

**Testimony from NYCHA's Chief Executive Officer Lisa Bova-Hiatt**  
***Examining NYCHA's Response to Bribery and Extortion in Micro-Purchase***  
***Contracts***  
**Committee on Public Housing with the Committee on Contracts and Committee on**  
**Oversight and Investigations**  
**Tuesday, February 27, 2024 – 1 p.m.**  
**New York City Hall Council Chambers**

Chairs Chris Banks, Julie Won, and Gale Brewer; members of the committees on Public Housing, Contracts, and Oversight and Investigations; other distinguished members of the City Council; NYCHA residents; community advocates; and members of the public: good afternoon. I am Lisa Bova-Hiatt, NYCHA's Chief Executive Officer. I am pleased to be joined by Executive Vice President of Property Management Operations Daniel Greene, Chief Procurement Officer Sergio Paneque, Chief Compliance Officer Brad Greenburg, and other members of NYCHA's leadership team. Chair Banks, congratulations on your new appointment – my colleagues and I look forward to working closely with you.

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

### **Combatting Malfeasance**

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

Over the past five years, NYCHA has achieved many significant milestones, while remaining vigilant to ensure integrity in every area of our work. Today I will discuss some of the transformative changes that we have already made to our business practices, and those that are underway. We are committed to continue making the changes necessary as part of our holistic efforts to improve NYCHA and our service to residents.

NYCHA's success depends on partnership, and we will continue to work with all of our law enforcement partners to rid the Authority of any and all malfeasance. I would like to thank NYCHA's Inspector General Ralph Iannuzzi, NYC Department of Investigation (DOI) Commissioner Jocelyn Strauber, U.S. Attorney for the Southern District of New York Damian Williams, and their teams for their diligence in this investigation, their collaboration with NYCHA leadership, as well as their recommendations for improvement. All of us sitting here at this table, as well as our broader Compliance and Quality Assurance teams, work closely with DOI and NYCHA's Inspector General, and for that we are very grateful. Our teams identified suspicious activity, as well as a lack of controls in this area, and proactively sent information to DOI for review. We will of course continue collaborating with all of our partners as we put in the necessary work to continue NYCHA's transformation.

### **Prior Reforms to the Micro-Purchase Program**

I would like to take a moment to discuss some of the work we have done over the past few years to improve the micro-purchasing process at NYCHA. Following a prior investigation, in September 2021 DOI made five recommendations regarding micro-purchases. While NYCHA did not implement DOI's exact recommendations, DOI's findings provided the Authority with the direction to undertake considerable, incremental changes and improved internal controls to attempt to mitigate risk, while ensuring developments could provide efficient service to residents, especially when emergencies arise.

To reduce reliance on micro-purchases at the developments, NYCHA implemented substantial reforms to our procurement processes which reduced spending on micro-purchases for services by nearly half. Our collaboration with DOI on this effort has been a productive one; it involved implementing a set of procedural, training, and oversight changes to bring about this reduction in micro-purchase spending for services at the developments. Some of our specific actions since September 2021 included:

- Contracting with Dun and Bradstreet for integrity screening services for all vendors (Dun and Bradstreet has provided organizations with valuable procurement process insights for nearly a century);
- Training our property management staff on micro-purchases and ethics in late 2022 and early 2023;
- Rolling out a procurement ethics policy which all staff must acknowledge;
- Increased on-site monitoring visits and reviews of micro-purchases by our Compliance and Quality Assurance teams, which resulted in referrals to DOI;

- Entering into new large contracts that encompassed services previously obtained via micro-purchases to provide staff with alternatives to the micro-purchase program;
- Issuance of pre-qualified vendor lists that could be used to select vendors in place of development staff selecting micro-purchase vendors;
- Updating the micro-purchase process with enhanced forms that require vendors to itemize costs; and
- Enhancing the micro-purchase reporting requirements to increase transparency and accountability.

### **Additional Structural and Operational Improvements**

Fundamentally, we believe that, in order to best serve residents, developments need an appropriate level of flexibility to be able to secure the fastest possible service for residents, particularly during emergencies – and government entities, including public housing authorities across the nation as well as other City agencies, commonly use micro-purchases to obtain critical services quickly. In addition to enabling developments to get smaller and lower-cost repairs done expeditiously without undergoing a lengthy and complex procurement process, micro-purchases support our M/WBE and local hiring goals. DOI also recognized that we must “focus on reform of the micro-purchase process to protect it from abuse, while maintaining efficient service for NYCHA residents.” However, after this clear violation of trust and misuse of authority, and as part of NYCHA’s ongoing and collaborative efforts alongside DOI to reduce fraud and abuse of micro-purchases, we are in the process of implementing DOI’s full suite of 14 recommendations.

All of DOI’s recommendations have either already been implemented or are underway; we expect to fully implement all 14 recommendations within a year. For instance, we are currently analyzing how our systems can be adapted to allow staff to upload additional documentation regarding micro-purchases before payment is issued. We are creating additional pre-qualified lists of goods and service providers for use in lieu of micro-purchase vendors; these pre-qualified vendors are required to undergo a vendor integrity review developed by NYCHA and DOI. We are augmenting training for staff and for micro-purchase vendors. Micro-purchases will continue to be reviewed by property management leadership and the Compliance and Quality Assurance departments, and any irregularities will continue to be reported to DOI. The Compliance and Quality Assurance departments will conduct semiannual audits of micro-purchase data and recordkeeping – and will provide greater transparency and accountability into the Authority’s use of micro-purchasing by posting the results of these audits on our

website. We are also displaying signs in prominent locations at developments and property management offices highlighting the prohibition of bribes and other criminal offenses and are requiring staff and vendors to acknowledge the same in both paper and digital forms. And most critically, we are planning to implement an alternative staffing model for the micro-purchase program – it will essentially separate the micro-purchase request and approval process from developments, instead placing the review and approval responsibility with specialized staff with the necessary expertise. At the same time, we are examining ways we can ensure the prompt selection of vendors to do essential work quickly with less potential for abuse.

While we work to enact these important structural changes as part of our larger organizational transformation efforts, there will be increased oversight of the micro-purchase program. We believe that with the additional oversight and the implementation of DOI's latest recommendations, we can continue to tackle this issue and make progress, all in service to residents.

### **Transformation Efforts**

Transformation at NYCHA is a sweeping endeavor that impacts every area of our organization, including operations and the management of our property portfolios, and it is guided by our Transformation Plan. One of the key advancements of the past few years was the creation of NYCHA's first-ever Compliance, Environmental Health and Safety, and Quality Assurance departments. As you have heard, the Compliance and Quality Assurance teams are an essential part of our efforts to ensure that residents are benefiting from quality work performed in an ethical manner. These teams not only work closely with DOI, but they also include former DOI employees among their ranks: a Compliance Department unit that is dedicated to reviewing micro-purchases employs a former DOI fraud investigator, and the Vice President of the Quality Assurance Department is a former Associate Commissioner at DOI; his staff includes two former DOI employees who help conduct investigations. Additionally, in 2022, NYCHA's Procurement Department hired a former DOI Senior Inspector General (who was also previously an Assistant District Attorney) to oversee the Procurement Ethics and Vendor Responsibility Department and strengthen the Authority's vendor responsibility and integrity review process. The Procurement Department has also restructured the purchasing process to bring procurement closer to NYCHA "Neighborhoods," and is strengthening its analytical capabilities to improve transparency into the micro-purchase process.

