

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON OVERSIGHT AND
INVESTIGATION

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

B E F O R E: Ritchie J. Torres,
Chairperson

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1
2 CHAIRPERSON TORRES: [Gavel] We're going to get
3 started. Good morning, I am City Council Member
4 Ritchie Torres and I Chair the Committee on Oversight
5 and Investigations. I am honored to Co-lead today's
6 hearing with Council Member Alicka Ampry-Samuel, who
7 Chairs the Committee on Public Housing. We are also
8 joined by Council Members Gjonaj who represents the
9 Throggs Neck Houses, Council Member Diaz, Council
10 Member Powers, and I am sure we will be joined by a
11 few Council Member later on.

12 Before we dig dip into the details of
13 mismanagement at Throggs Neck Houses and elsewhere in
14 NYCHA, it is important to never forget the historical
15 context. The story of how NYCHA went from being the
16 gold standard among housing authorities to the worst
17 landlord in New York City.

18 It is a story familiar to many of you but
19 nonetheless worth repeating with an ever-greater
20 sense of urgency.

21 NYCHA is crumbling under the weight of a \$32
22 billion capital need. Buildings are getting older
23 and older, living conditions are getting worse and
24 worse, budget challenges driven by higher costs and
25 federally unfunded mandates are getting wider and

2 wider. The root cause of the humanitarian crisis in
3 NYCHA is federal disinvestment. Those who claim
4 otherwise and deny the depth of the federal
5 government's disinvestment are living on a different
6 planet from our own.

7 In choosing to resign instead of signing a
8 questionable agreement with SDNY and HUD, an active
9 integrity seldom seen in public life Stanley
10 Brezenoff, the former chair of the New York City
11 Housing Authority said the following, "how is it
12 possible for there to be moralizing from the U.S.
13 Attorney as if NYCHA was a creature onto itself, not
14 dependent on federal resources."

15 Mr. Brezenoff is correct. NYCHA is not a
16 creature onto itself, it is a federal obligation
17 poorly but primarily funded and regulated by the
18 federal government. NYCHA is indeed a creature of
19 the federal government and more specifically HUD
20 which is as much an absentee landlord as the very
21 Housing Authority wishes to scapegoat in order to
22 deny the truth of federal disinvestment.

23 In his interview with the New York Times, Mr.
24 Brezenoff poses the \$32 billion question. "Where is
25 HUD and where is the money?" It is the most

2 important question and a half a million people in
3 Public Housing are urgently waiting for an answer.

4 Federal disinvestment is symptomatic of an even
5 deeper rot in American life and inequality. If one
6 were searching for a place that symbolizes inequality
7 in our time, look no further than where it was born
8 and raised Throggs Neck, a publicly subsidized visual
9 tale of two cities.

10 In one city there is cooperate welfare for the
11 powerful, in the other callous disregard for the
12 poor. Across the street from the sprawling NYCHA
13 towers in the park is a gilded gated golf course,
14 Trump links, which received over \$100 million in
15 public subsidy. Reflect on that for a moment. More
16 dollars have been spent on a golf course for Donald
17 Trump than on the homes of more than 3,000 New
18 Yorkers for whom Throggs Neck houses is the only
19 thing that stands between them and homelessness. If
20 that inequality is not an indictment of how
21 inefficiently and inhumanly, we allocate resources
22 and set priorities as a city and as a country, then I
23 for the life of me could not imagine what would be.

24 The scandal that took hold in Throggs Neck
25 Houses, however, is as much about local mismanagement

2 as it is about federal disinvestment. Indeed, it
3 represents a profound failure of management at every
4 level of the Housing Authority. The Department of
5 Investigations found that the Superintendent and a
6 Supervisor were engaged in a pattern of sabotaging
7 appliances, abusing overtime, retaliating against
8 subordination, drinking in the workplace, and
9 otherwise abusing the very power entrusted to them by
10 the public.

11 When one reads the DOI report which describes the
12 misconduct and disturbing detail, one cannot help but
13 wonder how such an abusive environment could go so
14 unnoticed for so long. Left unanswered in the DOI
15 report, is the essential question of who in NYCHA
16 knew what when? Who in NYCHA first received
17 complaints about the abusive workplace in Throggs
18 Neck? When were those complaints received? What
19 actions were taken in response to those complaints?
20 Even more important than the facts of Throggs Neck
21 are the largest systemic failure that plague public
22 housing at large. Indeed, the DOI report not only
23 exposes the egregious misconduct of a few rogue
24 employees, for me it raises deeper questions about
25 NYCHA's management of personnel, property, and public

2 funds. It is unclear whether employees, NYCHA
3 employees, who fall victim to work workplace abuses
4 have a simple and streamlined mechanism by which to
5 submit complaints without fear of retaliation. It is
6 telling that as shocking as the abuses of Throggs
7 Neck Houses were, few people said a word. Why is
8 that? Fear, confusion, unresponsiveness from the
9 higher ups? Furthermore, it's unclear whether NYCHA
10 has a real system in place for detecting much less
11 preventing abuses in overtime and procurement.

12 It is unclear whether NYCHA has a handle on the
13 assets and equipment it manages. So, much is unclear
14 which is why we are here to cut through the fog and
15 get to the facts. As well as conducting oversight
16 over DOI's investigative findings we are hearing a
17 number of bills, first Intro No. 1239 would require
18 the head of any mayoral agency or office to disclose
19 to the Speaker of the Council, the Mayor, and the
20 public any materially inaccurate statement that would
21 mislead the public within sworn testimony made by an
22 officer or an employee of such agency, or made in an
23 official report, within five days of the head of such
24 agency obtaining knowledge of such statement.

2 Second, Intro No. 1.1331-A would require DOI to
3 issue a monthly report to the Council on total
4 overtime hours recorded and total overtime paid to
5 NYCHA employees for the prior calendar month. This
6 information would be aggregated by borough and
7 housing development, and disaggregated by division,
8 job title, and supervisory status. The bill would
9 also direct DOI to report to the Council on a
10 bimonthly basis any NYCHA contracts valued at or
11 under \$5,000. The report would include the dollar
12 value of each contract, a description of the goods or
13 services procured, the name and address of the
14 vendor, and the date the contract was awarded. The
15 report would be aggregated by borough and NYCHA
16 housing development.

17 Finally, we're hearing Resolution No. 676 by
18 Council Member Salamanca. The first two previous
19 bills are sponsored by myself, the Resolution
20 sponsored by Council Member Salamanca, which calls
21 upon the New York State Legislature to pass, and the
22 Governor to sign, legislation that would require
23 NYCHA to conduct annual evaluations of agency
24 property employees. NYCHA employees, including
25 property managers, assistant managers,

2 superintendents and caretakers, are responsible for
3 the overall operation of the 326 developments at
4 NYCHA. Legislation requiring an annual evaluation
5 would allow NYCHA to ensure that performance
6 standards are being met.

7 I would also like to thank our staff whose work
8 made this hearing possible. Raymond Rodriguez from
9 my office, Madiba Dennie, Jose Conde, and Danial
10 Collins from the Counsels Legislative Division and
11 Steve Pilnyak and Justin Kramer from Oversight and
12 Investigations Unit.

13 I will now turn to Council Member Ampry-Samuel
14 for an opening statement.

15 COUNCIL MEMBER AMPRY-SAMUEL: Thank you, Chair
16 Torres. Good morning everyone and thank you all for
17 being here today at today's joint hearing. I am
18 Council Member Alicka Ampry-Samuel and I Chair the
19 Public Housing Committee.

20 We are here today to discuss the incident at
21 Throggs Neck Houses and the reforms that must occur
22 in order to stamp out misconduct at NYCHA. Many of
23 you are already familiar with the salacious details
24 and inappropriate relationships between Throggs Neck
25 Managers and subordinates.

2 Some employees were threatened and abused; others
3 were rewarded for their bad behavior getting paid for
4 overtime work when they were actually partying. All
5 the while repairs went undone and resident needs went
6 unmet. Because of NYCHA's mismanagement, residents
7 and employees both suffered.

8 First, I must say that I can't believe that we
9 are forced to conduct this hearing today, while the
10 Mayor brags about New York being the biggest,
11 fairest, City in America.

12 We have city employees working in such a hostile
13 and abuse work environment, I'm actually embarrassed.
14 Chair Torres described the bills that we're hearing
15 today, and I want to just remind people that we had a
16 management hearing about a year ago. This same
17 Committee and a lot of my colleagues discussed and
18 complained about mismanagement in their developments
19 and I hope today we are much further along and that
20 we won't hear, oh, we're working on it. We're
21 putting something in place. We're going to release
22 something in a couple of months. I really hope that
23 that's not what we are going to hear today. We need
24 to hear concrete results related to the report.

2 NYCHA has an obligation to its workers and its
3 residents. Misconduct and mistreatment like that
4 which occurred at Throggs Neck should have never
5 happened and it cannot be allowed to happen again.
6 The Committee and members of the public here today
7 must hear from NYCHA what steps has already been
8 taken to respond to the report and its future plans
9 to improve management and protect staff from abusive
10 conduct.

11 One of the managers in question reportedly
12 bragged that he ran Throggs Neck like a jail, but
13 Throggs Neck is a home and thousands of people live
14 and work there, and they, like all NYCHA residents
15 and New Yorkers deserve better. And I also know that
16 in the report, there was mention of a resident leader
17 as a strong advocate for residents and resident
18 leaders, the highlighted portions of the DOI report
19 that alleged behavior of an individual. I hope we
20 will be able to have a conversation about that, but I
21 want to remind people to that we're going to have an
22 updated hearing about TPA and elections and we should
23 be able to go into detail about the mismanagement of
24 TPA funds and elections and 964 Regulations, but I

2 hope that today's discussion will help guide that
3 later hearing.

4 And so, with that, I just say thank you and I
5 look forward to discussion.

6 CHAIRPERSON TORRES: Council Member Salamanca,
7 would you like to make remarks about your resolution?

8 COUNCIL MEMBER SALAMANCA: Yes, thank you Chair
9 Torres and Chair Alicka Ampry-Samuels. The concept
10 of my Resolution is very simple. Performance
11 evaluations for employees, annual performance
12 evaluation for employees. Our NYCHA developments are
13 in total disrepair. I am aware that there is a \$32
14 billion capital need, but there has been basic
15 mismanagement that has gone on for decades. My
16 constituents are suffering. Tickets are being
17 opened, work is not being done, and tickets are being
18 closed and no one is being held accountable.

19 A year ago, we had a hearing at the City Council
20 Chambers where the leadership and NYCHA was
21 explaining to us how many employees they have and how
22 their operation works. And a very basic question was
23 asked, are property managers and ground workers, do
24 they get an annual performance evaluation? And the
25 answer was they are evaluated I believe their first

2 year on the job as a form of probation and after that
3 evaluations are not being done. And so, the question
4 comes, how are they being held accountable? And I
5 think the best way to hold them accountable is by
6 having performance evaluations.

7 So, I am excited to have NYCHA hear and DOI here,
8 so that we can ask these appropriate questions and
9 see how we can get answers to them. Thank you.

10 CHAIRPERSON TORRES: The first panel will be the
11 Department of Investigations. We are joined by the
12 Commissioner Margaret Garnett. Please swear in the
13 Commissioner.

14 CLERK: Could you please raise your right hand.
15 Do you affirm to tell the truth, the whole truth and
16 nothing but the truth in your testimony before this
17 Committee and to respond honestly to Council Member
18 questions?

19 MARGARET GARNETT: Yes. Good morning Chair
20 Torres and Ampry-Samuel and members of the Committee
21 on Oversight and Investigations and Public Housing.
22 My name is Margaret Garnett and I am the Commissioner
23 of the New York City Department of Investigation. I
24 am here today at both Committees request to provide
25 testimony about DOI's investigations into matters

2 related to the Throggs Neck Houses, a New York City
3 Housing Authority Development in the Bronx.

4 By way of background, DOI has 49 employees in its
5 NYCHA Office of Inspector General which oversees the
6 City's public housing authority, including it's
7 operations. It is 325 developments and it is 11,000
8 employees. Each year, DOI's IG for NYCHA receives
9 over 2,000 complaints and reviews each one to assess
10 whether the allegations fall under DOI's mandate to
11 root out corruption, fraud, conflicts of interest and
12 gross misconduct and of course whether it is a
13 potential criminal matter. Based on those
14 complaints, as well as agency referrals and other
15 sources of information, our NYCHA IG opens
16 approximately 350 investigations each year.

17 This protocol is the same for the thousands of
18 complaints that come into DOI as a whole each year,
19 regarding the other city agencies we oversee,
20 totaling more than 15,000 complaints in 2018 alone.
21 DOI reviews each one individually and determines
22 whether it is proper for a DOI investigation to be
23 opened.

24 We refer many administrative allegations and
25 personnel matters back to the agencies we oversee.

2 Complaints about matters such as relatively minor
3 instances of employee time and leave abuse, employee
4 misbehavior, and the daily management of the agency's
5 business are all example of issues that in most
6 instances, are most appropriately handled by the
7 agency itself. Since agencies make their own
8 managerial decisions, meet out employee discipline
9 and in NYCHA's case, have their own disciplinary
10 units for employee misconduct. DOI is not and cannot
11 be a replacement for an agencies management
12 structure, its human resources office, or its EEO
13 officer.

14 Regarding the Throggs Neck Houses development
15 specifically, the initial complaints that we received
16 involved allegations of rudeness to residents,
17 drinking on the job, and consensual sexual
18 relationships among employees. These kinds of
19 complaints, while important, barring extreme
20 allegations or circumstances that suggest the
21 possibility of criminal conduct, endangering public
22 safety, abuse of authority or theft of city resources
23 are personnel matters, which are most appropriately
24 handled by the agency. The timeline of complaints
25

2 about the Throggs Neck Houses specifically,
3 illustrates this typical procedure.

4 In October of 2017, DOI's office of NYCHA IG
5 received an anonymous call complaining that Brianne
6 Pawson, then a supervisor at the Throggs Neck Houses
7 was very rude to residents and employees and did not
8 wear her NYCHA uniform as required while at work. We
9 referred this complaint to NYCHA's Bronx Borough
10 Management Department for action.

11 In January of 2018, just a few months later, a
12 NYCHA employee emailed the IG to complain that
13 Brianne Pawson, the same supervisor, received
14 favorable treatment as to various administrative
15 matters because her father, Charles Pawson was a
16 Director at NYCHA. We referred that complaint to
17 NYCHA's Chief Administrative Officer for action. As
18 with all referrals like these, in both cases we
19 included our standard language that if the agency
20 finds any evidence of corrupt or criminal activity,
21 DOI should be notified immediately.

22 In the late spring of 2018, approximately a year
23 ago, NYCHA General Manager Vito Mustaciuolo met with
24 DOI's Inspector General for NYCHA, Ralph Iannuzzi as
25 part of a regularly scheduled meeting between DOI and

2 NYCHA. Among the many items discussed at that spring
3 meeting, was information that General Manager
4 Mustaciuolo had received alleging that some Throggs
5 Neck Houses staff were drinking alcohol at work and
6 having sex with other NYCHA employees at work. Those
7 complaints did not allege criminal activity but were
8 employee misconduct allegations that absent other
9 aggravating factors, would typically be handled by
10 the agency as a managerial or Human Resources matter.
11 As with the earlier complaints, at this point, the
12 complaints were unfortunately neither unusual nor out
13 of the mainstream of employee misconduct complaints
14 that DOI typically receives about NYCHA.

15 As a result, IG Iannuzzi told NYCHA that the
16 matter should be addressed by the agency as a
17 management issue, and if NYCHA became aware of any
18 potential criminal conduct or corruption related
19 aggravating factors again, they should alert DOI
20 immediately.

21 NYCHA subsequently reported to DOI that it had
22 immediately opened an internal investigation that
23 included conducting unannounced visits at the Throggs
24 Neck Houses, interviewing staff and residents, and
25 reviewing CCTV camera footage, among other actions.

2 General Manager Mustaciuolo had just started at NYCHA
3 approximately four months earlier, he has
4 consistently been receptive to DOI's oversight role.
5 The conversations between him and Inspector General
6 Iannuzzi continued to be active and open on this
7 matter through the summer.

8 While NYCHA's internal investigation was ongoing,
9 DOI received two additional relevant complaints. In
10 June 2018, we received an anonymous complaint that
11 Throggs Neck supervisors Wallace Vereen and Ricardo
12 Ramos had sexual relationships with a number of
13 female employees on the caretaker staff at Throggs
14 Neck and that these employees had then received
15 favorable treatment from Ramos and Vereen.

16 In early August of 2018, a NYCHA employee
17 reported to DOE that Brianne Pawson had hosted
18 parties with staff during working hours that included
19 alcohol and marijuana use, and that she was having
20 consensual sexual relationships with male
21 subordinates. Because of the nature of the
22 allegations and our awareness of NYCHA's ongoing
23 inquiry into staff misconduct at Throggs Neck, we
24 referred the complaints to NYCHA management. In one
25 case, directly to Mr. Mustaciuolo, with our standard

2 proviso that any evidence of criminality or
3 corruption should be immediately reported back to
4 DOI.

5 By mid-summer, in several conversations during
6 July and August of last year, NYCHA reported back to
7 DOI that while it had not been able to substantiate
8 specific allegations of employee misconduct at the
9 Throggs Neck Houses, NYCHA management had determined
10 that there were numerous managerial problems at the
11 development that needed prompt and aggressive action.
12 These problems included unacceptable delays in
13 maintenance and repairs and a pattern of excessive
14 overtime use. As a result, NYCHA management had
15 decided to transfer the entire staff of 45 employees
16 to other developments.

17 General Manager Mustaciuolo discussed this plan
18 with Inspector General Iannuzzi and his staff, and
19 there was mutual agreement that the staff transfers
20 would hopefully stem further problems and potentially
21 create an environment where other complainants among
22 both residents and staff, would feel comfortable
23 coming forwards with information, whether related to
24 the prior allegations or regarding new allegations.

2 That plan worked and it worked swiftly on multiple
3 levels.

4 On August 24, 2018, NYCHA executed the transfer
5 plan, and in the immediate aftermath more
6 complainants promptly came forward to report
7 additional misconduct at the Throggs Neck Houses.
8 Simultaneously, the media reported on the complete
9 staff transfer at the development, as well as
10 publishing a number of additional allegations ranging
11 from sexual harassment by supervisors of
12 subordinates, to group sex parties that involved
13 residents and children, overtime abuses, and the
14 assertion by Throggs Neck Tenants Association
15 President Monique Johnson, that there was video and
16 audio evidence of employees having sex on NYCHA
17 property.

18 New complainants coming forward and the
19 seriousness and specificity of their new allegations,
20 as well as the new allegations outlined in the media
21 that identified potential criminal conduct, all led
22 DOI to open its own investigation at the end of
23 August of 2018.

24 We conducted over 40 interviews of employees and
25 residents, reviewed video recordings and photographs,

2 personnel files, timesheets, purchasing records, work
3 orders, phone records, and numerous other documents.

4 Our thorough and independent investigation
5 refuted claims that Throggs Neck staff were having
6 what had been described as orgies both on and off
7 NYCHA premises. Significantly, and thankfully, DOI
8 found no evidence of alleged sex parties or sexual
9 misconduct involving residents or children at Throggs
10 Neck Houses. Indeed, in the course of DOI's
11 investigations, Tenant Association President Johnson
12 and other Tenants Association officers recanted the
13 allegations they had made to the media about
14 personally witnessing parties, drinking or sexual
15 misconduct and the existence of recorded evidence of
16 this behavior.

17 However, we did as both Chairs alluded to, find
18 extremely troubling evidence of a culture of
19 misconduct, employee mistreatment and retaliation led
20 by the two managers at the site, Brianne Pawson and
21 Wallace Vereen.

22 DOI's findings are described in detail in our
23 six-page letter to NYCHA that was sent in January and
24 is attached to my testimony and I believe all the
25 Council Members should have that before them today.

2 Those findings included regular and extensive alcohol
3 use on the job, managers and subordinates engaged in
4 sexual relationships what led to improper favoritism
5 and punishment, managers threatening of subordinates
6 physical safety, managers allowing favored employees
7 to leave their assigned post while on duty, time and
8 leave abuse, bullying and retaliation against
9 disfavored employees, sabotage of NYCHA appliances
10 intended for residents apartments, discarding
11 thousands of dollars' worth of valuable NYCHA
12 equipment, and the circumvention of NYCHA's
13 procurement rules. Moreover, all of this misconduct
14 took place in an atmosphere of perceived impunity on
15 the part of Vereen and Pawson, which suppressed
16 complaints by both residents and NYCHA staff.

17 The matter was referred to NYCHA to take
18 appropriate disciplinary action, which NYCHA promptly
19 initiated. Those disciplinary proceedings are
20 currently in progress against both Pawson and Vereen.

21 In the course of our investigation into employee
22 misconduct at Throggs Neck Houses, numerous witnesses
23 reported to DOI that Monique Johnson abuses her
24 position as the President of the Throggs Neck Tenants
25 Association. Our investigation found that Johnson

2 had for years inappropriately diverted NYCHA staff
3 time and funding for Tenants Association purposes,
4 depriving all Throggs Neck residents of needed
5 resources. For example, DOI found that Johnson had
6 NYCHA pay a private contractor nearly \$5,000 to
7 install private security cameras for her Tenants
8 Association office and special order a stove for the
9 Tenants Association office using scarce funds from
10 Throggs Neck general budget which is intended to pay
11 for appliances and equipment for the use of all
12 residents.

13 Additionally, Johnson received special
14 renovations in her own apartment that would not be
15 available to other residents. We concluded that
16 Johnson was able to get this special and unwarranted
17 treatment in part through threats and intimidation.
18 Finally, we found evidence that the Throggs Neck
19 Tenants Association may be operating contrary to the
20 Department of Housing and Urban Development
21 regulations and its own by laws.

22 DOI's full report concerning the Throggs Neck
23 Tenants Association was sent to NYCHA in early
24 February and is attached to my testimony, and I
25 believe all Council Members have that as well.

2 DOI recommended that NYCHA conduct a
3 comprehensive review of the Throggs Neck Tenants
4 Association's compliance with HUD regulation, NYCHA
5 policies, and its own by laws. We also recommended
6 reforms to ensue the integrity of NYCHA staff
7 interactions with Tenants Associations throughout the
8 City. Including providing both development staff and
9 borough management with written instruction that
10 Tenants Association requests may not be prioritized
11 over other residents needs.

12 The allegations we investigated here tracked a
13 2013 DOI investigation that began after NYCHA's then
14 General Manager Cecil House referred complaints to us
15 that Johnson, then also in her role as Tenants
16 Association President, was intimidating and
17 threatening the NYCHA staff and residents. That 2013
18 investigation found that Johnson frequently created a
19 "disruptive atmosphere for the Throggs Neck
20 Management employees by demanding information and
21 attempting to intimidate staff through aggression and
22 hostility, and that her frequent presence in the
23 management office is excessive, often unwarranted and
24 inappropriate." That 2013 investigation also
25 determined that NYCHA borough management personnel

2 advocated for Johnson personally in a way that
3 circumvented NYCHA's procedures.

4 It appears that NYCHA management took no action
5 in response to our 2013 investigation and referral.
6 However, our experience has been that the new NYCHA
7 Administration is responding seriously and
8 appropriately to our 2019 referral. After receiving
9 our February letter, NYCHA management requested our
10 2013 referral letter as well so that it can review
11 the matters history.

12 I have personally reviewed the investigations DOI
13 conducted in these matters and our handling of the
14 earlier complaints. I am proud of our work here, the
15 investigations were thorough and independent, and the
16 detailed finding and ultimate referrals to NYCHA
17 management were based on the fact, not rumors or
18 unsubstantiated allegations. Although our
19 investigations revealed very troubling conduct at
20 Throggs Neck, most of it was not criminal. In the
21 few areas where misconduct was arguably or
22 potentially criminal, the evidence was not sufficient
23 to support a criminal prosecution.

24 Within the tenure of General Manager Mustaciuolo,
25 NYCHA has acted promptly on both the allegations and

2 the ultimate findings. NYCHA's own internal
3 investigation, in consultation with DOI, led to the
4 managerial decision to transfer all of the staff out
5 of the Throggs Neck development. That decision
6 created conditions that contributed to the success of
7 DOI's subsequent investigation. Based on our
8 findings, NYCHA is taking disciplinary action against
9 the two most senior employees involved in the
10 misconduct.

