

COMMITTEE ON PUBLIC HOUSING JOINTLY WITH
COMMITTEE ON CONTRACTS JOINTLY WITH
COMMITTEE ON OVERSIGHT AND INVESTIGATIONS 1
CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON PUBLIC HOUSING JOINTLY
WITH COMMITTEE ON CONTRACTS JOINTLY
WITH COMMITTEE ON OVERSIGHT AND
INVESTIGATIONS

----- X

February 27, 2024

Start: 1:14 p.m.

Recess: 4:16 p.m.

HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E: Chris Banks, Committee on Public
Housing Chairperson

Julie Won, Committee on Contracts
Chairperson

Gale Brewer, Committee on
Oversight and Investigations
Chairperson

COMMITTEE ON PUBLIC HOUSING COUNCIL MEMBERS:

Alexa Avilés

Erik D. Bottcher

Darlene Mealy

Chi A. Ossé

Rafael Salamanca, Jr.

Pierina Ana Sanchez

Julie Won

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COMMITTEE ON CONTRACTS JOINTLY WITH
COMMITTEE ON OVERSIGHT AND INVESTIGATIONS 2

COMMITTEE ON CONTRACTS COUNCIL MEMBERS:

Erik D. Bottcher
Sandy Nurse
Althea V. Stevens
Inna Vernikov

COMMITTEE ON OVERSIGHT AND INVESTIGATIONS COUNCIL
MEMBERS:

Diana Ayala
Chris Banks
Rita C. Joseph
Shekar Krishnan
Lincoln Restler
Nantasha M. Williams
Julie Won
Kalman Yeger

OTHER COUNCIL MEMBERS ATTENDING:

Jumaane Williams, Public
Advocate

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COMMITTEE ON CONTRACTS JOINTLY WITH
COMMITTEE ON OVERSIGHT AND INVESTIGATIONS 3

A P P E A R A N C E S

Jocelyn E. Strauber, Commissioner, Department of
Investigations

Lisa Bova-Hiatt, Chief Executive Officer at New
York City Housing Authority

Brad Greenburg, Chief Compliance Officer at New
York City Housing Authority

Daniel Greene, Executive Vice President for
Property Management Operations at New York City
Housing Authority

Sergio Paneque, Chief Procurement Officer at New
York City Housing Authority

Celina Miranda

Alix Creiz

Renee Keitt

Christopher Leon Johnson

Joel Kupferman

Nigel Dupree

Aixia Torres

Dana Elden

Tevina Willis

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COMMITTEE ON CONTRACTS JOINTLY WITH
COMMITTEE ON OVERSIGHT AND INVESTIGATIONS 4

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

Maria Forbes

Karen Blondel

Jacqueline Lara

COMMITTEE ON PUBLIC HOUSING JOINTLY WITH COMMITTEE
ON CONTRACTS JOINTLY WITH COMMITTEE ON OVERSIGHT AND
INVESTIGATIONS 5

SERGEANT-AT-ARMS: This is a microphone
test for the Committee on Contracts joint with the
Committee on Oversight and Investigation joint with
the Committee on Public Housing. Recorded on February
27, 2024, located in Chambers, by Nazly Paytuvi.

SERGEANT-AT-ARMS: Welcome to the New York
City Council Hearing on Contracts joint with Public
Housing and Oversight and Investigations.

At this time, we ask that you silence all
electronic devices and at no time should you approach
the dais.

Chairs, we are ready to begin.

CO-CHAIRPERSON BANKS: [GAVEL] This
meeting is called to order.

Good afternoon, everyone. I am Council
Member Chris Banks, the Chair of the Committee on
Public Housing, and I'm glad that my first hearing as
Chair is being held jointly with the Committee on
Contracts and the Committee on Oversight and
Investigation. We are joined by my Colleagues from
all three Committees, Council Member Rivera and
Council Member Chi Ossé and Council Member Sanchez
and Council Member Bottcher.

1
2 While I'm glad to be Chairing this
3 Committee and to be here with my Colleagues, I'm also
4 deeply disappointed that my first hearing as Chair is
5 to focus on the corruption scandal in NYCHA. The
6 allegations, the arrests made earlier this month
7 undermines New Yorkers' trust and, even more
8 importantly, the residents of NYCHA's trust that
9 public money is being spent appropriately, the
10 repairs to NYCHA apartments are being made correctly
11 and quickly, and that NYCHA is on the right track.
12 The allegations of bribery, extortion, and awarding
13 of no-bid contracts announced by the U.S. Attorney
14 earlier this month extend to almost 100 NYCHA
15 developments across the entire NYCHA portfolio.

16 As the U.S. Attorney stated in his press
17 conference, the breadth of the allegations shows that
18 there was a culture of corruption among NYCHA
19 superintendents that allegedly extended until as
20 recently as last summer. Today, my Colleagues and I
21 want to hear from NYCHA about what steps they've
22 taken to address these allegations, both in the
23 immediate and aftermath and what steps they likely
24 will take in the future. I'm pleased that both
25 Department of Investigation, the U.S. Attorney said

1
2 NYCHA leadership is cooperating and pledged to
3 institute DOI's recommendations, but there are still
4 questions to be answered. DOI made recommendations
5 when contractors were indicted in 2001 for the other
6 half of these alleged transactions, but only some of
7 the recommendations were accepted. I would like to
8 know the decision-making process around which
9 recommendations were accepted and which were not. I
10 would also like to know what the gaps are in the
11 process and oversight that allowed these alleged
12 behaviors to continue until last year, and finally, I
13 want to know what steps are going to be taken to try
14 and earn back NYCHA residents' trust.

15 I would like to thank my staff, Michael
16 Lambert, along with the Public Housing Committee
17 Staff, Jose, Charles, Kim, Dan, Nicholas,
18 Christopher, and Connor for the work they've put in
19 this hearing.

20 I will now turn it over to Chair Brewer
21 to make her opening statement.

22 CO-CHAIRPERSON BREWER: Thank you very
23 much. I am Gale Brewer, and I'm Chair of the
24 Council's Committee on Oversight and Investigations,
25 and I know we'll hear from Chair Won. She is on

1 maternity leave, and we have to have a quorum in
2 order for her to speak so that's why she's not
3 speaking right now, but I'm sure we will get a
4 quorum.
5

6 I'm delighted to be conducting today's
7 hearing jointly with the Committee on Public Housing
8 and the Committee on Contracts. I do want to thank
9 Council Member Chris Banks and Council Member Julie
10 Won for all the hard work as well as that of their
11 teams for putting this hearing together.

12 The recent arrests of 70 NYCHA employees
13 on bribery and extortion charges, while disturbing,
14 are unfortunately not surprising. NYCHA does have a
15 history of corruption and abuse surrounding the use
16 of micro purchases. These arrests are just the latest
17 example. Micro purchases at the center of this
18 bribery and extortion scheme have a streamlined
19 approval process to give development employees, those
20 are the folks in the field, the ability to quickly
21 address small scale problems in their buildings
22 without having to go through a lengthy bidding
23 process.

24 We all want apartments to be repaired
25 quickly. It's a laudable goal, particularly the

1
2 vacant ones, to be honest with you. However, as we
3 have seen over and over, the lack of oversight makes
4 these types of contracts vulnerable to abuse and
5 fraud. Department of Investigation, and I want to
6 thank the Commissioner and her staff, has repeatedly
7 warned NYCHA that these micro contracts are
8 vulnerable to corruption, but the agency did not act.

9 In 2021, the Department of Investigation
10 made several recommendations to NYCHA, and I know it
11 was before this DOI and this NYCHA, but I was around,
12 regarding micro purchase reforms, which the agency
13 summarily rejected. It was not until 70 current and
14 former NYCHA employees were arrested that they agreed
15 to implement a set of recommendations made by DOI,
16 and I appreciate NYCHA doing that. It shouldn't,
17 however, take 70 arrests for NYCHA to shut down known
18 opportunities for bribery and extortion by
19 development managers, particularly when DOI has given
20 them a road map on how to get this done. There's just
21 no excuse, and I want to add that my office has
22 received several people who have come forward as
23 whistleblowers with the same kinds of problems in the
24 last couple of weeks and I have sent them to DOI.

1
2 Today, we are here to examine NYCHA's
3 response to the most recent bribery and extortion
4 that was uncovered in the micro purchase contracts.
5 We want to consider how we can ensure that public
6 housing residents can have their urgent repair needs
7 addressed in a timely manner without leaving the
8 process open to bribery, extortion, and all kinds of
9 corruption like what was recently uncovered by the
10 federal prosecutors in Manhattan.

11 I just want to add also, it's hard
12 because residents complain that they are seeing the
13 offices of the development staff, so called local
14 staff, fixed up and not their apartments, and these
15 are the kinds of things that we should have paid more
16 attention to.

17 Before I turn this wonderful meeting back
18 to Chair Banks, I'd like to ask the great Public
19 Advocate to say a few words. I do also want to thank
20 Nicole Catá who is General Counsel to this Committee,
21 legislative analysts Erica Cohen and Alex Yablon, and
22 financial policy analyst Owen Kotowski and from my
23 office, Sam Goldsmith.

24 Now I turn it over to our great Public
25 Advocate, Jumaane Williams.

1 PUBLIC ADVOCATE WILLIAMS: Thank you,
2
3 Madam Chair. Thank you for the word great before
4 that.

5 CO-CHAIRPERSON BREWER: You're lucky. You
6 won't always get it. Just so you know.

7 PUBLIC ADVOCATE WILLIAMS: Good afternoon.
8 My name is Jumaane Williams, Public Advocate of the
9 City of New York. Thank you very much, Chair Banks,
10 Chair Won, and Chair Brewer, and Members of the
11 Committee, Public Housing, Contracts, and Oversight
12 and Investigations for holding this hearing and
13 allowing me the opportunity to provide a statement.

14 New York City has a shortage of
15 affordable housing that's been exacerbated by the
16 pandemic. New Yorkers are subject to drastic
17 increases in rent, predatory landlords, and long
18 waits for repairs and evictions. NYCHA residents
19 unfortunately are not exempt from such actions. While
20 bribery and extortion have been rampant in government
21 and in New York City for a very long time, one of the
22 famous ones, Tammany Hall, the recent indictments of
23 NYCHA workers have had a demoralizing effect on its
24 residents, its ethical and trustworthy staff, which
25 are many, and all New Yorkers. Back in 2021, the

2 Department of Investigation sent a letter to former
3 NYCHA Chair Greg Russ stating all the findings they
4 found suspicious. NYCHA was alerted multiple times
5 but refused the recommendations. They had ample time
6 to implement these or other changes but did not do
7 so. Every business, organization, or government
8 agency must have measures in place to weed out
9 corruption and fraud. NYCHA's longstanding chronic
10 budget deficit is no excuse to not put measures in
11 place and reassess those measures on a regular basis.
12 I've often said NYCHA needs money and better
13 management. Both of those things are huge problems
14 for NYCHA. Management is something that NYCHA can do
15 better at even without the money that is desperately
16 needed. NYCHA's inability to eradicate mold and make
17 timely repairs has notoriously made them the worst
18 landlord for six years in a row. According to the
19 findings for 2023, there are 335 developments on the
20 watch list with 177,569 units with violations. The
21 average number of open work orders between January
22 2023 and November 2023 are 618,310. NYCHA needs about
23 78 billion to resolve these necessary repairs.
24 Therefore, the corrupt behavior of 70 NYCHA employees
25 rubs salt on the wounds of those residents who are

1 waiting for repairs while critical dollars are being
2 siphoned into the pockets of those employees. These
3 charges are a clear indication of the extensive
4 failure to make needed repairs and the failure to
5 weed out possible corruption.
6

7 NYCHA has consistently failed to create a
8 healthy and safe living environment for its
9 residents. These indictments are a symptom of the
10 larger problem of doing timely repairs. It takes so
11 long for repairs to get addressed that no one noticed
12 a disruption in the repair process. Equally
13 important, hazardous conditions are not addressed,
14 not abated, and oftentimes escalates from an
15 individual apartment to a building-wide problem. My
16 office and I released a report on NYCHA called How
17 the Other Half Lives in Public Housing highlighting
18 the dangerous conditions that NYCHA developments that
19 we witnessed during our five-borough tour in 2022.
20 They had frequent issues with mold, leaks, and rodent
21 and insect infestation. Residents are facing
22 excessive filth in their homes with unsanitary
23 conditions that can cause an unhealthy living
24 environment that can lead to illness. It has been one
25 and a half years since we released it, and it has yet

1 to be addressed in any meaningful way, such as the
2 Jacob Reese water contamination and recent death from
3 Legionnaire's disease. There were several
4 recommendations that we had, but just ones that are
5 very appropriate right now, which was number three,
6 the metric used to hire contractors should be
7 improved. NYCHA should develop a reliable list of
8 contractors that can be used within the developments.
9 The current hiring system is unreliable, and NYCHA
10 may hire someone who they know with the lowest price,
11 which results in NYCHA's crippling housing
12 infrastructure, and number four, NYCHA should develop
13 a reliable list of contractors that can apply through
14 the RFP process to do work with their developments.
15 We also discussed Healthy Homes Act and automatic
16 inspections.
17

18 As we watch the legal process unfold, I
19 hope to hear from NYCHA what approach it will take to
20 weed out corruption, address much needed and long-
21 awaited repairs while ensuring the protection of
22 residents. I do have to say it feels just like
23 another day in NYCHA, like we've been here before,
24 having a discussion again. I really hope something is
25 going to change. This type of micro contracting,

1
2 there's no way that anyone can look at it and not say
3 without the proper guardrails, without the proper
4 oversight, something was going to go wrong, and in
5 fact, someone did. DOI did. Why NYCHA would not act
6 on that makes absolutely no sense and has nothing to
7 do with the money that is absolutely needed for NYCHA
8 but has to do with somebody's incompetence in
9 overseeing this.

10 Thank you so much.

11 CO-CHAIRPERSON BANKS: Thank you so much,
12 Public Advocate.

13 Now, we're going to go to Chair Julie
14 Won.

15 CO-CHAIRPERSON WON: Thank you so much,
16 Chair Banks, and thank you so much to the Public
17 Advocate and Council Member Brewer.

18 Good afternoon. My name is Council Member
19 Julie Won. I am the Chair of Committee on Contracts.
20 I am pleased to join my Colleagues from all three
21 Committees in convening this important joint
22 oversight hearing examining corruption and
23 mismanagement within NYCHA's micro purchasing
24 contracting.

1
2 The alleged bribery scheme by NYCHA
3 employees uncovered earlier this year marked a
4 serious breach of public trust as we've heard from
5 all three speakers before. 70 current and former
6 NYCHA staff across nearly 100 developments are
7 implicated. This pay-to-play culture for certain
8 maintenance contracts is clearly widespread,
9 including in my own District in Ravenswood Houses as
10 well as Queensbridge Houses.

11 As Chair of the Committee on Contracts, I
12 am deeply concerned any time City procurement rules
13 and standards fall short. The micro purchasing
14 process at NYCHA, while well-intentioned in aiming to
15 expedite urgent repairs, clearly enabled abuse by
16 leaving too much discretion to frontline staff
17 without sufficient guardrails. Unfortunately,
18 previous scandals and warning signs regarding
19 vulnerabilities in the micro contracting process went
20 unheeded. As a result, instead of efficiently
21 maintaining buildings for NYCHA residents, public
22 funds lined the pockets of unscrupulous employees and
23 vendors. Going forward, we must ensure enhanced
24 accountability, oversight, and transparency around
25

1
2 all NYCHA contracting as NYCHA works to implement the
3 14 civic reform recommendations put forward by DOI.

4 After the recent indictments, this
5 Committee and our Colleagues on the Public Housing
6 and Oversight and Investigation Committee will
7 continue to closely monitor that progress. At today's
8 hearing, we'll examine the factors that enabled
9 widespread corruption within the micro purchasing
10 program and identify solutions to restore integrity
11 in the process. The Committee seeks to understand
12 what NYCHA management knew regarding vulnerabilities,
13 when they knew it, and why action was not taken
14 sooner. We want concrete commitments regarding next
15 steps to implement oversight changes that can prevent
16 this degree of fraud in the future. Most importantly,
17 we must determine how NYCHA residents suffered as a
18 result of the misused funds and corrupted process
19 regarding urgently needed repairs to their homes.
20 Going forward, the public deserves full confidence
21 that every dollar funding NYCHA works addresses real
22 maintenance needs rather than lining their own
23 pockets. NYCHA residents deserve nothing less. The
24 Committees expect to hear testimony today from NYCHA,

1
2 DOI, and residents themselves to provide all needed
3 context around the recent indictments.

4 I'd like to thank my Co-Chairs for
5 convening this timely and essential hearing. Before
6 we begin, I'd like to thank the Contracts Committee
7 Staff, Senior Legislative Counsel Alex Paulenoff,
8 Policy Analyst Alex Yablon, the Principal Finance
9 Analyst Nia Hyatt as well as my Chief-of-Staff Nick
10 Gulotta, my Legislative Director Isaac Blasenstein,
11 and my Comms Director Jenna Laing for all their hard
12 work in preparing for this hearing.

13 I also want to acknowledge Council Member
14 Mealy has also joined us as well as Council Member
15 Avila.

16 I'll turn it back over to Council Member
17 Chair Banks.

18 CO-CHAIRPERSON BANKS: All right. Thank
19 you, Madam Chair.

20 Now in keeping with tradition of this
21 Committee before we hear from the Department of
22 Investigation, we're going to go into our pre-panel
23 for witnesses.

24 Also, let me recognize Council Member
25 Yeger and Council Member Stevens.

2 COMMITTEE COUNSEL MEALEY: We'll now move
3 to resident pre-panel. This will be on Zoom. When you
4 hear your name, you'll get a prompt to be unmuted.
5 The witness testimony today will be two minutes. When
6 you hear your name, you will be prompted to be
7 unmuted. The first resident will be Nigel Dupree. You
8 may begin when you're unmuted.

9 NIGEL DUPREE: Good afternoon. How is
10 everybody doing today? Can you hear me?

11 CO-CHAIRPERSON BANKS: We can hear you.

12 NIGEL DUPREE: First of all, I want to
13 thank the Council board for hearing our concerns. As
14 a resident in NYCHA community, I'm sure other
15 residents have seen this before. Two questions is how
16 are y'all going to attack it in a way where it
17 changes, and how many actually residents do y'all
18 have on the board with y'all to have an input from
19 the resident's point-of-view? So that will be my
20 question. Thank you for your time.

21 CO-CHAIRPERSON BANKS: Thank you.

22 COMMITTEE COUNSEL MEALEY: The second
23 resident on the pre-panel will be Miss Aixia Torres.
24 You may begin when you're unmuted.

25 SERGEANT-AT-ARMS: Starting time.

COMMITTEE COUNSEL MEALEY: My apologies,
Miss Torres dropped off the Zoom.

CO-CHAIRPERSON BANKS: Okay, now we're
going to move forward with DOI.

COMMITTEE COUNSEL MEALEY: If I could just
have you raise your right hand?

Do you affirm to tell the truth, the
whole truth, and nothing but the truth in your
testimony before this Committee and to respond
honestly to Council Member questions?

COMMISSIONER STRAUBER: Yes, I do.

COMMITTEE COUNSEL MEALEY: You may begin.

COMMISSIONER STRAUBER: Thank you. Good
afternoon. My name is Jocelyn Strauber, and I'm the
Commissioner of the Department of Investigation,
known as DOI. Thank you, Chair Banks and Members of
the Committee on Public Housing, Chair Won and
Members of the Committee on Contracts, and Chair
Brewer and Members of the Committee on Oversight and
Investigations for the opportunity to speak about
DOI's recommendations to the New York City Housing
Authority, NYCHA, as they relate to micro purchase
no-bid contracts.

