

**NEW YORK CITY COUNCIL
COMMITTEES ON OVERSIGHT AND INVESTIGATIONS
AND PUBLIC HOUSING**

**TESTIMONY OF MARGARET GARNETT
COMMISSIONER, NEW YORK CITY DEPARTMENT OF INVESTIGATION**

**CONCERNING THE EXAMINATION OF THE DOI REPORTS ON
NYCHA MISMANAGEMENT AT THROGGS NECK HOUSES**

MARCH 14, 2019

Good afternoon Chairs Torres and Ampry-Samuels, and members of the Committees on Oversight and Investigations, and Public Housing. My name is Margaret Garnett and I am the Commissioner of the New York City Department of Investigation. I am here today at the Committees' request, to provide testimony about DOI's investigations into matters related to the Throggs Neck Houses, a New York City Housing Authority ("NYCHA") development in the Bronx.

By way of background, DOI has 49 employees in its NYCHA Office of Inspector General ("IG"), which oversees the City's public housing authority, including its operations, its 325 developments and 11,000 employees. Each year, DOI's IG for NYCHA receives over 2,000 complaints and reviews each one to assess whether the allegations fall under DOI's mandate to root out corruption, fraud, conflicts of interest, and gross misconduct; and whether it is a potential criminal matter. Based on those complaints, as well as agency referrals and other sources of information, our NYCHA IG opens approximately 350 investigations each year.

This protocol is the same for the thousands of complaints that come into DOI as a whole each year, regarding the other city agencies we oversee – totaling more than 15,000 complaints in 2018. DOI reviews each one individually and determines whether it is proper for a DOI investigation.

We refer many administrative allegations and personnel matters back to the agencies we oversee. Complaints about matters such as relatively minor instances of employee time-and-leave abuse, employee misbehavior, and the daily management of the agency's business are all examples of issues that, in most instances, are most appropriately handled by the agency itself, since agencies make their own managerial decisions, mete out employee discipline, and, in NYCHA's case, have their own disciplinary units for employee misconduct. DOI is not, and cannot be, a replacement for an agency's management structure, human resources office, or EEO officer.

Regarding the Throggs Neck Houses development specifically, the initial complaints that we received involved allegations of rudeness to residents, drinking on the job, and consensual sexual relationships among employees. These kinds of complaints, barring extreme allegations or circumstances that suggest the possibility of criminal conduct, endangering public safety, abuse of authority, or theft of city resources — are personnel matters, which are most appropriately handled by the agency. The timeline of complaints about the Throggs Neck Houses illustrates this typical procedure.

In October of 2017, DOI's office of NYCHA IG received an anonymous call complaining that Brianne Pawson, then a supervisor at Throggs Neck Houses, was very rude to residents and employees and did not wear her NYCHA uniform while at work. We referred the complaint to NYCHA's Bronx Borough Management Department for action. In January of 2018, a NYCHA employee emailed the IG to complain that Brianne Pawson received favorable treatment as to various administrative matters because her father Charles Pawson was a Director at NYCHA. We referred that complaint to NYCHA's Chief Administrative Officer for action. As with all referrals like these, in both cases we included our standard language that if the agency finds any evidence of corrupt or criminal activity, DOI should be notified immediately.

In late spring of 2018, NYCHA General Manager Vito Mustaciuolo met with DOI's Inspector General for NYCHA Ralph Iannuzzi as part of a regularly scheduled meeting between DOI and NYCHA. Among the many items discussed at that meeting was information that GM Mustaciuolo had received alleging that some Throggs Neck Houses' staff were drinking alcohol at work and having sex with other NYCHA employees at work. The complaints did not allege criminal activity but were employee misconduct allegations that, absent other aggravating factors, would typically be handled by the agency as a managerial or Human Resources matter. As with the earlier complaints, at this point these complaints were neither unusual nor out of the mainstream of employee misconduct complaints that DOI typically receives about NYCHA. As a result, IG Iannuzzi told NYCHA that the matter should be addressed by NYCHA as a management issue, and if NYCHA became aware of any potential criminal conduct, or corruption-related aggravating factors, they should alert DOI immediately.

NYCHA subsequently reported to DOI that it had immediately opened an internal investigation that included conducting unannounced visits at Throggs Neck Houses, interviewing staff and residents, and reviewing CCTV camera footage, among other actions. General Manager Mustaciuolo had just started at NYCHA approximately four months earlier, and has consistently been receptive to DOI's oversight role. The conversation between him and IG Iannuzzi continued to be active and open on this matter.

While NYCHA's internal investigation was ongoing, DOI received two additional relevant complaints. In June 2018, we received an anonymous complaint that Throggs Neck supervisors Wallace Vereen and Ricardo Ramos had sexual relationships with a number of female employees on the caretaker staff at Throggs Neck, and that these employees had then received favorable treatment from Ramos and Vereen. In early August 2018, a NYCHA employee reported to DOI that Brianne Pawson had hosted parties with staff during working hours that included alcohol and marijuana use, and that she was having consensual sexual relationships with male subordinates. Because of the nature of the allegations and NYCHA's ongoing inquiry into staff misconduct at Throggs Neck, we referred the complaints to NYCHA management with our standard proviso that any evidence of criminality or corruption should be immediately reported back to DOI.

By mid-summer, in several conversations during July and August of 2018, NYCHA reported to DOI that while it had not been able to substantiate the specific allegations of employee misconduct at the Throggs Neck Houses, NYCHA management had determined that there were numerous managerial problems at the development that needed prompt and aggressive action. Those problems included unacceptable delays in maintenance and repairs and a pattern of excessive overtime use. As a result, NYCHA management had decided to transfer the entire staff of 45 employees to other developments.

GM Mustaciuolo discussed this plan with IG Iannuzzi and his staff, and there was agreement that the staff transfers would hopefully stem further problems and potentially create an environment where other complainants – among both residents and staff – would feel comfortable coming forward with information, whether related to the prior

allegations or regarding new allegations. That plan worked and it worked swiftly on multiple levels.

On August 24, 2018, NYCHA executed the transfer plan, and in the aftermath more complainants promptly came forward to report additional misconduct at the Throggs Neck Houses. Simultaneously, the media reported on the complete staff transfer at the development as well as publishing a number of additional allegations ranging from sexual harassment by supervisors of subordinates, to group sex parties that involved residents and children, overtime abuses, and the assertion by Throggs Neck Tenants Association President Monique Johnson that there was video and audio evidence of employees having sex on NYCHA property.

