



The City of New York
Department of Investigation

JOCELYN E. STRAUBER
COMMISSIONER

180 MAIDEN LANE
NEW YORK, NY 10038
212-825-5900

Release #27-2023
nyc.gov/doi

**FOR IMMEDIATE RELEASE
THURSDAY, JUNE 29, 2023**

**CONTACT: DIANE STRUZZI
ERIC LENKOWITZ
(212) 825-5931**

**DOI REPORT FINDS THE CITY DEPARTMENT OF SOCIAL SERVICES PAID SUBSTANTIAL
BROKER'S FEES TO PLACE CLIENTS INTO PRIVATE HOUSING WITHOUT PROPERLY VETTING
POTENTIAL LANDLORD-BROKER AFFILIATIONS**

Jocelyn E. Strauber, Commissioner of the New York City Department of Investigation ("DOI"), issued a report today that revealed flaws in how the New York City Department of Social Services ("DSS") identifies broker-landlord affiliations to determine whether the broker is entitled to a fee for placing a client in the City's shelter system into private housing. Per DSS policy, a broker affiliated with the landlord for that housing is not entitled to a broker's fee for that placement. DOI's investigation focused on payments made to three brokers between 2010 through 2021, a period in which DSS paid \$151.5 million in broker's fees. While DOI examined only 38 placements during that period, a small fraction of the total, the investigation revealed that all 38 of those placements involved brokers affiliated with landlords, who received broker's fees in violation of DSS policies. The full extent of improper broker fee payments during this time period remains unknown. Due in part to DOI's investigation, beginning in 2019, DSS made changes to its process to identify affiliated brokers and landlords. DOI commends DSS for these efforts and has made six additional recommendations to DSS to further strengthen its processes, which DSS has agreed to implement. A copy of the report is attached to this release and can be found at the following link: <https://www.nyc.gov/site/doi/newsroom/public-reports.page>.

DOI Commissioner Jocelyn E. Strauber said, "DSS pays broker's fees to those brokers who assist clients in finding privately-owned apartments. Our recommendations will strengthen the agency's procedures in order to effectively enforce DSS's policy that brokers who simply place clients in properties that they own (or are otherwise associated with) do not receive such fees. DOI's six recommendations will assist DSS in identifying such affiliations and ensuring that fees are paid only to eligible brokers. I thank DSS for its cooperation in our examination and commitment to improve its processes."

DSS administers several rental assistance programs that help DSS's clients who are without housing move out of shelters and into privately-owned rental apartments. In one such program, DSS pays rent for these clients, and writes checks directly to their private landlords. If a broker assists in the search for housing, and finds the rental apartment that the clients selects, DSS pays a one-time broker's fee to the broker, equal to 15-percent of the annual rent. To receive a broker's fee, both the broker and landlord are required to certify, in documentation provided to DSS, that they are unaffiliated.

DOI's investigation focused on three New York City-based landlords (Ben Ashkenazi, Israel Revivo -- Ashkenazi's step-father -- and Joy Azuaru) and three real estate brokerage firms (FutureHomes, Endless

Realty and Asset Homes). The investigation examined, among other things, whether the landlords and/or brokers falsely certified to DSS on required forms that they were not affiliated in order to improperly collect broker's fees.

DOI's investigation revealed that the fees for all of the placements DOI reviewed that were paid to FutureHomes, Endless Realty, and Asset Homes during the 2010-2021 period – more than \$100,000 in total – were in violation of DSS's policy, due to the affiliation between the three brokerage firms -- FutureHomes, Endless Realty and Asset Homes -- and the three landlords -- Ashkenazi, Revivo and Azuaru -- who owned the properties where DSS clients were placed. For each of the 38 placements reviewed by DOI, the landlord and/or the broker either submitted DSS forms falsely stating that the landlord and broker were not affiliated, or failed to submit one of the required forms concerning landlord/broker affiliation. As a result, DSS paid \$87,213.60 to FutureHomes for apartments rented by FutureHomes brokers Ashkenazi and Revivo that were owned or controlled by Ashkenazi and Revivo. DSS paid \$19,581.30 to Endless Realty and Asset Homes for apartments rented by broker Azuaru that were owned or controlled by Azuaru.