1
2 As you know, DOI oversees NYCHA through
3 its Office of the Inspector General for NYCHA, we
4 conduct investigations that can result in criminal
5 charges, administrative findings, or both. When an
6 investigation identifies corruption vulnerabilities,
7 DOI makes recommendations to reform City policies and
8 procedures, called Policy and Procedure
9 Recommendations, or PPRs, in order to address those
10 issues.

11 DOI's recommendations do three critical
12 things. First, they alert City agencies to corruption
13 risks and provide a means to prevent them, second,
14 they prompt a dialogue between the agency and DOI
15 concerning the importance of the recommendations in
16 addressing the risks the agency faces and the
17 challenges, if any, to implementation, and, three,
18 create an environment of ongoing accountability, not
19 just by DOI, but by other governing entities and the
20 public because DOI's recommendations are publicly
21 issued either via our website or on some occasions in
22 a public report.

23 In short, DOI's recommendation process
24 promotes transparency in government and
25 accountability on the part of agencies that deliver

vital public services and invites the participation
of other governing bodies and the public in DOI's
anti-corruption work.

Today I will provide you with a summary
of the micro purchase no-bid contract investigation
DOI conducted with the Brooklyn District Attorney's
Office that led DOI to issue five PPRs to NYCHA in
2021 and NYCHA's related responses, and I will
summarize the 14 recommendations that DOI announced
earlier this month after the arrests of 70 current
and former NYCHA employees.

For ease of reference, those 14
recommendations are also attached to my written
testimony that has been submitted for the record. I
want to make clear that I'm not able to address or
provide information about the recent arrests or the
related recent investigation, which was handled
jointly with the United States Attorney for the
Southern District of New York and our other federal
partners.

Micro purchase no-bid contracts are
generally used at NYCHA to procure small repairs
directly at the development level so that they can be
done quickly without a complex bidding and

1
2 procurement process. NYCHA employees who work in the
3 housing developments, principally supervisors, handle
4 these contracts. In approximately 2019, DOI began
5 looking at NYCHA's micro purchase contracting process
6 due to reports from NYCHA employees that they had
7 received bribe offers from vendors doing business at
8 NYCHA Housing Developments in Brooklyn. DOI partnered
9 with the Brooklyn District Attorney's Office to
10 conduct the investigation, which included the use of
11 undercover DOI investigators who posed as assistant
12 superintendents at a number of developments. The
13 investigation found that between 2019 and 2021, nine
14 vendors paid bribes totaling tens of thousands of
15 dollars to NYCHA employees or DOI undercover
16 investigators to obtain lucrative no-bid micro
17 purchase contracts awarded at the housing development
18 level.

19 In 2021, DOI and the Brooklyn District
20 Attorney announced bribery charges against nine
21 vendors. Ultimately, after three additional vendors
22 were charged, 12 vendors in total pled guilty to
23 either rewarding official misconduct in the second
24 degree, a Class E felony, or giving unlawful
25 gratuities, a Class A misdemeanor. These vendors were

1 associated with 11 companies. The companies also pled
2 guilty to either a felony, a misdemeanor, or a
3 violation. DOI warned other City agencies about these
4 vendors in light of the charged conduct by entering
5 cautions into PASSPort which flag, as you know,
6 derogatory information about vendors for City agency
7 contractor officers who check PASSPort regularly for
8 information on City vendors.
9

10 The investigation and the charges that I
11 just described made clear in our view that NYCHA
12 needed tighter controls over the micro purchasing
13 process to prevent this type of corruption. DOI
14 therefore issued in 2021 five PPRs focused on the
15 vendors as well as the NYCHA supervisors. Most
16 importantly, DOI proposed that NYCHA move contracting
17 authority from the development level staff to a
18 central procurement department and that NYCHA conduct
19 additional screening of vendors. Specifically, DOI
20 recommended that NYCHA move responsibility for small
21 procurement awards from frontline superintendents and
22 property managers to NYCHA's Central Procurement
23 Department, which will receive requests for small
24 procurement work from the housing development staff
25

1 and then award jobs to contractors on a rotating
2 basis.

3
4 Second, DOI proposed that NYCHA lower the
5 cost threshold for vendor screening review from
6 250,000 to 100,000 so that all vendors whose
7 aggregate work for NYCHA is 100,000 dollars or above
8 on an annual basis are subject to screening by DOI's
9 Office of the Inspector General.

10 Third, DOI recommended that NYCHA conduct
11 cursory integrity screenings at the inception of work
12 by small procurement contractors, even those below
13 the existing 250,000 aggregate contract limit.
14 NYCHA's Procurement Department, we recommended,
15 should check PASSPort, the City's contracting
16 database, to identify contracting cautions by any
17 City agency.

18 Fourth, we recommended that NYCHA adopt a
19 fixed price list for small procurement jobs to
20 prevent overbilling, that is to prevent contractors
21 from charging as close as possible to the 10,000
22 micro purchase limit even for trivial jobs.

23 Finally, we recommended that oversight of
24 small procurement jobs be further enabled by having
25 housing development staff upload all signed invoices

1 into NYCHA's centralized payment database known as
2 Oracle.

3
4 Prior to and after issuing these
5 recommendations, DOI maintained a robust dialogue
6 with NYCHA about the significance of the proposals in
7 light of the investigation's findings. NYCHA
8 ultimately implemented only the third recommendation
9 of the five that I just mentioned concerning cursory
10 integrity screenings and rejected the rest, although
11 NYCHA did take some other steps intended to improve
12 controls around the procurement process. Those
13 included training of development staff involved in
14 awarding contracts about ethical procurement and the
15 consequences of corruption, training them to check
16 Dun and Bradstreet, a risk management tool for
17 potential red flags about vendors prior to
18 solicitation of contracts, and developing templates
19 that itemized labor and material costs involved with
20 each quote from the vendor. Those templates were
21 provided to the development staff for their use.

22 Problems within the micro purchase
23 process persisted, however, despite the changes that
24 NYCHA implemented, in particular because frontline
25 supervisors at the housing development level continue

1
2 to have primary authority over small procurement
3 purchases despite DOI's recommendation against this
4 practice.

5 DOI worked with the U.S. Attorney for the
6 Southern District of New York on two other separate
7 matters that in 2022 led to the arrest of two former
8 NYCHA supervisors on charges of accepting thousands
9 of dollars in bribes to dole out no-bid contracts.
10 Last year, both of those former NYCHA employees were
11 convicted and sentenced to federal prison terms for
12 their criminal conduct.

13 The 14 recommendations that DOI issued as
14 a result of its most recent investigation are
15 attached to my testimony as I mentioned. They focus
16 on strengthening oversight and controls around the
17 micro purchase process so that it is less vulnerable
18 to abuse by both NYCHA employees and vendors while
19 still maintaining efficient service for NYCHA
20 residents. These recommendations also call for
21 additional education of NYCHA employees on topics
22 including how to identify corruption and fraud and
23 their duty as City employees to report corruption and
24 illegal bribery and gratuities to DOI.

1
2 Three of the recommendations DOI recently
3 made are similar to those made in 2021 that were not
4 implemented. DOI continues to believe that these
5 policy changes are essential to remedying the
6 vulnerabilities that we have now seen in a number of
7 separate investigations. Specifically, these
8 recommendations are that NYCHA should remove
9 responsibility for micro purchases from staff within
10 the housing developments and place that
11 responsibility with specialized central staff outside
12 of the developments with the necessary expertise,
13 establish a schedule of cost estimates for the top 15
14 types of services and goods most often obtained by
15 developments through the micro purchase method, and
16 when a vendor's cost proposal exceeds the cost
17 estimate, require the vendor to provide a written
18 explanation for the additional cost, and finally,
19 review all micro purchases whether or not in excess
20 of the cost estimate schedule prior to processing
21 payment to a vendor. These reviews should be
22 conducted by NYCHA staff outside the development
23 commissioning the work and should include a review of
24 relevant documentation such as the statement of
25

1 services, before and after photos, and the vendor's
2 invoice.
3

4 NYCHA's CEO, Lisa Bova-Hiatt's, response
5 to these 14 recommendations was unequivocal. NYCHA
6 fully supports them and is working with DOI's OIG for
7 NYCHA to implement them. Our Inspector General
8 overseeing NYCHA has been actively working with the
9 agency on this effort. Some of these recommendations,
10 I understand, will take some time to implement as
11 they require restructuring of the micro purchase
12 process, but I understand also that NYCHA aims to
13 implement the majority of the 14 recommendations
14 within the next year, and NYCHA can provide more
15 detail, I'm sure, on the exact timeframes.

16 The micro purchase process is critical to
17 NYCHA's ability to efficiently obtain the goods and
18 services necessary to maintain the housing
19 developments and be responsive to residents' needs.
20 It is equally critical that the process be subject to
21 thoughtful oversight and controls so that NYCHA's
22 resources are used for the benefit of NYCHA residents
23 and not to line the pockets of corrupt vendors and
24 staff. I believe these recommendations offer a path
25

1 forward that seeks to ensure integrity in this
2 process while maintaining the necessary efficiency.

3
4 Thank you for your time, and I'm happy to
5 take any questions that you may have.

6 CO-CHAIRPERSON BANKS: Thank you,
7 Commissioner.

8 Now, we just want to recognize Council
9 Members Restler and Krishnan.

10 Okay. Now, we're going to go into the
11 questions. Thank you again, Commissioner, for coming
12 this afternoon. I just want to get straight into it.
13 DOI's February 6, 2024, letter listing its 14
14 recommendations to NYCHA regarding micro purchases
15 specifies that 3 of the 14 recommendations similar to
16 the ones DOI made to NYCHA in 2021. Are there any
17 other recommendations DOI made to NYCHA in 2021 that,
18 to your knowledge, NYCHA rejected or otherwise
19 declined to adopt.

20 COMMISSIONER STRAUBER: Certainly the
21 three that I've mentioned are the ones that we
22 believe are of continued relevance and significance.
23 I would have to go back and look more precisely.
24 There's certainly nothing else that we think needs to
25

1
2 be implemented in connection with these issues that
3 are not included in the current 14 recommendations.

4 CO-CHAIRPERSON BANKS: All right, and to
5 your knowledge what did NYCHA do or decline to do in
6 response to DOI's 2021 recommendations related to the
7 micro purchase contracts?

8 COMMISSIONER STRAUBER: So the
9 recommendation that the micro purchase process be
10 restructured so that it be removed from the housing
11 development staff and escalated to a central unit
12 within NYCHA. That was a recommendation that was made
13 back in 2021 that was not accepted and that we're
14 making again now and that we understand NYCHA does
15 prepare plan to implement.

16 Another recommendation related to
17 establishing a cost schedule for micro purchases to
18 better control overbilling. That recommendation also
19 was not implemented, although I understand that now
20 it will be. It's one that we're making again, made
21 again a couple weeks ago.

22 Finally, we recommended that information
23 supporting the fact that the work had actually been
24 done such as photographs, the statement of service,
25 the invoice, that all of that be uploaded to a

1 central portal and that it be reviewed by a senior
2 member of NYCHA staff outside of the housing
3 developments before any payment be made. That's
4 another recommendation that was made back in 2021,
5 not implemented, that we expect will be implemented
6 now.

8 CO-CHAIRPERSON BANKS: Okay. What was
9 NYCHA's stated reasoning for the Department of
10 Investigation for not accepting all the DOI
11 recommendations and did the DOI investigators find
12 NYCHA's reasons acceptable?

13 COMMISSIONER STRAUBER: As you know, we
14 make the recommendations. We press for the
15 recommendations to be accepted. The agency ultimately
16 makes the determination of what it is able and
17 willing to do. I think with respect to restructuring
18 the micro purchase project, and again, NYCHA can
19 speak to this as well I'm sure, but I think the
20 understanding was that that was a more radical change
21 than NYCHA was able to undertake at that point and so
22 instead they proposed some of the other measures that
23 I mentioned, better training of the housing
24 development staff on things like how to double-check
25 the bona fides of a vendor, a better template that

1 would force the vendor to itemize the aspects of
2 their quote as a way to control overbilling. In our
3 view, those alternatives were not sufficient, but
4 that's my understanding of why NYCHA did not go
5 forward with what we proposed but had some additional
6 changes that it wanted to make instead.

8 CO-CHAIRPERSON BANKS: All right. DOI's
9 first recommendation in its February 6, 2024, letter
10 is that NYCHA identify and implement an alternative
11 staffing model for the micro purchase process that
12 removes responsibility for micro purchases from staff
13 within the housing development and places the
14 responsibility instead on specialized, centralized
15 staff with the necessary expertise. Does DOI have any
16 recommendations regarding the ideal number or
17 qualifications of staff that would best enable NYCHA
18 to achieve the goals of this recommendation?

19 COMMISSIONER STRAUBER: Certainly, we're
20 thinking about staff who have expertise in
21 procurement, but we have not made a recommendation
22 about a specific number of staff in the unit that
23 would need to be created to serve this function, and
24 often what we try to do in our recommendations is put
25 forth a conceptual policy change and let the agency,

1 based on its expertise, work out the fine points like
2 exactly how many employees would be required for that
3 task and where they would draw them from.

4
5 CO-CHAIRPERSON BANKS: All right. Thank
6 you. I'm going to come back.

7 I'm going to turn it over now to Chair
8 Gale Brewer.

9 CO-CHAIRPERSON BREWER: Thank you very
10 much. I just want to go back to that question because
11 in the monitor's report I think there was a
12 discussion about the challenges of working between
13 the development staff, meaning the field staff, and
14 central. There was a lot of tension. Is that
15 something that would continue, do you think, if it is
16 that the central staff has more oversight than the
17 local staff? I think the problem is we all want to
18 have easily purchased at the right price at the
19 locality so that the apartment can be fixed up more
20 rapidly, that's the problem that we're trying to
21 address. Obviously, it's not addressed so my question
22 is, just on the staffing issue, I know you can't
23 decide how many staff need to be there, but if there
24 is staff in the development, meaning in the field and
25 centrally, do you have some sense that could continue

1 to work because the Monitor thought there was too
2 much tension.

3
4 COMMISSIONER STRAUBER: I think the way it
5 would work is that we're not totally removing
6 responsibility for the process from the development
7 staff. They're going to make a proposal about the
8 work that needs to be done. What they're not going to
9 do is have the authority to do the contracting, and
10 so I think it'll be important to have the unit
11 sufficiently staffed so that it can keep pace with
12 the request so that there are not lengthy delays in
13 having the centralized staff procure the vendor and,
14 as you say, I think these are some of the concerns
15 and, again, I'm not going to speak for them, but
16 perhaps that NYCHA had about making this kind of
17 structural change, and we certainly don't want to
18 delay getting residents the services and work done
19 that they need, but I do think that having the
20 development staff make a recommendation as to what is
21 needed to a centralized staff that then will identify
22 the appropriate vendor. I haven't talked about every
23 single recommendation, but we're also recommending a
24 prequalified list of vendors that has been fully
25 vetted so I think it is possible to make the process

1
2 move efficiently. There can be different kinds of
3 tension in workspaces, but I think this will enable
4 the work to get done for the residents efficiently
5 without the kind of issues that we've seen and that's
6 really what we're focused on.

7 CO-CHAIRPERSON BREWER: Okay. I was going
8 to ask you about prequalification because it sounds
9 good on paper, but then sometimes, and I noticed in
10 one of the news media articles that the prequalified
11 company was corrupt but also on the prequalified list
12 so how do you identify prequalifications?
13 Particularly after an investigation like this, should
14 prequalification be different? How would it work the
15 way it should work?

16 COMMISSIONER STRAUBER: I think the list
17 that you're referring to, and I'm aware of the
18 article that you're mentioning, I think the list that
19 you're referring to involved vendors who had the
20 necessary expertise but had not yet been subject to
21 the kind of checks that we're talking about, which
22 could be, there are Dun and Bradstreet checks, there
23 are checks in the City's contracting database,
24 there's checks with DOI. Those are all of the kind of
25 checks that would need to be done for a vendor to be

1 placed on the prequalified list, and those checks
2 need to be done not just once but on a routine basis
3 to ensure that there hasn't been any changes in the
4 information, and that's the kind of analysis that
5 we're talking about before a vendor could be placed
6 on that list. Not simply that the vendor is one that
7 can provide a particular kind of service.
8

9 CO-CHAIRPERSON BREWER: Okay. So that
10 prequalified list, I don't know that it exists now.
11 Obviously, you recommend it to be done differently in
12 one of your recommendations, but would it be a new
13 list, so to speak, in order to deal with some of the
14 challenges that you just outlined?

15 COMMISSIONER STRAUBER: Certainly, it
16 would be a new list or it would subject any vendors
17 that are currently on the list that could provide the
18 services to additional screening before they could be
19 used. We're not simply suggesting that existing
20 lists, and I'm aware of the issues that have been
21 raised with some of the vendors on those lists, we're
22 not simply suggesting that those lists be used here.
23 There's additional vetting that we're recommending.

24 CO-CHAIRPERSON BREWER: That's helpful. I
25 didn't understand that before.

1
2 What are the vulnerability points in
3 NYCHA's current micro purchase contracting process?
4 Again, you outlined this, it allowed the fraud. What
5 best practices around the micro purchase contracting
6 does DOI recommend that NYCHA adopt to close those
7 vulnerability gaps, or maybe you'll just say that the
8 contracting should be done centrally. Maybe that's
9 your answer, but I wanted to hear.

10 COMMISSIONER STRAUBER: I think the most
11 important ones, that is one of the most important
12 ones, the removing the responsibility or removing the
13 contracting responsibility from the housing
14 development staff. I also think the cost estimate
15 schedule is quite important because one of the things
16 that were mentioned in the article, and I think
17 you're referring to the article in The City..

18 CO-CHAIRPERSON BREWER: I am.

19 COMMISSIONER STRAUBER: Was that the
20 disparate costs for the same type of services or
21 goods.

22 CO-CHAIRPERSON BREWER: A light bulb for
23 708 dollars.

24 COMMISSIONER STRAUBER: Exactly. So if you
25 have a cost schedule that says, and we propose that

1
2 the sort of top 15 goods and services and you could
3 tinker with the exact number to get it right, but
4 that there be a schedule of what those items should
5 cost, and what we've recommended is if it's going to
6 cost more, that there be a written explanation, that
7 that explanation be approved by somebody outside the
8 housing development staff before the contracting goes
9 forward. Again, these things do and can take a little
10 more time, but our view is that small amount of
11 additional time is worth it to ensure that you can
12 better control costs so I think that's another
13 critical aspect of what we recommended.

14 The third piece is ensuring that the work
15 was actually done, and that involves having before
16 and after photographs that are centrally available,
17 the statement of services and the invoice, again, to
18 be reviewed by someone outside the development staff
19 so that they can confirm that the residents are
20 actually getting the services that NYCHA is paying
21 for.

22 CO-CHAIRPERSON BREWER: Thank you. Council
23 Members Salamanca and Nurse are also here. Thank you
24 very much.

1
2 What role can technology and data
3 analytics play in detecting and preventing fraud in
4 this micro purchase program? Obviously, I know you
5 have data analytics on your staff as we do, so I want
6 to know if there are some specific recommendations
7 and is anything AI can do.

8 COMMISSIONER STRAUBER: I think certainly
9 having the data available, sort of loading the data
10 available that reveals how much is being spent in
11 different contracts with different vendors across
12 different developments. That gives you data that you
13 can compare, and if you see significantly different
14 prices for what seem like similar items, then I think
15 that's a red flag so I think that's something that
16 that's just one example of something that data
17 analytics can do in this particular space.

18 CO-CHAIRPERSON BREWER: Okay. How often
19 does DOI meet with NYCHA? Obviously, maybe more
20 recently than in the past, but how do you, ongoing,
21 deal with not just this contract issue, but I'm sure
22 there are others?

