

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON OVERSIGHT AND INVESTIGATIONS

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June 19, 2017
Start: 10:20 a.m.
Recess: 11:15 a.m.

HELD AT: 250 Broadway - Committee Rm,
16th Fl.

B E F O R E:
VINCENT J. GENTILE
Chairperson

COUNCIL MEMBERS:
Daniel Dromm
Costa G. Constantinides
Chaim M. Deutsch
Rory I. Lancman
Helen K. Rosenthal
Bill Perkins
Elizabeth S. Crowley

A P P E A R A N C E S (CONTINUED)

Brandon Muir
Executive Director
Reclaim New York

Towaki Komatsu
Representing Self

2 [sound check]

3 [pause]

4 [gavel]

5 CHAIRPERSON GENTILE: This is the
6 Committee hearing on Oversight and Investigations of
7 the Council of the City of New York for June 19,
8 2017.

9 Good morning everyone. My name is
10 Council Member Vincent Gentile and I am the chair of
11 the Oversight and Investigations Committee. I'd like
12 to thank my colleagues for joining me here today --
13 Council Member Chaim Deutsch, Council Member Rory
14 Lancman, and Council Member Elizabeth Crowley. We'll
15 have other members of the Committee joining us as we
16 proceed.

17 Today we will hold a hearing on three
18 pieces of legislation that look to improve the
19 efficiency, effectiveness and transparency of
20 municipal government operations to the betterment of
21 all New Yorkers.

22 Intro 1618, sponsored by yours truly and
23 Council Members Dromm, Lancman, Rosenthal, and
24 Torres, will require that the Department of
25 Investigation conduct annual public outreach

2 campaigns to educate New Yorkers on how to identify
3 different types of government corruption and
4 publicize the mechanisms for submitting complaints to
5 DOI. Additionally, DOI will be required to public
6 information annually pertaining to resolved
7 complaints received the previous year.

8 Currently, DOI voluntarily conducts
9 advertising campaigns on a periodic basis and most
10 recently developing print and radio advertisements in
11 2016 with the slogan "Bribery and corruption are a
12 trap. Don't get caught up in it, report it," and you
13 can see the examples of some of these catchy (and
14 that's not a pun, "catchy") catchy ads here if you
15 look up at the monitors. Some of the other previous
16 ads, as you can see, had slogans that said: "See
17 something crooked in New York City?" And another one
18 had the slogan, "Get the worms out of the Big Apple."

19 So I commend the Commissioner and the
20 Department for committing valuable resources to
21 raising awareness that the public plays in assisting
22 DOI in rooting out corruption without our city
23 government. Intro 1618 will expand existing practice
24 and further the public's involvement in reporting
25 wrongdoings to DOI to promote an honest and efficient

2 city government. Additionally, the reporting
3 requirement contained in the bill will add to the DOI
4 criteria contained in the MMR and provide the Council
5 and the public with a more detailed picture of
6 complaints resolved by the Department that is
7 currently available in the Mayor's Management Report,
8 including demonstrating impact of public outreach
9 efforts and potentially assisting the identification
10 of trends in government employee misconduct.

11 Intro 1633, also sponsored by me as well
12 as Council Members Rosenthal and Crowley, will
13 require that whenever practicable, the Department of
14 Investigation must complete vendor name checks for
15 prospective city vendors 30 days prior to
16 commencement of a city contract.

17 Vendor name checks which examine whether
18 a prospective vendor or affiliated individual has
19 been previously subject to a DOI investigation are
20 essential in assisting agency efforts at evaluating
21 prospective vendor responsibility prior to commencing
22 the contract.

23 As Commissioner Peters testified at this
24 committee's Preliminary Budget hearing last March,
25 currently DOI completes approximately 94% of vendor

2 name checks within a 30-day window prescribed by the
3 rules of this City of New York. This legislation
4 codifies that practice.

5 Under current laws and regulations, an
6 agency is able to enter into a contract with a vendor
7 even if DOI hasn't completed the background check
8 within that period. The Local Law will codify within
9 the City Charter the timeframe for the completion of
10 the vendor name checks to ensure that future
11 administrations continue this vital practice of
12 guaranteeing the responsibility and trustworthiness
13 of vendors vying for City contracts.

14 And finally, Intro 1591, sponsored by
15 Council Members Crowley and Barron, will establish an
16 inspector general within DOI dedicated solely to
17 overseeing the operation of the Human Resource
18 Administration and the Department of Homeless
19 Services. Currently the IG to HRA and DHS is also
20 assigned to another agency. I believe that Council
21 Member Crowley will speak further regarding her
22 legislation.

23 And for the record, the Department of
24 Investigation has been invited to testify today, but
25 I am informed unfortunately that the Commissioner is

2 unable to attend, but he does have several members of
3 his staff in the audience. However, the Department
4 of Investigation has indicated to me that they will
5 send a letter to the Council by the end of this week
6 which will be used as testimony as part of this
7 record for today's Oversight and Investigations
8 Committee hearing.

9 I want to thank you Committee Counsel,
10 Josh Kingsley, my Legislative Director, Jonathan
11 Shabshaikhes; my Legislative Assistant, Taylor Mills
12 for preparing this hearing today, and I'd like to
13 thank all the stakeholders, advocates and members of
14 the public who have joined us here today and I look
15 forward to your testimonies.

16 And now I will ask Council Member Crowley
17 to have some opening remarks on her legislation.

18 COUNCIL MEMBER CROWLEY: Thank you,
19 Chair Gentile. Thank you for conducting today's
20 hearing and including Intro 1591, which I sponsored,
21 on the agenda.

