

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON SMALL BUSINESS
JOINTLY WITH
THE COMMITTEE ON VETERANS

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December 6, 2013
Start: 10:12 a.m.
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HELD AT: 250 Broadway - Committee Rm.
16th Floor

B E F O R E:
DIANA REYNA
MATHIEU EUGENE
Chairpersons

COUNCIL MEMBERS:

Andy King
Peter Koo
Margaret Chin
Fernando Cabrera
David G. Greenfield
Daniel Dromm
Letitia James

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

Robert Piechota
Director
Brooklyn Small Business Development
Center
NY City College of Technology

Avi Leshes
Project Manager for
Economic Development
Brooklyn Chamber Of Commerce

Christian Hylton
Partner
Abrams, Fensterman, LLP

Edgard Hernandez
Director
LaGuardia Community College PTAC

Vince McGowan
Chairman
New York City Veterans Advisory Board

Lee Covino
Veterans Affairs Advisor to
Staten Island Borough President

Lionelle Hamanaka
Member
Military Families Speak Out

Felice Farber
Director External Affairs
General Contractors Association of
New York

2 CHAIRPERSON REYNA: [in mid-
3 conversation] Small Business to please do so with
4 the Sergeant-at-Arms. We will begin soon and I
5 just want to make sure everyone's registered to
6 testify.

7 [Pause]

8 CHAIRPERSON REYNA: Good morning,
9 everyone. This is Council Member Diana Reyna,
10 Chair of the Small Business Committee. I'd like to
11 thank and welcome everyone. I would also like to
12 acknowledge Chair Eugene for the Committee on
13 Veterans. This is a great opportunity for us to
14 speak on two pieces of legislation I have sponsored
15 to support our veterans and entrepreneurs in their
16 efforts to do business with the city. During the
17 12 years I've been here, over a million people have
18 served in the Armed Forces as we've fought two wars
19 in Iraq and Afghanistan. As we all know, veterans,
20 though highly skilled, have often found it
21 difficult to find employment, especially in the
22 economic downturns this country has experienced
23 over the last decade. But we also know that
24 veterans are among the most entrepreneurial
25 populations and that many of them are finding a

2 place in our economy as entrepreneurs, putting
3 their skills to work in their own businesses. Over
4 the course of my years in the council, I have co-
5 sponsored legislation to ensure that when the city
6 of New York goes shopping, it includes minority and
7 women-owned businesses among its vendors. I'm
8 sponsoring the legislation we consider today
9 because to me, it seems only right that when we do
10 the people's business, we include veteran-owned
11 businesses among our vendors as well. To that end,
12 Introduction Number 1159 would require the
13 Department of Small Business Services to undertake
14 a study of the number of veteran-owned businesses
15 that are ready, willing and able to do business
16 with the city and based on that study, by July of
17 next year to develop a plan in conjunction with the
18 city's Chief Procurement Officer to promote equal
19 opportunity for such businesses. Supporting
20 similar efforts at the state level, we will also
21 consider Resolution Number 1926, which calls on the
22 New York State Legislature to pass and the Governor
23 to sign Assembly Bill 2554 and Senate Bill 5968, a
24 bill currently pending before the New York State
25 Assembly and Senate that would require the state's

2 Procurement Director to promulgate rules to ensure
3 that at least three percent of the total value of
4 annual state procurement is awarded to eligible
5 veteran-owned businesses.

6 I would like to acknowledge the members
7 of our Small Business Committee and Veterans
8 Committee, who are here today. We have Council
9 Member Andy King, Council Member Mathieu Eugene,
10 Chair of Veterans Committee, Council Member Koo,
11 Council Member Chin and I'd like to thank our
12 committee staff, Peter Drivas; [phonetic] [off mic]
13 I said that right, right; Policy Analyst and
14 Jeffrey Campagna, committee counsel and I'd like to
15 pass the mic over to our Committee Chair on
16 Veterans Affairs, Council Member Eugene.

17 CHAIRPERSON EUGENE: Thank you very
18 much, Chair Reyna. Thank you and welcome and thank
19 you very much to each one and all of you who are
20 here today. I am Council Member Mathieu Eugene,
21 Chair of the Council Committee on Veterans and this
22 morning, we are here to review Intro Number and
23 Resolution 1926, two pieces of legislation designed
24 to help veterans own businesses. I want to thank
25 also and congratulate Council Member Chair Reyna on

2 introducing those two very important pieces of
3 legislation, and I want to take this opportunity to
4 discuss some of the work that this committee has
5 done for veterans in New York City and why I hope
6 we can end this session on a high note by passing
7 Intro 1159.

8 The Veterans Committee has passed the
9 bills that have veteran who work in trades while in
10 the military get credit for their service once they
11 return home. We have made sure that if a New
12 Yorker wants to leave his trade to go serve his
13 country, he'll be able to easily transition back
14 without interruption in his civilian career. We
15 have worked with the Mayor to enact a law that will
16 form MOVA's webpage to help guide a veteran through
17 their job search as to educate them on the
18 opportunities in the city government. We have
19 created a Veteran Liaison Program that will require
20 each city agency to name a veteran's liaison that
21 will work with MOVA to help advise veterans of the
22 benefits and services offered by other agencies and
23 to doubly assist a veteran employed by the city.
24 But despite all New York City and the federal
25 government have done to help veterans, there is

1 much more to be done. In October, the Veterans
2 Committee joined the Small Business Committee to
3 explore how we can support veterans who want to
4 start their own businesses. We heard about the
5 importance of government contracts and how much
6 they can benefit veteran-owned businesses. There
7 are more than 125 cousin businesses owned by
8 veterans in New York State. They are owned by men
9 and woman who learned to how lead and manage, even
10 in the most difficult circumstances. We all know
11 that our veterans, our men and women in uniform,
12 they have made the utmost sacrifice. We owe them
13 so much. We have to work together in the city to
14 offer them the most that this city or the country
15 provide. We have to do everything that we can do
16 to help them get the access to all the resources
17 and also to make sure they can start their
18 businesses and they can you know, benefit from the
19 jobs available because it doesn't make sense that
20 when they come back home they have to fight again
21 to put food on the table and to have a roof over
22 their heads and I thank all of you here, the
23 advocates for veterans, for what you have been
24 doing to assist our veterans to get back on track.
25

2 Thank you very much for being here. So we are
3 going to call the first panel. Robert Ducaro.
4 [background voice] I'm sorry? [background voice]
5 Piechota, thank you very much. I'm sorry about it.
6 I can't read this.

7 ROBERT PIECHOTA: I can't write.
8 You're doing fine.

9 CHAIRPERSON EUGENE: Thank you. No,
10 that's... no, you write properly. Probably I
11 cannot read it. I can't... Avi Leshes from
12 Brooklyn Chamber of Commerce and Mr. Robert is from
13 SBDC Veterans; Christian Hylton. Oh, that's... you
14 know, okay, from Bradford Construction. Thank you
15 very much and Edgard Hernandez, LaGuardia Community
16 College. Thank you very much. [background noise]
17 Thank you very much.

18 [Pause]

19 CHAIRPERSON EUGENE: Thank you very
20 much. You can start. Any one of you can start any
21 time, but please state your name before you start.