New complainants coming forward and the seriousness and specificity of their new allegations, as well as the new allegations outlined in the media that identified potential criminal conduct, all led DOI to open its own investigation at the end of August 2018.

DOI conducted over 40 interviews of employees and residents, reviewed video recordings and photographs, personnel files, timesheets, purchasing records, work orders, phone records, and numerous other documents.

Our thorough and independent investigation refuted claims that Throggs Neck staff were having what had been described as “orgies” both on and off NYCHA premises. Significantly, and thankfully, DOI found no evidence of the alleged “sex parties” or sexual misconduct involving residents or children. Indeed, in the course of DOI’s investigation, Tenant Association President Johnson and other Tenants Association officers recanted the allegations they had made to the media about personally witnessing parties, drinking or sexual misconduct, and the existence of recorded evidence of this behavior.

However, we did find extremely troubling evidence of a culture of misconduct, employee mistreatment and retaliation led by the two managers at the site, Brianne Pawson and Wallace Vereen.

DOI’s findings are described in detail in our six-page letter to NYCHA that was sent in January, and is attached to my testimony, and which Councilmembers should have before them today. The findings included regular and extensive alcohol use on the job, managers and subordinates engaged in sexual relationships that led to improper favoritism and punishment, managers’ threatening of subordinates’ physical safety, managers allowing favored employees to leave their assigned posts while on duty, time-and-leave abuse, bullying and retaliation against disfavored employees, sabotage of NYCHA appliances intended for residents’ apartments, discarding thousands of dollars’ worth of valuable NYCHA equipment, and the circumvention of NYCHA procurement rules. Moreover, all of this misconduct took place in an atmosphere of perceived impunity on the part of Vereen and Pawson, which suppressed complaints by both residents and NYCHA staff.

The matter was referred to NYCHA to take appropriate disciplinary action, which NYCHA promptly initiated. Those disciplinary proceedings are currently in progress.

In the course of our investigation into employee misconduct at Throggs Neck Houses, numerous witnesses reported to DOI that Monique Johnson abuses her position as the President of the Throggs Neck Tenants Association. Our investigation found that Johnson had for years inappropriately diverted NYCHA staff time and funding for Tenants Association purposes, depriving Throggs Neck residents of needed resources. For example, DOI found that Johnson had NYCHA pay a private contractor almost \$5,000 to install private security cameras for her Tenants Association office, and special order a stove for the Tenants Association office using scarce funds from Throggs Neck's general budget, which is intended to pay for appliances and equipment for the use of all residents. Additionally, Johnson received special renovations in her own apartment that would not be available to other residents. We concluded that Johnson was able to get this special and unwarranted treatment in part through threats and intimidation. Finally, we found evidence that the Throggs Neck Tenants Association may be operating contrary to U.S. Department of Housing and Urban Development ("HUD") regulations and its own by-laws.

DOI's full report concerning the Throggs Neck Tenants Association was sent to NYCHA in early February and is attached to my testimony, which Councilmembers should have.

DOI recommended that NYCHA conduct a comprehensive review of the Throggs Neck Tenants Association's compliance with HUD regulations, NYCHA policies, and its own by-laws. We also recommended reforms to ensure the integrity of NYCHA staff interactions with Tenants Associations throughout the City, including providing both development staff and borough management with written instruction that Tenants Association requests may not be prioritized over other residents' needs.

The allegations we investigated here tracked a 2013 DOI investigation that began after NYCHA's then-General Manager Cecil House referred complaints to us that Johnson, in her role as Tenants Association President, was intimidating and threatening NYCHA staff and residents. That 2013 investigation found that Johnson frequently created a "disruptive atmosphere for the Throggs Neck Management employees by demanding information and attempting to intimidate staff through aggression and hostility, and that her frequent presence in the management office is excessive, often unwarranted, and inappropriate." That 2013 investigation also determined that NYCHA borough management personnel advocated for Johnson in a way that circumvented NYCHA's procedures.

It appears that NYCHA management took no action in response to our 2013 investigation and referral. However, the new NYCHA administration is responding seriously and appropriately to our 2019 referral. After receiving our February letter, NYCHA management requested our 2013 referral letter as well so it can review the matter.

I have reviewed the investigations DOI conducted in these matters and the handling of earlier complaints. I am proud of our work here — the investigations were thorough and independent, and the detailed findings and ultimate referrals to NYCHA management were based on the facts, not rumors or unsubstantiated allegations. Although our investigations revealed very troubling conduct, most of it was not criminal. In the few areas where misconduct was arguably or potentially criminal, the evidence was not sufficient to support a criminal prosecution.

Within the tenure of GM Mustaciuolo, NYCHA has acted promptly on both the allegations and the ultimate findings. NYCHA's own internal investigation, in consultation with DOI, led to the managerial decision to transfer all of the staff out of the Throggs Neck development. That decision created conditions that contributed to the success of DOI's subsequent investigation. Based on our findings, NYCHA is taking disciplinary action against the two most senior employees involved in the misconduct. In addition, our recommendations regarding the Tenants Association speak to essential improvements needed in that area as well. We expect that NYCHA will follow up appropriately and we will continue to monitor this area of operations.

I believe that DOI's comprehensive investigations have led to reforms at NYCHA's Throggs Neck Houses — reforms that will hopefully inform NYCHA's management of other developments and improve conditions for both residents and staff. I look forward to continuing our work in this area.

Thank you — I'm happy to answer any questions that the Councilmembers have for me.



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December 11, 2013

Cecil House
General Manager
New York City Housing Authority
250 Broadway, 12th Floor
New York, NY 10007

Re: Report of Investigation
Throggs Neck Tenant Association

Dear Mr. House,

The Office of the Inspector General ("OIG") for the New York City Housing Authority ("NYCHA") recently conducted an investigation regarding NYCHA conventional tenant and Throggs Neck Houses Tenant Association ("TNTA") President Monique Johnson ("Johnson"). The OIG investigated several allegations of misconduct by Johnson, including that she intimidated and threatened NYCHA staff and tenants at Throggs Neck Houses, [REDACTED], and was involved in an altercation with Throggs Neck Houses Property Manager [REDACTED], which occurred in the Throggs Neck Management Office (hereinafter "the Management Office"). In addition, the OIG investigated allegations that Johnson had been previously incarcerated [REDACTED], yet was allowed to remain a resident at the Development and become the TNTA President after her criminal conviction.