## **Better Serving Residents**

Better serving residents and improving their quality of life is at the heart of our endeavors. While we are dismayed by – and will not tolerate – the actions of any bad actors, we know that the vast majority of NYCHA employees show up every day to work hard and do right for our residents and our city.

It must also be stated that the issues we are discussing today reiterate the need for large-scale improvements driven by crucial housing preservation programs like the Trust and PACT, so we can reduce the need for constant band-aid fixes across our portfolio. These vital programs generate billions of dollars of funding to comprehensively renovate residents' homes while preserving their rights and protections, including permanently affordable rent.

Change is also at the heart of our mission, especially given the decades of federal disinvestment besetting the Authority. This change takes time, but it is happening, thanks in part to the support of partners like the Council and DOI.

Thank you. We are happy to answer any questions you may have.



**NEW YORK CITY COUNCIL  
JOINT HEARING BY THE COMMITTEE ON PUBLIC HOUSING,  
COMMITTEE ON CONTRACTS, AND COMMITTEE ON OVERSIGHT AND INVESTIGATIONS**

**TESTIMONY OF JOCELYN E. STRAUBER  
COMMISSIONER, NEW YORK CITY DEPARTMENT OF INVESTIGATION**

**CONCERNING CITY COUNCIL'S EXAMINATION OF NYCHA'S RESPONSE  
TO BRIBERY AND EXTORTION IN MICRO-PURCHASE CONTRACTS**

**TUESDAY, FEBRUARY 27, 2024**

Good morning. My name is Jocelyn Strauber and I am the Commissioner of the Department of Investigation ("DOI"). Thank you, Chair Banks and members of the Committee on Public Housing, Chair Won and members of the Committee on Contracts, and Chair Brewer and members of the Committee on Oversight and Investigations for the opportunity to speak about DOI's recommendations to the New York City Housing Authority ("NYCHA") as they relate to micro-purchase, no-bid contracts.

As you know, DOI oversees NYCHA through its Office of the Inspector General ("OIG") for NYCHA and we conduct investigations that can result in criminal charges, administrative findings, or both. When an investigation identifies corruption vulnerabilities, DOI makes recommendations to reform City policies and procedures — called policy and procedure recommendations, "PPRs," in order to address those issues.

DOI's recommendations do three critical things: 1) alert City agencies to corruption risks and provide a means to prevent them; 2) prompt a dialogue between the agency and DOI concerning the importance of the recommendations in addressing the risks the agency faces and the challenges, if any, to implementation; and 3) create an environment of ongoing accountability not just by DOI but by other governing entities and the public, because DOI's recommendations are publicly issued, either via our website or, on some occasions, in a public report.

In short, DOI's recommendation process promotes transparency in government and accountability on the part of agencies that deliver vital public services and invites the participation of other governing bodies, and the public, in DOI's anti-corruption work.

Today, I will provide you a summary of the micro-purchase, no-bid contract investigation DOI conducted with the Brooklyn District Attorney's Office that led DOI to issue five PPRs to NYCHA in 2021 and NYCHA's related responses. And I will summarize the 14 recommendations that DOI announced earlier this month after the arrests of 70 current and former NYCHA employees. For ease of reference, the 14 recommendations are attached to my written testimony that has been submitted for the record.

I want to make clear that I'm not able to address or provide any information about those recent arrests or the related investigation, which was handled jointly with the United States Attorney for the Southern District of New York, and our other federal partners.

**Nine Contractors Charged with Bribing NYCHA Superintendents to Obtain Micro-Purchase, No-Bid Contracts**

Micro-purchase, no-bid contracts are generally used at NYCHA to procure small repairs directly at the development level so they can be done quickly, without a complex bidding and procurement process. NYCHA employees who work in the housing developments— principally supervisors — handle these contracts.

In approximately 2019, DOI began looking at NYCHA's micro-purchase contracting process due to reports from NYCHA employees that they had received bribe offers from vendors doing business at NYCHA housing developments in Brooklyn. DOI partnered with the Brooklyn District Attorney's Office to conduct the investigation, which included the use of undercover DOI investigators who posed as Assistant Superintendents at a number of the developments. The investigation found that between 2019 and 2021, nine vendors paid bribes totaling tens of thousands of dollars, to NYCHA employees or DOI undercover investigators, to obtain lucrative no-bid micro-purchase contracts awarded at the housing development level. In 2021, DOI and the Brooklyn District Attorney announced bribery charges against nine vendors.

Ultimately, after three additional vendors were charged, 12 vendors in total pled guilty to either Rewarding Official Misconduct in the Second Degree, a class E felony, or Giving Unlawful Gratuities, a class A misdemeanor. These vendors were associated with 11 companies; the companies also pled guilty to either a felony, a misdemeanor, or a violation. DOI warned other City agencies about these vendors in light of the charged conduct by entering "Cautions" into PASSPORT. Cautions flag derogatory information about vendors for City Agency Contracting Officers who check PASSPort regularly for information on City vendors.

### **DOI's Five Recommendations Issued to NYCHA in 2021**

The investigation and the charges that I just described made clear, in our view, that NYCHA needed tighter internal controls over the micro-purchasing process, to prevent this type of corruption. DOI issued five PPRs that focused on the vendors as well as the NYCHA supervisors. Most importantly, DOI proposed that NYCHA move contracting authority from the development-level staff to a central procurement department and that NYCHA conduct additional screening of vendors. Specifically, DOI recommended that NYCHA:

1. Move responsibility for small procurement awards from front-line Superintendents and Property Managers to NYCHA's central Procurement Department, which will receive requests for small procurement work from housing development staff and award jobs to contractors, on a rotating basis;
2. Lower the cost threshold for vendor screening review from \$250,000 to \$100,000, so that all vendors whose aggregate work for NYCHA is \$100,000 or above on an annual basis are subject to screening by DOI's Office of the Inspector General for NYCHA;
3. Conduct cursory integrity screenings at the inception of NYCHA work by small procurement contractors, even those below the existing \$250,000 aggregate contract limit. NYCHA's Procurement Department should check PASSPort, the City's contracting database, to identify contracting "Cautions" by any City agency.
4. Adopt a fixed price list for routine small procurement jobs to prevent overbilling – that is, to prevent contractors from charging close to the \$10,000 micro-purchase limit for trivial jobs.
5. Enable oversight of small procurement jobs by having housing development staff upload all signed invoices into NYCHA's centralized payment database known as ORACLE.

Prior to and after issuing these recommendations, DOI maintained a robust dialogue with NYCHA about the significance of the proposals in light of the investigation's findings. NYCHA ultimately implemented only the third recommendation concerning cursory integrity screenings and rejected the rest, although NYCHA did take some other steps intended to improve controls around the procurement process, which included training of development staff involved in awarding contracts about ethical procurement and the consequences of corruption; checking Dun & Bradstreet, a risk management tool, for potential red flags about vendors prior to solicitation of contracts; and developing templates that itemized labor and material costs involved with each quote and which were provided to development staff.

Problems within the micro-purchase process persisted despite the changes that NYCHA implemented, in particular because front-line supervisors at the housing development level continued to have primary authority over small procurement purchases despite DOI's recommendation against this practice. DOI worked with the U.S. Attorney for the Southern District of New York on two other separate matters that in 2022 led to the arrests of two former NYCHA supervisors on charges of accepting thousands of dollars in bribes to dole out no-bid contracts. Last year, both of these former NYCHA employees were convicted and sentenced to federal prison terms for their criminal conduct.