23 COMMISSIONER STRAUBER: There's really a
24 very, I can't give you x number of times a day or
25 week, but there is a robust ongoing dialogue between

1
2 our Inspector General and his team and the NYCHA
3 staff so I would describe that as an ongoing
4 conversation on a number of issues, and that
5 communication is quite good there. Obviously, there's
6 been a lot of communication around these
7 recommendations and NYCHA's agreement to them but
8 well before and beyond that.

9 CO-CHAIRPERSON BREWER: So will the new
10 monitor focus on, as the past did, on the mold and
11 lead, but will the new monitor just focus on those
12 two issues, or will they also have this under their
13 purview?

14 COMMISSIONER STRAUBER: I don't think the
15 monitor's mandate has changed, even though the
16 monitorship is continuing so I think it will have the
17 same focus. Obviously, to the extent an issue like
18 this not only impacts where the money is going, but
19 also impacts whether the work is actually getting
20 done and the quality of life in the development, that
21 is within the monitor's purview as well.

22 CO-CHAIRPERSON BREWER: Okay. Does the
23 DOI's list of recommendations include adopting a
24 requirement contracts model for micro purchases?

1
2 COMMISSIONER STRAUBER: A requirement
3 contracts model. I don't think it does. We're not
4 proposing that there be a particular type of contract
5 that's utilized, no.

6 CO-CHAIRPERSON BREWER: Okay, and then
7 just finally I assume that the 14 suggestions and
8 anything else that you might suggest, although you
9 said that's pretty much it, will safeguard against
10 contract corruption in the future, but who does the
11 ongoing monitoring? Is that DOI, the monitor, NYCHA
12 itself? Who's in charge of that?

13 COMMISSIONER STRAUBER: So there is
14 actually...

15 CO-CHAIRPERSON BREWER: Because we tried
16 this before, and it didn't work so we want to make
17 sure it does in the future.

18 COMMISSIONER STRAUBER: One of the
19 recommendations actually requires the quality
20 assurance and compliance departments at NYCHA to
21 conduct semiannual audits specifically of micro
22 purchase data and to post those findings publicly so
23 there's a specific audit requirement that we've
24 attached to these recommendations and this issue,
25 but, as you say, the monitor's oversight and DOI's

1 oversight also encompasses these issues and actually,
2 I think our last recommendation is that NYCHA
3 continue to report any irregularities or concerns
4 that it sees to our agency.
5

6 CO-CHAIRPERSON BREWER: Council Member
7 Won. Do you have questions?

8 CO-CHAIRPERSON WON: Yes. Thank you so
9 much, Chair Brewer.

10 From what I understand, NYCHA has its own
11 standalone procurement process and does not fall
12 under the portfolio of Mayor's Office of Contracts so
13 can you explain the relationship between NYCHA and
14 MOCS and what the difference is between your
15 relationship with other City agencies?

16 COMMISSIONER STRAUBER: I think if I
17 could, I'm going to defer that question to NYCHA
18 because I can't give you the particulars on their
19 relationship with MOCS versus with how it works with
20 other City agencies. There's a review process that
21 MOCS has and a whole contracting process that does
22 apply to mayoral agencies and some other agencies,
23 but I'm not in a position to speak to the details of
24 how it differs with NYCHA.
25

1
2 CO-CHAIRPERSON WON: Okay, because I'm
3 most interested in the context of it all. To zoom out
4 a little bit, for especially our NYCHA residents who
5 are here to testify, could you help us understand the
6 difference between NYCHA's micro purchasing process
7 and the City's micro purchasing process for other
8 City agencies if there are there are any differences?

9 COMMISSIONER STRAUBER: Yeah. Again, this
10 is not an area that I can really speak to in detail.
11 The NYCHA process, the no-bid process was
12 specifically designed, and it's a model that's used
13 in other housing developments throughout the country.
14 It's a model that's specifically designed to ensure
15 that work can be done promptly without requiring an
16 extensive bidding process. There are certainly ways
17 within the City's contracting process, negotiated
18 acquisitions and other ways of contracting that are
19 more efficient, but again, I can't really speak to
20 the details of the difference between the NYCHA
21 contracting process and the City's process.

22 CO-CHAIRPERSON WON: Okay.

23 COMMISSIONER STRAUBER: Certainly, I can
24 try to get more information about that if that's
25 something you'd like us to fill out the picture for

1 you, but, unfortunately, I can't give you more on
2 that right now.

3
4 CO-CHAIRPERSON WON: Okay. We'll follow
5 up. How long does it take for the superintendent or
6 property manager to identify a need and solicit a
7 contractor for a micro purchasing contract? Do you
8 know the timeline?

9 COMMISSIONER STRAUBER: I don't know the
10 exact timeline, no.

11 CO-CHAIRPERSON WON: Who outside of the
12 superintendent or property manager who solicits micro
13 purchasing contracts can review or audit the
14 supplies, services, or other needs listed in a micro
15 purchasing contract because we want to know what
16 guardrails you currently have and what guardrails do
17 you currently lack?

18 COMMISSIONER STRAUBER: Right. Again, I
19 think NYCHA can speak better to the current
20 guardrails in place. We're recommending some
21 additional auditing requirements and review
22 requirements. We're recommending inserting a whole
23 other level of review into the micro purchase process
24 that I know doesn't exist now. That is different
25 though than saying that there's no auditing or review

1 available currently so I'm going to leave that
2 question to NYCHA as well.

3
4 CO-CHAIRPERSON WON: To follow up from
5 Council Member Brewer's question about technology,
6 what is NYCHA currently using or how is NYCHA
7 tracking micro purchasing contracts today?

8 COMMISSIONER STRAUBER: I know that
9 information, some of the information that I
10 mentioned, such as the vendor, the amount of the
11 purchase, the housing development, I know all of that
12 information is stored electronically and available
13 centrally, but the exact data fields and how they do
14 it, again, I can't speak to that specifically.

15 CO-CHAIRPERSON WON: Okay. Per
16 development, do you know how much funding is
17 allocated to a development to make micro purchasing
18 contracts?

19 COMMISSIONER STRAUBER: I don't.

20 CO-CHAIRPERSON WON: Okay. Do you know if
21 there's any type of training that property managers
22 or superintendents or assistant superintendents
23 receive on how to manage these micro purchasing
24 contracts so that we understand where the liability
25 is?

1
2 COMMISSIONER STRAUBER: There is training
3 that I know was implemented actually in lieu of some
4 of the recommendations that we made back in 2021.
5 There is additional training on how to check vendors,
6 on anticorruption, on corruption risks. We're
7 recommending additional training, but I know there is
8 currently training for the folks who do micro
9 purchases based on the policies that NYCHA changed
10 back in 2021 or 2022.

11 CO-CHAIRPERSON WON: If you don't know,
12 could you please follow up and let us know how often
13 those micro purchasing trainings are received by the
14 managers?

15 COMMISSIONER STRAUBER: I can look into
16 that, and NYCHA will probably have that information
17 as well.

18 CO-CHAIRPERSON WON: Okay. One of the
19 reasons for the changes in the micro purchasing
20 procurement rules for NYCHA was for a need for speed,
21 and we want to know what the NYCHA's current repair
22 backlog is and what the difference has been because
23 we know that we hear from residents over and over
24 again, especially those who are here to testify, that
25 their backlog has not been expedited in any way.

1
2 They're actually still waiting the same amount of
3 time and there's still a huge issue of backlog or
4 with negligence where work orders are closed without
5 the actual fulfillment of the work order.

6 COMMISSIONER STRAUBER: Again, I can't
7 speak to the specifics of the length of the backlog
8 at this point. NYCHA may be able to answer that
9 question. If not, we can certainly get that
10 information for you.

11 CO-CHAIRPERSON WON: Okay. I'm going to
12 turn it back to Chair Banks. Thank you.

13 CO-CHAIRPERSON BANKS: I just want to
14 recognize Council Member Salamanca and Council Member
15 Nurse.

16 Now, we'll move to Public Advocate
17 Jumaane Williams with questions.

18 PUBLIC ADVOCATE WILLIAMS: Thank you so
19 much, Council Member. It's an honor to be called
20 Council Member, honor.

21 Thank you so much, Commissioner. My first
22 question, just in any of the discussions that you had
23 with NYCHA, particularly with the first reviews, did
24 you get a sense of any of the issues with
25 implementing what you're asking? Was it about money

1
2 or was the structure so entrenched it was just, they
3 felt too difficult to try to adopt some of the other
4 recommendations that you made?

5 COMMISSIONER STRAUBER: If you're speaking
6 about the 2021...

7 PUBLIC ADVOCATE WILLIAMS: Yes.

8 COMMISSIONER STRAUBER: Recommendations,
9 first of all I want to be clear that those
10 recommendations were actually made before I started
11 so I didn't have conversations at that point, but my
12 understanding is it was both an issue relating to
13 it's costly and can be time-consuming to restructure
14 a whole process, and I think there was also a concern
15 about maintaining the efficiency of the development
16 level work.

17 PUBLIC ADVOCATE WILLIAMS: Okay. Based on
18 what the Chair just said, did you find any of the
19 investigations or anything that you read about the
20 investigation, did the any of the changes before and
21 after actually speed up the work that was being done?

22 COMMISSIONER STRAUBER: The changes that
23 were made in light of what we found in 2021 were
24 really intended to control the corruption risk more I
25 believe than they were intended to promote

1
2 efficiency, and I think that they may have made some
3 difference in preventing corruption, but it didn't go
4 far enough clearly as we see with the recent 70
5 arrests.

6 PUBLIC ADVOCATE WILLIAMS: So you wouldn't
7 know actually if it slowed down or how much it slowed
8 down any kind of work?

9 COMMISSIONER STRAUBER: I haven't seen any
10 data sort of tracking the timing between requests and
11 implementation. That's just not something that we
12 looked at in connection with this investigation so I
13 can't speak to that, no.

14 PUBLIC ADVOCATE WILLIAMS: To follow up on
15 what I think Chair Brewer was asking about, I believe
16 the one intended nature of it was to make sure that
17 folks can get repairs much quicker, so when you
18 envision, I guess getting recentralized again, I
19 think the objective was intentionally to not
20 centralize it. Are you thinking about like a
21 different unit specifically for this or just going
22 back to how it was a little bit more centralized
23 before?

24 COMMISSIONER STRAUBER: I think what we're
25 thinking about is creating a centralized unit that

1 would respond to the housing development's request
2 for repairs promptly through picking vendors from a
3 prequalified list so we're talking about a different
4 structure. It may have some resemblance to what was
5 there before.
6

7 PUBLIC ADVOCATE WILLIAMS: It may have
8 some resemblance to what was there before. Okay. The
9 recommendations that I saw in '21 were really good. I
10 do have to say I am concerned about centralizing it
11 because I'm just concerned about the speed. Is it
12 your contention that if the other four were adopted,
13 do you still think we would have been in this
14 situation, if all the other recommendations besides
15 the centralization, would we still be in this
16 situation?

17 COMMISSIONER STRAUBER: Oh, you're saying
18 if we didn't do the centralization, but we did the
19 other things.

20 PUBLIC ADVOCATE WILLIAMS: Yes.

21 COMMISSIONER STRAUBER: So first of all,
22 even if we implemented all of these recommendations,
23 right, it's very hard to predict would we be in this
24 situation. Hopefully not. We might be in some other
25 situation because that's the way things work so I

1 don't want to say I know that if these
2 recommendations had been implemented, we wouldn't be
3 sitting here today, although I'm optimistic that we
4 wouldn't, and I think they would have gone a long way
5 to preventing the situation we're in. I do think that
6 the centralization piece is important because it adds
7 an added layer of review and separation between the
8 people who are dealing directly with the vendors and
9 the approval process, and I think you do need that
10 here. I think the prequalified list will help, I
11 think the cost estimates will help, but I think what
12 we've seen is continuing to have this authority
13 reside in the housing developments really hasn't
14 worked. There have been some changes put in place,
15 but they haven't been sufficient.

17 PUBLIC ADVOCATE WILLIAMS: One of the
18 recommendations is to discuss review of all micro
19 purchases so my question is another layer of review
20 much more regularly, obviously more than what's done
21 now, can that work just as well or you fully think
22 that we have to recentralize it to make it work?

23 COMMISSIONER STRAUBER: The audit review
24 that we're describing, I think that's what you're
25 referring to, that's an after the fact measure,

1 right? So hopefully that would catch problems at an
2 earlier stage, but it won't entirely prevent them.

3
4 PUBLIC ADVOCATE WILLIAMS: Hopefully it
5 will prevent if they knew the review is going to
6 happen or you can catch it much sooner than we caught
7 it now, but I appreciate that. I just am concerned
8 about centralizing and how long it's going to take so
9 I'm interested to see how long it took before taking
10 away the centralization, how long it took after some
11 of the recommendations, and how long it would take if
12 you recentralize it. It makes sense maybe if there's
13 another unit, but I am concerned. I liked all of the
14 recommendations that were there, I wish they had
15 adopted more of them, but I can see the
16 centralization may be an issue so I'm just wondering
17 if there's other review processes that can be put in
18 place, maybe higher level folks that can make
19 decisions that's not necessarily central or multiple
20 people making decisions, something like that, but I
21 am concerned that if you go back to the system that
22 way it was, it might slow down in a process that's
23 already rough to begin with, but thank you so much.
24 Really appreciate it.

1
2 CO-CHAIRPERSON BANKS: Also now let me
3 recognize who's with us, Council Member Ayala.

4 Are there any other Members that have any
5 questions for DOI?

6 Council Member Stevens.

7 COUNCIL MEMBER STEVENS: I just wanted to
8 add on because I feel very similar to our Public
9 Advocate around the time because you did suggest that
10 it would increase time and wait for repairs to
11 happen, and that just is a little concerning to me
12 because obviously we want recommendations, but there
13 are already a lot of things that are already in place
14 and so I think in these instances, sometimes we then
15 overcorrect and then we are in a process where
16 residents are waiting even longer because currently
17 we know that the wait time for some repairs can take
18 up to months. Even with the new recommendations, can
19 you talk to me a little bit about what was already
20 being done that we didn't catch it because also when
21 I was working at NYCHA and I worked there for a
22 number of years when I worked in a community center,
23 often you would have facilities, you have units in
24 NYCHA where they have painters or they had
25 carpenters, but they were still contracting out, and

1 so why wasn't that a trigger for something just
2 didn't seem right that we were continuously
3 contracting them out, and so other than the
4 recommendations, what other things are we looking
5 for, because I think that there are some systems
6 that's already in place that we already missed.

8 COMMISSIONER STRAUBER: Certainly, I think
9 the cost estimates is one thing that we could have
10 been looking for but were not, right, that was one of
11 the things that we recommended. I think what NYCHA
12 did instead was to have additional training about
13 corruption risks, to have additional checking of
14 vendors, but I think that didn't go far enough so
15 it's the way we looked at the situation in a sense,
16 the answer to your question in our view was these
17 were the additional changes that we needed so they
18 were requiring vendors to itemize exactly what work
19 they were doing and what that work would cost, but
20 that obviously wasn't enough to overcome the fact
21 that as alleged you had housing development staff who
22 were basically willing to engage in this misconduct
23 with the vendors, and when you have a set of
24 purchases that are not subject to review because they
25 fall under that 10,000 dollar threshold, it's

1
2 difficult to catch that sort of conduct because
3 you're never seeing an expense that's going above
4 10,000. Now looking at data across NYCHA and seeing
5 that a trivial purchase is 6,000, 7,000, or 8,000 in
6 one development but much less in another, that could
7 be a trigger, that could be data that could be looked
8 at to identify a red flag so there are things we
9 could do to try to catch this conduct short of
10 centralization. We recommend that because based on
11 what we've seen that seems to be the most effective
12 response.

13 COUNCIL MEMBER STEVENS: Yeah, because,
14 again I think that those things are true. My time is
15 up, but I think that is very true, even in the sense
16 of, yes, we want to make sure that we're checking
17 these things, but even I remember they had a painting
18 unit, but they contracted those things out, and so I
19 just don't understand, like there are things I feel
20 like could have been in place that were triggers that
21 we just missed and so even with the recommendations,
22 yes, I think that they kind of make sense and even
23 some of the things that some of my Colleagues said
24 around like how are we using technology to have
25 expedite these things so they can move in an

1
2 expeditious way, I think also needs to be considered,
3 but I also think that there were things that we just
4 missed because if there was a painting unit, like I
5 remember one time we needed to get the community
6 center painted, and I said why can't we use the
7 painting unit, why can't we use your guys? They were
8 like, no, we're just going to contract it out, and I
9 know that they were micro purchases, but like 6,000
10 dollars is a lot for a painting job when you have a
11 crew in the development that already does that and so
12 I think, I don't want us to get to a place where
13 we're overcorrecting and then residents are waiting
14 that much longer and we're clogging up the process
15 because we want to make sure it doesn't happen again,
16 especially when there was always things that were in
17 place that were triggers that we should have been
18 looking at to make sure these weren't happening
19 because to purchase anything in a City contract is
20 already difficult so adding more layers isn't going
21 to catch it. I think it's when we are not paying
22 attention, so I just wanted to make sure it was
23 stated. Thank you.

24 CO-CHAIRPERSON BANKS: Madam Chair Brewer.

25

1
2 CO-CHAIRPERSON BREWER: Thank you. One
3 last question on the timing of all of this. I don't
4 think you necessarily know how long the investigation
5 is going to take to deal with all the alleged. That's
6 one question is some guesstimate, and then secondly,
7 there's a lot to be done here because just redoing
8 the prequalified list will take time, etc. so I'm
9 wondering what you think should be NYCHA's timeframe
10 to accomplish all of this, and then finally I know
11 you mentioned putting more material up on the web,
12 but what kind of other steps can we make this more
13 transparent for the residents? This is a really big
14 slap in the face for NYCHA and for the city and for
15 government. Kudos to you and the U.S. Attorney for
16 doing this, but it's really bad for those of us who
17 care about government so my question is what else can
18 we do to make whatever comes out of this positive, if
19 there is such a thing, more transparent for the
20 residents. They're really upset. You know what it
21 takes to get a repair done with your ticket, and now
22 of course they think everything that has happened to
23 their lack of repairs is due to this so that's one
24 about the timing and transparency.

COMMISSIONER STRAUBER: In terms of the timing, what I understand from our conversations with NYCHA is that they're going to be implementing these on a rolling basis, but they expect to have them completed within a year. Given the extensive recommendations that we're proposing, that seems like a reasonable timeframe. If it can be done more quickly, that's obviously better.

I want to just note that we recognize within the recommendations document itself that some of these will take more time to implement, and there are interim measures to prevent fraud before we can fully centralize the process, and so all of those are outlined here.

In terms of investigative timeframe, which I think you mentioned, unfortunately, as I'm sure you expect, I can't give you any sort of timeframe. As the U.S. Attorney said, when the case was announced, the investigation is ongoing. Unfortunately, I can't give you any sense of when that's going to wrap up.

In terms of public transparency, it's part of the reason we wanted to make sure that these recommendations were issued and announced

1
2 simultaneously with the case. Our recommendations are
3 always public, but people aren't always necessarily
4 looking at them, and we want to make sure that the
5 public and especially the residents are aware that we
6 and NYCHA are thinking about ways to make the process
7 better. It's why we recommended that the audit
8 findings be posted publicly. Obviously, proceedings
9 like this draw attention to this issue as does the
10 case itself. I'm not sure that I have other ideas in
11 mind, although there are lots of opportunities for
12 City agencies to be communicating with the public and
13 to be communicating with residents and giving
14 information about how we're doing and implementing
15 these recommendations is probably also something that
16 would be helpful.

17 CO-CHAIRPERSON BREWER: All right. Thank
18 you.

19 CO-CHAIRPERSON BANKS: Okay. Thank you,
20 Commissioner. Thank you for your testimony.

21 COMMISSIONER STRAUBER: Thank you, Chair
22 Banks.

23 CO-CHAIRPERSON BANKS: Now we're going to
24 move to our NYCHA panel.

25

2 COMMITTEE COUNSEL MEALEY: Good afternoon.
3 If you all could raise your right hand.

4 Do you affirm to tell the truth, the
5 whole truth and nothing but the truth in your
6 testimony before this Committee and to respond
7 honestly to Council Member questions?