DOI found flaws with respect to various aspects of DSS's procedures and practices intended to identify broker-landlord affiliations, which limited DSS's ability to effectively prevent the payment of fees to affiliated brokers. For example, despite the false certifications, the materials that DSS received included sufficient information, such as a common address used by both the broker and the landlord, to prompt further questions and inquiry with respect to potential affiliation. But prior to 2019, DSS did not train or guide the staff responsible for reviewing these materials to flag indications of affiliation, and the staff did not do so with respect to the placements that DOI reviewed. DOI also found that DSS's forms did not define key terms such as "affiliate" or "association," which could lead to confusion on the part of the broker or landlord about whether in fact they were associated or affiliated. In light of the flaws in these procedures, DOI determined that it was likely that the payment of fees to affiliated brokers extended well beyond the placements that DOI examined.

In light of the investigation's findings, DOI makes six additional recommendations to further strengthen DSS's procedures:

1. Revise the "Broker's Request for Enhanced Fee Payment by Check" form (Attachment A in the report) to include a definition of the term "affiliate."
2. Revise the City Fighting Homelessness and Eviction Prevention Supplement ("CityFHEPS") Landlord Information Form – Apartment Rentals Form (Attachment C in the report) to define what constitutes an "associat[ion]" between the landlord and "the agency charging the broker's fee."
3. Revise the "CityFHEPS Landlord Information Form" (Attachment C in the report) to include the following statement: "a false statement is punishable as a misdemeanor."
4. Formalize written procedures and training regarding DSS's requirement that landlords and brokers be unaffiliated, including methods to identify apparent relationships between landlords and brokers in assembling and reviewing DSS housing packets.
5. Conduct an annual refresher training for relevant staff focused on the rental packet review process.
6. Conduct regular audits of payments of fees to DSS's highest-volume brokers.

DSS has agreed to implement each of the recommendations.

Commissioner Strauber thanks DSS Commissioner Molly Wasow Park and her staff for their cooperation and assistance in this investigation.

The investigation was conducted by Deputy Inspector General Jeremy Reyes in DOI's Office of the Inspector General for DSS, with assistance from Investigative Auditor Yanyan Wang, and Director of Audits Laila Jane Yu, under the supervision of Inspector General Audrey Feldman, Senior Inspector General John Bellanie and Deputy Commissioner/Chief of Investigations Dominick Zarrella.

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.

DOI's press releases can also be found at twitter.com/NYC_DOI
Know something rotten in City government? Help DOI Get the Worms Out of the Big Apple.
Call: 212-3-NYC-DOI or email: Corruption@DOI.nyc.gov

New York City
Department of Investigation



A Report on
New York City Department of Social Services'
Improper Payments to Brokers who Place
Clients into Private Housing

Jocelyn Strauber
Commissioner

John Bellanie
Inspector General for the City Department of Social Services

June 2023

Table of Contents

- I. Executive Summary 1
- II. Findings..... 3
 - A. Background on The CityFheps Program and Required Documentation 3
 - B. DSS Review Process During the Relevant Period 4
 - C. DSS Paid Broker’s Fees to Certain Brokers Pursuant to False Certifications that the Landlords and Brokers Were Unaffiliated with Each Other 4
 - D. DSS Could Have Discovered the Landlord and Broker Affiliations 6
- III. Recommendations for Reform..... 7
- Attachments 10

I. Executive Summary

The New York City Department of Social Services (DSS)¹ administers several rental assistance programs that help DSS's clients who are without housing move out of homeless shelters and into privately-owned rental apartments. Among other assistance, DSS pays rent for these clients, writing checks directly to their private landlords. If a broker assists in the search for housing and finds the rental apartment that the client selects, then DSS pays a one-time brokers' fee to the broker. To ensure that the broker actually conducted a search and provided a service that assisted a client in finding housing, DSS policy provides that a broker is entitled to a fee for their work only if the broker and the landlord are not affiliated. To receive the fee, both the broker and the landlord are required to certify in documentation provided to DSS that they are unaffiliated. The documentation clearly states that a false certification is a violation of New York penal law and is punishable as a misdemeanor. The fee paid by DSS to the broker is equal to 15 percent of the annual rent. According to DSS, between 2010 and 2021, DSS paid approximately \$151,600,000 in broker's fees through 115,766 payments to brokers.

