



ANDREW M. CUOMO
Governor

Homes and Community Renewal

RUTHANNE VISNAUSKAS
Commissioner/CEO

June 8, 2020

The Honorable Andrew M. Cuomo
Governor of the State of New York
The Capitol, Executive Chamber
Albany, New York 12224

Dear Governor Cuomo:

Pursuant to Section 170 of the Executive Law, I am submitting this response to the Office of the State Comptroller's Report 2018-S-58, Collection of Fines Related to Tenant Complaints.

Sincerely,

RuthAnne Visnauskas
Commissioner/CEO

cc: Honorable Thomas P. DiNapoli, Comptroller, State of New York
Honorable Kathy C. Hochul, Senate President
Honorable Andrea Stewart-Cousins, Senate President Pro Tem and Majority Leader
Honorable John J. Flanagan, Senate Minority Leader
Honorable Liz Krueger, NYS Senate Chair, Finance Committee
Honorable James L. Seward, NYS Ranking Minority Member, Senate Finance Committee
Honorable Carl E. Heastie, NYS Assembly Speaker
Honorable Crystal D. Peoples-Stokes, NYS Assembly Majority Leader
Honorable William A. Barclay, NYS Assembly Minority Leader
Honorable Helene F. Weinstein, NYS Assembly Chair, Ways and Means Committee
Honorable Edward P. Ra, NYS Ranking Minority Member, Assembly Ways and Means Committee

Recommendation 1: “Develop policies and establish a system that accurately tracks fines and settlements.”

This recommendation has been partially implemented. The Office of Rent Administration (ORA) is partnering with the Office of Information Technology services to build a replacement for our legacy database system to assist in tracking fines and settlements. In addition, ORA has developed procedures involving referring fines for collection to the Attorney General’s Civil Recovery Bureau.

Recommendation 2: “Improve communication between ORA and Finance concerning fines imposed and collected.”

This recommendation has been partially implemented. DHCR is working with JP Morgan Chase Bank (JPMC) to implement a new lockbox account for improved payment tracking. As per OSC’s *Guide to Financial Operations* Section XIV.4.B, DHCR has contacted OSC’s Cash Management Unit to request approval to add this additional banking service. OSC has yet to respond to the latest request which was made on March 12, 2020.

On April 7, 2020 JPMC informed DHCR that, due to COVID-19, they were suspending the implementation process of new lockbox accounts until at least June 1, 2020. During this suspension period, DHCR has been developing procedures for handling payment exceptions for the new lockbox account. Once approval from OSC is received and JPMC resumes lockbox implementation activities, DHCR will continue working to fully implement this recommendation.

Recommendation 3: “Exercise full authority to collect outstanding fines.”

This recommendation has been implemented. ORA has designated a staff member to refer all uncollected fines to the Civil Recoveries Bureau of the Attorney General’s office. In all such cases ORA docketed a judgment for the outstanding fine in the Supreme Court County where the property was located. Approximately 75% of all uncollected fines since 2012 have been referred to the Civil Recoveries Bureau. Once staff returns to our physical offices, the remaining cases will be referred to the Civil Recoveries Bureau.

Recommendation 4: “Consider whether the current settlement amounts are sufficient, particularly for owners who repeatedly fail to provide essential services.”

DHCR disagreed with this recommendation. Fine amounts are set by statute. ORA’s settlement amounts are intended to encourage the owner to quickly restore essential services. DHCR’s settlement process has been successful in getting the issues resolved between the parties.

Recommendation 5: “Track repeat offenders and consider opening harassment cases against these owners, if warranted.”

This recommendation has been implemented. ORA continues to monitor repeat offenders and open harassment investigations. In addition, the Tenant Protection Unit (TPU) was formed specifically to address the issue of systemic bad actors and repeat offenders, building on DHCR's mandate to enforce tenant harassment laws.

Recommendation 6: “Enhance protections for rent-controlled tenants outside New York City.”

DHCR disagrees with this recommendation. Protections for rent-controlled tenants outside of New York City are set by statute. ORA continues to fully enforce New York State rent regulations and is committed to protecting the rights of rent regulated tenants throughout the State.