



NEW YORK CITY COMPTROLLER
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Audit Report on the New York City Housing Authority's Monitoring of Contractor Repairs

MH23-094A | November 20, 2024





THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BRAD LANDER

November 20, 2024

To the Residents of the City of New York:

My office has audited the New York City Housing Authority (NYCHA) to assess the adequacy of NYCHA's processes for selecting and monitoring contractors hired to perform repairs and maintenance at NYCHA buildings. We perform resident-powered audits such as this to evaluate NYCHA's use of resources and provision of services to residents as well as the overall satisfaction with those services.

Surveys were provided to NYCHA residents regarding their experiences with repair and maintenance contractors for small-scale work, many of which were procured through micro purchases. Thirty percent of respondents said the work performed by contractors was poor; less than half said the work performed was good or better. Notably, NYCHA has no meaningful mechanism for collecting resident feedback on contractor repairs. Further, NYCHA has not identified any mechanism to independently assess work performed by micro purchase vendors. Audit testing of smaller purchase orders found that work was not performed satisfactorily, if at all, for 27% of the amount NYCHA paid, based on residents' statements and auditors' observations.

Regarding large-scale work, the audit found that the oversight of these contractors was generally adequate, although the nature and degree of oversight varied. Additionally, NYCHA's vetting processes for these contracts do not require agency officials to formally consider a vendor's prior performance with NYCHA before a contract is awarded, and NYCHA did not ensure that evaluations were consistently completed on vendors procured through large-scale contracts.

This audit makes 12 recommendations in total, of which NYCHA generally agreed to implement 10 in its response to the draft report.

The results of the audit have been discussed with NYCHA officials and their comments have been considered in preparing this report. NYCHA's complete written response is attached to this report.

If you have any questions concerning this report, please email my Audit Bureau at audit@comptroller.nyc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Lander".

Brad Lander
New York City Comptroller

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Audit Impact

Summary of Findings

This audit set out to determine whether the concerns of NYCHA Resident Audit Committee members were echoed in customer satisfaction surveys related specifically to repairs and maintenance, and to evaluate NYCHA’s monitoring and oversight over contractors based on independent testing by the audit team.

Surveys were provided to residents at developments, asking them to rate their individual experiences regarding repair and maintenance contractors. Thirty percent of those who rated the work performed by contractors gave a rating of “poor,” and fewer than half rated the work performed as “good” or better (“very good” or “excellent”). Notably, residents indicated that NYCHA did not seek their feedback concerning the repairs conducted in their apartments, and the agency currently has no mechanism for collecting meaningful satisfaction data on repairs.

Audit testing of purchases relating to work primarily performed in apartments and common areas at the developments found that several of them had no documentation indicating what was done or where the work was performed, or that the work was either not performed satisfactorily or not performed at all, based on residents’ statements and auditors’ observations.

Survey responses were also collected from 65 Tenant Association (TA) Presidents using a separate survey instrument, which rated the quality of large-scale work.¹ Just over half (57%) of those who rated the contractors’ performance gave a rating of good or better. The audit found that the oversight of these contractors was generally adequate, but the nature and degree of oversight varied among contracts. Further, NYCHA’s vetting processes for these contracts do not require agency officials to formally consider a vendor’s prior performance with NYCHA before a contract is awarded. NYCHA also did not ensure that evaluations were consistently completed on vendors procured through large-scale contracts.

Additionally, the audit identified inconsistencies in processes for documenting and verifying that work was performed before payment was authorized. While monitoring was generally better for large-scale construction projects, improvements are still needed.

Intended Benefits

This audit identified areas in which NYCHA could improve its oversight of its contracts with vendors performing repair and maintenance work at its developments to better ensure that only competent contractors are hired, that payments for work are not rendered before substantiating that it was completed in a satisfactory manner, that resident feedback is solicited regarding their satisfaction with work completed by contractors, and that this feedback becomes part of contractor evaluations that informs whether or not contractors are hired for future work.

¹ Tenant Association (TA) Presidents are also known as Resident Association (RA) Presidents.

Introduction

Background

The New York City Housing Authority (NYCHA), the largest public housing authority in North America, was created in 1935 to provide decent, affordable housing for low- and moderate-income New Yorkers. According to the preliminary Fiscal Year 2024 Mayor's Management Report, NYCHA is home to over 522,989 residents in 177,569 apartments within 335 housing developments, located across the five boroughs. NYCHA programs include conventional public housing, Section 8, and PACT/RAD programs.²

According to NYCHA's FY 2024 budget, the agency's Other Than Personal Services (OTPS) funding totals \$3.3 billion. Of this amount, \$413.5 million was allocated for contractual services.

NYCHA's Procurement Process

NYCHA's procurement processes for repair and maintenance services, which fall under the DECAR (demolition, excavation, construction, alteration, or renovation) category, vary by cost. Services fall into three general buckets:

- *Sealed Bids for large-scale contracts:* goods and services estimated to cost \$50,000 or more must be procured through a sealed bid. Sealed bids must be publicly advertised at least 20 days before the date set for the receipt of bids on NYCHA's website. NYCHA will award a contract to the lowest bidder who is responsive, responsible, and whose bid conforms with all of the material terms and conditions of the solicitation.³ Vendors selected in this manner are required to undergo a vendor review process. Contracts are documented in NYCHA's Oracle computer system and signed off by the Director of Procurement, Vice President of Procurement, Senior Vice President of Supply Management and Procurement, or Chief Procurement Officer (CPO), depending on the value of the contract.
- *Small Purchases:* goods and services estimated to cost from \$10,000 to \$50,000 can be procured through a small purchase, which NYCHA can solicit via direct outreach or public advertisement to prospective bidders resulting in the receipt of at least three bids. If NYCHA is unable to solicit three bids, two bids may be approved as sufficient by NYCHA's CPO. Vendors selected in this manner are required to undergo the selection process which determines the lowest bid. Terms of service should be documented in Oracle and then signed off by the CPO or their designee.
- *Micro Purchases:* goods and services estimated to cost under \$10,000 can be procured through a micro purchase, for which no bids are required. Vendors selected in this manner are not required to undergo an integrity review as long as the total amounts paid to them

² The Permanent Affordability Commitment Together (PACT) initiative is part of NYCHA's strategic plan and is intended to expand access to new resources for making repairs while preserving the affordability of units. PACT-Rental Assistance Demonstration (RAD) is a HUD initiative that allows NYCHA and other public housing authorities to convert Section 9 (traditional public housing) subsidy to Section 8 project-based vouchers.

³ According to NYCHA's *Procurement Policy Manual*, "A 'responsible' contractor is one that has the capability to perform fully the Contract requirements and the business integrity to justify the award of public funds."

within a 12-month period do not total \$250,000 or more. Terms of service should be documented in a purchase order that is retained in Oracle. Purchases in this category are made by property managers and site superintendents.

NYCHA's Monitoring of Contractor Performance

Responsibility for monitoring active contracts, including usage and remaining terms, lies with the administering department that initiated the contract. The administering department is responsible for ensuring that the contracted work is performed satisfactorily and in compliance with the terms of the contract or agreement, prior to authorizing payment. Generally, the administering department is also responsible for retaining all documentation pertaining to its oversight of the contracted work (e.g., payroll records, sign-in sheets, monitoring reports). However, a development at which the contracted work is performed may be delegated responsibility for retaining documentation.

NYCHA requires that contract performance evaluations be completed for all large-scale contracts. For multi-year contracts, at least one evaluation must be performed each year of the contract, as well as at the 90% completion mark. The administering department that oversees the contract is responsible for completing the evaluations.

NYCHA does not require that performance evaluations be completed for micro or small purchases.

Allegations of Abuse and Impropriety

In 2019, a Federal Monitor was appointed to oversee an agreement entered into between NYCHA and the U.S. Department of Housing and Urban Development (HUD) to improve living conditions for NYCHA residents.⁴ In his final report, the first Federal Monitor appointed to serve between March 2019 and February 2024 reported that his team identified “numerous improprieties” between vendors and staff at various NYCHA developments and observed the general poor quality of work provided by some vendors. The Monitor reported that his team conducted several investigations with NYCHA’s internal oversight units (Compliance, Environmental Health and Safety, and Quality Assurance) and made multiple referrals to law enforcement relating to potentially fraudulent activity.⁵

On February 6, 2024, the U.S. Attorney's Office of the Southern District of New York (SDNY) indicted 70 current and former NYCHA employees on bribery and extortion charges. These employees are alleged to have received \$2 million in bribes to award \$13 million in micro purchases (under \$10,000) to vendors. Prosecutors claim that the scheme had been ongoing for years and involved work procured through micro purchases at nearly 100 developments citywide. On the same day, the New York City Department of Investigation (DOI) issued 14

⁴ The initial term for the Federal Monitor (Bart M. Schwartz) ran for five years, from March 2019 to February 2024. In February 2024, new Federal Co-Monitors (Neil Barofsky and Matt Cipolla) were appointed to another five-year term ending February 2029.

⁵ In January 2019, HUD, the City, and NYCHA entered into an agreement (HUD Agreement) whereby a Federal Monitor was appointed to a five-year term ending in February 2024 to assess and report on NYCHA’s provision of the following core services to residents: heating, elevators, pest control, waste management, lead-based paint repair and abatement, and mold remediation.

recommendations to NYCHA intended to correct deficiencies in the micro purchase process. According to DOI, NYCHA committed to implementing all 14 recommendations.

On February 7, 2024, the HUD Office of Inspector General (OIG) announced an audit to assess NYCHA's processes for identifying and preventing fraud. The HUD OIG audit will examine how NYCHA evaluates fraud risk, designs antifraud controls, and responds to known fraud to prevent it in the future.