22 ROBERT PIECHOTA: Good morning.

23 [crosstalk]

24 CHAIRPERSON EUGENE: Okay.
25

2 ROBERT PIECHOTA: My name is Rob
3 Piechota. I'm the Director [coughs] excuse me, of
4 the Small Business Development Center located in
5 Brooklyn. Before I took over the role and
6 responsibility of being the director for the SBDC
7 there, I was the Veteran Advisor for the VASP
8 Program, which was a state funded program for three
9 years, which is going to terminate actually
10 December of this year. So there will be no more
11 specific veteran advisor for all five boroughs from
12 the SBDC side. I have given you all a brief
13 statement. I'll sort of exclude some of the...
14 I'll allow it stay on record, but I do want to
15 point out that since 2010, over 800 veterans have
16 been counseled by New York City SBDCs; just the
17 city. Of this number, only 46 specifically
18 requested procurement counseling. So if they
19 didn't hear about it, how would they find out about
20 it? They chose not to ask for it, so it's clearly
21 a small number. One of the reasons why veterans
22 are not self-identifying more or why they are not
23 more actively pursuing procurement strategies
24 really is unclear. Anecdotally, newly returned
25 service people report to me that they're more

2 focused on working for established businesses upon
3 their immediate return to civilian status. While
4 leadership ability and work ethic are well honed
5 skills we all know often perfected in the military,
6 service people are used to and comfortable with a
7 chain of command, which offers a sense of security.
8 So when they first step off the airplane or ship,
9 that's probably when they normally gravitate to if
10 they're newly returning veterans. So again, for
11 this reason I expect the first course of action for
12 many upon leaving the service is to become employed
13 by somebody else. For those veterans who are
14 inclined towards self-employment, most we see have
15 been separated from the military for about three to
16 five years. The number one question we are asked
17 while counseling a veteran is, "Are there any
18 special deals for veterans?" And currently there
19 really is no New York State or City program that
20 gives any special incentive to a veteran-owned
21 business in the procurement space. I've passed
22 out; I believe you already have it though; the copy
23 of the New York State level S5968 and then A8230
24 sponsored by Kathleen Marchione and Assembly Member
25 John T. McDonald. This legislation, I believe, is

2 affectionately termed "OORAH," which stands for
3 Opening Opportunities, Resources and Access for
4 Heroes, which basically is designed to combine MWBE
5 to include veterans as part of that package, which
6 has pluses and minus. But given all the intuitive
7 indices i.e. education, income level work, ethic
8 and demonstrated service leadership qualities, it
9 makes sense in every way to incentivize veterans to
10 increase their participation in the procurement
11 process right here in New York City. Not only is
12 it the right thing to do, but it just makes logical
13 business sense. Key determinants of a successful
14 business owner are, we all know from an
15 underwriting perspective capacity, capability and
16 character. Capacity: in other words, does the
17 business have the production processes to fulfill
18 contracted goods and/or services? Capability:
19 does the management team possess the necessary
20 skill, talent and experience to conduct operations?
21 And character: have the business owners
22 demonstrated all the elements of trustworthiness
23 that are necessary to transact all elements of
24 business? Veterans that have separated from the
25 military with an honorable discharge most likely

2 validate all these criteria. The Small Business
3 Development Centers of New York State have been
4 advocating for veterans small business owners since
5 the program inception. Having recently won two
6 prestigious SBA awards in 2012, both the VBOC
7 Program, which is affiliated for a statewide
8 program, Mr. John Narciso won for being the first
9 ever to win this VBOC award, championing the
10 procurement process for the Veterans Program in
11 procurement, as well as the SBA actually gave the
12 Brooklyn SBDC the award for being the veteran
13 champion last year. I was proud to be the name on
14 the plaque, but the program basically deserved it.
15 It's a three-year process that basically earned
16 that privilege, so I guess I'm here in favor of
17 what you're trying to do. I really strongly
18 applaud all of you for being behind this initiative
19 and if I can answer any questions, I'd be happy to.
20 Thank you very much.

21 CHAIRPERSON EUGENE: Thank you very
22 much and the next speaker?

23 AVI LESHES: Good morning, Chairs
24 Eugene, Reyna and other members of the New York
25 City Council on Veterans and Small Business and

2 guests. My name is Avi Leshes and I serve as the
3 Project Manager of Economic Development at the
4 Brooklyn Chamber of Commerce. I stand here before
5 you on behalf of Carlo Scissura, the President and
6 CEO of the Brooklyn Chamber, in support of making
7 more opportunities available to veteran-owned
8 businesses at the city and state levels. The
9 Brooklyn Chamber of Commerce is a membership
10 business assistance organization, which represents
11 interests of over 1,400 businesses, as well as
12 businesses across the borough of Brooklyn. The
13 Brooklyn Alliance is a not-for-profit economic
14 development organization at the Chamber, which
15 works to address the needs of businesses to direct
16 business assistance programs. Veteran
17 entrepreneurship provides an opportunity for New
18 Yorkers to contribute directly to economic
19 development of their communities by increasing
20 revenue and hiring both civilians and other
21 veterans. By introducing legislation to identify
22 veteran-owned businesses willing and able to
23 perform agency contracts, ensuring at least three
24 percent of the total value of annual state
25 procurements and effectively communicating these

2 opportunities to this group would give veteran-
3 owned a much needed boost.

4 According to the U.S. Census Bureau of
5 2010, nearly one in 10 or 2.4 million small
6 businesses are veteran-owned. These businesses
7 employ almost six million Americans and generate
8 more than \$1 trillion in revenue. By adopting
9 Resolution Number 1159 and Resolution Number 1926,
10 veteran-owned businesses will have an increased
11 capability to expand their businesses and create
12 more jobs. We owe a great debt of gratitude to our
13 veterans who have risked their lives to protect the
14 freedom of the American people. We, as a
15 community, should work to provide a strong
16 foundation for them to reenter their communities as
17 successful entrepreneurs. We will not only be
18 paying it forward, but also encouraging economic
19 development and giving veterans an opportunity to
20 continue to make valuable contributions to the
21 communities as entrepreneurs. Thank you.

22 CHAIRPERSON EUGENE: And thank you very
23 much, sir.

24 CHRISTIAN HYLTON: Good morning, Chair
25 Eugene...

2 CHAIRPERSON EUGENE: [interposing] Good
3 morning.

4 CHRISTIAN HYLTON: Chair Reyna, Council
5 Member King, Council Member Chin and staff. I'm
6 Christian Hylton of Abrams, Fensterman, LLP and I'm
7 providing testimony in support of Intro 1159 of
8 2013 for opportunities for veteran-owned business
9 enterprises and city procurement. I'm speaking
10 today on behalf of Sandra Wilkin, President of
11 Bradford Construction and President Emeritus of the
12 Women Builders Council. Some of you may be aware
13 of her passionate advocacy for the MWBE community
14 through the New Agenda for MWBEs. Unfortunately,
15 Sandra was unable to be present today.

16 If there was ever a group of
17 individuals who deserved the opportunity to be
18 fairly represented in New York City procurement, it
19 is the brave service members who have fought to
20 protect our country. Their ability to succeed
21 under the toughest circumstances imaginable has
22 already been proven, so it is clear that they can
23 contribute greatly to our city's economy as
24 entrepreneurs. If there is a chance that veterans
25 are not being fairly represented in New York City's

2 procurement process, a disparity study must be done
3 to determine the extent of the gap that exists in a
4 preliminary step towards eliminating the gap
5 entirely.

6 As a member of the MWBE community, I
7 would like to suggest the following points as
8 matters, which deserve consideration. I hope that
9 the program will create procurement goals in
10 addition to those specified in Local Law 1 of 2013
11 so that the creation of these opportunities for
12 veterans does not decrease opportunities for MWBEs.
13 I hope that the program will clearly specify the
14 size of eligible businesses not to exceed the
15 current revenue limitation set forth on MWBEs and
16 Local Law 1 of 2013, calculated using number of
17 employees and gross revenues. We will also need to
18 be clear whether this legislation will create
19 opportunity for all veterans or recent veterans
20 only. It's also very important that this
21 legislation takes into account that there are
22 veterans who are minorities, veterans who are women
23 and veterans who are female minorities.
24 Determinations have to be made whether they will
25 qualify as veteran-owned businesses or MWE

2 businesses or both. Systems must be in place to
3 verify whether or not the applicant is a veteran
4 and that the businesses are procurement ready,
5 which would include appropriate business
6 registration, VENDEX and certification.
7 Additionally, a mentor protégé program for veterans
8 should be in place, which would include how to
9 start a business, enhance their capabilities to
10 ensure that these businesses have the greatest
11 chance of success.

12 I'm strongly in favor of creating
13 procurement goals for veteran-owned businesses if a
14 procurement gap exists. I appreciate the effort
15 that the members of this committee and the New York
16 City Council have put forth in creating the
17 landmarked legislation, Local Law 1 of 2013. I
18 wish to thank the members of the committee for
19 considering this legislation. It would truly help
20 our deserving veterans get their boots on the
21 ground. Thank you.

22 CHAIRPERSON EUGENE: Thank you very
23 much.

24 EDGARD HERNANDEZ: [off mic] Good
25 morning. I would like to thank the Chair of...

2 [crosstalk]

3 CHAIRPERSON EUGENE: I'm sorry.

4 EDGARD HERNANDEZ: Thanks. Good
5 morning. I would like to thank the Chair,
6 Councilwoman Reyna and committee members for
7 inviting me to speak today. I commend the entire
8 committee for supporting New York City's small
9 businesses and veteran-owned small businesses.