The New York City Department of Investigation (DOI), with DSS's involvement and assistance, conducted an investigation of DSS's payment of brokers' fees for privately-owned housing placements to brokers potentially affiliated with landlords. DOI's investigation focused on three New York City-based landlords (Ben Ashkenazi, Ben's step-father Israel Revivo, and Joy Azuaru)² and three real estate brokerage firms (FutureHomes, Endless Realty, and Asset Homes).³ The investigation examined, among other things, whether the landlords and/or brokers falsely certified to DSS on required forms that they were not affiliated, in order to collect the fee.

As a result of the investigation, DOI found that all the fees paid to FutureHomes, Endless Realty, and Asset Homes during the 2010-2021 period (the "Relevant Period") – over \$100,000 in total – were in violation of DSS's policy due to the affiliation between FutureHomes, Endless Realty, and/or Asset Homes and Ashkenazi, Revivo, and/or Azuaru, who owned the properties where DSS clients were placed. These brokers made 38 placements in total and in each instance the broker

¹ In April 2016, the Human Resources Administration (HRA) and the Department of Homeless Services (DHS) were consolidated within the Department of Social Services (DSS). The matters evaluated in this report fall within the purview of HRA, which helps over three million vulnerable New York City residents through the administration of more than 12 major public assistance programs, including cash assistance, food assistance, and Medicaid. HRA has over 12,000 employees and administers over \$10 billion in public assistance funds annually.

² Ashkenazi, Revivo, and Azuaru are landlords that rent residential properties that they own.

³ FutureHomes, Endless Realty, and Asset Homes are licensed real estate brokers that are small businesses that employed one or two employees during the periods relevant to this investigation. The businesses were incorporated or organized within New York State.

and/or the landlord either submitted a DSS form falsely stating that the landlord and broker were not affiliated or failed to submit one of the required forms concerning landlord/broker affiliation. On the basis of these false statements, DSS paid \$87,213.60 in broker's fees to FutureHomes for apartments rented by brokers Ashkenazi and Revivo; DOI's investigation revealed that Ashkenazi and Revivo also owned the properties in which DSS clients were placed. DSS paid \$19,581.30 in broker's fees to Endless Realty and Asset Homes for apartments rented by broker Azuaru; DOI's investigation revealed that Azuaru also owned the properties in which DSS clients were placed.

DOI's investigation examined a small fraction of the broker's fees paid by DSS during the Relevant Period, which totaled over \$151 million, and our inquiry does not provide a basis to determine (or even reliably estimate) how much of that total amount was paid to brokers affiliated with the landlords in violation of DSS policies. However, DOI's inquiry found affiliations – and false statements – for all of the client placements that were reviewed. Furthermore, DOI found flaws with respect to various aspects of DSS's procedures and practices intended to identify such affiliations. DOI also determined that based on the information provided by the brokers and landlords, and despite the false certifications made by them, DSS had sufficient information to identify the affiliation, but failed to do so. Therefore, there is a basis for concern that this problem extends well beyond DOI's findings.

Due in part to DOI's investigation, beginning in 2019, DSS made changes to its process to identify affiliated brokers and landlords in order to avoid future payment of improper broker's fees on the basis of false certifications. DOI commends DSS for these efforts, and makes a number of additional recommendations to further strengthen DSS's procedures. These include recommendations that DSS:

- revise the relevant affirmation forms signed by brokers and landlords to clearly define the nature of the affiliation that must be disclosed;⁴
- train relevant staff with respect to the requirement that brokers and landlords be unaffiliated and how to assess affiliation;
- make payment of fees contingent on the submission of complete documentation concerning affiliation; and
- conduct regular audits of payments of fees to its highest-volume brokers.

⁴ Forms that clearly define "association" and "affiliation" should largely eliminate the risk that any broker or landlord fails to disclose an association or affiliation unintentionally, or on the basis of confusion about the meaning of those terms. For the same reason, any intentional false statements on such forms will be more readily provable.

II. Findings

A. Background on The CityFHEPS Program and Required Documentation

The City Fighting Homelessness and Eviction Prevention Supplement (CityFHEPS) is one of several rental assistance supplement programs administered by DSS to help individuals and families without housing to find permanent housing. CityFHEPS consolidates and replaces seven subsidies into a single program designed to simplify and streamline the process for all New Yorkers, including landlords and brokers who serve as partners in an effort to connect low-income New Yorkers to stable housing.