11 In addition, our recommendations regarding the
12 Tenants Association speak to essential improvements
13 needed in that area as well. We expect that NYCHA
14 will follow up appropriately and we will continue to
15 monitor this area of operations.

16 I believe that DOI's comprehensive investigations
17 have led to the beginnings of reform at NYCHA's
18 Throggs Neck Houses, reforms that will hopefully
19 inform NYCHA's management of other developments and
20 improve conditions for both residents and staff. I
21 look forward to continuing our work in this area.

22 Thank you very much for having me. I am happy to
23 any questions that Council Members have.

2 CHAIRPERSON TORRES: Thank you, Commissioner for
3 you testimony, it was detailed, and it actually
4 answered a number of questions that I had.

5 So, judging by your testimony, it seems that DOI
6 had been receiving complaints about misconduct at
7 Throggs Neck Houses since October of 2017?

8 MARGARET GARNETT: Yes.

9 CHAIRPERSON TORRES: That's a new fact that had
10 not been previous.

11 MARGARET GARNETT: Yeah, the first complaint that
12 we received that was specifically about the employees
13 that were later the subject of the investigation or
14 that referenced the kind of misconduct that was
15 ultimately uncovered, we received in October of 2017,
16 and that as I said, focused primarily on Ms. Pawson's
17 rudeness or inappropriate interactions with residents
18 and staff and the fact that she did not wear her
19 uniform at work.

20 CHAIRPERSON TORRES: So, over the course of
21 almost a year, DOI received complaints, various
22 complaints, widely varied complaints about misconduct
23 at Throggs Neck Houses, at what point did you receive
24 the most detailed complaint about misconduct at
25 Throggs Neck Houses?

2 MARGARET GARNETT: I would say the detailed
3 information did not come to light until we began our
4 own investigation in late August of 2018. I think
5 one thing that is important to understand about the
6 situation is that because of I think the culture that
7 had been created by Pawson and Vereen and because of
8 the impression on the part of lower level staff and
9 some residents that complaining was essentially
10 pointless, that nothing would be done, that they had
11 a kind of immunity. Either that they were perceived
12 as immune or that no one cared, I think that the
13 impressions ran that gamut. The transfer of the
14 staff, the strong action taken by NYCHA management to
15 remove the entirety of the staff at that development,
16 what we saw is that really created a space where
17 people felt more safe and supported.

18 CHAIRPERSON TORRES: But I had something else in
19 mind.

20 MARGARET GARNETT: Okay.

21 CHAIRPERSON TORRES: I know obviously more facts
22 came to light as you began the investigation and
23 undertook the investigation, I'm curious what tips
24 before the investigation was the most detailed and
25

2 ultimately prompted your decision to conduct an
3 investigation to Throggs Neck Houses?

4 MARGARET GARNETT: I don't think it's fair to say
5 there was any one tip. So, as I said, we had
6 received -

7 CHAIRPERSON TORRES: I'll be more specific.

8 MARGARET GARNETT: Sure.

9 CHAIRPERSON TORRES: There was a reference to and
10 just a quote from your testimony, early August 2018 a
11 NYCHA employee reported to DOI that Brianne Pawson
12 had hosted parties with staff during working hours
13 that included alcohol and marijuana use and that she
14 was consensual sexual relationships with male
15 subordinates. Was that the most detailed tip that
16 you had received?

17 MARGARET GARNETT: Yes, prior the start of our
18 investigation that was the most detailed information,
19 yes.

20 CHAIRPERSON TORRES: And I guess the question is
21 at point does DOI investigate, right? You know,
22 corruption is straight forward, fraud is straight
23 forward but there is mention of abuse. Whenever I
24 see a public awareness campaign by DOI, when you see
25 corruption, fraud, or abuse, contact DOI. So, at

2 what point is abuse egregious to justify a DOI
3 investigation? If you learn of a supervisor who is
4 sleeping with employees, who is abusing her power
5 during work time, who is using drugs, who is
6 drinking, those are not simply isolated incidents of
7 misconduct, that could point to a culture of abuse.
8 So, why was that not sufficient to justify a DOI
9 investigation before the scandal broke publicly?

10 MARGARET GARNETT: So, I agree with you that I
11 think the area of what we could broadly call employee
12 misconduct is more of a grey area and it's a totality
13 of the circumstances. You know, it's hard to have
14 bright line, unlike for corruption, bribery, out
15 right theft of city money or resources, the area of
16 employee misconduct is more of a totality of the
17 circumstances area. It is harder to have bright line
18 rules. In this case, I think that I would put the
19 August 2018 complaint in context of where at that
20 stage, we had been having ongoing conversations with
21 Mr. Mustaciuolo from late spring through August. We
22 knew that NYCHA was undertaking, frankly in a way
23 that is different from how things might have been
24 handled in the past. That the General Manager
25 Mustaciuolo was engaged in a very aggressive internal

2 investigation into these allegations and that they
3 were on the cusp of taking action against employees
4 at the development. So, I think that had that August
5 2018 complaint come in in isolation, if the question
6 is in isolation, would that complaint have been
7 enough to cause us to open investigation? Maybe. I
8 think the fact that we already knew at that point of
9 the status of NYCHA's own investigation, that it was
10 coming to a close. That we were in discussions with
11 NYCHA about what they intended to do with regard to
12 Throggs Neck. So, once they had decided that the
13 appropriate thing would be a wholesale transfer of
14 the staff to other developments, that decision in
15 part was driven by a sense that there was more there
16 and that doing something like that would create an
17 environment where people would come forward with more
18 detailed information.

19 CHAIRPERSON TORRES: But here's where I and I
20 think this is close call, right. Some of the
21 coverage that I've read in the Daily News suggested
22 that DOI dropped the ball but as you correctly point
23 out, there's no bright line. But DOI did receive
24 complaints about Throggs Neck Houses since October of
25 2017. The General Manager thought the issue was

2 serious enough to bring it directly to the attention
3 of the NYCHA IG. The August 2018 tip did point to
4 serious abuses on the part of the supervisor. Sex
5 with employees, drug use, drinking during work time,
6 those are not simply isolated instances of abuse.
7 Those could point to a culture of abuse and I would
8 make one more point, if I'm a supervisor at Throggs
9 Neck Houses and I'm sleeping with my employees, and
10 I'm drinking during working hours, it's probably the
11 case that I'm engaged in other forms of misconduct
12 that more squarely fall within the realm of the
13 jurisdiction of DOI. Was there any investigation
14 into the overtime abuse based on the tips that you
15 had received about?

16 MARGARET GARNETT: So, we had not received tips
17 to the NYCHA IG about overtime abuse. Actually,
18 General Manager Mustaciuolo raised those concerns in
19 the summer of 2018. You know, I would say that at
20 the time we received the August 2018 complaint, which
21 was the more detailed -

22 CHAIRPERSON TORRES: So, before the investigation
23 began, DOI did receive complaints about possible
24 overtime abuse?

2 MARGARET GARNETT: Yeah, so General Manager
3 Mustaciuolo was engaged in – he was keeping us
4 informed in the summer of 2018 about NYCHA's own
5 investigation and what they were learning about what
6 was going on at Throggs Neck. I think it's always a
7 balance.

8 CHAIRPERSON TORRES: But that strikes me as
9 actually more clear cut. Like overtime abuse
10 involves the mismanagement of public funds. DOI was
11 founded in the wake of Tammany Hall which was about
12 mismanagement of public funds. Shouldn't that been
13 sufficient to prompt some preliminary investigation
14 into Throggs Neck Houses?

15 MARGARET GARNETT: Yes, but NYCHA was engaged in
16 its own review of those matters at the time that we
17 were made aware that that was a potential issue and
18 ultimately, they did find that there was a pattern of
19 excessive overtime use and our investigation was
20 open. Two things, when it became clear that the
21 abuses were more extensive, and also that NYCHA had
22 essentially reached a wall in its own internal
23 investigation that NYCHA management had, that then it
24 was time for us to step in and we did that very
25 promptly the end of August in 2018.

2 CHAIRPERSON TORRES: Again, wisdom, I have the
3 benefit of 2020 hindsight right, but just based on if
4 there are allegations of overtime abuse and if there
5 are multiple tips that suggest a culture of abuse at
6 a particular development, it seems to me that
7 referral might not have been the best option. That
8 DOI should have investigated the matter, but that
9 could be a respectful point of disagreement.

10 MARGARET GARNETT: Yeah, I think again, this
11 situation has to be viewed in context. At the time
12 that the more specific allegations came in in the
13 summer of 2018, we're not talking at that point about
14 simply a referral letter, that hey, here's this
15 thing, follow up on it. The context at that time was
16 one that we knew that NYCHA management was in fact
17 taking action, was keeping us informed about their
18 management actions they were taking and the results
19 of their own investigation. So, I think it was
20 appropriate for us to allow that process to play out.
21 We had confidence they were taking aggressive steps
22 to identify what the issues were and take action.
23 And then at the appropriate time, we took over from
24 there.

2 CHAIRPERSON TORRES: The question left unanswered
3 in the report is the question of who in NYCHA knew
4 what, when. So, who in NYCHA was the first person to
5 receive a complaint about the misconduct at Throggs
6 Neck Houses?

7 MARGARET GARNETT: So, a couple of things that we
8 know for sure. One is that the October 2017
9 complaint and the January 2018 complaints that were
10 received by us were referred to the appropriate high-
11 level management at NYCHA. We also learned in our
12 investigation that one of the sort of lowest level
13 caretaker employees at Throggs Neck told us that he
14 had reported to the regional manager. I know you
15 understand this, but everyone might not that there is
16 a borough management head and then -

17 CHAIRPERSON TORRES: Three levels of management.

18 MARGARET GARNETT: Right, each borough is broken
19 up into regional managers that have multiple
20 developments, so one of the lower level caretaker
21 employees told us that he had I believe in the spring
22 of 2018, reported to the regional manager that some
23 complaints about Brianne Pawson in our investigation,
24 we spoke to that regional manager and he acknowledged
25 receiving the complaints but he didn't feel there was

2 enough specific information to take action, that was
3 his view. Then, I would say one other issue that is
4 important to flag here is that for nearly a year, so,
5 from the fall of 2017 until the mass transfer in
6 August of 2018, Throggs Neck Houses had no onsite
7 manager. So, you referred to three levels of
8 management, each development has a manager of the
9 development with the highest-level supervisor that's
10 onsite. So, for almost a year before this, that
11 position was vacant at Throggs Neck.

12 CHAIRPERSON TORRES: You made reference to
13 reforms that NYCHA's making in the wake of Throggs
14 Neck Housing. What are those reforms that you are
15 referencing?

16 MARGARET GARNETT: So, I think one thing that's
17 sort of harder to put a number on, but we have
18 certainly seen the results of as far as systemic
19 changes and reforms is that I think there our
20 experience has been a culture at NYCHA of people not
21 feeling safe or supported to come forward. A
22 perception that nothing will be done, and you can
23 complain, but it sort of, they go into the wind and
24 nothing will be done, and I think that through a
25 variety of mechanisms, including this mass transfer

2 of all employees and the strong action ultimately
3 taken at Throggs Neck is part of changing that
4 culture and the messaging. What we have seen in the
5 wake of that transfer is a real uptick in complaints
6 coming in or reports being made by NYCHA employees to
7 our IG's office, including some that specifically say
8 like you know, I know you are looking at Throggs Neck
9 and if you think Throggs Neck is bad you should let
10 me tell you about whats going on where I work. And
11 we have seen a noticeable increase in those
12 complaints and reports coming from NYCHA employees
13 which to us is a sign that the work to change that
14 culture is having an effect. In fact, we had a case
15 recently that was reported in the press of an
16 employee at the Wagner Houses who had stolen
17 essentially an entire kitchen from NYCHA and
18 installed it in her own apartment with NYCHA money
19 and employees and the complaint that started that
20 investigation came in in the wake of the Throggs Neck
21 mass transfer with a reference to the fact that
22 something like that is going on here and we
23 investigated it and she was charged.

24 CHAIRPERSON TORRES: Council Member Ampry-Samuel.
25 Just quick, we've been joined by Council Member

2 Treyger, Council Member Van Bramer, Council Member
3 Kallos, and Council Member Ayala.

4 COUNCIL MEMBER AMPRY-SAMUEL: So, I have several
5 questions related to the end of your report. Will
6 you go into detail about the resident association
7 leader, Ms. Johnson? This is a significant piece of
8 your testimony. How do you investigate complaints
9 against a resident leader?

10 MARGARET GARNETT: Well, I think it depends on
11 what the nature of those complaints is. So, we do
12 occasionally, I asked our staff to go back and see
13 what had been the history say within the last, I
14 frankly can't remember if it was the last five years
15 or last ten years but some period to see, to canvas
16 our complaint data base for what are the kinds of
17 complaints that we receive about tenants associations
18 or residents associations across all of NYCHA and I'm
19 happy to say that it was relatively small number the
20 overwhelming majority of those complaints were
21 unsubstantiated.

22 I think that here because the complaints involved
23 misuse of NYCHA resources, inappropriate actions
24 towards NYCHA staff, that interfered with their
25 ability to do their jobs. Allegations of special

2 favors or special treatment from some relatively
3 senior management, that we did think those
4 allegations merited investigation and we
5 substantiated them in both 2013 and 2019.

6 COUNCIL MEMBER AMPRY-SAMUEL: Okay, so when you
7 mention allegations from the staff about them being
8 unable to do their work, can you just explain to me
9 like, just in the context of this particular
10 investigation because here it is we're talking about
11 property managers who were not doing their job
12 appropriately and then we're talking about a resident
13 leader who essentially was like a whistle blower in a
14 sense where she made her own complaints against the
15 staffing or just speaking on behalf of residents or
16 if residents made complaints about the mismanagement
17 and there's a whole hearing right now about the
18 inappropriate behaviors at Throggs Neck. Can you
19 articulate to us how this is not the possibility of
20 retaliation where NYCHA staff is saying that a
21 resident leader acted inappropriately and filed all
22 these different complaints because she might have
23 just been a thorn in their side or like a pain in the
24 neck. And I say that because there has been a
25 culture of retaliation within NYCHA and towards the

2 residents. And when there is a resident leader who
3 is very, maybe aggressive there's been some
4 retaliation and so, can you explain to us how you are
5 able to conduct an investigation that is fair and
6 receiving information that is vetted outside of
7 employees who may feel disgruntled?

8 MARGARET GARNETT: So, I am very confident that
9 this investigation was not - I will say, I have no
10 doubt that -

11 COUNCIL MEMBER AMPRY-SAMUEL: Because it has
12 happened and not just at Throggs Neck and we know
13 personally resident leaders who have complained to us
14 about their property managers and when a complaint is
15 filed against the property manager, they are then
16 targeted. And so, I just want you to be able to
17 explain to us would other information you received to
18 come up with your findings?

19 MARGARET GARNETT: Yeah, so I don't doubt and I
20 think that ties in with what I said before that part
21 of the systemic problems at NYCHA is a perception on
22 the part of both residents and staff that if they
23 complain, they will silenced or retaliated against or
24 that no one will care or do anything, so I don't
25 doubt at all based on talking to our folks that what

2 your saying in a more broad way is correct. That
3 there have been instances of retaliation. That is
4 not the case here for a couple of reasons. One is
5 that a number of the findings in 2019 are similar to
6 those that we found in 2013, that NYCHA did not act
7 on and essentially left in place a tenant association
8 leader who continued to engage in misconduct and be
9 abusive to both other residents and staff at NYCHA.
10 That the findings that are reflected in our 2019
11 letter are not about a resident association leader
12 who is advocating for other residents. They are
13 about a resident association leader who is taking
14 advantage of corrupt supervisors to get special
15 benefits for herself.

16 So, I think the situation here is that the
17 complaints that we were dealing with were about
18 Pawson and Vereen. Those complaints were
19 substantiated at length in our January letter, that
20 what we found in following up on the complaints from
21 both residents and staff about Ms. Johnsons conduct
22 were that what had happened is that instead of
23 complaining about Pawson and Vereen as maybe should
24 have been done, that Ms. Johnson was taking advantage
25 of their corruption to get benefits for herself. And

2 I think we detailed those with some specificity in
3 the letter. So, the substantiation that we were able
4 to do of some of those things was documented. It's
5 not just about people saying things in an interview
6 but corroboration of what they were saying including
7 the security cameras, the special stove that was in a
8 locked area, only for Ms. Johnson and other officers
9 and repairs or renovations in her apartment that
10 would not have been available to other residents.
11 That there is not question that those things happened
12 and that they were improper.

13 COUNCIL MEMBER AMPRY-SAMUEL: So, because we're
14 in this hearing and in this context, because I would
15 hate for there to feel like there's a target on a
16 resident leader and would cause other residents to
17 not want to step out and do the right thing or work
18 on behalf of advocating for their neighbors because
19 there is a potential for them to get in trouble.

20 MARGARET GARNETT: I mean I share that concern
21 and I can assure you that we will have no part in
22 retaliating against residents who raise issues about
23 those things.

24 COUNCIL MEMBER AMPRY-SAMUEL: And you all forgive
25 me. I am not trying to just take up to much time and

2 hear me out this point. So, I know that there are
3 resident rooms that have a stove in there and I know
4 that there were opportunities for NYCHA to be able to
5 work with the residents on procuring different things
6 for their offices or you know, to be able to be
7 helpful and NYCHA lacked that particular I don't want
8 to say skill set, but they were not able to do what
9 they were supposed to do to be supportive of the
10 resident leaders as it pertains to them procuring
11 different things in a timely fashion for their
12 offices to be able to do whatever. If its
13 television, if it's cameras, if it's stoves, if it's
14 you know, different things to be able to have an
15 environment where residents can come and then be
16 engaged and work on behalf of the people. NYCHA has
17 not been able to provide them with that level of
18 support and so, they have been forced to do things on
19 their own. And so, were you able to take into
20 account some of the systemic problems that they've
21 had with the TPA process and I know that you
22 documented the election process and you know, was
23 there a border placed and different things. Residents
24 have a way of trying to make way out of no way and
25 were you able to incorporate that in your

2 investigation and your findings as opposed to just
3 seeing what the rules may be and see it as something
4 that is you know, well, this is black and white.
5 This is what you were supposed to do, not supposed to
6 do and so, therefore you're wrong because NYCHA
7 purchased a stove and you should have used your TPA
8 funds to purchase that stove.

9 MARGARET GARNETT: Yes, I think that it is
10 undoubtedly true that the TPA process is complicated.
11 We did not undertake a comprehensive review of
12 whether NYCHA is properly making TPA funds available
13 to residents association throughout the system. I
14 think we certainly highlighted in the report and
15 referred to NYCHA that they should undertake a review
16 of the broader relationship between NYCHA staff and
17 tenants associations around the system.

18 What I would say in this case is that again, and
19 this is why I asked the staff at the NYCHA IG to pull
20 for our discussion the history of any other
21 complaints that we had received in the last several
22 years about any other resident leader or resident
23 association officer, or residents association
24 throughout the system. So, the employee report here,
25 reflected the broadly speaking, the categories of

2 misconduct that unfortunately are relatively common
3 throughout NYCHA but a very extreme example of that.
4 A terrorized environment, an extreme level of
5 misconduct and I think it's also fair to say that the
6 situation that we reported on involving Ms. Johnson
7 and her conduct and the kinds of benefits that she
8 had received and frankly the leveraging of corrupt
9 supervisors at NYCHA to get benefits for herself was
10 also a very extreme example of what I think you are
11 referring to, which is some of the day in, day out
12 difficulties that resident leaders have in getting
13 satisfactory interactions with the supervisors at
14 their development.

15 So, I am definitely sympathetic, and I know my
16 staff is very knowledgeable about some of these
17 issues that you're referring to. Respectfully, I do
18 not think this situation is an example of that.

19 CHAIRPERSON TORRES: At first, I should note in
20 the interest of full disclosure, I've known Monique
21 Johnson for ten years as first as a staffer of
22 Councilman Jimmy Vacca and now as a Council Member
23 myself. But I guess the question is not whether
24 there is retaliation, the question is, is there a
25 concern about a chilling effect on advocacy from

2 public housing residents? And, without commenting on
3 the allegations, because DOI conducted an
4 investigation, I respect your investigative findings,
5 but you know, it's one thing to publish a report
6 against an agency, that's fair game. Or publish a
7 report against a public official like me. I know
8 what I'm getting into, I know what I'm signing up
9 for, but a tenant leader is ultimately a civilian
10 right and that report was written about by the Daily
11 News, the New York Post, and there's no real
12 opportunity to respond to those investigative
13 findings within a report. I'm struggling with this
14 question, but there's a reputable reputational damage
15 that comes from a DOI report against a person who is
16 ultimately a civilian. Is that a factor at all?

17 MARGARET GARNETT: So, our referral letters to
18 agencies are subject to FOIL as this one was. Some
19 of the FOIL exemptions, I'm not an expert on FOIL.
20 My general council, she'll jump up if I get it wrong,
21 but there are categories of FOIL exemptions that
22 relate to some of the issues that you're talking
23 about. In this case, I think part of that
24 consideration is that Ms. Johnson had put herself in
25 the public eye, identified herself in this role and

2 said things to the press that were not true. We were
3 asked to investigate them, and we did.

4 So, I think some of the considerations for a
5 purely private citizen where none of these issues had
6 been publicly aired by the choice of the person
7 involved, that the drawing of that line might have
8 been a little bit different, but here the findings
9 were contained in a referral letter that went to
10 NYCHA. We frequently get FOIL requests from the
11 press, from elected officials from the citizens for
12 our findings and the default is that our findings are
13 FOILABLE once they go to another agency with some
14 exceptions.

15 CHAIRPERSON TORRES: Council Member Diaz.

16 COUNCIL MEMBER DIAZ: Thank you, Mr. Chairman.
17 Council Member Salamanca spoke of a cultural
18 retaliation. Yes, we have that. Talk to me about
19 it.

20 Let me ask you a question because your report
21 said that the Tenant President, Ms. Johnson - no,
22 before that, the Tenant Association, that is composed
23 of tenant resident of people from the outside?

24 MARGARET GARNETT: It is composed of people who
25 live in the development.

2 COUNCIL MEMBER DIAZ: From the Throggs Neck
3 Tenant Association, was composed of Ms. Johnson
4 relative of tenant resident?

5 MARGARET GARNETT: If I understand correctly,
6 every officer of the Throggs Neck Tenant Association
7 is supposed to be a Throggs Neck Houses resident.
8 The rules require that officers of the Tenants
9 Association be residents in the development.

10 COUNCIL MEMBER DIAZ: So, the Tenants
11 Association's primary job is to look up and provide a
12 good environment at the work in behave of Tenant
13 Residents?

14 MARGARET GARNETT: Yes, they are supposed to work
15 on behalf of all tenants.

16 COUNCIL MEMBER DIAZ: So, when you say Ms.
17 Johnson inappropriately diverted NYCHA staff on
18 funding resources, what are you talking about?

19 MARGARET GARNETT: There are different pots of
20 money in NYCHA. There are money that is a general
21 fund that's intended to be used for all residents,
22 not merely those who are involved in the tenants
23 association or officers of it, then there is money
24 that is set aside to be used for the Tenants
25 Association in particular. Tenant's Association

2 officers are eligible for monthly stipends that are
3 intended to compensate them for time that they spend
4 working on the association. There is a variety of
5 different buckets of money. What went on here is a
6 diversion of money from the general fund that's
7 intended to spent on things that are available for
8 the use of all residents and they were spent instead
9 on things that were accessible and for the use of
10 only a few people.

11 COUNCIL MEMBER DIAZ: That money was not used for
12 personal purposes?

13 MARGARET GARNETT: Well, some staff time was used
14 for personal purposes.

15 COUNCIL MEMBER DIAZ: Such as?

16 MARGARET GARNETT: Such as renovations to Ms.
17 Johnson's apartment that would have been available to
18 other residents.

19 COUNCIL MEMBER DIAZ: What renovation?

20 MARGARET GARNETT: Painting her bathroom.

21 COUNCIL MEMBER DIAZ: That's part of the job.

22 Now, let me another one. When you say she spent
23 \$5,000 to install a private security camera for
24 Tenant Association office, the contractor was related
25 to Ms. Johnson?