### **DOI's 14 Recommendations to NYCHA in 2024**

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

Three of the recommendations DOI recently made are similar to those made in 2021 that were not implemented. DOI continues to believe that these policy changes are essential to remedying the



vulnerabilities that we have now seen in a number of separate investigations. Specifically, these recommendations are that NYCHA should:

- Remove responsibility for micro-purchases from staff within the housing developments and place that responsibility with specialized central staff outside of those developments with the necessary expertise;
- Establish a schedule of cost estimates for the top 15 types of services and goods most often obtained by developments through the micro-purchase method, and when a vendor's cost proposal exceeds the cost estimate, require the vendor to provide a written explanation for the additional cost; and
- Review all micro-purchases, whether or not in excess of the cost estimate schedule, prior to processing payment to a vendor. These reviews should be conducted by NYCHA staff outside the development commissioning the work and should include a review of relevant documentation such as Statement of Services, before and after photos, and the vendor's invoice.

CEO Lisa Bova-Hiatt's response to these 14 recommendations was unequivocal: NYCHA fully supports these recommendations and is working with DOI's OIG for NYCHA to implement them. Our Inspector General overseeing NYCHA has been actively working with the agency on this effort. Some of the recommendations will take time to implement as they require a restructuring of the micro-purchase process, but I understand that NYCHA aims to implement the majority of the 14 recommendations within the next year. NYCHA can provide more detail on the exact time frames.

The micro-purchase process is critical to NYCHA's ability to efficiently obtain the goods and services necessary to maintain the housing developments and be responsive to residents' needs. It is equally critical that the process be subject to thoughtful oversight and controls, so that NYCHA's resources are used for the benefit of NYCHA residents, and not to line the pockets of corrupt vendors and staff. I believe these recommendations offer a path forward that seeks to ensure integrity in this process while maintaining the necessary efficiency.

Thank you for your time and I am happy to take any questions you may have.



The City of New York  
Department of Investigation

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**FOR IMMEDIATE RELEASE**  
**TUESDAY, FEBRUARY 6, 2024**

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**DOI'S 14 RECOMMENDATIONS TO NYCHA REGARDING MICRO-PURCHASES**  
**—NYCHA has accepted each of these recommendations and agreed to make these reforms—**

Below are the 14 recommendations DOI has issued to the New York City Housing Authority ("NYCHA") in connection with bribery and extortion charges against 70 current and former NYCHA employees. Several of the below recommendations, specifically numbers one, seven, and nine are similar to recommendations issued to NYCHA in 2021, and which NYCHA ultimately rejected. NYCHA's current administration has committed to implementing all 14 of the below recommendations.

- 1: Identify and implement an alternative staffing model for the micro-purchase process that removes responsibility for micro-purchases from staff within the housing developments and places the responsibility instead with specialized centralized staff with the necessary expertise.
- 2: Study the micro-purchase process as a whole in order to identify, and if available, to implement, any feasible alternatives that allow for prompt selection of vendors and efficient completion of necessary work but are less vulnerable to abuse.

*Pending implementation of recommendations one and two, NYCHA is in the process of implementing the following recommendations of the New York City Department of Investigation to safeguard the micro-purchase process. NYCHA and DOI will continue to collaborate to improve oversight and prevent fraud, waste and abuse and may make adjustments to the process set out below as necessary.*

- 3: Require Resident Building Superintendents, Assistant Resident Building Superintendents, and any additional titles/staff involved in the micro-purchase process to attend an annual training that will be created and presented by the Department of Investigation. This training will cover gratuities and bribes, criminal liabilities, and Executive Order 16 of 1978 (the duty to report allegations of bribery and gratuities to the Department of Investigation).
- 4: Create, with the assistance of the Department of Investigation, and disseminate annually to all staff involved in procurement and inspections, a Compliance Advisory Alert pertaining to gratuities and bribes, criminal liabilities, and Executive Order 16 of 1978 (the duty to report allegations of bribery and gratuities to the Department of Investigation) and an acknowledgment form for employees to sign stating that they have read, understood and agree to comply with the Compliance Advisory Alert.
- 5: Create a Pre-Qualified List (PQL) of micro-purchase vendors and require such vendors to undergo a NYCHA/DOI-developed vendor integrity review. Once the PQL is in place, require that a Resident Building Superintendent or Assistant Resident Building Superintendent choose a micro-purchase vendor from the micro-purchase PQL. To the extent practicable, require the Superintendents to rotate through the list of vendors and to minimize repetitive use of a single vendor.

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- 6: Create, with the assistance of the Department of Investigation, a training program that micro-purchase vendors must attend to be placed on the PQL. The program will include information about NYCHA's micro-purchase process, vendor responsibilities and liabilities, and bribes and gratuities. Upon completion of the training, require the micro-purchase vendor to submit to NYCHA a signed acknowledgement form stating: "I acknowledge and understand that offering, giving, and/or accepting bribes, gratuities, and/or gifts is a criminal offense under federal and New York State law."
- 7: As soon as practicable, establish a schedule of cost estimates for the top 15 types of services and goods most often obtained by developments through the micro-purchase method. If a vendor's cost proposal for one of these services exceeds the cost estimate schedule, require the vendor to provide a written explanation for the additional cost, including the specific conditions that warrant the increased cost. Require the Neighborhood Administrator to review the written explanation of the increased cost, and to provide approval if the cost increase is appropriate, prior to the commencement of such services.
- 8: Pending the development of the schedule of cost estimates, require the Executive Vice President for Property Management Operations, working with the Compliance and Quality Assurance Departments, to conduct monthly reviews of all micro-purchases for services at the developments to identify and investigate any irregular or questionable transactions. Any transactions identified as such will be promptly reported to the Department of Investigation.
- 9: For all micro-purchases, whether or not in excess of the cost estimate schedule, NYCHA staff outside the development commissioning the work (e.g., contract manager at the borough level) will conduct a review the following documentation: completed services/receipt of goods, Statement of Services, blanket contract releases (as applicable), before and after photos, and the vendor's invoice, prior to processing any payments for approval.
- 10: Display signage at developments and offices (in conspicuous locations frequented by employees) stating the following: "Offering, giving and/or accepting bribes, gratuities, and/or gifts is a criminal offense under federal and New York State law."
- 11: Program IT systems to generate a pop-up window and acknowledgement check box for employees commissioning the work during the micro-purchase process. The pop-up window will contain the statement: "I acknowledge and understand that offering, giving and/or accepting bribes, gratuities and/or gifts is a criminal offense under federal and New York State law."
- 12: Revise the vendor micro-purchase proposal form to include the following statement: "I acknowledge and understand that offering, giving, and/or accepting bribes, gratuities, and/or gifts is a criminal offense under federal and New York State law."
- 13: Require the Quality Assurance and Compliance Departments to conduct semiannual audits of micro-purchase data (including but not limited to the total number of micro-purchase transactions, average micro-purchase cost, frequency with which specific vendors perform work, recordkeeping, and compliance with the recommendations set out above) and post the findings publicly on the NYCHA website.
- 14: Continue to report any irregularities (e.g., an employee frequently uses a vendor, an employee regularly requests micro-purchases at amounts above the scheduled prices, etc.) to the Department of Investigation.