Before a DSS client is placed into housing, DSS caseworkers are responsible for compiling and submitting a “housing packet” to the Packet Review and Rental Processing (PRRP) unit for review. Once it is reviewed, the packets are sent to DSS’s Landlord Ombudsman Service Unit (LOSU) for approval. The housing packet includes various documents, such as a copy of the lease agreement and a “walkthrough checklist” completed by the DSS caseworker certifying the habitability of the premises. If a broker’s fee is requested, DSS policy requires that the housing packet include two forms, one from the landlord and one from the broker. Both the landlord and the broker must certify that they are not affiliated and the landlord must certify that the broker is providing bona fide services (such that the premises would not be rented without the broker’s assistance). The form makes clear that a false statement is punishable as a misdemeanor under New York Law that prohibits offering a false statement for filing.

The two forms are: (1) “Broker’s Request for Enhanced Fee Payment by Check” (**Form DSS-121, Attachment A**), which requires the broker to certify that “[t]he Broker is not the owner, controlling person, or affiliate of the owner of the actual rental unit” as a condition of receiving a broker’s fee; and (2) until mid-2021, the “Landlord/Managing Agent’s Statement” (**Form W-147M, Attachment B**) which requires the landlord (or agent) to certify that “I am (or we are) not the broker nor in any way associated with the Agency charging a broker’s fee for the procurement of the above premises;” “I (or we) agree that I (or we) will not receive any part or all of the Broker’s fee directly or indirectly from the Broker;” and “I (or we) will not rent the premises without the services of the Broker” that is requesting a fee from DSS. After mid-2021, DSS replaced this form with the “CityFHEPS Landlord Information Form – Apartment Rentals” (**Form DSS-8f, Attachment C**). That form requires the landlord (or the landlord’s agent) to certify that “The owner is not the broker;” “The owner will not receive any part of the broker’s fee directly or indirectly from the broker;” and “The premises cannot be rented without the services of the broker.”

Notably, the Broker’s Request for Enhanced Fee Payment by Check form does not define “owner, controlling person, or affiliate,” and the Landlord/Managing

Agent's Statement does not further define an "associat[ion]" with the recipient of the DSS broker's fee.

B. DSS Review Process During the Relevant Period

Prior to DOI's investigation, DSS had no policies or procedures in place to guide caseworkers in determining whether a broker and landlord were affiliated. DSS has explained that the housing packets were reviewed by the PRRP Unit for accuracy. The PRRP Unit was responsible for flagging problematic packets for further investigation, but it is unclear whether that Unit was directed to examine the housing packet for indications of broker/landlord affiliations. After review by the PRRP Unit, the packets were sent to LOSU⁵ for a secondary review and approval. LOSU was tasked solely with ensuring that the required documentation was included in the housing packets; LOSU did not conduct any review of the relevant forms to identify potential landlord/broker affiliations.

DOI also found that from 2010 to the present, DSS did not provide any written procedures or formal training for the PRRP Unit or LOSU with respect to how to identify potential or actual landlord/ broker affiliations. According to DSS, housing packet review trainings take place only when a new subsidy or new documentation is introduced or when an existing subsidy or required documentation is revised. DSS caseworkers receive training on the review of forms at the time they are hired, but they are not regularly trained or provided with any refresher training thereafter.

C. DSS Paid Broker's Fees to Certain Brokers Pursuant to False Certifications that the Landlords and Brokers Were Unaffiliated with Each Other

DOI's investigations identified 38 instances in which DSS paid broker's fees to FutureHomes, Endless Realty, and Asset Homes, despite their brokers' affiliation with Ashkenazi, Revivo, and Azuaru, owners of the rental apartments in which the brokers placed DSS clients in need of housing. These payments were made in violation of DSS's requirements and pursuant to false certifications by the brokers and/or landlords.