22 Time and time again New York City is
23 faced with another crisis within our homeless shelter
24 system, ranging from health violations to life-
25 threatening, dangerous building violations. The

2 Department of Homeless Services' most recent
3 scorecard shows roughly 16,000 open violations in
4 City shelters. The City contracts with nonprofits
5 for these shelters and pays them top dollar, yet the
6 locations are crawling with thousands of violations
7 that have not been addressed. Intro 1591 will create
8 an office for an inspector general to oversee
9 exclusively the Department of Homeless Services and
10 the Human Resources Administration. An inspector
11 general's office with appropriate staffing dedicated
12 solely to these two agencies will be charged with
13 investigating and reviewing the departmental policies
14 and procedures to identify any waste, fraud,
15 corruption, or abuse; it would also monitor how well
16 the City responds to shelter inspections and
17 violations.

18 An inspector general can also provide
19 recommendations to improve the Department of Homeless
20 Services operations, which expense budget totals \$1.6
21 billion and supports a head count of 2,484 employees.
22 Human Resources Administration's expense budget
23 totals \$9.85 billion and supports a head count of
24 14,696 employees. The combined budgets for these
25 agencies account for more than 13% of the City's

2 total budget, which is just under \$85 billion. A
3 dedicated IG is warranted for these agencies' budgets
4 and the magnitude of their budgets within our overall
5 city budget.

6 I was looking forward to a productive
7 discussion today on hearing this testimony and
8 hearing from the Department of Investigation and I am
9 very disappointed that they are not here to address
10 this bill. And that concludes my remarks,

11 CHAIRPERSON GENTILE: Thank you, Council
12 Member Crowley. And we'll begin then with our first
13 testimony from Brendan Muir from the group Reclaim
14 New York City. Did I pronounce that correctly?
15 Okay.

16 COUNCIL MEMBER LANCMAN: Excuse me, Mr.
17 Chairman?

18 CHAIRPERSON GENTILE: Yeah.

19 COUNCIL MEMBER LANCMAN: I just want to
20 understand. DOI, they're not here because some
21 emergency happened that prevented the Commissioner
22 from coming? I mean that happens, I understand; I
23 just want to understand why DOI isn't testifying.

24 CHAIRPERSON GENTILE: Yeah. I don't know
25 the particulars; he did indicate to me that he will

2 submit something to me by the end of the week, but
3 that he was unfortunately unable to be here today,
4 and the circumstances under which that's the case I'm
5 not clear about, but he could not be here today, but
6 he did assure me that he would submit that testimony
7 with some suggestions to the bills. I believe he
8 mentioned 1618, 1633; I'm not sure the position he's
9 taking on 1591.

10 COUNCIL MEMBER LANCMAN: Okay. Thank
11 you.

12 CHAIRPERSON GENTILE: Okay, Mr. Muir, you
13 can begin.

14 BRANDON MUIR: Good morning to Chairman
15 Gentile and the members of the Oversight and
16 Investigations Committee, I thank you for the
17 opportunity to speak today.

18 My name is Brandon Muir and I am the
19 Executive Director of Reclaim New York, a nonprofit,
20 nonpartisan 501(c)3 organization that seeks to
21 educate and engage New Yorkers on issues like
22 affordability and transparency.

23 Reclaim is dedicated to promoting
24 increased transparency and accessibility in local
25 government across the state. We have used the

2 Freedom of Information Law and a **[inaudible]** of
3 Transparency Guidelines to work with municipalities
4 across the state to help them become more transparent
5 and accessible online. This not only serves to give
6 citizens increased access to their local government,
7 but helps government to streamline processes, gather
8 business intelligence, and become better stewards of
9 their resources.

10 I am here today to comment on two
11 proposals -- Intro 1633 and Intro 1618.

12 Intro 1633 requires the Department of
13 Investigation to complete vendor name checks for city
14 vendors 30 days prior to the commencement of a
15 contract. It is our understanding that this measure
16 ensures that no vendor contracts could commencement
17 without a verification being completed. That
18 requirement would increase public confidence in the
19 contracting process. While citizens would be glad to
20 know that existing data shows nearly all vendors are
21 being vetted, gaps do exist.

22 Closing that gap and requiring 100%
23 vetting to ensure that the City does not do business
24 with vendors who have a checkered past is a step in
25 the right direction.

2 Bill 1618 requires the Department of
3 Investigation to conduct public outreach efforts to
4 educate the public about identifying and submitting
5 complaints regarding government corruption, fraud,
6 and waste. As Reclaim is an organization that
7 empowers citizens to play a more active role in
8 government oversight, driven by very similar
9 campaigns to raise awareness, we strongly support the
10 intention of this bill.

11 As a strong defender of the taxpayer in
12 New York, it will be important for the campaigns to
13 identify -- and make public -- specific metrics that
14 judge the efficacy of the ad campaigns. Government
15 engagement by citizens, especially regarding
16 corruption, is not easy to facilitate and the ad
17 campaigns would be just one of many variables
18 supporting this effort. Quantifiable reporting
19 metrics, delivered quarterly to the City Council,
20 will assist in assuring the offering is on target and
21 continually improved.

22 The bill would also require the
23 Department to submit an annual report of complaints
24 filed. As Reclaim enters the third year of our
25 statewide transparency project, I'd like to share two

2 key lessons we've learned on the reporting habits of
3 local government officials.

4 Consistent citizen oversight relies on
5 citizens understanding that the "rules of the game"
6 exist. Requiring each agency under this bill's
7 purview to maintain a clear reporting process for
8 ethics violations on its website, would facilitate
9 stronger civic engagement. The barrier to completion
10 must be left as low as possible.

11 Citizen oversight is habit forming, but
12 habits rely on consistency. A once-a-year posting
13 schedule would prohibit timely review for citizens,
14 data specialists, and journalists who raise the
15 challenging questions that lead to better governance.
16 The disaggregated presentation of data -- mentioned
17 in the intro -- is exactly what this bill needs; it
18 is an important component, but we would also include
19 machine-readability and in the data composure.