*DOI is one of the oldest law-enforcement agencies in the country and New York City's corruption watchdog. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City. DOI's strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.*

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**JUMAANE D. WILLIAMS**

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**STATEMENT OF PUBLIC ADVOCATE JUMAANE D. WILLIAMS  
TO THE NEW YORK CITY COUNCIL COMMITTEE ON PUBLIC HOUSING, COMMITTEE  
ON CONTRACTS, AND COMMITTEE ON OVERSIGHT AND INVESTIGATIONS  
FEBRUARY 27, 2024**

Good morning,

My name is Jumaane D. Williams and I am the Public Advocate for the City of New York. Thank you very much to Chair Banks, Chair Won, and Chair Brewer and members of the Committee on Public Housing, Contracts, and Oversight and Investigations for holding this hearing and allowing me the opportunity to provide a statement.

New York City has a shortage of affordable housing that's been exacerbated by the pandemic. New Yorkers are subject to drastic increases in rent, predatory landlords, long waits for repairs, and evictions. NYCHA residents are not exempt from such actions. While bribery and extortion have been rampant in government and in NYC (e.g.: Tammany Hall), the recent indictments of NYCHA workers has had a demoralizing effect on its' residents, its' ethical and trustworthy staff (which are many), and all New Yorkers.

Back in 2021, the Department of Investigation sent a letter to former NYCHA Chair Greg Russ stating all the findings they found suspicious.<sup>1</sup> NYCHA was alerted multiple times but refused the recommendations.<sup>2</sup> They had ample time to implement these or other changes, but did not do so. Every business, organization, or government agency must have measures in place to weed out corruption and fraud. NYCHA's long standing chronic budget deficit is no excuse to not put measures in place and reassess those measures on a regular basis.

NYCHA's inability to eradicate mold and make timely repairs has notoriously made them the worst landlord for six years in a row. According to the findings for 2023, there are 335 developments on the watchlist with 177,569 units with violations.<sup>3</sup> The average number of open work orders between January 2023 and November 2023 are 618,310.<sup>4</sup> NYCHA needs about \$78 billion dollars to resolve these necessary repairs.<sup>5</sup> Therefore the corrupt behavior of 70 NYCHA employees rubs salt on the wounds of those residents who are awaiting repairs while critical dollars were siphoned into the pockets of those employees. These charges are a clear indication of the extensive failure to make needed repairs and the failure to weed out possible corruption.

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<sup>1</sup> <https://www.thecity.nyc/2024/02/12/nvcha-chiefs-gregory-russ-bribery-investigation/>

<sup>2</sup> Ibid.

<sup>3</sup> <https://www.landlordwatchlist.com/nvcha>

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.



**JUMAANE D. WILLIAMS**

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NYCHA has consistently failed to create a healthy and safe living environment for its residents. These indictments are a symptom of the larger problem of doing timely repairs. It takes so long for repairs to get addressed that no one noticed the disruption in the repair process. Equally important, hazardous conditions are not addressed, not abated, and oftentimes escalates from an individual apartment to a building wide problem.

My office and I released a report on NYCHA called, *How the Other Half Lives in Public Housing*, highlighting the dangerous conditions at NYCHA developments that we witnessed during our 5 Borough Tour in 2022. They had frequent issues with mold, leaks, and rodent and insect infestation. Residents are facing excessive filth in their homes with unsanitary conditions that can cause an unhealthy living environment that can lead to illnesses. It has been 1.5 years since it was released and has yet to be addressed in a meaningful way, such as the Jacob Riis water contamination and recent death from Legionnaires disease.

I want to highlight as well that many residents end up resolving the issues themselves for a wide range of reasons. Many said it was due to never receiving an update or no one showing up. If someone does show up the issue is not addressed properly and the problem continues to occur. There continues to be a comprehensive list of how NYCHA fails their residents. NYCHA residents deserve quality housing and these unresolved issues impact the lives of NYCHA residents everyday which is why I would like to call attention to recommendations I hope my colleagues can support.

1. Amending Local Law 55-2018, the Healthy Homes Act, to include NYCHA;
2. Amending Local Law 127-2021 to mandate automatic inspections by NYC inspectors and the issuance of any building or housing code violations; and
3. The metric used to hire contractors should be improved. NYCHA should develop a reliable list of contractors that can be used within their developments. The current hiring system is unreliable and NYCHA may hire someone who they know with the lowest price which results in NYCHA's crippling housing infrastructure; and
4. NYCHA should develop a reliable list of contractors that can apply through the RFP process to do work within their developments.

As we watch the legal process unfold, I hope to hear from NYCHA what approach it will take to weed out corruption, address much needed and long awaited repairs while ensuring the protection of their residents.

Thank you.



**Reinvent Albany Testimony to the NYC Council Committees on  
Public Housing, Contracts, and Oversight & Investigations on  
NYCHA's Response to Bribery and Extortion in Micro-Purchase Contracts**

*RE: Council Should Support State Legislation to Put NYCHA Under  
NYS Authorities Budget Office Oversight*

February 27, 2024

Reinvent Albany advocates for transparent and accountable government in New York State. We thank the City Council for the opportunity to submit written testimony for this important oversight hearing today.

As the City Council examines ways to ensure greater accountability of the New York City Housing Authority (NYCHA), Reinvent Albany urges the Council to pass a resolution in support of state legislation, [S1081 \(Comrie\) / A2229 \(Hyndman\)](#). This bill would require NYCHA and other public housing authorities to report details of their state-funded spending to the NYS Authorities Budget Office (ABO). We find it inconsistent that local authorities like NYC Health and Hospitals and NYC Economic Development Corporation are subject to ABO oversight, but NYCHA is not. While we would prefer full reporting of NYCHA's activities to the ABO, this bill is a step in the right direction.

The Authorities Budget Office publishes budget information for a number of state and local authorities [on its website](#), which is available for stakeholders and the general public to review. We see no reason that municipal housing authorities should be exempt from this requirement. This legislation would require reporting by municipal housing authorities to the ABO on projects funded in whole or part by the state.

Local housing authorities serve [more than 528,000 residents](#) in NYC alone through NYCHA's public housing and Section 8 programs. NYCHA is currently facing a [fiscal crisis](#), and has suffered from [decades of neglect and mismanagement](#) so egregious that the authority was placed under the eye of a [federal monitor](#). The [recent bribery scandal](#) shows that unfortunately, NYCHA is still a major corruption concern.

Again, we urge the City Council to pass a resolution in support of [S1081 \(Comrie\) / A2229 \(Hyndman\)](#). Please see our [memo of support](#) for more information. Thank you for your consideration.