Specifically, during the Relevant Period, DSS paid \$87,213.60 in broker's fees to FutureHomes in connection with placements of 29 DSS clients in need of housing

⁵ According to LOSU leadership, approximately 27 staff members are assigned to LOSU. Of that number, approximately 13 staff are assigned to packet review/case processing and five supervisors are assigned to packet review/case processing sign-off. On average, approximately 40 housing packets are processed each day. Not all LOSU staff are assigned to housing packet review/case processing; LOSU also performs other tasks that are unrelated to moving clients from shelters and into permanent housing tasks. Moreover, the staff assigned to packet review/case processing also perform other duties associated with client moves (i.e. replacement check processing).

at 11 New York City properties owned by Ashkenazi and Revivo. Ashkenazi and Revivo were also brokers at FutureHomes, according to information provided by the New York Department of State (NYDOS).⁶ FutureHomes falsely certified in forms submitted to DSS that they were unaffiliated when, in fact, Ashkenazi and Revivo worked for the business of FutureHomes. Ashkenazi and Revivo also made false statements to DSS in 22 of the 29 housing packets by falsely certifying that they were not affiliated with FutureHomes. DOI also found seven placements in Ashkenazi and Revivo-owned properties where the landlord forms were not included in the housing packets, in violation of DSS policy.

Likewise, between 2015 and 2020, DSS paid \$19,581.30 in broker's fees to two other brokerage companies, Endless Realty and Asset Homes, in connection with placements of nine homeless DSS clients at three New York City properties owned directly or indirectly by Azuaru. NYDOS records reveal that Azuaru was a broker at both Endless Realty and Asset Homes. DSS paid these broker's fees pursuant to false certifications by Endless Realty and Asset Homes that they were not "the owner, controlling person, or affiliate of the owner of the actual rental unit," when in fact both brokers were employed by, and thus were plainly affiliated with, the landlord. The required landlord forms were not included in the housing packets for these nine placements, in violation of DSS policy.

During interviews with DOI, both Revivo and Azuaru acknowledged that they received broker's fees for placing DSS clients into rental units owned or controlled by them, and that they made false certifications that they were not affiliated with those rental units⁷. However, Revivo and Azuaru both stated that despite their false certifications, the information that they provided on the DSS forms made clear that in fact they were both brokers and landlords with respect to the placements at issue and that it was DSS's responsibility to identify the affiliations and deny the payment based on the information they disclosed.

Furthermore, Revivo stated that even though he falsely certified that he had no affiliation with the rental units, most of the placements at issue were made by third-party brokers (unaffiliated with the rental units) after he had listed his rental units on a website called Multiple Listing Service (MLS) to which other real estate brokers have access.⁸ And, according to Revivo, he independently forwarded 100

⁶ NYDOS is responsible for issuing real estate broker licenses and maintaining records associated with those licenses.

⁷ We note that Revivo disputed, for five placements, that he was affiliated with the owner of the rental unit, and claimed that he was unaffiliated. That claim is contradicted by documentation that DOI has reviewed. With respect to a fifth placement, Revivo acknowledged affiliation but claimed that the client didn't move into the apartment and therefore he returned the brokers' fee to HRA. DOI has been unable to locate any documentation at HRA supporting this claim and Revivo failed to provide any.

⁸ MLS is a database of real estate listings in New York City. It is a system that is used by real estate brokers and agents to share information about properties for sale or lease in the city.

percent of the DSS broker payments to whichever third-party broker was involved, in good faith, due to DSS's policy on affiliations. Revivo promised but to date failed to produce documentation that he did not retain the DSS broker payments. DOI attempted to interview Ashkenazi several times, but Ashkenazi referred DOI to Revivo whom Ashkenazi stated was responsible for managing Ashkenazi's properties.

D. DSS Could Have Discovered the Landlord and Broker Affiliations

Despite these false certifications, DOI found that DSS could have uncovered many of the above-described affiliations, and declined to pay the requested brokers' fees, because the affiliations were frequently apparent on the face of the documents contained in the housing packets (as Revivo and Azuaru both noted). While these circumstances in no way excuse their false statements, DOI's investigation revealed several examples of the documentation that should, at a minimum, have raised concerns on the part of the DSS reviewers and called for further scrutiny prior to issuing broker's fees. For example:

Common Addresses: DOI observed on numerous occasions that rental packets included sufficient information for DSS to determine that the broker and the landlord used the same address, which should have prompted further questions about a potential affiliation. For example, in September 2016, DSS paid a \$3,520.80 broker's fee to FutureHomes in connection with a client placement at a Bronx apartment owned by Revivo. The rental packet included (1) a property deed providing a Queens address for Revivo and (2) a "Broker's Request for Enhanced Fee Payment by Check" form; on that form, the business address for the broker – FuturesHomes – is the same as Revivo's Queens address, per the property deed.

