Good morning Chair Torres and members of the Committee on Public Housing. I am Mark Peters, Commissioner of the New York City Department of Investigation (“DOI”). I am joined here today by Ralph Iannuzzi, Inspector General for the New York City Housing Authority (NYCHA) and Tejah Duckworth, Inspector General for DOI’s Integrity Monitoring Program. I appreciate your request that I testify here today regarding DOI’s Report on NYCHA’s failure to conduct mandatory lead paint safety inspections and DOI’s recommendation that an independent monitor be put in place.

DOI’s Report on this matter has been made public and so I will only briefly recap its findings. DOI’s investigation determined that NYCHA has failed to conduct legally mandated safety inspections for lead paint, since 2013. In addition, NYCHA submitted false documentation to the United States Department of Housing and Urban Development (“HUD”) certifying that NYCHA was in compliance with Federal rules that require these inspections, when in fact it was not.

Despite NYCHA’s senior staff being made aware in 2015 that the agency was out of compliance with City Local Law 1, and its Chair and CEO, Shola Olatoye, being advised of their non-compliance with both Federal and local lead safety rules in early 2016, certifications were still submitted to the Federal government falsely stating that NYCHA was in compliance.

The City's Local Law 1 and the Federal Lead Safe Housing Rule require NYCHA to conduct annual visual assessments of apartments where the possibility of lead-based paint has not been ruled out. For NYCHA, this means approximately 55,000 apartments,
at least 4,200 of which NYCHA affirmatively has records indicating that children under the age of six reside in the dwelling, which must be inspected annually to comply with Federal and local rules.

Finally, our investigation demonstrated that there were inadequate systems in place for NYCHA both to properly review and track its compliance with these issues and to check the veracity of federal filings before submission.

This final issue, the inability to report accurate information, is why installing a third-party monitor is so important.

DOI stands ready to serve in that role under our existing Integrity Monitoring Program. Under DOI’s Integrity Monitoring Program, NYCHA has the opportunity to reform its policies and operational practices quickly and at a lower cost to taxpayers. For example, as the independent monitor, DOI can immediately begin conducting field spot-checks to ensure that annual apartment inspections and lead abatement are completed, and that subsequent quality assurance inspections are performed. DOI can also conduct field visits to ensure that essential apartment safety checks of smoke alarms, window guards and carbon monoxide detectors are performed in accordance with NYCHA policy and local law.

DOI currently manages 18 monitorships, including a monitor for NYCHA’s rebuilding after Hurricane Sandy, and monitors for the City’s new 911 Call Center. We recently concluded a monitorship for NYCHA’s Bond B Program for capital improvements.
Indeed, the NYCHA Sandy monitor recently found $2.5 in overpayments on that project—just slightly less than what we estimate a three-year lead monitorship would cost.

In sum, we have two challenges: First, we must make sure that lead testing and remediation are properly completed. Second, in light of the misinformation provided by NYCHA previously, we must have an independent monitor to give us assurance about reporting going forward.

Clearly, the Federal government has severely under-funded NYCHA for many years. That underfunding is unacceptable and certainly has caused many of NYCHA’s problems. But the safety issues addressed in our report involve only limited funding requirements, and the provision of accurate information should be a non-negotiable point under any circumstances.

I look forward to answering any questions you may have.