**WELCOME DEAR FRIENDS AND NEIGHBORS,**

**3 YEARS AGO NYCHA RESIDENTS WERE INTRODUCED TO RELATED COS., AS A PACT/RAD PROPOSED PARTNER WHO WOULD REHABILITATE OUR HOMES AND CAMPUSES, WHILE BECOMING OUR NEW OFFICE MANAGER, IN EXCHANGE ALL RENT RECEIPTS WOULD GO DIRECTLY TO RELATED INVESTORS, THE RESIDENTS TOLERATED THIS PROPOSAL AS OUR CURRENT NYCHA MANAGEMENT OFFICE IS DIRECTLY RESPONSIBLE FOR ANY DELAPITATION OF OUR LOVELY BUILDINGS, HOMES, CAMPUSES AND COMMUNITY CENTERS, NYCHA MANAGEMENT TRIES THE BEST THEY CAN, AS EMPLOYEE VETTING AT NYCHA CURRENTLY HAS NOTHING TO DO WITH APPLICANTS ABILITY TO PERFORM DUTIES OF POSITION WITH COMPETENCE.**

**SUSPICIOUSLY:**

**THE FIRST RESIDENT MEETING RELATED ALONG WITH NYCHA EXECUTIVES OFFERED TO BRIBE US WITH FREE IPADS.**

**WHEN THE QUARTERLY MEETINGS WITH JAMAAR FRONTING FOR ESSENCE TO DISCUSS THE REHABILITATION PROJECT, JAMAAR IMMEDIATLY SHUT DOWN ANY CONVERSATION ABOUT ANY BUILDING REHABILITATION SUCH AS WINDOWS PLUMBING, ETC..**

**MAYBE THE ONLY THING THAT JAMAAR EVER PRESENTED, WAS A RENDERING OF THE NEW BUILDING THAT RELATED PROPOSES TO PUT ON TOP OF THE GRAVE OF HUDSON GUILD THAT WOULD CAST A PERMANENT SHADOW ON TO THE HEAVILY TRAFFICKED CITY ATHLETIC FIELD ACROSS THE STREET. ALARMINGLY, THE SAME OLD RENDERINGS USED RECENTLY TO SHOW NEW UPDATED PLANS ON ELLIOT-CHELSEA.**

**MY BUILDING IS SCHEDULED TO BEGIN REHABILITATIONS JULY 2023, TO BE COMPLETE DEC. 2023, THE CURRENT PROPOSED DEVELOPERS ARE IN DEFAULT OF THIS CONTRACT.**

**IN FEBRUARY 2023, THE TENANT ASSOCIATION PRESIDENT, DARLENE WATERS, WHO WAS INSTALLED BY JEFFREY LAFRANCOIS WHEN HE WAS “MANAGING” OUR TENANT ASSOCIATION, ACTING AS MANAGER OF GODFRIED’S OFFICE, A VIOLATION OF OUR TENANT**

**ASSOCIATION BY-LAWS, AND A REPRESENTATION OF CONFLICT-OF-INTEREST, MAILED OUT “SURPRISE INVITATIONS”, WHICH DOES NOT FULFILL OUR HUD/NYCHA CONTRACT TO NOTIFY RESIDENTS OF THE DEVELOPERS INTENTIONS OF ADDING A “TRANSFER OF ASSISTANCE RIDER” TO THE PROPOSED DEVELOPER’S PROPOSED CONTRACT.**

**IN MARCH/APRIL THE DEVELOPER STARTED BUSSING A SMALL INCENTIVIZED NUMBER OF RESIDENTS IN MERCEDES BUSES TO A DAYTRIP IN A NEW WATERVIEW EAST RIVER HIGHRISE AND CATERED TO BY THE OWNERS, THEY WERE IMMEDIATELY BUSSED BACK TO HUDSON GUILD WHERE THEY WERE HOT BOXED IN A CONFERENCE ROOM FOR 60 MINUTES WITH JAMAAR, ACTING LIKE VANNA WHITE, ILLUSTRATING THE LUXURIOUSNESS OF AN ELECTRIC DISHWASHER IF RESIDENTS VOTED FOR THE QUICKEST BUILD PROMISE GIVING THE DEVELOPERS ALSO A ZONING CHANGE FROM RESIDENTIAL TO COMMERCIAL. ABSOLUTELY NO PROSPECTUSES WERE OFFERED TO ANY VOTERS, AND NYCHA MANAGEMENT ATTEMPTED TO STOP RESIDENTS FROM EVEN TAKING A PHOTO OF THE PAPER BALLOTS THAT THEY NEVER HANDED OUT, GIVING EVERYONE AN IPAD TO VOTE ON.**

**FROM THE DESCRIBED FALSE MANUFACTURED RESIDENTIAL CONSENSUS, THAT HAD AN INFLATED 18% PARTICIPATION RATE, DID NOT EVEN MEET THE MINIMUM THRESHOLD OF 20% PARTICIPATION TO MOVE FORWARD WITH PROPOSAL, “RELATED CO.” AND NYCHA MANAGEMENT DECIDED TO COMMIT PERJURY AT CITY HALL CLAIMING “WELL OVER 50% PARTICIPATED”.**

**OVER THE LAST 12 MONTHS, RESIDENTS HAVE BEEN ATTEMPTING TO ORGANIZE, AND SOME ARE DOING A GREAT JOB OF IT... THOUGH AS ONE CB4 MEMBER SAID IN JANUARY, ‘THE RESIDENTS SHOW UP TO EVERY MEETING VERY WELL ORGANIZED, WITH INFORMATION AND VALID CONCERNS, YET CB4 MEMBERS IGNORE THE RESIDENTS AND DO NOT ENGAGE THE RESIDENTS, DISMISS THE RESIDENTS CONCERNS, DO NOT EVEN ACKNOWLEDGE THE RESIDENTS’.**

**WE ASK IN LIGHT OF THE INCRIMINATING MALICIOUS EVIDENCE, OF RACKETEERING AND ORGANIZED CRIME, THAT THE PROPOSED USURPING OF NYCHA PUBLIC HOUSING HOMES BE HALTED TODAY...**



**AND THAT,**

**WE, THE RESIDENTS OF CHELSEA-ELLIOTT FULTON HOUSES AND  
COMMUNITY NEIGHBORS, CALL UPON THE SOUTHERN DISTRICT NY,  
FBI, HOMELAND SECURITY TO ARREST, IMMEDIATELY STEVIE ROSS,  
JAMAR ADAMS, ERIK BOTCHER, HOU EMPLOYEES, NYCHA  
MANAGEMENT, TENANT ASSOCIATION OFFICERS, NYCHA GROUNDS-  
CREW AND ALL ASSOCIATED ORGANIZATIONS AND PEOPLES  
INVOLVED IN THIS RACKETEERING, BRIBERY, TRESPASSING,  
CORRUPTION AND EXTORTION SCANDAL OCCURRING PRESENTLY  
WITH THIS MALICIOUS RAD/PACT ELLIOT-CHELSEA FULTON  
HOUSES PROPOSAL, AMEN!**

# Watson Resident Want Justice for The Abuse We Endure in the hands of NYCHA Employees.

To whom it may concern:

It's been 25 years that NYCHA has been silent when it comes to 1471-73 Watson Ave development. Below it's proof of articles and news coverage of our struggles in our development since I became TA Present about over 13 years.

[Watson Ave. tenants rally for NYCHA repairs \(news12.com\)](#)

The link below is from Pix 11 where Rep Ritchie Torres call them to say his experience in our development.

Rep. Ritchie Torres from the Bronx reached out to PIX11 News for help. "Watson Avenue is some of the worst living conditions I have ever seen," said Rep. Torres, who grew up in public housing.