During the course of our investigation, we obtained witness testimony that Johnson frequently creates a disruptive atmosphere for the Throggs Neck Management employees by demanding information and attempting to intimidate staff through aggression and hostility, and that her frequent presence in the Management Office is excessive, often unwarranted, and inappropriate. The OIG [REDACTED], nor did it determine that Johnson's prior criminal conviction precluded her from serving as TNTA President.

The OIG also found that Bronx Property Management Department staff, including Borough Director Melania Allen, advocated for Johnson in a way that contravened NYCHA's standard operating procedures for dealing with Tenant Association business, undermining Throggs Neck Management staff's authority, and impeding its ability to serve all Throggs Neck tenants equally.

The OIG investigation

The OIG obtained records from the NYS Division of Criminal Justice Services (“DCJS”) which revealed that Johnson was convicted of several crimes [REDACTED] and was incarcerated from April 1990 until December 1991. DCJS records also revealed that Johnson was subsequently released on parole, and was monitored from December 1991 until February 1995. The OIG found no evidence in Johnson’s tenant folder, however, that suggests that she was removed from the household during the time she was incarcerated or that NYCHA was aware of Johnson’s conviction, incarceration, or subsequent parole status. Notes in the Interview Records section of Johnson’s tenant folder during the period of her incarceration, between 1990 and 1991, revealed that Johnson and her family informed the Management Office that she was hospitalized “indefinitely” and therefore, her rent and affairs would be taken care of by a family member during her absence.

In order to determine Johnson’s eligibility for TNTA President, the OIG reviewed the U.S. Code of Federal Regulations for the Department of Housing and Urban Development (“HUD”), *Title 24, Part 964, Subpart B – Tenant Participation and Tenant Opportunities in Public Housing* (hereinafter “Title 24”), which contains no guidelines excluding authorized tenants who have a criminal conviction history from participating in, or being elected to, any resident council (tenant association). Title 24 does state, however, that each resident council can impose additional criteria for eligibility within their established by-laws or constitution. The OIG reviewed the *Constitution and By-Laws* for TNTA and found that there are no additional criteria which would preclude a tenant with a criminal conviction history from participating in or being elected to the TNTA.

The OIG conducted numerous interviews with NYCHA employees assigned to Throggs Neck Houses and asked about their dealings with Johnson. Among the employees the OIG interviewed were [REDACTED]

[REDACTED] The following reflects information learned during the course of the interviews.¹

The OIG interviewed [REDACTED], who stated that on February 25, 2013, after returning to work following a two-week absence, [REDACTED] was contacted by Bronx Borough Director Melania Allen (“Allen”) about a complaint made by Johnson regarding [REDACTED] failure to respond to a petty cash reimbursement email sent four hours earlier. [REDACTED] stated that approximately ten minutes after speaking with Allen, Johnson came “busting in” through [REDACTED] closed office door and began “shouting and screaming” demanding that [REDACTED] immediately give her the money owed. [REDACTED] stated that, after failing to calm Johnson down, she exited her office and contacted Allen who instructed [REDACTED] to go back to her office and give Johnson the money. [REDACTED] stated that when she arrived back in her office, Johnson was sitting at [REDACTED] desk and using her office telephone. After Johnson refused to leave the office after repeated requests by [REDACTED] to do so, [REDACTED] disconnected Johnson’s telephone call, at which point, Johnson “body bumped” [REDACTED] before exiting the office.²

¹ Unless otherwise indicated, all of the information discovered by the OIG during the interviews was corroborated by at least one additional Throggs Neck employee.

² Although the verbal altercation between [REDACTED] and Johnson was corroborated, there were no witnesses to the “body bump” incident.

The OIG also obtained testimony from [REDACTED] and other Throggs Neck employees, that Johnson frequently creates a disruptive atmosphere for the Management staff by demanding information and attempting to intimidate staff through aggression and hostility. According to [REDACTED] in June 2013, Johnson verbally abused and “came straight at [REDACTED] face,” while demanding to know the identity of a telephone caller to the Management Office. [REDACTED] stated that, only after she informed Johnson that she was becoming dizzy, did Johnson move away from her and exit the area.³

[REDACTED]

[REDACTED] However, [REDACTED] stated that there were several incidents of Johnson entering personal offices within the Management Office, without authorization, when these offices were unoccupied by a staff member. [REDACTED] stated that she subsequently instructed her Management Staff to lock all office doors when they are not in use, in order to prevent Johnson from entering and potentially accessing confidential information.

The OIG further learned, from Throggs Neck staff, that Johnson was allocated a commercial space on Throggs Neck Houses property, located at 475 Swinton Avenue, Bronx, NY (hereinafter “the TNTA office”) in order to conduct TNTA business. Several employees interviewed by the OIG stated that, prior to Johnson moving into the TNTA office, she was in the Management Office every day, for six hours per day, without an appointment, and that she occupied a desk in front of [REDACTED] office. In addition, Johnson refused to sit in the waiting area and demanded to be let into the Management Office. The OIG learned that, when confronted about entering the Management Office without an appointment, Johnson would reply that she “can do whatever [she] wants,” citing her role as the TNTA President.

The OIG discovered that the prior occupant of the TNTA space, the Grand Street Boys Association (“GSBA”) had not completely cleared of the office space in 2012, despite having vacated it in 2011. The OIG obtained several emails from [REDACTED], then Executive Vice-President for Community Programs and Development (“CPD”), to [REDACTED], Deputy Director of CPD, between September 11, 2012 and September 27, 2012, requesting that this commercial space be cleared to allow for the TNTA to move in. According to [REDACTED], major renovations were completed at the commercial space by NYCHA’s Maintenance, Repair & Skilled Trades Department over the course of several weeks. [REDACTED] told the OIG that Johnson officially moved into the TNTA office in the summer of 2013. In addition, [REDACTED] stated that Johnson has refused to supply the Management Office with a copy of the key to the padlock that secures the gate over the front door to the TNTA office. [REDACTED] stated that the Management Office has a copy of keys to all entrance points at Throggs Neck except the TNTA office, and [REDACTED] stated that he believes this poses a safety and security risk.

In the course of its interviews of Throggs Neck staff, the OIG was informed of several instances of intervention from the Bronx Property Management Department (“BPMD”), on behalf of

³ The OIG was unable to find any witnesses to corroborate this incident.