20 Ideally, as a complaint is filed, it
21 should be registered and viewable in a privacy-
22 protected context on the Department of
23 Investigation's website. Upon complaint resolution,
24 the information should be made available as quickly
25 as possible, with 30-60 days being an ideal upper

2 limit. The annual report should serve as the
3 agency's opportunity to highlight quarterly
4 improvements and for the public to assess the
5 trajectory of the agencies responsiveness.

6 On behalf of Reclaim New York, I support
7 the City Council's consideration of the two intros
8 discussed today because they would both increase
9 transparency in city government and help facilitate
10 citizen-driven oversight. Our recommendations are
11 offered to strengthen the bills on behalf of
12 transparency, but we strongly believe it's off to a
13 great start.

14 Thank you for the opportunity to comment
15 and I would be happy to answer any questions the
16 Council has.

17 CHAIRPERSON GENTILE: Thank you,
18 Mr. Muir, thank you for your testimony and I'll start
19 off with some questions and then if my colleagues
20 have other questions, we'll continue.

21 Let's start off with Intro 1618, which is
22 the public outreach bill. How would you rate the
23 Department of Investigation's job today in reaching
24 out to the public?

2 BRANDON MUIR: Well the impetus of my
3 comment that we want to quantify how that's working
4 is really to guide the spending from the start. So
5 you mentioned ads on the radio, the ads on the
6 subway; to be honest, I don't remember personally
7 seeing those, but we see I think on average 5,000 ads
8 a day, so it's a tight market space and there's a
9 lot... [interpose]

10 CHAIRPERSON GENTILE: You don't remember
11 seeing any of those, right?

12 BRANDON MUIR: I don't, no. And I think
13 they're very clever; it took me a minute to get the
14 Central Park analogy in there, but. But to my point
15 is, we engage in awareness-raising campaigns every
16 day specifically on corruption and transparency, and
17 I know how crowded that field is to compete for
18 eyeballs and to compete for a memory that ultimately
19 connects what you've learned in that subway add back
20 to a civic action. So the recommendation to me would
21 be, if we're gonna be spending additional taxpayer
22 dollars on outreach like this; quantify what we're
23 trying to achieve. So is it increased complaints; is
24 it increased complaints in a specific area because
25 that area is deemed more sensitive or more harmful in

2 nature if they're not caught? You know I think the
3 ability to understand what the objective is that is
4 spend; not just a general awareness rating campaign
5 would be really important.

6 To the core of your question though, I've
7 been on the website; I've never personally filed a
8 complaint with DOI, but I don't think they can make
9 it much easier to file a complaint from what they
10 already have on their website, right, so it's right
11 there in the front; they did a great job to report
12 corruption; it's one form, very easy to complete, so
13 to the procedural aspect of it, I think they're doing
14 a great job.

15 CHAIRPERSON GENTILE: But obviously these
16 ads are to inform the public about a particular
17 service or function that DOI provides. Do you feel
18 that an outreach and ad campaign can effectively
19 inform the public of DOI's role in combating
20 corruption?

21 BRANDON MUIR: Of course and I would look
22 to "see something, say something," I mean that's now
23 you know something I think I've heard on *Saturday*
24 *Night Live*, right; it's become such a popular
25

2 moniker. So I think what we're debating here today
3 is the spend required to do that...

4 CHAIRPERSON GENTILE: Uhm-hm.

5 BRANDON MUIR: and to the extent that,
6 you know you're talking about millions of dollars to
7 push a message, I think it's just really important
8 that we put metrics around that to determine what is
9 success and what isn't. You know, Start Up New York
10 is the state-level program that's come under a lot of
11 fire -- \$55 million spent -- and you know, I think to
12 the detriment it wasn't identified on the front end;
13 what does success look like, right? Is it saying
14 that 15 million eyeballs over the next 12 months need
15 to see something; is it an increase of 15% in
16 complaints? I think it's really important that you
17 have that tool as the Council Member to conduct that
18 oversight on the people who would be spending that
19 money.

20 CHAIRPERSON GENTILE: And I'll get to
21 your suggestion about reporting periods in a second;
22 let me just ask -- the bill itself requires the
23 outreach to include the use of print, radio and
24 public forums; do you believe that there are other
25

2 platforms which DOI could or should use to conduct
3 their outreach?

4 BRANDON MUIR: Well there's certainly
5 other platforms; we do a variety of our outreach on
6 Twitter, Facebook, right, the basic social media
7 platforms. You know, I think I would want to know,
8 when I'm in the state of mind to file a complaint,
9 where am I looking for information. And to me, the
10 first place I would look would be online, right,
11 essentially a Google search around keywords like New
12 York City government, corruption or ethics violation.
13 So if I were targeting an ad campaign, I would
14 certainly want to own those words and assure that
15 we're getting coverage in those areas. But for
16 general brand-raising, right, so we're not really in
17 a direct call to action, because I'm on the subway
18 and I'm seeing this ad, it doesn't mean I have some
19 sort of ethics violation in my head right now that
20 I'm ready to report, but these are gonna speak to the
21 mass commuters and certainly gonna see a lot of
22 eyeballs there as well.

23 CHAIRPERSON GENTILE: So the bill -- you
24 mentioned disaggregation and the bill requires the
25 complaints to be disaggregated by agency, month, type

2 of misconduct, and the mechanism through which the
3 complaint was sufficient. Do you believe that that
4 is enough data to report on that type of
5 disaggregation?

