appraisal Institute did not respond to questions about Ms. Akins’s dismissal. Mr. Udelhofen did not respond to multiple requests for comment.

‘Sexually Hostile Work Environment’



Cindy Chance said she was warned by top leaders about Mr. Steinley as soon as she came on board as chief executive. “He manipulates and controls people through sexual harassment,” she said. Maansi Srivastava for The New York Times

The Appraisal Institute, which has 16,000 dues-paying members, was established in 1991, when two different organizations representing appraisers combined. One of those groups had formed after it broke off from the powerful National Association of Realtors so it could focus solely on appraisals.

Appraisers often work with banks and mortgage companies to provide a definitive value of a property. They must complete education requirements, work with a designated mentor in the field, and then pass a state licensing exam to be certified.

The appraisal industry has been scrutinized in recent years, as Black homeowners have complained that their homes were valued lower by white appraisers who discriminated against them.

In the residential appraisal industry, about 94 percent of appraisers are white and 60 percent are male, according to the U.S. Bureau of Labor Statistics.

Watchdogs say more diversity is needed in a profession that is responsible for millions of appraisals every year. And many appraisers are calling for more transparency from the Appraisal Institute, which is often considered the voice of the industry.

In January 2023, Mr. Steinley testified at a public hearing on appraisal bias held in conjunction with the Consumer Finance Protection Bureau in Washington, D.C. At the time, he was the president of the Appraisal Institute.

“Bias in real estate appraisal can be unintentional,” he said at the hearing, encouraging appraisers to lean heavily on analysis and research as a safeguard.

Later that year in September 2023, the group hired Ms. Chance, who had spent nearly five years as the executive vice president of the Urban Land Institute, a land use nonprofit. Six current and former members of the Appraisal Institute board said that they were hopeful that Ms. Chance would unify the group, which has long experienced infighting, and that she would scale back costs and trim the staff.

In her cost-cutting efforts, Ms. Chance almost immediately laid off four people, including Beata Swacha, who was the chief financial officer.

Less than four months later, Ms. Swacha filed two claims of discrimination with the Illinois Department of Human Rights — the first step before a formal lawsuit — against both the Appraisal Institute and Mr. Steinley. The Illinois Department of Human Rights confirmed the discrimination allegations.

Ms. Swacha claimed a “sexually hostile work environment,” according to a letter sent by her lawyers and obtained by The Times. Mr. Steinley subjected her to unwanted physical touching and “wildly inappropriate behavior,” the letter said. And in April 2023, the lawyers said, at an evening reception during a company gathering in Chicago, he stood next to her and groped her buttocks.

In the 20-page letter, Ms. Swacha’s lawyers said no action was taken, even though she had made formal complaints in April 2023 to an in-house lawyer and the head of the group’s audit committee that handles ethics complaints.

“Mr. Steinley’s conduct was known and rampant,” the letter reads.

The Appraisal Institute did not directly respond to questions about any of Ms. Swacha’s allegations.

The Appraisal Institute and Mr. Steinley agreed to a settlement with Ms. Swacha in May 2024. She was paid \$412,000 by the institute, according to a copy of the settlement obtained by The Times.

When contacted, Ms. Swacha declined to comment.

In an emailed statement, Bill Garber, director of communications for the Appraisal Institute, said the trade group is committed to a “safe and respectful environment” and noted that the group has policies to “prohibit” and “promptly address” harassment, retaliation and discrimination.

In another accusation, one longtime staffer said in an interview that Mr. Steinley had also hugged her without her consent and then grabbed her buttocks during a board meeting in spring 2018. The woman, who asked that her name be withheld because she feared professional retaliation, said she reported the incident to the Appraisal Institute’s legal counsel.

She said that when she requested her personnel file after she was fired, there was no record of her complaint in the file, leading her to believe no paperwork was ever processed about the incident.

Mr. Steinley’s lawyer said his client was unaware of any reports against him and added that he “denies the existence of any such incidents.”

Ms. Chance said that she was not aware of the women’s accusations when she fired them, and added that she felt forced by the group’s board to settle Ms. Swacha’s matter in order to keep it from becoming public.

Around the time of Ms. Swacha’s claims, The Times reported that the president of the National Association of Realtors had been accused by several women of sexual harassment. Kenny Parcell, the president, stepped down, as Realtors called for his resignation. Mr.

Parcell denied all the allegations.

“They were saying they didn’t want to have a N.A.R. situation,” Ms. Chance said.

Then Ms. Chance said she had uncomfortable encounters with Mr. Steinley, who she said called her “his girlfriend,” told her to smile in meetings, noted how her clothes showed off her body and, in May 2024, groped her buttocks without her consent.

In her lawsuit, Ms. Chance says that she was warned by two members of the institute’s board — Sandra Adomatis, 72, who was then the incoming president, and Paula Konikoff, 77, who was then vice president of the board — that Mr. Steinley was known to demean women.