Relatedly, in February 2017, DSS paid a \$2,727 broker's fee to FutureHomes in connection with a client placement at a Bronx apartment owned by Ashkenazi. The rental packet included: (1) a property deed providing a Queens address for Ashkenazi (the landlord); and (2) an "Apartment Registration Form;" on that form, the business address for the broker – FutureHomes – is the same as Ashkenazi's Queens address, per the property deed.

Broker's License Information Reflecting Affiliation: DOI observed on a number of occasions that documentation within the housing packets concerning the broker, including the broker's license, made clear that the broker was affiliated with the landlord. Despite the false certifications within the housing packets, this sort of documentation should have prompted additional scrutiny by DSS prior to paying a broker's fee. For example, in August 2018, DSS paid a \$2,700 broker's fee to Endless Realty in connection with a client placement at a Brooklyn apartment owned by Azuaru. The rental packet included: (1) a lease identifying Azuaru as the landlord;

(2) a Security Voucher identifying Azuaru as the landlord; and (3) a broker's license for Endless Realty identifying Azuaru as an employee of Endless Realty.

Many of the housing packets reviewed by DOI were missing the landlord's certification form which also, at a minimum, should have prompted further inquiry. There was no indication that DSS took any steps to obtain the missing certification form prior to issuing the requested broker's fees.

III. Recommendations for Reform

In part as a result of DOI's findings, in 2019, DSS began to strengthen the procedures for the review of housing packets in an effort to identify any broker/landlord affiliations prior to paying a broker's fee. Pursuant to these new procedures, staff in the PRRP Unit are instructed to look for landlord/broker affiliations and to refer any cases that raise "red flags" to the Rental Assistance Integrity (RAI) Unit. Staff are trained that such "red flags" might include common addresses and/or broker's license information reflecting an affiliation with the landlord. The RAI unit, which has investigative experience, reviews the case to determine if an affiliation in fact exists. The results of the investigation are forwarded to LOSU, which determines whether to pay a broker's fee.

While DOI commends DSS for these procedural reforms, DOI's investigation indicates that additional improvements to the process will further strengthen DSS' ability to ensure that broker's fees are paid only to brokers who have an arm's-length business relationship with the landlords of DSS-subsidized rental properties. DOI therefore makes the following recommendations:⁹

1: DSS should revise the "Broker's Request for Enhanced Fee Payment by Check" form to include a definition of the term "affiliate." In particular, the form should require brokers to certify that no person who directly or indirectly owns or controls the rental unit either: (a) also directly or indirectly owns or controls the brokerage firm, or (b) is a broker or salesperson associated with the brokerage firm.

DSS Response: AGREE. *The Agency will modify the Broker's Request for Enhanced Fee Payment by Check Form as described in Recommendation 1.*

2: DSS should define what constitutes an "associat[ion]" between the landlord and "the agency charging the broker's fee" to the CityFHEPS Landlord Information Form – Apartment Rentals Form. In particular, the forms should require landlords/managing agents to certify that no person who directly or indirectly owns

⁹ DSS's responses, provided to DOI by letter March 9, 2023, and from follow up email response on April 5, 2023, follow each of the recommendations included in this report and are in italics.

or controls the rental unit either: (a) also directly or indirectly owns or controls the brokerage firm, or (b) is a broker, employee, or salesperson associated with the brokerage firm.

DSS Response: AGREE. *The Agency will revise the Landlord/Managing Agent Statement Form as described in Recommendation 2.*

3: DSS should revise the CityFHEPS Landlord Information Form to include the following statement: “a false statement is punishable as a misdemeanor.”

DSS Response: AGREE. *The Agency will revise the CityFHEPS Landlord Information Form as described in Recommendation 3.*

4: DSS should formalize written procedures and training regarding DSS’s requirement that landlords and brokers be unaffiliated, including methods to identify apparent relationships between landlords and brokers in assembling and reviewing DSS housing packets.