6 BRANDON MUIR: Well you can never have
7 enough data. But I think it's a good start and I say
8 that because so much of what makes transparency work
9 -- and I use the word habit-forming because I truly
10 believe it is. What makes it work though is having a
11 starting point, right, so your journalists and your
12 citizen activists have a place to say great, you gave
13 me columns A, B and C, but you know what would've
14 been great; if I could have seen this over here,
15 right. So I think we need to look at it in the
16 context of an ongoing effort to increase
17 transparency, not just a one-time statement or one-
18 time bill. I do think it's a good place to start,
19 but I think what makes transparency work is when we
20 look at it more of a commodity, right; there's a
21 supply and demand for it; you're essentially
22 mandating supply at this point, but we have to rely
23 on the journalists and the citizen activists to come
24 in and demand what they want, right. So I don't
25 think we can pick with perfect precision what exactly

2 needs to be added. I think the point is you're
3 getting it over the starting line and the beauty of
4 crowd-sourcing transparency and involving citizens
5 and involving journalists is, you know, they're not
6 gonna hesitate to speak up and tell you what they
7 need.

8 CHAIRPERSON GENTILE: So inasmuch as this
9 is a starting point, you're in support of that?

10 BRANDON MUIR: Yes.

11 CHAIRPERSON GENTILE: Okay. Now you did
12 mention the reporting should be quarterly and the
13 bill is written an annual reporting. Just talk a
14 little bit about that as why you think quarterly is a
15 more effective tool for the public and for us in
16 government.

17 BRANDON MUIR: Sure. So I'll give you an
18 example. When we started on Long Island, we
19 submitted a Freedom of Information request to every
20 village, town, school district, and county on Long
21 Island, and our request was for their annual
22 checkbook. So we did this in 2016 and 2015 for the
23 2014 checkbook, and the problem with data after a
24 year or two years is that it's not considered timely
25 and it becomes more difficult to have the

2 understanding of the context with which the money was
3 spent or with the action happened. So on the outside
4 looking in, it's important that we get timely data in
5 the hands of people who know how to do something with
6 it. On the reverse side, you want to instill a habit
7 of timely reporting within each of your agencies, so
8 instead of an annual report where, you know 30 days
9 our or 45 days out we start planning how we're gonna
10 get all this data together, that tends to preclude it
11 from getting built into the business process of daily
12 work; whereas, if we're looking at reporting to be
13 delivered as soon as the claim is filed -- and again,
14 in a privacy-protected way, but that person gets
15 their code number -- and to the extent that this
16 already exists, because I haven't filed a complaint,
17 you know, that's great, but you'd wanna look at it
18 through the steps of the process, right, from
19 submission to review to you know, whatever these
20 processes are or phases rather and the consideration
21 of the complaint. But then as soon as it's done, you
22 really don't even wanna wait for a quarter; you want
23 that case file to be closed and allow for reporting
24 online, and so instead of the quarter or the annual
25 report being a big check-in moment, that's really

2 more the aggregation moment when we say okay, let's
3 look at all of Q1 complaints in an aggregate and look
4 at what lessons learned are there from Q4 last year
5 and Q3 previously, instead of that being sort of a
6 surprise moment when journalists and citizen
7 activists actually get their hands on data and can do
8 something with it.

9 CHAIRPERSON GENTILE: So beyond the
10 quarterly aggregate, you're advocating that there be
11 immediate posting of a complaint, keeping within the
12 confidentiality rules.. [crosstalk]

13 BRANDON MUIR: Correct.

14 CHAIRPERSON GENTILE: am I correct..

15 BRANDON MUIR: Right.

16 CHAIRPERSON GENTILE: about that? And
17 that posting then would track the progress of that
18 complaint; is that -- I'm trying to get your vision
19 of what it should look like.

20 BRANDON MUIR: So I'm trying to think of
21 a process that you could go online and -- I think
22 Domino's actually right now, when you order Domino's
23 pizza, right, order's submitted, you know, pepperoni
24 being added to your pie, right, and order is out for
25 delivery and then order is delivered. So not to

2 compare the Department of Investigation to Domino's..
3 [interpose]

4 CHAIRPERSON GENTILE: Domino's Pizza,
5 yeah.

6 BRANDON MUIR: but the idea is the
7 private sector has processes that we've come to know,
8 right; you're Uber is arriving. So that is a really
9 good example of effective constituent services, I
10 mean that's informing your audience of what's going
11 on at each step and it adds confidence in the
12 process. So if my complaint has been stuck in review
13 for three months, right, at least I know it's been
14 received and it's being processed and it's in review
15 and it allows you to say to your constituent, well
16 that is an outlier, right; that is three standard
17 deviations away from normal; we have to go call
18 Department of Investigation immediately to find out
19 what's going on. Without that clarity though in
20 phases, you're really, you know, not able to do that
21 level of review.

22 CHAIRPERSON GENTILE: Yeah and this is
23 one reason why it's unfortunate DOI is not here,
24 because we could ask them about their capability to
25

2 do such a posting and checking through the process
3 with the quarterly disaggregation of all the results.

4 Let's turn to 1633, which would require
5 the DOI to conduct vendor name checks 30 days prior
6 to commencement of a contract with the City. In
7 general, I just want to ask your opinion. Should a
8 City agency be able to contact with a vendor if that
9 vendor, for whatever reason, didn't have a completed
10 background check?

11 BRANDON MUIR: The only way I can see fit
12 for that to happen is if we're in some strange
13 exception of the rule, and I'm not aware of any of
14 those where, you know, if we're in an emergency
15 situation and the exceptions are necessary, that's
16 one thing, but in the general standard, daily
17 business transactions of contracting with the City, I
18 think it's wise and necessary for 100% of vendors to
19 go through the vetting process.