Ms. Konikoff did not respond to a request for comment. Ms. Adomatis, asked about the warnings in an email, responded that any claims that she had warned Ms. Chance about Mr. Steinley’s behavior were “not true.” The Times reviewed personal text messages from both Ms. Konikoff and Ms. Adomatis that appear to confirm Ms. Chance’s account.

Faulty Tests



After being alerted to potential errors in the Appraisal Institute’s testing materials, Alissa Akins rescored a random sampling of tests, and found at least 17 percent were scored incorrectly. She was told to ignore the issue, she said in a lawsuit filed in March.

Michelle Berg for The New York Times

Before she was fired last year, Ms. Chance continued to make cuts and laid off about a dozen more employees. She tapped Ms. Akins, a longtime nonprofit executive who had served as vice president at the Urban Land Institute with her, for the Appraisal Institute's top educational position.

The Appraisal Institute administers exams used by state regulators to accredit appraisers.

A few months into Ms. Akins's tenure, she was notified by an instructor that in many instances, the answer key for one of the institute's exams was misreading incorrect answers as correct.

She began investigating and discovered other testing issues, which she outlined along with her plan for an audit in a five-page report, which The Times reviewed. Ms. Chance had been fired by then, and she asked Mr. Udelhofen, the interim chief executive, to remove her signature from the Appraisal Institute's course completion certificates. The next day, she claims, Mr. Udelhofen told her that she should resign and that Mr. Steinley would make it difficult for her to work there.

Two weeks later, Mr. Udelhofen told her not to proceed with her investigation into the test flaws until he gave further approval, and then advised her to focus elsewhere, according to emails that The Times reviewed and that she mentioned in her lawsuit. Her termination followed.

On May 2, the Appraisal Institute filed a motion to dismiss Ms. Akins's lawsuit, stating that her "allegations, even if true, are inadequate to allege fraud."

In a 10-page letter supporting the motion, the Appraisal Institute added that Ms. Akins "fails to include any allegations that anyone was damaged" because of the supposed errors she uncovered.

Ms. Akins's lawyer said he would respond to the motion in writing by the end of the month.

She said her decision to sue the organization and publicize the test discrepancies was about integrity. "I knew I had to take action and not wait for someone else," she said.

"The Appraisal Institute," Mr. Garber, the group's spokesman, said in an email, "categorically denies the allegations of fraud, retaliation and wrongful termination. We intend to vigorously defend our position in court."

Mr. Capilla said in his emailed responses to written questions that “Mr. Steinley was not involved in any employment decisions related” to Ms. Akins.

‘Good Old Boys’



The Appraisal Institute produces the certification materials and fills the state boards that regulate the estimated 70,000 real estate appraisers working in the United States. Women say allegations of harassment have been ignored for at least a decade. Jason Henry for The New York Times

Both male and female leaders in the industry say the Appraisal Institute’s problems, particularly the accusations against Mr. Steinley, have been simmering for years. They are just now appearing in lawsuits, they said.

“There is a culture of sexual harassment, cronyism and good old boys,” said Sandra Winter, 62, who first joined the board of the Appraisal Institute in 2012. She launched a petition on Change.org demanding an explanation for Ms. Chance’s termination.

A decade ago, after three separate women made complaints of sexual harassment by Mr. Steinley to various leaders, formal discussions among various industry groups about his behavior ensued.

The appraisal industry has several nonprofits and government agencies that commingle. The Appraisal Institute is a trade group that offers licensing classes to its members. The Appraisal Foundation is a nonprofit that sets national standards for real estate valuation, and the Appraisal Subcommittee is a governmental agency that provides federal oversight of state appraisal programs.

Jim Park, 61, who served as executive director of the subcommittee, said he had attended at least one meeting about Mr. Steinley’s behavior 10 years ago at the Washington, D.C., offices of the foundation. This was right around the time that Mr. Steinley first joined the group’s board of directors. No action was taken, Mr. Park recalled. “It was one of the things that is just accepted in the industry, that that’s the way he is,” Mr. Park said.

Denise Graves, who served as Mr. Park’s deputy, was one of the three women who had complained, and attended the meeting. She said she had experienced uncomfortable hugs from Mr. Steinley.

“We all had a nickname for him: Mr. Handsy,” Ms. Graves, 71, said. A topic of concern at the meeting, she added, was that Mr. Steinley worked as a course instructor for many appraisal students.

Rather than addressing the concerns about Mr. Steinley, both Mr. Park and Ms. Graves said, leaders simply asked all instructors to take sexual harassment training.

Mr. Steinley had no recollection of any meetings where his behavior was a focus, said Mr. Capilla, his lawyer.

Debra Kamin reports on real estate, covering what it means to buy, sell and own a home in America today.

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