8 CHIEF PROCUREMENT OFFICER PANEQUE: I do.

9 CHIEF EXECUTIVE OFFICER BOVA-HIATT: I do.

10 CHIEF COMPLIANCE OFFICER GREENBURG: I do.

11 EXECUTIVE VICE PRESIDENT GREENE: I do.

12 COMMITTEE COUNSEL MEALEY: If you could
13 identify yourself, your title and your name for the
14 record, that would be great.

15 CHIEF PROCUREMENT OFFICER PANEQUE: Sergio
16 Paneque, Chief Procurement Officer for NYCHA.

17 CHIEF EXECUTIVE OFFICER BOVA-HIATT: Lisa
18 Bova-Hiatt. I'm NYCHA's Chief Executive Officer.

19 CHIEF COMPLIANCE OFFICER GREENBURG: Brad
20 Greenburg, the Chief Compliance Officer.

21 EXECUTIVE VICE PRESIDENT GREENE: Daniel
22 Green, Executive Vice President for Property
23 Management Operations.

24 COMMITTEE COUNSEL MEALEY: You may begin
25 your testimony.

CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank
you. Chairs Chris Banks, Julie Won, Gale Brewer,
Members of the Committee on Public Housing,
Contracts, and Oversight and Investigations, other
distinguished Members of the City Council, NYCHA
residents, community advocates, Public Advocate, and
members of the public, good afternoon. I am Lisa
Bova-Hiatt, NYCHA's Chief Executive Officer. I am
pleased to be joined by Executive Vice President of
Property Management Operations Daniel Greene, Chief
Procurement Officer Sergio Paneque, Chief Compliance
Officer Brad Greenburg, and other members of NYCHA's
leadership team.

Chair Banks, congratulations on your
appointment. My colleagues and I look forward to
working closely with you.

Thank you for this opportunity to discuss
this very serious and very disturbing charges of
bribery against 70 current and former NYCHA employees
in connection with micro purchase contracts. We learn
from issues like this as we continue the intensive
efforts to transform NYCHA as an organization, a
mission that is fundamentally about better serving
residents and improving their quality of life.

1
2 First, I must emphasize that there is
3 zero tolerance for wrongful and illegal activity at
4 NYCHA. The individuals allegedly involved in these
5 terrible acts put their greed first and violated the
6 trust of their residents, their fellow NYCHA
7 colleagues, and all New Yorkers. All of the
8 implicated employees have been suspended. These
9 alleged actions are counter to everything we stand
10 for as public servants and will not be tolerated in
11 any form.

12 Over the past five years, NYCHA has
13 achieved many significant milestones while remaining
14 vigilant to ensure integrity in every area of our
15 work. Today, I will discuss some of the
16 transformative changes that we have already made to
17 our business practices and those that are underway.
18 We are committed to continue making the changes
19 necessary as part of our holistic efforts to improve
20 NYCHA and our service to residents. NYCHA's success
21 depends on partnership, and we will continue to work
22 with all of our law enforcement partners to rid the
23 authority of any and all malfeasance. I would like to
24 thank NYCHA's Inspector General Ralph Iannuzzi, New
25 York City Department of Investigations Commissioner

1 Jocelyn Strauber, U.S. Attorney for the Southern
2 District of New York Damian Williams, and their teams
3 for their diligence in this investigation, their
4 collaboration with NYCHA leadership as well as their
5 recommendations for improvement. All of us sitting
6 here at this table as well as our broader compliance
7 and quality assurance teams work closely with DOI and
8 NYCHA's Inspector General, and for that, we are very
9 grateful.
10

11 Our teams identified suspicious activity
12 as well as a lack of controls in this area and
13 proactively sent information to DOI for review. We
14 will, of course, continue collaborating with all of
15 our partners as we put the necessary work to continue
16 NYCHA's transformation. I would like to take a moment
17 to discuss some of the work we have done over the
18 past couple of years to improve the micro purchasing
19 process at NYCHA.

20 Following a prior investigation in
21 September 2021, DOI made five recommendations
22 regarding micro purchases. While NYCHA did not
23 implement DOI's exact recommendations, DOI's findings
24 provided the authority with the direction to
25 undertake considerable incremental changes and

1 improved internal controls to attempt to mitigate
2 risk, while ensuring developments could provide
3 efficient service to residents, especially when
4 emergencies arise. To reduce reliance on micro
5 purchases at the developments, NYCHA implemented
6 substantial reforms to our procurement processes,
7 which reduced spending on micro purchases for
8 services by nearly half. Our collaboration with DOI
9 on this effort has been a productive one. It involved
10 implementing a set of procedural, training, and
11 oversight changes to bring about this reduction in
12 micro purchase spending for services at the
13 developments. Some of our specific actions since
14 September 2021 include contracting with Dun and
15 Bradstreet for integrity screening services for all
16 vendors, Dun and Bradstreet has provided
17 organizations with valuable procurement process
18 insights for nearly a century, training our property
19 management staff on micro purchases and ethics in
20 late 2022 and early 2023, rolling out a procurement
21 ethics policy which all staff must acknowledge,
22 increased on-site monitoring visits and reviews of
23 micro purchases by our compliance and quality
24 assurance teams which resulted in referrals to DOI,
25

1 entering into new large contracts that encompass
2 services previously obtained via micro purchases to
3 provide staff with alternatives to the micro purchase
4 program, issuance of prequalified vendor lists that
5 could be used to select vendors in place of
6 development staff selecting micro purchase vendors,
7 updating the micro purchase process with enhanced
8 forms that require vendors to itemize costs, and
9 enhancing the micro purchase reporting requirement to
10 increase transparency and accountability.
11

12 Fundamentally, we believe that in order
13 to best serve our residents, developments need an
14 appropriate level of flexibility to be able to secure
15 the fastest possible service for residents,
16 particularly during emergencies, and government
17 entities, including public housing authorities across
18 the nation, as well as other city agencies, commonly
19 use micro purchases to obtain critical services
20 quickly. In addition to enabling developments to get
21 smaller and lower cost repairs done expeditiously
22 without undergoing a lengthy and complex procurement
23 process, micro purchases support our M/WBE and local
24 hiring goals. DOI also recognize that we must focus
25 on reform of the micro purchase process to protect it

1 from abuse while maintaining efficient service for
2 NYCHA residents. However, after this clear violation
3 of trust and misuse of authority and as part of
4 NYCHA's ongoing and collaborative efforts alongside
5 DOI to reduce fraud and abuse of micro purchases, we
6 are in the process of implementing DOI's full suite
7 of 14 recommendations. All of DOI's recommendations
8 have either been implemented or are underway. We
9 expect to fully implement all 14 recommendations
10 within a year. For instance, we are currently
11 analyzing how our systems can be adapted to allow
12 staff to upload additional documentation regarding
13 micro purchases before payment is issued. We are
14 creating additional prequalified lists of goods and
15 service providers for use in lieu of micro purchase
16 vendors. These prequalified vendors are required to
17 undergo a vendor integrity review developed by NYCHA
18 and DOI. We are augmenting training for staff and for
19 micro purchase vendors. Micro purchases will continue
20 to be reviewed by property management leadership and
21 the compliance and quality assurance departments, and
22 any irregularities will continue to be reported to
23 DOI. The Compliance and Quality Assurance Departments
24 will conduct semiannual audits of micro purchase data
25

2 and recordkeeping and will provide greater
3 transparency and accountability into the authority's
4 use of micro purchasing by posting the results of
5 these audits on our website. We are also displaying
6 signs in prominent locations at developments and
7 property management offices, highlighting the
8 prohibition of bribes and other criminal offenses,
9 and are requiring staff and vendors to acknowledge
10 the same in both paper and digital forms, and most
11 critically, we are planning to implement an
12 alternative staffing model for the micro purchase
13 program. It will essentially separate the micro
14 purchase request and approval process from
15 developments, instead placing the review and approval
16 responsibility with specialized staff with the
17 necessary expertise. At the same time, we are
18 examining ways we can ensure the prompt selection of
19 vendors to do essential work quickly with less
20 potential for abuse.

21 While we work to enact these important
22 structural changes as part of our larger
23 organizational transformation efforts, there will be
24 increased oversight of the micro purchase program. We
25 believe that with the additional oversight and the

1
2 implementation of DOI's latest recommendations, we
3 can continue to tackle this issue and make progress,
4 all in service to residents.

5 Transformation at NYCHA is a sweeping
6 endeavor that impacts every area of our organization,
7 including operations and the management of our
8 property portfolios, and is guided by our
9 transformation plan. One of the key advancements of
10 the past few years was the creation of NYCHA's first
11 ever Compliance, Environmental Health and Safety, and
12 Quality Assurance departments. As you have heard, the
13 Compliance and Quality Assurance teams are an
14 essential part of our efforts to ensure that
15 residents are benefiting from quality work performed
16 in an ethical manner. These teams not only work
17 closely with DOI, but they also include former DOI
18 employees among their ranks. A Compliance Department
19 Unit that is dedicated to reviewing micro purchases
20 employs a former DOI fraud investigator, and the Vice
21 President of the Quality Assurance Department is a
22 former Associate Commissioner at DOI. His staff
23 includes two former DOI employees who help conduct
24 investigations. Additionally, in 2022, NYCHA's
25 Procurement Department hired a former DOI Senior

1 Inspector General, who was also previously an
2 Assistant District Attorney, to oversee the
3 Procurement Ethics and Vendor Responsibility
4 Department and strengthen the Authority's vendor
5 responsibility and integrity review process.
6

7 The Procurement Department has also
8 restructured the purchasing process to bring
9 procurement closer to NYCHA neighborhoods and is
10 strengthening its analytical capabilities to improve
11 transparency into the micro purchase process. Better
12 serving residents and improving their quality of life
13 is at the heart of our endeavors. While we are
14 dismayed by and will not tolerate the actions of any
15 bad actors, we know that the vast majority of NYCHA
16 employees show up every day to work hard and do right
17 for our residents and for our city. It must also be
18 stated that the issues we are discussing today
19 reiterate the need for large scale improvements
20 driven by crucial housing preservation programs like
21 the Trust and PACT so we can reduce the need for
22 constant Band-Aid fixes across our portfolio. These
23 vital programs generate billions of dollars of
24 funding to comprehensively renovate residents' homes
25

1 while preserving their rights and protections,
2 including permanently affordable rent.

3
4 Change is also at the heart of our
5 mission, especially given the decades of federal
6 disinvestment besetting the authority. This change
7 takes time, but it's happening thanks in part to the
8 support of partners like the Council and DOI.

9 Thank you. We're happy to answer any
10 questions you may have.

11 CO-CHAIRPERSON BANKS: Thank you. Let me
12 just also recognize we have Council Member Williams
13 who has joined us virtually and Council Member
14 Vernikov who's in person.

15 Thank you again. First of all, I want to
16 know, can you walk us through the micro purchase
17 process? How does that look? Can you walk us through
18 the process? Thank you.

19 CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank
20 you so much Chair Banks. I'm going to turn it over to
21 our Chief Procurement Officer Sergio Paneque who can
22 walk you through the process.

23 CHIEF PROCUREMENT OFFICER PANEQUE: Thank
24 you. In a program area, in this case a particular
25 development, has a determination of need. At that

1
2 point then, they establish those requirements and
3 then go forward in identifying a vendor. That vendor
4 then provides a quotation as well as an outline in
5 the small purchase template that outlines the labor,
6 the supplies, the overhead, and the profit that's
7 required for that good. At that point, that's
8 uploaded in a requisition into the system and then
9 that is routed to an approver. At which point then
10 once it's approved, it comes to Central Procurement,
11 and Central Procurement looks for all of the
12 sufficiency, including licensing and insurance and
13 those other documents that I mentioned, and then the
14 purchase order is cut, and then the development is
15 free to proceed with the vendor for the work that
16 needs to be performed.

17 CO-CHAIRPERSON BANKS: Okay. How long does
18 it take for it to get to a superintendent or a
19 property manager to identify a need or a solicit a
20 contractor for a micro purchase contract.

21 CHIEF PROCUREMENT OFFICER PANEQUE: I
22 think that the factors would depend upon the
23 particular development, supervisor, and the
24 circumstances, but generally speaking with the micro
25 purchase process, within one to three days a

1 superintendent could determine the scope that's
2 required for the services needed and a vendor to then
3 provide those documentation and then obviously the
4 process that I just outlined.

5
6 CO-CHAIRPERSON BANKS: What's NYCHA's
7 current policy on when an outside contractor like
8 those used in the micro purchase contract should be
9 used?

10 CHIEF PROCUREMENT OFFICER PANEQUE: I'm
11 sorry, can you repeat the question?

12 CO-CHAIRPERSON BANKS: What is NYCHA's
13 current policy on when an outside contractor like
14 those used in the micro purchase contract should be
15 used?

16 CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank
17 you for that question. I'm going to turn it over to
18 Dan Greene.

19 EXECUTIVE VICE PRESIDENT GREENE: Thank
20 you, Chair Banks, for that question. The way it works
21 is at the property level we have really, you have two
22 choices really. At the property level, they can
23 choose to go through our NYCHA Skilled Trades
24 Department which we have at NYCHA, we have plumbers,
25 we have plasterers, we have painters, bricklayers,

1
2 glaziers. We have eight skilled trades in operations,
3 and they do the majority of the work in the
4 apartments, but there's certain work, for example,
5 especially around the grounds, fencing. We have very
6 large grounds so we have a lot of fences, we have a
7 lot of pump equipment that we need in our mechanical
8 areas, we have lobby doors, we have doors in our each
9 of our stairwells. That type of work there is where
10 we will turn to a vendor, for example like if we need
11 an apartment cleared out after somebody moves out and
12 it's a lot of like I had one today was a lot of stuff
13 that some questionable items in there, we didn't want
14 our own staff to do it so we bring in a vendor to do
15 it and it's a quick process to get this additional
16 work done. Bottom line is there's a lot of work at
17 NYCHA. I love our skill trades. I work with them on a
18 daily basis, but there's a lot of work at NYCHA and
19 we do need to rely on vendors to do a lot of that
20 work.

21 I do want to just note one other thing
22 micro purchases is one option available to our
23 properties, but over the past couple years there have
24 been our Procurement Department has worked with
25 operations to bring in IDIQ contracts that now cover

1
2 a lot of the scope that micro purchases used to cover
3 so we've actually seen, and Mr. Paneque can elaborate
4 on this, a decline in micro purchases in 2023 as we
5 rely on IDIQ contracts, which are competitively
6 procured so we have started again taking those steps,
7 so there's more than one avenue available for our
8 superintendents.

9 CO-CHAIRPERSON BANKS: Okay. Who, outside
10 of the superintendent or the property manager who
11 solicits the micro purchase contract, reviews or
12 audits the supply services or other need or listed
13 micro purchases contracts?

14 EXECUTIVE VICE PRESIDENT GREENE: For a
15 micro purchase, it can be done at the property level
16 in terms of the request and the approval, but it does
17 have to go up to a central department to release the
18 PO and Mr. Paneque can explain more.

19 CHIEF PROCUREMENT OFFICER PANEQUE: I'm
20 sorry, Chair. Can you please repeat the question?

21 CO-CHAIRPERSON BANKS: Who outside of the
22 superintendent or the property manager who solicits
23 the micro purchase contract reviews or audits the
24 supply? Who does the audit? Who reviews it?

1

CHIEF PROCUREMENT OFFICER PANEQUE:

2
3 There's a number of different program areas that can
4 obviously establish a requisition on determination of
5 need and then put forward that process. At the end of
6 the process, once a vendor has performed, at that
7 point, there's a statement of service that's
8 generated and then a review of the work and then
9 there's a match between the invoice, the purchase
10 order, and the statement of service in order for
11 payment.

12

CHIEF EXECUTIVE OFFICER BOVA-HIATT: To
13 your question about audits. I'm sorry. Brad
14 Greenburg, our Chief Compliance Officer can answer
15 that portion of the question.

16

CHIEF COMPLIANCE OFFICER GREENBURG:

17 Right, so as Sergio mentioned, there's a statement of
18 service that gets done when the work is completed
19 which has to be reviewed by the property staff in
20 order for a payment to be issued, and one of the
21 things that our Department's done since 2020 is we
22 have an on-site monitoring program where we go out to
23 properties to look at a whole series of items. One of
24 the items we look at is we pull recent requisitions
25 and recent micro purchases, and we do a document

1 review. We also interview property staff about the
2 particular purchase, and we'll also go and do an
3 inspection of the work that was performed, and we
4 include that in our reports that we issue to
5 executive staff. We also did a project in 2022
6 following DOI's 2021 investigation where we looked at
7 a couple dozen properties and vendors and did a kind
8 of a holistic look at the program where we also
9 pulled hundreds of requisitions and looked at those.
10 Did the same kind of process where we interviewed
11 staff, did a physical inspection of the work and also
12 looked at the documents that were supposed to be
13 attached to the micro purchase.
14

15 CO-CHAIRPERSON BANKS: I also want to
16 recognize Council Member Dinowitz and Council Member
17 Joseph.

18 What role does NYCHA's central office or
19 any person above the development level staff take to
20 the process of the micro purchase contracts?

21 CHIEF EXECUTIVE OFFICER BOVA-HIATT: We
22 have many different business units that are involved
23 from procurement to central office operations, and of
24 course, compliance and quality assurance.
25

CO-CHAIRPERSON BANKS: How do you track these micro purchase contracts?

CHIEF EXECUTIVE OFFICER BOVA-HIATT: We track them in two ways. First, our Chief Procurement Officer can talk about the way that they track micro purchases, and then we should turn it over to our Compliance Unit who can talk about the way that they track them.

CHIEF PROCUREMENT OFFICER PANEQUE:
Specifically within our ERP system, our Oracle system is what we use for purposes of procurement, and all requisitions are entered into the system and managed through from requisition to payment, and then as part of our reengineering over the course of the last two years, we've established a performance management unit that is seeing what the trends are for the purposes of micro and small requirements in order to more effectively manage our portfolio of contracts that we are making available to the developments.

CHIEF COMPLIANCE OFFICER GREENBURG:
There's also been a lot of data tools. I think someone asked about data analytics. We, working with the Procurement team, have developed a lot of tools to pull information out of the Oracle financial

1 system requisition by requisition and look at trends
2 so we look at whether a particular vendor is being
3 utilized relative to other vendors, whether there's a
4 development that has a particularly high amount of
5 spend, what their average spend is per micro
6 purchase, and so when we did our review in 2022, we
7 basically pulled down the information that way and
8 ran some analytics against it and picked vendors and
9 developments based on where we saw high averages,
10 which is why one of the recommendations DOI put in
11 their 14 recommendations was for compliance and
12 quality assurance to continue that process. We have
13 now monthly meetings with Dan and his team where we
14 go over the analytics, the report, and we also go
15 into the individual data so I think it's going to be
16 a good tool we'll use in the future to identify where
17 there's risk in the program.

19 CO-CHAIRPERSON BANKS: Council Member
20 Brewer has a followup.

21 CO-CHAIRPERSON BREWER: I think that's all
22 good. Obviously, there's been wildly inflated prices
23 so what is NYCHA doing to determine the scope of this
24 rip off and can you attempt to obtain restitution for
25 these crazy prices? How does this work?

1
2 CHIEF COMPLIANCE OFFICER GREENBURG: It's
3 a great question, Chair Brewer. I think we, like I
4 said, had identified this as an issue in the past,
5 which is why we implemented some of the changes with
6 procurement around a new template that would require
7 our staff to itemize their costs to limit overhead
8 and profit. When we went out and talked to vendors,
9 we also had seen inflated costs a couple years ago. I
10 think it's hard to go backward, and I think we're
11 trying to look forward. I can't speak to restitution,
12 that would be a question for the U.S. Attorney's
13 Office, but yeah, we're definitely hoping to be able
14 to control costs with some of these controls.

