

**Statement by Corporation Counsel Zachary W. Carter to the City Council
in Connection with the Preliminary Budget for Fiscal Year 2018**

March 13, 2017

Good morning Chair Kallos and distinguished Members of the Government Operations Committee. It is a pleasure to come before you to discuss the Law Department's fiscal year 2018 Preliminary Budget.

As the Corporation Counsel, I have been engaged with Law Department staff on numerous matters with enormous liability, policy and operational implications for the City and its constituent agencies. Our work supports important City policy initiatives such as those concerning immigration, homelessness and affordable housing. Some of the Department's matters involve public safety and quality of life issues. Others involve the City's contractual relationships with various service providers. Still others raise important issues concerning access to services. On every occasion, I have never failed to be impressed by the professionalism, hard work, depth of knowledge, expertise and dedication of our lawyers and the extraordinary staff that supports them.

Ultimately, our mission is to vigorously defend the legal interests of the City with an appreciation for the importance of fair outcomes to enhance public confidence in City government.

The Corporation Counsel is the attorney for the City and its agencies and has responsibility for all litigation and other legal matters involving the City. The Department currently has on board approximately 852 attorneys and 705 professional support staff. Let me add that of our attorneys, approximately 24.2% are ethnically diverse and fifty-seven percent are women.

The Law Department consists of sixteen legal and three support divisions. We handle an extraordinary array of cases and non-litigation matters: from tort to tax, from environmental and administrative issues to economic development and municipal financing. We also represent the City as plaintiff in a wide variety of affirmative matters.

Our total proposed allocation (PS and OTPS) for fiscal year 2018 is \$206,311,871. Our proposed fiscal year 2018 headcount is 1,697.

Affirmative Litigation:

As a result of an aggressive Law Department program developed over the last 18 years to ensure insurance coverage under policies issued to defend and indemnify the City against lawsuits arising out of the work performed by private contractors and those who hold City permits, this year we surpassed the \$1 Billion Dollar mark in savings to taxpayers. That is an average annual savings of nearly \$56 Million. Before this program was instituted, steps were not taken routinely to demand and ensure coverage under these insurance policies. Now,

specialized legal units within the Law Department, along with the City Comptroller's Office, work to secure the City's rights as an "additional insured" on the insurance policies of the thousands of private and not-for-profit contractors that provide, for example, construction, traffic and street light maintenance, security, and children's services. When lawsuits involving claims against City contractors also name the City, we quickly move to identify the appropriate insurance firms and policies in order to refer claims. Over the years, improved procedures, dedicated staff and litigation successes have vastly increased the number of cases in which insurers defend and indemnify the City. Every dollar insurance companies pay is one more dollar that remains in the City budget and available for affordable housing, education, police officers and other budget needs.

Tort Division:

The volume of litigation matters pending against the City presents a substantial challenge. The Tort Division alone defends nearly 22,000 cases currently pending against the City, its agencies and employees. Approximately 7,500 new Tort cases are filed against the City each year. Approximately 6,000 cases are resolved each year by trial, motion practice and settlement. With Council's assistance, this fiscal year the Law Department has begun to transform the manner in which cases are handled in the Brooklyn and Bronx Offices of our Tort Division. Due to the volume of cases pending in the Tort Division, until recently, most cases were not assigned directly to attorneys; instead attorneys handled hundreds of litigation events on hundreds of different cases. While such case handling has certain efficiencies, the assignment of cases to individuals or a unified team to handle a case from beginning to end permits better development of case theories and strategies leading to more successful outcomes, through improved trials, motions and settlements. Three years ago, the Law Department created a unit within the Tort Division to handle cases in defense of law enforcement in this manner. As a result in part of that changed approach, we have seen a marked decrease in new filings in the past two years. (A least a 20% decrease each year.)

It is anticipated that the modification of the manner in which cases are handled in Brooklyn and the Bronx by the Tort Division will positively impact both the quality of case outcomes as well as the quantity of case filings.

Special Federal Litigation:

In FY2012, staffing in the Special Federal Litigation Division was increased to permit more proactive case handling, including taking more cases to trial. Since that time, the number of new case filings have decreased, the number of trials have tripled and our win rate in these federal trials now approaches 90 percent.

Family Court Division:

Our Family Court Division balances the dual goals of serving the needs and best interest of the child brought before the court and ensuring community safety. Last year, the Division's

Juvenile Delinquency Prosecution Unit handled approximately 3,600 new juvenile delinquency referrals and 4,300 new interstate child support petitions. Preparation of cases and enhancement of services are essential to the Division's mission. Last year, the Law Department received additional staffing for a new Witness Location and Engagement Unit and a new Juvenile Rehabilitation and Community Safety Unit.

In September 2016, the Juvenile Rehabilitation and Community Safety Team (JR-CST) began operating; it is designed to implement an enhanced community-based approach to handling juvenile delinquency cases which are referred to our office and which originate in a specific geographic area of the Bronx. By concentrating a dedicated team of attorneys to this area our Bronx Family Court office is better able to: 1) continue and further develop relationships with leadership and other police personnel to enhance our office's understanding of the current crime trends in the community; 2) familiarize ourselves and partner with community groups, clergy and elected officials in order to create partnerships to better serve the community and youth who become involved in the juvenile justice system and for the community to have a deeper understanding of the rehabilitative mission of our work; 3) identify schools, develop relationships with personnel and conduct school presentations; and 4) further collaborate with the District Attorney's Office. The overarching goal of the program is that through this enhanced and concentrated work, the outcomes for the children, families and communities we serve will be enriched.

Raise the Age proposals are still under consideration in Albany. Should the proposed legislation become law, we are developing plans for the expansion of our Delinquency Unit to accommodate the added population of 16 and 17 year old juveniles to Family Court caseloads.

Conclusion

I thank you for your support of the Law Department and look forward to our continued cooperation. I would be happy to answer any questions you may have.