

OPINION

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# Why integrity matters for NYCHA



Theodore Parisienne/for New York Daily News  
NYCHA's Warren Street Houses at 572 Warren Street in Brooklyn, New York.



By **BART M. SCHWARTZ**

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Earlier this month, NYCHA broke the record for being subject to the [largest number of federal bribery corruption charges](#) brought by the Department of Justice in a single day.

Soon after my [monitorship over NYCHA began](#), we discovered that employees may have been awarding vendor contracts in exchange for bribes. Those same people were also responsible for reviewing and inspecting the work of the vendor who bribed them.

We became aware of this in part thanks to the residents who complained to our field investigators about the shoddy work and poor-quality materials. We reported these facts repeatedly to the [New York City Department of Investigation](#) and the [United States attorney's office for the Southern District of New York](#). They listened and acted.

But these arrests are not nearly enough.

Corrupt employees will face justice. However, [NYCHA](#) should not forget about their “partners,” the vendors — those same vendors continue to perform work at NYCHA developments to this day. NYCHA is in a unique position to work with development managers and residents and their records to uncover the names of vendor companies and individuals.

This would not only help NYCHA and its residents. Identifying vendors who we know are engaging in these practices at NYCHA can put a stop to illegal practices associated with other city, state and federal contracts.

During many decades of serving as a monitor over troubled organizations, I identified one common thread — the importance of making ethics and integrity a part of everyone's job and responsibility, followed by a strong code of conduct, training, and of course enforcement.

There are two types of compliance. One is regulatory or rules based, and the other is integrity or values based. It was clear to me from the outset that NYCHA struggled to achieve the former and paid little attention to the latter.

Yet despite the early warnings about the corruption we discovered, its board, at the request of NYCHA's management, increased the cap on micropurchases from \$5,000 to \$10,000 which, in effect, expanded the financial opportunity for bribery.

When I was appointed as NYCHA monitor, I was given many responsibilities, but the main goal was always clear — implement compliance that achieves decent, safe and sanitary conditions for NYCHA residents.

My responsibilities focused on improving living conditions relating to heat, elevators, pests and waste, lead-based paint and mold. We made progress across all categories – significant in some areas, less so in others, while facing enormous organizational, leadership, institutional and financial challenges.

My final report, which we'll issue in March, will detail that progress, as well as NYCHA's persistent challenges and my recommendations to build upon what we accomplished for NYCHA residents short and long term.

Spending the hundreds of millions of dollars on improving conditions for the residents is not enough. NYCHA needs to embrace compliance that is rooted in integrity and values and not simply rules.

During my five years as the federal NYCHA monitor, I have only heard one person on the NYCHA's leadership team talk to the employees. NYCHA has not sufficiently prioritized talking to its employees about the importance of respect for the residents and their right to live in decent conditions. Making that actionable is what NYCHA has needed for a very long time.

NYCHA also needs to establish a whistleblower hotline and a Code of Conduct which is an integral part of employee training and onboarding. Living the core values of honesty and trust are at the heart of an integrity-based compliance program.

Such a compliance program positively influences all aspects of an organization. It will also begin to instill confidence in the organization. Values-based compliance has the potential to create a culture of responsibility, conscientiousness, and integrity, and with that will come betterment of living conditions for residents, which are long overdue.

Rules based compliance without values based compliance leads to less compliance. NYCHA has been a perfect example of this. Rather than working to achieve and maintain quality, NYCHA has for decades focused on target numbers. Values that NYCHA and its employees need to embody will become even more critical unless NYCHA wants to break another ominous record.

I am optimistic about the efforts of the new leadership at NYCHA and encouraged that the recent corruption arrests send a strong message of deterrence. That said, NYCHA must focus on overcoming a history of complacency and most importantly a lack of respect for the residents. Rooting out corruption will go a long way towards demonstrating that respect.

*Schwartz's five-year NYCHA monitorship, established under an agreement reached between HUD, the Department of Justice and the City of New York, ends this month. He is the chairman of Guidepost Solutions LLC.*

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