Residents' Concerns

In December 2022, the Comptroller's Office convened a Resident Audit Committee intended to help steer the Comptroller's "resident-powered audit" processes in 2023 and 2024. At the first meeting, members reviewed the results of a survey of close to 800 residents conducted by the Comptroller's Office and discussed the concerns identified by residents across the five boroughs. This was made public and is available on the Office of the Comptroller website.⁶ At a January 2023 Resident Audit Committee meeting, members were presented with potential audit topics to address those concerns, and two rounds of voting were held. This was one of two audit topics selected by Committee vote.

Objective

The objective of this audit was to assess the adequacy of NYCHA's processes for selecting and monitoring contractors hired to perform repairs and maintenance at NYCHA buildings.

Discussion of Audit Results with NYCHA and Resident Audit Committee

The matters covered in this report were discussed with NYCHA officials during and at the conclusion of this audit. An Exit Conference Summary was sent to NYCHA and discussed with NYCHA officials at exit conferences held on September 5 and 11, 2024. A meeting was also held with members of the Resident Audit Committee, where the preliminary findings of the audit were broadly discussed. On October 7, 2024, we submitted a Draft Report to NYCHA with a request for written comments. We received a response from NYCHA on October 22, 2024. In its response, NYCHA agreed with 10 recommendations and did not agree with two recommendations (#1 and #2).

NYCHA's written comments have been fully considered and, where relevant, changes and comments have been added to the report.

The full text of NYCHA's response is included as an addendum to this report.

⁶ Survey results can be found at the following link:
https://mcusercontent.com/bf606302e0aec6b092c87b850/files/b553ac59-19b6-97a9-fa65-1833c6adcaf6/NYCHA_Survey_Results.pdf.

Detailed Findings

This audit set out to determine whether the concerns of Committee members were echoed in customer satisfaction surveys related specifically to repairs and maintenance, and to evaluate NYCHA's monitoring and oversight over contractors based on independent testing by the audit team.

Surveys were issued to individual residents across all five boroughs asking for feedback concerning their experiences with repairs and maintenance and the contractors hired to perform such work. TA Presidents were also surveyed, using a separate survey instrument, to obtain a different perspective.

Similarly, one set of independent tests performed by the auditors focused on smaller purchases for work most likely to have been performed inside residents' apartments, and another set focused on larger construction projects that were carried out at more than one development.

Surveys were provided to residents at developments throughout the City, and 1,005 responses were received concerning their individual experiences. (The number of questions answered by each respondent varied.) In response to a question asking residents to rate the work performed by contractors, 30% of those who responded rated the work as "poor," and fewer than half rated the work performed by vendors as "good," "very good," or "excellent." Notably, resident feedback concerning the repairs conducted in their apartments was generally not sought or recorded by NYCHA; no mechanism for collecting meaningful satisfaction data currently exists.

Audit testing of smaller purchases found instances where documentation was either not available or did not provide the location to show where the work was performed, and additional instances in which work was either not performed satisfactorily, or not performed at all, based on residents' statements and auditors' observations.

These purchases have largely proceeded at NYCHA developments without adequate independent monitoring. NYCHA developments and borough offices have authority to oversee vendor selection and review processes with minimal oversight from NYCHA's central management or any other third party. This presents risks of fraud, waste, and abuse, as evidenced both by the federal indictments and confirmed again during audit testing.

Survey responses were also collected from 65 TA Presidents who rated the quality of large-scale work. When asked to rate the performance of the contractors, just over half of those who responded to the question (57%) rated the performance as "good," "very good," or "excellent." Independent testing by auditors found oversight of contractors identified through competitive bidding processes to be generally adequate, but the nature and degree of oversight varied.

In addition, NYCHA's vetting processes, even for large contracts, do not require agency officials to consider a vendor's prior performance with NYCHA, or to document such consideration, before a contract is awarded. NYCHA did not ensure that evaluations were consistently completed on vendors procured through large-scale contracts.

Additionally, the audit identified inconsistencies in processes for documenting and verifying that work was performed before payment was authorized. While monitoring was generally better for large-scale construction projects, improvements are still needed.

Low Resident Satisfaction and Inadequate Monitoring of Smaller Purchases

According to data recorded in Oracle, a total of \$135.6 million in smaller purchases was paid to vendors for services primarily relating to repair and maintenance during Calendar Years 2022 and 2023.⁷ This figure is comprised of purchases of \$50,000 or less and includes micro purchases, small purchases, and expenditures related to larger blanket agreements. Approximately 80% of the funds spent for these purchases fell into 15 categories of work, with half of that amount (52%) spent on four categories selected for sample-based testing, including: (1) apartment painting, (2) general renovation, (3) apartment tiling/vinyl flooring, and (4) bathtub wall surround installation.

These four categories were selected because auditors anticipated that they would reflect work most likely to have been performed inside residents' apartments. Many of the other purchase categories appeared to be for work performed outside of apartments.

Apartment painting comprised 20% of the total expenditure, totaling almost \$22 million. General renovation work accounted for 18% and just over \$19 million of the total spent on micro and small purchases. Vinyl floor tiling work was the third largest category, accounting for 12% and almost \$13 million of the total. Bathtub surrounds accounted for 2% and just over \$2 million of the total.

Auditors conducted sample-based reviews of purchase orders pulled from the four selected categories, as explained below.

The 15 categories appear below in Table I, by expenditure.

⁷ For the purposes of this audit test, auditors used the amounts reflected in the "Amount Received" field in the Oracle dataset provided by NYCHA, which is a recognition of the value of the amount of goods or services that has been received by NYCHA from the vendor.

Table I: Top 15 Categories of Smaller Purchases in Dollars Paid during Calendar Years 2022 and 2023

Category (Contract Type)	Amount	%
1410 - Apartment Painting	\$21,803,388	20%
1260 - General Renovation – GR	\$19,273,400	18%
1570 - Tile, Vinyl Floor Tile – Apartments	\$12,700,685	12%
1420 - Painting, public space (Interior and Exterior Items)	\$11,605,544	11%
1520 - Sewer Rodding, Jetting, Camera Inspection, Cleaning and Sanitizing of Basement	\$6,175,745	6%
1450 - Professional services	\$6,165,172	6%
1210 - Fence; replace, remove, repair	\$5,632,817	5%
1175 - Doors, Roof, Rear Exit, Basement	\$4,428,641	4%
1160 - Doors, Interior	\$4,396,947	4%
1285 - Heating Repairs Miscellaneous	\$3,615,559	3%
1440 - Plumbing – PL	\$2,947,266	3%
1475 - Exhaust Fan Ventilation Repair and Replacement	\$2,816,998	3%
1035 - Bathtub Wall Surround Installation	\$2,047,029	2%
1442 - Sump Pump Installation and Repairs	\$1,649,236	2%
1283 - Air Condition Services	\$1,473,915	1%
Total	\$106,732,342	100%

Survey Results Found High Levels of Dissatisfaction with Smaller Purchases

Hard copy survey questionnaires and QR codes were distributed to NYCHA residents at developments in English and in the 10 designated citywide languages: Spanish, Chinese, Russian, Arabic, Bengali, French, Polish, Korean, Urdu, and Haitian Creole. Responses were anonymized.

Auditors received 1,005 responses from residents in 44 developments. The number of questions answered varied among respondents. (The full survey results are included in Appendix IV.) Key takeaways from the survey are as follows:

- 30% of the respondents who answered this question rated the work as “poor.”
- Fewer than half of the respondents who answered this question (46%) rated the work as “good” or better.

- 93% of the residents who answered this question were never asked by NYCHA to rate their satisfaction with the work performed in their apartments.
- Only 62% of the residents who answered this question stated that they were asked to sign a document certifying that the work was completed.
- Only 35% of the residents who answered this question rated NYCHA's responsiveness in resolving issues relating to repairs as "good," "very good," or "excellent."

The overall sentiments expressed by residents correlate closely with deficiencies identified by auditors during testing, as detailed below.⁸

46% of the Amounts Paid on Sampled Purchase Orders Questionable

As indicated previously, NYCHA paid vendors \$135.6 million during Calendar Years 2022 and 2023 for smaller purchases. The auditors conducted sample-based reviews of 120 associated purchase orders, in four categories of work, for which NYCHA paid \$55.8 million during the period under review.

Initially, 101 purchase orders were randomly selected. Based on the results and information obtained, auditors subsequently expanded the review to include 19 additional purchase orders related to bathtub wall surround installations. These were judgmentally selected based on perceived risk.⁹

Forty-six percent of the value of all purchase orders reviewed by the auditors (\$301,678 out of the \$648,786 examined) were found to be lacking evidence of work performed, or conversely, were determined not to have been performed based on affirmative evidence (i.e., observations by audit staff and statements from residents) that work had not been performed.¹⁰ The results of this review are shown below in Table II, with additional details to follow.

⁸ In its response, NYCHA argues that the survey findings are misleading and overly negative. However, the survey results reported here align with the detailed survey results provided in Appendix IV.

⁹ In its response, NYCHA argues that the percentage of questioned purchases should only pertain to those purchases that were randomly selected and should not include those that were judgmentally selected. The 46% reflects a summation of the audit's analysis of all sampled purchases. The use of judgmental sampling is consistent with the audit standards mandated for use in the City Charter. Whether judgmentally or randomly selected, auditors endeavored to ascertain whether NYCHA had evidence that the selected purchases related to work that was satisfactorily performed. The audit reports the results of that analysis.

¹⁰ At various points in its response, NYCHA objects to the audit's characterization of inadequately supported purchases. For example, NYCHA argues that it is unclear what makes the purchases highlighted in Appendix I questionable or lacking in verification. However, an explanation of the audit's determination for each purchase is clearly stated in the chart. Regarding the audit's findings for unsubstantiated purchases, NYCHA argues that the agency is unable to analyze the team's physical findings. However, NYCHA staff accompanied auditors on all observations and were present when the deficiencies cited were identified. NYCHA was also provided with photographs of the auditors' findings.