10 CHAIRPERSON EUGENE: [interposing] And
11 will you please state your name...

12 EDGARD HERNANDEZ: My name is Edgard
13 Hernandez, Director of the PTAC Program at
14 LaGuardia community College.

15 CHAIRPERSON EUGENE: Thank you.

16 EDGARD HERNANDEZ: No, not a problem.
17 The PTAC Program stands for Procurement Technical
18 Assistance Center. Our mission is to assist
19 businesses located in Queens to market their goods
20 and services to federal, state and local
21 governments. We strive to simplify the steps
22 necessary to successfully sell to the government.
23 The Center offers procurement technical assistance
24 and training workshops to meet the needs of any
25 sized business, including minority-owned small

2 business, service disabled veteran-owned business,
3 veteran-owned small business and women-owned small
4 businesses throughout the Queens region. There are
5 seven PTACs in New York and a total of 98
6 throughout the country and U.S. Territories. My
7 goal of being here today is to share my thoughts
8 with the committee in regards to the veteran-owned
9 small business community and returning and existing
10 veterans. There are several things that we can do
11 to make the process easier for veterans to become
12 knowledgeable in business and successful in selling
13 to New York City and New York State government and
14 contracting agencies. I would like to make the
15 following suggestions for the committee to consider
16 when creating the new veteran-owned small business
17 certification. 1. Veteran certification should be
18 part of the minority and women-owned business
19 enterprise certification; allow veterans or MWBEs
20 to combine the certification to be VMWBE; create a
21 fast-track application for veteran-owned small
22 businesses who are currently certified by the
23 federal government; business and/or professional
24 training and/or education for veterans; a center
25 for hiring veterans by veterans or New York City

2 businesses; networking and/or government
3 contracting events for veterans. Hopefully, the
4 suggestions I just went over have provided the
5 Small Business Committee clarify on how we can
6 assist veteran-owned small businesses in the near
7 future and creating a seamless process for veterans
8 to do business with New York City and New York
9 State. The three percent veteran procurement goal
10 will be a step in the right direction in bridging
11 the gap between New York City and the veteran
12 community. Thank you once again for inviting me to
13 speak today. Thank you.

14 CHAIRPERSON EUGENE: Thank you very
15 much and thank you to all of you for your
16 testimonies and I want to start with Mr. Hernandez
17 since you are the last one. In your testimony, you
18 said that our mission is to assist the businesses
19 located in Queens to market their goods and
20 services to the federal, state and local
21 government. We strive to simplify the steps
22 necessary to successfully sell to the government,
23 but could you tell us some more in detail what your
24 organization... what you have been doing to achieve
25 that? Your outreach; what type of outreach system

2 or program do you have to make sure that you are
3 reaching these goals?

4 EDGARD HERNANDEZ: We usually will do
5 our email marketing. We'll use the Center for
6 Veteran Enterprise database to attract new
7 business; service disabled veteran-owned small
8 businesses.

9 CHAIRPERSON EUGENE: Mm-hm.

10 EDGARD HERNANDEZ: We also use SAM,
11 which is the System Awards Management System to
12 reach out to veterans, but we also do a lot of
13 procurement even if it's from workshops on how to
14 do business, but also procurement expos and
15 matchmakers. We just finished one up on December
16 4th and it was targeted to you know, service
17 disabled veteran-owned small business.

18 CHAIRPERSON EUGENE: The first thing I
19 think if my recollection is good that you said is
20 you're using emails, right?

21 EDGARD HERNANDEZ: [interposing] Yes.

22 CHAIRPERSON EUGENE: So you that means
23 you use also surely computers, but we do know not
24 everybody; you know everyone is computer savvy.
25 You know, I mean a lot of people still who cannot

2 use or who don't use computers, so what do you have
3 available? How do you reach to this section or
4 community of people you know, to make sure... to
5 inform them to make sure that they know about the
6 services available that you are promoting?

7 EDGARD HERNANDEZ: What I try to do
8 is... what we do is we partner up with other small
9 business organizations in the area to reach out.
10 We put out the information as best as we can. We
11 from time to time will advertise in the newspaper
12 in order to attract the veteran community, so we do
13 different things and if we see that it's not... if
14 it's not working, then we usually retool everything
15 to attract the veteran community.

16 CHAIRPERSON EUGENE: So I don't know,
17 but we have been having many public hearings, but
18 it seems there are services available. You say
19 that you are providing services and there are so
20 many organizations providing services, but still,
21 still there are so many veterans who cannot you
22 know, be successful; who cannot tap on those
23 services. It's seems there's a gap; a disconnect
24 somewhere.

2 EDGARD HERNANDEZ: There is and I...
3 there is and it's because when I do speak to vets
4 and you know, Robert could you know, maybe back me
5 up this, that there is not an incentive for them to
6 come forward and sometimes...

7 [crosstalk]

8 CHAIRPERSON EUGENE: Uh-huh.

9 EDGARD HERNANDEZ: There's a barrier
10 there because they came out of the service. They
11 don't feel comfortable enough to really come back
12 into the spotlight, so you really have to really go
13 slowly in order for them to come in. So sometimes
14 certain events will drive them in and some will
15 not; it just depends, but it's very hard to get in
16 contact with the veteran community and that's very
17 important too.

18 CHAIRPERSON EUGENE: Well, you say that
19 you partner; you work in conjunction; in connection
20 with all the community-based organizations. Can
21 you mention some of those organizations you have
22 been working with?

23 EDGARD HERNANDEZ: The Small Business
24 Development Center.

25 CHAIRPERSON EUGENE: Mm-hm.

2 EDGARD HERNANDEZ: We have one in our
3 building and Robert's been with us for a number of
4 years already. We also work with you know, the
5 other PTACs in the region. There are some other
6 PTACs. There are three in the region in New York
7 and New York City, so and we reach out to the
8 Chambers; the Women's Chamber of Commerce, the New
9 York City Hispanic Chamber of Commerce, the Queen's
10 Chamber of Commerce and we go as far out to Long
11 Island also just to reach out.

12 CHAIRPERSON EUGENE: Yeah, I see that
13 you are... you know, something is missing. I don't
14 know if I am correct, but because we are talking
15 about veterans...

16 EDGARD HERNANDEZ: Mm-hm.

17 CHAIRPERSON EUGENE: Have you been
18 working with any veteran organizations, because we
19 know there are so many grassroots community-based
20 veterans organizations that are advocating our
21 support of veterans. Do you have any connection;
22 any track record working with veterans
23 organizations or so to serve the veterans?

24 EDGARD HERNANDEZ: There are a lot of
25 them, but you know, for us we try to stick with

2 what we specialize in, which is government
3 contracting, and we don't deal with the business
4 start-up phase, so we leave that up to the SBDC,
5 but we do take in any vet that is in need of
6 service, so we've adjudicated bids on government
7 contracting from the very beginning to the end and
8 we do have a good pool of veteran-owned small
9 businesses at this time.

10 CHAIRPERSON EUGENE: Okay, thank you
11 very much. And...

12 ROBERT PIECHOTA: Sir, can I...

13 [crosstalk]

14 CHAIRPERSON EUGENE: I'm sorry, sir,
15 please.

16 ROBERT PIECHOTA: Just I... if I can
17 add, again, it's Rob Piechota with the SBDC. To
18 give a little... number one, what you're getting at
19 is extremely true. We're a very well kept secret.
20 So is PTAC. The major stream of clients normally
21 comes from the SBA. SBA.gov is a very robust site
22 online that a troop in Afghanistan if they have
23 access to a computer if they're just googling or
24 whatever they're using to find out information,
25 small business New York City; what do we got?

2 SBA.gov will come up. If they're fortunate enough
3 to get through the vast website, they will find a
4 contact number here for instance, in New York City
5 they'll get a hold of one of the Veteran Business
6 Development officers, so when that phone call is
7 made or email is sent, they will be referred to
8 either the SBDC or PTAC is actually listed. We
9 actually, the SBDC, publish... I'll provide this
10 for you, sir, for your review...