15 CHIEF EXECUTIVE OFFICER BOVA-HIATT: I can
16 actually speak to the restitution piece. I have
17 spoken with our Inspector General, and I have asked
18 him to speak with the U.S. Attorney's Office and to
19 the extent that we can be, we will be seeking
20 restitution not only from vendors who have
21 overcharged NYCHA, but also from our employees who
22 have been people who have put their greed above the
23 needs of NYCHA and our residents.

24 CO-CHAIRPERSON BREWER: Congratulations.
25 And one of the follow up to the vendors who won micro

1 contracts are charged sometimes the same amount,
2 close to the 5,000 or the 10,000, as we heard
3 earlier, cutoffs for dramatically different goods and
4 services, and I asked this of DOI, some vendors on
5 NYCHA's current prequalified lists have a documented
6 track record of doing this so what is NYCHA going to
7 do to re-examine and the current prequalified. I know
8 that what we heard from DOI was it's going to, and
9 you mentioned it also Dun Bradstreet and so on. Is
10 that happening, is it all done, are you redoing the
11 entire list, etc.?

13 CHIEF EXECUTIVE OFFICER BOVA-HIATT:

14 Sergio can speak to that.

15 CO-CHAIRPERSON BREWER: I love Sergio. I
16 know Sergio.

17 CHIEF PROCUREMENT OFFICER PANEQUE: If I
18 may, Council Member Brewer, the prequalified lists
19 that we've established were for the purposes of
20 dealing with some of the challenges that we had with
21 some of our requirements around sealed bids, lowest
22 price, and those challenges. I'd be remiss if I
23 didn't mention that because while we're now
24 establishing the prequalified lists based on certain
25 competencies, and for example, the one in particular

1 that was in the article, the carpentry list requires
2 experience for five years, a DOB license, provide
3 five references, three projects, and so forth. That
4 particular vendor had gone through the VNC process
5 nine times so the review from both the DOI, VNC
6 check, they have a PASSPort filing and all of those
7 things. They were also an S3BC, a Section 3 business
8 concern, back in 2020. Right now, they're not a
9 Section 3 business concern based on the new rules. We
10 are looking at those orders. They were upwards of 700
11 and some odd purchase orders going back to I believe
12 2015. As of 2024, there are no purchase orders. In
13 2023, there were 10 tile contracts, but we'll work
14 with our partners in compliance and DOI and so forth
15 on that particular, but prequalified lists, generally
16 speaking, is a good way to establish the competencies
17 and the capabilities that we need in our vendors and
18 then create a pool from which we can carry from micro
19 to small to larger contracts in a way that we can
20 actively manage our vendor base. The DOI
21 recommendations only aid us in that regard in being
22 able to now take vendor integrity at the onset of
23 that prequalification process so we started that
24 prequal process around two years ago and establishing
25

1 what those scopes and those requirements were, and
2 now we'll carry forward again, not only at the micro
3 level small, but then also in the large contracts.
4

5 CO-CHAIRPERSON BREWER: Thank you very
6 much.

7 CHIEF PROCUREMENT OFFICER PANEQUE: Thank
8 you.

9 CO-CHAIRPERSON BANKS: Council Member Won.

10 CO-CHAIRPERSON WON: Thank you so much,
11 Chair Banks. Chair Banks has asked most of the
12 procurement questions that I wanted to ask, but could
13 you please clarify the relationship between NYCHA and
14 MOCS and what the difference is between your
15 relationship with other City agencies because today I
16 know that MOCS did not attend because NYCHA does not
17 fall into their portfolio and you have your own
18 procurement rules.

19 CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank
20 you for that question, Chair Won. Sergio Paneque will
21 answer it.

22 CHIEF PROCUREMENT OFFICER PANEQUE:
23 Specifically, NYCHA is governed by both federal and
24 state requirements to CFR 200 and the PHL 151. We are
25 not subject to the PPB nor the relevant provisions

1 within the City Charter in regards to procurement
2 like other city agencies.

3
4 CHIEF EXECUTIVE OFFICER BOVA-HIATT:

5 Because we're not a city agency.

6 CO-CHAIRPERSON WON: Yes. For your
7 procurement process for micro purchasing, can you
8 walk us through the differences between what NYCHA's
9 procurement rules are versus the City? How do they
10 differ, if any?

11 CHIEF PROCUREMENT OFFICER PANEQUE: I wish
12 I would have the City's rules. The City's micro
13 purchase limit is 20,000 for general micros. I
14 believe it's 35,000 for construction and then, as has
15 been mentioned before, there's vehicles such as
16 negotiated acquisition and other means to contract.
17 NYCHA is very prescriptive. It's 10,000 for micros,
18 250,000 for the small acquisition method, and that
19 also includes M/WBE where the City has a million and
20 a half for M/WBE, but those are the large variances.

21 CO-CHAIRPERSON WON: Okay, and earlier in
22 the testimony, we heard that the employees have been
23 suspended, the ones that were implicated. Can you
24 confirm or deny that the employees are still
25 receiving a salary from NYCHA?

1
2 CHIEF EXECUTIVE OFFICER BOVA-HIATT:
3 Currently the suspended employees are suspended
4 without pay.

5 CO-CHAIRPERSON WON: Okay. Thank you for
6 clarifying. What was the total number of micro
7 purchases per contractor in Fiscal Year '22 and
8 Fiscal Year '23?

9 CHIEF EXECUTIVE OFFICER BOVA-HIATT:
10 Sergio Paneque will answer that question.

11 CHIEF PROCUREMENT OFFICER PANEQUE: In
12 2022, there were a total of 13,883 purchase orders to
13 the tune of 74,000,195 dollars and (INAUDIBLE) cents.
14 In 2023, there was a total of 16,771 purchase orders
15 in the amount of 60,268,102 dollars.

16 CO-CHAIRPERSON WON: What was the total
17 number of unique contractors who received micro
18 purchases in Fiscal Year '22 and '23?

19 CHIEF PROCUREMENT OFFICER PANEQUE: So the
20 unique vendor count for 2022 was 948 and in 2023 was
21 766, and that is both commodities as well as
22 services.

23 CO-CHAIRPERSON WON: Do we know between
24 those two Fiscal Years how many of them may be
25 implicated that have not been part of the

1 investigation yet because we know from the from the
2 press that not everyone out of the 70 were actually
3 implicated, that there is most likely more.

4
5 CHIEF EXECUTIVE OFFICER BOVA-HIATT: We do
6 not have an answer to that question.

7 CO-CHAIRPERSON WON: Okay. In the NYCHA
8 procurement policy manual, bid splitting, that is
9 breaking up the contract to avoid competitive bidding
10 not allowed, but using separate micro contracts to
11 facilitate M/WBE goals or for a geographic reason,
12 that is allowed. Can you help us understand how is
13 that distinction laid out in the policy for
14 superintendents and how does NYCHA central make sure
15 that micro contracts for the same or similar work
16 that are being used for the correct goals and not for
17 bid splitting purposes?

18 CHIEF PROCUREMENT OFFICER PANEQUE: Can
19 you repeat the question? I think we didn't follow the
20 full question. You said the procurement, go ahead.

21 CO-CHAIRPERSON WON: So in the NYCHA
22 procurement policy manual, bid splitting, that is
23 breaking up a contract to avoid competitive bidding
24 is not allowed, but using separate micro contracts to
25 facilitate M/WBE goals or for geographic reasons. How

1 is that distinction laid out in policy for
2 superintendents? Earlier, we had asked the question
3 about training for superintendents as well on micro
4 purchases, and how does NYCHA Central make sure that
5 micro contracts for the same or similar work that are
6 being used for the correct goals and are not for
7 bidding purposes?
8

9 CHIEF COMPLIANCE OFFICER GREENBURG: Your
10 question basically is how do we distinguish between
11 bid splitting, which is not permitted, versus M/WBE
12 contracting?

13 CO-CHAIRPERSON WON: For your M/WBE goals.

14 CHIEF PROCUREMENT OFFICER PANEQUE: So in
15 regards to bid splitting within the PPM, that is
16 conduct that should not occur, and through our ethics
17 training process, we made that very clear. Also, when
18 we established the procurement policy manual in 2021,
19 that was part of the acknowledgement that we also
20 required as staff. Just to make sure that I
21 understand correctly, in regards to the M/WBE, we did
22 establish an MWBE first policy in 2021 that we
23 require developments to first seek M/WBEs or section
24 3s before seeking out a non-M/WBE so I think those
25

1 are two different parts of the procurement policy
2 manual.

3
4 CO-CHAIRPERSON WON: Okay, and I think
5 earlier you testified that you were using Oracle ERP
6 for tracking your micro purchases. Correct?

7 CHIEF PROCUREMENT OFFICER PANEQUE: All
8 requisitions, all purchases within the system.

9 CO-CHAIRPERSON WON: Okay. So as of today,
10 does NYCHA's Oracle system automatically flag micro
11 purchase quotes for repeated services on the same day
12 or over a period of time?

13 CHIEF PROCUREMENT OFFICER PANEQUE: Oracle
14 doesn't necessarily flag that, but we are creating
15 data tools and working collaboratively with
16 compliance and with operations to establish those
17 sorts of reviews now on a monthly basis.

18 CO-CHAIRPERSON WON: Okay, so it wasn't
19 being done previously.

20 CHIEF COMPLIANCE OFFICER GREENBURG: The
21 tools don't sit in Oracle, right? We're pulling data
22 out of the Oracle system and putting them in
23 dashboards for analytical purposes so we can see
24 particular requisitions on particular days and be
25

1
2 able to filter that way. It's like an analytical
3 tool.

4 CO-CHAIRPERSON WON: NYCHA's building
5 internal dashboards in-house?

6 CHIEF COMPLIANCE OFFICER GREENBURG: Some
7 of them have already been built, but yes, they're in
8 house.

9 CO-CHAIRPERSON WON: Okay, to aggregate
10 all the data, and for the dashboards that you're
11 currently using, what is the gap in the NYCHA system
12 that prevents it from tracking abuses and
13 mismanagement of funds at the micro level? I guess
14 the answer to that is that it wasn't being tracked
15 previously.

16 CHIEF COMPLIANCE OFFICER GREENBURG: I
17 think a lot of this has been built in the last couple
18 of years. This is something that we've been focusing
19 on now for a few years. Like Sergio mentioned, he's
20 hired staff to do performance management, which has
21 been very helpful. We have data scientists in the
22 Compliance Department as well and folks that work
23 with data a lot so this has been an ongoing effort
24 for the last few years to build that capability.

1
2 CHIEF EXECUTIVE OFFICER BOVA-HIATT: And I
3 think we should be clear that our compliance and
4 quality assurance units observed in 2021 that there
5 were risks associated with the micro purchase program
6 and that caused our own internal departments, our
7 Compliance Department, to do a deep dive into micro
8 purchases. We prepared a report that was shared with
9 DOI, issued a compliance advisory alert that went out
10 to every single NYCHA employee, updated our micro
11 purchase protocols, and put safeguards in place.
12 Because of those things that happened in 2022, we saw
13 a dramatic decrease in the amount of money spent on
14 micro purchases for services.

15 CO-CHAIRPERSON WON: For your current
16 system, do you have any plans to have a public
17 dashboard so that the public can also follow along
18 for transparency and auditing and accountability
19 purposes?

20 CHIEF EXECUTIVE OFFICER BOVA-HIATT:
21 Absolutely, and I'm going to turn it over to Brad
22 Greenburg who will talk about what we're going to do,
23 which is one of the 14 recommendations that DOI
24 provided to us.

2 CHIEF COMPLIANCE OFFICER GREENBURG: Yeah.
3 One of the recommendations is, I think that
4 Commissioner spoke about it earlier, is there will be
5 a public report that will be added to our website on
6 a six-month calendar cycle that will include data
7 analytics on spend and also our performance against
8 recordkeeping requirements in the samples that we
9 pull as well as our progress on the recommendations,
10 and this is modeled on things we've done in the past
11 in other areas as well.

12 CHIEF EXECUTIVE OFFICER BOVA-HIATT: Brad,
13 could you also talk about the transparency that we
14 already have on our website that we've already had
15 built out.

16 CHIEF COMPLIANCE OFFICER GREENBURG: We do
17 have a lot of transparency on our website around
18 multiple areas in the HUD agreement as well as
19 outages, dashboards, and other items too that we're
20 happy to always walk you through, Council Member.

21 CO-CHAIRPERSON WON: Okay, because the
22 report is great, but if we could have a real-time
23 dashboard that is also public facing so that so that
24 especially our NYCHA residents, our tenant
25 associations, constituent service caseworkers can

1 look up cases in real time and really understand and
2 follow along in the procurement process of where
3 their current work order is or where the purchase is.

4
5 Before I turn it back to Chair Banks, do
6 vendors for micro purchasing contracts go through a
7 PASSPort check currently?

8 CHIEF EXECUTIVE OFFICER BOVA-HIATT: Our
9 Chief Procurement Officer will answer that question.
10 Thank you.

11 CHIEF PROCUREMENT OFFICER PANEQUE: They
12 do not go through a PASSPort check at this point.
13 Through the DOI's recommendations, we will be doing a
14 vendor integrity check that will mirror much of the
15 PASSPort certifications and representations. At this
16 point, once a vendor reaches 250,000 dollars is when
17 we do a full-blown PASSPort vendor check. I will say
18 that as we did the analysis for our top 20
19 commodities and top 20 services vendors, most of
20 those, 20 out of 20 on the commodities and 18 to 20
21 on the services, did have a valid VNC so many of our
22 micro purchase vendors do have VNC checks.

23 CO-CHAIRPERSON WON: Okay. Thank you so
24 much. Back to you Chair Banks.

25 CO-CHAIRPERSON BANKS: Chair Brewer.

1
2 CO-CHAIRPERSON BREWER: Thank you very
3 much. Three questions. First of all, I know we talked
4 about some of the numbers, but what is NYCHA's
5 current repair backlog? That's one. And then how many
6 vacancies, because this is related, I think, does
7 NYCHA have for the following job titles, property
8 manager, superintendent, and assistant
9 superintendent? Then I assume there are some
10 vacancies so who's filling them? Then, can you
11 explain how you review the job performance of
12 supervisors and assistant supervisors and have the
13 staff evaluations changed due to the recent scandals?

14 CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank
15 you for those questions, Chair Brewer. I'm going to
16 turn it over to Dan Greene who is going to walk you
17 through your first question.

18 EXECUTIVE VICE PRESIDENT GREENE: Thank
19 you, Chair Brewer. I love talking about the work
20 orders. I can do a deep dive into the backlog. The
21 backlog is high but it's complicated, and I just want
22 to just give some context first. So last month alone
23 we saw 229,000 work orders created at NYCHA just in
24 one month. The month before that we had over 200,000
25 work orders created. The month before that we had

1 211,000 work orders so on and so forth so every
2 single month we're getting a very high volume of work
3 that we have to do. I will say proudly for what I
4 supervise, I supervise maintenance, I supervise lead,
5 I supervise mold, and I supervise all the skilled
6 trades for all the properties, we are meeting our
7 monthly burden for what is coming in, and that is a
8 really good thing. We've been really pushing, and I
9 think the neighborhood model that we moved through in
10 the transformation plan along with the additional
11 staffing is helping us meet that benchmark for our
12 in-house work orders.

14 Where we have challenges is with getting
15 to the backlog. During COVID, so just to get into
16 overall numbers. In May 2023, we crested at, and this
17 is for all work order types, including for heating,
18 for elevators, 650,000 in May 2023. Today we're down
19 to 584,000 so just in the past 10 months, and that
20 was at the end of January, we've been able to really
21 bring that work order backlog down, and one of the
22 main ways that we've done that is targeting the most
23 critical work orders. We've gone after old leaks,
24 we've gone after old mold remediation, we've gone
25 after things called tub enclosures, which are in our

1
2 bathrooms, which cause leaks, and through those
3 concerted efforts, we've been able to bring that
4 backlog down, and I would note that we worked with
5 the (INAUDIBLE) BAAs monitors to develop those
6 criteria to target our backlog because the bottom
7 line is not all work orders are created equal. A lot
8 of the old work orders are paint work orders, and
9 that's it's really paint after repair and right now
10 we simply don't have enough NYCHA painters or vendors
11 to be able to cover all of the painting work orders
12 that have been created so we're targeting areas where
13 health and safety is paramount, where resident
14 quality of life is paramount, and we are seeing,
15 number one, us meeting that monthly throughput so
16 that the backlog does not grow, and number two, we
17 want to target those backlog work orders in those
18 most sensitive areas. I can say, for example, in
19 Manhattan alone, we've dramatically reduced the
20 number of plumbing work orders open in Manhattan.
21 I'll just pull up the numbers just quickly here,
22 because I think that they are illustrative of some of
23 the work that we're doing, it's cooperating, but for
24 plumbing alone in Manhattan at the height in July
25 2022, we had 6,750 plumbing work orders open in

1
2 Manhattan. That was the crest. It actually was a
3 little bit higher than what before, 6,814. As of
4 today, we have 3,626 plumbing work orders open in all
5 of our Manhattan developments, and that's with over
6 1,600 plumbing work orders being created every single
7 month so we're actually getting to our plumbing work
8 a lot faster now and we see similar trends in the
9 trades. I give a long answer because work order data,
10 sometimes we see the number and people say, oh my
11 goodness, that's the worst. Actually, we have to be
12 very smart about it and use our resources very
13 strategically and again make sure that we're not
14 adding to that backlog and (INAUDIBLE).

15 CO-CHAIRPERSON BREWER: I appreciate that.
16 You say, because painters, you just don't have enough
17 painters. Is that what you're saying?

18 EXECUTIVE VICE PRESIDENT GREENE: Yeah,
19 and so one thing that we're going to be doing is
20 we're going to be moving some painters that were in a
21 central department back out to our boroughs. They
22 were pulled centrally to deal with really a lot of
23 lead issues back a few years ago. Now that we have a
24 full-blown abatement program, we're moving those
25 resources back out to the boroughs so really our

1 painter backlog is coming down too but not as quickly
2 as things like plumbing so we want to add those
3 resources to our neighborhoods to be able to do more
4 paint work orders.
5

6 We also started this year a project
7 called Operation Paint the Town which is still
8 evolving, but basically we're going after those very
9 old vendor paint work orders, so our NYCHA painters,
10 they only get assigned to do two rooms or fewer and
11 then vendors are assigned to do full apartment
12 painting. That's the way that the work has been
13 divided for NYCHA for many, many years, so we really
14 want to target those older full apartment paint work
15 orders, number one, to see if the work is still
16 needed because sometimes the residents might just say
17 I'm going to paint the apartment myself or maybe they
18 actually, it was created for another reason and they
19 actually don't need a vendor work order so we're
20 doing verification, but then we also want to get that
21 work done. I would note that, that's really not micro
22 purchase work. We have paint contracts and things of
23 that nature, maybe a couple micro purchases here and
24 there, but mostly it's through paint contracts.
25

1
2 Again, strategic targeting of critical areas is
3 essential to bring that backlog down.

4 CO-CHAIRPERSON BREWER: Okay. Thank you,
5 and then vacancies.

6 EXECUTIVE VICE PRESIDENT GREENE: Yeah,
7 let me just find it. I have all those numbers. I just
8 have to pull it up in this.

9 CHIEF EXECUTIVE OFFICER BOVA-HIATT: I
10 have it handy.

11 EXECUTIVE VICE PRESIDENT GREENE: Oh, you
12 have it handy? Please.

13 CHIEF EXECUTIVE OFFICER BOVA-HIATT:
14 Currently, we have 15 property managers that are
15 vacant, 8 superintendents, 25 assistant
16 superintendents. All but 10 have candidates starting
17 on May 4th or sooner and, as you can imagine, we were
18 fortunate to be able to work collaboratively with DOI
19 so once we knew the titles that were needed, our HR
20 department has really been working to get these
21 vacancies filled.

