

Remarks from U.S. Attorney Geoffrey Berman

News Conference Announcing Consent Decree with the New York City Housing Authority (NYCHA)

Tuesday, June 5, 2018

I'm Geoff Berman, the United States Attorney for the Southern District of New York. Today, we announce a settlement to ensure that the old way of doing business at NYCHA is over.

This settlement, between this Office and the City of New York and NYCHA, is unprecedented and will profoundly improve the living conditions of NYCHA's over 400,000 residents.

For too long, these residents have had to put up with living conditions that are indecent, unsafe, and unsanitary.

They have had to live in apartments with peeling lead paint, out-of-control mold, no heat in the winter, broken elevators, and infestations of vermin.

Today is the beginning of the end of this nightmare for NYCHA residents.

There are two main aspects to the settlement.

First, a federal Monitor will be appointed. That person will have the mandate and the authority to reform NYCHA and fix these problems.

And second, the Monitor will have the funds to fix the problems – \$4 billion in the first four years alone. This includes existing commitments from the City as well as an additional \$1 billion from the City; \$1.2 billion from HUD; and \$550 million of state money.

This all adds up to \$4 billion in capital improvements in the first four years – all coordinated and directed by a federal Monitor. This is an extraordinary commitment that promises real relief for NYCHA residents.

And this is not just a short-term solution that kicks the can down the road. Beyond the additional \$1 billion in the first four years, the City has agreed to contribute \$200 million every year thereafter until these deficiencies are fixed. When I say indefinitely, I mean just that. \$200 million each year until the problems are fixed.

Now, let me explain why this far-reaching settlement is necessary.

[CHART]

[While at the chart]

These conditions are an assault on the health, safety, and dignity of the hardworking and rent-paying residents of NYCHA, and will no longer be tolerated.

[Back at the podium]

And as is often the case, those who violated the law also tried to cover up their violations and misconduct. At the same time NYCHA was issuing its false certifications, it would also use every trick in the book to conceal building violations from HUD inspectors.

NYCHA for years falsely certified to HUD that it was in compliance with safe lead standards when they were not.

For example, NYCHA staff were directed to shut off a building's water supply just before an inspector arrived to inspect common areas, in order to temporarily stop ongoing leaks that would otherwise be visible.

In another instance, a maintenance worker put a refrigerator motor inside an inoperative roof fan in order to fool an inspector into thinking that the ventilation system was functioning.

Not only did NYCHA violate its legal obligation to provide decent, safe, and sanitary housing, but it repeatedly falsely certified to HUD that it was in compliance with its obligations.

This NYCHA culture of false certifications and outright deception ends today.

This settlement sends a message to those who have unfairly endured substandard conditions for far too long.

Your voices are being heard.

We will not waver as we work to ensure that all NYCHA residents live in decent, safe, and sanitary housing — which is their federal right.

CLOSING

I want to thank HUD, represented here today by Paul Compton; HUD's Office of the Inspector General, represented here today by _____; the EPA, represented here today by Susan Bodine. I also want to thank Mark Peters and the New York City Department of Investigation for its assistance.

I would also like to acknowledge the role of the press in extensively investigating and reporting on these issues.

And last but not least, I want to recognize the tireless efforts of the career attorneys in our Office's Civil Division whose work is embodied in the settlement we announce today: Assistant U.S. Attorneys Robert Yalen, Monica Folch, Talia Kraemer, Jacob Lillywhite, and Cy Mohan, as well as the Chief of the Civil Division, Jeffrey Oestericher.

And now I'd like to introduce Paul Compton, HUD General Counsel.

Thanks very much, Paul. And now Susan Bodine, EPA Assistant Administrator for Enforcement.