20 CHAIRPERSON GENTILE: As it stands now
21 and despite the rules of the City of New York, there
22 can be, under those circumstances, today an
23 unapproved vendor who might, and I say might, have a
24 history of malpractice officially doing business with
25 the City and that's really what we're focusing on.

2 Now to DOI's credit, they did testify that 94% of
3 those checks are made within the 30-day period. I'm
4 not sure if you have any thoughts or ideas about
5 other systematic checks that can be added or what
6 steps could be taken to prevent -- other than what
7 we're doing today -- to prevent the other 6% of
8 vendors from entering into contract with the City.

9 BRANDON MUIR: Well again, I think it's
10 important to highlight the 94%. If our trains ran on
11 time 94% of the time, we'd... [interpose]

12 CHAIRPERSON GENTILE: We'd all be great...

13 BRANDON MUIR: we'd be happy with that.

14 CHAIRPERSON GENTILE: we... we'd be very
15 happy.

16 BRANDON MUIR: So you know I think they
17 deserve a pat on the back for a process that's
18 largely working as designed. You know, to the extent
19 that we're gonna chase the final 6%, and I think we
20 should, I would want to know if there are examples
21 over the past couple years where those 6% had an
22 inordinate cost to the City, so the 6% that gets
23 through, is it just a matter of additional days
24 needed or did something really go wrong with those
25 contracts where we identify that this is an area

2 where you need to mandate 100% or 94% is good enough
3 and there weren't any big examples of problems. So
4 you know, I'd have to get deeper into the contracting
5 procedures and the vetting process to understand
6 fully what they are looking to review and what not,
7 because there are obviously very different levels of
8 vetting. But again, I think you want to aim for 100%
9 and to the point that you approach that 100% and
10 there's cost implications of doing a much deeper
11 dive, I would just want to compare that to what the
12 real cost is that happens when we let these 6% get
13 through.

14 CHAIRPERSON GENTILE: And I think that
15 would probably be the argument of DOI, had they been
16 here, about the resources and the cost factor to add
17 to that vendor review unit that they have. That is
18 the goal, to address that 6% and by codifying it,
19 even though the DOI has done a commendable job with
20 the 94%, codifying it here in this legislation is not
21 only for this go-round of DOI but future
22 administrations to have that 100% vendor check in
23 place. So... [interpose]

24 BRANDON MUIR: You know I would just add
25 one other piece -- I'd want to know why those 6% did

2 make it through, right. Are we talking about
3 substantively different contracts, that these
4 companies are much harder to vet, or was it simply we
5 get a thousand a week and we got 96% of that done and
6 those were just the last ones that we didn't get in?
7 So to the extent that it's not just a time question
8 around resources to the extent [sic] that it's a
9 substantively different type of vetting that goes on,
10 I would certainly want to ask questions about that,
11 because it begs the question why are those either
12 being left to last or why are they so much harder and
13 therefore is there something else at stake in these
14 contracts -- are they larger contracts; are they
15 bigger companies -- that I'd want to know.

16 CHAIRPERSON GENTILE: Just for the
17 record, the testimony that the Commissioner gave last
18 time about this issue was a resource issue -- having
19 the volume versus the resources to handle the volume
20 of contracts that come in -- if my memory serves me
21 correctly on that, yes. Do you have any questions?

22 COUNCIL MEMBER CROWLEY: No.

23 CHAIRPERSON GENTILE: Okay, great.

24 Alright, so Mr. Muir, thank you for coming in; I

2 appreciate your testimony and your suggestions are
3 well taken. Thank you so much.

4 BRANDON MUIR: Thank you for having me.

5 CHAIRPERSON GENTILE: Alright, our next
6 testimony will be from Mr. Towaki Komatsu, I believe.
7 Am I correct on that? Okay, thanks. Mr. Komatsu,
8 just state your name for the record and tell us --
9 are you representing any particular group?

10 TOWAKI KOMATSU: I'm not representing any
11 group. My name is Towaki Komatsu, as you just
12 stated. I'm here to testify in support of
13 Ms. Crowley's bill, as well as in support of what was
14 just discussed about vendor responsibility, meaning,
15 New York City should only receive services from
16 vendors that are abiding by all the laws [sic].

17 One of the reasons why I'm here today
18 because I actually have litigation against HRA,
19 because they've been in defiance of a New York State
20 Administrative Law judge's decision since September
21 15, 2016. I have reached out to numerous groups to
22 try to get assistance with that, however, all those
23 groups have been entirely unresponsive.

24 One of the reasons why Ms. Crowley
25 proposed the bill was to have oversight of HRA, so if

2 the Commissioner of HRA was in this room on April
3 20th giving misleading statements to one of the
4 people sitting in your chairs about how when someone
5 gets evicted from their apartment there's no reason
6 for them to go from Queens to the Bronx; how should
7 that happen to me? So if Mr. Banks was sitting in
8 this chair on April 20th -- I don't know if he was
9 under oath at the time when he made that statement,
10 but that's a material and statement of fact [sic].

11 Also, on July 2nd of last year, I was
12 assaulted after an earlier attempted assault on May
13 12th and that was only possible because one of HRA's
14 partners, Urban Pathways, subjected me to a bate and
15 switch with regards to the apartment lease agreement
16 I signed at HRA on February 16th of last year. So
17 the question is; if HRA's own records confirm that I
18 reported that bate and switch to HRA on March 16th of
19 last year, then why didn't it take action; why didn't
20 it take corrective action that would have forestalled
21 that attempted assault on May 12th and then certainly
22 prevented that actual assault on July 2nd that led to
23 me being diagnosed with a concussion on July 30th?

24

25

2 CHAIRPERSON GENTILE: Did you have any
3 contact with anyone at the IG's office, the Inspector
4 General's office for HRA?