[Bronx reverend fights for NYCHA housing | PIX11](#)

Bronx NYCHA residents frustrated by inconsistent heat  
[https://youtu.be/oLABKAr7A8A?si=D1f8BvIkCoZ\\_pxxn](https://youtu.be/oLABKAr7A8A?si=D1f8BvIkCoZ_pxxn)

NYCHA community center vandalized in Soundview; advocates call for action

[NYCHA community center vandalized in Soundview; advocates call for action \(news12.com\)](#)

Officials: 15 families displaced, 2 firefighters injured in devastating Soundview apartment fire

[Officials: 15 families displaced, 2 firefighters injured in devastating Soundview apartment fire \(news12.com\)](#)

Soundview's 1471 Watson Ave., NYCHA's first all-electric building conversion in 2023

[Soundview's 1471 Watson Ave., NYCHA's first all-electric building conversion in 2023 – Bronx Times \(bxtimes.com\)](#)

[The forgotten building](#)

Posted on 13 December 2010.

[| The forgotten building The Bronx Ink](#)

Look at our Watson Videos on youtube. [\(15\) 1471-73 Watson Ave Resident Council Inc - YouTube](#)

# **Watson's Resident Want Justice for The Abuse We Endure in the hands of NYCHA Employees.**

My name is Rev Carmen Hernandez, TA President of 1471-73 Watson Ave Bronx NY 10472.

I have submitted proof of what we been going through in our development. When I became TA President the first thing I did was call my elected official including Bronx Boro President on that time it was Ruben Diaz Jr. and city agencies. And gave them a toul of our development so they can see with their own eyes the issues we were facing.

What I notice that my words was being tested and it was my word against NYCHA people.

I don't know why the elected official and newscaster take NYCHA for their words when they have been shown in action that they can't be trusted. I have dedicated all my life since I was 10 years old in community work, it's been 50 years. Yes 50 years. I am 60 going to be 61 in late April. I know I look young

I have proof and docement of all my work because NYCHA spend our money to go against us.

Whoever is in charge of NYCHA has a mission to get rid of us. We are low income and people with disability who can't afford Section 8 and the so call Trust. Which non of them are to be trusted. Again who is benfiting. us the tenants or these NYCHA's workers who give themselves a top salary on the expense of the tenants of NYCHA, I can't speak for others but I sure can speak for my development and the abuse we have gone through far enough.

If I don't make noise our development don't get fix. The fire we had to endure in Aug 8: 2023 was just a sign of what is happening in our development. Our last zoom meeting with Mr. Russ and in our conversation, he accepted that our development is falling apart and we were making arrangement to move the tenants out so they can construct in our development and then have us to move back in with a sign contract to assure they keep their word.

Now we have a new CEO Ms. Lisa Bova-Hiatt who we are waiting for a follow up meeting we had with Mr. Russ.

The abuse we have indure with not only about repairs but the vandalism we went through of a insider job to shut me up or put fear in me. All I have to say I am not the one that they can use fear or threats tacted. I even had a former manager try to get NYCHA to kick me out of my home. I mean the lists goes on.

We want our office management and NYCHA who handle our development to be investigated about our development, they need to give us answer, of what we been telling them to give us an answer and we still waiting. Why have they have not put a budget for our development and it's been over 14 years going 25 years. That now our development Infrastructure is really bad shape. That I am

surprise that our building is not falling apart. All I can say is that God's hands is protecting us. I believe the fire open our eyes even more of confirmation that what we been saying along about our development is true. And yet NYCHA refuses to listen to us. Because they have an agenda with our development and they are risking the lives of our tenants. I would love to give you all a tour to see with your own eyes of what we been saying it's true. We even had Salamanca and Assembleman that time was Marcos Crespo and we need a new boiler because the one we have is really old and it's hardly pushing giving us heat, but it has done, it cause us water over flow in our apartments that till this day the damages has not been fix yet. One tenant they move her to another floor just to keep her quiet. But they instead of fixing her apartment they rather move her to another apartment. I mean the list goes on. The sewer is another issue. If you click on our Watson youtube you will see in video the flood that flow to our development and it cause my community room to get flooded and damage my stuff that NYCHA don't replace. Even when I was vandalize NYCHA kept housing police not to make a report of what's been happening to me and my tenants. We want justice and get results.

Our Infrastructure of our development is in a very bad condition. If they got the balls to call me a trouble maker, so let it be. Like the late Hon. John Lewis left us this quote "Be a good trouble" that's me. I know I have to make it short but I do hope not my voice but the 96 unit that live on 1471-73 Watson Ave. voices be heard. Since I became TA President we accomplish a new roof and not we need a new one because the contractor they got didn't add insurance. Our windows are no good and they suppose to be new and they rusted already and causes our home walls with mold, we got pictures to prove it. The contractors they got with out my knowdlege has been corrupted. They never follow through, one of them suppose to put new lettering of our development name outside front entrance and what they did was paint it. Whoever they hired was surly a mess and very bad taste.

I want to close with saying Thank you to each tenants and my board who always have my back and supported my work to help them. I wouldn't have done it without each and everyone of you. Thank you! And Thank you honorable leaders for listening to me. It means a lot. We wouldn't have survive without your leadership.

God Bless us and God Bless America... Rev Carmen Hernandez, TA President of 1471-73 Watson Ave Resident Council.

PS: Please excuse my grammer it not that great.

Dana Elden

City Council Testimony - February 27, 2024

Re: Committee on Public Housing Jointly with the Committee on Contracts and the Committee on Oversight & Investigations

Good afternoon, Council Chair Banks and the Council Committee members, and all in attendance. I'm the Resident Council President for St. Mary's Park Houses. I sit on the South Bronx District Executive Board, as well as being an Executive Board Member of Residents to Preserve Public Housing.

In the 5 years in which I have served in my position here at St. Mary's Park Houses, I have questioned the necessities of certain purchases, that only create a more pleasant and new look, and/or added to the appearance of the development's in-buildings look. I'm sure that including the Resident Councils' input would not be accepted. However, it is my opinion that when Council Leaders speak on the work that is going to be done, or already has been done, that we be advised of the vendor and any information that would warn us of incomplete work of shotty work that many Council leaders have spoken about. It's already bad enough that Council Leaders are not advised of our budgets by management. They keep that information secret and no matter how many times we request that information, it is not obtained. I've been waiting for 4 years.

I have observed in many of my residents' apartments, work that did not appear to be sufficient in the quality of work and

materials used. I do understand that the vendors being used have been vetted and on a listing. However, I find that difficult to accept. Such as, like many other developments, the aluminum-based lobby doors. After attending a Board meeting of NYCHA, and hearing the amount of money that was paid toward such vendors, I was appalled that after a years' time, some of those bills paid were in excess of a million dollars. These aluminum doors are constantly being fixed due to vandalism and extensive wear. So NYCHA continues to use these vendors without any consideration of the money spent or the constant repairs that are necessary. THE CITY newsletter cited \$4,875.00 for the replacement of a door to the compactor room.

The article citing the enormous prices paid by NYCHA for such things as 6 LED lightbulb replacement that cost \$4,250.00; \$325.00 per rubber threads on 15 steps. These charges are unacceptable and rob the residents of NYCHA of getting more important jobs done. I currently have a resident who will be 80 years old in April. She has not had a working radiator in her living room since November 2023. Repeatedly she is told to be patient, due to the purchases of the wrong items to fix this problem. She is forced to keep a bucket now in that location which fills up with rusty water. She lives on the 21<sup>st</sup> floor, the top floor, so she continues to have leaks from the roof and not to her heating system. It is important to my council that this situation is remedied as soon as possible. Due to the litter that

is spilled behind the scaffolding necessary as we are approaching construction to replace our 58 yr old roofs, I'm told that for the two locations of our development, we are paying \$8k per location, for a cleaning service to pick up trash at the development location. Sending 185 notices to the entire development is not the answer to littering. And right now, I have lobbies that are dripping water around lighting fixtures.