Johnson, in her dealings with Management Office and other Throggs Neck staffers.⁴ According to several employees interviewed by the OIG, the Management Office is frequently directed by the BPMD, particularly Borough Director Allen, to fulfill all of Johnson's requests. [REDACTED] informed the OIG that when he refuses to meet Johnson's demands, Johnson will reply "I'm going to get what I want," and then [REDACTED] has subsequently received telephone calls from the BPMD instructing him to grant Johnson's request immediately.

[REDACTED] told the OIG that when Allen contacts [REDACTED] regarding Johnson's requests, the entire Management Office has to "drop what they are doing." [REDACTED] stated that [REDACTED] has to "do a lot of things for [Johnson] because Allen says so" and that [REDACTED] will frequently instruct his staff to postpone work tickets they have been assigned for a particular day to complete assignments that Johnson requests through Allen. According to [REDACTED], other Throggs Neck tenants waiting for repair work to be completed have been further delayed due to the BPMD directing that Johnson's requests be completed expeditiously, without regard for the order of the work ticket waiting list.

[REDACTED] also recounted that on one occasion, Allen called her directly and instructed her to apologize to Johnson after [REDACTED] accidentally disconnected Johnson's telephone call to [REDACTED]. When [REDACTED] explained to Allen that it was an accident and then resisted when asked by Allen to apologize, Allen contacted [REDACTED] and instructed him to "have [REDACTED] call [Johnson] and apologize."

[REDACTED] provided numerous examples of BPMD interference on Johnson's behalf. One such example was when Johnson had reviewed the Management Office log book of tenants who were waiting in the office's waiting area to meet with a management staff member, and called the BPMD to complain that a particular resident had been waiting longer than necessary, which prompted a call from Deputy Borough Director Derek Powell ("Powell") ordering the Management Office to see that resident immediately. According to [REDACTED], Powell also intervened when [REDACTED] questioned Johnson's fitness to serve as Resident Watch Supervisor ("RWS") at Throggs Neck given Johnson's prior felony conviction, but when she expressed her concerns to Powell, he allegedly told [REDACTED] to "leave it alone." [REDACTED] told the OIG that she is unsure whether Johnson will be given the RWS position. Further [REDACTED] stated that Johnson circumvents [REDACTED] authority and goes directly to BPMD when requesting information, meeting weekly with Powell and with Borough Administrator Anthony Luciano ("Luciano"), and making decisions regarding the TNTA and the Development, about which [REDACTED] is not informed. [REDACTED] added that, in an effort to limit [REDACTED] involvement in TNTA business, Johnson contacted the BPMD to bar [REDACTED] from attending TNTA monthly meetings.

[REDACTED]

██████████ informed the OIG that on one occasion Allen contacted him directly and admonished him for providing Johnson with a dirty garbage can, saying it was “disrespectful.” ██████████ said that Allen ordered him to give Johnson a cleaner waste can.

According to both ██████████ and ██████████, the Management Office has been instructed by BPMD to provide Johnson with supplies for her new TNTA office, which, according to ██████████, should not be diverted from management’s inventory and is outside of the scope of responsibilities of the development staff. ██████████ stated that he originally refused to provide any supplies unless Johnson signed a withdrawal slip, in accordance with Throggs Neck Houses policy. ██████████ stated that, after his refusal, he received a telephone call from Luciano who instructed ██████████ to “give her the stuff” and alluded that ██████████ did not need to be informed of everything ██████████ does. Both ██████████ and ██████████ stated that they have maintained an itemized list of the supplies provided to Johnson, which is on file at the Management Office for their records.

The OIG reviewed several HUD Regulations and NYCHA policies and procedures regarding the allocation of funds and resources to TA’s. A review of *Standard Procedure 100.13.1 - NYCHA Commercial Credit Card (“CCC”) Procedure* (which supersedes *Standard Procedure 100.61.1 - Use and Control of Petty Cash*) revealed, among other things, that funding for TA office space supplies is not listed as an authorized use of the CCC. In addition, the OIG interviewed ██████████ ██████████ Deputy Director of Administration, who stated that HUD allocates Tenant Participation Funds (“TPF”) totaling \$11.00 per dwelling unit, and that TPF or Tenant Participation Activity (“TPA”) funds can be used for TA’s to hold conferences, run small businesses such as a daycare center, and purchase computers and supplies for the TA office, among other purposes. ██████████ further stated that each TA president must submit proposals to access TPA funds, which is reviewed and approved by the Citywide Council of Presidents and the Resident Engagement Department.

Based on the OIG’s review of the aforementioned HUD and NYCHA regulations, as well as statements from ██████████, the OIG determined that the provision of supplies to the TNTA office is not the responsibility of Throggs Neck Houses management staff.

The above findings are being referred for your information. If you have questions, or would like to meet to further discuss this matter, please do not hesitate to contact me.

Sincerely,



Kevin R. Smith
Inspector General
New York City Housing Authority



The City of New York
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January 15, 2019

Stanley Brezenoff
Interim Chair and CEO
New York City Housing Authority
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Re: Throggs Neck Houses
Referrals for Consideration of Employee Disciplinary Action

Dear Chair Brezenoff:

The New York City Department of Investigation, Office of the Inspector General for NYCHA ("OIG"), has concluded an investigation concerning alleged employee misconduct at Throggs Neck Houses that led NYCHA to implement an across-the-board staff transfer of 45 employees to other developments in August 2018. DOI investigators conducted over 40 interviews of employees and residents and reviewed video recordings and photographs, personnel files, timesheets, work orders, purchasing records, phone records, and other documents.

After the staff transfer from Throggs Neck, NYCHA came under intense public scrutiny. News media reported "after-hours, boozed-up sex parties," with supervisors pressuring subordinates to participate,¹ also involving "residents and children,"² with "up to a dozen people taking part in the orgies."³ Throggs Neck Resident Association President Monique Johnson claimed that video and audio recordings were taken of staff having sex both on and off NYCHA premises,⁴ and showed a news reporter "disturbing pictures."⁵ However, when OIG interviewed Johnson and other Resident Association officers, they reported that they had only heard rumors of misconduct, but that in fact they had not witnessed any parties, drinking, or sexual activity.

¹ Kerry Burke and Greg B. Smith, "Lust Exit to Bronx," *Daily News*, 8/28/18

² Monica Morales, Monica Makes It Happen, *PIX11 on Facebook Live*, 8/29/18

³ Kenneth Garger, Nolan Hicks & Chris Perez, "Boozy NYCHA 'Orgies,'" *New York Post*, 8/28/18

⁴ See footnote 2

⁵ See footnote 2. This article indicated: "According to the Tenant President here Monique Johnson there are videotapes, audio recordings of sex parties between Supervisors, workers, and tenants."