5 TOWAKI KOMATSU: They actually left me a
6 voicemail message I think in February of last... no,
7 February of this year telling me that for whatever
8 problems I have with HRA, I have to deal directly
9 with HRA instead of somebody else, which is very
10 perplexing. So let me just give a -- I don't want to
11 dominate your time, waste your time, so let me just
12 provide a quick rundown of false and misleading
13 remarks Steven Banks has made in the past.

14 I was at a meeting at New York Law School
15 on December 16th of last year in a room of maybe 100
16 people, including attorneys and legal services
17 providers; that event was recorded on video, so in
18 case there's any uncertainty about what was said and
19 the context in which it was said, you can just watch
20 the video for yourself and make your own independent
21 decisions. So Mr. Banks made a statement to the
22 effect of things we can control we are very focused
23 on controlling in regards to the homeless problem, so
24 again, if I reported to HRA on March 16th that I was
25 subjected to a bait and switch and HRA gave Urban

2 Pathways more than \$1.8 million of taxpayer money to
3 provide veterans like myself with services and
4 housing and Urban hasn't been doing that, instead it
5 had a fundraiser at the Grand Hyatt; while if you
6 take a look at the **[inaudible]** website you can see
7 what kind of mortgage it has for that building, so on
8 one hand it's getting funding through that mortgage
9 agreement, on another it's getting funding from
10 taxpayers -- HPD issued violations about conditions
11 in that building, they haven't been taken care of,
12 and those violations were issued long ago.

13 Another false statement that Mr. Banks
14 made at that December 16th meeting was that "the
15 Mayor owns the problem; I own the problem" in regards
16 to homelessness. Again, Steven Banks' wife is
17 actually the supervising judge citywide for the
18 housing courts, so if I was subject to an unlawful
19 eviction by Queens housing judge Clifton Nembhard,
20 who's still on the bench, who came to my apartment on
21 July 16th of 2015, told me to shut off this audio
22 recording device I was recording him with to
23 determine... to basically use on appeal in the event he
24 conducted a fraudulent inspection in my apartment.
25 There is actually a California Federal Court decision

2 from 2014 that basically says if a governmental
3 officer comes into your residence, you have a due
4 process right to record those officers in your own
5 residence as long as you don't interfere with their
6 ability to perform their official duties.

7 CHAIRPERSON GENTILE: Mr. Komatsu, I know
8 you have a list of complaints... [crosstalk]

9 TOWAKI KOMATSU: But... I'll keep it short.
10 No...

11 CHAIRPERSON GENTILE: Yeah. No, I just
12 wanna try to keep it as close as possible to what
13 we're discussing here today... [crosstalk]

14 TOWAKI KOMATSU: Right. So bottom line
15 is; there really isn't any oversight of HRA. Like I
16 said, I beat HRA on appeal; the New York City Office
17 of Temporary and Disability Assistance has not
18 enforced its own decision; instead, it scheduled a
19 redundant, pointless **[inaudible]** in which it
20 basically reneged on its original decision without
21 cause; that's why I have this litigation at the New
22 York Supreme Court. Even before I came into this
23 room, even before I had any interaction with HRA,
24 Urban Justice did their own independent audit of
25 HRA's practices; according to their audit, it

2 confirmed that HRA violates their procedures
3 routinely and so did the New York City Comptroller
4 long ago, I think in 2009, they talked about fair
5 hearings, how, you know, there have been redundant
6 appointments for hearings; I think Mr. Banks made a
7 remark on April 20th about that in this room, that
8 HRA was subject to like a \$10 million penalty for
9 redundant fair hearings.

10 CHAIRPERSON GENTILE: How do you think
11 Council Member Crowley's bill would make the
12 situation better, from perspective, by having an
13 inspector general devoted to HRA **[inaudible]**...
14 [crosstalk]

15 TOWAKI KOMATSU: Sure. So let me answer
16 that question directly. Based on my experience with
17 HRA, of course I'm biased, but I really don't see any
18 better candidate than me to be the inspector general
19 of HRA, given the fact that I've had to resort to
20 litigation against it and sustained a concussion
21 because it failed to act. I should also point out
22 that I'm a U.S. Navy veteran; there was news recently
23 about seven sailors getting killed on a ship; I was
24 assigned to that same naval base in Japan, where I
25 served with a top secret security clearance, so if

2 you have any question about I guess my integrity,
3 take a look at my DD214.

4 CHAIRPERSON GENTILE: And did you also
5 have some testimony on 1633?

6 TOWAKI KOMATSU: Yeah. So with regards
7 to the discussion that was about using responsible
8 vendors, the underlying cause that got me into the
9 position where I am today is the fact that a company
10 called NTT Data, it's an IT outsourcing company, it's
11 a huge government contractor; it stole my pay five
12 years ago while I was working at Credit Suisse, when
13 Credit Suisse illegally coerced me to work 50 hours
14 per week and I only got paid for 40 hours; when I
15 complained about that, I was immediately retaliated,
16 involved in litigation against both Credit Suisse and
17 NTT Data -- as we speak and as I sit in this chair, I
18 have a brief that I have to submit to the Second
19 Circuit by City Hall by Friday of this week. And
20 with regards to HRA's Office of Civil Justice, if you
21 actually take a look at the bill that caused that
22 division to be established, it's actually required to
23 provide people like me -- the terminology is to
24 ensure that people like me get the legal assistance
25 that they need, either assistance or representation,

2 and that hasn't happened; in fact, Steven Banks
3 falsely told me to my face on April 11th in Staten
4 Island that one of his legal services providers
5 declined to provide me with assistance because there
6 was no merit. The problem with that remark is that I
7 actually got a letter from that same organization
8 telling me it wasn't because of merit; it was because
9 of inadequate resources to provide me with
10 assistance. So there's a clear discrepancy between
11 lack of merit and lack of resources.