22 CO-CHAIRPERSON BREWER: Okay, and then
23 have you changed the staff evaluations based on
24 what's the scandal? That's my last question.

1
2 EXECUTIVE VICE PRESIDENT GREENE: I
3 welcome more ability to evaluate our staff. Right
4 now, those rules are pretty prescriptive due to some
5 of the contracts and as you negotiate over time,
6 there's really just a provisional period that we have
7 that opportunity. We need more evaluations. I can say
8 that myself, I'm at a NYCHA property every single
9 day, literally for an entire day so we are assessing
10 staff. We're making moves where we see the staff
11 falling short on quality of work, performance, etc.,
12 but I do support a more structured evaluation process
13 at NYCHA and hopefully we can get there one day.

14 CO-CHAIRPERSON BREWER: Thank you very
15 much.

16 CO-CHAIRPERSON BANKS: Now, we're going to
17 go to Committee Members' questions, and we're going
18 to start with Council Member Rivera.

19 COUNCIL MEMBER RIVERA: Thank you so much
20 to the Chairs for this important hearing. Of course,
21 I want to thank the panel. It's unfortunate that we
22 are here to discuss the largest single-day bribery
23 related takedown in DOJ history. It's just baffling
24 the level of dysfunction.

1
2 My District is home to nearly 20,000
3 residents across 16 developments, and these are the
4 families that are dealing directly with the
5 consequences of this corruption. The examples of how
6 this scandal has affected families' quality of life,
7 there are plenty as you can imagine. In my
8 development, we've seen workers at Gompers, Wald, LES
9 Houses, and Straus among those indicted. Gompers has
10 recurring issues with broken doors that NYCHA says
11 they fix. It makes me wonder whether that was one of
12 the smaller contracts involved in this. In Wald, I
13 had a senior live for nearly a year with a massive
14 hole in her wall exposed to pests and particulates.
15 The dust when I went into that apartment was
16 palpable. The purpose of the no-bid contracting
17 process as was stated many times is to speed up
18 repairs, but NYCHA's internal data shows that at the
19 end of January 2024 there are 600,000 open work
20 orders taking 370 days to resolve them. Can you say
21 that this bribery, this corruption, this particular
22 scandal, adversely affected work order completion and
23 repair resolutions? Can you honestly say that?

24 CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank
25 you so much for that question. I'm going to turn it

1
2 over to Dan Greene who spends every day in the field
3 and can speak about both the work orders and your
4 question.

5 EXECUTIVE VICE PRESIDENT GREENE: So the
6 answer is no, I don't agree with that. First of all,
7 we're seeing right now if you look at the data which
8 is massive, more of our work orders than ever before
9 are being closed with work done with actual labor
10 than in the past. In the past, NYCHA did have the
11 issue, and it's a very disturbing issue of closing
12 out work orders without visiting apartments, but we
13 put so many controls in place now to make sure that
14 right now I think it's around 4 percent, it goes up
15 and down monthly a little bit, but 4 percent are
16 being closed due to not accessing apartments so we're
17 getting in, we're doing more work. The work that the
18 micro purchases, and I went through in preparation
19 for this testimony like literally every single micro
20 purchase, most of it's like public space area work so
21 there's a few in apartment, but most of it is going
22 to be things like fencing is a big item here, lobby
23 doors, and you're right, our lobby doors do break and
24 it's incredibly frustrating. It's one of the most
25 frustrating problems. Every time we fix them,

1 unfortunately they're breaking again and again and
2 again. We need to fix that problem. It's a serious
3 safety issue, but those are the types of repairs that
4 we see mainly for micro purchases. There's also a lot
5 of pump work like in terms of like in our mechanical
6 areas we'll have pumps that remove water from areas
7 to make sure they don't flood or we have our house
8 pumps that supply water to the development so that's
9 generally the kind of work that we're talking about
10 so I don't think that the type of work here slowed
11 down any repair times. We do have slow repair times
12 that we need to speed up, and I fully acknowledge
13 that, and through work order reform, I think that
14 we're starting to do that, but I don't think that
15 this particular issue implicated the repair times.

17 COUNCIL MEMBER RIVERA: I have just one
18 more question. Is that okay? Okay.

19 I hear you and I heard some of the
20 reforms that you're making to the no-bidding contract
21 process. You said most of them are implemented or
22 underway within the next year. We heard a little bit
23 of issuance of prequalified vendor lists, enhancing
24 the reporting requirements. I think we would
25 appreciate a more detailed timeline of when these

1 things actually went into effect, and what is
2 expected in the next year, and maybe you can get the
3 Committee that afterwards. My last question is really
4 in light of the DOJ investigation, what concrete
5 steps will NYCHA take to hold employees accountable
6 for the safety of their residents?
7

8 CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank
9 you for that question. I'm going to turn it over to
10 our Chief Compliance Officer who can answer those
11 questions in detail.

12 CHIEF COMPLIANCE OFFICER GREENBURG: If
13 you'd like, we can go recommendation by
14 recommendation and give you a current status now, or
15 we can defer that. It's up to Council Member.

16 COUNCIL MEMBER RIVERA: Give us something.

17 CHIEF COMPLIANCE OFFICER GREENBURG: Okay.
18 For the first recommendation, which is the
19 alternative staffing model, that's obviously as the
20 DOI Commissioner alluded to, the most complicated. We
21 don't obviously want to impact service so we have to
22 roll that staffing model out. That's the longer-term
23 recommendation that DOI gave us as is the second one,
24 which is the longer-term procedural changes. The way
25 they structured their recommendations is that the

1 first two are the longer-term ones, which will
2 hopefully happen within the year, like we said, and
3 then 3 through 14 are underway now.

4 For number three, which is training,
5 that's an item that we're currently working on, and
6 we have the training materials with DOI and we're
7 going back and forth on the materials and we'll
8 hopefully roll out the training shortly. We've done
9 prior training so this is an additional training.

10 Number four is complete. That was the
11 compliance advisory alert that came from my office,
12 reminding folks about their duty to report
13 corruption. That went out already.

14 Number five is about the creation of a
15 pre-qualified list, which Sergio can talk to, but
16 that's already being discussed with DOI and they have
17 a plan in place to complete that, hopefully soon.

18 Number six is to create a training
19 program for our vendor community, not just for our
20 staff, also something that's currently underway, and
21 they're working through the material now, using some
22 of the material we used in the prior two years.

23 Number seven is the establishment of a
24 schedule of cost estimates for the top 15 most used
25

1
2 services. For those, even prior to the arrests, we've
3 been working on something similar to this. We've been
4 pulling data to figure out what the most common types
5 are so we could try to come up with a better schedule
6 of cost estimates, and we have the data underway and
7 have been doing that analysis, so hopefully that'll
8 happen soon as well.

9 Number eight is to have regular meetings
10 between myself, Dan, and our Quality Assurance
11 Officer to use a data analytics tool that we've built
12 to try to go through individual properties and
13 individual requisitions and then do reviews of those,
14 and we kicked off those monthly meetings already so
15 that's complete, and we've scheduled the rest of them
16 for the rest of the year and it'll be a good, I
17 think, way for us to have executive oversight over
18 the program.

19 Number nine is related to statement of
20 services, before and after photos being uploaded, so
21 that's going to require an IT enhancement to Oracle
22 Financial, and so we're working with our staff to put
23 that in place. It's obviously a little more
24 complicated to code, but we're working on that one.

1
2 Number 10 was about the display of
3 signage, which I think we had a couple of
4 developments that needed to put their signs up
5 yesterday, but I believe is complete and those last
6 two have to send photos to us, and I think they did.
7 We can follow up on that one. Basically, everybody
8 has their signage up.

9 Number 11 was about a popup window or a
10 set of language going on to the Oracle Financial
11 system for each requisition that tells people that
12 they have to acknowledge that offering or giving a
13 bribe is not permitted. That went live already in our
14 system so that one's complete and we had
15 communications go out.

16 Number 12 was about revising the form
17 that we rolled out a couple of years ago to also have
18 that same acknowledgement. That one's complete. We've
19 got that on our website and also in our internal
20 systems to require that language be checked off on
21 our forms.

22 Number 13 is about the semi-annual
23 reporting that we'll do, which obviously we'll do our
24 first semi-annual report in the next couple months as
25 we scale it up.

1
2 Number 14 is to continue our ongoing
3 reporting to DOI of suspicious activity, which is
4 obviously ongoing.

5 We've made a lot of good progress
6 already.

7 CHIEF EXECUTIVE OFFICER BOVA-HIATT: And I
8 can confirm that the signage is complete.

9 CHIEF COMPLIANCE OFFICER GREENBURG: Good.

10 COUNCIL MEMBER RIVERA: Thank you to the
11 Chairs. You have a procurement ethics policy, which
12 all the staff must acknowledge. I hope the
13 repercussions of violating that policy is also clear.
14 Thank you for the time.

15 CO-CHAIRPERSON BANKS: Council Member
16 Stevens.

17 COUNCIL MEMBER STEVENS: Good afternoon.
18 Thank you to the Chairs for this really important
19 hearing, and I just have a couple of questions and
20 just starting with thinking about I know we've taken
21 recommendations from DOI about what we need to do to
22 fix the corruptions, but I haven't heard anything
23 about how you've engaged residents to see and get
24 their input as well. I would love to hear what that
25 process would look like and how you're using NYCHA

1 leadership, the TA leaders, to be a part of this
2 process and why weren't they a part of the process if
3 they weren't before.
4

5 CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank
6 you so much for that question. I can tell you that we
7 all routinely speak to TA leaders and resident
8 advisors. The day that this happened on February 6th,
9 myself and our Chief Operating Officer, Eva Trimble,
10 sent out a letter both to our staff as well as our
11 residents. We also had our EVP for Resident
12 Engagement call each of the TA leaders to speak to
13 them about it. I personally called several of them as
14 well. Of course, when they have something to share
15 with us, we engage with them. I think some of them
16 were just as surprised as we were, but we will
17 continue to speak with them. We have regularly
18 scheduled calls with both the CCOP and other TA
19 leaders.

20 COUNCIL MEMBER STEVENS: Again, that's
21 nice, and I know you speak with them often, but
22 that's part of the issue, right, because you're
23 talking to them, but you have recommendations, but
24 where are their recommendations, right? These are
25 people who are living there who are actually directly

1 affected and so part of the issue is they should be
2 part of this conversation around like when we're
3 talking about these recommendations and maybe
4 thinking about how we implement. I know there was
5 some talks about like pictures and things like that,
6 but how are we making sure we're doing 360
7 evaluations of the work that's being done and having
8 them be included, and I think that that is a layer
9 that we are missing in this process. We're talking
10 about it because, like I said before, I think that it
11 is important to have accountability, but in these
12 moments, we often overcorrect and we make the process
13 longer. Even in this conversation, residents are
14 missing from it, and so I'm really concerned that
15 they're not people also making recommendation and I
16 would have loved to hear, you just listed what, like
17 15 recommendations. Not one of them was from a
18 resident so that needs to be a part of the
19 conversation so as we are going through this process,
20 not only telling them what the recommendations are,
21 because I know that's a lot what we do in the city,
22 we tell folks but having real input and them being
23 part of the process to help alleviate some of this
24 moving forward. I think it's going to be really
25

1 important. Could you talk to me a little bit about
2 what you guys are doing to really restore the trust
3 in residents? As you guys know, NYCHA residents, this
4 is just adding on to the list of reasons why they are
5 always upset, right, and really, what does the
6 outreach look like to restore the trust, especially
7 with the superintendents. These were people who were
8 there day in, day out, and so this has broken a level
9 of trust so what are you guys doing to also help
10 repair that trust with residents in HR? Thank you.

12 CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank
13 you for that question. I don't know, Dan, do you want
14 to talk? We've all gone out to developments, spoken
15 both to the staff who were equally affected as well
16 as the residents who some of them just couldn't
17 believe what they were hearing, but we continue to
18 have a dialogue with them.

19 Dan, I don't know if you want to speak to
20 what we do as well.

21 EXECUTIVE VICE PRESIDENT GREENE: Yeah, I
22 struggle with it every single day because you're
23 right, the residents have a lot of reasons to be
24 frustrated with us still. I think what I can say is
25 the solution to that is getting the work done and

1 getting it done well and communication. I agree with
2 you 100 percent. I speak with TA association
3 presidents every single day pretty much throughout
4 this city, and they want to see, number one, their
5 work done for the issues that they care about, and
6 they also want to see it done in a timely fashion. As
7 you noted broken doors, one of the top complaints.
8 Super frustrating that that we have a broken door,
9 and it takes so long to get a vendor out to repair
10 it.
11

12 COUNCIL MEMBER STEVENS: I literally just
13 had a TA email me about a broken door right now.

14 EXECUTIVE VICE PRESIDENT GREENE: Yeah. I
15 probably have a hundred of those emails in my email
16 inbox right now, and we have to do better with our
17 vendors, and our vendors have to be accountable. Not
18 just on things such as corruption but also on time of
19 services. We shouldn't have door vendors have to
20 delay trips out to our developments to lobby doors
21 fixed so we need to provide more time-sensitive
22 service, but I agree with you. We also need to talk
23 with them about ideas for vendors. I know that we've
24 talked about some type of survey for quality of work,
25 particularly on things like painting or plastering

1 where they might be doing work in the apartment to
2 make sure, tiling is another area that we need to
3 consider, but I think we have started to achieve some
4 programs that are, I run the lead abatement program,
5 we've relocated now over 4,000 residents to hotels,
6 we're getting work done on their apartment, and
7 though not every resident has been happy, I do think
8 that we've listened about how we're scoping that
9 program, how we're making it on the residents'
10 schedule, and programs such as that are I think are
11 going to lead to hopefully better resident feedback
12 and better resident experience overall.

14 COUNCIL MEMBER STEVENS: Just really
15 quickly. I have another question. Are you guys using
16 like a newsletter? Do you guys like have a newsletter
17 infrastructure or something that you're sending out
18 to residents? And if so, how often are you sending it
19 out? Because I'm literally getting texts right now
20 about that and so just trying to get a better
21 understanding of what that would look like as far as
22 like do you do call blasts or newsletters for updates
23 and things like that with your residents in NYCHA
24 currently?

1
2 CHIEF COMPLIANCE OFFICER GREENBURG: With
3 the resident association specifically?

4 COUNCIL MEMBER STEVENS: No. Just
5 residents in general.

6 EXECUTIVE VICE PRESIDENT GREENE: There's
7 sometimes people think maybe too much communication
8 from NYCHA to residents on certain issues so we have
9 our robocalls is one of the areas that people maybe
10 get a little bit annoyed at but, no, I think on
11 critical issues, but I would say there's a lot of
12 different layers of communication through our
13 engagement department from meetings such as the
14 meeting that Chair Banks and I were at about a few
15 weeks ago about Legionella to come to the TA
16 meetings, to doing special meetings, to updating them
17 regularly by phone. We make sure that our
18 neighborhood administrators are checking in with our
19 tenant association presidents very frequently to make
20 sure that they are updated on any sort of recent
21 development at NYCHA but also any needs that they
22 have, and then also, I think just through our
23 continuous resident outreach. We are doing a lot of
24 that, but we could always get more word out there. We

1
2 can always do a better job to make sure everybody's
3 informed on what's going on at NYCHA.

4 CHIEF EXECUTIVE OFFICER BOVA-HIATT: And I
5 just want to add that are (INAUDIBLE) unit does send
6 out a weekly newsletter and they also meet with the
7 CCOP every Thursday.

8 COUNCIL MEMBER STEVENS: Just thinking
9 about as we're talking about the recommendations,
10 even the ones that you just listed here, maybe
11 sending them out in this weekly newsletter to get
12 feedback from residents could be a start to also have
13 a line of communication of what we can do, but like I
14 said, I just want to stress that the importance of
15 making sure that we're not only listening to DOI, but
16 we're also listening to the residents because I say
17 it all the time, the people closest to the issues are
18 probably the one with the solutions, and so making
19 sure that they are valued and a part of the
20 discussion moving forward about any recommendations
21 and not just telling them what we're going to do but
22 actually getting their feedback and input and
23 listening and taking it and implementing it. Thank
24 you.

1
2 CO-CHAIRPERSON BANKS: Thank you, Council
3 Member Stevens. Council Member Bottcher.

4 COUNCIL MEMBER BOTTCHEER: Hi. Can you
5 explain how NYCHA evaluates the job performance of
6 supers, property managers, and assistant supers in
7 the campuses?

8 CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank
9 you, Council Member. We actually addressed that
10 earlier with Chair Brewer, but Dan Greene can go over
11 the challenges with us doing that again.

12 EXECUTIVE VICE PRESIDENT GREENE: Right
13 now, like when a super is first assigned, there'll be
14 a probationary period where they can be evaluated
15 during that probationary period, but it's a very
16 short time. It's like a year to evaluate them.
17 Unfortunately, if a super gets into that role, or
18 fortunately or unfortunately depending on the person,
19 there's not too much of an evaluation process after
20 that. We do have to rely on our disciplinary process,
21 which we can issue memos called instructional memos.
22 Those can be escalated to something called a
23 counseling memo which are like very-issue specific.
24 If, for example, if you didn't follow a procurement
25 policy, you could get a counseling memo and that

1 would go into your file. If you get enough counseling
2 memos, that would then go to what they call a local
3 hearing, which is a hearing administered by the
4 boroughs or, if it's a serious infraction, we will
5 pursue a general trial, which you can get suspension
6 or termination or demotion through the general trial,
7 but the civil service laws make discipline at NYCHA
8 very challenging and some of the agreements about
9 employee valuation, whether it be with the unions or
10 through the civil service, have also made it very
11 challenging. I, again, really, in my role as
12 overseeing property management, I really want to have
13 the ability to evaluate because we hear really
14 negative feedback also from residents who have very
15 negative experiences in our property management
16 offices, and that's not acceptable so I really look
17 forward to a day when we can have more rigid
18 evaluation system on a frequent basis for our
19 superintendents, assistant superintendents, and
20 property managers.

21
22 COUNCIL MEMBER BOTTCHEER: Are you pursuing
23 some kind of more rigid evaluation system because I
24 think my Colleagues could share similar experiences,
25 and I don't want to overgeneralize with every

1
2 property manager, but the experience we have when we
3 go to a property manager at NYCHA with issues and the
4 experience we have when we go to a superintendent in
5 a privately operated building, they're often very
6 different.

7 EXECUTIVE VICE PRESIDENT GREENE: I think
8 many of our property managers are excellent, and many
9 of our superintendents are excellent. Unfortunately,
10 some are not, and I agree with you that we need a
11 structured system to be able to evaluate them better.
12 I ask for that as a manager, but I would also say a
13 lot of the work that we've been doing at NYCHA over
14 the past few years is updating NYCHA. NYCHA really
15 needs an update overall and it's procurement
16 policies, it's environmental policies, another area
17 is on employee oversight because for example, when I
18 was at work for the City at other agencies, I got
19 evaluated twice per year and I was like, in a
20 different kind of job, but that kind of dialogue with
21 an employee currently does not exist, but I think it
22 needs to.

23 CHIEF EXECUTIVE OFFICER BOVA-HIATT: And,
24 Council Member, to the extent that you have an issue
25

1 with a property manager or super, please let us know
2 so that we can address it

3
4 Chair Banks, I just want to correct
5 something that I had said earlier with respect to our
6 current vacancies. Chair Brewer, I had said that we
7 currently had 15 vacancies for property managers.
8 Actually, the numbers were updated this morning, and
9 we currently have eight vacancies, and with respect
10 to superintendents, I had said we had eight
11 vacancies. We actually have nine vacancies.