I dare to say that a centralized location where these contractors are vetted and the micro purchases are reviewed are part of a failed system, that has failed the residents of public housing. Also the current system regarding the skilled trade usages are ridiculous as residents are made to wait months in order to get cabinets, plastering, paint jobs, mold removal, etc. Just today, a disabled senior sent me a video of her apartment that has most of her kitchen items all around her living room due to the lack of cabinets that have not been replaced. She is now forced to wait for a plasterer that has not even be scheduled, in order for the remainder of her cabinets to be replaced, as she has stated she is waiting 3 years.

Therefore, my concern after reading the recommendations of the DOI, it is frightening to think that residents will have to wait years for necessary work to be done. The quality of life issues that residents are facing is already disgraceful. Please continue to examine all of the expenditures of NYCHA. But also I ask that you listen to the active residents leaders who see this lack of concern and the frivolous and sometimes shotty

work done by vendors in micro contracts, that continue to milk the money from NYCHA and force the residents to wait for quality of life services.

Thank you for allowing me the opportunity to speak today.



[REDACTED]

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**From:** Save Section 9 <savesection9@gmail.com>  
**Sent:** Wednesday, February 28, 2024 1:57 PM  
**To:** District42; Testimony  
**Subject:** [EXTERNAL] Written Testimony on behalf of Save Section 9. Hearing: Oversight - Examining NYCHA's Response to Bribery and Extortion in Micro-Purchase Contracts

[REDACTED]

Aloha CM Banks,

I was unable to testify yesterday but wanted to submit this statement on behalf of Save Section 9.

Written Testimony on behalf of Save Section 9.  
Hearing: Oversight - Examining NYCHA's Response to Bribery and Extortion in Micro-Purchase Contracts  
February 27, 2024 at 1pm

My name is Ramona Ferreyra and I am the founder of Save Section 9 (SS9).

**SS9 is a tenant led organization that educates and empowers tenants towards**

I submit this testimony on behalf of my organization.

The recent [announcement of corruption](#) among NYCHA employees demonstrates that NYCHA is unbendable. While we are furious that NYCHA staff, which ultimately represents tenants, participated in this behavior, our primary concern is the wellbeing of tenants, and habitability of our units. So upon hearing the news I immediately assumed that in order to cover the cost of bribes, contractors had to be inflating their costs. I was right. According to an investigation led by "The City", published on February 26 2024, the tenants were also being robbed.

The involved companies stole by inflating their bills.

Vendors/ companies "sought compensation as close to the maximum allowed at the time on each contract, regardless of the work performed". And their "invoices contradicted themselves, with contractors demanding the same amount for different levels of the same work". Nobody within the NYCHA purchasing system noted this. Even though as far back

as 2019 the independent monitor had warned NYCHA about these contracts and pricing discrepancies.

But we must look forward so lets' talk about solutions:

1. SS9, again, asks this committee and its members to support us in launching a new PUBLIC housing authority for NYC. NYCHA has proven it is unable to provide services, manage funds, and even review contracts. This is because NYCHA's only thinking about the Preservation Trust and privatization via RAD. **Let them.** Let them focus on the 25k units that can become a part of the Preservation Trust. The rest of us, those fighting to remain public housing, need new leadership, a new housing authority! A housing authority that would create an operational plan guided by Section 9' best practices found in the operational plans for the five year period of 1965- 1970, what our members call "peak NYCHA".
2. We also encourage you to ignore the desire to add another layer of bureaucracy. A new office focused on overseeing contract issuance will not reverse the trend of contract abuse, or ensure that tenants receive repairs in a timely manner. Instead, we demand that NYCHA take immediate steps to decrease its dependency on contractors. NYCHA must hire union trained laborers. NYCHA has argued that union labor is more expensive. But contractors regularly deliver subpar work and we pay the price. The only way to ensure that work is done properly, at cost and quickly is for NYCHA to rebuild its staff at the trades level.
3. We ask that you compel Manhattan U.S. Attorney Damian Williams and the city Department of Investigations to explore the cost contractors inflated to recoupe their losses. We ask that these companies too be held financially and criminally accountable. Each cent stolen from NYCHA, and taxpayers, must be returned and used to address the replacement of pipes, elevators and roofs. Focusing on these three categories of repairs would gradually reverse water damage which is the root of most of our repair and rehabilitation needs.
4. Finally, we request a meeting with the chair and cochair of this committee to discuss our national solutions for public housing and explore opportunities to collaborate towards that shared goal.

While we are glad to hear that NYCHA has adopted recommendations made by the AG we want to remind NYCHA that tenants should be given notice of these proposed changes. Tenants should have a 45 day period to review these and an opportunity to submit comments.

I'd like to reiterate that this corruption is a reflection of the culture at NYCHA. We want to see public housing rehabilitated and expanded but do not believe NYCHA is able to provide this. Their focus on RAD and the Trust are their priority. RAD has many flaws and is failing tenants, while giving corporate real estate access to public monies. But the Trust is even worse.

The units held by the Preservation Trust, and managed by NYCHA, would be exempt from the federal competitive bidding process. The checks and balances that made this latest

corruption detectable will not apply to the 25k units overseen by the Trust. It is imperative that we push for the sunset of RAD this coming September, and work collectively to ensure that tenants facing the Trust understand how this financial freedom will expose them to corruption.

We're available to answer any questions, and can be reached via [www.savesection9.org](http://www.savesection9.org) or on all social media channels.

I look forward to hearing from you,

Ramona Ferreyra  
Founder  
Save Section 9

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Save Section 9

[Click to join our weekly Wed 7:30 Zoom meeting](#)

[Sign Our Petition to HUD to Save Public Housing](#)

[Join our Facebook Group](#)

[View our meeting notes](#)

[View our congressional demands](#)

P.S. If you aren't already receiving 1-2 emails from us a week, you aren't on our mailing list! Opt in by replying and requesting that we add you! If you'd like to stop receiving our emails, please reply "Unsubscribe."

The logo consists of the words "SAVE SECTION 9" in a bold, white, sans-serif font. "SAVE" is on the top line, "SECTION" is on the second line, and "9" is on the third line. The text is centered within a solid orange rectangular background.

**SAVE  
SECTION 9**

[REDACTED]

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**From:** Raymond Normandeau <ray.normandeau@gmail.com>  
**Sent:** Tuesday, February 27, 2024 7:39 PM  
**To:** Testimony  
**Subject:** [EXTERNAL] NYCHA

[REDACTED]

**NYCHA BnB means Boilers and Bribes.**

**February 2024 arrests let higher ups breath easy**

So there were arrests for bribes involving contracts under \$10,000. How about bigger contracts? There are contracts that run into the MILLIONS.

Queensbridge Boiler Contractor HAKS Engineers was linked to Bribery. NYCHA vice president who oversaw construction contracts faced city probe. [He is linked to HAKS](#). HAKS changed name to Atane and in 2023 got [OVER THIRTY MILLION DOLLARS](#) in contracts from NYCHA.

This is not the first name change for NYCHA contractors. In the 1980s John Gotti was “salesman” for Arc Plumbing who installed one thousand bathrooms at Queensbridge Houses which all had to be replaced. Arc was debarred from receiving Federal funding. Arc officers then formed Hi-Tech Mechanical which then got NYCHA contracts.