Table II: Auditors’ Analysis of 120 Sampled Purchases

	Total Purchases Sampled		Results of Analysis					
			Unable to gain access		Substantiated (confirmed through visual inspection/ tenant statement)		Unsubstantiated (lacking evidence of work performed, or was performed unsatisfactorily based on visual inspection/ tenant statement)	
	#	Amount	#	Amount	#	Amount	#	Amount
Random sample	101	\$462,339	24	\$51,575	55	\$285,683	22	\$125,081
Second sample- Bathtub surround purchases	19	\$186,447		----	1	\$9,850	18	\$176,597
Grand Total	120	\$648,786	24	\$51,575	56	\$295,533	40	\$301,678

Evidence of Work Performed Not Found to Support 27% of Amounts Paid for Randomly Selected Sample

The auditors randomly selected 101 smaller purchases, totaling \$462,340, made at 10 developments across the five boroughs. These developments had the highest expenditures by borough in each of the four categories above. In addition to reviewing documentary evidence, the auditors visited the developments to substantiate that the work was completed and, where feasible, solicited residents’ feedback regarding their satisfaction with the work.

As shown in Table II, the auditors found that 22 of the sampled purchase orders totaling \$125,081 (27% of the amount paid) could not be verified as performed, either because field observations and resident statements indicated work had not been completed in a satisfactory manner, or documentation maintained by NYCHA provided insufficient evidence that the work for which NYCHA paid was performed. (See Appendix I for the results of the auditors’ review of all 101 purchase orders.)¹¹

In its response, NYCHA argues against classifying work that could not be verified due to lack of documentation as work not performed. The audit notes that for 12 of the 22 purchases for which NYCHA paid vendors \$67,227, auditors requested but were not provided with evidence indicating where the work was done, or if it was done at all. In the absence of any evidence to the contrary—such as an attestation by a NYCHA employee in the form of a signed Statement of Services—that the work was satisfactorily completed, neither NYCHA nor the auditors have any basis to conclude that the work was indeed performed. Moreover, City fiscal policy requires that proof of services rendered is provided as the basis for payment. In the absence of such documentation, payments are questionable.

¹¹ In its response, NYCHA argues that it is unable to identify which of the 101 purchases were related to a blanket agreement with the unique purchase order numbers. On several occasions (most recently on September 10, 2024), auditors provided NYCHA the list of questioned purchases accompanied by the purchase order numbers (and release numbers, if applicable).

Vendors Selected by Indicted Employee Were Paid for Work, but There Is No Evidence This Work Was Performed

Of the 22 purchase orders with questionable support discussed above, three were for bathtub wall surround installations. Auditors subsequently learned from staff at the developments where the work was purportedly conducted that the bathtub surround work was approved by one of the individuals named in the federal bribery and extortion indictment. Because of this, the auditors expanded the scope of review to include 19 judgmentally selected bathtub surround purchase orders. Auditors believed all 19 pertained to work at developments overseen by the Bronx borough office where the indicted employee worked.

NYCHA development staff were unable to locate paperwork indicating where the bathtub wall surround installations reportedly occurred for the initial sample of three. Development staff stated that the installations were requested by the borough office, located in the Bronx. They added that the Statements of Services should have been signed at the borough level and that the accompanying documentation should be there.

Auditors visited the Bronx borough office and requested supporting documentation for the additional 19 sampled bathtub wall surround purchase orders, but officials were unable to provide any documentation showing that the work was performed, or even where it was performed.

On June 14, 2024, NYCHA officials provided documents that they claimed would support payments for the installation of bathtub wall surround installations at the developments, but the documentation supplied by NYCHA pertained to unrelated work. NYCHA paid a total of \$186,447 to vendors for the 19 purchases.

Following the exit conference, NYCHA provided documentation (e.g., Statement of Services, vendor invoice) for one of the unsubstantiated purchases. The documentation provided indicates that NYCHA misclassified a bathroom remodel as a bathtub wall surround installation. According to the documents provided, NYCHA paid \$9,850 for a remodel of a bathroom used by development staff at Marble Hill Houses in the Bronx. Auditors visited the location and observed a bathroom that appeared to have been remodeled. (See Appendix II for the results of the auditors' review of the 19 purchases.)

If this issue existed to the same degree in the full population of bathtub wall surround installation-related purchases in the Bronx, applying the 95% error rate to the total amounts paid during the period under review results in \$1,789,430 of the \$1,883,610 paid for such work being questioned.

At the Exit Conference, NYCHA strenuously objected to the audit conclusions concerning the bathtub wall surround installations being included in this report, arguing that the estimate was based on a small sample of purchases. However, NYCHA cannot dispute that an indicted individual working at this office was associated with the approval of bathtub wall surround installations or that audit testing revealed that 95% of such work was not supported by documentation. The one purchase that NYCHA was able to provide documentary evidence of, was misclassified and did not relate to bathtub wall surround installations.

Smaller Purchases Totaling Up to \$36.6 Million May Be Unsubstantiated

The federal investigation resulted in the indictment of 70 NYCHA staff members who were responsible for the requisition of micro purchases during the period under review. The individuals were located across NYCHA's system, and their work was not restricted to the four categories of purchases reviewed by the auditors.

The auditors were unable to identify the total number and dollar amount of associated payments made for micro purchases involving indicted individuals, nor were the auditors able to confirm that the investigations identified and charged all bad actors; conduct that can lead to unsubstantiated payments is not always criminal in nature.

Based on the scale of indictments, the results of auditors scrutinizing some of the requisitions for just one of the 70 indicted individuals, sample-based testing, and other concerns raised in this report, the auditors conclude there is a material risk that a considerable percentage of the payments made for *all* micro purchases were questionable.¹²

The auditors reviewed a total of 120 sampled purchases, consisting of 101 randomly selected and 19 judgmentally selected. Of these, work was unsubstantiated for 40 (22 randomly selected and 18 judgmentally selected). As stated previously, NYCHA paid vendors \$55,824,502 during CYs 2022 and 2023 for smaller purchases relating to the previously mentioned four categories of work performed.

Extrapolating the results of the random sample, auditors estimate that \$15.1 million (27%) of the \$55.8 million paid to vendors for these categories was for work that was not performed in a satisfactory manner, if at all.

The auditors estimate that the fiscal impact of questionable purchases may be as high as \$36.6 million. The audit found NYCHA's oversight over small purchases generally inadequate, and sample-based testing found that 27% of such purchases could not be substantiated. If this rate of unsubstantiated purchases applied to all smaller purchases for services during CYs 2022 and 2023, 27% of the \$135.6 million total spent on such purchases would also be unsubstantiated.¹³

Records in Disarray

The audit found that records at developments are not maintained in an orderly fashion. NYCHA requires that the approving department maintain records pertaining to work requests. At a minimum, the records should include: (1) an invoice from the vendor detailing the work that was performed, (2) a Statement of Services, filled out by NYCHA development personnel attesting that the described work and services has been satisfactorily completed and inspected, and (3) a work order if the resident requested the repair.

However, auditors found that records at developments were disorganized. At most of the developments, documents were simply stored in boxes arranged by vendor, not by date,

¹² In its response, NYCHA refers to the statement made by the U.S. Attorney for the Southern District of New York during his press conference announcing the federal indictments, that "the work that was contracted to be done was done." However, auditors are unable to identify the extent to which there is any overlap between the purchases sampled in the audit and those reviewed by the U.S. Attorney, nor is the audit able to identify the full scope of purchases reviewed by the U.S. Attorney based on information within the indictment. This notwithstanding, NYCHA provides no evidence to substantiate that the purchases questioned in this report were satisfactorily performed, nor has it identified effective controls to prevent payment when such evidence is lacking.

¹³ In its response, NYCHA disagrees with these estimates, arguing that they should not include the purchases relating to blanket agreements because they are administered differently from those procured through micro purchases. However, the intent of the audit's analysis of sampled purchases was to determine whether there was evidence that the work was performed satisfactorily, so the method of procurement was irrelevant. NYCHA was afforded the opportunity to provide support for the questioned purchases, and when such was provided, figures were adjusted accordingly. As noted above, City fiscal policy requires documentation that services were provided before payment is rendered. Payments that cannot be supported are questionable.

Purchase Order number, or any other system that would allow for easy retrieval. At one development, auditors found documents stored in a location susceptible to water damage; documents there were covered in mold.

At all 10 of the developments visited, staff needed anywhere from 4 to 6 hours to find requested paperwork. Further, there were no Statements of Services in the developments' records for 40 of the 101 sampled purchases on the day of the auditors' visits, despite NYCHA officials having informed auditors that Statements of Services were maintained at the developments where the work was performed. When auditors informed officials of the missing statements, NYCHA managed to locate an additional 15 statements between 4 and 63 days after the visits but did not share where these were found or stored. This left 25 still unaccounted for. Without Statements of Services, NYCHA is unable to hold managers accountable for work that is later determined to be defective or not completed.

Resident survey results also indicate that only 62% of respondents were asked to sign a Statement of Services upon completion of work in their units. This is a missed opportunity; collecting such statements would provide an additional level of assurance that work was carried out prior to authorizing payments.

Controls Intended to Prevent Inappropriate Micro Purchases Are Easily Circumvented

Development and borough office personnel who want to hire a vendor must submit a requisition to NYCHA's Purchasing, Logistic & Inventory (PLI) department. For DECAR work estimated to cost between \$10,000 and \$50,000, and for which there is no contract or "indefinite delivery, indefinite quantity agreement" (IDIQ) already in place, the development must obtain three bids and submit them along with the requisition.¹⁴ If the work is under \$10,000, only one quote is required. If everything is in order, the PLI department will prepare the purchase order.