11 CHAIRPERSON EUGENE: Okay.

12 ROBERT PIECHOTA: It's a reference
13 guide that's published actually at the TAP Program,
14 so every service member, before they get out of the
15 military, must go through the Transition Assistance
16 Program. The military must give you some kind of
17 orientation to what it's like to be a civilian
18 again. That's the way it is now. Now, that
19 applies to newly departing veterans. It doesn't
20 really apply to those legacy veterans, so that's a
21 gap right there, but the point is, if you go to a
22 TAP Program, you know the service is available.
23 Now, to be fair, the first thing on their mind is
24 getting out of the uniform and getting a job and
25 they forgot where all that information was, so now

2 you have to go back to the website. If you
3 remember SBA.gov or if you remember PTAC, it's all
4 a resource partner listed under SBA.gov; it's one
5 of the ways they can find us. We do... at SBDC, we
6 do about six outreach programs a year. We also
7 have initiated a synergy group and linked trying to
8 sort of combine all the different agencies that
9 touch veterans in the way we're trying to touch
10 them as far as career options or self-employment
11 options. We're trying to coordinate, but let's
12 face it, because there are a lot of organizations
13 out there, not everybody wants to talk to each
14 other. They want their own turf, but we're trying
15 to work towards that, but there... as far as the
16 one continuity thread, SBA.gov is a pretty good
17 one. It doesn't solve all their problems, but and
18 on top of that, there also is a program where, and
19 I'm not touting our horn, but there are programs
20 where if they go to SBA.gov, they can find
21 EntreSkills, which is an online 12-week program and
22 they can... and actually probably in the last year,
23 we've had about six different veterans call up from
24 very strange places that have access to
25 EntreSkills. They went on the site on the web,

2 they've actually filled it out and they've
3 established a counseling relationship, so it's like
4 in the teens. It's not huge; it's not widespread;
5 clearly opportunity for growth, but that hopefully
6 gives a little bit of insight into sort of where
7 we're trying to go, but without question, we could
8 do a much better marketing effort if the funding
9 were available.

10 CHAIRPERSON EUGENE: And you're talking
11 about funding. I know that's tough for many very
12 good not-for-profit organizations; grassroots
13 organizations and in many advocate organizations,
14 one of the biggest challenges is funding, is
15 funding, but in addition to... where did you get
16 your funding? How do you get resources to do what
17 you are doing?

18 ROBERT PIECHOTA: Yes, sir. We have...
19 we're funded by the SBA. It's federal funding; it
20 comes from the SBA. SBA provides funding to every
21 SBDC in the country through the state
22 organizations, so the dollar; follow the dollar.
23 It goes from the federal government to the state
24 government, which is then given to SUNY. SUNY then
25 disperses to CUNY or the academic institution,

2 wherever the SBDC is co-located, so that's how the
3 money flows. If there's a cut in budget for the
4 SBA, there's a cut in budget for the SBDCs. Only
5 recently did we get additional funding, but it was
6 earmarked for disaster relief, so we actually have
7 four additional people on staff now that are pretty
8 much dedicated to disaster relief following Sandy.
9 So the veteran component, as I mentioned earlier,
10 we had a three-year grant that was given to us by
11 the state, which is no longer going to be in place
12 come the end of the year. I'm not saying we can't
13 help veterans, but I am saying that there's less
14 manpower or womanpower to handle that really
15 vitally needed load.

16 CHAIRPERSON EUGENE: And you know, I
17 ask you these questions because you know, I know
18 you know, there are so many as I said... I said it
19 before, so many good people; good organizations.
20 They are striving and they are doing everything
21 possible to help veterans, but there's a lack of
22 resources for them. And it's unfortunate to see
23 that we, as a city; as a country we cannot put
24 enough resources to help those people who put their
25 life in danger for us and for that reason, I

2 commend all of you, you know. I commend you; I
3 thank you, you know, for what you are doing for all
4 veterans because we owe them a good deal of
5 gratitude. As a city; as a country we are suppose
6 to do everything that we can do to help the
7 resources; to pilot the resources for all veterans.
8 Thank you very much for what you've all been doing.

9 ROBERT PIECHOTA: And just one more
10 comment, sir, and I'll shut up, but clearly all the
11 veterans that come to us are not prepared for
12 business. We vet them; we help them; we help them
13 to understand what their situation is, so a lot of
14 these folks that come to us are not prepared really
15 to start the procurement game or business just yet.
16 That's why I applaud a lot of the organizations
17 that are sitting here in the room. We try to... if
18 it's not right for us, we try to connect that
19 veteran with the right resource that exists out
20 there and there are many in the city that do a heck
21 of a job that are non-profit, so thanks to all of
22 you that are here and those that are not in the
23 room, I thank you also, but if you work with us and
24 tell us what you do, we'll certainly send you the
25 veterans that perhaps are not quite business ready

2 yet, so in the future; six months to 12 months;
3 they'll come back to us more prepared to do
4 whatever it is they want to do with their life.

5 CHAIRPERSON EUGENE: Mm-hm. Alright,
6 let me ask you one thing. You know, help us to
7 understand the path of veterans who have just
8 returned from service and want to open a small
9 business. What is available for him? You know, he
10 just got back and want to open a small business.
11 Where should he go first? You know, what is the
12 first step? You know, he wants to start a small
13 business. What should he do? Do you have
14 something; anyone of you from your organization, do
15 you provide anything that connect the veteran from
16 you know, before he leaves services and gets back,
17 you know? Is there anything you know, that you are
18 providing? Is there something available for the
19 veteran even before he gets back? He can say,
20 "Okay, you know, when I get back to New York, this
21 is where I'm going to start." And this is the
22 different steps I will go through to start my small
23 business.

24 ROBERT PIECHOTA: I'll just make a
25 comment. As a veteran, if you're National Guard or

2 Reservist, you typically about six months before
3 you are ready to separate from the service you are
4 notified by the Department of Defense through some
5 mechanism that by the way, these services are
6 available to you. Not only are you contacted, but
7 also this information's available to your family
8 through ACS; whatever community service
9 organization is affiliated with your branch back
10 home in the States. So people know about...
11 they're going to have to go through the TAP
12 Program. Before you leave, you got to walk through
13 the TAP door, which basically exposes you to all
14 the different programs. I think I mentioned how
15 attentive people are going through TAP I can't
16 really tell you, but at least the effort is made by
17 the Department of Defense to tell these folks,
18 "This is available for you," so before you ever
19 take the uniform off, you know it's available once
20 that point comes, and I'll pass it along to my
21 colleagues for amplification, but where do you
22 start? I always tell people that ask me that
23 question; of all these people who do you start
24 with? I always say, "Start somewhere. Just call
25 somebody." The data is out there showing that if

2 you start by getting help from a governmental
3 agency or a non-profit in this space, you're going
4 to be 60 percent more likely to be successful
5 opening up your own business. Start somewhere. If
6 you come to me and my group, if we can't do it
7 right for you, we'll hook you up with somebody
8 else, but get some help somewhere first. I can't
9 tell you how many folks I referred to PTAC because
10 I know they are very good when it comes to
11 procurement space. We do some in-house or if
12 there's an issue that might pertain to chamber
13 issues, I have everybody's card, so we don't hog
14 the client, but to your point where do you start?
15 Start somewhere. SBA.gov's a good place and in
16 SBA.gov, if you can figure it out, you'll get a
17 hold of the local VBDO and they will refer you to a
18 couple of resources you can go to first.

19 CHAIRPERSON EUGENE: And also... I'll
20 get back to you, you know, to the discussion, but
21 let me before I forget, do you think that the
22 veteran procurement goal should be combined with
23 MBWE do you think and if not, why?

24 ROBERT PIECHOTA: One thing...

25 [crosstalk]

2 CHAIRPERSON EUGENE: I think that one
3 other speaker mentioned that. I think he's Mr...

4 ROBERT PIECHOTA: And...

5 [crosstalk]

6 CHAIRPERSON EUGENE: Edgard mentioned
7 that there are a lot of veterans and the MWBE to
8 combine the certification to... yes?