12 CHAIRPERSON GENTILE: And how do you feel
13 the vendor check would address an issue like that?

14 TOWAKI KOMATSU: Sure. With regards to
15 vendor check, HRA -- there is ample cause for HRA to
16 immediately terminate its contract with a company --
17 I mean think about it, if I'm getting benefits
18 essentially from taxpayers only because of the fact
19 this company HRA is doing business with stole my pay;
20 HRA has a clear mandate to immediately terminate this
21 business or at least steer its funding from going to
22 that company to my wallet for the services I provided
23 five years ago. I mean this is a company that also
24 does business with the Department of Education, the
25 Attorney General's Office, so if I try reaching out

2 to Eric Schneiderman's office, there's a clear
3 conflict of interest in trying to get some legal
4 remedy on the grounds that his own office is doing
5 business with that same entity.

6 CHAIRPERSON GENTILE: Great. Okay, I
7 appreciate your testimony; I think we have some... I
8 think Council Member Crowley has a question or two.

9 COUNCIL MEMBER CROWLEY: Thank you,
10 Chair. So how long have you been affiliated or
11 worked with HRA?

12 TOWAKI KOMATSU: Since October 22nd of
13 2015.

14 COUNCIL MEMBER CROWLEY: So for the past
15 two years?

16 TOWAKI KOMATSU: Approximately, yeah.

17 COUNCIL MEMBER CROWLEY: And so they were
18 helping you with housing?

19 TOWAKI KOMATSU: I would say not really,
20 only because of the fact when I was subjected to that
21 bait and switch and I was assaulted in **[inaudible]**..
22 [crosstalk]

23 COUNCIL MEMBER CROWLEY: I don't know
24 what it means when you say bait and switch..
25 [crosstalk]

2 TOWAKI KOMATSU: Meaning... if you're
3 shopping for a car, if you're shopping for a two-door
4 car and the dealer gives you a four-door car; you
5 asked for red; they give you white...

6 COUNCIL MEMBER CROWLEY: Yeah.

7 TOWAKI KOMATSU: it's apples and oranges.

8 COUNCIL MEMBER CROWLEY: Right.

9 TOWAKI KOMATSU: So that's essentially
10 what a bait and switch is; you ask for one type of
11 product or service and... [interpose]

12 COUNCIL MEMBER CROWLEY: Yeah, but you're
13 mentioning that while you're referring to your
14 residence...

15 TOWAKI KOMATSU: Correct.

16 COUNCIL MEMBER CROWLEY: and so what
17 happened there?

18 TOWAKI KOMATSU: I signed... like I said, I
19 signed a lease agreement for a particular apartment,
20 for a private apartment that was fully furnished -- I
21 have a copy of the lease over there -- well two
22 leases; I have a lease for the... the actual lease I
23 signed on February 16th, then the second illegal
24 lease in which Urban Pathways forced my signature and
25 materially changed the terms.

2 COUNCIL MEMBER CROWLEY: So this lease
3 was with an agency that works with HRA?

4 TOWAKI KOMATSU: Correct.

5 COUNCIL MEMBER CROWLEY: And it was
6 housing for veterans?

7 TOWAKI KOMATSU: Correct.

8 COUNCIL MEMBER CROWLEY: Okay. So where
9 are you living now?

10 TOWAKI KOMATSU: In that same building,
11 in that same apartment, without a valid lease, and I
12 brought that to HRA's attention; they haven't done
13 anything about it.

14 COUNCIL MEMBER CROWLEY: So you've done a
15 lot of research before you came.. [crosstalk]

16 TOWAKI KOMATSU: I have.

17 COUNCIL MEMBER CROWLEY: you came today
18 and so you referenced Urban Justice's study as well
19 as the Comptroller's study and both are backdated or
20 not even **[inaudible]**, I mean it's good that they both
21 did their investigations, I mean 2009's a long time
22 ago.

23 TOWAKI KOMATSU: But the facts still
24 apply.

2 COUNCIL MEMBER CROWLEY: No, I'm... Look, I
3 agree that -- it's my bill, I support that we need
4 the oversight; I just... I even think that we don't
5 even know how much waste, abuse happens within these
6 two city agencies because there just isn't enough
7 oversight.

8 TOWAKI KOMATSU: And on top of that,
9 there was recently litigation in Brooklyn about
10 opposing the opening of new shelters because the
11 community wasn't properly engaged, their right to be
12 heard wasn't provided. So I was actually sitting in
13 the back of that courtroom during the proceedings of
14 that case trying to advocate on behalf of the
15 community, based on my familiarity with HRA's actual
16 practices of... [crosstalk]

17 COUNCIL MEMBER CROWLEY: Right.

18 TOWAKI KOMATSU: not taking appropriate
19 action.

20 COUNCIL MEMBER CROWLEY: How long have
21 you lived in New York?

22 TOWAKI KOMATSU: Pretty much all my life.

23 COUNCIL MEMBER CROWLEY: And it's only
24 been since this incident two years ago that you've
25

2 been tracking this agency and you've been listening
3 more to Mr. Banks?