To ensure that development/borough management do not inappropriately use micro purchases, NYCHA officials stated that vendors are assigned a unique vendor ID number which is used to track funds paid to them. For micro purchases, officials stated that they track to see whether total purchases within a 12-month period reach \$250,000, at which point an integrity review—known as a vendor name check (VNC)—must be completed.

The VNC entails a request to DOI to search its indices of investigations closed within the past 10 years to determine whether the vendor (along with all its affiliates and principals) has been the subject of a substantiated investigation by DOI. In addition, NYCHA's Office of the Inspector General reviews a variety of sources to determine vendor responsibility (i.e., integrity and ability to carry out the work). Sources may include databases of debarred, suspended, or ineligible contractors; corporate registries; and databases that contain information about unpaid taxes, judgements, warrants, and liens.

However, the audit found that NYCHA does not have sufficient controls to prevent staff from circumventing these thresholds. The audit found purchases that appear to have been artificially divided to keep projects below the \$10,000 bidding threshold, and issues with unique vendor

¹⁴ IDIQ contracts or agreements provide for an indefinite quantity of services during a fixed period of time.

identification numbers impacting NYCHA's ability to check for larger expenditures over a 12-month period.

This is particularly problematic because the simplified processes allowed with micro purchases are premised on the assumption that each procurement falls below a lower dollar threshold, which translates to lower risk. Fee-splitting and the use of multiple smaller purchases to address a single job, results in high-risk procurements being treated as low-risk purchases.

Purchases Inappropriately Split to Remain Under Established Thresholds

According to NYCHA officials, if a purchasing unit (e.g., an individual development) estimates that the work it is procuring will cost \$10,000 or more, written bids should be obtained. The buyer in the PLI department will not process a purchase order as a micro purchase if the estimated value is \$10,000 or more.

Officials stated that the requisition to have work done should include all similar or related work at the development (e.g., door installations). However, a review of the 2022 and 2023 micro purchase data found that this protocol was not effectively implemented. Auditors selected a more stringent threshold of multiple micro purchases made by a development to the same vendor on the same day and identified 249 instances in which developments made multiple "micro purchases" with a single vendor in which the total purchases exceeded \$10,000 on the same day. The total value of these purchases was \$4.2 million.

Two such examples are included here for illustrative purposes. Two "micro" purchases from Samra Construction Corp totaling \$15,275 were approved and awarded on July 11, 2022; in both instances, the purchases were to support glass/window-related services performed at King Towers. In another instance, two "micro" purchases from Mehmi Construction Corp totaling \$16,210 were approved and awarded on August 30, 2022, for fencing-related services performed at Latimer Gardens. In both instances, the common location and nature of the proposed work suggests that the purchases were artificially divided to circumvent tighter procurement controls.

In a report posted on NYCHA's website, the results of a NYCHA internal audit of micro purchase data found that vendors attempt to stay under the \$10,000 threshold by submitting two purchase orders for the same repair, in the same development, within a short period of time. During this audit, officials stated that they were aware that splitting occurred at the developments. In a number of cases, they believe that this was done for the sake of expediency and because the work needed to be procured quickly.

However, given the history of potential abuses in the micro purchase system, and given the low level of oversight which is only permitted for purchases that fall below a specific threshold, allowing officials to continue circumventing requirements designed to limit risk potentially leads to fraud, waste, and abuse. Doing so fundamentally undermines NYCHA's ability to ensure that goods and services are being procured at competitive prices, that vendors are performing work in a satisfactory manner, and that appropriate risk-based measures are taken for purchases.

In its response, NYCHA argues that it does not consider many of these instances to be bid splitting because different scopes of work were being procured, and also argues that "it can be difficult to understand whether the requester is artificially or willingly splitting a purchase." NYCHA seems to take the view that splitting a repair job into separate components is permissible unless it is intentionally done to circumvent oversight. Respectfully, NYCHA appears to be missing the point.

Bid splitting results in less oversight in instances when the total dollar value needed to complete a repair or maintenance work warrants a higher level of oversight, to address risk. NYCHA should address this risk by ensuring that jobs are not split into components—for example, repairing a hole in a wall should be quoted for the entire repair, and not split into one job to plaster the hole and a second to paint the sanded plaster.

Moreover, NYCHA currently has no mechanism to ensure that correct work classifications are used when requesting work—as noted previously, one of the purchases purportedly relating to a bathtub wall surround installation was incorrectly classified and was actually a small bathroom remodel. NYCHA should take a firmer stance to prevent bid splitting and implement regular sample-based testing of micro purchases to ensure micro purchase processes are only allowed when strictly appropriate.

Vendors Inappropriately Assigned More Than One Vendor ID Number

NYCHA officials stated that the agency tracks vendors by unique ID numbers and relies on these to determine if a single vendor has been hired to perform more than \$250,000 worth of work in a 12-month period. Vendors who fall into this category must undergo a VNC check. However, the auditors determined based on testing that “unique” vendor ID numbers are not effectively assigned.

Vendors with more than one vendor ID number may bypass the mandated vendor integrity review by establishing more than one business at the same address and spreading its purchases among the different businesses to avoid all purchases being counted toward the \$250,000 threshold.

As one example of the potential risks presented, auditors conducted address searches against vendor ID numbers issued to vendors and identified 16 addresses that were each shared by two or more vendor ID numbers, involving 36 vendors in total. Eight of these addresses were associated with unique vendor ID numbers in which the vendor names were close derivatives of each other. One address in Long Island City, Queens, was shared by Grant Supplies Inc and Grant Intl Co Inc DBA/Grant Electrical Supply. A single address in Brooklyn was shared by Ever Ready First Aid & Medical Supply Corp. and SZY Holdings, LLC DBA Ever Ready First Aid. Auditors also found Krasman Supply Corporation DBA/Dayton Supply Company and Dayton Industrial Corp appearing at one address, but with two different vendor ID numbers.

During Calendar Years 2022 and 2023, the audit found no instances in which any of the 36 vendors identified in this way used multiple ID numbers to circumvent the VNC check, but the capacity to do so remains. NYCHA should regularly conduct “fuzzy” matching of addresses and vendors with similar names, and conduct sample-based ownership record searches, to ensure ID numbers are assigned to truly “unique” vendors and are held by unrelated entities.¹⁵

¹⁵ “Fuzzy matching” software employs algorithms that allow sets of data to be compared to determine how similar they are. It allows for partial matching of sets instead of exact matching.

Insufficient Segregation of Duties

NYCHA management at developments and borough offices have largely autonomous authority over work conducted by micro and small purchase vendors. This means that individual offices are authorized to oversee vendor selection, review the work, and certify that payment should be rendered without any third-party review being conducted. Without such oversight, controls intended to ensure that vendors are responsible, work is adequate, and payments are reasonable can be easily undermined.

According to the United States Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government*, management should segregate "key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event."

Also, according to NYC Comptroller's Directive 1, Segregation of Duties requires that "[k]ey duties and responsibilities [...] be divided or segregated among different staff members to reduce the risk of error or fraud. This should include separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets. No one individual should control all key aspects of a transaction or event." Processes during the review period did not meet either the federal or NYC Comptroller standard.

NYCHA officials stated that the agency recently created a new position—Neighborhood Contract Manager (NCM)—that is independent from development staff and whose responsibilities will include certifying that the work performed via micro purchases is satisfactorily completed prior to the payment of invoices. This may be of assistance, but it will depend on what procedures underpin the work of these individuals, and to what extent their work is also subject to review.

NYCHA's Evaluation of Micro and Small Purchase Vendors Is Inadequate

Vendor Performance Is Not Evaluated

NYCHA has not identified any mechanism to independently assess work performed by micro and small purchase vendors. According to NYCHA officials, the expectation is that developments where work was done unsatisfactorily will not use the same vendors in the future and that this mitigates repeat unsatisfactory repair and maintenance work.

However, there is no formal rating system or repository for this information to be recorded. This means developments experiencing sub-standard work or other issues impacting performance cannot notify other developments about poorly performing vendors. Information is currently communicated only through word of mouth.

This is a missed opportunity to evaluate the work performed by micro and small purchase vendors, and to identify poor performers as work problems occur across the system. NYCHA ought to be identifying poor performers and ensuring property managers and superintendents in all developments are aware of problems that have arisen so that they are on notice and can more effectively guard against hiring them again.

NYCHA Does Not Track Resident Feedback on Vendor Repairs

NYCHA has no means to formally collect resident feedback on work performed by contractors. Officials stated that feedback may be noted on the hardcopy work order that residents are asked to sign, but this information is not recorded in a manner that would facilitate formal tracking of resident satisfaction with repairs or common issues that arise.

In 2015, NYCHA introduced the MyNYCHA mobile app. According to officials, the app was intended to reduce residents' need to contact the agency's Customer Contact Center (CCC) regarding repair and maintenance requests by allowing residents to create, submit, schedule, view, and update maintenance service requests, view alerts and outages related to their developments, view their scheduled inspections, and maintain their contact information via their smartphones and tablets.

One NYCHA official stated that residents can provide general feedback regarding repairs in the "comment" section on the app. However, the feedback is not linked to any specific work order. The officials stated that residents usually go to the CCC or the Property Management Offices to voice their complaints.

NYCHA indicated that the app is not currently configured to formally collect resident feedback in a manner that would allow the agency to aggregate overall satisfaction of specific contractors. Residents who wish to provide feedback must enter their comments in a text field that NYCHA personnel may review on an individual basis.

In the absence of such a mechanism, NYCHA loses the opportunity to engage residents broadly and collect valuable insight into vendor performance that would aid the agency in identifying vendors that warrant repeat business and others that do not.