9 CHRISTIAN HYLTON: I think... did you?

10 EDGARD HERNANEZ: Yeah, I did, but...

11 [crosstalk]

12 CHRISTIAN HYLTON: Okay, go ahead.

13 [crosstalk]

14 EDGARD HERNANDEZ: No, go ahead, go
15 ahead, go first.

16 CHAIRPERSON EUGENE: 'Kay, go ahead,
17 whoever wants to go first.

18 [crosstalk]

19 CHRISTIAN HYLTON: Well, I may have a
20 different take on it, so... [laughter]

21 CHAIRPERSON EUGENE: Don't fight, guys,
22 you know.

23 EDGARD HERNANDEZ: It's just that it
24 simplifies the process. You want...

25 [crosstalk]

2 CHAIRPERSON EUGENE: So you are, you
3 know...

4 EDGARD HERNANDEZ: [interposing] I'm
5 for...

6 [crosstalk]

7 CHAIRPERSON EUGENE: In favor of it.

8 EDGARD HERNANDEZ: In favor of
9 combining the certification. It just makes it a
10 lot easier and I feel that the veteran community or
11 the veteran business owner can be part of the MWBE
12 community and enhance the MWBE community in a space
13 that they don't operate in. See, that's the
14 difference, and that's what I got from when I speak
15 to government contracting officers. There's not
16 enough MWBEs to go around and the veteran community
17 can fill the space that's empty right now, so I
18 think that that and you know, creating team-need
19 agreements; partnerships with the MWBEs or letting
20 a veteran minority women-owned business to pursue
21 three different procurement goals just creates new
22 opportunities. So I think that that would just
23 enhance the MWBE Program in its entirety.

24 CHAIRPERSON EUGENE: Thank you. Mr.
25 Hylton?

2 CHRISTIAN HYLTON: I think in these
3 earlier stages that...

4 [crosstalk]

5 CHAIRPERSON EUGENE: So you are in
6 favor of?

7 CHRISTIAN HYLTON: I think Miss Wilkin,
8 in her testimony submitted, specifically states
9 that she would hope that these procurement goals
10 were in addition to those that are already
11 specified in Local Law 1. So as she's envisioned
12 it, it is not to... this is to ensure that the
13 goals that are specified in Local Law 1 are still
14 being met not in aid of or being diluted by another
15 stream, and I think that is very important. I
16 think there might be synergies that where both
17 minority business or a minority women-owned
18 business or where or as she identifies a veteran
19 who is a woman who there might be synergies in that
20 respect and maybe that gives greater pathways to
21 procurement, but not necessarily taking away from
22 the gains that have been created in Local Law 1 of
23 2013. So I think that that's something that she
24 kind of is very strongly for.

2 CHAIRPERSON EUGENE: And I see it seems
3 that Mr. Robert has another opinion?

4 ROBERT PIECHOTA: Sir, and I would... I
5 might be semantics. I don't think it belongs under
6 MWBE. I think there should be and a veteran
7 allocation. I think the minute you start lumping
8 things together, people start vying for copies. I
9 think it should be a totally separate packet; a
10 separate goal. If that's... I don't know what
11 would answer your question the best, but don't lump
12 it together. There should be a separate veteran
13 component.

14 CHAIRPERSON EUGENE: Thank you very
15 much. Let me mention that we have joined by
16 Council Member Cabrera, a member of the Veterans
17 Committee, and I'm going to pass it over to Chair
18 Reyna because I have to go to the other side to
19 another hearing. Thank you. Chair Reyna, please?

20 CHAIRPERSON REYNA: Thank you so much,
21 Council Member Eugene. I wanted to express my
22 apologies for leaving the room. We have a double
23 Committee right now across the street. That's
24 where everybody's just trying to check in and come
25 back.

2 CHAIRPERSON EUGENE: [interposing] Mm-
3 hm.

4 CHAIRPERSON REYNA: So I played tag
5 with Mathieu Eugene and he's going to go over there
6 and be back.

7 CHAIRPERSON EUGENE: I'll be back.

8 CHAIRPERSON REYNA: We have... just to
9 make sure that we are understanding the question as
10 far as the additional procurement category, and I
11 appreciate the statement as to a separation from
12 what would be the MWBE community separate from the
13 veterans. We have to make sure that the study that
14 would be conducted and concluded in July next year
15 in support of this new administration coming in can
16 certainly determine whether or not there is a
17 disparity. And then the disparity making sure that
18 there is a separate category would enhance what
19 would be procurement goals, which would enhance
20 what would be opportunity, and so I want to make
21 sure that I expressed what would be the goal of
22 this particular introduction of law that we have an
23 understanding how we want to separate so that we
24 have a good monitoring effort so that we are
25 reaching outcomes. The City of New York for a very

2 long time had what was an MWBE Program and it
3 failed. It has improved dramatically and we want
4 to continue those efforts and we just want to make
5 sure that we are enhancing opportunity now in the
6 category of veterans. Having said that, I want to
7 recognize Council Member Chin, who has a question.

8 COUNCIL MEMBER CHIN: Thank you. It's
9 great seeing some of you again from the other
10 hearing. Can you also maybe talk about your
11 experience in terms of veterans programs with the
12 City Department of Small Business Services? Since
13 they're not here today to testify; to provide
14 testimony, maybe you could share with us some of
15 your experience in terms of really working with the
16 city program 'cause I heard Rob, you talked about
17 SBA, but you didn't talk about the Department of
18 Small Business Services. So if you could share
19 some of that insight with us?

20 ROBERT PIECHOTA: Yes, yes, Ma'am, SBS
21 is... from my perspective they're still trying to
22 find their way. What I like about what they do is
23 they're kind of like us from the standpoint if a
24 veteran goes to their location, if they're not
25 really ready... if they're not business ready, they

2 have the Workforce Development folks right there
3 with job training, so it's a one-stop shop, which
4 is great, but I really don't know who in that
5 department is really the Veteran Liaison. They've
6 hired folks who have then turned around and left,
7 so there's been some lack of continuity as far as
8 leadership, but I really don't know what they do
9 specifically for the veterans and it's not for lack
10 of trying, just they have had some turnover.

11 COUNCIL MEMBER CHIN: Anyone else on
12 the panel have any experience working with the
13 City? No? Okay, we will share with them. We will
14 ask them I mean if they have a Veteran Liaison or
15 not. I mean and looking at... just briefly looking
16 at the testimony that they submitted, they talk
17 about pretty much the same that you're talking
18 about. They have the Workforce and they have some
19 pilot program they're starting. So go back to... I
20 think one of you mentioned that when a veteran is
21 about to leave that they get this TAP Program, but
22 also information are sent to their families?

23 ROBERT PIECHOTA: Ma'am, I mentioned
24 that. Actually it's not like a letter to the
25 house. What they have is they disperse information

2 through... in the Army it's called ACS, Army
3 Community Service. I think it's MFR, Morale... I'm
4 at a loss for what the acronym stands for, but
5 there is a center at every installation that has
6 counselors for families that are in preparation of
7 separating from the military, so spouses,
8 significant immediate family members have access to
9 all the information that's given as part of the TAP
10 Program, where it makes sense. The Yellow Ribbon
11 Foundation is a very active organization that
12 actively educates family members on this side of
13 the ocean when folks are deployed, so there is a
14 very good comprehensive approach to family members
15 as well, plus services that SBDC and I'm sure SBS
16 offer and I know PTAC, if you're an immediate
17 family member of a service person, you're qualified
18 to get our classes; in some cases to get funding if
19 you want to open up your own business. If you're a
20 spouse of a deceased veteran, you're fully
21 qualified for a Patriot Express Loan, so there are
22 some good deals from that perspective for veterans,
23 but again, for the most part in my opinion, once
24 the family has separated from the military and one
25 two, three years ago go by, they kind of forget

2 what's available to them. I don't care if you're a
3 Korean War veteran or a World War II veteran.
4 You're still... there are still programs available
5 through all of our agencies where you can get help.

6 COUNCIL MEMBER CHIN: Yeah, I think the
7 point in here is that we don't want to make the
8 distinction it's just for returning veterans. It's
9 that you know, all the veterans we have, and that's
10 why I want... part of the bill is try to get the
11 data. I mean how many veteran-owned businesses do
12 we have in this city? I don't think anybody has
13 that kind of statistic. So if we could ask them to
14 do that study, then at least we could start from
15 somewhere and also by identifying some of the
16 businesses that are owned by veterans, maybe we
17 could get them to help us to really spread the
18 word.

19 ROBERT PIECHOTA: I think Avi mentioned
20 we do know the numbers for the state and in terms
21 of veteran-owned businesses, the state is
22 significantly behind the nation when it comes to
23 the percentage number of businesses owned by
24 veterans or service disabled veterans.