12 CO-CHAIRPERSON BANKS: Okay. Are there any
13 other Members?

14 Chair Brewer, do you have any other
15 questions?

16 CO-CHAIRPERSON BREWER: One quick
17 question. Following up to Council Member Bottcher's
18 question. The fact is that you want more supervision.
19 Is that something that is contractual? Can it be done
20 just with an executive order? How do you get more
21 supervision?

22 CHIEF COMPLIANCE OFFICER GREENBURG:
23 Collective bargaining.

24 CO-CHAIRPERSON BREWER: It is collective
25 bargaining. That's what I wanted to know. So all of

1 the positions that you're talking about are
2 collectively bargained so you'd have to do it that
3 way. When is the next contract up?

4
5 CHIEF COMPLIANCE OFFICER GREENBURG: We'll
6 have to get back to you on that one.

7 CO-CHAIRPERSON BREWER: All right. Thank
8 you. How many referrals have you forwarded to DOI?
9 That's the final question.

10 CHIEF COMPLIANCE OFFICER GREENBURG: I
11 don't know if we have the exact number of referrals.
12 We are in communication with them all the time on
13 this program and others so I'm not sure we have the
14 exact number for you. We'll have to get back to you.

15 CO-CHAIRPERSON BREWER: Thank you.

16 CHIEF EXECUTIVE OFFICER BOVA-HIATT: I
17 just want to make an additional correction that the
18 CCOP meeting is once a week on Thursdays, but the
19 newsletter that (INAUDIBLE) sends out is monthly, not
20 weekly.

21 CO-CHAIRPERSON BANKS: Thank you. Are
22 there any rules surrounding contractors which are
23 owned by or employee or retired or past NYCHA
24 employees? Any rules that surround contractors as far
25

1 as which are owned by an employee or a retired
2 employee or past NYCHA employee.
3

4 CHIEF EXECUTIVE OFFICER BOVA-HIATT: I
5 don't have that information in front of me. I believe
6 that they would have to go to COIB to get a waiver,
7 but I don't want to misspeak so we can get back to
8 you on that.

9 CO-CHAIRPERSON BANKS: How do you verify
10 the contract or the vendor, if they have any
11 ownership or interests. What does a vetting process
12 look like?

13 CHIEF EXECUTIVE OFFICER BOVA-HIATT: I
14 will turn that over to our Chief Procurement Officer
15 for that answer.

16 CHIEF PROCUREMENT OFFICER PANEQUE: Given
17 the recommendations from DOI, this will be changing.
18 A part of the vendor integrity process will also
19 include any sort of ownership requirements, corporate
20 structure, related parties, and things of that
21 nature. At the micro level, basically anybody doing
22 business with NYCHA, but prior to that, that's part
23 of the VNC process, the vendor name check, PASSPort
24 process. You submit a PASSPort filing and with that
25 PASSPort filing, you're required to disclose your

1 certifications and representations as far as how
2 you're structured, related parties, related
3 companies, and what have you and then that goes
4 forward and DOI then does a vendor name check and
5 then provides us with a memo to anything that may be
6 of discriminatory nature.
7

8 CO-CHAIRPERSON BANKS: Okay, and what type
9 of trainings are done for the property managers, the
10 superintendents, and the assistant superintendents on
11 how they manage the micro purchase contracts?

12 CHIEF PROCUREMENT OFFICER PANEQUE:
13 There's a number of different trainings within our
14 Oracle system and our website, things that we've
15 developed over the last couple of years, and then
16 again with respect to our ethics policy and our Dun
17 and Bradstreet policy and a tool, we have a training
18 that we developed. We initiated that in November of
19 '22, and now we will be implementing that within our
20 learning management system as a result of the DOI
21 recommendation.

22 CO-CHAIRPERSON BANKS: All right. Thank
23 you. In 2024, the budget plan for NYCHA includes
24 reducing central office costs and head counts in
25 order to control the course of NYCHA's ongoing

1
2 operating deficit. DOI's recommendation appears to
3 require a new centralized unit. What's the cost
4 estimated for that unit and is it funded by NYCHA's
5 budget?

6 CHIEF EXECUTIVE OFFICER BOVA-HIATT: We
7 haven't finalized the staffing yet, but the model
8 that we're currently looking at is going to cost
9 about 6.1 million dollars.

10 CO-CHAIRPERSON BANKS: Okay. If there are
11 no other questions, this will be my last question.
12 What additional resources, if any, does NYCHA need
13 from the City Council or Administration to implement
14 enhanced fraud prevention measures in its micro
15 purchase contracting process?

16 CHIEF EXECUTIVE OFFICER BOVA-HIATT: We
17 really appreciate your partnership. We'll be coming
18 back in I guess two weeks to talk about our
19 preliminary budget so we can have a more robust
20 answer then, but with any change like this that we
21 need to implement, we certainly need the support of
22 our Council Members, obviously the Public Advocate,
23 and also DOI. We need to be collaborative. We need to
24 make sure that any bad actors are rooted out. I've
25

1 been a lifelong public servant. What happened here
2 can't happen again. Thank you.

3
4 CO-CHAIRPERSON BANKS: All right. I guess
5 this will be my last question. The U.S. Attorney
6 categorized the culture of corruption that enabled
7 these alleged actions. Beyond improving the
8 contracting process, what steps can NYCHA take to
9 reform its organizational culture and win back the
10 trust of the residents because the residents have
11 been scorned behind this, and we need some
12 fundamental steps moving forward to bring back that
13 trust, so what organizational reforms are being done.

14 CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank
15 you so much for that question, and I think it's a
16 perfect question to end the hearing. We've been under
17 a federal monitor since 2019, and our transformation
18 plan focuses on achieving compliance through a
19 culture of service. We have really tried to focus on
20 training. We have an amazing new morning muster
21 project that gets people at the developments, people
22 who don't normally have access to computers. We have
23 an operations leadership institute where we're using
24 former supers, assistant supers, and property
25 managers who have retired to teach best practices to

1 individuals who are coming into these jobs. We have a
2 coaching and mentoring leadership academy and
3 continued communications to make sure that we are
4 sending a message down from the top that these
5 historical bad actors need to be rooted out and we
6 need to promote a culture of compliance,
7 collaboration, and ethics.

8
9 CO-CHAIRPERSON BANKS: Thank you for your
10 testimonies.

11 CHIEF EXECUTIVE OFFICER BOVA-HIATT: Thank
12 you so much.

13 CO-CHAIRPERSON BANKS: Now we're going to
14 move to our public panel.

15 COMMITTEE COUNSEL MEALEY: We will now
16 move on to public testimony. For those wishing to
17 testify in person, if you have not done so, please
18 see the Sergeant-at-Arms in the back of the room and
19 fill out a testimony slip.

20 For those wishing to testify and who are
21 on Zoom, after the in-person testimony, we will move
22 on to virtual testimony.

23 For those on Zoom, you will be called,
24 and a prompt to unmute yourself will appear on your
25 computer. If you are on Zoom and you do not receive a

1
2 prompt when your name is called, you can use the
3 raise hand function and we will call on you, but we
4 will begin by in-person testimony.

5 As I call the names, if you could come
6 forward to the table in front.

7 Alixa Creiz and Celina Miranda.

8 I'll call up the remaining three in-
9 person folks. If you can come up to the table. Renee
10 Keitt, Joel Kupferman, and Christopher Leon Johnson.

11 ALIXA CREIZ: Hi. My name is Alixa. I'm a
12 NYCHA resident, and I've been in NYCHA since 1969,
13 and I've been under Section 9, and it's just going to
14 take these private developers off our backs, with all
15 this stuff that's being resolved with the 70
16 employees that took the money, and do I get answers
17 on my district manager from District 3, which I don't
18 want to mention his name, and he was present here, he
19 doesn't answer a lot of things that I would like to
20 know about NYCHA, and I want NYCHA to be saved as
21 Section 9, because it's security, because the private
22 developers, it only lasts 20 years on a contract and
23 after 20 years people are out of the apartments and
24 there's no protection with NYCHA. Thank you.

1
2 CO-CHAIRPERSON BANKS: Thank you for your
3 testimony.

4 Go ahead, ma'am.

5 CELINA MIRANDA: I'm Celina Miranda. I
6 live in a development that's in danger of being
7 demolished in the Elliott Chelsea houses. Public
8 housing has always been linked to NYCHA. We don't
9 need NYCHA managing us to still be public housing.
10 These fraudulent practices that NYCHA have been
11 committing is not a reason to privatize. Public
12 housing was made with a purpose to prevent
13 homelessness and to house the lowest of income
14 earners. These affordable housing developments have
15 an income bracket that tenants need to meet. The
16 lowest of income earners will not qualify to live
17 under many of these RAD conversions. The only true
18 affordable housing there is is public housing. Let's
19 hold NYCHA accountable. The NYCHA employees at the
20 lower level are the ones getting arrested, but many
21 have known for years that these practices have been
22 taking place. Why has it been allowed to go on for so
23 long, and why are they getting exposed now? Who's
24 supposed to be overseeing the NYCHA employees that
25 got arrested? It's true. It's time we start holding

1
2 accountable the Lisa Bova-Hiatts and the Barbara
3 Brancaccios of NYCHA. They are using these arrests to
4 justify privatization. No, just follow through on
5 your job function, and NYCHA can run smoothly as it's
6 supposed to. Many NYCHA tenants are not getting the
7 work orders from their apartment fixed. The major
8 problems such as leaks and mold, but a simple fixture
9 such as changing a light bulb gets done, and the
10 vendor gets paid over 700 for the changing of one
11 light bulb. The funding is available, but our NYCHA
12 buildings are being systematically allowed to get run
13 down. The physical needs analysis of our NYCHA
14 buildings is skyrocketing high to rehabilitate the
15 NYCHA buildings but if they are using the fraudulent
16 cost of changing a lightbulb, then the PNA is a
17 miscalculation and needs to be revised. The Fulton,
18 Elliott and Chelsea Houses...

19 CO-CHAIRPERSON BANKS: Finish your
20 statement.

21 CELINA MIRANDA: The Fulton, Elliot and
22 Chelsea houses are at risk of being demolished based
23 on lies and deceptive tactics. Our buildings are not
24 deteriorating. Yes, we do need maintenance, but our
25 buildings are harder than brick itself. It would be a

1
2 crime to demolish. The new buildings built today are
3 made with cheap materials. You have tenants outside
4 of NYCHA paying 4,000 dollars or more in those
5 affordable housing units, but those same tenants are
6 not the priority. It's all for profit. Let's not get
7 rid of our retro and well-built buildings. The
8 related company buildings have tenants who stay for
9 an estimate of two years. They realize that they are
10 getting jibbed. They move and pay the same and live
11 better elsewhere.

12 CO-CHAIRPERSON BANKS: Keep going.

13 CELINA MIRANDA: Getting demolished is a
14 violation of the 2019 Working Group findings. It was
15 decided that not one of our Chelsea NYCHA buildings
16 would be demolished, but once they decided to
17 demolish, the Working Group Findings was crumbled
18 into a ball and tossed in the garbage. It's useless
19 at this point and no longer have any validity. In
20 truth, it never had any validity. It was never a
21 legal binding document. Neither is the survey which
22 they are using to justify demolition. Six tenants
23 from Fulton and six tenants from the Elliott Chelsea
24 was involved in the decision making to be converted
25 into RAD. The rest of the community have not been

1 educated in the process. They do not know the
2 difference between Section 9 and Section 8. FEC
3 tenants started to lose trust in NYCHA ever since
4 they started to sell us out to private developers.
5 You want to gain our trust? Stop demolition, stop
6 privatization, and have NYCHA meet up to their
7 standard. Many elected officials are also involved in
8 the fraudulent practices. Many need to be
9 investigated and exposed. Please help us. No
10 demolition, no privatization. Hold all of NYCHA
11 accountable, and let's replace NYCHA employees with
12 people who actually care about the tenants.
13

14 Also, Chris Banks, please reply to our
15 email. We sent you an email, FEC Stop Demolition.

16 CO-CHAIRPERSON BANKS: Thank you very much
17 for your testimony. Next.

18 JOEL KUPFERMAN: Joel Kupferman,
19 Environmental Justice Initiative. Thank you for being
20 here. I've been at NYCHA hearings the last two, three
21 years, and it sort of annoys me that I would say that
22 collectively we're all guilty of not making things
23 change. Things have gotten worse. I'm really
24 concerned about the environmental conditions. I'm
25 counsel to Alfred Smith Houses and work with RPPH,

1 Residents for Preserved Public Housing. I've
2 contacted agencies for years, including DOI, the
3 Federal Monitor, City Health Department, and DEP, but
4 now NYCHA has forbidden me to speak to the contractor
5 that's dealing with Smith with a lot of these
6 problems that we're talking about are happening so
7 complaints have fallen upon deaf ears. A collective
8 nonresponse, which serves as an alibi for people's
9 actions. Good contractors, I think it's important for
10 you to know, have avoided working for NYCHA, calling
11 it unfair competition. At Smith, we have a contractor
12 that wants to do good work and they're being silenced
13 so part of the problem, it's not just a few bad
14 contracts and a few people getting extra money, we're
15 pushing out the bad, and it's just basically the word
16 on the street is that you could follow the bad stuff,
17 little contractors and big contractors, go to NYCHA,
18 and you're there. Poor construction and renovation is
19 not just a financial burden but a serious health
20 burden. Asbestos, lead, (INAUDIBLE), and sewage is
21 hitting people now. We showed that in COVID, and
22 COVID's coming back with increased exposure to dust
23 chronic exposure, and that's what all these NYCHA
24 residents are getting, leads to a major increase in
25

1 COVID death so there's a health problem here, and
2 part of the solution is there's federal and state
3 agencies that should be called in, that have money to
4 help, and NYCHA doesn't want to hear from them. All
5 right? Disregard for health and safety measures. We
6 put in over and over again. We've caught monitors
7 asleep away from the thing. This is a 300-dollar air
8 monitor that measures better than the monitors that's
9 there. These should be outfitted to residents when
10 they're doing any type of construction work to make a
11 solid record of what's happening.

12
13 CO-CHAIRPERSON BANKS: Please wrap up your
14 statement.

15 JOEL KUPFERMAN: Excuse me?

16 CO-CHAIRPERSON BANKS: Please wrap up your
17 testimony.

18 JOEL KUPFERMAN: Okay, so part of the
19 problem is on the inside is cutting into asbestos and
20 lead walls. There's a bad actor policy that the City
21 has that has been invoked, that we used against the
22 bad pesticide spraying. The City ripped up an eight-
23 million-dollar contract over two or three OSHA
24 violations. That is one way to clean up NYCHA. OSHA
25 has a program called Strategic Partner Participation

1
2 where they come in and do a complete evaluation of
3 all the work practices which would help all the
4 residents there for preventing any exposure to the
5 workers or whatever. We asked Dan Greene who
6 testified here, first they said yes, then they
7 limited it to Smith, and then they rejected it.
8 That's one way that overnight you could have the
9 federal government come in and tell you all the bad
10 working conditions that are on, a free evaluation and
11 recommendations with a temporary waiver of any fines.
12 That's the questions you should be asking. Why are
13 they turning down help from outside agencies and not
14 just talking? Tenant participation. Part of the
15 problem is when people call up to complain, they call
16 up 3-1-1. Right now, those calls are being diverted
17 to NYCHA. The City Health Department, DEP and all the
18 other agencies that should be involved, that mandated
19 by City Charter, are not even getting those
20 complaints so part of the problem is the City Council
21 is allowing these people to just be forced to talk to
22 the bad landlord and not to agencies that have the
23 mandate to do it. It's unconstitutional and just
24 totally unfair.

1
2 CO-CHAIRPERSON BANKS: All right, thank
3 you. Thank you for your testimony.

4 JOEL KUPFERMAN: I've been here the whole
5 day.

6 CO-CHAIRPERSON BANKS: We have to wrap it
7 up.

8 JOEL KUPFERMAN: Two more minutes? Okay.

9 CO-CHAIRPERSON BANKS: No, no, no. Ten
10 more seconds.

11 JOEL KUPFERMAN: Okay. You should have to
12 strengthen the whistleblower protection. Today I got
13 called by whistleblowers that work at NYCHA that are
14 complaining about work practices. Other
15 whistleblowers have left because they got hounded
16 out. You're listening to them, you should be
17 listening to people that have the inside news..

18 CO-CHAIRPERSON BANKS: Thank you, sir.
19 Thank you for your testimony. Next.

20 JOEL KUPFERMAN: Thank you.

21 CHRISTOPHER LEON JOHNSON: All right.
22 What's up? Hello, Chair Banks. My name is Christopher
23 Leon Johnson, and I want to make this clear about
24 this Committee hearing. This Committee hearing is
25 nothing but a smoke screen to what's really really

1 happening here, and I'm going to say this right now,
2 brother. You got voted in, you got elected through
3 Labor Strong 2023, and the biggest union part of that
4 is the carpenters. Now the carpenters, they're behind
5 the RAD PACT situation because if you knock the
6 buildings down, they're able to build it back up. The
7 carpenters got you elected over Charles Barron and
8 Jamilah Rose. Now, the question people need to start
9 asking you as the Chair, can you be trusted in
10 helping the people here save their apartments at
11 Fulton Chelsea because it's hard to trust you as the
12 Chair of this Committee and as a Council Member when
13 you are down with the carpenters who are one of the
14 biggest unions that are pushing for RAD PACT.

15
16 Now, what recently happened with the 70
17 arrests, that was nothing but a publicity stunt. That
18 was nothing but publicity. Those are low-level
19 employees of the NYCHA who got arrested. What they
20 need to start doing is arresting the big people on
21 top, starting back with this lady right behind me,
22 the CEO of NYCHA, who need to be arrested with them
23 because she's part of the problem. She's a big part
24 of the problem. They want NYCHA to be eradicated
25 because it's an anchor to the City of Yes. All this

1
2 is about is the City of Yes. All you Council Members
3 are down with RAD and PACT. All you guys are down
4 with the Blueprint. All you guys are down with the
5 displacement of the people of NYCHA so you can
6 appease these YIMBYs and Open New York For All and
7 Transportation Alternatives and Open Plans and Dan
8 Garodnick and the Mayor Eric Adam.

9 CO-CHAIRPERSON BANKS: Thank you for your
10 testimony.

11 CHRISTOPHER LEON JOHNSON: Wait. You let
12 them speak for three, five minutes. Why can't I speak
13 for five minutes?

14 CO-CHAIRPERSON BANKS: Thank you for your
15 testimony.

16 CHRISTOPHER LEON JOHNSON: Wait. One more
17 thing.

18 CO-CHAIRPERSON BANKS: Thank you for your
19 testimony.

20 RENEE KEITT: I reside in the Elliott
21 Houses. Thank you for this oversight hearing. The New
22 York City Housing Authority, the largest public
23 housing authority in the nation, was established to
24 provide decent affordable housing for low- and
25 moderate-income New Yorkers alongside with a

1 workforce development program. It was founded on the
2 recognition that private developers wouldn't address
3 the urgent need for housing. The primary partnership
4 lies between NYCHA and its residents, and when I say
5 residents, I mean the thousands of residents, not
6 just the Resident Association leaders. Introducing
7 additional bureaucratic leaders is not a solution,
8 PACT RAD is not the solution, the Preservation Trust
9 is not a solution, and demolition is not a viable
10 solution. Currently, 18 percent of NYCHA's staff are
11 public housing residents. Embracing the circular
12 economy is crucial. NYCHA once had skilled trades to
13 handle the work, but outsourcing leads to resourcing
14 (INAUDIBLE) NYCHA. At one time, NYCHA had skilled
15 trades to do the work. Union jobs translate into
16 higher income, meaning higher rents, meaning the
17 money just goes back from whence it came. The most
18 important part is accountability. Without that,
19 nothing else matters. They need to be made
20 accountable for the decisions they have made. That
21 needs to be worked on on a city, state, and federal
22 level. If that is not done, anything else is
23 meaningless.
24
25

1
2 CO-CHAIRPERSON BANKS: Thank you for your
3 testimony.