In response to a survey question asking whether residents use the MyNYCHA app to submit requests and track maintenance service requests, 60% of those who responded to this question indicated that they did so. However, when asked to rate the app in terms of communicating with NYCHA and getting updates on requests, 31% of the respondents who provided a rating assigned the app a rating of "poor"—only 20% of respondents rated the app "very good" or "excellent."

Improved Monitoring of Large-Scale Contracts Necessary

As with small purchases, auditors conducted surveys to assess satisfaction with the work performed by large-scale vendors. Auditors also conducted sample-based testing to independently assess the quality and effectiveness of NYCHA's oversight over these vendors.

Results of TA President surveys and oversight by NYCHA of large-scale contracts were generally better than those for micro and small purchases; however, results indicate that processes could still be improved, as detailed below.

Tenant Association Presidents' Survey Results Mixed

Surveys were sent to TA Presidents at 212 of the agency's 335 developments, asking them to rate the work of contractors performing large-scale work in terms of quality, timeliness, and degree of disruption to residents.¹⁶ Auditors received 65 anonymous responses. (The full survey results are included in Appendix V).

Overall, the survey results were mixed. Most respondents indicated that NYCHA does communicate with them regarding planned capital works, but many were not satisfied with NYCHA's overall responsiveness to related issues. More than half of those who rated the quality and timeliness of work gave a rating of good or better but were less satisfied when considering disruption to residents.

Key takeaways from the survey are as follows:

- Over half of the TA Presidents who rated the quality and timeliness of the work gave a rating of good or better (57% and 59%, respectively), but fewer than half (45%) rated the work as good or better in terms of minimizing disruption to residents.
- 92% of the TA Presidents stated that NYCHA does communicate with them regarding upcoming capital projects at their developments.
- Only 39% of the TA Presidents who rated NYCHA's responsiveness to questions and concerns relating to repairs gave a rating of good or better.

NYCHA's satisfaction rating fell well below 50% when TA Presidents were asked about NYCHA's responsiveness to questions and concerns about repair work and minimizing disruption to residents. These stand in contrast to responses overwhelmingly acknowledging that consultation does occur, pointing to deficiencies in the quality and consistency of consultation.

Inconsistent Evidence Retained to Support Payments for Completed Work

Independent testing by auditors of large-scale work focused on four contractors identified below in Table III. These contracts were judgmentally selected based on the amount paid to the contractors during CY 2022 for DECAR contracts with NYCHA; the number of developments where work was performed in relation to the contract; and whether the contractors had previous contracts with NYCHA. The associated contract values totaled approximately \$145 million, and covered SANDY restoration work, as well as general renovation and plumbing work at developments across the five boroughs. Contract values spanned various periods of time, which is also set out below in Table III.

¹⁶ Sixty-nine of the 335 developments have been converted to PACT/RAD and the repair and maintenance needs are now being handled by private property managers. For the remaining 266 developments, some shared a TA President, some TA President positions are vacant, and NYCHA did not have contact information for the others.

Table III: List of Sampled Large-Scale Contracts

Contractor	Sampled contract #	Date of initial procurement request	Contract dates	Amount spent on sampled contract during Calendar Year 2022	No. of developments	Purpose
Adams European Contracting Inc.	PA1812885	4/27/2018	Aug 2019 – Mar 2025	\$97,341,953	2	SANDY Restoration at Red Hook East & West
WDF Inc.	PA1508592	3/24/2015	May 2018 – May 2024	\$32,037,976	3	Restoration associated with SANDY recovery project
JEMCO Electrical Contractors, Inc.	BA2015487	8/16/2019	Sep 2020 – Oct 2023	\$9,173,606	158	Various Citywide Developments - IDIQ for All Inclusive Maintenance, Repairs & Environmental Services in Move-Out (Unoccupied) Apartments & Court Cases (Occupied Apartments) -
Richards Plumbing and Heating Co., Inc.	BA2016511	6/14/2019	Nov 2020 – Dec 2023	\$6,642,632	97	Various Developments in All Five (5) Boroughs - General Plumbing Maintenance (T&M) -
TOTAL				\$145,196,167		

To authorize payment of an invoice submitted by vendors on large-scale contracts, NYCHA requires that an attestation from the Consultant, Project Manager, Senior Project Manager, and Executive Project Manager—individuals responsible for NYCHA’s oversight of the work—be provided in the form of a signed Statement of Services. The document attests that (1) the invoice represents an accurate statement of the work performed; (2) the work reflected in the invoice has been inspected by NYCHA staff; and (3) the work was performed in accordance with the contract’s terms and conditions.

Aside from the Statement of Services, NYCHA does not require departments to maintain documentary evidence of the work performed; it is left to the discretion of the individual departments to determine the level of evidence that should be retained. According to NYCHA officials, for example, some units retain photos documenting the work in progress, while other units do not.

Auditors requested payment documentation and supporting materials maintained for 20 sampled payments associated with the four sampled contracts, totaling \$49,935,531. NYCHA provided some support for all 20 payments. However, inconsistencies were found in the types of supporting documentation retained (or not retained). These are detailed in the following sections and below in Table IV.

Adams European Contracting Inc. (Adams)

This contract was related to federally-funded Hurricane Sandy restoration work to be completed at the Red Hook East and Red Hook West developments and is administered by NYCHA's Sandy Recovery Program/Recovery & Resilience Department. Auditors found that payments related to Adams were extensively supported. This support included photos tracking the work as it progressed for all five invoices reviewed, totaling \$37,755,810. In addition to photos documenting the work, the support provided for these contracts included tracking logs, certified payrolls, and daily reports of the work performed. Auditors found that Statements of Services were signed by NYCHA personnel attesting that the work was satisfactorily completed, and that payment should be rendered to the vendor.

WDF, Inc.

Like the Adams contract, the work on this contract pertained to federally-funded Hurricane Sandy restoration work. For this contract, the work was completed at the Baruch, Baruch Consolidated, and Lavanburg Homes developments, and is administered by NYCHA's Sandy Recovery program. Auditors found that payments related to WDF, Inc. were extensively supported. This support included photos tracking the work as it progressed for all five invoices reviewed, totaling \$11,988,926. In addition to photos documenting the work, the support provided for these contracts included tracking logs, certified payrolls, and daily reports of the work performed. Auditors found that Statements of Services were signed by NYCHA personnel.

Jemco Electrical Contractors, Inc. (Jemco)

This contract involved general repair and renovation services that were performed at multiple NYCHA developments. This contract was requested by NYCHA's Management & Planning Department for use by NYCHA on a citywide basis. The developments that utilized the contract were responsible for overseeing the administration of the work and maintaining the supporting documentation for work performed. NYCHA provided various documentation, such as sign-in sheets, certified payrolls, monitoring reports, in support of the invoices submitted by Jemco.

However, for three of the five Jemco invoices, totaling \$59,394, the auditors found that the Statements of Services were not signed by NYCHA personnel attesting that the work was satisfactorily completed prior to payments being rendered to the vendor. Instead, the Statements of Services were signed by Jemco or the subcontractor hired to perform the work. In other words, in three of the five instances reviewed by the auditors, the vendor attested that it performed the work, rather than NYCHA, and this attestation paved the way for payment. The remaining two Jemco invoices, totaling \$48,305, had Statements of Services signed by NYCHA personnel and photos of the completed work.

In addition, NYCHA did not provide photos for two of these three invoices, totaling \$41,100. For the remaining invoice, photos of the work in progress were provided by NYCHA.

Richards Plumbing and Heating (Richards)

This contract involved emergency and scheduled plumbing repairs to be performed at multiple NYCHA developments. The contract was requested by NYCHA's Heating Services and Operations Department to be utilized by various developments citywide. The developments that

utilized this contract were responsible for overseeing the administration of the work and maintaining the supporting documentation for work performed. While NYCHA provided some backup documentation (e.g., sign-in sheets, certified payrolls) for the persons who reportedly performed the work, the agency provided no photos for any of the five sampled invoices, totaling \$83,096, and no Statements of Services for four of the invoices totaling \$66,666.

See Table IV below for an analysis of the sampled invoices.

Table IV: Analysis of 20 Sampled Invoice Payments

Contractor	Invoice Number	Supporting Documentation Included			Dollar Amount Paid
		Invoice/Stat. of Serv. signed by NYCHA personnel	Photos	Other	
Adams European Contracting Inc.	1812885-00034	Yes	Recording progress	Invoices, Daily logs, Daily Reports, NYCHA Contractor Daily Sign-in Sheets, Certified Payrolls, Progress reports	\$9,260,582.69
	1812885-00033	Yes	Recording progress	Invoice, Daily logs, Daily Reports, NYCHA Contractor Daily Sign-in Sheets, Certified Payrolls, Progress reports	\$ 8,349,546.00
	1812885-00031	Yes	Recording progress	Invoice, Daily logs, Daily Reports, NYCHA Contractor Daily Sign-in Sheets, Certified Payrolls, Progress reports	\$8,007,933.58
	1812885-00027	Yes	Recording progress	Invoice, Daily logs, Daily Reports, NYCHA Contractor Daily Sign-in Sheets, Certified Payrolls, Progress reports	\$ 5,704,745.74
	1812885-00026	Yes	Recording progress	Invoice, Daily logs, Daily Reports, NYCHA Contractor Daily Sign-in Sheets, Certified Payrolls, Progress reports	\$ 6,433,001.65
WDF, Inc.	1508592-00041	Yes	Recording progress	Invoice, Daily logs, Daily Reports, NYCHA Contractor Daily Sign-in Sheets, Certified Payrolls, Progress reports	\$2,552,265.71
	1508592-00038	Yes	Recording progress	Invoice, Daily logs, Daily Reports, NYCHA Contractor Daily Sign-in Sheets, Certified Payrolls, Progress reports	\$2,263,565.86
	1508592-00037	Yes	Recording progress	Invoice, Daily logs, Daily Reports, NYCHA Contractor Daily Sign-in Sheets, Certified Payrolls, Progress reports	\$1,939,735.40
	1508592-00036	Yes	Recording progress	Invoice, Daily logs, Daily Reports, NYCHA Contractor Daily Sign-in Sheets, Certified Payrolls, Progress reports	\$1,886,641.50
	1508592-00035	Yes	Recording progress	Invoice, Daily logs, Daily Reports, NYCHA Contractor Daily Sign-in Sheets, Certified Payrolls Progress reports	\$3,346,717.03
Jemco Electrical Contractors, Inc.	22296	No	None	Invoice, Blanket Release, NYCHA Contractor Daily Sign-in Sheets, Certified Payroll	\$35,630.77
	22200	No	None	Invoice, Blanket Release, NYCHA Contractor Daily Sign-in Sheets, Certified Payroll	\$5,468.75
	21726	No	Work in Progress	Invoice, Project Monitor Report, Blanket Release, NYCHA Contractor Daily Sign-in Sheets, Certified Payroll	\$18,294.84
	21538	Yes	Completed Work	Invoice, Blanket Release, NYCHA Contractor Daily Sign-in Sheets, Certified Payroll	\$13,904.54