Notably, OIG found no evidence of sex parties or misconduct involving residents or children. However, this investigation did find evidence of a culture of misconduct, employee mistreatment, and favoritism, led by former Throggs Neck managers Brianne Pawson⁶ and Wallace Vereen.⁷

1. Pawson and Vereen Threatened Subordinates' Physical Safety and Took No Action When Threats Were Reported

Multiple Throggs Neck employees alleged that Pawson and Vereen threatened violence, directly and indirectly, towards subordinate employees, and that when these employees reported the threats to management, nothing was done. For example, on one occasion Pawson said in front of several employees that one caretaker "should rape" another caretaker. A witness said she reported this statement to Vereen, who challenged her veracity and failed to report the incident or take other action. Other employees reported a rumor that Pawson said that she wanted to kidnap the same caretaker, tie her up, throw her in the trunk of a car, and throw her in the river so her body would not be found.

Another caretaker alleged that at Pawson's direction, two coworkers drove up in a NYCHA truck to where he was working and demanded that he move or they would "crash" him. He further reported that when he brought up this incident with Pawson, she told him to "leave them alone" and "let it go." This caretaker also reported that when Pawson came to believe that a maintenance worker had filed a complaint of bullying, she said in front of several subordinates that she wanted someone to go to the employee's house and break his legs.

Another caretaker alleged that she was threatened by Pawson's then-boyfriend, who said he would punch her in the face because he believed she had circulated photos of Pawson. The caretaker stated that she reported this incident to her supervisors, who took no action.

Multiple workers stated that they suffered retaliation after being deemed "rats" or "snitches." One employee reported that, in Pawson's presence, he was threatened by a coworker who said that she could have her boyfriend, a Bloods member, kill him. The same employee further alleged that Vereen claimed to be a "m—f—ing gangster and I got the tattoos to show it" and showed him a tattoo on his arm that read "TNB."⁸

One employee reported that after she had obtained an Order of Protection against her child's father due to domestic violence, she learned that he came to Throggs Neck and spoke with Pawson in an effort to find out where the employee was located. This employee asked NYCHA for a safety transfer to a different development, writing "I just would like for my where abouts [sic] not to be conversed with any supervisor[s] at Throggs Neck [H]ouses."

⁶ Pawson began working at Throggs Neck Houses in April 2016 as a provisional Assistant Superintendent, but failed the required civil service exam in July 2017. Consequently in August 2017, she was demoted to Supervisor of Caretakers, again at Throggs Neck. In May 2018, she was laterally transferred to Supervising Housing Groundskeeper at Throggs Neck.

⁷ Vereen came to Throggs Neck as the Superintendent in August 2016. In November 2017, the Throggs Neck Housing Manager went out on extended medical leave, and Vereen served as acting Housing Manager in addition to Superintendent.

⁸ This may be a reference to "The Nasty Boys" street crew from the nearby South Bronx.

2. Pawson and Vereen Drank Alcohol While at Work and Pawson Frequently Held Parties in Her NYCHA Office

Numerous Throggs Neck employees reported that Pawson frequently held parties and drank alcohol with subordinates in the Grounds Shop during work hours. These employees alleged that Pawson would send a caretaker to a nearby bodega with her Chase debit card and her PIN number to buy alcohol for the group. The store confirmed that the caretaker came in at least twice a week to buy alcohol. In addition, bank records show that Pawson frequently made purchases at the nearby Wine & Liquor Superstore and other liquor stores on days that she was working at Throggs Neck. Employees reported that Pawson routinely walked around the Throggs Neck development drinking from a plastic cup filled with alcohol and Red Bull during working hours. After the staff transfer from Throggs Neck on August 24, 2018, NYCHA supervisors found a bottle of vodka, chilled shot glasses and beer mugs, wine, and Solo cups in an employee refrigerator.

In May 2018, a caretaker was arrested for Driving While Intoxicated with a Blood Alcohol Content over twice the legal limit, after crashing into a police car shortly after she punched out of work at Throggs Neck. A coworker reported that this caretaker frequently drank alcohol with Pawson in the afternoons while on duty.

In addition, one caretaker alleged that Vereen drank on the job because he could smell it on his breath and “hear it from the way he talked,” because he would become hard to understand.

3. Pawson and Vereen Allowed Employees to Leave Their Assigned Posts While on Duty

Many witnesses reported that Pawson allowed employees in her clique to leave the Throggs Neck premises while on duty, especially during an overtime assignment in early 2018 when a water main broke and needed 24-hour monitoring. On some occasions, Pawson allegedly allowed subordinates to clock in, leave the development for an entire 8-hour overtime shift, then return to clock out. Similarly, an employee alleged that Vereen had a subordinate, with whom he was having a sexual relationship, spend an entire overtime shift in his office.

In addition, Pawson routinely sat in her personal car at the end of her work shift before clocking out. CCTV video footage shows that during one week in August 2018, on four out of five days, Pawson lingered in the parking lot before clocking out. On one of these days, she submitted an Alternate Time Sheet instead of punching out.

4. Vereen and Pawson Abused Their Authority by Retaliating Against and Pushing Out Disfavored Employees

Many employees stated that Pawson and Vereen gave better work assignments to subordinates in their clique, and conversely that they pushed out disfavored employees from Throggs Neck. Development staff reported that Pawson and Vereen each were involved in sexual relationships with multiple subordinates, and that both managers improperly favored their paramours in work-related decisions. One employee had a consensual relationship with Pawson, but alleged that after he broke up with her, he was given “twice the work” and subjected to threats until he was forced to quit. Another employee reported that when female subordinates refused to have sex with Vereen, he would make their time at work “miserable.”

Multiple staff alleged that Vereen often threatened to fire subordinates or told them to quit if they would not do what he told them to, and that Throggs Neck employees understood they had to “work by

what Wally wants” regardless of whether it was in their job description. Vereen reportedly bragged that he ran Throggs Neck “like a jail.”

A long-time Throggs Neck caretaker “X”⁹ stated that when Vereen and Pawson came to the development, they engaged in “instant bullying” and began targeting him and other staff. Vereen then attempted to verbally demote him to a janitorial caretaker “J”¹⁰ position until the employee contacted Human Resources and was reinstated. Soon after, the caretaker had a stroke and went out on disability.