2 COUNCIL MEMBER CHIN: And I think one
3 last point I want to make is that; it was mentioned
4 earlier by Council Member Eugene; was the whole
5 issue of marketing; I mean outreaching and getting
6 the information out and funding. So I think that's
7 something that you know, as a city we need to do.
8 How do we help get the word out that there are
9 these kinds of programs? Also, we have a lot of
10 non-profit in our community that provides training
11 for entrepreneurs, but it's really how do we kind
12 of help get this information out, so you don't have
13 to be a veteran. Maybe your neighbor will have
14 some information and sort of like encourage you and
15 give you that information or a family member or
16 your churches or your community. We've just got to
17 get that information out widely so everybody knows
18 that there are programs out there for veterans and
19 can help make the referrals. Thank you, Madam
20 Chair.

21 CHAIRPERSON REYNA: Thank you very
22 much. Part of the concern that the Department of
23 Small Business Services raised in their testimony
24 and they are absent from this hearing, as everyone
25 can see, the issue of not enough time to conduct

2 what would be a thorough review. In your opinion,
3 as far as having the data; knowing that that exists
4 and as a veteran yourself, that data exists and for
5 the State of New York, do you believe that there is
6 data enough for the city to compile for the City of
7 New York?

8 ROBERT PIECHOTA: I do, yes, ma'am.
9 Even if you got a sampling that you could certainly
10 approximate. The numbers are pretty... and
11 actually with the assistance of both the... I don't
12 want to throw acronyms at you, but the VBOC
13 Program, which is located out on Long Island, but
14 they take all data regarding clients that they see;
15 anybody who applies for any kind of assistance when
16 it comes to starting their own business between
17 their assistance, Syracuse University, as well as
18 I'm sure between SBS and the SBDC, as long as we
19 have the person on staff, I believe we can do a
20 pretty good reach back to get some kind of data to
21 approximate what we're dealing with. I...

22 [crosstalk]

23 CHAIRPERSON REYNA: Mm-hm.

24 ROBERT PIECHOTA: Without question.

25

2 CHAIRPERSON REYNA: And as far as
3 again, the Small Business Services Department
4 mentioned the fact that their concern as far as the
5 existing program making reference to the MWBE
6 participation will be compromised and reduced. Do
7 you share that concern as a panel?

8 ROBERT PIECHOTA: No, I do not. I see
9 it as enhancing the MWBE Program because MWBEs are
10 still in need of you know, finding their way into
11 the larger projects and they're going to need maybe
12 a veteran-owned or another entity to help them to
13 get to that level, so I see it as enhancing the
14 program; enhancing the MWBE community.

15 CHAIRPERSON REYNA: Thank you. Anyone
16 else? I know I have spoken to Sandra Wilkins and
17 she had in depth understands this issue and has
18 full support of the veteran community and wants to
19 make sure that when we are studying these numbers
20 that we do not leave behind the disabled veterans
21 because they are a category as well, and I shared
22 my comment as far as the overview of veterans
23 should be... in the full spectrum should be studied
24 as part of the data that we want to collect and
25 want to see whether or not there is a disparity.

2 We want to not single out any one particular
3 veteran war. We want to make sure that there's an
4 opportunity here to really enhance what we've never
5 had the opportunity to do, which is collect the
6 data, understand the data, assess it and use those
7 findings as an advantage for our veteran's
8 community. I want to just point to the last item
9 on the Department of Small Business Services, who
10 has mentioned that a certification program for
11 veteran-owned businesses would require the
12 submission of proof of ownership and control by
13 applicant veteran businesses, raises the need for
14 substantial resources that SBS does not currently
15 possess to administer the veteran certification
16 program, probe the ownership and control
17 documentation and interview owners, as well as
18 conduct audits to verify actual ownership and
19 control. In my opinion, I know they already have
20 what would be the resources to do what would be the
21 credentials review for certification, but do you
22 believe that there are any obstacles or any
23 fraudulent cases that we would have to become aware
24 of to deal with those issues in anticipation and
25 what would be a required certification process that

2 would make sense? Is it following the federal
3 guidelines or is it following what would be another
4 model?

5 CHRISTIAN HYLTON: I think mirroring
6 some of the programs and some of the language
7 that's put in place in Local Law 1 and more
8 recently in some of the rules that are being put
9 place in regards to Local Law 1 by the Department
10 of Small Business would be a very... would be
11 transferable to a veterans program. You know, some
12 of the pushback initially I think that you may be
13 hearing within that testimony is similar to some of
14 the pushback originally with MWBEs.

15 CHAIRPERSON REYNA: Absolutely.

16 CHRISTIAN HYLTON: And the fight in
17 terms of getting that type of program established,
18 so I believe that in this environment and that
19 struggle, which took you know, a number of years,
20 with the disparity study being founded with Council
21 Member McCaffrey and Council Member Una Clarke many
22 years ago, to put in that first seat money and then
23 dealing with administrations that maybe you know,
24 were predisposed to this type of program, I think
25 you will have more of a willing partnership...

2 CHAIRPERSON REYNA: [interposing]

3 CHRISTIAN HYLTON: In the upcoming
4 administration.

5 CHAIRPERSON REYNA: Mm-hm. I
6 appreciate that and, you know, this Council was
7 responsible for funding what would be a robust
8 certification process that led to better outcomes
9 in the City of New York. We have a long way to go
10 still for the MWBE, but I don't see why this
11 Council in the transition can't see through the
12 opportunity to fund what would be further resources
13 for the Department of Small Business Services to
14 conclude what would be the study and promote what
15 would be the creation of a veterans contracting
16 procurement opportunity. Any further comments?

17 ROBERT PIECHOTA: Yes, ma'am, I would
18 offer this: if you took the people at this table,
19 a couple of folks from the audience and a couple of
20 key players from the SBS and put them in a closet
21 for about four or five hours to figure out how to
22 do the data search that you're talking about and
23 figure out a way of... in other words, a steering
24 committee, I believe the talent exists where you
25 could probably figure out an algorithm rather

2 readily and then figure out what the budgeting
3 requirements might be. It's not that hard. The
4 people are in place. The network exists, but the
5 challenge I see in the veteran community in dealing
6 with these kinds of issues is everybody does their
7 own thing and there's very little coordination for
8 whatever reason, and you could figure out your own
9 inspiration and motivation for those reasons, but
10 if you just brought folks together and say, "You
11 know what, make it happen; do it. You're not
12 leaving here and no one's getting lunch until you
13 figure it out," I believe it could happen. We have
14 the ability. It's just what would make sense; what
15 would be a decent enough approximation, and I think
16 your answer lies in this room and a couple other
17 key players that are not, so that's my opinion.

18 CHAIRPERSON REYNA: And if you could
19 just elaborate on the... on how does your
20 organization ensure the entrepreneur is, in fact, a
21 veteran?

22 ROBERT PIECHOTA: We basically... the
23 very simple way that every organization does is you
24 get their 214. It's a very... it's like your
25 scorecard. Wherever you've been the military you

2 have... so it's sort of a diary, if you will, and
3 it's very clear where you were, when you were in,
4 when you got out, if there were breaks in service,
5 as well as the nature of your discharge and in some
6 issues, that's a challenge getting certified if you
7 were less than honorable, but the point is there's
8 one very simple way to do it and the VA does it all
9 the time, so it's not really that challenging.

10 CHAIRPERSON REYNA: Mm-hm. And do you
11 believe that there would be fraud in any program
12 like this similar to what a concern in the MWBE
13 world?

14 EDGARD HERNANDEZ: And I want to touch
15 on that also, but if we can create an MOU with the
16 federal government to take the federal
17 certification and put it on a fast track
18 application, the federal government does a really
19 good job now of really certifying these veteran-
20 owned small businesses and service disabled and
21 that's one way to reduce costs and if you have the
22 state jumping in, that will also reduce costs
23 because one, agencies are already certifying
24 veteran-owned business, so there is a lot of
25 synergy and especially with our programs in

2 chambers and everyone else we could do a lot
3 together. So that's one way of really keeping the
4 costs down, but to avoid the fraud, because there
5 is fraud in almost everything that we do nowadays,
6 I think that verifying that the DD-214 is valid
7 with the VA would be the best way of avoiding the
8 fraud and just keep you know, following the
9 process, the same process that the MWBE Program or
10 MWBE applicant goes through at this time...