Contractor	Invoice Number	Supporting Documentation Included			Dollar Amount Paid
		Invoice/Stat. of Serv. signed by NYCHA personnel	Photos	Other	
	21675	Yes	Completed Work	Invoice, Blanket Release, NYCHA Contractor Daily Sign-in Sheets, Certified Payroll	\$34,400.74
Richards Heating and Plumbing Co., Inc.	3900260 R	Yes	None	Invoice, Work Order, Blanket Release, NYCHA Contractor Daily Sign-in Sheets, Certified Payroll	\$16,430.23
	3900277	No	None	Invoice, Work Order, Blanket Release, NYCHA Contractor Daily Sign-in Sheets, Certified Payroll	\$5,465.18
	3900282	No	None	Invoice, Work Order, Blanket Release, Contractor Daily Sign-in Sheet, Certified Payroll	\$694.47
	3900051	No	None	Invoice, Work Order, Blanket Release, Contractor Daily Sign-in Sheets, Certified Payroll	\$34,833.72
	3900201	No	None	Invoice, Work Order, Quotation, Blanket Release, Contractor Daily Sign-in Sheets, Certified Payroll	\$25,672.62
Totals		Yes = 13 No = 7			\$49,935,531

Retrievability of the supporting documentation for the invoices related to the Jemco and Richards contracts was also an issue. According to Comptroller’s Directive 7, *Audit of Requests for Payment Received Under Contracts for Construction, Equipment, and Construction-related Services*, agencies’ Engineering Audit Officers (EAOs) must retain all documentation to support payment certifications made by them, sufficient to allow post-audit by an independent party.

NYCHA initially had difficulty locating the documentation upon the auditors’ request on March 22, 2024. NYCHA was ultimately able to provide documentation for eight; however, documentation for the other two invoices was not provided until June 26, 2024, approximately 13 weeks later. The absence of an effective mechanism for retrieving the supporting documentation for such work may hinder NYCHA’s ability to conduct its own independent reviews of these invoices to confirm that adequate support is collected to support the payments made.

Additionally, photographic evidence showing the condition before the work begins and after the work is completed should be collected to support payments. Repair and maintenance contracts often involve infrastructure work that cannot be visually inspected later, such as pipe installations or electrical work, making photographic evidence during various stages of the work essential.

According to Directive 7, field audits should include physical verification of requested payment amounts and evaluation of the quality and progress of the work in question. NYCHA cannot independently verify that officials certifying invoices exercised due diligence and that work was completed in a satisfactory manner because it does not require that contemporaneous documentary evidence of work be retained.

NYCHA has only limited assurance that the money paid for invoices was only authorized when work was performed satisfactorily and in compliance with contractual obligations.

Vendor Selection and Evaluation Processes Should Be Strengthened

Auditors assessed the selection and evaluation processes of the four large-scale contracts selected for testing and found that all four were competitively solicited; that vendors underwent integrity reviews (VNC checks) and references for prior work were obtained; and that licensing and bonding requirements were met.

However, the audit identified areas where improvement is warranted, specifically related to mandatory standards regarding consideration of vendors' prior work with NYCHA and completion of performance evaluations.

No Formal Consideration of Contractors' Previous Work with NYCHA Required before Awarding Contracts

As stated in NYCHA's Procurement Policy Manual, the agency may consider, among other things, contractor integrity and record of past performance when awarding a contract. It does not, however, require that these be considered.

Contractors' previous work with NYCHA gives the agency valuable first-hand knowledge of their integrity and work performance. Requiring NYCHA officials to consider prior experience before recommending contractors for award would ensure that the agency is aware of areas of concern noted in old contract evaluations and provide opportunities to address existing issues before new contracts are awarded.

All four of the sampled contractors performed work for NYCHA previously—each had been awarded at least three contracts by NYCHA prior to the awards of the sampled contracts—but this was only considered in three of the four instances reviewed. Table V below contains a list of the vendors for the sampled contracts and the contracts they previously held with NYCHA.

Table V: Previous Contracts for Sampled Contractors

Contractor	Previous contract #	Amount spent	Purpose
Adams European Contracting Inc.	1524561	\$55,060,000	Construction of sidewalk shed & related brickwork
	1508594	\$69,400,000	Restoration associated with Sandy Recovery Project # 8299
	1508593	\$125,970,000	Restoration associated with Sandy Recovery Project # 8331
	1435815	\$44,570,000	Facade Restoration / Roof Replacement at Queensbridge North
WDF Inc.	1610158	\$15,120,000	General Construction (Manhattan)
	1610155	\$15,000,000	General Construction (Bronx/Queens)

Contractor	Previous contract #	Amount spent	Purpose
	1226703	\$6,500,000	Emergency repairs to various Developments
JEMCO Electrical Contractors, Inc.	1524572	\$15,000,000	Installation of new CCTV cameras and related systems
	1524571	\$15,000,000	JOC Order Contract for CCTV & Layered Access Control
	1524369	\$15,000,000	General Construction (\$10 M)
Richards Plumbing and Heating Co., Inc.	1821009	\$34,780,000	Boiler Replacement
	1816555	\$34,100,000	Replacement of boilers & hot water heaters
	1733548	\$7,030,000	Various Manhattan South Developments - Repair, Replacement & Relocation of Fire Standpipe & Sprinkler Systems – Waived
	1733547	\$6,610,000	Various Manhattan North Developments - Repair, Replacement & Relocation of Fire Standpipe & Sprinkler Systems
TOTAL	14	\$459,140,000	

The procurement documents (e.g., letters of award) for three of the four contracts (Adams, WDF, and Richards) cited earlier NYCHA work performed by the vendor that factored into the award of contracts. The procurement documents for the fourth sampled contract (Jemco) make no reference to the vendor’s prior NYCHA work. Instead, the soliciting unit cited references outside of NYCHA for records of past performance.

Further, while the “Recommendation To Award” memos for three of the contracts make reference to positive past performance for these vendors, a review of the evaluations completed for those contracts found that they were not completed on a consistent basis, nor did they contain a comprehensive assessment of the contractors’ performance. This issue is discussed in more detail below.

No Standard Format or Documented Basis for Evaluations

Auditors obtained one or more evaluations for 13 of the 14 previous contracts, completed by NYCHA personnel responsible for overseeing the contracts. The total number of evaluations obtained for these contracts was 141. However, the evaluations were not consistently prepared.

NYCHA protocols require that evaluations be completed at least once per year for multi-year contracts. For contracts covering multiple years, however, the audit found that some had multiple evaluations and others had only one. As shown in Table VI below, 41 evaluations were prepared for one contract with WDF Inc., valued at \$15 million, while only one evaluation was prepared for a multi-year contract with Adams valued at \$125 million.

Table VI: Evaluations of Previous Contracts for Sampled Contractors

Contractor	Previous contract #	Amount spent	Contract dates	Length of contract (years)	Evaluation on file	Number of evaluations on file
Adams European Contracting Inc.	1524561	\$55,060,000	Aug 2016 - May 2024	7	Yes	14
	1508594	\$69,400,000	Jan 2017 – Mar 2025	8	No	0
	1508593	\$125,970,000	Aug 2017 – Mar 2025	7	Yes	1
	1435815	\$44,570,000	May 2015 – Nov 2017	2	Yes	1
WDF Inc.	1610158	\$15,120,000	Jun 2017 – May 2024	6	Yes	41
	1610155	\$15,000,000	Jun 2017 – Feb 2024	6	Yes	31
	1226703	\$6,500,000	Nov 2012 – Aug 2016	3	Yes	6
JEMCO Electrical Contractors, Inc.	1524572	\$15,000,000	Jul 2016 – Nov 2023	7	Yes	19
	1524571	\$15,000,000	Jul 2016 – Mar 2024	7	Yes	8
	1524369	\$15,000,000	May 2016 – Jun 2024	8	Yes	16
Richards Plumbing and Heating Co., Inc.	1821009	\$34,780,000	Feb 2019 – Mar 2025	6	Yes	1
	1816555	\$34,100,000	Feb 2019 – Mar 2025	6	Yes	1
	1733548	\$7,030,000	Apr 2018 – Jan 2023	4	Yes	1
	1733547	\$6,610,000	Apr 2018 – Feb 2023	4	Yes	1
TOTALS		\$459,140,000				141

For the current sampled contracts, auditors found only two evaluations—one each for the WDF contract (initiated in May 2018) and the Richards contract (initiated in November 2020). The auditors found no evaluations for the Adams and Jemco contracts, which were initiated in August 2019 and September 2020, respectively.