Similarly, numerous staff report that Pawson “set up” another caretaker by instructing a coworker to provoke her into an argument, and then had the caretaker arrested for engaging in workplace violence. After the incident, Vereen allegedly pressured an individual who broke up the argument to falsely claim he had been hit in the face and injured.

The Supervising Housing Groundskeeper (“SHG”), who had worked at Throggs Neck for decades, was reportedly pressured into early retirement by Vereen and Pawson, who stripped away his authority until he quit. Within days after the SHG’s departure, Pawson took over his job duties at the Grounds Shop, although Vereen did not complete the official process to appoint her to the position until months later. A Bronx Borough manager indicated that this maneuver does “not sound appropriate” under civil service and NYCHA policies. Pawson never obtained the pesticide safety license legally required by the SHG job description.

In summer 2017, Pawson failed the civil service test for Assistant Superintendent and was demoted. Vereen and Pawson reportedly launched a campaign against the new Assistant Superintendent, bullying him, telling his subordinates not to follow his instructions, and claiming that he was going to fail his probationary period. Pawson and Vereen allegedly asked a coworker, who was close to the new Assistant Superintendent, to try to persuade him to choose a different work location. The new Assistant Superintendent became so uncomfortable that he asked Bronx management to assign him to a different development, or even to demote him back to his former technician position.

5. Pawson Intentionally Sabotaged NYCHA Appliances Intended for Residents’ Apartments

As part of their efforts to obstruct the new Assistant Superintendent, Pawson and Vereen allegedly refused to give him access to refrigerators and stoves so that he could not complete his duties preparing “move-out” apartments for new tenants. A colleague helped him by calling other developments to get the needed appliances.

On one occasion, a caretaker witnessed Pawson using scissors to cut the power cords on four used refrigerators, which he believed was done so that the new Assistant Superintendent could not do his job. The same caretaker stated that Pawson knew she would not be caught because there are no cameras in the basement area.

On a different occasion, another caretaker encountered Pawson instructing a maintenance worker to cut the wires on three refrigerators with wire cutters. The caretaker believed that Pawson wanted tenants to receive broken refrigerators so that they would complain about the new Assistant Superintendent.

⁹ The position of Caretaker “X” is responsible for driving development vehicles, assisting with pickup of supplies and garbage, and preparing apartment move-outs for incoming tenants.

¹⁰ The position of Janitorial caretaker “J” duties include mopping hallways and servicing building trash compactors.

6. Pawson and Vereen Threw Away Valuable NYCHA Equipment and Circumvented NYCHA Procurement Rules

Immediately after the former SHG retired, Pawson renovated the Grounds Shop using Throggs Neck subordinates and contractors, with assistance from employees supervised by her father Charles Pawson, a long-time executive manager at NYCHA, who has since retired. Witnesses reported that Pawson directed crews to throw away everything in the shop, including NYCHA equipment that was in working condition, such as leaf blowers, weed whackers, snow blowers, lawn mowers, drills, saws, and brand-new pallets of sand. Experienced staff set aside certain equipment in secret to save it for future use. Pawson then ordered all new equipment.

Also during this time period, Pawson ordered nine black leather executive chairs, three 43" flat-screen TV's, file cabinets, and a conference table, for a total cost of almost \$4,000. Vereen personally approved several of these purchases.

NYCHA development managers are permitted to hire private contractors to perform work via "small procurement" contracts under \$5,000. For contracts exceeding \$5,000 in the aggregate, procurement rules require multiple bids, outreach to MWSBE bidders,¹¹ and involvement by external NYCHA departments. During one month in early 2017, Pawson submitted and Vereen approved five separate contracts for a single company to power wash a series of Throggs Neck buildings, as follows: "Buildings #1-6" for \$4,790; "Buildings #7-12" for \$4,850; "Buildings #13-18" for \$4,875; "Buildings #19-24" for \$4,850; and "Buildings #30-33" for \$4,820. By breaking up the job into separate contracts, commonly known as "bid splitting" or "bill splitting," Pawson and Vereen avoided compliance with NYCHA's procurement rules. [REDACTED]

7. Vereen was Aware of Pawson's Routine Misconduct but Failed to Act to Protect Other NYCHA Employees or to Enforce NYCHA Rules

Multiple employees reported that they reported misconduct to acting Housing Manager Vereen, who took no responsive action. One employee stated that when he asked to speak to Vereen about Pawson in private, Vereen refused and told him, "whatever you have to say you can say in front of her," referring to Pawson.

As reported by Pawson's coworkers and confirmed by video footage, Pawson did not wear a NYCHA-issued uniform as required by NYCHA procedure. A caretaker reported that she wore "only Victoria's Secret" clothing but was never admonished. Video recordings also corroborate allegations that Pawson smoked cigarettes both inside and near NYCHA buildings, in violation of NYCHA policy.

During the two years Vereen supervised Pawson at Throggs Neck Houses, Vereen did not take any disciplinary action against Pawson.

¹¹ Minority-owned, Women-owned, and Small Business Enterprises

Chair Stanley Brezenoff

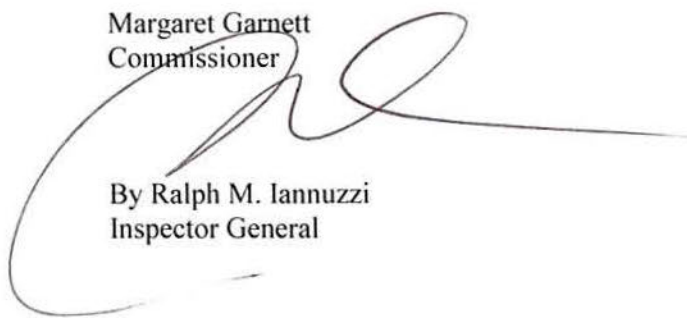
January 15, 2019

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We are referring these findings to you for consideration of appropriate employee disciplinary action against Brianne Pawson and Wallace Vereen. If you have questions or need additional information, please contact me at (212) 306-8316.