11 CHAIRPERSON REYNA: [interposing] Mm-
12 hm.

13 EDGARD HERNANDEZ: Is sufficient
14 enough.

15 CHAIRPERSON REYNA: Mm-hm.

16 ROBERT PIECHOTA: [off mic] Because
17 fraud is an operation.

18 EDGARD HERNANDEZ: Right.

19 ROBERT PIECHOTA: [off mic] It has
20 nothing to do with...

21 EDGARD HERNANDEZ: Yeah.

22 ROBERT PIECHOTA: Just the one other
23 issue about fraud and abuse is does the person who
24 claims to be the veteran are they truly... if
25 they're 51 percent owned; are they truly involved

2 with day-to-day operations? That's always the
3 issue when it comes to...

4 [crosstalk]

5 CHAIRPERSON REYNA: Absolutely.

6 ROBERT PIECHOTA: Proof.

7 CHAIRPERSON REYNA: Absolutely and as a
8 final question, are veteran businesses that you're
9 working with winning city contracts?

10 EDGARD HERNANDEZ: More of my veteran-
11 owned small businesses are winning federal
12 contracts. They don't see... they don't... they're
13 not really... they don't consider their state or
14 city as a viable place to really gain new
15 opportunities because there are none for them.
16 That's the way they see it and it's been mentioned
17 to me many times already.

18 CHAIRPERSON REYNA: And is that because
19 they're not participating?

20 EDGARD HERNANDEZ: They do...

21 [crosstalk]

22 CHAIRPERSON REYNA: Or because they're
23 not certified?

24 EDGARD HERNANDEZ: They're not
25 certified and they feel that no one's... they're

2 not part of the process or they're not being
3 considered in some way. But I do have some that
4 are very successful in the state and city
5 government, but it's very, very, very few.

6 CHAIRPERSON REYNA: And not as a
7 veteran.

8 EDGARD HERNANDEZ: Not as a veteran,
9 no.

10 CHAIRPERSON REYNA: And not categorized
11 in any MWBE certified program.

12 EDGARD HERNANDEZ: No.

13 CHAIRPERSON REYNA: Any other comments?
14 Okay. We've been joined by David Greenfield.
15 Council Member Greenfield, thank you. Do you have
16 any questions? Okay, thank you. I'd like to thank
17 this panel. Your comments and recommendations have
18 been valuable and I look forward to working with
19 you on this bill for a passage and we look forward
20 to a six-month review of data in the following year
21 to see the conclusion of a study performed by the
22 City of New York under its new administration.
23 Thank you so much. The next panel is Felice Farber
24 from the General Contractor's Association, and
25 Felice, I believe just stepped out of the room.

2 Vince McGowan, Veterans Advisory Board. [off mic]
3 Thank you. Lee Covino of Staten Island, Borough
4 President Jim Molinaro; Lionelle Hamanaka, Military
5 Families...

6 [Pause]

7 CHAIRPERSON REYNA: And if there's any
8 other individual in this room who was interested in
9 testifying, please make sure that you sign in so
10 that we are able to have you as part of the record.

11 [Pause]

12 CHAIRPERSON REYNA: As soon as you're
13 ready, you may begin. I believe she stepped out.
14 I saw her leave, unfortunately.

15 [Pause]

16 VINCE MCGOWAN: Okay, good morning. I
17 want to thank the City Council and this Committee
18 chaired by Chairperson Reyna for taking on the
19 issue of the opportunity to include veterans in the
20 business procurement process in New York City. A
21 long time in coming, it's good to see the tail end
22 of our nation's longest war. Guys like me, you
23 know, I went to war in the sixties and have been in
24 business in New York City without the benefit of
25 all the help that hopefully will be coming from

2 these hearings and from a long, successful
3 experience of a business in New York City as a
4 veteran, I can tell you that any help that we can
5 get our men and women who are protecting us is
6 certainly something that they deserve and I really
7 appreciate you taking up the challenge. It's been
8 a long time.

9 My name is Vince McGowan and I'm the
10 Chairman of the New York City Veterans Advisory
11 Board, the VAB. It was chartered in 1987 under
12 Local Law 53 to advise the Mayor's Office of
13 Veterans Affairs on all matters concerning
14 veterans. In 2002, Local Law 45 expanded the VAB
15 from five to nine members, five appointed by the
16 Mayor and four appointed by the City Council with
17 each borough represented on the Board. In 2006,
18 Intro 233 enhanced the structure of the VAB and
19 added annual reporting requirements. The first
20 Chairman of the VAB was elected in 2008. I became
21 the Chairman in 2009 and I continue to hold that
22 position and every year those reports have been
23 sent into the City Council, as required by the
24 legislation. First, I would to express the VAB's
25 appreciation to the Committee on Veterans and the

2 Committee on Small Business, as well as all the
3 sponsors for drafting Intro 1159. Intro 1159 is a
4 cutting edge bill, which blends nicely with the
5 bipartisan legislation currently being considered
6 in Albany. The State Legislation is known as
7 Assembly Bill 8230 and Senate Bill 5968, Opening
8 Opportunities, Resources and Access for Heroes or
9 "OORAH," as you heard in the last panel's
10 testimony. The passage of Intro 1159 will usher in
11 a new era of assistance to the youngest veterans in
12 the City of New York and open up opportunity for
13 all veterans, including us old-timers at this
14 point. The need for legislation allowing veterans
15 business enterprises, VBEs, to participate in the
16 city's procurement process has been discussed
17 several times at our Veterans Advisory Board
18 meetings going back to 2002. The Veteran Advisory
19 Board has also discussed similar legislation, which
20 had circulated in Albany during those years. While
21 this appears to be the first such city procurement
22 legislation, bills creating a state service
23 disabled veteran-owned business program passed both
24 Chambers in 2009 and was sent to Governor
25 Paterson's desk and promptly vetoed. That's a very

2 important point, considering some of the testimony
3 that you heard in the previous panel, which brings
4 me to why the VAB opposes Reso 1926. Our Board
5 opposes Reso 1926 for the reasons contained in then
6 Governor Paterson's 2009 veto message, which
7 states, in part quote, "State finance law prevents
8 state agencies from entering into a procurement
9 arrangement with businesses;" there's a few more
10 lines in there;" that discriminate against New York
11 businesses through pricing preferences or other
12 means." That's the basis of our opposition to it.
13 How does this relate to Reso 1926? Simply put,
14 Reso 1926 supports a three percent set-aside bill
15 now circulating in the Assembly as Assembly 2554.
16 A similar set-aside was included in the State
17 Legislation previously vetoed by the Governor.
18 Veterans do not need special preferences or set-
19 asides; however, our city's veterans can certainly
20 benefit from existing programs now offering
21 technical assistance and bidding opportunities to
22 other economically disadvantaged groups; woman and
23 minorities.

24 In closing, the VAB looks forward to
25 passage of Intro 1159 and the benefits it will

2 bring not only to our youngest vets, but to the
3 coffers of the City of New York. Thank you.

4 LEE COVINO: Good morning.

5 CHAIRPERSON REYNA: I'm sorry, I just
6 wanted to make sure. Did we have your testimony on
7 file?

8 VINCE MCGOWAN: Yes, you do.

9 CHAIRPERSON REYNA: Okay.

10 VINCE MCGOWAN: Yes, you do. I turned
11 it into the...

12 [crosstalk]

13 CHAIRPERSON REYNA: Fantastic.

14 [crosstalk]

15 VINCE MCGOWAN: Sergeant.

16 CHAIRPERSON REYNA: Okay, thank you.

17 [Pause]

18 CHAIRPERSON REYNA: You may begin. I
19 apologize.

20 LEE COVINO: Good morning. My name is
21 Lee Covino and I'm the Veterans Affairs Advisor to
22 Staten Island Borough President James P. Molinaro.
23 I'm also the Vice Chairman of the Veterans Advisory
24 Board; the Assistant Chair and a member of many
25 different veterans organizations, but since I have

2 only one head, I wore my VFW cap today. [laughter]