2 MARGARET GARNETT: No, I don't think so, no.

3 COUNCIL MEMBER DIAZ: It was a private contractor?
4 Did she produce documentation that the money was
5 spend appropriately?

6 MARGARET GARNETT: The money that was spent on
7 that was not supposed to be spent for that purpose.

8 COUNCIL MEMBER DIAZ: That's not my question.

9 MARGARET GARNETT: Okay, I'm sorry.

10 COUNCIL MEMBER DIAZ: Did she produce paperwork
11 that the money that she used to pay the contractor to
12 install the camera, did she produce documentation
13 that that was done accurately?

14 MARGARET GARNETT: The procurement process was
15 handled by NYCHA, corrupt NYCHA supervisors at
16 Throggs Neck. It was not handled by Ms. Johnson
17 personally.

18 COUNCIL MEMBER DIAZ: And the camera, that was
19 installed in the office of the Tenant Association,
20 not in Ms. Johnson's apartment?

21 MARGARET GARNETT: That's right.

22 COUNCIL MEMBER DIAZ: Okay, so you said, Johnson
23 received, basically the apartment was painted, and
24 the bathroom was fixed? The apartment was painted or
25 the bathroom, and she got the bathroom fixed?

2 MARGARET GARNETT: The one specific situation
3 that I'm aware, sitting here right now can say is
4 that Ms. Johnson had her apartment painted a special
5 -

6 COUNCIL MEMBER DIAZ: I am going to end by saying
7 that instead of painting, I see a heck of a leader in
8 Ms. Johnson actually to provide services and to be
9 sure - you see, I'm in City Council, you know the
10 first thing I did when I got elected? Be sure that
11 my office looks nice. Because when the people come
12 in my office, they would like to have a nice
13 environment, be nice no crap that people don't even
14 want to come. So, Ms. Johnson, I see her as a heck
15 of a leader as she should be commended by providing a
16 decent, secure, office for the tenants to come and
17 use. Not to be commended the way she has been
18 commended. Thank you, Mr. Chairman.

19 CHAIRPERSON TORRES: Thank you, Councilman Diaz.
20 I want to acknowledge the presence of Council Member
21 Yeger and Council Member Gjonaj, do you have any
22 questions or comments since you represent the Throggs
23 Neck Houses?

24 COUNCIL MEMBER GJONAJ: Thank you Chairs.
25 Throggs Neck Housing fortunately and unfortunately

2 falls in my district. First hand, I have seen the
3 needs and the mismanagement of Throggs Neck. We
4 often refer to the tale of two cities. I can't help
5 but refer to the tale of two tenants that we have New
6 York City and that is tenants that reside in private
7 dwellings with landlords and the tenants that we have
8 living in substandard conditions of NYCHA properties.

9 Commissioner, one of the questions that
10 immediately comes to mind to me is the \$2,000
11 complaints that you receive, or your office receives
12 on an annual basis, which breaks down to about using
13 a number of employees, one in five employees, using
14 these stats broadly across or six complaints per
15 complex for fraud, mismanagement, and other abuses.
16 What's more disturbing is that one our of every six
17 of these complaints leads to an investigation
18 according to the statement that you made.

19 And I can't help but think how many more
20 complaints don't get reported. So, when we refer to
21 this culture, these are disturbing stats and the
22 number of 2,000 is roughly an average of what period
23 of time?

24 MARGARET GARNETT: That's in a calendar year, so
25 in a calendar year, we receive between 2,000 and

2 2,500 complaints. And I should be clear, that some
3 portion of those end up, they come into us, but they
4 really are not necessarily about NYCHA and not
5 necessarily appropriate for us. So, it may be from a
6 NYCHA resident but the complaint is really about the
7 garbage or you know, some issue that they call us but
8 the complaint is not actually about NYCHA, and then
9 of those that remain, we either, if they are related
10 to a NYCHA employee or tenant, we would either refer
11 them to NYCHA or to some other appropriate city
12 agency or we would handle it ourselves and of the
13 roughly 2,000, on average about 350 in a calendar
14 year result in us opening an investigation ourselves.

15 COUNCIL MEMBER GJONAJ: Which seems quite high to
16 me and first of all, a tremendous undertaking for
17 your office and limited staff. The question first is
18 do you have enough staff to meet the needs for
19 investigations of NYCHA let alone the other
20 responsibilities that are for the city?

21 MARGARET GARNETT: Well, we always will welcome
22 more resources and I think you know; we have the
23 budget cycle coming up to talk about that. I think
24 that a bigger issue which is the current management
25 has been very receptive to is our concerns about

2 salary freezes and underpayment of investigators that
3 work in the IG's office and the current management
4 has been very receptive and responsive to our
5 concerns about that. You probably know this
6 Councilman Gjonaj, but others may not, that the staff
7 of our NYCHA IG is part of DOI but their salaries are
8 paid by NYCHA. So, I think the IG's office has done
9 a really outstanding job in my view of managing the
10 investigations they open. So, we open on average 350
11 a year, we close between 300 and 350 a year, so they
12 are moving those cases. I think we always welcome
13 additional resources, it's always helpful, but I
14 think they are doing a very good job of managing
15 those cases.

16 COUNCIL MEMBER GJONAJ: Commissioner, that's one
17 per day, seven days a week almost, that includes
18 weekends and holidays and we are at budget time.
19 What is the dollar amount that comes out of the NYCHA
20 budget for investigations of this independent -

21 MARGARET GARNETT: I don't know off the top of my
22 had but I bet Mr. Iannuzzi knows. It's approximately
23 three and a half million dollars for personal
24 services to pay the salaries.

2 COUNCIL MEMBER GJONAJ: Yeah, that's pretty
3 remarkable that we use three and a half million
4 dollars from the NYCHA's general fund instead of it
5 going to the tenants and the needed repairs and
6 maintenance of our properties. Chair, we should look
7 into this and figure out.

8 CHAIRPERSON TORRES: I don't know if I agree with
9 that. I mean if there are construction projects and
10 you want to monitor corruption quality control; you
11 do need investigators to ensure that there is no
12 corruption in the agency.

13 COUNCIL MEMBER GJONAJ: Right, but having it come
14 out of the NYCHA's budget.

15 CHAIRPERSON TORRES: Fair enough.

16 COUNCIL MEMBER GJONAJ: Versus the Commissioners
17 budget.

18 CHAIRPERSON TORRES: And it's worth noting that
19 the office of the NYCHA IG is far less, receives far
20 fewer resources than comparable IG's elsewhere in
21 city government.

22 COUNCIL MEMBER GJONAJ: So, looking into that I
23 think would be a good start. I do want to continue
24 the discussions of mismanagement and recently I've
25 heard the term NYCHA Cares Program that we developed,

2 and this administration has put into play to make it
3 look or assume that we are actually doing what
4 supposed to be done and people are being held
5 accountable and responsible.

6 So, there's an old saying, you know, you make
7 like you care and I'll make like I really work hard
8 and care and this is top down. It's unfortunate,
9 I've seen it firsthand in particular at the Throggs
10 Neck Housing facility and outside of the reports and
11 allegations. Those conditions of that property is
12 deplorable, inside and outside and I don't want to
13 deviate to far from the needs of those residents and
14 what they are subjected to on a daily basis, the
15 3,000 residents which a good portion of the people I
16 represent day in and day out, the most vulnerable of
17 the most vulnerable that are subjected to these
18 conditions have also been so undermined and beaten
19 down and mistreated and abused that they no longer
20 can fight for themselves and they've accepted this
21 dark grim lifestyle.

22 And when they have a passionate tenant leader,
23 like Monique Johnson and I've been on the receiving
24 end of her passion many of times. I can say from gas
25 outages to elevator breakdowns and lack of repairs

2 and I bring up gas outage for a particular reason
3 because in 2017, several buildings within a complex,
4 like 60 apartments were shutdown for a gas leak and
5 we made sure that those residents were not forced to
6 go out of their pockets to go out and dine something
7 that they could not afford and not being able to cook
8 at home was a terrible financial burden on them. And
9 I remember reaching out to local restaurants to send
10 food over, make donations which was served within the
11 TA office and that stove was being used to heat that
12 food that was being served to the tenants that had no
13 cooking gas. That were given these hot plates, that
14 couldn't warm up food for their families and I
15 attended there one evening and there were dozens and
16 dozens of residents standing in line so they can get
17 food to feed themselves and their families. And I
18 also know that the stove that was installed was an
19 electric stove versus a gas stove. Am I correct on
20 this?

21 MARGARET GARNETT: I don't know. I do know that
22 was not the purpose of the purchase of the stove.

23 COUNCIL MEMBER GJONAJ: I'm sorry.

24 MARGARET GARNETT: I do know that feeding general
25 tenants in the event of a gas outage was not the

2 purpose of the purchase of that stove. So, I don't
3 doubt anything that you're saying but I don't think
4 it casts into question the finding our report.

5 COUNCIL MEMBER GJONAJ: See, I've been in that
6 office a few times. I've seen the families that were
7 there eating, and it was heartwarming for me first to
8 be able to know I made a difference, and second, know
9 that they could get nourishment in an environment
10 where they can provide for themselves and their
11 families. It was quite touching for me and also sad
12 that we had to succumb to such options for them.

13 But I know because of my background as well,
14 electric stoves are more expensive than gas stoves
15 and I believe in this particular case an electric
16 stove was warranted because of the gas outages that
17 are frequently experienced throughout NYCHA and these
18 are whole tenement buildings. Is that something
19 similar that's found in other TA offices where there
20 are stoves. Is this something rare?

21 MARGARET GARNETT: As I understand it, some TA
22 offices, they are going to differ from development to
23 development. Again, the issue here was the use of
24 funds that are not authorized to outfit tenant
25 associations. There are funds available for that and

2 other tenant associations in other developments have
3 used those funds. That's not where the money came
4 from nor where the roles for NYCHA procurement
5 followed. The procedure that occurred was done as a
6 special favor for Ms. Johnson at her request.

7 COUNCIL MEMBER GJONAJ: Thank you for that
8 explanation. Wouldn't it have more appropriate then
9 for the management to say, sorry you have funds for
10 this, please apply through X, we can't accommodate
11 your request.

12 MARGARET GARNETT: Yes, that would have been more
13 appropriate.

14 COUNCIL MEMBER GJONAJ: And I would imagine then
15 the tenant president would have said okay, I've got
16 to figure out another means to do this.

17 MARGARET GARNETT: A person could have responded
18 that way, yes.

19 COUNCIL MEMBER GJONAJ: Right, and similar
20 question for the security system. Is this something
21 unorthodox that's not found at any other NYCHA tenant
22 president a tenant association office that they have
23 some type of security cameras?

24 MARGARET GARNETT: I don't know the answer to
25 that, I am sorry.

2 COUNCIL MEMBER GJONAJ: And the same question, I
3 mean if the management would have said, sorry, we
4 can't allocate this funding from our budget, you
5 should use the appropriate budget for this. I would
6 imagine that's something that the tenant president
7 would have then taken steps to take into
8 consideration.

9 MARGARET GARNETT: Again, a person could have
10 done that. That's not what happened here.

11 COUNCIL MEMBER GJONAJ: I am also concerned, not
12 for Throggs Neck, but the message that we send to
13 these volunteer tenant presidents that take on quite
14 a responsibility with no salary and no benefit and
15 it's a thankless job and without the many of our
16 177,000 would be less served than they currently are.
17 I want to reiterate that because they play an
18 important role in checks and balances and I could
19 just see after this a managing pushing back on the TA
20 presidents request for any repair or any maintenance.
21 You know, that's borderline harassment and we just
22 went through a whole investigation. I don't want to
23 write you up, so you better behave type of
24 brutalization.

2 MARGARET GARNETT: What I can say is we have not
3 seen that. I share your view generally of the
4 tenants association officers. We have worked
5 cooperatively with the officers of many tenants
6 associations. We welcome their involvement. We hope
7 they will call us. We have an 800 number; we have
8 ways to contact us by email. You could walk in the
9 door if you want to be anonymous, you can be
10 anonymous, and we will follow up even if its
11 anonymous. We welcome their involvement. I hope
12 they will call us. I hope the message received from
13 our broader investigation is that we will follow up
14 and take action and that the current NYCHA management
15 is a partner with us in that. I have to respectfully
16 say that I have no idea if Ms. Johnson is an
17 effective leader or not. My own view and the view of
18 DOI is that even passionate effective leadership does
19 not excuse misconduct and that's what we found here.

20 COUNCIL MEMBER GJONAJ: I'm referring to the
21 bigger picture of the 325 developments in each one.

22 CHAIRPERSON TORRES: Council Member, if you could
23 just conclude your message.

24 COUNCIL MEMBER GJONAJ: Again, concerned at the
25 consequences here and perhaps retaliation to other

2 tenant presidents, not to fight on behalf of their
3 tenants or be too passionate is something that I'm
4 concerned of and hopefully we can help deliver that
5 message, but it's evident that this culture exists
6 but just based on a shared number of complaints and I
7 would like to continue working on funding this
8 department outside of NYCHA to make sure that every
9 dollar and every penny goes to the benefit of the
10 tenants and if we can alleviate some of the
11 additional burdens, I think would be a smart thing on
12 our behalf and make sure that your office is properly
13 funded. Thank you.

14 MARGARET GARNETT: Thank you.

15 CHAIRPERSON TORRES: Thank you, Council Member.
16 Council Member Salamanca.

17 COUNCIL MEMBER SALAMANCA: Thank you, Chair.
18 Good afternoon Commissioner.

19 MARGARET GARNETT: Good afternoon.

20 COUNCIL MEMBER SALAMANCA: I just have one
21 question regarding the tenant participation funds and
22 then I want to go to the NYCHA equipment that was
23 thrown out and discarded. The tenant participation
24 funds here in your — I have a letter that was sent to
25 the Interim Chair in February of 2019, and it says

2 that the Throggs Neck Resident Association, they've
3 accumulated \$103,676 as part of their TPF funds.

4 What are they allowed to purchase with those funds?

5 Because I know that those rules aren't clear even for
6 my NYCHA presidents in my district.

7 MARGARET GARNETT: I'll confess councilman, I
8 don't know. I am not an expert in that. We do have
9 folks in the IG's office who do have some expertise
10 in that. I am sure as with many other parts of NYCHA
11 and HUD rules that the rules probably are
12 complicated. I just don't know sitting here today
13 exactly where the line is in terms of what they can
14 spend and whats the process for doing that.

15 CHAIRPERSON TORRES: Can I interject very
16 quickly. If you have a staff or someone who would
17 answer a question, who is present, we do allow them
18 to obviously under oath to answer the question. So,
19 that's an option you have.

20 MARGARET GARNETT: Okay.

21 COUNCIL MEMBER SALAMANCA: Alright, I'm just
22 curious if the HUD rules allow tenant association
23 presidents to utilize that funding for in this case a
24 stove as well as recommended here in your report.
25 I'm sorry, in your letter to the Interim President.

2 So, in this letter dated January 2019, number six,
3 Pawson and Vereen threw away valuable NYCHA equipment
4 and circumvented NYCHA procurement rules. So, I see
5 here they threw away leaf blowers, weed whackers,
6 snow blowers, lawn mowers, drills, saws, brand new
7 pallets of sand, and is there a policy that you're
8 aware of for discarding equipment? And the reason
9 is, prior to me being a Council Member, I was a
10 District Manager for a Community Board and when we
11 ordered new chairs, I was not allowed to discard
12 them. I needed to call DCAS and DCAS would come and
13 pick them up and they would auction them or
14 something. Do those rules apply also to NYCHA?

15 MARGARET GARNETT: Well, NYCHA has their own
16 rules about equipment and I think it's clear here
17 that the discarding of that equipment was completely
18 in violation of those rules as we said in our report
19 and thankfully a number of the long time employees as
20 we noted in our report, essentially secretly pulled
21 that equipment out of the trash and secreted it in
22 various locations around the property so that it
23 would not be discarded.

24 COUNCIL MEMBER SALAMANCA: Is there a dollar
25 amount of equipment that was tossed out? I mean,

2 because weed whackers and leaf blowers, they can be
3 expensive.

4 MARGARET GARNETT: So, we weren't able to,
5 because we were relying for this aspect on a number
6 of different witnesses who all corroborated each
7 other but no one was able to provide a detailed
8 inventory of exactly what was discarded and exactly
9 what was able to be salvaged by these employees who
10 were acting appropriately. So, I don't know exactly
11 what the dollar amount was.

12 COUNCIL MEMBER SALAMANCA: Are NYCHA developments
13 mandated to keep an inventory of this type of
14 equipment?

15 MARGARET GARNETT: Yes.

16 COUNCIL MEMBER SALAMANCA: And this inventory, I
17 mean, obviously you didn't have access to the
18 inventory for this report. I mean, no I'm just
19 curious if there's an inventory that's necessary, who
20 would have that inventory? Would NYCHA have that
21 inventory?

22 MARGARET GARNETT: It would require record
23 keeping of the grounds keeping and superintendent
24 staff is to keep track of the NYCHA equipment. Here,
25 for a variety of reasons, we were not able to come up

2 with a specific particularized list of exactly was
3 discarded and what was salvaged.

4 COUNCIL MEMBER SALAMANCA: Alright, and my final
5 question is, is this practice of throwing away
6 equipment that they feel is older, they no longer
7 use, they want to buy new drills and discarding them
8 in the garbage. Is this something that you know
9 within your experience or in DOI's experience that
10 happens in other NYCHA developments?

11 MARGARET GARNETT: No, I can't say it doesn't
12 happen. It's not supposed to happen and certainly
13 that conduct here was as with much of the other
14 conduct really at the extreme end of what we have
15 seen in other NYCHA developments.

16 COUNCIL MEMBER SALAMANCA: So, there hasn't been
17 any DOI investigations in other NYCHA developments
18 where they found that this is a common practice done?

19 MARGARET GARNETT: No, sir.

20 COUNCIL MEMBER SALAMANCA: Alright, thank you,
21 Commissioner. Thank you, Mr. Chair.

22 CHAIRPERSON TORRES: Council Member Treyger and
23 then we will proceed to the New York City Housing
24 Authorities.

2 COUNCIL MEMBER TREYGER: Thank you to both Chairs
3 for holding this important hearing and welcome
4 Commissioner.

5 So, I just have a few questions. I'm just
6 reviewing your testimony and it says here in October
7 of 2017, DOI's office of NYCHA IG received an
8 anonymous call complaining that Brianne Pawson, then
9 a supervisor at Throggs Neck, was very rude to
10 residents and employees did not wear her NYCHA
11 uniform while at work. We referred the complaint to
12 NYCHA's Bronx Borough Management Department for
13 action. Is that correct?

14 MARGARET GARNETT: Yes, sir.

15 COUNCIL MEMBER TREYGER: And was there any follow
16 up from this NYCHA Bronx Borough Management
17 Department from that complaint?

18 MARGARET GARNETT: No.

19 COUNCIL MEMBER TREYGER: No. In January of 2018,
20 a NYCHA employee emailed the IG to complain that
21 Brianne Pawson received favorable treatment as to
22 various administrative matters because her father was
23 a director at NYCHA, we referred that complaint to
24 NYCHA's Chief Administrative Officer for action. Was
25 there any follow up from that complaint?

2 MARGARET GARNETT: I don't believe so, very
3 shortly after that is when Mr. Mustaciuolo came in
4 and as I said later in my testimony, very shortly
5 thereafter is part of a routine regularly scheduled
6 meeting between Mr. Mustaciuolo and our Inspector
7 General. The issue of the management complaints at
8 Throggs Neck was raised by Mr. Mustaciuolo in that
9 way.

10 COUNCIL MEMBER TREYGER: Well, I guess we have to
11 define what soon after means, because this complaint
12 was made in January of 2018, now I understand GM Mr.
13 Mustaciuolo was appointed in February of 2018, but
14 I've just read his testimony and it appears to me
15 that it was only until the summer of 2018 did he say
16 that we need to have DOI take over this
17 investigation. I don't know if you are privy to his
18 testimony yet, but we have copies of his testimony
19 already and it's saying that by the end of August
20 without prior notice, senior management went to the
21 development and informed all forty onsite employees
22 that they were being transferred to other properties
23 and an entirely new team was being brought in.
24 Within hours we secured the buildings and equipment
25 and we provided notification to incoming staff and

2 ensured that they had the tools needed to succeed.
3 All this had to be done with the least amount of
4 impact to residents. In an effort to smooth the
5 transition, I also made sure to notify both the
6 leadership of Local 237 and the Resident Association
7 the night before, that personal changes went into
8 effect. At this point, both the NYCHA IG and I
9 agreed that this was the proper time to hand off the
10 investigation to DOI. So, this is in August of 2018.

11 MARGARET GARNETT: Yeah, so I think Council
12 Member Treyger, maybe you weren't here for all of my
13 testimony.

14 COUNCIL MEMBER TREYGER: Right.

15 MARGARET GARNETT: Where we laid out the history.
16 The discussion of the problems at Throggs Neck was
17 first discussed between Mr. Mustaciuolo and Mr.
18 Iannuzzi in the late spring of 2018 and then NYCHA
19 conducted its own internal investigation in that
20 summer and then DOI's investigation began in the end
21 of August once that mass transfer had taken place.

22 COUNCIL MEMBER TREYGER: Yeah, and to be clear,
23 I'm not questioning really your offices, what
24 initiated their inquiry, I'm questioning what
25

1 happened prior to GM Mr. Mustaciuolo arriving on the
2 scene.
3

4 MARGARET GARNETT: And it appears nothing. I
5 think that we are aware of no action taken after the
6 October 2017 referral and after the January 2018
7 referral, it appears that nothing was done and there
8 is a little bit of gap there because Mr. Mustaciuolo
9 came on the job shortly after that complaint was
10 referred, so it appears that nothing was done and
11 it's not clear whether that was part of what he was
12 referring to when in the this spring meeting he
13 raised with Mr. Iannuzzi that he was becoming aware
14 of a number of problems at Throggs Neck and what was
15 the right way to handle it.

16 COUNCIL MEMBER TREYGER: So, in addition to the
17 employees in question, the staff in question that are
18 listed in your findings in your testimony, is anyone
19 else at NYCHA, the folks that were in receipt of
20 these complaints, are they under scrutiny at any
21 kind? And what was their responsibility to follow
22 up?

23 MARGARET GARNETT: I think certainly NYCHA
24 management is aware of what referrals were made and
25

2 to whom and I think those questions are better
3 directed to NYCHA than us.

4 COUNCIL MEMBER TREYGER: But your office found no
5 evidence of wrong doing on that end? Because look,
6 clearly the employees in question there is a lot of
7 bad things I'm reading about here in this report.

8 But I am not clear on what accountability there is
9 being placed upon the management or the people that
10 were in receipt of these complaints were supposed to
11 do something about it and I'm hearing from you that
12 before Vito Mustaciuolo, nothing was being done. So,
13 my question is where is the accountability for that?

14 MARGARET GARNETT: So, again, I think that
15 question is better directed to NYCHA. I think that
16 being a bad manager is not the same as public
17 corruption. There's a point at which it is but I
18 think that bad management is a matter for the agency
19 to address and whether that is termination or
20 transfer or demotion, I think there is a variety of
21 options available.

22 COUNCIL MEMBER TREYGER: So, I mean forgive me.
23 I am not an attorney, but I remember being a teacher.
24 There were certain things that we were mandated to
25

2 report to the DOE if we witnessed something or heard
3 about something.

4 MARGARET GARNETT: Yes.

5 COUNCIL MEMBER TREYGER: NYCHA management is not
6 mandated to report issues such as corruption or wrong
7 doing?

8 MARGARET GARNETT: Well, NYCHA is included within
9 the mandated reporting to DOI of corruption, abuse
10 mismanagement and so on and the issue here is when we
11 have referred complaints to them that were
12 essentially employee misconduct or management
13 complaints, what did they do and all I can tell you
14 is that in response to the October 20174 referral and
15 the January 2018 referral, as far as we are aware, no
16 action was taken.