NYCHA employees ran a protection racket that was approved by HUD whereby lobby doors would be left unlock-able if tenants did not “volunteer” for tenant patrol for their building. NYCHA employees were paid to supervise the “volunteers”. As of February 2024 there is no lobby door lock at 41-04 Vernon Boulevard at Queensbridge Houses.

When NYCHA employees get bribes from vendors does NYCHA enforce warranty provisions? NYCHA paid on their own to repair faulty roofs that were under warranty. THOUSANDS of Maytag refrigerators had to be

post installation serviced each at least one time at Queensbridge Houses due to inferior part. They were all replaced in about two years. Were bribes paid to two refrigerator vendors?

There is subletting of apartments in NYCHA buildings. Could NYCHA employees be involved?

Who repairs Queensbridge intercoms? NYCHA or contractor? Are NYCHA employees covering up for contractor? If NYCHA insists on warranty repairs will vendors ask for their bribes back?

We found that 66% of Queensbridge Houses intercoms didn't work.

For “*NYCHA Retaliates Against Tenants and Employees*”, and “*Bribery Tutorial*”

and more (“*In a later interview by Ms. Polly Kreisman of WWOR TV, Channel 9, Mr. Panese said that If you're looking for crooks, look to the higher ups in NYCHA.*”) see center column at <http://www.newsnyc.us/>

Preet Bharara in one of his podcasts after he was removed from US DOJ SDNY by Trump said NYCHA was a very corrupt NYC agency.

There is good news for whistle-blowers where Federal money is involved. Whistle blowers can make a lot of money, even millions of dollars. Google “qui tam”.

###

**Renee Keitt**

**Feb 27, 2024 | 🗣️ Committee on Public Housing Hearing on the Bribery Scandal**

As a resident of the Elliott Chelsea Houses, I extend my gratitude for the oversight hearing focused on the New York City Housing Authority (NYCHA). We must address the longstanding issues plaguing our public housing system, and I appreciate the opportunity to voice my concerns.

NYCHA was established with a noble purpose: to provide decent, affordable housing for low- and moderate-income New Yorkers, filling a void left by private developers. However, recent events have underscored the urgent need to learn from past mistakes and implement sustainable solutions.

The most crucial partnership lies between NYCHA residents and the Authority. Rather than adding bureaucratic layers, we must prioritize strengthening this partnership to tackle the challenges we face, particularly in light of the recent bribery scandal.

The findings of various investigations reveal a troubling pattern of mismanagement and corruption within NYCHA's contract procurement practices. From no-bid contracts totaling millions of dollars to contractors pocketing funds without completing the work, it is clear that accountability measures are lacking. Despite repeated warnings and exposures of wrongdoing, the problem persists.

In 2016, DOI examined NYCHA's contract procurement practices, starting with "micro-purchases." NYCHA Inspector General Ralph Iannuzzi looked at a 10-month window in 2015 and found that NYCHA awarded \$54 million in no-bid contracts to 1,512 vendors.

In 2019 The City Found that "Low-level city Housing Authority managers have doled out thousands of no-bid repair contracts totaling over \$250 million to a select few vendors in recent years — ignoring corruption warnings" (NYCHA's \$250 Million in No-Bid Work Amid Corruption Worries | THE CITY - NYC News) The Department of Investigation discovered that a vendor pocketed 2 million

dollars but NYCHA employees had done the work. NYCHA's board still extended the contract.

In 2021 Nine contractors surrendered Monday morning to face charges of bribery in the third degree. If convicted, they face up to seven years in jail. Brooklyn District Attorney Eric Gonzalez and DOI officials shared details of the charges at a press conference Monday, adding that he expected additional individuals to also be charged(9 Contractors Charged in 'Brazen' NYCHA Kickback Scheme: Brooklyn DA – NBC New York)

This was a known problem and nothing continues to be done. Layering another level of bureaucracy won't solve the problem. The recent Monitor's Report concerning 5000 vacant apartments should tell you this. Operational Analysis and Contract Management (OACM), overseen by NYCHA Chief Operating Officer Eva Trimble. This unit was created as one of NYCHA's solutions to address issues identified in the HUD Agreement. The assignment of priority turnovers to OACM, removing responsibility to complete repair work in designated turnover apartments from individual developments across the NYCHA portfolio. This decision caused a significant backlog of work and alienated many development staff who wanted to get work done and fill vacant apartments. (NYCHA has 5,000 empty apartments after bureaucratic bungle, monitor finds – New York Amsterdam News) This should be a warning. Those who don't learn from their mistakes are destined to repeat it. We will be back.

PACT/RAD is not a solution. It has led to high eviction rates and continues the history of the lack of resident engagement. The Preservation Trust is not a solution with its lack of funding and the pipe dream that the residents of Nostrand Houses have been fed. A proposed demolition is not a solution as the tenants of Fulton, Elliott, Chelsea, and Chelsea Addition know.

Investing in skill trades and unionized employment within NYCHA can lead to increased earnings for workers and stimulate economic growth. Holding accountable those at the top, rather than targeting workers at the bottom, is essential for effecting meaningful change.

Consequences for negligence must be enforced to ensure accountability and safeguard the lives of the half-million people relying on NYCHA for housing. Stop pursuing the low-hanging fruit of workers at the bottom. Look to the top and start there with your measures of accountability.

In conclusion, let us heed the lessons of the past and work together to build a more accountable, sustainable future for NYCHA residents and communities.



**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 2/26

Name: NYCHA  
Renee KEITT (PLEASE PRINT)

Address: \_\_\_\_\_

I represent: Tenant

Address: 110th Street

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 2/28/24

Name: Jael Kupferman (PLEASE PRINT)

Address: \_\_\_\_\_

I represent: Alfred e Smith Resident Assoc

Address: SMITH HOUSES Manhattan

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

Name: Commissioner Jocelyn Srauber (PLEASE PRINT)

Address: Department of Investigation

I represent: \_\_\_\_\_

Address: NYCHA Micropurchases

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 2/2/12

(PLEASE PRINT)

Name: Christopher Johnson

Address: [redacted] 138th Ave [redacted]

I represent: 511

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 2/1/12

(PLEASE PRINT)

Name: Celina Miranda

Address: [redacted] 10th Ave - Elliott Building

I represent: Fraudulent practices / Save Section 09 - no Demolition

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: Section 9, no Demolition

(PLEASE PRINT)

Name: Alixa Gray

Address: [redacted] W 25 St

I represent: NYCHA Tenant

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor     in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Brad Greenburg

Address: \_\_\_\_\_

I represent: NYCHA Chief Compliance Officer

Address: \_\_\_\_\_

*Please complete this card and return to the Sergeant-at-Arms*

**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor     in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Daniel Greenheit

Address: \_\_\_\_\_

I represent: NYCHA E.V.P.O For Property

Address: Management Operations

*Please complete this card and return to the Sergeant-at-Arms*

**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Lisa Bova-Hiatt

Address: \_\_\_\_\_

I represent: NYCHA CEO

Address: \_\_\_\_\_

*Please complete this card and return to the Sergeant-at-Arms*

**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Sergio Paneque

Address: \_\_\_\_\_

I represent: NYCHA Chief Procurement Officer

Address: \_\_\_\_\_

*Please complete this card and return to the Sergeant-at-Arms*