Sincerely,

Margaret Garnett
Commissioner



By Ralph M. Iannuzzi
Inspector General

cc: Vito Mustaciuolo, General Manager
Cathy Pennington, Executive Vice President of Operations
Terence Schwartz, Chief, Employee Disciplinary Division
Nicole Van Gendt, Director, Human Resources Department



The City of New York
Department of Investigation

MARGARET GARNETT
COMMISSIONER

80 MAIDEN LANE
NEW YORK, NY 10038
(212) 825-5900

February 9, 2019

Stanley Brezenoff
Interim Chair and CEO
New York City Housing Authority
250 Broadway, 12th Floor
New York, NY 10007

Re: Throggs Neck Houses Tenants Association

Dear Chair Brezenoff:

NYCHA's Office of the Inspector General (OIG) recently conducted an investigation into allegations of employee misconduct at Throggs Neck Houses.¹ News media reported "after-hours, boozed-up sex parties,"² involving "residents and children,"³ with "up to a dozen people taking part in the orgies."⁴ Throggs Neck Tenants Association ("Tenants Association") President Monique Johnson ("Johnson") claimed that video and audio recordings were taken of staff having sex both on and off NYCHA premises,⁵ with supervisors pressuring subordinates to participate,⁶ "all on overtime,"⁷ and purportedly showed a news reporter "disturbing pictures."⁸ However, when OIG interviewed Johnson and other individuals claiming to represent the Tenants Association,⁹ they stated that though they had heard rumors of misconduct, they had not actually witnessed any parties, drinking, or sexual activity.

During the employee misconduct investigation, numerous witnesses alleged that Johnson routinely abuses her power as Tenants Association President. OIG thus opened the instant investigation concerning the Tenants Association.

¹ Case #18-10090

² Kerry Burke and Greg B. Smith, "Overtime for Orgies," Daily News, 8/27/18 (online version), and "Lust Exit to Bronx," *Daily News*, 8/28/18

³ Monica Morales, Monica Makes It Happen, *PIX11 on Facebook Live*, 8/29/18

⁴ Kenneth Garger, Nolan Hicks & Chris Perez, "Boozy NYCHA 'Orgies,'" *New York Post*, 8/28/18

⁵ See footnote 2

⁶ *Id.*

⁷ *Id.*

⁸ See footnote 3. This article also indicated: "According to the Tenant President here Monique Johnson there are videotapes, audio recordings of sex parties between Supervisors, workers, and tenants."

⁹ At NYCHA, the terms Tenants Association, Residents Association and Residents Council are used interchangeably.

I. OIG's 2013 Investigation

In 2013, OIG investigated a complaint from then-General Manager Cecil House that Johnson was intimidating and threatening NYCHA staff and tenants.¹⁰ That investigation concluded that Johnson “frequently creates a disruptive atmosphere for the Throggs Neck Management employees by demanding information and attempting to intimidate staff through aggression and hostility, and that her frequent presence in the Management Office is excessive, often unwarranted, and inappropriate.” OIG also determined that:

Bronx Property Management Department staff, including [then-Bronx] Borough Director Melania Allen, advocated for Johnson in a way that contravened NYCHA's standard operating procedures for dealing with Tenant Association business, undermining Throggs Neck Management staff's authority, and impeding its ability to serve all Throggs Neck tenants equally.

OIG's prior investigation concluded with a December 2013 referral letter to NYCHA, referencing testimony from the then-Throggs Neck Property Manager that after she did not respond to a reimbursement request within four hours, Johnson came “busting in” through her closed office door and began “shouting and screaming,” demanding that she immediately be given the money. Johnson then allegedly refused to leave the Property Manager's office, used her office telephone without her consent, and then “body bumped” her while exiting. Similarly, a secretary reported that Johnson verbally abused her and “came straight at [her] face” while demanding to know the identity of a telephone caller to the Management Office. Witnesses also reported that Johnson repeatedly entered employee offices without authorization, and the Property Manager subsequently instructed all management staff to lock their office doors to prevent Johnson from potentially accessing confidential information. Staff reported that Johnson frequently demanded that Bronx Borough managers pressure Throggs Neck staff to comply with her demands, and the then-Superintendent reported that he frequently had to postpone scheduled work tickets in order to complete work tickets and special assignments that Johnson requested through Melania Allen (“Allen”).

The Superintendent and Property Manager also stated that, over their objections, they had been instructed to give supplies from the Throggs Neck storeroom to Johnson for the Tenants Association office, although HUD regulations¹¹ and NYCHA policy¹² authorize the use of specially-earmarked federal Tenant Participation Funds expressly to purchase furniture, supplies, and equipment for Tenants Association offices. OIG's prior investigation therefore concluded that providing supplies to the Tenants Association office “is not the responsibility of Throggs Neck Houses,” and that such use of public housing funds “contravened NYCHA's standard operating procedures for dealing with Tenant Association business.”

In addition, the Superintendent stated that Johnson refused to provide development managers with a key to the Tenants Association office, although they had key access to all other areas of Throggs Neck, and that he felt this posed a “safety and security risk.”

¹⁰ Case #13-05271

¹¹ 24 CFR 964.150, Funding Tenant Participation, sets aside federal housing funds of up to \$15 per apartment per year “to pay for costs incurred in carrying out tenant participation activities” in order to “guarantee the resources necessary to create a bona fide partnership among the duly elected resident councils, the [Housing Authority] and HUD. At Throggs Neck, based on its 1,472 units, these funds may total up to \$22,080 per year (depending on appropriations).

¹² NYCHA's Tenant Participation Activity Guidebook authorizes Resident Associations to use Funds for Resident Council “office expenses; purchase of office equipment, furniture, supplies; phone and internet service; business cards.” Further, “Resident Associations are responsible for the installation and maintenance of all furniture and equipment [] purchased with TPA funding, as well as any costs associated with these purchases.”

II. Current Investigation

A. *Allegations of Johnson's Misconduct*

During the recent investigation into employee misconduct at Throggs Neck Houses, multiple former employees credibly reported to OIG that Johnson routinely demands “special treatment” at Throggs Neck, including having caretakers go to the store to buy items for her. For example, reliable witnesses alleged that Johnson had managers order workers to paint the bathroom in her NYCHA apartment purple, and to renovate the Tenants Association office so that it was “like a house.” Workers also credibly alleged that Johnson abuses her power and that employees are afraid of her because she will go “directly to the top,” and has had staff transferred as she wished, including prior Throggs Neck Housing Manager Jokotade Shanu.

A former employee alleged that Johnson wanted a stove in the Tenants Association office so she could prepare food there, and that she rejected the first stove that was provided to her.