17 COUNCIL MEMBER TREYGER: So, I'll conclude Mr.
18 Chair, both Chairs that it appears that if Vito
19 Mustaciuolo was not appointed, and if he didn't just
20 by chance pass by Throggs Neck, I'm not sure what
21 would have happened here. That's the sense I'm
22 getting here, and Vito was not appointed because of
23 Throggs Neck, he was appointed for other reasons.
24 And by the way, I am a fan of his as far as his
25 follow up at least with my office. In heated

2 complaints he will text me back at eleven o'clock at
3 night which I appreciate but it appears that if he
4 didn't just happen to stop by at Throggs Neck and
5 hear some concerns, and follow up with your office,
6 nothing would have happened and so, it really rattles
7 the confidence that we have in NYCHA to follow up on
8 complaints and take these matters very serious. And
9 these are the stories that we hear Commissioner from
10 residents almost every day and it's being validated
11 with this very powerful and sobering testimony.

12 Thank you to both Chairs.

13 CHAIRPERSON TORRES: Thank you, Mr. Chair and I
14 just want to echo what I said earlier Commissioner,
15 you know, it seems to me when DOI receives multiple
16 tips over a sustained period of time about what adds
17 up to a culture abuse at an agency and especially
18 when there are allegations of overtime abuse, even if
19 there is a NYCHA investigation, DOI has primary
20 jurisdiction over the mismanagement of public funds
21 and so, I just respectfully think that DOI should
22 have been more proactive in investigating the matter
23 before it became a public scandal.

24 I don't know if you have any concluding thoughts.

25 MARGARET GARNETT: No.

2 CHAIRPERSON TORRES: Thank you and we'll call the
3 New York City Housing Authority.

4 MARGARET GARNETT: Thank you.

5 CHAIRPERSON TORRES: General Manager Vito
6 Mustaciuolo, Brian Honan, and Kerri Jew. And Cathy
7 Pennington who is the Executive Vice President of
8 Operations.

9 CLERK: I will need to swear you both in. Do you
10 affirm to tell the truth, the whole truth and nothing
11 but the truth in your testimony before this Committee
12 and to respond honestly to Council Member questions?

13 PANEL: Yes.

14 CHAIRPERSON TORRES: And we've been joined by
15 Council Member Carlos Menchaca, I apologize Mr.
16 General Manager.

17 VITO MUSTACIUOLO: Chair Torres, Chair Ampry-
18 Samuel, Member of the Committee on Oversight and
19 Investigations and Public Housing, and other members
20 of the City Council. Good morning. I am Vito
21 Mustaciuolo, NYCHA's General Manager. I am pleased
22 to be joined by Cathy Pennington, Executive Vice
23 President of Operations, and Brian Honan Director of
24 Intergovernmental relations.

2 I would like to thank the Chairs for postponing
3 this hearing until the conclusion of the Department
4 of Investigation's investigation. I would also like
5 to thank the Commissioner of DOI and her entire team
6 for providing a detailed and comprehensive report. I
7 appreciate the opportunity to have the facts
8 presented the Committees and the public, especially
9 given the many unsubstantiated allegations that were
10 initially reported.

11 On February 26, 2018, Mayor de Blasio appointed
12 me General Manager of the New York City Housing
13 Authority. Each day I have a renewed appreciation
14 for the responsibility entrusted with me. On a daily
15 basis, I strive to improve the agency and provide a
16 better living condition and environment for all of
17 our residents.

18 It is unfortunate that the events such as those
19 that occurred at Throggs Neck both distract us from
20 the work that needs to be accomplished and portray
21 widespread mismanagement and abuse. I can tell you
22 that is not the case. Except for a few bad actors,
23 NYCHA employees are overwhelmingly some of the most
24 dedicated, proud, and hardworking employees I have
25 met in my long tenure in public service. We can and

2 must do better to weed out those bad actors and
3 restore our residents' and the public's confidence in
4 us. This body has in the past focused on
5 improvements such as employee performance
6 evaluations. We are open to these ideas and will
7 continue to work with our partners in labor to make
8 these happen.

9 In my first few months, I made a point of
10 visiting as many developments as I could throughout
11 the five boroughs. One of the first developments
12 that I toured was Throggs Neck Houses in the Bronx.
13 I still have a vivid recollection of my reaction to
14 what I observed within just minutes of stepping foot
15 in the development. There was a pond of raw sewage
16 that had accumulated in front of one of the high-rise
17 buildings, with sump pumps running 24/7 to prevent
18 overflow. I saw pigeon nests inside the stairwells
19 of one of the low-rise buildings. My decades of
20 experience in enforcing the New York City Housing
21 Maintenance Code at HPD made me realize immediately
22 that this was a troubled property. I had to ask
23 myself where was management and staff charged with
24 maintaining these buildings? The conditions were
25

2 totally unacceptable, and I needed immediate answers
3 and solutions.

4 At the conclusion of the tour, I went straight to
5 the property management office and instructed both
6 the then borough director and regional asset manager
7 to provide daily progress reports with details on how
8 they would correct the sewage stoppage and other
9 unacceptable conditions. At the same time, we began
10 looking at overtime reports, maintenance logs, work
11 order history, and service level standards.

12 In early May 2018, during another visit to
13 Throggs Neck, Resident Association President Monique
14 Johnson brought to my attention allegations of
15 misconduct, including abuses of overtime, parties
16 during work hours including several staff members.
17 It was at that time that I had NYCHA's Office of
18 Safety and Security begin an investigation, which
19 included unannounced visits, interviews, and
20 surveillance of staff. During the investigation, I
21 provided regular verbal status reports to NYCHA's
22 Inspector General.

23 By mid-July, we were not able to verify the
24 allegations but had enough information about the
25 operations at Throggs Neck to have serious concerns.

2 These concerns mirrored the issues identified by DOI
3 in its report: abuse of overtime; lax oversight of
4 supplies; lack of procurement planning that led to
5 overuse of micro-purchasing; and general
6 mismanagement. It was clear that we had to execute a
7 complete top to bottom overhaul of the development
8 staff. By the end of August, without prior notice,
9 senior management went to the development and
10 informed all 40 plus on-site employees that they were
11 being transferred to other properties and an entirely
12 new team was being brought in. Within hours, we
13 secured the building, the buildings equipment and we
14 provided notification to incoming staff and ensured
15 them that the tools they needed would be there for
16 them to succeed. All of this had to be done with the
17 least amount of impact to the residents. In an
18 effort to smooth the transition, I also made sure to
19 notify both the leadership of Local 237 and the
20 resident association leader the night before the
21 personnel changes happened. At this point, both the
22 NYCHA Inspector General and I agreed that this was
23 the proper time to hand the investigation off to DOI.

24 The events I just described demonstrate how
25 seriously we take allegations of inappropriate

2 behavior by staff and mismanagement of our
3 developments. We have zero tolerance for misconduct,
4 shirking of duties, and any disregard for the safety
5 and wellbeing of the residents that we are charged to
6 serve. Disciplinary actions have been taken against
7 three staff members formerly assigned to Throggs
8 Neck. Two of those actions have led to additional
9 charges, and the proceedings are still underway. I
10 am unfortunately not at liberty to discuss the status
11 of these cases until their hearings have concluded.

12 In the last year, we have made several
13 significant changes to how the agency operates. Each
14 experience such as what we dealt with at Throggs
15 Neck, serves as a learning tool. We are committed to
16 making additional changes where and when necessary to
17 improve our ability to become a more responsible
18 landlord.

19 While the use of overtime is often necessary to
20 fulfill our duties, it cannot and should not be
21 abused. To prevent such abuse, we have implemented
22 interim controls over the approval process, which
23 will require a vice president or senior management to
24 approve all overtime for anything other than
25 immediate emergencies.

2 We recently reached an agreement with the
3 Teamsters on a new work schedule for caretakers and
4 will begin rolling out the new schedule at 13
5 consolidation developments by the beginning of April.
6 Caretakers will now work seven days a week from 6
7 a.m. until 7 p.m. on a regular schedule as opposed to
8 Monday through Friday from 8 a.m. until 4:30 p.m. We
9 accomplished this new work schedule and added 210 new
10 caretakers within our existing regular and overtime
11 budgets, and we are not finished. Negotiations are
12 now underway to create a similar work schedule for
13 our maintenance staff. This is particularly
14 important as we know that choosing between work and
15 staying home to get repairs done can be a financial
16 hardship for our residents.

17 I want to thank Greg Floyd and Local 237 for
18 their continued collaboration on these very important
19 changes. Both NYCHA and Local 237 are aligned in the
20 goal of not only delivering a higher level of service
21 to residents, but also creating a better work
22 environment for our staff.

23 Over the last few year, there have been a number
24 of reports issued and oversight hearings held by this
25 body that identified deficiencies in NYCHA's

2 inventory and supply management controls. Despite
3 NYCHA making significant progress in addressing these
4 deficiencies, we realize we have more work to do.
5 Moving forward, we will have a better system for
6 tracking materials. We are transitioning the
7 management and oversight of development storerooms to
8 the Materials Management Department. The new
9 staffing model will commit employees exclusively to
10 the management of materials, assigning full-time
11 staff person to each storeroom, and only that
12 employee will have access to the storeroom. We are
13 also implementing new procedures and policies along
14 with new inventory technology such as automated
15 inventory updates and tracking of materials by serial
16 numbers. These efforts will enable management staff
17 to better focus on building maintenance while
18 strengthening inventory controls and improving the
19 availability of materials needs to serve our
20 residents. Again, these changes are being driven by
21 the desire to improve accountability and independent
22 controls and the belief that property managers need
23 to get back to the basics and not be concerned as to
24 how to get the supplies and materials that they need.

2 Our Procurement and IT departments have made
3 enhancements to our data systems to provide fair and
4 proper processes for purchasing goods and services.
5 These changes will help address any concerns about
6 abuses of the micro-purchasing process and improve
7 our ability to detect any effort to split bid, which
8 is a way of breaking up larger contracts.

9 We are strengthening and tightening our controls,
10 including automated alerts for our Procurement and
11 Audit Departments and senior level staff as a means
12 of early detection when policies are being violated.
13 Through better planning, our objective is to
14 substantially reduce the need for micro-purchases
15 with greater use of requirement contracts. These
16 contracts eliminate the need for individual job
17 scoping and bidding and generally provide for better
18 pricing based on volume. We have already started to
19 get these contracts in place.

20 Today, NYCHA has a staff review process unlike
21 most other City agencies, which is a form of
22 performance-based evaluation. We have service level
23 standards, instructional and counseling letters, and
24 a robust disciplinary process. This process includes
25 monthly meetings of executive-level staff and the

2 NYCHA Inspector General that review and decide on
3 certain disciplinary cases. NYCHA is committed to
4 providing a high level of service to residents at
5 that same time providing staff with the tools
6 necessary to do their jobs. There is always room for
7 improvement and absolutely no room for those who are
8 not about change or do not want to part of our team.
9 The last year has been challenging, but we are slowly
10 changing the culture, and I am confident that we have
11 a team in place that is up for the challenge. We
12 have renewed and built stronger relationships with
13 our partners who share our goals and desire to
14 improve NYCHA and the lives of our residents.

15 I thank you all for the support that you have
16 been giving us in this important work that we do and
17 for offering your advise as to how we can better
18 transform NYCHA. Like you, I listen to our residents
19 and I hear their voices. I look forward to our
20 continued partnership as we move forward. I am happy
21 to answer any questions that you may have.

22 CHAIRPERSON TORRES: Thank you, Mr. General
23 Manager. I want to note that you have the most
24 demanding position in city government.

25 VITO MUSTACIUOLO: Thank you.

2 CHAIRPERSON TORRES: And I have the highest
3 respect for you, and you are a public servant of
4 immense integrity. As you know, I have had concerns
5 about NYCHA's longstanding, what I would perceive as
6 NYCHA's longstanding culture of disfunction and
7 deception and I do have concerns about the lack of
8 transparency surrounding the initial handling of the
9 scandal in Throggs Neck.

10 When NYCHA was asked about the reasons for the
11 reassignment, a NYCHA spokesperson said, the
12 following in a daily news article by Greg Smith
13 dating back to August 27, 2018. "As part of top to
14 bottom assessment, NYCHA's new leadership is
15 conducting across the authority, we are reorganizing
16 staff to better serve the needs of our residents. We
17 have since come to discover that the reassignment was
18 not the result of a top to bottom assessment across
19 the Housing Authority, as your spokesperson
20 originally claimed, the reassignment was a highly
21 specific response to a specific management scandal at
22 Throggs Neck Houses." And so, instead of telling the
23 truth, and leveling with the public, NYCHA chose to
24 mislead the public, us, the City Council about the
25 actual reasons for the reassignment. Like, why did

2 NYCHA not chose to tell the truth from the very
3 beginning?

4 VITO MUSTACIUOLO: So, just to be clear, the
5 decision not to disclose the reason why the transfer
6 was mine. So, that statement was issued by our
7 Communications office, but that was my statement. We
8 had conducted a thorough investigation into the
9 allegations that were raised, and it didn't take us
10 long to realize that we didn't have enough evidence
11 to proceed, with respect to those allegations, but
12 there were other findings. Findings that potentially
13 could have led to criminal charges.

14 I am held to a standard that if I believe that
15 there was corruption, or if there is mismanagement
16 and there is a handoff to the Department of
17 Investigations, then I can't publicly disclose that.

18 CHAIRPERSON TORRES: But with respect General
19 Manager, you could have said, there are allegations
20 of mismanagement and misconduct specific without
21 disclosing the details. It's a claim that it was
22 part of a broader reorganization of the Housing
23 Authority. With respect its misleading and the
24 reason I am dwelling on this point is you know, DOI
25 has found that NYCHA has made false statements to

2 both the public and the City Council about fire
3 safety, about lead safety, about a whole host of
4 issues and so, the agency has to make an effort
5 within the constraints of confidentiality to be as
6 transparent and truthful as possible. But I won't
7 dwell on this. I don't know if you have any further
8 comments.

9 VITO MUSTACIUOLO: Well, again, I just want to
10 reiterate and again, I do believe that we have been
11 more transparent and that there is more work to be
12 done. Again, my concern was that if we provided too
13 much information to the public that it potentially
14 would impede DOI's ability to conduct an
15 investigation. That potentially could have led to
16 criminal charges.

17 CHAIRPERSON TORRES: Now you indicated in your
18 opening statement that - because the question is were
19 there early signs that Throggs Neck Houses was caught
20 in a downward spiral. That there was a genuine
21 management crisis at Throggs Neck. So, you
22 acknowledged in your opening statement that you
23 perceived Throggs Neck as a troubled development. Is
24 that correct?

25 VITO MUSTACIUOLO: That's correct.

2 CHAIRPERSON TORRES: Now, Throggs Neck Houses is
3 a consolidation of three housing developments.
4 Throggs Neck Proper, Throggs Neck Addition and
5 Randall-Balcom which is a senior only development.
6 It's a massive development. It has over 1,700
7 apartments, over 3,700 residents, about 38 buildings
8 and over two million square feet. Why would NYCHA
9 allow a development the size of Throggs Neck to go
10 months without a property manager?

11 VITO MUSTACIUOLO: And again, I don't want to
12 speak as that happened prior to my coming onboard. I
13 think you pointed out earlier in your opening
14 statement that NYCHA has unfortunately, not received
15 proper funding. So, if we just take Throggs Neck for
16 example, if you look at the physical needs assessment
17 that we put out, Throggs Neck requires about \$350
18 million in capital monies. There are also
19 restriction with respect to staffing and we need
20 additional funding for staffing as well.

21 CHAIRPERSON TORRES: How long did Throggs Neck
22 Houses go without a property manager?

23 VITO MUSTACIUOLO: I believe it was eight months.

24 CATHY PENNINGTON: Less than a year.
25

2 CHAIRPERSON TORRES: But the Throggs Neck Houses
3 did not receive a property manager until after this
4 scandal broke and it made the headlines in the Daily
5 News and the New York Times and the New York Post.

6 CATHY PENNINGTON: There was a manager appointed
7 last summer, yes. But just to speak to the prolonged
8 vacancy, it is much longer than we would have
9 preferred. Unfortunately, that manager was out on a
10 medical issue and we had anticipated a sooner return.
11 I should tell you though that when there is a
12 vacancy, the superintendent steps into the role with
13 support from the borough offices when we're in an
14 interim situation. So, it wasn't that there was no
15 management overseeing.

16 CHAIRPERSON TORRES: But that arrangement might
17 work for a small development like Twin Parks, but
18 when you have a development of 38 building and two
19 million square feet, you need both a property
20 maintenance supervisor and a property manager. How
21 long on average does it take you to fill a vacancy
22 for a property manager?

23 VITO MUSTACIUOLO: I'm sorry, just before Cathy
24 answers that question, I just want to point out what
25 Cathy noted which is that the property manager had

1 not left service. Property manager was out on leave.
2 So, we can't replace the property manager, we can't
3 hire a new property manager.
4

5 CHAIRPERSON TORRES: Not even on a provisional
6 basis or a temporary basis?

7 CATHY PENNINGTON: We can do floating, we call
8 them floaters, people to fill in.

9 CHAIRPERSON TORRES: But right after the scandal
10 broke, you were able to hire a manager?

11 VITO MUSTACIUOLO: No, the property manager left
12 city service at that point.

13 CHAIRPERSON TORRES: It coincided with the -

14 VITO MUSTACIUOLO: I'm not sure the exact timing.
15 We can certainly get back to you.

16 CHAIRPERSON TORRES: Yeah sure.

17 CATHY PENNINGTON: In response to the length of
18 time to fill a vacancy, it sometimes varies.

19 CHAIRPERSON TORRES: Is there an average?

20 CATHY PENNINGTON: I'll have to defer to our HR
21 Department.

22 CHAIRPERSON TORRES: Is it fair to say that eight
23 months is properly higher than the average amount of
24 time?

25 CATHY PENNINGTON: Yes.

2 CHAIRPERSON TORRES: Substantially higher?

3 VITO MUSTACIUOLO: Right, to the question. So,
4 the posting for the position was put up immediately
5 after the leave expired.

6 CHAIRPERSON TORRES: When did the leave expire?

7 NICOLE VAN GENDT: Three months after.

8 CHAIRPERSON TORRES: If you could just tell me
9 the month and if you can identify yourself. And if
10 you could just quickly swear the witness in.

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

15 NICOLE VAN GENDT: I do.

16 CLERK: And you can identify yourself.

17 NICOLE VAN GENDT: My name is Nicole Van Gendt.
18 I am the NYCHA Director of Human Resources. When we
19 receive a request for medial leave, we have an
20 obligation under the FLMA to return the person to a
21 position as close as possible to the position they
22 vacated. There is guidance indicating that this
23 includes the location.

24 CHAIRPERSON TORRES: When did the leave expire?
25

2 NICOLE VAN GENDT: Oh, she went out on 11/27/, so
3 it would have expired three months after that.

4 CHAIRPERSON TORRES: 11/27?

5 NICOLE VAN GENDT: 11/27/2017, it would have
6 expired at the end of February of 2018.

7 CHAIRPERSON TORRES: I'm sorry, the end of?

8 NICOLE VAN GENDT: February 2018.

9 CHAIRPERSON TORRES: So, Throggs Neck even with
10 the expiration of the leave, Throggs Neck went
11 multiple months without a property manager and NYCHA
12 certainly had the ability to hire a property manager
13 after February, after the expiration of the leave and
14 did not until the scandal made headlines. That's a
15 concern. I just want to set a scene of what it was
16 like to live in Throggs Neck Houses.

17 VITO MUSTACIUOLO: So, after my initial visit
18 when I discovered the sewage issues and the lack of
19 proper maintenance, I did instruct the regional asset
20 manager and the borough director that they had to
21 basically step and fill the shoes of the property
22 manager. It is also important; we have been looking
23 at a number of different models and how we should
24 restructure. It is clear to me that when we do have
25 a vacancy, even if its temporary that we need to have

2 a pool of staff that we can go to. As Cathy
3 indicated Floaters, that will require us bringing on
4 additional staff at these levels, but it's become
5 abundantly clear to me in the last year that that's a
6 worthwhile investment.

7 CHAIRPERSON TORRES: Okay, how many developments
8 do you have in your portfolio?

9 VITO MUSTACIUOLO: So, currently 318
10 developments.

11 CHAIRPERSON TORRES: And out of 318 developments,
12 which development had the highest overtime
13 expenditure last year?

14 CATHY PENNINGTON: Throggs Neck.

15 CHAIRPERSON TORRES: It was Throggs Neck, okay.
16 Was there scheduled overtime and unscheduled
17 overtime?

18 CATHY PENNINGTON: Yes.

19 CHAIRPERSON TORRES: What was the unscheduled
20 overtime for Throggs Neck in 2017?

21 CATHY PENNINGTON: I have 2018, I will have to
22 look for 2017 but for unscheduled for 2018 it was
23 503,000.

24 CHAIRPERSON TORRES: 503,000, and do you know
25 what it was in 2017?

2 CATHY PENNINGTON: I will have to look for that
3 information.

4 CHAIRPERSON TORRES: Okay, I know what it is.

5 CATHY PENNINGTON: Okay.

6 CHAIRPERSON TORRES: It was 290,000. So, from
7 2017 to 2018 it was a 40 percent increase in overtime
8 at the Throggs Neck Houses, not to mention the fact
9 that Throggs Neck had the highest overtime out of 318
10 developments in NYCHA's portfolio. Again, I want to
11 paint a picture of the development that was deeply
12 troubled and NYCHA knew that it was deeply troubled.

13 Let's go to workorders, response time. What was
14 the response time to repairs in 2017 at Throggs Neck
15 Houses?

16 CATHY PENNINGTON: So, I don't have the service
17 levels from 2017 with me. I can tell you what they
18 currently are. Are you talking about for
19 maintenance?

20 CHAIRPERSON TORRES: What about 2018, do you have
21 the data for 2018?

22 CATHY PENNINGTON: 2018, they currently have open
23 300,132.

24 CHAIRPERSON TORRES: The number of days, the
25 response time.

2 CATHY PENNINGTON: Work orders, so for
3 maintenance it takes an average right now of fifteen
4 days to complete services.

5 CHAIRPERSON TORRES: What did it take in 2018?

6 CATHY PENNINGTON: I don't have that in front of
7 me, I am sorry.

8 CHAIRPERSON TORRES: Okay, can we get that data.

9 CATHY PENNINGTON: Yes.

10 VITO MUSTACIUOLO: I'm sorry, which year did you
11 ask for?

12 CHAIRPERSON TORRES: 2018, when NYCHA had no
13 property manager and the scandal was unfolding. If
14 you can get me, we want to compare 2017 to 2018.

15 CATHY PENNINGTON: Okay.

16 CHAIRPERSON TORRES: So again, I just want to
17 recap from the moment you went in Throggs Neck, you
18 realized it was a troubled development.

19 VITO MUSTACIUOLO: Correct.

20 CHAIRPERSON TORRES: Throggs Neck went eight
21 months without a property manager. DOI and NYCHA had
22 received various tips about a culture of abuse
23 including possible overtime abuse at Throggs Neck
24 Houses. Throggs Neck had the highest overtime
25 expenditures in the city. Throggs Neck saw a 40

2 percent increase in unscheduled overtime from 2017 to
3 2018. There were signs, clear signs. Like NYCHA new
4 or should have known that there was something wrong
5 at Throggs Neck Houses.

6 I want to specifically comment on procurement
7 misconduct. As you know there's a phenomenon known
8 as bid splitting.

9 CLERK: We Will swear you in now. Raise your
10 right hand. Do you affirm to tell the truth, the
11 whole truth and nothing but the truth in your
12 testimony before this Committee and to respond
13 honestly to Council Member questions?

14 YADHIRA ESPINAL: Yes.

15 CHAIRPERSON TORRES: Now there's a DOI report
16 claims there was a practice known as bid splitting
17 transpiring at Throggs Neck Houses, so there are
18 contracts below the \$5,000 threshold that require no
19 bidding that have the least amount of oversight.
20 There are tens if not hundreds of millions of dollars
21 spent on what are known as micro-procurements and
22 since there's no bidding and since there's minimal
23 review, a manager or superintendent could carefully
24 structure these bids to abate bidding requirements in
25 the hopes of steering these bids toward preferred

1 vendors toward friends. So, it's the mismanagement
2 of public funds, it's a serious problem but my
3 understanding, correct me if I'm wrong, bid splitting
4 can arise in the following circumstances, either a
5 NYCHA official solicits quotes for the same service
6 on the same day or over a short period of time.