The audit also found that evaluations did not follow a standard format; most were primarily one-line statements or one-page listings of the rating for different categories (e.g., timeliness, fiscal, performance, and overall), with numeric ratings on a scale of 1 to 5, with 1 being unacceptable and 5 being excellent. Overall, only one of the 143 evaluations reviewed by auditors contained details consistent with a comprehensive assessment of contractor performance.

NYCHA officials give units wide latitude in how they assess contractor performance, relying primarily on their judgment and experience in determining whether contractors are performing satisfactorily. NYCHA therefore has no consistent way to gauge contractor performance.

NYCHA expends a significant amount of money to maintain its properties. According to Checkbook NYC, NYCHA issued payments totaling \$1.3 billion in CY 2022 for DECAR (relating primarily to repair and maintenance) contract services.

Failing to consistently and effectively evaluate contractor performance constitutes a significant fiscal risk. This is compounded by the inconsistencies and lack of uniform standards for

documenting and verifying work performed and considering past performance before granting new contracts, as documented and discussed above.

Recommendations

To address the above-mentioned findings, the auditors propose that NYCHA should:

Investigate and recover public funds for unsatisfactory work:

1. Investigate the instances identified in this report for which auditors were unable to find evidence that work was performed before payment was rendered. If sufficient evidence of satisfactory work is not found, make efforts to recover the funds expended from vendors.

NYCHA Response: NYCHA disagreed with this recommendation, stating, “NYCHA was not provided the purchase order numbers, which would serve as unique identifiers for each of the highlighted purchase orders. It is also not clear which purchase orders in the data set lacked ‘evidence that work was performed.’ In some of these cases, the audit team was provided with some documentation, such as a statement of service or work order. In some of the highlighted cases, the work was ongoing or some of the work had taken place. In order to perform a new visual inspection of these purchase orders, NYCHA would need additional detail from the audit team. Further, it may be impractical to go back to some of these locations to try to validate whether the work took place, as in some cases, this is work that took place two or more years ago. It would be difficult to claw back payments based on a visual inspection taking place now and without additional detail from the Comptroller’s audit team on what they found. However, NYCHA is open to setting up an inspection protocol for certain cases.”

Auditor Comment: Auditors provided NYCHA with the list of purchases sampled and the associated purchase order numbers (and release numbers, if applicable). Appendix I clearly indicates the reason selected purchases were deemed unsubstantiated; in all instances, NYCHA lacked evidence indicating that the work was completed in a satisfactory manner, if at all. NYCHA internal audit staff accompanied auditors during visits and, after the visits, auditors also provided NYCHA with the details of what was observed and photographs of the conditions cited, so the agency is therefore aware of the conditions cited in this report. The auditors urge NYCHA to implement this recommendation.

2. Make all reasonable efforts to identify the micro purchases requisitioned by individuals named in the federal indictment and determine whether there is adequate evidence of satisfactory work pertaining to those purchases. (Such efforts should not interfere with those of the U.S. District Attorney responsible for prosecuting these cases.) If such evidence is not found, make efforts to recover the funds expended.

NYCHA Response: NYCHA disagreed with this recommendation, stating, “The allegations in the indictments go back more than a decade, in some cases. It is not possible to do a visual inspection in 2024 and make a determination in these cases about whether work was performed as physical conditions may look very different now. As NYCHA has previously stated to the audit team, it is important to be mindful of what the U.S. Attorney for the Southern District of New York said in the press conference where the indictments were discussed – ‘the work that was contracted to be done was done.’ NYCHA has been working with the U.S. Attorney’s Office on a process for restitution to be paid to NYCHA by the employees and vendors in a manner that reflects the facts of the allegations, which is that vendors and NYCHA staff over-charged NYCHA for work that was performed to ensure a bribe was provided.”

Auditor Comment: The recommendation does not specify that NYCHA should seek to obtain visual evidence only. At a minimum, NYCHA should seek to identify the procedures followed by the U.S. Attorney’s Office in determining whether the work relating to purchases reviewed by that office was completed and, where feasible, apply those same procedures to purchases requisitioned by these individuals that were *not* reviewed by the U.S. Attorney. The auditors urge NYCHA to implement this recommendation.

Improve oversight of procurement and payment process:

3. Take a firmer stance to prevent bid splitting and implement regular sample-based testing of micro purchases to ensure micro purchase processes are only allowed when strictly appropriate.

NYCHA Response: NYCHA agreed with this recommendation.

4. Strengthen internal controls by ensuring that policies and procedures include an adequate segregation of duties (e.g., party requesting the service should not be the same party selecting the vendor to provide the service) when procuring micro purchases and incorporate training and sample-based reviews to ensure compliance.

NYCHA Response: NYCHA agreed with this recommendation.

5. Ensure that a Statement of Services is completed and signed by authorized NYCHA personnel prior to paying invoices submitted for work performed. In cases where work is performed in residents’ apartments, consider having residents sign Statements of Services when work in their apartments is completed.

NYCHA Response: NYCHA agreed with this recommendation.

Implement internal controls for improved accountability:

6. Establish mechanisms to detect and prevent vendors from acquiring more than one vendor ID number by regularly conducting “fuzzy” matching of addresses and vendors with similar names and routinely conducting ownership record searches, to ensure ID numbers are assigned to truly “unique” and unrelated vendors.

NYCHA Response: NYCHA agreed with this recommendation.

7. Establish uniform policies and procedures regarding the maintenance of supporting documentation for all units at NYCHA administering and overseeing DECAR contracts to follow. This should include, but not be limited to, taking photos of the work in progress and the finished products as evidence of work performed, as well as standardizing how the supporting documentation should be maintained, allowing for straightforward retrieval and examination.

NYCHA Response: NYCHA agreed with this recommendation.

8. Establish uniform policies and procedures for collecting and maintaining documentation of work performed, and for storing such documentation electronically, in an orderly and accessible fashion.

NYCHA Response: NYCHA agreed with this recommendation.

Design and implement a robust and consistent vendor evaluation system:

9. Require that prior work performed by prospective vendors be formally considered and documented in all subsequent contract award decisions.

NYCHA Response: NYCHA agreed with this recommendation.

10. Develop a standard format with standard criteria for rating vendors in evaluations, covering the areas of timeliness of performance, fiscal administration and accountability, and overall quality of performance.

NYCHA Response: NYCHA agreed with this recommendation.

11. Ensure that contractor evaluations are conducted in a timely manner and that they demonstrate in sufficient detail the vendor's performance.

NYCHA Response: NYCHA agreed with this recommendation.

12. Develop a mechanism for soliciting and tracking resident feedback on repairs and maintenance of work performed, and for capturing and sharing the evaluation of micro and small vendors.

NYCHA Response: NYCHA agreed with this recommendation. However, NYCHA claims the recommendation is being satisfied by its annual resident survey, and a forthcoming survey on completed capital projects—not by developing a system that would facilitate real-time resident feedback on individual repairs that would inform vendor evaluations.

Auditor Comment: The auditors urge NYCHA to develop a mechanism for real-time feedback from residents on repair and maintenance work performed in their units, and for incorporating this feedback into vendor evaluations. This type of vendor feedback has become typical in many areas of customer service.

Recommendations Follow-up

Follow-up will be conducted periodically to determine the implementation status of each recommendation contained in this report. Agency reported status updates are included in the Audit Recommendations Tracker available here: <https://comptroller.nyc.gov/services/for-the-public/audit/audit-recommendations-tracker/>

Scope and Methodology

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). GAGAS requires that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions within the context of our audit objective(s). This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The audit scope was Calendar Years 2022 and 2023.

To obtain an understanding of the policies, procedures, internal controls, and regulations for NYCHA's vendor selection process, auditors reviewed and where applicable used as criteria the following resources:

- Comptroller's Directive 1: Principles of Internal Control
- Comptroller's Directive#7: Audit of Requests For Payment Received Under Contracts For Construction, Equipment, And Construction-related Services
- NYCHA's Procurement Policy Manual
- NYCHA's Accounts Payable Procedure Manual 2022 Final
- NYCHA's Standard Procurement Manual – Competitive Procurement Methods
- NYCHA's Standard Procurement Manual – Releases and Receipts for Operations' Blanket Purchase Agreements for Services
- Comptroller's Office *Audit Report on NYCHA's Oversight of Contracts Involving Building Envelope Rehabilitation* (# SE16-065A) issued June 30, 2017
- NYC Mayor's Management Report, Fiscal Years 2023 and 2024
- NYCHA's Organization Chart
- NYCHA's Oracle Database

To further understand NYCHA's procurement operations and internal controls, auditors conducted interviews with NYCHA's Procurement Unit including the Chief Procurement Officer, the Senior Vice President of Management and Procurement, the Vice President of Procurement, the Vice President of Purchasing, Logistics and Inventory, the Vice President of Procurement Policy and Performance Management, the Vice President of Procurement Ethics and Vendor Responsibility, and the Director of Procurement Operations.

To determine whether the vendors selected to perform micro and small purchase repairs and maintenance completed the work in residents' apartments and to the residents' satisfaction, auditors obtained a data file from NYCHA listing purchases identified as micro and small purchases under procurement type for CYs 2022 and 2023. Auditors filtered the list to include only those purchases for which the amount received was \$50,000 or less which totaled \$135.6

million. This data was sorted by Purchase Order Category Type and auditors selected the top three category types (Apartment Painting, Tiles, and General Renovation) and Bathtub Wall Surround Installation which would generally be done in a resident's apartment. Auditors then identified 10 developments with the highest amount in these four category types, selecting three in Manhattan, two in the Bronx, two in Brooklyn, two in Queens, and one on Staten Island. The auditors then selected 10 locations at each of these developments and visited them to see if the work was completed as shown in Appendix I below.