DSS Response: AGREE. *DSS will formalize the process, which is already in place, into a written procedure and written training. DSS will continue to train staff who are involved in packet approval and emphasize red flags (such as landlords and brokers with shared business addresses or shared last names) which could indicate shared ownership between brokers and landlords. However, a full front-end investigation (including LexisNexis runs and/or other system lookups) will not be possible for every packet. DSS staff will continue to escalate packets to the DSS Accountability Office in situations where they have concerns about possible shared ownership. DSS will conduct more thorough back-end investigations on a select sample each quarter, described more fully in recommendation six, discussed below.*

5: DSS should conduct annual refresher trainings for PRRP and LOSU staff focused on the rental packet review process.

DSS Response: AGREE. *Currently, PRRP staff meet regularly with supervisors to discuss policy updates and receive other trainings to reinforce areas in need of strengthening and new policies. A comprehensive annual refresher can be effectively worked into this training schedule. For additional context, DSS processes have improved substantially in the years since most of the packet review issues identified in DOI’s report. DSS has implemented a robust quality assurance process providing a clear list of documents required for each packet, and multiple review points where packet contents are examined. Incomplete packets are not processed, but are returned to the provider for correction and resubmission. Broker’s fees are not paid until unit packages are complete. These processes are detailed in the DSS CityFHEPS procedure (DSS-PB-2021-009). DSS will continue to emphasize the importance of complete packets in training and procedure.*

6: DSS should conduct regular audits of its highest-volume real estate brokers to confirm whether or not the brokers are receiving fees in connection with placements owned by the brokers or their affiliates and should notify DOI in the event that it identifies any such irregularities.

***DSS Response: AGREE.** DSS will perform quarterly reviews on a sample of packets. These reviews will search for broker/landlord pairings which appear frequently in the data and review these cases using LexisNexis and other means to search for common ownership. If common ownership is found, DSS will make appropriate referrals.*

ATTACHMENT A



HRA-121 (E) 06/30/2021

Date:	Tenant's Name:
Lease ID # (if applicable):	Telephone Number:

Broker's Request for Enhanced Fee Payment by Check

HRA will issue a check for a broker's fee for households that are exiting DHS and HRA shelters as well as certain other households if the tenant is otherwise eligible and the Broker meets all of the following criteria:

- The Broker has verified that the actual rental unit has a current Certificate of Occupancy in effect issued by the New York City Department of Buildings, if applicable, or has confirmation that the rental unit's use and/or type of occupancy is in compliance with the local jurisdiction's standards.
- No change has been made in the occupancy or use of the rental unit that is inconsistent with the last issued Certificate of Occupancy or other equivalent document.
- No dangerous or hazardous violations are present on the premises.
- The Broker has a current broker's license in good standing.
- The Broker is not the owner, controlling person, or an affiliate of the owner of the actual rental unit.
- The lease or rental agreement is for one year or longer



I (we) _____, located at
Name of Broker

Address
Borough State Zip Code

request payment for services rendered in the form of a check in the amount of \$ _____ on behalf of the above-named tenant who will be the primary tenant of the premises located at:

Address Apartment Number
Borough State Zip Code

This amount represents the entire broker's fee. The tenant is not responsible for any monies in excess of the amount issued by HRA, which is up to 15% of the annual rent. **The enhanced broker's fee will be offered for as long as funding remains available. Visit <http://www.nyc.gov/dsshousing> to see if this enhanced fee is still available.**

I (we) certify that I (we) have not requested any fees directly from the tenant, other than, if applicable, an incidental apartment application fee required of all tenant applicants, and am (are) not aware of the landlord requesting any fees from the tenant other than what is set forth in the lease/agreement.

I (we), as the Broker of the above-named premises, certify that this rental unit meets all of the criteria listed above.

I (we) agree to promptly refund to HRA the Broker's fee paid hereunder if the tenant fails to move into the above-described premises or equivalent premises acceptable to the tenant.

Failure to provide true and accurate statements is punishable as a Class A Misdemeanor pursuant to Penal Law § 175.30 (offering a false instrument for filing to a public office or a public servant).

Broker's Signature Date License Number Telephone Number

If corporation, name of officer and corporate seal

ATTACHMENT B

Form W-147M
Rev. 6/2/08



Landlord/Managing Agent's Statement

Center/DHS Site: _____	Date: _____
Case Name: _____	
Case Number: _____	JOS Worker/DHS Worker: _____
Telephone Number: _____	

I am (or we are) the Landlord (Managing Agent) _____
Landlord's/Managing Agent's Name

of premises located at: _____
Address Apt. No

_____ Borough _____ State _____ Zip Code

and I am (or we are) not the broker nor in any way associated with the Agency charging a broker's fee for the procurement of the above premises.