8 YADHIRA ESPINAL: Right, for us right now, it's
9 if your soliciting service within the same day. So,
10 bid splitting is a little tough to kind of identify.
11 It's if you know the full need upfront and yet, you
12 are splitting the request.

13 CHAIRPERSON TORRES: But you could engage in bid
14 splitting over different days but within a short
15 period of time. Right, I could take a let's say a
16 \$49,000 what should be a \$49,000 contract for
17 painting and divide it into ten contracts for \$4,900
18 over a two-week period. I would consider that bid
19 splitting.

20 YADHIRA ESPINAL: Right, if you knew the full
21 need upfront, then yes.

22 CHAIRPERSON TORRES: Okay, NYCHA's system, it can
23 flag cases when an official solicits quotes for the
24 same service on the same day?

2 YADHIRA ESPINAL: Not at the moment, we're
3 building system alerts now to kind of include the
4 quote dates. So that if a development is submitting
5 a service, a quote with the same dates but staggering
6 the submission to procurement, then it would be
7 flagged in our system.

8 CHAIRPERSON TORRES: So, if I'm a property
9 manager, and I'm soliciting quotes for the same
10 service on the same day, you cannot flag those cases?

11 YADHIRA ESPINAL: At the moment, no. It would be
12 up to the Procurement staff to kind of remember that
13 there was a request that came in.

14 CHAIRPERSON TORRES: So, you cannot track abuses
15 Ms. Management of contracts at the local level.

16 VITO MUSTACIUOLO: So, again, as Yadhira
17 indicated, currently no.

18 CHAIRPERSON TORRES: That is troubling. Tens if
19 not hundreds of millions of dollars that's being
20 mismanaged at the local level.

21 VITO MUSTACIUOLO: Which is why we have moved to
22 change the process.

23 CHAIRPERSON TORRES: What exactly is the gap in
24 the process? What is the gap in your system that
25

2 prevents you from tracking abuses and irregularities
3 in procurement?

4 VITO MUSTACIUOLO: Well, if I may go back to
5 again the statement in my testimony, where we have
6 identified the most common uses of the micro-purchase
7 on the service side and we have already put in place
8 a number of requirement contracts and are working to
9 add additional requirement contracts which will
10 eliminate the need to use micro-purchases. That
11 would reduce the usage on the micro-purchase for
12 services about 40 percent, which is significant and
13 that's just the first step. In addition to which, we
14 are building an additional bells and alarms and
15 whistles in the current process that will identify
16 these types of abuses.

17 CHAIRPERSON TORRES: What's the gap that you are
18 filling? Like, what is the gap in your current
19 system that prevents you from tracking abuses of
20 mismanagement of funds at the local level of abuses
21 of procurement?

22 VITO MUSTACIUOLO: So, I think, and I'll spend
23 back to Yadhira and Cathy, but part of it really has
24 to do with when the condition was identified and when
25

2 the need was identified and that's difficult to
3 determine at times.

4 CHAIRPERSON TORRES: Let me ask you a more
5 specific question.

6 VITO MUSTACIUOLO: Sure.

7 CHAIRPERSON TORRES: What are you not tracking
8 that you should be tracking in order to expose or
9 discover, detect, abuses in procurement?

10 YADHIRA ESPINAL: So, right now our systems don't
11 have the quote dates, so that we can't do any kind of
12 reporting and analytical work on that end. We do
13 have the quote date and we attach it to the purchase
14 order, but it is tough to do a kind of retrospect
15 analysis.

16 CHAIRPERSON TORRES: Do you track the vendor?

17 YADHIRA ESPINAL: Yes, we know which vender.

18 CHAIRPERSON TORRES: Do you track the nature of
19 the service?

20 YADHIRA ESPINAL: Yes, we track the nature of the
21 service.

22 CHAIRPERSON TORRES: But without tracking the
23 quote date, you have no means of identifying bid
24 splitting?

25 YADHIRA ESPINAL: Right.

2 CHAIRPERSON TORRES: So, you're going to upgrade
3 your system to include the quote date?

4 YADHIRA ESPINAL: That is correct.

5 CHAIRPERSON TORRES: So, what's the timeline?

6 YADHIRA ESPINAL: Well, we're actively working
7 with our IT Department, so I would say maybe 30 to 60
8 days if not less.

9 CHAIRPERSON TORRES: 30 to 60 days?

10 YADHIRA ESPINAL: If not less, yes.

11 CHAIRPERSON TORRES: I want to ask a few
12 questions about inventory and then I'll hand it off
13 to the Public Housing Chair. I will have more
14 questions throughout the course of the hearing.

15 CLERK: Do you affirm to tell the truth, the
16 whole truth and nothing but the truth in your
17 testimony before this Committee and to respond
18 honestly to Council Member questions.

19 ANTHONY PORCELLI: Yes, I do.

20 CHAIRPERSON TORRES: Okay, so we know there's no
21 tracking system or sufficient tracking system from
22 micro-procurements, what about it there a system in
23 place for tracking equipment, assets, supplies?

24 CATHY PENNINGTON: So, yes. So, we currently
25 track supplies at the development. So, there is

2 store room employee who tracks the materials as they
3 are distributed to the store room. So, upon
4 delivery, the staff check in, the inventory as it is
5 delivered and when they distribute materials given to
6 the staff, they also use whats called a stock
7 withdrawal slip. Some of this is paperwork and forms
8 and procedures that are just for store room
9 management. If skilled trades or other employees
10 such as carpenters come and are pulling inventory
11 out, they also submit stock withdrawals. We have
12 sometimes more than one supply room. We have a
13 master store room by development but then some trades
14 who have very large pieces of materials like dry
15 wall, we store those in another store room. We just
16 don't have the same process for one for all.

17 CHAIRPERSON TORRES: So, each store room has an
18 employee?

19 CATHY PENNINGTON: Yes.

20 CHAIRPERSON TORRES: How does the employee
21 document the supplies, the equipment? Is it done
22 digitally?

23 CATHY PENNINGTON: It's done both. There are
24 some systems that we use for a limited number of our
25

2 inventory that we check into a system that keeps
3 track of the amount of inventory we have.

4 CHAIRPERSON TORRES: And what's that limited
5 amount of inventory?

6 CATHY PENNINGTON: I believe it is 77 items,
7 categories of items that we currently track in our
8 systems.

9 CHAIRPERSON TORRES: So, the store room employee
10 is expected to digitally track 77 items of inventory?

11 CATHY PENNINGTON: As they come in and then go
12 out.

13 CHAIRPERSON TORRES: Categories of inventory?

14 CATHY PENNINGTON: Yes.

15 CHAIRPERSON TORRES: What about the rest of you
16 inventory?

17 CATHY PENNINGTON: That's done through what I
18 described as the withdrawal process, where they use
19 slips.

20 CHAIRPERSON TORRES: But that's not digitized?

21 CATHY PENNINGTON: That piece is not, not for all
22 the inventory.

23 CHAIRPERSON TORRES: Does NYCHA intend to
24 digitized everything?
25

2 VITO MUSTACIUOLO: So, if I can, Cathy had
3 described the current inventory system, which again,
4 there have been a number of findings both by this
5 body as well as by the New York City Comptrollers
6 Office with respect to our inventory control systems.
7 And while there have been advanced made, clearly we
8 at some point and time just dropped the ball and
9 should have continued, which is something that we
10 have picked up and we have put in place and again, in
11 my testimony, I mentioned that the supervisors as of
12 April, and this will be a roll out over time, but
13 beginning in April store room supervisors will no
14 longer report to the property management staff. They
15 will report to Tony, who is here with us now, to our
16 Materials and Management Department. And over time,
17 it will take us a few months to roll this out of all
18 store staff, supervisors will no longer be reporting
19 to Operations.

20 So, there are independent controls that we will
21 put in place. We are expanding all the inventory.

22 CHAIRPERSON TORRES: The ultimate goal is to
23 digitize everything?

24 VITO MUSTACIUOLO: Tony do you want -
25

2 ANTHONY PORCELLI: Yeah, so every in the
3 developments maintenance store room will be in the
4 maximal system, that's the work ticket as well as
5 inventory system. As well as the appliance rooms,
6 which are the stove and refrigerator supply rooms.
7 That will come directly on the materials management
8 and then as time goes on, we will increase that to
9 the other areas.

10 CHAIRPERSON TORRES: It sounds like the burden of
11 documenting either in writing or digitally your
12 inventory falls on the store room employee. Does
13 every store room have employee consistently?

14 ANTHONY PORCELLI: Again, once we take over -

15 VITO MUSTACIUOLO: As of today, no.

16 ANTHONY PORCELLI: Well, each one has one it is
17 just that sometimes they are removed to assist in
18 other duties.

19 CHAIRPERSON TORRES: So, the one person on whom
20 we depend to digitally document what's coming in,
21 what's going out, can be siphoned off elsewhere in
22 the development?

23 VITO MUSTACIUOLO: As of today, correct.
24
25

2 CHAIRPERSON TORRES: So, there is no consistent
3 record keeping of your inventory at every single
4 development?

5 CATHY PENNINGTON: Well, they still keep records
6 on the inventory as it's coming in and out, right.
7 So, there is a documented process. I think what
8 we're describing is we have recognized the need.

9 CHAIRPERSON TORRES: Right, but if I'm assigned
10 to a store room and I've been reassigned elsewhere,
11 how am I going to know what's going in and out on that
12 given day?

13 CATHY PENNINGTON: We're talking about on a given
14 day, we may, because of an absence or an urgent need,
15 may need to divert the person for two hours to go
16 help out on a maintenance situation, right. We're
17 not talking about all day long they are gone, or they
18 are consistently gone from the store room. They're
19 in the store room daily but there are occasions in
20 which, because we are short staffed, we may need to
21 pull them for a part of the day. The new process
22 will be full time committed store room staff.

23 CHAIRPERSON TORRES: I want to understand what
24 you are tracking exactly with respect to these items.
25 You're tracking the purchase of these items?

2 VITO MUSTACIUOLO: The one we're talking about
3 today?

4 CHAIRPERSON TORRES: Or in general, your
5 inventory in general. Do you practice the purchase?

6 VITO MUSTACIUOLO: Yeah, everything is tracked.
7 The purchase and then -

8 CHAIRPERSON TORRES: And you track the location?

9 VITO MUSTACIUOLO: The 77 items that are
10 presently being tracked are going on to work orders
11 when they are taken out to utilize -

12 CHAIRPERSON TORRES: So, you track the purchase
13 of these items? You track the location of your items
14 or the transfer of those items. There was mention in
15 the report of the destruction of appliances or the
16 discarding of equipment. Do you track the condition
17 of your supplies, your inventory, your equipment?

18 CATHY PENNINGTON: So, there is a specific
19 procedure that speaks to the disposal of equipment.

20 CHAIRPERSON TORRES: I'm asking about the
21 tracking of the condition. Do you track the
22 condition?

23 CATHY PENNINGTON: I'm not sure quite what you
24 mean by track the condition.

2 CHAIRPERSON TORRES: Meaning, could I destroy
3 huge quantities of NYCHA's supplies and equipment
4 without you finding out?

5 CATHY PENNINGTON: According to our procedures,
6 no. If you follow the procedures.

7 CHAIRPERSON TORRES: Well, what if I'm a bad
8 actor, do you have system in place to prevent, a
9 manager or superintendent from destroying equipment
10 or stealing equipment without you knowing.

11 CATHY PENNINGTON: We have procedures in place
12 that guide all employees at developments the proper
13 maintenance and disposal of equipment and they do
14 look at conditions.

15 CHAIRPERSON TORRES: You are assuming a scenario
16 which everyone follows the rules. I'm imagining a
17 world like Throggs Neck Houses where managers or
18 superintendents were acting in bad faith, were
19 sabotaging equipment and appliances, right. Is it
20 possible given the limitations of your current
21 inventory system, is it possible to destroy
22 substantial quantities of supplies and equipment
23 without you even knowing?

24 CATHY PENNINGTON: It is possible. It should be
25 picked up when management is doing what we refer to

2 as cycle counts. So, management, meaning not the
3 store room staff –

4 CHAIRPERSON TORRES: What if the management is
5 the bad actor?

6 CATHY PENNINGTON: Well, that poses a problem,
7 yes.

8 CHAIRPERSON TORRES: So, in those cases you're
9 not able to track it?

10 VITO MUSTACIUOLO: Clearly, the new reporting
11 structure, we will hopefully eliminate the ability
12 for someone to do that. For an individual to
13 intentionally damage and destroy property, it would
14 raise a flag in the system. If every appliance that
15 was delivered to one development all had the same
16 damage. So, yes, the new system will catch that.

17 CATHY PENNINGTON: Because there will be more
18 independents from the developments.

19 CHAIRPERSON TORRES: And when do you intend to
20 implement the new system?

21 VITO MUSTACIUOLO: Starting April, we're going to
22 roll out, and it's going to be a roll out
23 development.

24 CHAIRPERSON TORRES: And every store room
25 employee will report to your division?

2 VITO MUSTACIUOLO: That is correct.

3 CHAIRPERSON TORRES: Rather than the local
4 development?

5 VITO MUSTACIUOLO: That is correct and only they
6 will have access to the store room.

7 CHAIRPERSON TORRES: And there will be no
8 reassignment of those employees elsewhere?

9 VITO MUSTACIUOLO: Oh, no absolutely not, no.

10 CHAIRPERSON TORRES: You'll have one store room
11 employee who is dedicated to the store room and never
12 diverted elsewhere?

13 VITO MUSTACIUOLO: That is correct, and materials
14 of the management does not report up to Operations,
15 it reports to Procurement.

16 ANTHONY PORCELLI: And we additionally will have
17 floaters so to cover for absences. So, that at every
18 moment there will be someone in the store room.

19 VITO MUSTACIUOLO: And additional supervisor's.

20 CATHY PENNINGTON: And we really feel this new
21 structure provides integrity because there is more
22 independence, right and better controls with the
23 system part. So, we're very much looking forward to
24 improved accountability in this area.

2 CHAIRPERSON TORRES: So, I have more questions,
3 but I do want to give my Co-Chair.

4 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: My questions
5 are related to your disciplinary process and the
6 evaluations, so we can speak to the resolution that
7 Council Member Salamanca Resolution 676 that he
8 introduced. So first, can you describe your systems
9 and processes for discipline in employees and
10 managers for misconduct? And with that, what
11 employees are union members? And it would be helpful
12 to know within the report which unions were
13 represented first?

14 VITO MUSTACIUOLO: So, do you want to start with
15 that?

16 NICOLE VAN GENDT: Sure, with respect to our
17 current performance management evaluation system, we
18 have three categories of employees that are subject
19 to regular evaluation. Those are managerial
20 employees and those that are not represented by
21 union, those that are new to the authority are
22 evaluated on a quarterly basis and those who have
23 been promoted into a new civil service title are
24 evaluated on a quarterly basis and I'm sorry, what
25 was the second part of the question?

2 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: So, after
3 that, I am asking can you just describe what the
4 actual process is for disciplining, based on
5 misconduct, those different categories that you
6 mentioned, and then for those that are represented by
7 a union, can you list the unions that are involved
8 and then that will go into what is the collective
9 bargaining discussion between those employees and
10 NYCHA and the unions.

11 NICOLE VAN GENDT: Sure, so in addition to the
12 performance management tool, we have a number of
13 other disciplinary tools available to us. We have
14 instructional memos, we have counseling memos, we
15 have local hearings and we have general hearings.

16 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: Okay, so,
17 can you break it down for each category. You just
18 named three categories.

19 NICOLE VAN GENDT: Sure.

20 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: Start with
21 the first one with the management and then we'll go
22 into the second and then the third and can you give
23 us some detail as to what the actual process is. So,
24 if an employee files an allegation or a complaint
25

2 against their manager, what is it that NYCHA will do
3 and can you provide us with some steps?

4 NICOLE VAN GENDT: Sure, it depends on the nature
5 of the complaint. There are four primary points of
6 contact to receive complaints. The IG's Office, DEO,
7 the Office of Safety and Security and HR. All four
8 of those entities cross report to each other, so, if
9 an employee does not in the first instance file with
10 the appropriate department it will be referred over
11 to the other department.

12 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: And then you
13 notify the manager and the manager comes into the
14 office and you say to the manager there has been a
15 complaint filed against you by this particular
16 employee, this is what was alleged, and then like
17 that's done within 24 hours and then the manager will
18 say, well, this is my side of the story. Like, can
19 you paint a picture for us please, because this is
20 not working right now.

21 NICOLE VAN GENDT: Okay, so, with respect to HR
22 complaints, we usually reach out to the complainant
23 first. We will then reach out to anyone identified
24 in the complainants allegation to ask them questions
25 about the subject at matter of their allegation.

2 With respect to the other departments, I believe
3 the process is to notify the complainant, the
4 respondent, and the department but I don't want to
5 speak to procedures outside of my department.

6 VITO MUSTACIUOLO: So, for instance, a complaint
7 that might be lodged with the Department of Equal
8 Opportunity is confidential.

9 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: I just want
10 within NYCHA, NYCHA's systems, NYCHA's process.

11 VITO MUSTACIUOLO: These are within NYCHA, so
12 employees have basically different venues depending
13 on the type of complaint. So, they can either go to
14 DEO if it was a complaint about sexual harassment.
15 If it's about discrimination they can go to the
16 office of the Inspector General if it's about
17 corruption allegations. So, it takes a different
18 form and the way that the investigations or the
19 complaints are responded to are different depending
20 on the type of complaint.

21 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: So, just in
22 context of this right here. So, let's just talk about
23 Throggs Neck, since we're in a Throggs Neck hearing
24 and we're talking about sexual allegation and
25 everything else. I'm just trying to get an

2 understanding of just what the steps will be, like
3 moving forward.

4 VITO MUSTACIUOLO: So, for allegations such as
5 that, should have gone to the Department of Equal
6 Opportunity and those investigations are
7 confidential. In fact, they don't even share that
8 information with my office, until the conclusion of
9 the investigation and there are findings. At that
10 point, you honestly don't know who is involved and
11 who is not which is why they conduct the confidential
12 investigations.

13 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: So, the
14 reason why I mention this is because you know, in
15 your testimony, it says this body has in the past
16 focused on improvements such as employee performance
17 evaluations. We are open to these ideas and will work
18 with our partners in labor to make that happen and so
19 again, you know, in my opening remarks I said, we
20 have been complaining about mismanagement and Council
21 Member Salamanca mentioned last year, he asked a
22 question about performance evaluations and then Kerri
23 Jew said, that you know, we don't talk about if
24 that's difficulty, it could be a union issue, and so,
25 it's been almost a year and so, Throggs Neck was like

2 the straw that broke the camel's back, right. And
3 so, at this point, we should be beyond, we are open
4 to these ideas and will work with our partners and
5 labor to make them happen. So, I am asking, what
6 type of conversations, what's been implemented or in
7 the works or a roll out that speak directly to
8 disciplining employees based on misconduct and what
9 unions have you been working with and can you list
10 those unions? Maybe I am not articulating myself.

11 VITO MUSTACIUOLO: No, no, and perhaps we
12 misunderstood this when we're talking about and also
13 where can employees go if they have complaints? And
14 depending on the nature of complaint, Nicole could
15 have outlined the different areas where they can go.
16 To your direct question with respect to performance
17 evaluations. So, we have already implemented a
18 process for us to conduct performance evaluations for
19 our managerial staff, which is currently in place and
20 honestly, I believe that we should start at the top
21 and work our way down to lower level staff. It would
22 be unfair for us to require performance evaluations
23 for caretakers if management is not being evaluated.
24 So, that's already underway.

2 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: Now, you are
3 able to do the evaluations for the managerial staff
4 because they are not union?

5 VITO MUSTACIUOLO: They are not covered under the
6 collective bargaining, correct. Under collective
7 bargaining, we have the ability to and the right to
8 perform performance evaluations. What is covered
9 under collective bargaining and where we have already
10 started conversations with at least 237, which
11 represents a vast majority of our staff, really has
12 to do with process and policy. How will we use the
13 performance evaluations? How will they be
14 constructed? So, we do have the right under
15 collective bargaining to perform them.

16 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: So, what are
17 the obstacles that you are coming up against?

18 VITO MUSTACIUOLO: I wouldn't say that there are
19 obstacles. This is a time-consuming process; this
20 agency has not used performance evaluations like
21 this.

22 NICOLE VAN GENDT: Not on this scale.

23 VITO MUSTACIUOLO: Right, so it's really starting
24 new. It's starting fresh. We've had some
25 constructive conversations with 237. We have not

2 reached out to other unions at this point, again
3 knowing that 237 represents a majority of the staff
4 that will be impacted by this. But again, what was
5 indicated before, I don't want to you to be left with
6 the impression that we have no way of evaluating
7 performance. So, again, when an employee starts with
8 the agency, there are quarterly performance
9 evaluations the first year. If you change a title or
10 a position, that process starts all over again.

11 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: So, what
12 does that look like, the quarterly evaluations when
13 an employee first begins?

14 VITO MUSTACIUOLO: Sure, I just want to come back
15 to other ways that we evaluate staff.

16 NICOLE VAN GENDT: Sure. There are five basic
17 competencies. It's a one-page evaluation that's
18 filled out in writing by the supervisor. The
19 competencies, I don't remember entirely off the top
20 of my head, but it has to do with time and
21 attendance. It has to do with timely performance of
22 tasks, it has to do with cooperation and collegiality
23 and there are two other categories that I can't think
24 of right now.

2 VITO MUSTACIUOLO: So, again, and I come from an
3 agency where performance evaluations were used as
4 props, the only tool, one of the only tools to
5 evaluate the performance of an employee. And what I
6 found at the Housing Authority is the use of the
7 instructional memos, or letters, and the Counseling
8 letters. To me serve as a more of an indicator of an
9 employee's performance because it really addresses a
10 real time occurrence. So, as opposed to waiting
11 until the end of the year, actually to do an
12 evaluation of the employee where a supervisor may
13 have changed, or you may have forgotten an incident
14 that happened in the past. The way that the
15 authority uses the instructional and counseling
16 memos, I think is pretty noteworthy. Again, you are
17 dealing with a real time occurrence here. Writing up
18 the incident, it can mean something as simple as an
19 instructional memo to a staff saying, you did
20 something wrong, this is why it was wrong, and
21 correct it to a counseling memo which is a little bit
22 more severe and a number of counseling letters can
23 lead to a local hearing. So, there is a structure
24 that's in place and I don't think we've adequately
25 explained that in past hearings. So, again, I don't

2 want you to be left with the impression that nothing
3 is happening, and we also have the SLA's and we
4 honestly need to do much better there. We need to
5 kind of update our service level responses and what
6 we expect of our staff and I do believe that there
7 has been a lot of movement in that direction in the
8 last year. Are we done, absolutely not.

9 We're talking about again, dealing with years and
10 years of change and we're trying to do it in a very
11 short time. We want to do it the right way.

12 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: So, and you
13 mentioned like the counseling memos. When I think
14 about performance evaluations I also think about when
15 you want to have a productive company and if you are
16 looking at how to have the best outcomes for your
17 customers and you work with your employees, you also
18 ask them you know, how do you evaluate yourself and
19 you know, where do you see yourself at this given
20 moment as far as your job is concerned. Are you able
21 to perform the duties and services that you were
22 hired to do and then there is a discussion with your
23 supervisor about that particular, where you are, and
24 then there are certain metrics and you know
25 performances in order to stay on track with being

2 productive in your job and that's also a way to be
3 able to feel good about what you are doing. The
4 service that you are providing as an individual and
5 knowing that it will make you also feel like; I have
6 the support of my supervisor or the tools to be able
7 to do my job. And so, is that something that you
8 actually do and track and put that into an actual
9 system that is monitored and like personal goals and
10 agency goals?

11 VITO MUSTACIUOLO: So, the way that you described
12 the evaluation process is exactly how we are rolling
13 out the managerial performance evaluation and it's
14 also a self-reflection and it's an opportunity for
15 you to look at your performance and to be critical
16 and judgmental of yourself. So, I think that it's a
17 great system.

18 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: So, that's
19 what you are going to rule out?