3 I'll read this statement. Chairperson Eugene and

4 Chairperson Reyna, distinguished members of the

5 committee on Veterans and the Committee on Small

6 Business, I appreciate this opportunity to show my

7 support for Intro 1159 and express my opposition to

8 Reso 1926, which represents a set-aside and runs

9 contrary to the state finance law. Many of the

10 points I raise today have previously been discussed

11 by me at the Veterans Committee public hearing held

12 on September 29th, 2005. On several occasions,

13 going back to 1991, the borough president of Staten

14 Island has testified at a myriad of hearings

15 regarding the need to include wartime and disabled

16 veterans in all present day procurement and

17 economic emphasis programs on city and state levels

18 of government. Intro 1159 is a necessary first

19 step in addressing the needs of our city's youngest

20 vets and I commend all of the sponsors and the

21 Committee's efforts to finally make this cutting

22 edge Intro into a reality. Here in the City of

23 New York and indeed in most of our large cities

24 throughout the nation, our military veterans

25 constitute a Rainbow Coalition of individuals who

2 have not only served their country, but have
3 indirectly contributed to the growth of large and
4 small businesses alike by ensuring a free and
5 peaceful homefront for these operations to evolve.
6 These are all men and women, many of whom became
7 disabled during their time in the military, receive
8 only nominal economic emphasis from various levels
9 of government while current City Charter fails to
10 provide any economic or non-civil service
11 employment emphasis for the same. Today we can
12 safely assume that most if not all World War II
13 veterans and a large portion of Korean War veterans
14 have retired, with the Vietnam generation following
15 closely behind, so Intro 1159 would primarily serve
16 our youngest veterans. All indications are that
17 over the next few years the number of young
18 veterans discharged back to the city and state will
19 rise due to the wind down of operations in the
20 Middle East and related theatres As a result, there
21 is a glaring need to revise economic and employment
22 emphasis programs to include at a minimum wartime
23 and disabled veterans. Because members of the
24 military are removed from the local employment
25 environment for years at a time, it may be possible

2 that returning veterans are disenfranchised as a
3 group in terms of employment, particularly when
4 government is downsized. The Department of Labor
5 Statistics consistently show that the unemployment
6 rate for younger veterans is above the normal
7 average, particularly for female veterans aged from
8 20 to 24 years. Implementation of Intro 1159 would
9 have nominal start-up costs, as an infrastructure
10 serving the city's minority and women business
11 enterprises has been in place for over 20 years
12 now. Indeed, the impact of adding this deserving
13 group and allowing them to benefit from the
14 procurement and technical assistance opportunities
15 offered in Intro 1159 can only make the city's
16 economic base stronger.

17 In closing, I hope that today's hearing
18 will result in positive changes for the veterans of
19 New York City. While the great state of California
20 has had a Disabled Veterans Business Enterprise
21 Program for over two decades, there is no similar
22 program in the entire Northeast United States.
23 It's time for the City of New York to lead the way
24 in this area and encourage the state to follow suit
25 with legislation such as A.8230 and S.5968, our old

2 friend "OORAH," which would accomplish similar
3 objectives statewide for our wartime and disabled
4 veterans. I have attached an article from Crain's,
5 which outlines today's "vetrepreneurs," who are
6 already doing business in the five boroughs.
7 Additional listings of existing veterans business
8 enterprises in the city may be obtained from the
9 U.S. Small Business Administration. Thank you.

10 CHAIRPERSON REYNA: Thank you very
11 much.

12 LIONELLE HAMANAK: My name is Lionelle
13 Hamanaka from Military Families Speak Out. I'd
14 like to thank the Committee on Small Business and
15 the Veterans Committee for initiating Number 1159.
16 I did some research on veterans businesses in the
17 country and there's about two and half million of
18 them and in New York State there's 127,000 as of
19 2007 and usually, I've found that the number of
20 people killed and the number of people injured and
21 the number of people in the service is like 10
22 percent for New York, so I thought... I was struck
23 by the fact that even though we're 10 percent of
24 many other statistics, in this one we're lower than
25 that. So it seems like a great opportunity for New

2 York to become a leader in this area and we know
3 that New Yorkers are tough and that they can...
4 we're one of the driving forces of the national
5 economy. I'm not going to read exactly what I
6 wrote here because I heard some things that I
7 wanted to respond to. In other words, they have
8 been very successful as a group at creating
9 businesses despite the fact that they may not have
10 been considered special you know, funded or
11 whatever. And so in this atmosphere where we
12 really need to get back to a thriving economy with
13 many more jobs, it makes a lot of sense to fund a
14 group that's been successful and that has the
15 personal characteristics which all small businesses
16 need to be successful and whether it's through 2554
17 or they become part of the minority Rainbow
18 Coalition, that the gentleman here was speaking
19 about in terms of paperwork, we have to think about
20 what is going to work for our communities and
21 what's going to give us the leadership that we need
22 because when I went to Albany to lobby for the bill
23 for veterans housing, I was struck by the fact that
24 the politicians that I met... we'd be talking about
25 somebody else that they know and they'd say, "Oh,

2 yes, he's a good guy," or, "She's a good woman,"
3 and then I realized that not everybody brings to
4 the table the type of determination that's going to
5 you know, in a large part account for their
6 success. And so I think that even though we need
7 to create a ladder for somebody who's
8 disenfranchised; comes back and has no money; has
9 no credit; doesn't have a house; doesn't have a job
10 and so forth, training these people so that they
11 can become a strong force if we do invest in them
12 that history has shown that a large percent of
13 their enterprises are going to be successful, just
14 like this gentleman to my right. And Military
15 Families Speak Out is a national non-profit group
16 of families related to soldiers who have served
17 since 9/11. Needless to say, we love and miss our
18 troops; want all our troops to come home now and
19 want to take care of them when they get here. We
20 foresee many veterans coming home looking for work
21 and since small business is a way veterans have
22 been very successfully have applied character
23 traits, some of which are developed in the service,
24 like intelligence, discipline, perseverance,
25 integrity and the ability to manage people, we

2 support these resolutions and we applaud you for
3 your courage and thank you very much for helping
4 our community. Now, somebody said to me that an
5 advertising principle is you can't just advertise
6 once. You have to advertise 11 times, so I know
7 that MOVA has a list and knows when all the troops
8 are coming home. There's no reason why a brochure
9 can't be created, especially for this group, and
10 given out to servicemen when they return, so
11 that's, let's say, the second time and then can't
12 be given out at the forts. There's you know, Fort
13 Hamilton. There's all these places where the
14 National Guard trains in the neighborhoods of New
15 York and we can give it out there and in the
16 community and at all these City Council members'
17 offices. The only problem that I have seen;
18 obstacle is that when a veteran let's say, goes to
19 the bank and asks for a loan or whatever, well,
20 they tell you very clearly like in the MOVA
21 seminar, you've got to pay this money back. Well,
22 if you don't have any money and you don't have
23 let's say, a good relationship with your dad and
24 let's say, he's broke too you know, there's a
25 financial obstacle, so somebody has to have an

2 extra amount of courage to take a loan, but if this
3 opportunity exists for them to be pretty sure they
4 can get a contract that's a sort of steady source
5 of income and they will be able to pay back the
6 loan, then it gives people the opportunity and the
7 courage to do so, and again, thank you very much.

8 CHAIRPERSON REYNA: Thank you so much,
9 Miss Hamanaka, your leadership helping families of
10 veterans and making sure that they are always at
11 the forefront of conversation to be taken care of.
12 I want to thank our veterans for their testimony;
13 for your service. I salute you and keep up the
14 great work making sure that you're challenging us
15 to do our job, just like you did for us and we have
16 no further... oh, I... we've been joined by Danny
17 Dromm from Queens. Thank you very much and we were
18 joined by Council Member and Public Advocate-elect
19 Letitia James, who had to obviously... very busy
20 these days transitioning, but we wanted to thank
21 her for coming and making sure she was part of the
22 attendance of this Committee. We look forward to
23 continuing our discussions on this bill. We
24 understand your opposition on the resolution as
25 opposed to what would be the support of

2 Introduction of Law 1159, and we do appreciate the
3 distinction being noted on the record. So thank
4 you very much and have a great holiday and all the
5 best. Thank you.

6 [Pause]

7 CHAIRPERSON REYNA: I'd like to thank
8 everyone for coming to this hearing. I'd like to
9 thank the Committee staff, Kelly Taylor [phonetic],
10 counsel to the Committee on Veterans; Robert
11 Cornagie, Policy Analyst, the Committee on Small
12 Business; Jeffrey Campagna, counsel and Peter
13 Drivas, Policy Analyst and as always, my staff
14 member, Malcolm Sanborn-Hum, who's the supportive
15 staffing of this Committee. I wanted to thank you
16 all. Have a great holiday and we look forward to
17 the passage of 1159. Thank you so much. This
18 meeting is adjourned.

19 [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. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Date: 12/27/2013