I (or we) agree that I (or we) will not receive any part or all of the Broker's fee directly or indirectly from the Broker.

I (or we) hereby attest that I (or we) will not rent the premises without the services of the Broker listed below:

_____	_____
<small>Name of Broker</small>	<small>License Number</small>
_____	_____
<small>Address</small>	<small>Telephone Number</small>

Failure to provide true and accurate statements is punishable as a Class A Misdemeanor pursuant to Penal Law § 175.30 (offering a false instrument for filing to a public office or a public servant).

_____	_____
<small>Signature of Landlord/Managing Agent</small>	<small>Landlord's/Managing Agent's Phone Number</small>

<small>Landlord's/Managing Agent's Address</small>	



ATTACHMENT C



**CityFHEPS Landlord Information Form –
Apartment Rentals**

Unit Information

Address:	
Name of Owner:	

The unit indicated above (the "Unit") is being rented for at least a one-year period beginning on

_____ to: _____
(the "Rental Agreement Start Date") (the "Program Participant")

Please read the Information Form carefully, complete all applicable fields, and sign in the space at the bottom.

Program Information

HRA will pay a portion of the monthly rent ("CityFHEPS Rental Assistance Supplement Amount") on behalf of the eligible CityFHEPS household to rent the Unit. The Program Participant is responsible for paying any portion of the rent that is not covered by the CityFHEPS Rental Assistance Supplement Amount and their Cash Assistance (CA) shelter allowance, if any. Any contractual relationship will be solely between each tenant participating in the program and such tenant's landlord participating in the program.

The CityFHEPS Landlord Requirements are set forth in Chapter 10 of Title 68 of the Rules of the City of New York and can be found in the CityFHEPS Landlord FAQ, available at <http://nyc.gov/dsshousing>.

CityFHEPS is similar to Section 8 in that, subject to the availability of funding, it provides assistance, including rental assistance in specified amounts, to landlords and tenants who want to form a landlord-tenant relationship.

(Turn page)

Landlord Information

Please select one:



I am the Owner of the unit identified above.

I am the Registered Managing Agent for the unit identified above and have attached current proof of registration with HPD.

I am authorized to sign this landlord information form and the lease on behalf of the owner of the unit identified above and have attached proof of such authorization.

Payment Information

Checks should be made payable to _____ on behalf of

(Owner)

Relationship of Payee to Owner: _____

Payee Phone Number: _____

Checks should be mailed to the following address:

Address: _____

City: _____ State: _____ Zip Code: _____

I understand that I will receive at least the first full month's rent up front.

If the Program Participant is moving into a new unit using CityFHEPS, I understand that I can also receive the following up-front payments (Please select):

3 months of CityFHEPS Rental Assistance Supplement

If the Unit is being rented with the assistance of a broker, I represent that:

- (a) The owner is not the broker.
- (b) The owner will not receive any part of the broker's fee directly or indirectly from the broker.
- (c) The premises cannot be rented without the services of the broker below:

Broker:	
License Number:	
Address:	

(Turn page)

DSS-8f (E) 08/18/2021 (page 3 of 3)

Department of Social Services
Human Resources Administration

Landlord Requirements

1. I understand that to the extent the provisions of Local Law 1 of 2004 are applicable, I must comply with them. To the extent such provisions are applicable, I must comply with New York City Administrative Code §27-2056.8 relating to duties to be performed in vacant units and with New York City Administrative Code §27-2056.4(c), by providing a copy of the New York City Department of Health and Mental Hygiene pamphlet concerning lead-based paint hazards to the Program Participant. This shall not be construed to impose any additional obligations other than those that already exist under Local Law 1.

2. I make the following representations:
 - a) I have the legal authority to rent out the Unit for the period covered by the lease or rental agreement.
 - b) The rent charged in the lease is at or below the legal rent, if any, for the Unit as established by federal, state, or local law or regulations.
 - c) The information I have provided about the utilities for this unit is accurate. If I have misrepresented this information, DSS will reduce the ongoing rent by the appropriate amount and recoup past over-payments.

Landlord Authorized Signature

Date

Print Name and Title

Attachment:

Fix Lead Paint Hazards: What Landlords Must Do and Every Tenant Should Know