20 VITO MUSTACIUOLO: Well, that's what we're doing
21 now for managers. It is currently out now, and we
22 want to continue with that with the other titles as
23 well.

24 I also want to point out to that what we do which
25 I think is also reflective, we're talking about the

2 negatives. But the agency also issues accommodation
3 letters and which I think is also important. It is
4 also important to recognize when someone does
5 something good. We've only focused on the negatives.
6 So, when we do our - meet twice a month. We have a
7 disciplinary panel which is comprised of senior staff
8 and the office of the Inspector General and when we
9 are reviewing a disciplinary action and determining
10 what additional actions, if any should be taken, what
11 we look at are the employees accommodation letters.
12 We look at the number of counseling letters that they
13 have received, if they've had a local hearing or a
14 general. So, we do kind of look at the entirety of
15 the employees performance and that ways heavily on
16 our decisions.

17 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: And can you
18 describe that with those who are represented by the
19 union? Like, we talked about the managerial.

20 VITO MUSTACIUOLO: On the performance evaluation
21 itself?

22 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: Performance
23 evaluation and yeah, what you would like to see.

24 NICOLE VAN GENDT: So, as Vito indicated, we are
25 constrained by the collective bargaining law to use

2 the performance evaluation for any type of discipline
3 or any other employment consequences, we would have
4 to bargain. We have engaged local 237 on that. They
5 have been extremely supportive of the process. We
6 had several meetings with them in 2017 and we've sent
7 them a prototype of the desired competencies we'd
8 like in an evaluation. These include quantity of
9 work, quality of work, cooperation, attitude, learn
10 and capacity, ability and potential, attendance and
11 lateness. We have a meeting scheduled in the next
12 few weeks to receive their feedback on those
13 competencies and that should enable us to develop a
14 similar performance management tool for represented
15 employees.

16 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: And only
17 237?

18 NICOLE VAN GENDT: We thought you know, as our GM
19 suggested, this is a large undertaking. We have I
20 think it's 10,000 represented employees, so we needed
21 to start somewhere because this 237 represents the
22 largest fraction of our workforce and particularly
23 the largest fraction of our frontline workforce, it
24 seemed like the most logical to engage them first.
25 Once we have agreed with them on a tool for

2 evaluating represented employees, we'll begin that
3 process with our other unions.

4 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: Okay, and
5 what other unions represented employees that were
6 charged, or you know, part of this Throggs Neck
7 scandal?

8 NICOLE VAN GENDT: So, the largest employee
9 population at our development is 237 and the second
10 largest is the DC37 which represents our clerical
11 titles.

12 VITO MUSTACIUOLO: Great, and we'll have to get
13 back to you, but I don't believe that any of the
14 staff at Throggs Neck were represented by any other
15 union other than 237. I think all of them were 237.

16 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: Okay.

17 VITO MUSTACIUOLO: I also want to go back for a
18 minute please if I can and correct the record. I
19 misspoke earlier when I said that Tony, the Director
20 of Internals Management reports to Procurement. I
21 kind of like to generalize sometimes. So, the Vice
22 President for Supplied Management oversees both
23 Materials Management as well as Procurement. So, my
24 apologies for kind of lumping them all together under
25 Procurement.

2 CHAIRPERSON TORRES: I actually have a bill that
3 requires agency heads to correct the records. So, I
4 appreciate, I take that as an expression of support.

5 NICOLE VAN GENDT: Can I correct one other thing
6 or clarify?

7 CHAIRPERSON TORRES: Go ahead please, a burst of
8 truth telling.

9 NICOLE VAN GENDT: So, we spoke about the passage
10 of time between when the existing manager at Throggs
11 Necks went out on medical leave and when their
12 replacement was identified, just to be clear, a
13 posting was published for that position on March 6th.
14 The FLMA leave ended in late February, so there was
15 only a gap of about a week before we began the
16 process to replace the manager at Throggs Neck.

17 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: Actually,
18 now I want to jump to the DOI report about the
19 resident leader Monique Johnson. Do you have a
20 response to the report?

21 VITO MUSTACIUOLO: I do not.

22 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: And what
23 actions has NYCHA now taken after receiving this
24 report?

2 VITO MUSTACIUOLO: So, after I received the
3 report, I did have a conversation with the Inspector
4 General and the Deputy Inspector General and I had
5 indicated to them that I would not take a close look
6 at this particular report immediately.

7 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: That you
8 would?

9 VITO MUSTACIUOLO: That I would not look at it in
10 detail immediately. That it raised some concerns.
11 The one step that we did take on which is standard
12 procedure with respect to the - I believe that there
13 was finding that perhaps the board that was elected
14 as part of the process, anytime there is a complaint
15 that we receive with respect to the election process
16 either for the TA president or for the board, our
17 resident engagement department takes a close look at
18 that. So, they are engaging in that right now, that
19 review. With respect to the other allegations,
20 citing's, I have not taken any action on that at this
21 time.

22 COUNCIL MEMBER ALICKA AMPRY-SAMUEL: Okay, and
23 just my last question on that. With so many
24 different changes in like just reorganization or
25 changes and structure within the agency, are you

2 looking to do any kind of changes within resident
3 engagement? And the reason why I am asking that
4 question, is because there is a lot attention and
5 focus clearly on residents and at this critical time,
6 resident engagement should be a strong, strong,
7 strong, division or department and so, nothing
8 clearly can be business as usual and so, that's why I
9 am asking that question with such a heavy focus on
10 the residents and the strong voice in advocacy coming
11 from the residents. What are you doing about
12 residents?

13 VITO MUSTACIUOLO: So, we have been taking a
14 close look at all of our departments. Now, with the
15 monitor in place, there will be a full review of the
16 complete organizational structure of the agency and
17 we've already had some very positive, constructive
18 conversation with the monitor and with his staff and
19 about how to proceed. So, it's still early on in the
20 process but now these conversations will be done in
21 conjunction with a monitor.

22 CHAIRPERSON TORRES: I have a few more questions,
23 I'll hand it off to Council Member Gjonaj. Did NYCHA
24 manage to get data on the response time in 2017 and
25 2018, the service levels at Throggs Neck Houses?

2 CATHY PENNINGTON: Not yet.

3 CHAIRPERSON TORRES: And one more question about
4 inventory. Do you conduct either periodic or random
5 audits of your inventory items?

6 ANTHONY PORCELLI: We will be when we do cycle
7 counts and on how often when they are going to be
8 done on the third day cycle, six-day cycle, nine-day
9 cycle.

10 CHAIRPERSON TORRES: Whats a cycle count and how
11 does that differ from an audit?

12 ANTHONY PORCELLI: Well, in the system it will
13 say there should be ten of these items on the shelf.
14 We'll count it and we'll determine are there ten, is
15 there eight, is there twelve? And then that's a
16 cycle count.

17 CHAIRPERSON TORRES: Whose we?

18 ANTHONY PORCELLI: I'm sorry, my staff that will
19 be taking over.

20 CHAIRPERSON TORRES: No, no, I'm asking for the
21 past. In the past, was there auditing of inventory
22 items in NYCHA?

23 ANTHONY PORCELLI: So, again, with the 77 items,
24 77 categories of items and part of those are
25 refrigerators and stoves, the development

2 supervisors, the store person, as well as the
3 development supervisors were supposed to be doing
4 counts on those.

5 CHAIRPERSON TORRES: But there was no independent
6 audit of the inventory items? Independently of the
7 development.

8 ANTHONY PORCELLI: Yeah, not that I'm aware of.

9 CHAIRPERSON TORRES: I have a question about the
10 mechanism for submitting complaints. Suppose I'm an
11 employee at Throggs Neck Houses and I either see or
12 experience misconduct at the hands of a supervisor or
13 a superintendent, what's the mechanism that exists
14 for submitting complaints without fear of
15 retaliation?

16 VITO MUSTACIUOLO: So, again, it would depend on
17 the type of complaint. So, you would either bring
18 your complaint to the Department of Equal
19 Opportunity, to the Office of the Inspector General
20 or to HR.

21 CATHY PENNINGTON: Or Safety.

22 VITO MUSTACIUOLO: Or Safety and Security, thank
23 you. So, those are the primary four areas. If you
24 are unsure which of those areas the complaint
25 actually falls under, which jurisdiction, then you

2 should go to HR. This is part of our new employee
3 orientation when we do focus and stress on how to
4 bring these types of complaints and where to go and
5 we also provide that in our manual that all employees
6 receive, and we need to do better and kind of
7 reinforcing that on a regular basis.

8 CHAIRPERSON TORRES: Given the outrageous nature
9 of the conduct at Throggs Neck Houses, how could it
10 be that so few people said nothing? And, I thought
11 to myself there could be confusion, there could be
12 fear. If I'm an employee and I'm a victim of an
13 abusive work place, I could go to Department of Equal
14 Opportunity for complaints relating to
15 discrimination, harassment, or retaliation, or I
16 could go to the Office of the Inspector General,
17 which handles complaints relating to abuse,
18 corruption and fraud or I can go to the office of
19 Safety and Security which handles complaints relating
20 to safety and security or I could go to the borough
21 office, which oversees local management or I could go
22 to the central office which oversees both the borough
23 and local management, or I could go to my local union
24 Teamsters 237 or DC37. Like there are six distinct
25 units to which an employee could submit a complaint.

2 Do you think the average NYCHA employee is familiar
3 with all of these units and the jurisdictional
4 differences between and among them?

5 VITO MUSTACIUOLO: I think that most of our
6 employees do know where to bring complaints to and
7 again, if they are unclear, they can certainly reach
8 out to HR.

9 CHAIRPERSON TORRES: But you just acknowledged
10 you are doing orientation training because there is a
11 lack of clarity about where to go.

12 VITO MUSTACIUOLO: Oh, no, that's standard for
13 any new employee. With the assumption that the
14 person didn't work in government before. So, we lay
15 out a process them.

16 CHAIRPERSON TORRES: Can I offer a suggestion.
17 Think of city government right, there are 50 agencies
18 and it would be odd if each agency had its own
19 mechanism for a complaint. Right, we have 311,
20 because it's simple, it's clear. Whenever there is a
21 problem you call one number that can connect you to
22 all the agencies in city government. Why not have a
23 streamlined simple centralized hotline at NYCHA?
24 That when in doubt, you all NYCHA's equivalent of 311
25 and we'll ensure that the complaint - so that all the

2 information is stored in one place. All the
3 complaints are funneled through one place. Why not
4 take a centralized simplified approach? In the
5 spirit of 311.

6 VITO MUSTACIUOLO: Well 311 is really not a
7 complaint process for those types of complaints. So,
8 I've worked at city agencies in the past as you all
9 know but city agencies have an Equal Opportunity
10 officer and you encourage staff to bring those types
11 of complaints directly to EEO. They are
12 confidential, they are sensitive issues. So, we
13 encourage even at HPD if there is an allegation of
14 sexual misconduct, that you bring it directly to EEO.
15 We also had the office of the Inspector General. We
16 didn't have the exact equivalent of Safety and
17 Security.

18 CHAIRPERSON TORRES: But when you have a simple
19 hotline, it's going to generate more complaints
20 because people are clear about where to go and if you
21 are receiving various complaints about Throggs Neck
22 Houses, whether it's Equal Opportunity complaints or
23 Safety and Security complaints or DOI complaints. If
24 all of that information is funneled through one
25

2 hotline, it allows you as a general manager to see
3 more clearly patterns of misconduct.

4 VITO MUSTACIUOLO: We will certainly look into
5 that and we will discuss it with our partners at
6 Department of Investigation. They might not be
7 agreeable to having the Housing Authority have a
8 central compliant number where allegations that would
9 normally be referred to DOI would go to NYCHA first.

10 CHAIRPERSON TORRES: Council Member Gjonaj, I
11 know you have questions and actually one more. Those
12 six units that I identified, where you could
13 potentially submit a complaint, is there coordination
14 or information sharing among all of those units?

15 VITO MUSTACIUOLO: So, there ae handoffs, yes.

16 CATHY PENNINGTON: And they do cross referrals,
17 so if someone comes to HR with an issue and HR
18 determines the nature of the problem requires it to
19 be referred to Equal Opportunity -

20 CHAIRPERSON TORRES: No, I'm not asking about
21 referral, I am asking about the representative from
22 Equal Opportunity, the Inspector General, Safety and
23 Security, the Borough office, Central office, come
24 together and share information?

2 VITO MUSTACIUOLO: Not on a regular basis, on a
3 case by case basis, that may happen, yes.

4 CHAIRPERSON TORRES: Okay, so there's no
5 consistent information sharing or coordination. You
6 might have a referral but not consistent coordination
7 or communication among these various avenue of
8 complaints.

9 CATHY PENNINGTON: There's a lot of information
10 sharing and troubleshooting and managing these cases
11 as the come forward but to your point, we don't sit
12 down like quarterly and review it all together. So,
13 HR and DEO do.

14 CHAIRPERSON TORRES: Council Member Gjonaj.

15 CATHY PENNINGTON: Council Member, do you want me
16 to answer your question about service levels?

17 CHAIRPERSON TORRES: At Throggs Neck Houses, yes,
18 truthfully.

19 CATHY PENNINGTON: Always, always. 2017
20 maintenance service levels were 1.6 and in 2018,
21 maintenance service levels were 16.1.

22 CHAIRPERSON TORRES: So, that's days?

23 CATHY PENNINGTON: Days.

24 CHAIRPERSON TORRES: So, in 2017, NYCHA on
25 average would respond 1.6 and then went to 16.1?

2 CATHY PENNINGTON: 16.1.

3 CHAIRPERSON TORRES: So, it's a 1,600 percent
4 collapse in productivity. Again, another red flag at
5 Throggs Neck Houses. If I am reading it correctly.

6 CATHY PENNINGTON: Actually, I might look at this
7 data a little differently and wonder why the service
8 levels were so low given the enormous number of work
9 tickets that come in. So, I would be analyzing this
10 a little further, right. Because there's ways we can
11 look at how work orders are opened and closed and the
12 productivity and the actual service.

13 CHAIRPERSON TORRES: So, there was fudging of
14 numbers in 2018?

15 CATHY PENNINGTON: I did not say that, sir. I
16 said I would analyze that further.

17 VITO MUSTACIUOLO: We are taking a different
18 approach to our work orders and when we close them.

19 CHAIRPERSON TORRES: So, 1.6 in 2017, 16.1 in
20 2018, what's the average?

21 CATHY PENNINGTON: For maintenance. The average
22 currently citywide, is seven days just for
23 maintenance.

24 CHAIRPERSON TORRES: So, the explanation is
25 either there was number fudging or there was collapse

2 in productivity. But in either case it's a red flag
3 about the maintenance at Throggs Neck.

4 CATHY PENNINGTON: It's a very large variance. I
5 would also mention that last year we implemented a
6 new policy on how they close the maintenance tickets.
7 That they have to call first to document attempts to
8 access. So, that effects how many get closed.

9 CHAIRPERSON TORRES: Council Member Gjonaj.

10 COUNCIL MEMBER GJONAJ: Thank you Chairs. You
11 just opened up a whole other can of worms for me but
12 I'm going to try to stay focused. Were you disturbed
13 to find out that there were 2,000 complaints that
14 come in referenced to NYCHA at the Department of
15 Investigations a year on average? And that 350 of
16 them actually leads to investigations each year?

17 VITO MUSTACIUOLO: No, I'm not disturbed.

18 COUNCIL MEMBER GJONAJ: It's not disturbing that
19 that would equivalate to about for every five
20 employees, one complaint a year on average and six
21 complaints per complex a year?

22 VITO MUSTACIUOLO: I think it would be helpful to
23 understand from the Department of Investigations how
24 those statistics compared to other city agencies. I'm
25 actually encouraged about the fact that people are

2 making reports to DOI and I'm also encouraged by the
3 fact that of the 2,000 referrals that were made, only
4 350 resulted in them opening up an investigation.

5 COUNCIL MEMBER GJONAJ: You know, that's one per
6 day seven days a week including holidays.

7 VITO MUSTACIUOLO: And we receive 3 million
8 complaints a year and if you look at the statistics
9 that 311 receives.

10 COUNCIL MEMBER GJONAJ: This is not 311 this is
11 DOI. This is Department of Investigations. This is
12 someone that knows where to actually make a complaint
13 and you have to search for that. It's not as
14 accessible as 311.

15 VITO MUSTACIUOLO: Sir, with all do respect, when
16 you are running an agency that is as large as the
17 city of Miami, you will have instances. You will
18 have situations and occurrence that's required that's
19 necessary and I would love to say that we no longer
20 need a Department of investigations. We no longer
21 need an office of the Inspector General, but they
22 serve a very clear function and I respect the work
23 that they do.

24 Again, I don't know the nature and we didn't ask
25 what the nature of those investigations where.

2 CATHY PENNINGTON: Because I would also add that
3 that hotline, recording line is also used for the
4 Section 8 program. So, we really would need to have
5 a breakdown of how many of those are employee
6 specific or resident complaints. I mean there's a
7 whole range of things that come forward and if you
8 add then a whole other Section 8 program, it could be
9 a landlord, it could be a tenant.

10 VITO MUSTACIUOLO: The Commissioner provided a
11 very high level of numbers, but would I be disturbed
12 if I saw a more detailed, a breakdown of what the
13 complaints were and the type of conditions and
14 complaints, it would disturb me but again, it's not
15 as if we have not been responsive to this. And the
16 Commissioner also mentioned clearly to that there has
17 been a collaborative working environment between the
18 agency and the Department of Investigation, and I
19 think that what happened at Throggs Neck is a text
20 book example of how it should work. Where the agency
21 initiated an investigation where we did hit the wall
22 and as the Commissioner indicated and after we took
23 action, we did a handoff to DOI. As opposed to us
24 just closing out the case and saying unfounded,
25 nothing more to do. So, I think we have to take a

2 look back and see what happened and what led to the
3 events.

4 COUNCIL MEMBER GJONAJ: Thank you for that.

5 Chairman, I guess we have another request that I'm
6 going to present to you that we actually get in touch
7 with DOI and get a breakdown of those 2,000
8 complaints and we'll see how they're categorized by
9 complex and get a better understanding and maybe we
10 can help shape a better NYCHA experience for all.

11 CHAIRPERSON TORRES: We are holding a Preliminary
12 Budget hearing on DOI, so we can make that request in
13 advance of the hearing.

14 COUNCIL MEMBER GJONAJ: That's great. When it
15 comes to evaluations, and we know those are very
16 complicated areas you have established. Would there
17 be any consideration for tenant evaluation of
18 employees rather than just supervisors, we clearly
19 had a structure where supervisors were evaluating
20 their coworkers, but in this regard, without all of
21 the stakeholders being able to evaluate and who would
22 know best of abuse or mistreatment then the actual
23 stakeholders? In this regard it would be tenant
24 presidents and the board as well as the residents of
25 a building. That could be helpful on giving a score

2 card, which could also help the relationship and hold
3 those employees accountable to the position that they
4 hold. Meaning, you're coming to my apartment. Are
5 you going to complete the work satisfactory? If not,
6 I'm going to grade you. This will be an additional
7 source of checks and balances, if you will. We do it
8 across the board now with the NYPD, See Something,
9 Say Something. If you don't like the way you are
10 being treated, here's the number, here's my name, you
11 should report me.

12 VITO MUSTACIUOLO: And our residents currently
13 have the ability to file a complaint or make a report
14 against an employee to have residents evaluated the
15 performance of every employee. I would not agree to
16 that.

17 COUNCIL MEMBER GJONAJ: Every experience. We do
18 it with the NYPD. We have more NYPD officers than
19 there are employees at NYCHA. If you get pulled
20 over, they are supposed to give you a card, introduce
21 themselves and say, if you feel that your rights have
22 been stepped on or your civil liberties have been
23 abused, here is a card, here is a number, please make
24 the phone call.

2 VITO MUSTACIUOLO: But I'm sorry, we're talking
3 about two different things. Our residents currently
4 have the ability to file a complaint against an
5 employee. I think that that just answers your
6 question about - with respect to how the police
7 department. What you're suggesting, I think I heard
8 you say earlier, that you wanted the ability for our
9 residents to evaluate the performance of every
10 employee and if they have a complaint, if they have a
11 concern about an employee, there's a mechanism for
12 them to file that complaint.

13 COUNCIL MEMBER GJONAJ: Vito, we had a similar
14 program for NYPD where you can actually call in.
15 Very few people knew about it and very few people did
16 anything about it until we made a program that
17 allowed the New York City residents to actually be
18 informed by giving them a name and a number that they
19 could take advantage of right there and then. And
20 our Chair here would be able to help you because he
21 helped cater that bill and maybe further explain the
22 intent and the purpose and Chairman, if I'm wrong
23 here and I'm off target, please help me.

24 CHAIRPERSON TORRES: It's a business card that an
25 officer hands out which informs you of your right to

2 call 311, which you could do as a NYCHA resident in
3 relation to NYCHA employees.

4 CLERK: Raise your hand. Do you affirm to tell
5 the truth, the whole truth and nothing but the truth
6 in your testimony and to respond honestly to Council
7 Member questions?

8 GERALD NELSON: I do. Retired chief Gerald
9 Nelson. Civilians do not give evaluations to police
10 officers. There are so many mechanisms where they
11 can make complaints. Giving out your card, giving
12 out your name, showing your ID card, showing your
13 shield is not an evaluation sir. You can make any
14 complaint that you want. You have so many different
15 agencies CCRB, right to our department. You see
16 someone EEO, you can complain to EEO but that is not
17 an evaluation. I think you're mixing that up, sir.

18 COUNCIL MEMBER GJONAJ: First of all, I want to
19 thank you for the service. You said general?

20 GERALD NELSON: No, Chief, 41 years Commander and
21 my name is Gerald Nelson, not general. Three-star
22 Chief, not general.

23 VITO MUSTACIUOLO: That's actually close enough
24 to a general.

2 COUNCIL MEMBER GJONAJ: I want to elaborate. The
3 term evaluation doesn't mean a score card of how did
4 they perform, satisfactory or not. We should be
5 thinking outside of the box and how to improve the
6 environment and the experience of both employee and
7 tenant relations here which is clearly a breakdown
8 that we can all admit and coming up with a creative
9 mechanism which will help improve not only the
10 environment but the relationship and the curtesy that
11 goes along with it which I've heard and I've seen
12 first hand from both tenants that can be abusive to
13 employees and vice versa. Employees of NYCHA
14 facilities being abusive to our tenants, we have both
15 here. But a higher standard and ethical
16 responsibility should be on the employee or the
17 employer in this regard which would be NYCHA overall
18 as well as anyone that works in a NYCHA facility that
19 they should be held accountable to some type of
20 ethical approach to the issues that tenants raise.

21 And I just can't believe I felt that I brought up
22 something that wore a whole into whats the number of
23 NYPD officers 40,000? A little less then 50,000 New
24 York City employees.

2 GERALD NELSON: About 39,000 uniform and an
3 additional 11 to 12,000 civilians.

4 COUNCIL MEMBER GJONAJ: A man of statistics, I
5 love it. So, if we can have this entire law
6 enforcement be responsible by giving out cards and
7 saying ma'am or sir, here's my information if you
8 feel that we have stepped on your civil liberties or
9 rights, please feel free to make a complaint about
10 me. Builds a relationship where the cordial
11 environment of that officer approach is how citizens
12 in a different manner, and this isn't to threaten but
13 that is a form of an evaluation.

14 GERALD NELSON: I agree wholeheartedly with you
15 sir, but when you utilize the terminology
16 evaluations, you can rate employees, we're all for
17 that. How are guys and gals doing within our
18 developments? You can rate them, you can put a one
19 to ten and rate them, but when you say evaluations,
20 we had a long discussion about evaluations and I just
21 think maybe you used the wrong terminology when you
22 said that NYPD cops are evaluated by civilians. Yes,
23 they are but there's not a formal way that you can
24 just write up something and evaluate that cop and he
25 is rated on that. We rate our people all the time

2 and your idea is a good idea but just maybe the
3 terminology that you used is a little misleading,
4 sir.

5 COUNCIL MEMBER GJONAJ: Thank you for that
6 clarification. If we can hold our brave men and
7 women in blue to one standard, I think we can hold
8 our employees of NYCHA to the same standard, but
9 that's a different discussion.