4 TOWAKI KOMATSU: Well what originally
5 brought me in contact with Mr. Banks was on March 1st
6 of last year he was at the Elk Club giving a speech
7 where the new chief judge of New York State was
8 present, and basically, I had been in the Bellevue
9 Shelter in February of last year; my iPhone was
10 stolen in that shelter because there were no door
11 locks on the doors, and that's after I was
12 temporarily put in the hotel system. So if the New
13 York City Comptroller did an audit of security in
14 shelters and it confirmed that there wasn't security
15 in the Bellevue Shelter, then it was entirely
16 foreseeable that the lack of locks on the doors would
17 lead to theft, would lead to assaults; what have you,
18 and I brought that to Mr. Banks' attention on March
19 1st at the Elk Club; his response to me was that the
20 NYPD was conducting a security audit of the
21 conditions in the shelters instead of taking
22 appropriate action; less than I think two months
23 later, someone was actually murdered in that same
24 shelter; it made the news; they had their throat
25 slit. So the question is; if I spoke face to face

2 with Steven Banks on March 1st about the lack of
3 security in that particular shelter and then someone
4 had their throat slit less than two months later,
5 who's liable? I mean it's a HRA shelter, clearly; at
6 that point in time HRA was responsible for the
7 operations and security in that particular shelter,
8 so can they really pass the buck? I mean I filed a
9 claim with the Comptroller's office to have HRA
10 reimburse me for the cost of that stolen iPhone as
11 well as the increased service charges, because the
12 unlimited data plan I was subscribed [sic] to no
13 longer was available. The Comptroller basically said
14 -- no, HRA also said no when I asked them to
15 reimburse me for that. They essentially said we're
16 not responsible for stolen property, regardless of
17 the fact that we weren't complying with New York
18 State law in terms of security in the shelters. So
19 back to your bill... [crosstalk]

20 COUNCIL MEMBER CROWLEY: Right.

21 TOWAKI KOMATSU: your bill is about
22 oversight...

23 COUNCIL MEMBER CROWLEY: Yeah.

24 TOWAKI KOMATSU: so if you have this
25 agency running loose with no oversight, people get

2 harmed, people get killed, people have their property
3 stolen; people go without legal assistance and have
4 to go three years at the Queens Supreme Court beating
5 a slumlord in Rego Park in a \$20 million defamation
6 case without the benefit of counsel, and after five
7 judges in that case. I can give you the legal
8 decision where on March, I think 17th the fifth and
9 final judge issued a decision in my favor dismissing
10 that case. So the question is; before that fifth and
11 final judge did so, exactly what were the four
12 previous judges assigned to that case doing in
13 allowing that case to remain on the docket?

14 COUNCIL MEMBER CROWLEY: But did that
15 case have to do with HRA or DHS?

16 TOWAKI KOMATSU: Indirectly, only because
17 of the fact that Mr. Banks -- again, he's married to
18 the supervising judge -- and what prompted... what
19 prompted the litigation against that slumlord was; I
20 previously beat that slumlord on my own in housing
21 court in October of 2013. I have a sworn affidavit
22 from that slumlord saying that they knew about a
23 defective elevator in the building for over a year
24 and a half, didn't do a darn thing about it, and

2 they're now trying to kick out a 66-year-old woman
3 from her \$850 apartment.

4 COUNCIL MEMBER CROWLEY: Does that
5 slumlord do work with HRA?

6 TOWAKI KOMATSU: I can't tell you,
7 because I think HRA keeps its records pretty
8 confidential... [interpose]

9 COUNCIL MEMBER CROWLEY: I appreciate you
10 sharing that information with me about your
11 conversation with Mr. Banks and what happened at the
12 Bellevue Shelter, so you know if there's more
13 information you'd like to send to my office..

14 TOWAKI KOMATSU: Sure.

15 COUNCIL MEMBER CROWLEY: I'd be more than
16 happy to gather and collect all that.

17 TOWAKI KOMATSU: Okay.

18 COUNCIL MEMBER CROWLEY: Thank you.

19 CHAIRPERSON GENTILE: Thank you,
20 Mr. Komatsu and good luck to you also.

21 Let me just put in a few things on the
22 record and we'll hold it open for a couple minutes.
23 We were also joined here earlier by two other
24 Committee members, Councilman Danny Dromm and Council
25

2 Member Helen Rosenthal, and they were here earlier
3 during the testimony.

4 I also want to put on the record that we
5 have a statement of support from Citizens Union, who
6 could not be here to testify today, but they have
7 asked us to put on the record that they are in
8 support of 1633 and 1618, the two bills relating to
9 public outreach and the vendor check bill, and they
10 indicate that they will be submitting written
11 testimony within the next day to this Committee
12 concerning Intro 1618 and 1633, so I want to say for
13 the record that Citizens Union is supportive and will
14 be submitting to this Committee written testimony.

15 Again, I also want to reiterate the fact
16 that the Commissioner of DOI has indicated to us, to
17 me, that his office will be submitting testimony to
18 this Committee concerning this hearing and the
19 testimony will be included as part of the record,
20 testimony of the record in this Committee, and
21 certainly again, I know the disappointment in the
22 members here and may also the public that the
23 Commission could not attend today, but I will share
24 with the Committee his testimony when we receive it
25 by the end of the week, I'm told by Friday; I will

2 share it with members of the Committee and Council
3 Member Crowley also will get that.

4 So I'll stay here for a couple of
5 minutes, because I think there's a member that's on
6 his way over, so rather than close the hearing at the
7 moment, I will sit here for another five minutes, but
8 officially, as far as I can see, there is no other
9 testimony -- am I correct; no other testimony in the
10 hearing -- so we'll just recess for a couple of
11 minutes; everyone here is welcome to leave; to stay,
12 we're just gonna recess for five minutes. Thank you.

13 [pause]

14 We've been joined at the committee
15 hearing today by Council Member Constantinides from
16 Queens. Thank you for joining us. You missed the
17 testimony, but that's fine; [laugh] we'll fill you
18 in, and there will be testimony coming from the
19 Department of Investigation in a letter to the
20 Committee, which I will share with each Committee
21 member by this Friday. Okay. Great.

22 With that, the Committee hearing is
23 closed. Thank you all for coming and testifying.
24 Thank you. This Committee is closed.

25 [gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date July 19, 2017