B. *Investigative Findings*

NYCHA procurement records reveal that in August 2018, then-Throggs Neck managers Brianne Pawson and Wallace Vereen eschewed regular procurement procedures to make an “off-catalog” order of a new 30-inch stove for the Resident Association office for \$572.62, including planning to drive to a PC Richards store in Long Island to pick it up if delivery could not be made immediately. Again, this purchase was made from Throggs Neck funds dedicated to purchasing materials and equipment *for all residents*, and not for an office space inaccessible to the public. Likewise, in July 2018, Throggs Neck funds were used to pay a private contractor \$4,900 to install private security cameras for Johnson’s office, at the direction of Allen and over the objection of the acting Property Manager. Notably, as of September 2018, NYCHA records reflect that the Throggs Neck Resident Association had accumulated \$103,676 in unspent Tenant Participation Funds, which should have been used for these expenses in lieu of diverting public housing operating funds. In addition, DOI investigators credited the accounts of witnesses who charged that Johnson frequently insists that staff provide her with special treatment, including performing work in her home and the Tenants Association office, and that she uses her power to have staff transferred if they do not comply with her demands.

In addition, the Throggs Neck Tenants Association By-Laws,¹³ in conformance with governing HUD regulations,¹⁴ provide for the Tenants Association membership to conduct elections of Association Officers/Executive Board members, to serve for two-year terms before being required to stand for re-election. The By-Laws authorize the election of five enumerated Officers, namely: President, Vice-President, Treasurer, Recording Secretary, and Correspondence Secretary. When OIG investigators sought to speak with Tenants Association representatives in October 2018, NYCHA’s Resident Engagement Department identified four individuals as the current duly elected Officers. When investigators invited Johnson to be interviewed with Tenants Association board members, she arrived accompanied by four entirely different individuals claiming various titles including Sergeant-at-Arms, which is not authorized under the By-Laws. Subsequently, investigators were advised by the Resident Engagement Department that the Tenants Association had held an election in April 2018, but that NYCHA had not certified the election and thus did not legally recognize the current Officers until nine months later in January 2019. This lapse in oversight is of particular concern because NYCHA allows for Tenants Association Officers to apply to NYCHA to be paid stipends of up to \$200/month per officer for volunteering in their developments,¹⁵ and in fact Johnson received stipend payments totaling \$1,900 from 2012 to 2016.

¹³ By-Laws certified in 1995

¹⁴ 24 CFR 964.115 – 964.150

¹⁵ 24 CFR 964.150(b)

Pursuant to federal regulation, if a Tenants Association fails to conduct HUD-sanctioned “fair and frequent elections” duly overseen by NYCHA, or “fails to follow its own election procedures as adopted,” NYCHA is required “to withdraw recognition of the resident council and to withhold resident services funds as well as funds provided in conjunction with services rendered for resident participation in public housing.”¹⁶

This investigation determined that the Throggs Neck Tenants Association, and particularly its President Monique Johnson, has for years inappropriately diverted NYCHA staff time and funding for Tenants Association purposes, thus depriving other Throggs Neck tenants of needed resources. In addition, this investigation found that Johnson routinely pressures Throggs Neck managers and front-line staff for special treatment, including performing renovations in her own apartment and the Tenants Association office, and that she has enlisted Bronx Borough managers to instruct development staff to follow her orders. Finally, the investigation revealed that the Throggs Neck Tenants Association may be operating contrary to its own By-Laws and governing HUD regulations.

III. Conclusion and Recommendations

We are referring these findings to you with the recommendation that NYCHA’s Resident Engagement Department should conduct a comprehensive review of the Throggs Neck Tenants Association’s compliance with HUD regulations, NYCHA policies, and its own By-Laws, concerning issues including: a) maintaining a democratically elected governing board of at least five elected board members;¹⁷ b) holding elections, upon 30 days’ written notice to the membership, of board members for a 2-year term;¹⁸ c) as required by federal regulation, collaborating with NYCHA to determine how Tenant Participation Funds will be spent;¹⁹ and d) permitting NYCHA to inspect and audit the Tenants Association’s financial records.²⁰

In addition, to ensure the integrity of NYCHA staff interactions with Tenants Associations throughout the city, we make the following Policy and Procedure Recommendations:

- 1) For safety and security purposes, NYCHA should ensure that all development managers are provided with a key and free access to Tenants Association office areas.
- 2) Development and borough management staff should be given written instruction that Tenants Association requests may not be prioritized over other resident needs, and that development staff are required to comply with NYCHA General Regulations of Behavior at all times, including that NYCHA employees may not: “engage in any non-NYCHA activity during working hours,” “use NYCHA resources for any non-NYCHA purpose,” nor “operate, borrow, remove, use or permit to be operated, borrowed, removed or used, any NYCHA vehicle, equipment, property or supplies without proper authorization.” Staff should be reminded that violations of these regulations may result in employee disciplinary action.

¹⁶ 24 CFR 964.130

¹⁷ 24 CFR 964.115

¹⁸ 24 CFR 964.130 and Throggs Neck Tenants Association By-Laws

¹⁹ 24 CFR 964.150(a)(3)

²⁰ 24 C.F.R. 964.150(b)(3)

Chair Stanley Brezenoff

February 9, 2019

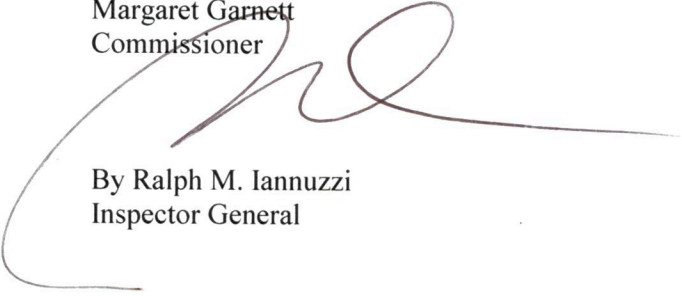
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- 3) NYCHA's Resident Engagement Department should remind all NYCHA Tenants Associations that pursuant to HUD regulations, the purpose of a Tenants Association is "to improve the quality of life and resident satisfaction and participate in self-help initiatives to enable residents to create a positive living environment for families living in public housing."²¹ Tenants Associations should be cautioned that NYCHA employees are required to carry out their job duties on behalf of all tenants, and that it is inappropriate for employees to prioritize tasks on behalf of Tenants Associations or officers.

Thank you for your consideration, and please advise me within 30 days of any actions taken. If you have questions or need additional information, please contact me at (212) 306-8316.

Sincerely,

Margaret Garnett
Commissioner



By Ralph M. Iannuzzi
Inspector General

cc: Vito Mustaciuolo, General Manager
Sideya Sherman, Executive Vice-President for Community Engagement & Partnerships
Cathy Pennington, Executive Vice-President of Operations

²¹ 24 C.F.R. 964.100