10 CHAIRPERSON TORRES: That standard being a
11 business card.

12 COUNCIL MEMBER GJONAJ: Right, simple with
13 information on you know what, maybe you're not aware
14 that 311 is an option for you to complain. If you
15 feel that I have not performed my responsibilities or
16 treated your issue in a professional manner with
17 curtesy and respect, please make a phone call. That
18 could go a long way on shaping how we interact.

19 VITO MUSTACIUOLO: And sir, I don't have the
20 statistics with me, but our residents do use 311 to
21 file complaints with respect to service.

22 COUNCIL MEMBER GJONAJ: They had the same option
23 for the NYPD but yet we saw that there was a need to
24 go a little bit further than that and we should be
25 looking for ways to go further with our NYCHA

2 employees. The Chairman mentioned inventories, and
3 this is something I discussed with him a little bit
4 earlier. Currently, or previously, there was no
5 mandatory list of inventory on how many lawn mowers
6 and major equipment was at a facility that was
7 mandatory that they would keep logs on. Is that what
8 I understood?

9 CATHY PENNINGTON: No, we didn't say there
10 wasn't. We said there was a number of categories
11 that are part of ongoing inventory tracking of which
12 there are 77 categories that we do track in our
13 systems and in addition, we do whats called cycle
14 counts. So, of other inventory, it may not be in our
15 database system, but we do inventory and QC counts on
16 the supplies that are in our developments.

17 ANTHONY PORCELLI: If I may also add items are
18 tagged if they are over a certain value and that's
19 maintained mostly on equipment that you're talking
20 about.

21 COUNCIL MEMBER GJONAJ: Such as like leaf
22 blowers, weed whackers, snow blowers, lawn mowers,
23 drills, saws, and brand-new pallets of sand.

24 ANTHONY PORCELLI: If they're over a certain
25 dollar amount, presently it's \$5,000.

2 COUNCIL MEMBER GJONAJ: So, a lawn mower, a ride
3 on lawn mower is several thousand dollars, there is
4 no accountability for that? We don't know - it's
5 \$2,000 it's not \$5,000 or \$6,000. No one would know
6 how many units are at a complex or how often they
7 order a replacement?

8 ANTHONY PORCELLI: Yes, we would know how often
9 they order it, absolutely.

10 VITO MUSTACIUOLO: Okay, Council Member, I think
11 it's also important and we talked about this I think
12 several times already today. Why we are here today
13 is because of an event that happened in the past. We
14 are forward looking, and we want to continue to be
15 forward looking and we recognize the fact that there
16 are deficiencies in a number of different areas.
17 Ranging from micro-purchases to inventory control.
18 We are putting a lot of these controls in place.
19 Again, it's not as easy as a switch that you turn off
20 and on and I think that we have made a lot of
21 progress in the last twelve months and there is a lot
22 of work that needs to be done, there is no question
23 about it, and you are raising some very important
24 issues with respect to what dollar value or what
25 level should we track equipment that we use. Again,

2 we're talking about we are for all practical
3 purposes, a major city. We are the size of the city
4 of Miami. We have 318 developments and we employ
5 almost 11,000 staff. If you took the physical
6 footprint of Housing Authority, we would be three
7 times the size of Central Park. So, yes.

8 COUNCIL MEMBER GJONAJ: It's a huge undertaking.

9 VITO MUSTACHIULO: It's a huge undertaking to
10 get down to that level of a power saw, I'm not going
11 to tell you that that's a priority for me.

12 Obviously, we're going to sort of prioritize. We are
13 going to look at the dollar value. We are going to
14 look at what has happened in the past, appliances.
15 The Commissioner of DOI talked about kitchen cabinets
16 that were taken. These are important issues for us.
17 So, we are going to prioritize and we're going to
18 stay focused on this.

19 COUNCIL MEMBER GJONAJ: I just want to add, I
20 don't think it's just about Throggs Neck because
21 there apparently is a culture because 2,000
22 complaints and I go back to the number, I'm sure
23 they're not all from Throggs Neck that gets into DOI.

24 VITO MUSTACIUOLO: These changes are not just
25 about Throggs Neck.

2 COUNCIL MEMBER GJONAJ: Right, so there is a
3 culture that we're looking at.

4 VITO MUSTACIUOLO: We are rolling this out
5 citywide, all five boroughs, every development.

6 COUNCIL MEMBER GJONAJ: Thank you for the
7 courtesy Chairs. I want to get back to the TA
8 President and officers that tenant associations use.
9 Is it common practice to have a stove in a tenant
10 association office? Is it rare? Is it something
11 that's unheard of?

12 VITO MUSTACIUOLO: So, what I will tell you is
13 just from my experience in the last year. I have
14 seen stoves in other TA offices. Can I tell you I've
15 seen one in every single one, I can't tell you that
16 but is it unique to Throggs Neck? No, it's not.

17 CATHY PENNINGTON: And some of the TA offices are
18 in units that are offline for the purpose, so they
19 have that type of equipment in them.

20 VITO MUSTACIUOLO: And it's something that we're
21 moving away from because we shouldn't be utilizing
22 apartment or a TA office space. They should be going
23 to families that need them.

24

25

2 COUNCIL MEMBER GJONAJ: I agree with you. That's
3 certainly something that we should be changing,
4 making more units available to New Yorkers.

5 VITO MUSTACIUOLO: We are doing the best we can.

6 COUNCIL MEMBER GJONAJ: And a similar question
7 for security cameras. Is this completely unheard of
8 in an office to have security cameras?

9 VITO MUSTACIUOLO: So, again, I can't say that I
10 - I'm usually pretty good. I usually pick up on
11 things when I'm out in the field. I can't say for
12 certain that I have seen security cameras in other TA
13 offices, office space or not. What I can say, and I
14 don't want to be contradictory or to be disrespectful
15 to the Commissioner of DOI and I do want to have
16 further conversations with them about the purchase of
17 this equipment and whether it was a proper purchase
18 or not.

19 What I will tell you is that and I'll tell you
20 this is just me talking personally. If that request
21 had come to me, I probably would have approved it.
22 Given the circumstances and when I think of the
23 circumstances, what I looked at at Throggs Neck, is
24 that we, the Housing Authority installed almost 300
25 security cameras throughout the development. So,

2 clearly there is a reason why we installed that many
3 security cameras to suggest that security cameras at
4 the TA office were unjustified or a misappropriation
5 of spending, I need to have a conversation with the
6 Inspector General's office about that.

7 COUNCIL MEMBER GJONAJ: And there was much talk
8 about general fund versus TA money that should have
9 been used and the complications.

10 VITO MUSTACIUOLO: And again, there are very
11 strict requirements of the HUD regulations as to how
12 the TPA funds can be used. Again, I think further
13 conversations with our partners at the Department of
14 Investigation to get a clear understanding as to how
15 they made that determination. Why they put that
16 language in their report. I think we really need to
17 clarify that.

18 COUNCIL MEMBER GJONAJ: It's almost a concern I
19 think for the right reason of the 325 complexes that
20 we have and that's 325 tenant association presidents.
21 We value the role that they play in improving the
22 lives and the conditions that the tenants of NYCHA
23 live in. They play a significant role and I would
24 hate to have their reputations tarnished across the
25 board or the notion that they could be grilled for

2 being passionate about issues that are impacting
3 their complexes and their tenants with a push back of
4 you know, see something, say something but if you say
5 it too much, you know, you can find yourself being
6 reported. So, these are concerns that I'm afraid of
7 and abuses that can become systematic. And this is
8 where the power of management over TA presidents and
9 tenants and the abuses that we know exist and outside
10 of Throggs Neck in itself.

11 VITO MUSTACIUOLO: I agree with you 100 percent,
12 that I value tremendously the importance of our
13 resident presidents and the boards. I make a point
14 every time I go out to a development and try to meet
15 with the TA president. I have had meetings with them
16 after hours. I will tell you that the relationship
17 that I have Ms. Johnson, and I agree with you 100
18 percent. I don't think you can describe her any
19 differently then passionate. She is passionate, she
20 is outspoken, she is my report card. She is the one
21 that evaluates me.

22 COUNCIL MEMBER GJONAJ: An evaluator?

23 VITO MUSTACIUOLO: She is an evaluator. As most
24 TA presidents that I have met. They understand
25 completely the role that they play. They represent

2 their members, their constituents, their fellow
3 residents, in a way that is commendable. Often
4 times, because of personality issues, they may not
5 get along with the staff at the property level and
6 that's something that we all need work on. And I
7 have heard from TA presidents as well that they also
8 recognize the fact that they need to do better as
9 well. So, it's a two-way street.

10 COUNCIL MEMBER GJONAJ: Thank you for that. My
11 last question. Do you actually do work orders after
12 a job has been completed in an apartment? Where a
13 tenant actually signs that yes, my repair was made.

14 CATHY PENNINGTON: Yes.

15 VITO MUSTACIUOLO: Yes.

16 COUNCIL MEMBER GJONAJ: You know that evaluation,
17 we'll call it the evaluation. Is there any question
18 on there that says, has the work been performed to
19 your satisfaction?

20 CATHY PENNINGTON: Yes.

21 COUNCIL MEMBER GJONAJ: In a professional manner?

22 CATHY PENNINGTON: And they can check it or not
23 or they can refuse.

24

25

2 COUNCIL MEMBER GJONAJ: Or they can say the work
3 has been completed not in a professional manner.
4 Isn't that a form of evaluation.

5 VITO MUSTACIUOLO: I would hope that they
6 wouldn't sign the work order if they weren't
7 satisfied with the work that we did.

8 CATHY PENNINGTON: And sometimes that does
9 happen.

10 COUNCIL MEMBER GJONAJ: So, isn't that a type of
11 evaluation that is done by the tenant on an ongoing
12 basis.

13 VITO MUSTACIUOLO: It is and there are other
14 forms of it as well. We have other surveys.

15 CATHY PENNINGTON: We have other QA's we do.

16 COUNCIL MEMBER GJONAJ: Great, so maybe thinking
17 outside of the box and hearing what the feedback was,
18 maybe on that form we can also put down, if you feel
19 that the work or the treatment that you received was
20 contrary to the experience that you would have
21 wished, please call blank to complain. With a
22 number, whether it be 311 and there's not going to be
23 unfair burden that's placed, and we hope that we can
24 do it in languages that tenants can understand but
25

2 again, this is being creative to address a real
3 problem. Thank you.

4 CHAIRPERSON TORRES: I have a few more questions.
5 I was struck by your comment earlier that with
6 respect to the DOI report on the resident council
7 leader at Throggs Neck Houses, you said you were not
8 going to review it closely.

9 VITO MUSTACIUOLO: I'm sorry, I've read it over
10 repeatedly. I've met with the Inspector General and
11 the Deputy Inspector General. There was nothing in
12 that report that I felt required immediate action.
13 That's probably a better description.

14 CHAIRPERSON TORRES: And it seems like you're
15 skeptical that even the purchase of the camera system
16 was improper. Do you disagree with DOI finding in
17 that respect?

18 VITO MUSTACIUOLO: I think it requires additional
19 conversations with Department of Investigation.
20 Again, as to how they came to that conclusion and
21 determination and I said this on record. Again, if a
22 TA president were to make that request of me
23 directly, I would consider it. I'm not saying that I
24 would outright approve it, but I would take other
25 issues into consideration.

2 CHAIRPERSON TORRES: He reason I ask is I'm
3 sensing some skepticism and the reason I ask is given
4 all the problems effecting NYCHA, given the systemic
5 failures that we've highlighted, you know, DOI is a
6 criminal law enforcement agency. At best a DOI
7 finding can result in reputational damage. At worst,
8 a DOI finding could result in an arrest. Is it a
9 productive use of DOI's resources to target a TA
10 leader as opposed to the deeper challenges? The
11 reason I'm asking you is because the \$3 million that
12 funds the office of the NYCHA Inspector General comes
13 from NYCHA's budget. So, is that the kind of use of
14 resources that NYCHA envisions for DOI?

15 VITO MUSTACIUOLO: And again, I think that that
16 question should be posed to the Commissioner of DOI.
17 The relationship that I have had with the Office of
18 the Inspector General has been positive. It has been
19 collegial. It think we have accomplished a lot
20 together.

21 CHAIRPERSON TORRES: And I agree but I think
22 there is bigger fish to fry then and no offense to
23 Monique Johnson, I don't think. I think there are
24 more serious challenges at NYCHA then one tenant
25 leader.

2 VITO MUSTACIUOLO: But I honestly can't answer as
3 to why that report was released. I think you need to
4 ask that directly of DOI and I think we do have to
5 have a further conversation with them about the
6 interpretation of the use of the TPA funds. About
7 whats allowed under HUD regulations and whether or
8 not these expenditures were improper or not. It's a
9 conversation that I do want to have them and it's a
10 conversation that I did have with them already but
11 again -

12 CHAIRPERSON TORRES: That's kind of troubling.
13 When it seems like when DOI is crafting these
14 reports, it conferring with the Housing Authority.
15 You're telling me that DOI declared a purchase
16 improper without finding out from NYCHA whether it
17 was in fact improper?

18 VITO MUSTACIUOLO: Again, I don't know if they
19 spoke with anyone within the authority. I did not
20 speak with them about that report prior to me coming
21 out. I don't know if they confirm with anyone else
22 in the department.

23 CHAIRPERSON TORRES: Just my opinion, DOI has
24 bigger fish to fry and I think there are deeper
25 challenges that have been highlighted in this

2 hearing. Do you have a system in place for tracking
3 irregularities in overtime?

4 CATHY PENNINGTON: We have reporting by every
5 payroll period that categorizes what we refer to as
6 scheduled and unscheduled overtime. So, we can
7 monitor that information across the entire agency and
8 then it is broken down by department. It is further
9 broken down by individual developments. So, it
10 requires management to do reviews of their overtime.
11 To look for any spikes or trends that would tell you
12 that there is a concern and occasionally we do find
13 high usage at certain locations which would lead us
14 to investigate whats going on here and there can
15 certainly be justifications, the classic would be
16 heating season. In the heating department you'll see
17 spikes. If you look at temperature or weather
18 conditions you know, and what the staff are doing,
19 you can find justifications or not for overtime
20 trends.

21 CHAIRPERSON TORRES: One irregularity is a spike
22 in the use of overtime at a given moment?

23 CATHY PENNINGTON: Spike from a comparative.
24 We'll look back. We can look back on the global
25 report back three years, so we can look for trends.

2 CHAIRPERSON TORRES: Okay, and in the case of
3 Throggs Neck Houses, did you see the spike?

4 CATHY PENNINGTON: Yes, we saw a spike that
5 summer.

6 CHAIRPERSON TORRES: And did the spike prompt an
7 investigation?

8 CATHY PENNINGTON: The spike prompted follow up
9 with the director and the regional asset manager to
10 discuss why there was such a huge increase and it was
11 related to the waterline sewer breaks that required
12 the additional staff to work 24/7. So, at that there
13 was an acceptable justification of why it was going
14 up and when the contractor completed those repairs
15 towards the end of the summer I believe, there was
16 water main.

17 CHAIRPERSON TORRES: A plumbing issue?

18 VITO MUSTACIUOLO: So, it was actually a break in
19 the sewer line from a building to the street.

20 CHAIRPERSON TORRES: Does that in of it itself
21 explain the 40 percent increase?

22 CATHY PENNINGTON: Some of it, yeah.

23 VITO MUSTACIUOLO: For a lot of it, which is
24 honestly why, and this was in like the first few
25 months of me coming into the Authority, which is why

2 I wanted to get the work expedited. That's not the
3 best use of our dollars is to have someone sit there
4 and watch a pump to ensure that a pond for our sewage
5 doesn't overflow as opposed to actually getting the
6 repairs made. And that's what I charged the staff
7 with and that's why they reported back to me on a
8 daily basis with picture because I couldn't get up
9 there everyday and I wanted to see pictures of the
10 progress that was being made. And again, going back
11 to the relationship with the TA presidents, I was
12 getting reports from some very reliable resources
13 outside of the Housing Authority and the TA president
14 as to the progress that was being made at the
15 location.

16 And again, forward looking, we are putting in
17 place, it is being implemented within the next two
18 months is a new approval process for overtime and its
19 electronic, so it's all documented in our system.
20 That would require from the development level, the
21 supervisor level up through the proper manager and
22 then beyond. Regional asset managers, borough
23 directors, for the use of overtime.

24 CHAIRPERSON TORRES: Okay, so I just want to
25 summarize. NYCHA is going to improve the tracking of

2 local contracts in order to prevent mismanagement of
3 funds at the local level.

4 VITO MUSTACIUOLO: Yes, micro-purchasing.

5 CHAIRPERSON TORRES: Micro-procurements, micro-
6 purchasing.

7 VITO MUSTACIUOLO: Correct.

8 CHAIRPERSON TORRES: So, can you commit to
9 updating both the investigations committee and the
10 public housing committee on the progress you make on
11 that front?

12 VITO MUSTACIUOLO: Absolutely.

13 CHAIRPERSON TORRES: Okay, NYCHA is committed to
14 improving the tracking of your property or equipment,
15 your supplies in order to prevent theft, destruction,
16 loss of property, is that at the local level?

17 VITO MUSTACIUOLO: And again, that will be rolled
18 out by development because we can't implement that
19 throughout the entire city at one time.

20 CHAIRPERSON TORRES: But you can commit to
21 keeping us posted on the progress on those fronts?

22 VITO MUSTACIUOLO: Yes.

23 CHAIRPERSON TORRES: Okay. You are going to make
24 the process of securing overtime more rigorous
25 approvals, higher approvals, is that correct?

2 VITO MUSTACIUOLO: Correct.

3 CHAIRPERSON TORRES: This is going to be my final
4 question. How do we prevent a repeat of Throggs
5 Neck? As I noted earlier, if you have a development
6 that's gone a long stretch of time without property
7 management, that has the highest overtime expenditure
8 in the city, that saw a spike in overtime from 2017
9 to 2018, that has to be a service level numbers
10 either as a result of number fudging or collapse in
11 productivity, and a development of about which there
12 were various complaints of an abusive workplace
13 culture, how do we ensure that those kind of
14 developments come under a microscope? That NYCHA is
15 proactively investigating problems?

16 VITO MUSTACIUOLO: Sure, I don't think that there
17 is a silver bullet. I think a lot of what we talked
18 about -

19 CHAIRPERSON TORRES: I'm thinking almost like you
20 know, there's in HPD there's enhanced review or
21 enhanced scrutiny for troubled contractors, right.
22 Could there be a process of enhanced scrutiny or
23 enhanced review for unusually distressed
24 developments?
25

2 VITO MUSTACIUOLO: And I do believe that we have
3 been more focused on that and it's unfortunate again
4 that the situation that occurred at Throggs Neck is
5 what brought us to that point, and I think we are
6 using the data. We are a very data rich agency. I
7 don't think we had been using the data to the best
8 possible use. We have started having NYCHA stat
9 meetings, which I understand had happened in the
10 past. Again, unfortunately, they were for reasons
11 that I can't answer, they had stopped. We started
12 them again.

13 CHAIRPERSON TORRES: And what are the nature of
14 those meetings?

15 VITO MUSTACIUOLO: So, we focus on different
16 areas.

17 CHAIRPERSON TORRES: Because I know in CompStat
18 meetings, it's the Chief of the Department as I
19 understand it is meeting with Precinct commanders.
20 Are you meeting directly with direct managers.

21 CATHY PENNINGTON: All the management. Borough
22 Directors.

23 VITO MUSTACIUOLO: I am there, the EVP's, the
24 Interim Chairs have been there.

2 CHAIRPERSON TORRES: What about the local
3 property managers? Or they equivalent of a Precinct
4 Commander?

5 CATHY PENNINGTON: It depends on the topic. Each
6 month we have different topics. So, if it is related
7 their performance, if we invited all those people,
8 there would be no one running the ship but on
9 occasion we do bring them in if its like a topic that
10 we need them to respond to or hear about.

11 VITO MUSTACIUOLO: But again, it's at the Borough
12 Director level, the Regional Asset Manager levels.
13 And again, I also want to go back to what I had said
14 earlier to is we have the monitor in place now and a
15 lot of what we are discussing today and a lot about
16 the forward looking and improvements that we will be
17 making will be done working with the monitor. They
18 are coming in with a team that have expertise in a
19 variety of different areas. So, we look forward to
20 working with them in a collaborative way and to
21 learning from this experience and making
22 improvements.

23 CHAIRPESON TORRES: I thank you for you
24 testimony. I have no further questions.

2 COUNCIL MEMBER AMPRY-SAMUEL: I'll just end by
3 saying that I really hope that what comes out of this
4 hearing is a better process for disciplining on a
5 managerial level and that we create an environment
6 that encourages residents to continue to be leaders
7 and be able to share what they are seeing and what
8 they are hearing because I constantly say that I feel
9 like there's always a disconnect between whats
10 happening on the development level and what's being
11 communicated to the executive level and if residents
12 feel like if they do say something there's some
13 retaliation, then what are we doing here. And so, I
14 really hope that we make sure that the processes are
15 in place to really discipline the bad actors and
16 encourage the residents to continue to speak up and
17 speak out and know that they have the support and
18 it's up to NYCHA to put that in place. So, that's
19 all that I have to say.

20 VITO MUSTACIUOLO: Thank you.

21 CHAIRPERSON TORRES: Thank you so much. The next
22 panel will consist of Monique Johnson, who is a
23 Resident Council President at Throggs Neck Houses.

24 CLERK: And I will swear you in. Do you affirm
25 to tell the truth, the whole truth and nothing but

2 the truth in your testimony before this Committee and
3 to respond honestly to Council Member questions?

4 MONIQUE JOHNSON: I do. I'm going to elaborate
5 on the handouts. I also have some pictures that I
6 want to show as well. You could just hand them my
7 phone and they could just pass the phone down.

8 CHAIRPERSON TORRES: Ms. Johnson would you mind
9 sitting down?

10 MONIQUE JOHNSON: Do I make you nervous?

11 CHAIRPERSON TORRES: No, it's just I don't want
12 to set a precedent for allowing people to stand.

13 MONIQUE JOHNSON: I'm a little high?

14 CHAIRPERSON TORRES: No, please. You have as
15 much time as you need.

16 MONIQUE JOHNSON: Okay, so exhibit A, the cell
17 phone. That's exhibit A, so you can just move the
18 screen to the right and what you're looking at is the
19 ground shop. No, you're looking at a building, am I
20 correct, beams? Okay, so that is building number
21 2745 **Sali [SP?]** Avenue. The beams to that building
22 was painted purple by the supervisor of grounds,
23 Brianne Pawson. If you just slide to the right,
24 you'll see the wall of the ground shop on Dewey
25 Avenue on the side of 2805 Dewey Avenue, the wall to

2 the ground shop was painted purple and that is still
3 today painted purple.

4 CHAIRPERSON TORRES: And we can confirm that what
5 you are saying is accurate.

6 MONIGUE JOHNSON: Okay, that's where the purple
7 paint in my bathroom came from. So, they didn't
8 purchase purple paint for me. I got the left over
9 because everyone knows I like purple, but they
10 painted my bathroom because I had mold in my
11 bathroom. So, the ticket numbers to the mold and the
12 paint, okay, we're going to start out with June 22,
13 2018. The paint number is 59371121. The mold came
14 back. They had to repaint it. That ticket number
15 was created January 4, 2019. That ticket number is
16 64999720. That is how New York City Housing
17 Authority came to paint my bathroom. They were not
18 threatened. They were not forced. They were not
19 intimidated; it was their duty to clean the mold and
20 paint my bathroom. We clear?

21 CHAIRPERSON TORRES: Yes, crystal clear. Your
22 point is that there was precedent for using purple in
23 public housing outside of the apartment.

24 MONIGUE JOHNSON: Yes, yes, the paint was already
25 purchased. It was left over paint from the beams and

2 the outside wall that they used, so I used that
3 paint, or they used that paint to paint my bathroom.