4 COMMITTEE COUNSEL MEALEY: Now we're going
5 to go to the virtual. For those on Zoom and wishing
6 to testify, I'll call your name and you'll be
7 prompted to unmute yourself. You can begin your
8 testimony as soon as you're unmuted.

9 The first person will be Aixia Torres.

10 AIXIA TORRES: Good afternoon. I
11 apologize. I heard that I was called early this
12 morning, but I was trying to do the Zoom versus in-
13 person for health reasons.

14 The problem that NYCHA has and will
15 continue to have is as long as they don't follow the
16 964, which is the regulations that means that we, the
17 residents, are supposed to be part of the process
18 from conception are totally excluded, right? I have
19 spent a lot of the resident participation funds
20 acquiring having an attorney so that our rights would
21 not be violated, and even though NYCHA has a legal
22 department, it doesn't mean that I feel comfortable
23 with that. I felt that we needed to have our own
24 attorney, and he spoke a little while ago on behalf
25 of some of the things that have happened. I'm going

1 to speak now, and I'm not going to talk long. Just
2 know that my anger is filled with grief. At least
3 once a month, I have to go to a funeral for a
4 resident who's dying of 9/11 cancer, and even though
5 we have voiced our concerns, which is why Joel is our
6 attorney, and I will be indebted to him forever, it
7 is really, really, really hard when we've been
8 ignored, right, about the situation, and I'm just
9 going to talk as the President of Alfred E. Smith. I
10 am now one of the plaintiffs for the congestion. I am
11 now one of plaintiffs on Beth Israel on behalf of my
12 residents. It is incredible that when we have
13 complained, so what happened last week and
14 everybody's innocent until proven guilty, right, and
15 I stand by that. (INAUDIBLE)

17 SERGEANT-AT-ARMS: Thank you so much. Your
18 time has expired.

19 AIXIA TORRES: Can I finish because
20 everybody else was allowed to talk and I'm gonna
21 finish real quick.

22 CO-CHAIRPERSON BANKS: Yes, ma'am. You can
23 just wrap it up. You can get another minute.

24 AIXIA TORRES: Thank you. Thank you. Is
25 that we need to make sure that the residents are

1 really spoken to, and part of the problem with these
2 vendors and things like that, and I'm saying this
3 because I've asked who do I complain to when there's
4 a vendor that I need to throw out of my development
5 who's not doing the right job, who I don't want him
6 to get paid, right, to the point that I had to get an
7 attorney so that certain things would get done, not
8 cut my trees off because it was easier for them
9 instead of protecting them, which the trees help all
10 the residents in my development who have serious lung
11 disease or some kind of cancer to be able to breathe
12 fresh air, right, and no, that doesn't happen, and so
13 until the residents sign off and check off what needs
14 to be done, who better than us to assess if the job
15 is well done than the residents. We're the ones who
16 are living and all of the consequences, right, that
17 have happened because unfortunately, as the chair of
18 Manhattan South, I had three to four developments
19 that were affected by what happened. I have serious
20 concerns for the resident leaders and, for the record
21 very quickly, one of the resident leaders was
22 complaining constantly. I moved it up and yes, it was
23 moved up further, but I'm just saying we know what's
24 going on in our developments. We know what it is to
25

1 live with quality and without quality, and right now
2 most of us are living, and we're taxpayers, we pay
3 rent, we pay mortgage rent, and trust you me, we're
4 not getting taxpayers' quality, and we are not
5 getting (INAUDIBLE)

6
7 CO-CHAIRPERSON BANKS: Thank you, Miss
8 Torres.

9 AIXIA TORRES: Thank you for your time.
10 Thank you.

11 CO-CHAIRPERSON BANKS: Thank you for your
12 testimony.

13 COMMITTEE COUNSEL MEALEY: As a reminder,
14 everyone who is testifying today, both in person and
15 on Zoom, is encouraged to submit written testimony
16 via email at testimony@council.nyc.gov or through the
17 Council website.

18 The next person on virtual will be Miss
19 Dana Elden.

20 SERGEANT-AT-ARMS: Starting time.

21 DANA ELDEN: Thank you. Good afternoon,
22 Council Chair Banks and the Council Committee Members
23 and all in attendance. I'm the resident and council
24 president for St. Mary's Park Houses. I sit on the
25 South Bronx Executive Board as well as being an

1 executive board member of Residents to Preserve
2 Public Housing. In the five years in which I have
3 served in my position here at St. Mary's Park Houses,
4 I have questioned the necessities of certain
5 purchases that only create a more pleasant and new
6 look and or added to the appearance of the
7 developments in buildings look. I'm sure that
8 including the residents' council's input would not be
9 accepted. However, it is my opinion that when council
10 leaders speak on the work that is going to be done or
11 already has been done that we be advised of the
12 vendor on any information that would warn us of
13 incomplete work or shoddy work that many council
14 leaders have spoken about. It's already bad enough to
15 council leaders are not advised of our budgets by
16 management. They keep the information secret and, no
17 matter times we request that information, it is not
18 obtained. I've been waiting for four years for that
19 information. I have observed in many of my residents'
20 apartments work that did not appear to be sufficient
21 in the quality of work and materials used. I do
22 understand that vendors being used have been vetted
23 and on a listing. However, I find that difficult to
24 accept, such as like many other developments, the
25

1 aluminum base lobby doors. After attending a board
2 meeting of NYCHA and hearing the amount of money that
3 was paid towards such vendors, I was appalled that
4 after a year's time, some of those bills paid were in
5 excess of millions of dollars. These aluminum doors
6 are constantly being fixed due to vandalism and
7 extensive wear so NYCHA continues to use these
8 vendors without the consideration of the money spent
9 or the constant repairs that are necessary. The City
10 newsletter cited 4,875 dollars for the replacement of
11 a door to the compact room. That is ridiculous.

12
13 SERGEANT-AT-ARMS: Thank you so much. Your
14 time has expired.

15 DANA ELDEN: (INAUDIBLE) paid by NYCHA for
16 such.

17 CO-CHAIRPERSON BANKS: You can finish your
18 statement.

19 DANA ELDEN: Such as LED light bulb
20 replacement costing 4,250 dollars and 325 dollars per
21 rubber threads on 15 steps. These charges are
22 unacceptable and rob of residents of NYCHA getting
23 more important jobs done. I currently have a resident
24 who will be 80 years old in April. She has not had a
25 working radiator in her living room since November

1
2 2023. Repeatedly, she is told to be patient due to
3 the purchases of wrong items to fix this problem. She
4 is forced to keep a bucket now in that location,
5 which fills up with rusty water. She lives on the
6 21st floor, the top floor, so she continues to have
7 leaks from the roof and now her heating system. It is
8 important to my council that this situation is
9 remedied as soon as possible due to the litter that
10 is spilled behind the scaffolding necessary as we
11 approach construction to replace our 58-year-old old
12 roofs. I'm told that for the two locations of our
13 development, we are paying 8,000 dollars per location
14 for a cleaning service to pick up trash at the
15 development location. Sending 185 notices to the
16 entire development is not the answer to littering,
17 and right now I have lobbies that are dripping water
18 around light fixtures. My last, I dare to say that a
19 centralized location where these contractors are
20 vetted and the micro purchases are reviewed are part
21 of a failed system that has failed the residents of
22 public housing. Also, the current system regarding
23 the skilled trade usages is ridiculous as residents
24 are made to wait months in order to get cabinets,
25 plastering, paint jobs, mold removal. Just today, a

1 disabled senior sent me a video of her apartment that
2 most of her kitchen items are all around her living
3 room due to the lack of cabinets that have not been
4 replaced. She is now forced to wait for plaster that
5 has not been scheduled yet in order for the remainder
6 of her cabinets to replace. As she stated, she has
7 waited three years.

9 CO-CHAIRPERSON BANKS: Can you wrap up,
10 ma'am?

11 DANA ELDEN: Last part.

12 CO-CHAIRPERSON BANKS: Thank you.

13 DANA ELDEN: My last paragraph.

14 CO-CHAIRPERSON BANKS: Yes.

15 DANA ELDEN: Therefore, my concern after
16 reading the recommendations of the DOI, it is
17 frightening to think that residents will have to wait
18 for years for necessary work to be done. The quality-
19 of-life issues that residents are facing is already
20 disgraceful. Please continue to examine all of the
21 expenditures of NYCHA but also I ask that you listen
22 to the active resident leaders who see the lack of
23 concern and the frivolous and sometimes shoddy work
24 being done by vendors in micro contracts that
25 continue to milk the money from NYCHA and force the

1 residents to wait for quality-of-life services. Thank
2 you for allowing me this opportunity.

3
4 CO-CHAIRPERSON BANKS: Thank you for your
5 testimony.

6 COMMITTEE COUNSEL MEALEY: The next person
7 on Zoom will be Eleanor Carter.

8 SERGEANT-AT-ARMS: Starting time.

9 COMMITTEE COUNSEL MEALEY: Ms. Carter, you
10 can begin.

11 SERGEANT-AT-ARMS: Starting time.

12 CO-CHAIRPERSON BANKS: Ms. Carter, you can
13 start your testimony.

14 COMMITTEE COUNSEL MEALEY: Ms. Carter,
15 we're having trouble hearing you so we're going to
16 move on to the next person, and we'll come back to
17 you. The next person testifying will be Jacqueline
18 Lara.

19 SERGEANT-AT-ARMS: Starting time.

20 JACQUELINE LARA: Hi, my name is
21 Jacqueline Lara. I am a 22-year Fulton resident and
22 I'm one of the developments that they want to
23 demolish. These buildings are excellent. I don't see
24 the reason why you have to demolish these buildings
25 and not only would it affect us, but it will affect

1 this whole community and we don't get any outreach
2 from our elective officials. These are elected
3 officials that I voted for that I care about, and
4 they're not representing us. NYCHA has so many
5 executives in this office that probably get paid more
6 than the president, and you're telling me that these
7 people got away with all this money being taken away.
8 I don't know how they didn't see this, but obviously,
9 you have to go after the big executives because I'm
10 sure everybody saw, they were just ignoring it, and
11 this is why maybe our buildings and apartments have
12 been neglected. I have the same cabinets for 22
13 years, and I fix them as best as I can because I put
14 in tickets over and over again for new things in this
15 apartment and the ticket has either been closed or
16 there's some reason why I never got new cabinets, but
17 that's fine. I really don't, that doesn't really
18 bother me. What bothers me is that we need to stop
19 this demolition because it's not necessary and a lot
20 of people will get affected with any kind of asthma
21 or any kind of breathing problems or the elderly or
22 the disabled so please help us stop this demolition.
23 To my elective officials, I love you guys and I vote
24 for you, but you got to back up the residents.
25

2 As far as newsletters, we never get
3 newsletters. That's a lie from that lady Bova,
4 whatever her name is. We never get newsletters. We
5 don't know what's going on in our developments, and
6 the only way we find out is when we go to Community
7 Board 4. That's how we find out what's going on in
8 our development because our elected leaders don't
9 tell us much either. Everybody's just lying and
10 taking baby steps around the residents.

11 That's all I want to say, and thank you
12 for listening guys.

13 CO-CHAIRPERSON BANKS: Thank you for your
14 testimony.

15 COMMITTEE COUNSEL MEALEY: The next person
16 called will be Karen Blondel.

17 SERGEANT-AT-ARMS: Starting time.

18 KAREN BLONDEL: Hi. This is Karen Blondel.
19 First of all, thank you, Chris Banks. This is my
20 first time meeting you virtually. You took over for
21 Council Member Alexa Avilés, who is our Council
22 Member, and I look forward to meeting you sooner
23 rather than later. I previously worked at NYCHA
24 because I wanted to know if the transformation plan
25 worked. It is working, but it does not cover this

1 area of oversight. I can say that when I became a
2 board member of the Trust, I did that to protect
3 residents like myself and to be on the inside to know
4 exactly what would be happening inside of the Trust.
5 Prior to the Trust, we only had RAD PACT. I was 100
6 percent against RAD PACT, but now, thinking about
7 this 700 light bulb, I believe that under RAD PACT
8 with private developers, they would never let anybody
9 charge them 700 for a light bulb so there are some
10 pros to RAD PACT, and there are some pros to the
11 preservation. I will say that when I found out the
12 Preservation Trust would be using the same NYCHA
13 employees, it took me about a month to get myself
14 together. Why? Because I think that there is a lot of
15 oversight needed. NYCHA is too big. It needs to be
16 broken down into smaller sections. Managers should be
17 held to task for most, but the things that I heard
18 DOI, those recommendations that DOI made in 2021.
19 It's 2024. Let's implement these now. We don't have
20 time to keep on coming back and forth to these
21 hearings. After this, the next thing we'll be talking
22 about is stolen air conditioners. Come on, y'all.
23 Let's get this together. We have to have confidence
24 as residents, as resident leaders which I am of the
25

1 Red Hook Houses and as a board member of the Trust
2 that we're going to turn this ship around because if
3 we don't have that confidence.
4

5 SERGEANT-AT-ARMS: Thank you so much. Your
6 time has expired.

7 KAREN BLONDEL: To fighting for nature or
8 becoming private, which is in a better shape at this
9 point than what's happening now at NYCHA
10 unfortunately. We need an audit on the ground to
11 figure out exactly what are the best ways to stay in
12 control over these emergency contracts. We're going
13 to need them. There's no way you can run something
14 this big across New York City and not have emergency
15 contracts.

16 CO-CHAIRPERSON BANKS: All right.

17 KAREN BLONDEL: But the manager shouldn't
18 be running around, doing court, doing this, doing
19 that. We should streamline what each manager is
20 doing, and then we should start holding people
21 accountable. I yield and thank you.

22 CO-CHAIRPERSON BANKS: Thank you, Miss
23 Blondel, and I'm looking forward to meeting you too.
24 Thank you. Thank you for your testimony.
25

1
2 COMMITTEE COUNSEL MEALEY: We'll move on
3 to more testimony, but first there is someone on the
4 Zoom who is under Caller One. If you wish to testify,
5 you'll need to rename yourself, and then we can call
6 you to testify.

7 The next person testifying will be Maria
8 Forbes.

9 SERGEANT-AT-ARMS: Starting time.

10 MARIA FORBES: Am I unmuted, sir?

11 COMMITTEE COUNSEL MEALEY: Yes, we can
12 hear you.

13 MARIA FORBES: I want to say, if you can
14 listen to this, the lawmakers, the politicians, the
15 Colombian drug lords, all you who lobby against
16 making drugs legal. Just let me use that as an
17 example because I want to say that the smoke screen.
18 Sir, I'm in a right now. The smoke screen of all of
19 this stealing is a reasonable doubt. The reasonable
20 doubt is that the law department tell you what they
21 can do to the employees, to what they can't do for
22 somebody. The unions are rewarding the bad employees,
23 and we are letting go the good employees. People have
24 lost their jobs as a result of what we say is
25 justifiable with NYCHA, the unions to whoever. They

1 tell us our 964 regs govern us. They don't govern us
2 because they don't govern you and they don't govern
3 the Housing Authority. The 964 regs, we sit at the
4 table, and I can take you to a bigger level because I
5 sit at the United Nations as the only president of
6 public housing, and I get over there and I see the
7 U.S. delegation tell me, oh, we going to call you
8 when we get back to the United States so then they
9 even said, oh, you know who Alexa is. Of course, I
10 know who Alexa is. She sat in the same seat that the
11 Chairman is sitting today, Richie Torres sat in that
12 seat, that I'm going to tell you that this needs to
13 be, the investigation is bigger than this, and even
14 if the Mayor stops allowing the unions to get away
15 what the unions have gotten away with, the
16 investigation right now need to be launched into the
17 caretakers, like they out every other day but nobody
18 won't launch, we can't do this, our hands is tied. I
19 spoke to the law department yesterday. I spoke to Dan
20 Greene yesterday. I spoke to the super and the
21 manager and blah, blah, blah to all of this.

22
23 CO-CHAIRPERSON BANKS: Wrap up your
24 statement.

25

1
2 MARIA FORBES: Where does someone be held
3 accountable? So we have to get rid of the bad to put
4 in the good, but something has to be done between all
5 of this, from the federal level down to City Council,
6 to everybody, because until investigations start from
7 the bottom and work their way to the top, or vice
8 versa down, we are in trouble. We will continue to
9 arrest some more people, and it's a shame that I've
10 seen this happen to us. It's a shame.

11 CO-CHAIRPERSON BANKS: Thank you for your
12 testimony.

13 COMMITTEE COUNSEL MEALEY: The next person
14 to testify will be Tevina Willis.

15 SERGEANT-AT-ARMS: Starting time.

16 TEVINA WILLIS: Hello. I'm Tevina Willis.
17 I'm a Red Hook resident. I've lived out here for 16
18 years, but I lived in public housing for over 40
19 years. I hope this investigation makes it clear to
20 everybody that the public housing residents are not
21 the problem behind the NYCHA issues. For years,
22 everyone made it seem like, oh the people that live
23 in NYCHA don't care about where they live at and this
24 is why this is happening. No, this is happening
25 largely due to the fact that people who are being

1
2 paid quite a bit decent salaries are basically
3 stealing from public housing. This gross negligent
4 overspending has gone on for decades. Several things
5 have always been overpaid for like your single burner
6 hot plates that are given to residents when there's a
7 gas outage, we were told the price of that and it's
8 astronomical, and I'm not understanding why this has
9 been allowed for years so this investigation needs to
10 continue and needs to be ongoing, and some of this
11 oversight needs to be given to the resident councils
12 of each development so that the spending and what
13 money is coming in and out of the development and
14 what the money and the contracts dealing with the
15 vendors on our development, the TA presidents and the
16 TA associations, they need to be able to have
17 oversight of that so that all the T's are crossed and
18 all the I's are dotted. A lot of us are working-class
19 individuals who work a lot of hours to pay thousands
20 of dollars in rent to receive very poor services.
21 Across the board, there should be a stop and a pause
22 on any (INAUDIBLE) NYCHA should not be able to
23 convert any development until this issue with the
24 finances is taken care of. Thank you.

1
2 CO-CHAIRPERSON BANKS: Thank you for your
3 testimony.

4 COMMITTEE COUNSEL MEALEY: We'll next try
5 Ms. Eleanor Carter again.

6 SERGEANT-AT-ARMS: Starting time.

7 COMMITTEE COUNSEL MEALEY: Ms. Carter, if
8 you can hear us, we're not able to hear your
9 testimony. If you want to start.

10 We're still unable to hear you, Miss
11 Carter. You can certainly submit testimony through
12 the Council website or testimony@council.nyc.gov.

13 Finally, there is a person on the zoom
14 called Caller One. If you can identify yourself,
15 we'll unmute you now and you may begin your
16 testimony, but you must identify yourself at the
17 start of your testimony, please.

18 SERGEANT-AT-ARMS: Starting time.

19 COMMITTEE COUNSEL MEALEY: I'm being told
20 there's no response. Seeing no persons left on Zoom
21 to testify and no members of the public left in
22 person to testify. I'll return to the Chair for a
23 closing statement.

24 CO-CHAIRPERSON BANKS: First of all, I
25 want to thank all the tenants who came out to give

1
2 their testimony virtual and in person. I want to
3 thank NYCHA for staying back and hearing the
4 testimony of the residents, and I'm glad you did, but
5 more importantly. Also too, I want to thank Chair
6 Brewer, thank Chair Won for bringing this hearing
7 together and working with us to have this hearing
8 today. This is what the responsibility of the
9 Committee of Public Housing is to hold NYCHA
10 accountable and a call for reform.

11 Again, thank you again, guys, and that
12 adjourns this Committee meeting. [GAVEL]

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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 March 1, 2024