



The City of New York
Department of Investigation

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DOI RECOMMENDATIONS TO THE CITY DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT (“HPD”) TO STRENGTHEN HPD’S RESPONSE TO LANDLORDS WHO PERSISTENTLY NEGLECT THEIR PROPERTIES

Jocelyn E. Strauber, Commissioner of the New York City Department of Investigation (“DOI”), issued four recommendations to the New York City Department of Housing Preservation and Development (“HPD”) to strengthen the City’s response to landlords who persistently neglect their properties. The recommendations result from the investigation announced today by the Manhattan District Attorney’s Office and DOI that led to the indictment of Daniel Ohebshalom and several corporations that he owns or controls on charges of Harassment of a Rent Regulated Tenant in the First Degree, Offering a False Instrument for Filing in the First Degree, and Endangering the Welfare of a Child.

As alleged in court documents, Ohebshalom engaged in a pattern of harassment of rent-regulated tenants by failing to correct hundreds of violations of the Housing Maintenance Code. As charged, Ohebshalom’s tenants were forced to endure violating conditions including inadequate protection against squatters, water damage caused by leaks, and frequent outages of heat and hot water, including during the coldest months of the year. Ohebshalom is also accused of filing false Multiple Dwelling Registrations (“MDRs”) with HPD to conceal his ownership of the four buildings. It is alleged that the MDRs were completed by an individual who had no control over the four buildings or any business relationship with Ohebshalom, and yet identified themselves on the MDRs as the “responsible person” for the buildings and a “manager” of the corporations that owned them. Ohebshalom is also accused of falsely certifying with HPD that certain violating conditions had been corrected when they had not.¹

During the course of this investigation, DOI determined that HPD should adopt certain policies and procedures, or strengthen existing policies and procedures, to further its ongoing efforts to prevent other landlords from engaging in wrongdoing of this nature. Specifically, DOI recommends:

1. As background, HPD has authority to bring actions against landlords in Housing Court to correct conditions that violate the Housing Maintenance Code and to pay civil penalties for failures to correct violations. HPD also has authority to petition Housing Court to hold landlords in contempt for repeated and serious violations of the Code, despite court orders to correct violations, and to seek arrest warrants on that basis. DOI recommends that HPD more frequently exercise the authority to petition for contempt charges and arrest warrants. To that end, HPD should develop and memorialize in writing a list of factors for the agency to consider when determining whether to exercise this authority with respect to a particular landlord. These factors should include, but not be limited to, the number, severity and

¹ An indictment is an accusation. Defendants are presumed innocent until proven guilty.

duration of open violations, the rate of hazardous and immediately hazardous violations per dwelling unit, the number and type of emergency repairs HPD has performed, and the number of false certificates of correction submitted by the landlord.

2. The Housing Maintenance Code requires that any corporation that owns rental property of three or more units, or owns one- and two-family dwellings at which the owner or the owner's immediate family do not reside, file an MDR that identifies the officers of the corporation and any owners of 25% or more of the corporation. However, the MDR form that HPD provides for filing does not state that corporate officers must be listed, and in fact leaves no space for such a list. DOI recommends that HPD modify the MDR to state explicitly that corporate officers must be listed, and provide space for such a list. The MDR should be also modified so that the statements therein are certified to be true and correct and made under penalty of perjury.
3. After modifying the MDR as proposed in recommendation 2 above, DOI recommends that HPD review a sample of MDRs filed by corporations to identify those that fail to list any individual officers and/or owners of the corporation and that HPD exercise its authority to impose the penalties provided in [Section 27-2107 of the Administrative Code of the City of New York](#) for that failure.
4. HPD should hire additional Code Enforcement inspectors, attorneys assigned to the Housing Litigation Division, and staff assigned to the Alternative Enforcement Program and the Registration Assistance Unit to enable HPD to pursue all available remedies against landlords who fail to adequately maintain their property.

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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