4 CHAIRPERSON TORRES: I'm happy we solved purple
5 gait.

6 MONIGUE JOHNSON: Exhibit B.

7 CHAIRPERSON TORRES: And Exhibit B is?

8 MONIGUE JOHNSON: The two page. This is an email
9 that I sent to Mr. Wallace Vereen who was the
10 superintendent at that time. This email was sent to
11 him on June 19, 2018. CC'd carbon copied to this
12 email was the Borough Director Ms. Allen and at that
13 time the Deputy Director Asset Management Manager
14 Derek Powell and the email reads as follows: Please
15 be advised I am still waiting for the front entrance
16 to my door to be completed with the intercom service
17 and the security camera hooked up to my computer.
18 The summer months are here, and my office is most
19 busy in the summer months.

20 The response by Mr. Vereen who is the
21 superintendent was; The last time the vendor came
22 out to your office, he said that your buzzer/intercom
23 was working. I do recall that was another employee
24 coming out to look your door. I will follow-up and
25 get back to you.

2 Are you requesting to be able to view the camera
3 that was installed in front of your office to your
4 computer? You can't see my reply here, but my reply
5 was yes. It was nothing out of the norm, these were
6 the same cameras that was installed in the management
7 office and at the ground shop. The same cameras that
8 the Department of Investigation came and confiscated
9 because they use that as part of investigating all of
10 the scandal that was going on. These cameras were
11 not part of CC TV. These were cameras that they had
12 installed through an outside vendor. So, they used
13 that same vendor to install the cameras at my
14 location, my office. But the reason why I submitted
15 this because they're trying to imply that I was
16 forcing and intimidating. No where in this email
17 does it speak of me forcing or intimidating. Not
18 only that, there are three levels of supervisors
19 connected to this email. The Superintendent, his
20 immediate supervisor, which is Derek Powell, and then
21 the Borough Director. So, if there was an issue with
22 them installing the camera or my intercom service at
23 any given point, anyone, any three, of the
24 supervisors could have intervened and said no. They
25 did not, so I will proceed with reading.

2 And then I asked for all benches in the
3 development to be fixed and painted because summer
4 months are approaching. The same contractor that
5 painted my bathroom, did my camera in my office, my
6 intercom system and painted the benches. The reason
7 why I'm saying that is because you may mention of
8 those contractors that they used, that were under -
9 okay, so in layman terms, how we say it, how we refer
10 to it, those are the contractors that they used and
11 got kicked back from. You understand that.

12 CHAIRPERSON TORRES: Yeah.

13 MONIGUE JOHNSON: Okay. So, now we're going to
14 go to Exhibit C. This is one sheet. This is another
15 email. This email is from the Superintendent at the
16 development, Mr. Wallace Vereen and it's to myself
17 and CC'd on this is Derek Powell and the Borough
18 Director. And he is advising me Ms. Johnson, we
19 contacted PC Richards regarding the stove. They only
20 have a 30-inch stainless steel electric stove in
21 stoke. Ms. J. agreed to the stove. We are ordering
22 today.

23 No force, no intimidation. I just want to
24 elaborate on the stove. So, the office to my address
25 is 475 Swinton Avenue. My office is connected to the

2 building 471 Swinton. There was a gas outage in 471
3 Swinton Avenue. The entire building was without gas,
4 front and back. So, the front of the building is
5 471, the back address is 2786 Dewey Avenue. That
6 consisted of 70 apartments. Because there was a gas
7 outage and my office is connected to that building,
8 my gas was out as well in my office. I had a 36-inch
9 gas stove. When they repaired the gas outage, they
10 had to convert my gas line into an electric line
11 because the building is so old, it wasn't up to code.
12 So, they had to convert it. Which means that I can
13 no longer use my 36-inch gas stove. So, it was only
14 appropriate that when they took the 36-inch gas stove
15 out, they replaced it with a 36-inch electrical
16 stove. They weren't forced, they weren't
17 intimidated, they were made, it was a request that I
18 made. All three supervisors was on it. It was
19 approved, and I got the stove. This is the same
20 stove that I use to feed my community with. This is
21 the same stove that I use to feed NYCHA staff with.

22 So, when we did the transferring of staff, the
23 moral was so low, the resident council and some of
24 the residents in the development, we got together and
25 cooked food and we barbequed for the staff, just to

2 try to bring up the moral. Not to long ago, we had a
3 bliss at my development. We had over 40 staff come
4 to my development. They work from 8 a.m. to 8 p.m.
5 We were grateful because we need the extra help.

6 So, we got together, and we wanted to show our
7 appreciation and how do we do that? I went in that
8 office and I cooked on that 36-inch electric stove
9 and we said every maintenance worker that was at that
10 development that day, we cooked dinner for them. Not
11 only did we cook for them during my family often get
12 made at me. Thanksgiving is a day when you spend
13 with your family. I got to open up the office, I got
14 to have food there because during the holiday
15 seasons, the depression rate goes up. A lot of
16 people are without family. My thing is we got to
17 leave the doors open. We got to provide food. You
18 know, for those who are in need. So, I told my
19 family, I said, you know what, yeah, we can spend it
20 together, but we got to do it in my office and that's
21 what we do. So, those are some of the things that I
22 use the stove for. The stove is not for my own
23 personal use because I have a stove in my apartment,
24 a 24-inch stove, I have in my apartment. So, those

2 are just some of the things that we use the stove in
3 the office for.

4 The election process, during the election
5 process, the TA presidents have the option of finding
6 a consultant and they could mend the election
7 process, or you can allow housing to do the election
8 process. I always opt to allow NYCHA to do the
9 election process because if something goes wrong, I
10 don't want to be held accountable.

11 So, the election process that they're speaking
12 of, they were in full control over. Monique Johnson
13 was no where near the building until eight o'clock
14 until it was time for me to vote. So, everything
15 that the Department of Investigations is alleging I
16 did, NYCHA was in full control. I had no monies in
17 my possession therefore I am unable to mismanage any
18 funding, any funding. You cannot mismanage something
19 you have no control over.

20 Are there any questions for Ms. Johnson from the
21 Council?

22 CHAIRPERSON TORRES: I'll attempt a few
23 questions. So, my position and I made it clear to
24 the General Manager, is that DOI has bigger fish to
25 fry than tenant association leaders and you disagree

2 with the investigative findings. Do you think as a
3 tenant leader, did you receive preferential treatment
4 or favorable treatment from the Housing Authority?

5 MONIGUE JOHNSON: No, I do not feel like I get
6 special treatment however, I work very hard on
7 maintaining a relationship with the Housing Authority
8 and because there is relationship a lot of times it
9 makes things go a lot smoother. So, with all of the
10 stuff that was going on in my development, the reason
11 why you didn't hear a whole lot of yelling and
12 screaming from me is because I was in constant
13 communication with the executive department, with the
14 borough, as to what was going on. So, they didn't
15 keep me in the blind. I was well aware that they
16 were working behind the scenes and I was okay with
17 that. I have to admit that some of the things I
18 didn't agree with but because some of this was new to
19 me and because there was relationship, I said, allow
20 this process to take place and see what happens and
21 if it doesn't work in the favor of the residents,
22 they know that they're going to hear from me.

23 So, this is why I was able to sit back and allow
24 the process to take place. It has always been the
25 tactic of New York City Housing Authority and now I'm

2 understanding the tactic of the Department of
3 Investigation to retaliate. This is why people are
4 afraid to speak up. There are employees who would
5 not speak to the Department of Investigation but
6 spoke to me and even though they don't live in
7 Throggs Neck, most of our caretakers are residents
8 themselves. They just live in other developments, so
9 I took that responsibility on and I stood for them as
10 well.

11 CHAIRPERSON TORRES: So, the Commissioner brought
12 you up in her testimony and I want to read the
13 following paragraph, and can you tell me whether it
14 is accurate? "Our thorough and independent
15 investigation refuted claims that Throggs Neck staff
16 were having what had been described as orgies both on
17 an off NYCHA premises. Significantly and thankfully
18 DOI found no evidence of the alleged sex parties or
19 sexual misconduct involving residents or children.
20 Indeed, in the course of DOI's investigation tenant
21 association president Johnson and other tenant
22 association officers recanted the allegations that
23 they made to the media about personally witnessing
24 parties, drinking, or sexual misconduct in the
25

2 existence of the recorded evidence of this behavior.”

3 Is this true, false?

4 MONIGUE JOHNSON: That is false information and I
5 have the recording on here to, that can be Exhibit D,
6 if you need. But when I did the first press release,
7 when this first happened and I did the press release,
8 yes, I spoke of sexual orgies and I said it was
9 alleged and the reason why I said it was alleged, is
10 because I was not there. I did not share in any of
11 those orgasms.

12 CHAIRPERSON TORRES: So, did you ever claim that
13 you personally witnessed?

14 MONIGUE JOHNSON: No, what I said was I was told.
15 I heard. What I said was I heard there were videos,
16 but I did not have videos in my possession. I did
17 have pictures and I did show them some of the
18 pictures I had, and I have some pictures in my phone
19 still today. That can be Exhibit E, if you like.

20 CHAIRPERSON TORRES: Okay. So, in your opinion,
21 you did not —

22 MONIGUE JOHNSON: It's not an opinion, that's
23 fact. It's recorded. It's recorded by the media.
24 It's recorded. I said, alleged.

25 CHAIRPERSON TORRES: Let me finish my question.

2 You were simply repeating what you had been told.

3 MONIGUE JOHNSON: Yes, yes.

4 CHAIRPERSON TORRES: You did not intent to
5 fabricate stories about sex parties in Throggs Neck
6 Houses?

7 MONIGUE JOHNSON: No, I'm going to correct you
8 now. It's not that I didn't attend, I did not.

9 CHAIRPERSON TORRES: Okay, you did not.

10 MONIGUE JOHNSON: I did not.

11 CHAIRPERSON TORRES: Fair enough. The report
12 mentions over \$100,000 in unspent TPA funds, I don't
13 know if you want to comment on that?

14 MONIGUE JOHNSON: What is there to comment? I
15 haven't used it. What is there to comment, you don't
16 understand. I didn't use it.

17 CHAIRPERSON TORRES: It seems like an unusual
18 high amount, is there a reason for not using?

19 MONIGUE JOHNSON: Because I haven't used it in
20 years and the numbers are still inaccurate.

21 CHAIRPERSON TORRES: And by the way, there is
22 nothing wrong with not using TPA money, but I'm
23 curious to know are there impediments to using it?
24 Is it a choice?

2 MONIGUE JOHNSON: It's a choice for me and I
3 don't agree with the numbers. The numbers are
4 incorrect.

5 CHAIRPERSON TORRES: So, that's an incorrect
6 number, okay.

7 MONIGUE JOHNSON: Yes, it should be much more
8 than that and I've shared that. That is an ongoing
9 issue for many of the resident leaders. I didn't
10 agree to the new contract. I have not signed it.
11 So, the money has been stepped over so many times, I
12 don't want no parts of it. I don't want to be
13 connected to it. Had I been using that money, then
14 we would be sitting here talking about mismanagement
15 of funds for real. So, I just process of
16 elimination. I am playing it safe.

17 COUNCIL MEMBER AMPRY-SAMUEL: And I know
18 sometimes people might think that if your not using
19 the TPA funds, you are not doing anything on behalf
20 of the residents, but how were you able to get other
21 funding for the residents?

22 MONIGUE JOHNSON: So, you know that I do events
23 almost every month and I invite everybody, and all my
24 events are done by sponsorship and donation. I
25 refuse to say who my sponsors are or donations,

2 because I don't want no body trying to rain on my
3 parade.

4 COUNCIL MEMBER AMPRY-SAMUEL: And also, do you
5 receive funding from elected officials or other
6 organization at all, for the resident association?
7 It's just for the record, so people could know that
8 it's not just with TPA.

9 MONIGUE JOHNSON: Yes, my elected officials, yes,
10 they do get involved. They have to get involved with
11 Throggs Neck and yes. But I also want to speak to
12 the fact that they said I collect \$200 a month or me
13 and my board members collect \$200 a month. That is
14 false information. HUD allows the resident leaders
15 up to \$200 a month when you go to district meetings.
16 My district has not had a meeting in I don't know how
17 long, but even when they were meeting, I stopped
18 going because I didn't find it to be productive. So,
19 I haven't gone to a district meeting in over three
20 years and when I was going, it was a \$100 but I have
21 not received any of that money in a minimum of three
22 years.

23 So, that was another allegation that is
24 incorrect.

2 COUNCIL MEMBER AMPRY-SAMUEL: Okay, and in a
3 perfect world, if you were able to make some changes
4 at NYCHA in order to be more helpful and supportive
5 of residents, what do you think the changes should
6 be?

7 MONIGUE JOHNSON: I don't know if we got time for
8 that. I don't know if I got time to tell that whole
9 story but, in all fairness, I would say that we need
10 to have a better relationship with NYCHA and the
11 residents because once there is an open dialog and
12 there is a relationship, it opens up the door for
13 partnership. That's another resident leader, thank
14 you. It opens up the door for partnership. Not only
15 that, yeah.

16 COUNCIL MEMBER AMPRY-SAMUEL: And how can we be
17 helpful as a Council?

18 MONIGUE JOHNSON: You all are not ready for my
19 answer.

20 COUNCIL MEMBER AMPRY-SAMUEL: Honestly.

21 MONIGUE JOHNSON: Because I don't feel like
22 you're helpful. I don't. I came in here, I don't.
23 The cameras are on now, so everybody is on their best
24 behavior. You know, everybody is an entertainer but
25 what we do when the cameras are not on. Are we

2 available? Do we make ourselves accessible? You
3 know, before today, I haven't spoken to you. I
4 haven't spoken to you Ritchie. You said you known me
5 for years. You are absolutely right; you didn't
6 reach out to me not one time. So, yeah, start right
7 there, start right there. So, and I understand we
8 all got a lot.

9 CHAIRPERSON TORRES: Let me respond to that -

10 MONIGUE JOHNSON: Can I finish?

11 CHAIRPERSON TORRES: No, I am the Chair, so I am
12 going to. I was advised by legal council not to
13 speak to you.

14 MONIGUE JOHNSON: Not to reach out to me?

15 CHAIRPERSON TORRES: Because you were the target
16 of a DOI report. So, I had to maintain objectivity,
17 that is the reason.

18 MONIGUE JOHNSON: Well, I just think that
19 relationship goes a long way. You know we don't have
20 to be best friends. We don't have to go out and
21 drink. I don't even drink, but relationship goes a
22 long way. You know, dong this whole process, I was
23 so angry because it was all lies, and I'm like, these
24 people know me. These people know me, especially
25 people that know me ten years plus, they know me, and

2 nobody reached out to me. I was so angry, I was
3 hurt. I felt betrayed, I did but because of who I
4 am, I didn't give up and I was like, I'm not giving
5 in. And that's the message that I want to sent to
6 all the resident leaders. No matter what, do not
7 allow this to implant fear in you and allow that fear
8 to paralyze you. A lot of resident leaders don't
9 speak up for this reason, because they are fearful of
10 being retaliated. So, I have to make it very clear.
11 I don't need a position to advocate. I don't need a
12 position to stand for righteousness. I come to do
13 the job of my father who sent me, so my attitude is,
14 you can't touch me. You didn't make me, and you
15 cannot break me and that is my attitude.

16 CHAIRPERSON TORRES: I have a few more questions,
17 but I should note that among the members of the
18 committee there was considerable skepticism and
19 criticism about DOI's report. So, that's just
20 something worth noting.

21 MONIGUE JOHNSON: It would have been nice for
22 somebody to say that to me.

23 CHAIRPERSON TORRES: So, the facts, when did you
24 first hear about the abuse of workplace environment
25 at Throggs Neck Houses? Do you remember when you

2 first, when did you first hear complaints about the
3 abusive workplace environment at Throggs Neck Houses?

4 MONIGUE JOHNSON: I don't know.

5 CHAIRPERSON TORRES: You don't remember?

6 MONIGUE JOHNSON: It was some time, I was
7 skeptical. I had seen it, I heard it, I spoke to one
8 of the supervisors about it.

9 CHAIRPERSON TORRES: Can I ask who was the first
10 person to whom you spoke.

11 MONIGUE JOHNSON: Jesus. I spoke to one of the
12 supervisors about it.

13 CHAIRPERSON TORRES: At the borough level? At
14 the central level?

15 MONIGUE JOHNSON: At the Borough level.

16 CHAIRPERSON TORRES: Okay, and which supervisor?

17 MONIGUE JOHNSON: I don't want to say right now.
18 I don't want to say today. Tomorrow might be
19 something different.

20 CHAIRPERSON TORRES: Can I ask, what action was
21 taken in response?

22 MONIGUE JOHNSON: None, oh, yeah, there was
23 action. He went back and told the development staff
24 what I reported to him and then that is when the
25 superintendent forbidded the rest of the staff to

2 speak to me. So, staff was afraid to speak to me
3 because they were told that if they spoke to me, they
4 would be retaliated against. They were told that I
5 was making serious allegations and they had to stay
6 away from me. So, they were afraid to even speak to
7 me but that was towards the end it had gotten to that
8 point.

9 CHAIRPERSON TORRES: And it was noted that
10 Throggs Neck went eight months without a property
11 manager.

12 MONIGUE JOHNSON: Correct, that's correct.

13 CHAIRPERSON TORRES: Did you express concerns
14 about the lack?

15 MONIGUE JOHNSON: Most definitely. I was very
16 passionate about expressing concerns and a few times
17 the borough director had the deputy director come to
18 the development and sit and I wasn't really in favor
19 of that because it was during the times that he came
20 and sat, everything would be okay. But it was when
21 he wasn't there, it was chaos.

22 CHAIRPERSON TORRES: Understood. Madam
23 president, I appreciate your testimony. Thank you
24 for coming here and testifying.

25 MONIGUE JOHNSON: Thank you. No more question?

2 CHAIRPERSON TORRES: No more questions, no.

3 MONIGUE JOHNSON: Oh, I wasn't supposed to say
4 that? Wait, let me just say this one more time. I
5 do. I am practicing for when I get married, I do.
6 I'm speaking it in existence, I do.

7 CHAIRPERSON TORRES: Thank you Ms. Johnson. The
8 final panel is Lisa Kenner.

9 LISA KENNER: I can raise my right hand. I can
10 tell the truth.

11 CHAIRPERSON TORRES: You can just testify
12 directly.

13 LISA KENNER: Oh, just talk?

14 CHAIRPERSON TORRES: Yeah, we only had Ms.
15 Johnson testify because she was responding to a DOI
16 report.

17 LISA KENNER: Oh, okay and you know, I am so glad
18 that I did come as the President of Vandyke Houses.

19 CLERK: I'm sorry, if you could introduce
20 yourself.

21 LISA KENNER: Oh, I'm sorry. I thought I was
22 sitting in my living room. Good afternoon, my name
23 is Lisa Kenner. I am the resident association
24 president at Vandyke Houses, and I came out here
25 because I have seen what was going on and as a

2 federal colleague of mine, she may live in the Bronx
3 and I may live in Brooklyn, but we share the same
4 thing. We want better for our residents and we have
5 to stick together. What she is going through I have
6 been through. I know what it is for people - I hope
7 I don't get too compassionate. You know, I know what
8 it is you're trying to fight to make the best for
9 your residents and people coming after you and my
10 councilwoman is sitting at the table and she is no
11 part of my story. You know, I have been sick, but
12 God has been good to me and I am not going to sit
13 down and I'm going to keep on fighting. But the
14 things that what Ms. Johnson's going through and
15 they're trying to say - I don't have a stove in my
16 office and my office is in the basement. I didn't
17 want no apartment because I know soon or later,
18 they're going to come after it and then also, people
19 need a place to live. You know, if your going to
20 come after the apartment, mines in the basement. I
21 don't have no stove; I don't want to cook. If
22 anything, we got to cater, because those days are
23 over. You know, once your kids are grown and they
24 are out of the house, that's it. When my great
25 grandson comes in, I make him something to eat. I

2 don't want to cook. So, I sat here and listening to
3 her, and the things that transpire, I mean, if you
4 see something you are supposed to say something.
5 That's where you live. So, if we say something,
6 there's retaliation. The previous manager, thank God
7 we don't have her anymore. She had sent my case
8 downtown three times to try to get me put out. A
9 place where I grew up born and raised and grew up.
10 When I got my apartment, I was nineteen years old and
11 I always said, nobody is going to make me lose my
12 apartment. I used to tell my son the same thing.
13 You act like a fool; you won't be living here because
14 I had to fight for my apartment. I have worked with
15 six managers before that, never had a problem with
16 them. We may not see eye to eye but didn't go after
17 me to retaliation as far as getting residents against
18 each other, running against, all kinds of stuff.
19 It's nonsense. You know and NYCHA needs to stop that
20 and like I said, you can't have a partnership with
21 anybody, you got to have a relationship first.

22 I don't partner with everybody because everybody
23 isn't for you, but I know what it is that you have to
24 sometimes use your own money to do what you have to
25 do in your neighborhood. Like I said, it's been good

2 for a couple weeks because we have a new manager. I
3 met with him, we sat down, and I talked with him.
4 Councilwoman knows that we was at the Mayor's Action
5 Plan and I wanted to introduce him. I introduced him
6 and he stood up. You know, everybody said, oh,
7 that's the new one.

8 But I just think that with the City Council has
9 to do. How you have to be more hands on because
10 things are changing in NYCHA. You see everything is
11 changing and things like that, but they don't know,
12 the people that work for housing don't know. If it
13 wasn't for the residents, they wouldn't have no job
14 and if they don't have no job, what are they going to
15 do? You know, so, they need to come and stop doing
16 retaliation. I know about retaliation. I had to
17 pray so much. I am going to tell you, you can call
18 my pastor, I had to call my pastor and tell my
19 pastor, you know I am getting tired of this person.
20 She just keeps nit picking, nit picking, nit picking.
21 He said, Lisa pray. I said yeah, well, I pray and
22 pray and pray. So, he said, Lisa, don't do nothing
23 because the church doesn't have any money to get you
24 out of jail and see, I was going to give her the
25 satisfaction. I have patience and one thing I want

1 to say to all the presidents, you to have patience.
2 You can't just jump up and just want to just start
3 fighting and everything. I had patience but let me
4 tell you. I have so many emails that I have sent. I
5 even went to the IG's. That's how bad it was. It
6 seems like, even I went to Safety and Security. I
7 wish he was still here. It seemed like when I went
8 to Safety and Security and they came and talked to
9 me. The next month I was getting a letter from 250
10 Broadway come down. I had to get a lawyer. My
11 lawyer told them they didn't make no sense because I
12 wasn't bothering anybody. You think I got time to
13 what they drama, no. I wanted to make sure the
14 building got painted, we got windows. Things that
15 could enhance the lives of the people that lived
16 there.

18 Every time Safety and Security came it looked
19 like; I was getting a letter to go to 250 Broadway.
20 So, I did, and I had to call a lawyer. My lawyer
21 told them the next time; we will be going on TV
22 because you are harassing me. They create a hostile
23 environment. I was born and raised in Vandyke. I'm
24 not moving. I am sorry, I love where I live at. I
25 am old at this age now. I'm not trying to get no

2 house. What am I going to get a house for? So, you
3 got to maintain what is there. So, I am glad I came
4 down here for Ms. Johnson. You know, I don't know
5 the whole details, what went on at Throggs Neck, but
6 I know that when you're out here and we're not
7 getting paid. You may get a stipend; I remember when
8 we started off with a stipend \$40 and you would be
9 going all over the place. Then it went to \$100, the
10 most you can get is \$200. Where people are sitting,
11 they are getting paid \$80,000, \$90,000, \$100,000.
12 Where the Mayor had put in the thing about with the
13 doors and stuff, the intercom. It don't take a rocket
14 scientist to tell you that from risen to files, some
15 of our intercoms are not even working. So, if the
16 doors are locked, how do people get in? That's how
17 they get vandalized and nobody had been saying
18 anything. I've been talking and talking; they still
19 haven't done, and these people get money. They get
20 paid to provide the service.

21 So, you want to get after us, who is getting
22 after them? So, hopefully now we got this monitor
23 here and hopefully we'll have you there Council
24 Members. I'm going to say Council Members, I'm not
25 going to put just one on one, we need both that

1 things will get better. That they won't come down on
2 people so hard especially you know president you try
3 to make it better and it's like I know about
4 retaliation, God knows I know. I had to put up with
5 it for four years until January 25, 2019. Thank you.

7 CHAIRPERSON TORRES: Thank you for your
8 testimony. So, this final panel concludes the
9 hearing. This hearing is adjourned. [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 April 1, 2018