To determine whether purchases were being broken up to fall below the micro purchase threshold of \$10,000 to avoid the competitive bidding requirements (i.e., bid splitting), auditors used the micro and small purchase data file for CYs 2022 and 2023 to identify instances where more than one purchase by a development for repair and maintenance service provided by a single vendor combined exceeded the micro purchase threshold in a single day. Auditors utilized the same dataset to determine whether there were multiple businesses at the same location awarded micro purchases by the developments thereby possibly circumventing the VNC if their total purchases within a 12-month period exceeded \$250,000.

To determine whether the concerns of the Resident Audit Committee members were echoed in customer satisfaction surveys related specifically to repairs and maintenance, hard copy surveys and QR codes were distributed to NYCHA residents at 25 developments across all five boroughs asking for feedback concerning their experiences with repairs and maintenance and the contractors hired to perform such work. The surveys were available in English and in 10 designated citywide languages: Spanish, Chinese, Russian, Arabic, Bengali, French, Polish, Korean, Urdu and Haitian Creole. Responses were anonymized.

TA Presidents were also surveyed, using a separate survey instrument, to obtain a different perspective of their satisfaction with the work performed by large-scale vendors. Surveys were sent to TA Presidents at 212 of the agency's 335 developments, asking them to rate the work of contractors performing large-scale work in terms of quality, timeliness and degree of disruption to residents. Sixty-nine of the 335 developments have been converted to PACT/RAD and the repair and maintenance needs are now being handled by private property managers. For the remaining 266 developments, some share a TA President, some TA President positions are vacant, and NYCHA did not have contact information for the others.

To assess whether NYCHA was complying with its vetting procedure for large-scale vendors and that they were competitively solicited, auditors selected four contracts and reviewed their procurement process. Auditors met with senior officials from NYCHA's Procurement Unit to obtain an understanding of the steps and documents required during the solicitation process and the awarding of the contract. Auditors then created a checklist and looked to see if the required steps were followed and whether the necessary documents were in the contract file.

To assess whether NYCHA evaluated the work performed by the vendors, auditors extracted from NYCHA's Oracle database and reviewed all available evaluations for the four large-scale contracts selected.

To determine whether payments to the vendors were adequately supported, auditors obtained and reviewed various documents, including Statements of Services, invoices, Contractors' daily sign in sheets, Certified Payrolls, as well as any available photographic evidence to provide reasonable assurance that NYCHA officials reviewed and verified the work performed by the contractor prior to payment being made.

The test results, while not projectable to their respective populations, provide a reasonable basis to determine whether NYCHA is adequately selecting and monitoring contractors hired to perform repairs and maintenance at NYCHA buildings.

Appendix I

Breakdown of 101 Micro and Small Purchases Sampled at 10 Developments

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
1	Vladeck Federal-0204	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	06/13/23	Statement of Services and Work Order provided.	Yes		\$1,516.40
2	Vladeck Federal-0204	1410 - Apartment Painting	Public Space Paint Day	05/03/22	No Statement of Services or Work Order. Blanket Release provided.	No	No documentation provided	\$7,594.56
3	Vladeck Federal-0204	1410 - Apartment Painting	3 Room Apartment - 2 Coat Paint System	01/17/23	No Statement of Services. Work Order and Requisition provided.	Yes		\$1,137.30
4	Vladeck Federal-0204	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	04/11/23	Statement of Services and Work Order provided.	Could not be determined		\$1,516.40
5	Vladeck Federal-0204	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Occupied Apartments), 4 Rooms	03/02/23	Statement of Services and Work Order provided.	No	Resident said work was not done	\$1,235.00

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
6	Vladeck Federal-0204	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Move-out Apartments), 4 Rooms	03/02/23	Statement of Services and Work Order provided.	Could not be determined		\$1,170.00
7	Vladeck Federal-0204	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Move-out Apartments), 4 Rooms	06/22/23	Statement of Services and Work Order provided.	Yes		\$1,170.00
8	Vladeck Federal-0204	1260 - General Renovation-GR	As Per Proposal to Renovated Bathroom	07/27/23	No Work Order. Received Statement of Services, Micro PO Request, vendor cost proposal. No location listed. SOS only lists bathroom renovation, no details. PO Request lists details.	Yes		\$9,850.00
9	Vladeck Federal-0204	1260 - General Renovation-GR	As per Proposal install signs	07/25/23	No Work Order. Received Statement of Services, Vendor cost proposal; Micro PO Request.	Yes		\$8,459.00
10	Vladeck Federal-0204	1260 - General Renovation-GR	As per proposal drop ceiling	11/25/22	No Statement of Services. Received Work Order, Vendor cost proposal.	Could not be determined		\$9,980.00

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
11	Ravenswood-369S	1410 - Apartment Painting	5 Room Apartment - 2 Coat Paint System	07/07/22	Statement of Services and Work Order provided. Unit Number Mismatch Btw WO and SOS. Possible typo on SOS.	Could not be determined		\$1,806.30
12	Ravenswood-0369	1410 - Apartment Painting	3 Room Apartment - 2 Coat Paint System	09/01/22	Statement of Services and Work Order provided	Could not be determined		\$1,083.78
13	Ravenswood-0369	1260 - General Renovation-GR	We will provide labor and material to remove old Bath tub and install New roll-in shower with necessary at -35-35 21st-Apt-xx.	03/16/23	Statement of Services and Work Order provided. Vendor cost proposal, Micro PO Request.	Could not be determined		\$8,668.44
14	Ravenswood-0369	1570 - Tile, Vinyl Floor Tile - Apartments	Tile of Complete Individual Rooms and/or Other Areas within an Apartment (Occupied Apartments)	11/22/23	Work Order provided. Statement of Services provided later on 6/14.	Yes	Resident not happy with work; said that she took NYCHA to court	\$1,759.30
15	Ravenswood-0369	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	04/25/23	Statement of Services and Work Order provided.	Yes		\$1,673.42

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
16	Ravenswood-0369	1410 - Apartment Painting	3 Room Apartment - 2 Coat Paint System	05/23/23	Statement of Services and Work Order provided.	Could not be determined		\$1,148.45
17	Ravenswood-0369	1410 - Apartment Painting	3 Room Apartment - 2 Coat Paint System	09/06/22	Statement of Services and Work Order provided.	Could not be determined		\$1,468.80
18	Ravenswood-0369	1260 - General Renovation-GR	we will provide labor and material to take out bath tub and build rolling shower at building 20 .	11/25/22	Statement of Services and Work Order provided. Vendor cost proposal.	Yes		\$9,857.00
19	Ravenswood-0369	1260 - General Renovation-GR	Put Concrete slab 5'X8" Ft. in 2 Areas to install 2 New garbage can Sheds, 36 inch width and 5 Ft height, with 2 door, hinges, 3 lids, lock latches at two locations.	08/30/22	No Work Order. Statement of Services provided but not signed by NYCHA. Vendor cost proposal.	Yes		\$9,350.00
20	Ravenswood-0369	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Move-out Apartments), 4 Rooms	01/26/23	Statement of Services and Work Order provided.	Could not be determined		\$1,314.00

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
21	Castle Hill-0431	1035 - Bathtub Wall Surround Installation	demo supply and install	10/17/23	Work Orders and Statement of Services received later on 4/10. Vendor cost proposal, Invoice, Micro PO Request.	No	Cannot substantiate that WOs are related to PO	\$9,800.00
22	Castle Hill-0431	1410 - Apartment Painting	3 Room Apartment - 2 Coat Paint System	11/15/22	No Statement of Services. Work Order and Requisition details provided.	Yes		\$1,083.78
23	Castle Hill-0431	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	11/01/22	Work Order and Requisition details provided. Statement of Services provided later on 6/14.	Could not be determined		\$1,445.04
24	Castle Hill-0431	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	12/06/22	Work Order and Statement of Services provided, but SOS not signed by NYCHA. Invoice, Blanket Release (pg 2 only) provided.	No	Resident said that only 2 of the 4 rooms were painted	\$1,445.04

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
25	Castle Hill-0431	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Move-out Apartments), 5 Rooms	12/07/23	Work Order and Statement of Services provided, however, SOS missing exact location. Requisition details provided.	Yes		\$1,487.50
26	Castle Hill-0431	1410 - Apartment Painting	3 Room Apartment - 2 Coat Paint System	01/31/23	Work Order and Statement of Services provided, however, SOS missing exact location. Requisition details provided.	Could not be determined		\$1,498.00
27	Castle Hill-0431	1035 - Bathtub Wall Surround Installation	demo supply and install	09/26/23	No Statement of Services. Invoice provided, but missing location of work. 8 of 10 Work Orders received later on 6/14	No	Cannot substantiate that WOs are related to PO	\$9,800.00
28	Castle Hill-0431	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	05/30/23	Work Order and Statement of Services provided, however, SOS missing exact location. Requisition details provided.	Yes		\$2,119.00

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
29	Castle Hill-0431	1260 - General Renovation-GR	This proposal scope includes all signage required for with FDNY505.1, FDNY50	08/25/22	No Work Order. Provided Statement of Services, Invoice, Vendor Cost Proposal.	Yes		\$6,241.00
30	Castle Hill-0431	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Move-out Apartments), 4 Rooms	10/24/23	Requisition Details provided. Correct Work Order and Statement of Services received 4/8. Original WO received 4/3 is incorrect.	Could not be determined		\$1,190.00
31	Baisley Park-0240	1410 - Apartment Painting	Repairing walls, ceiling and paint the entire apartment at 2 various locations at Baisley Park Houses.	08/30/22	Work Order and Statement of Services provided.	Yes		\$9,870.00
32	Baisley Park-0240	1410 - Apartment Painting	Conlon-Lifhe Towers: 3 Room Apartment - 3 Coat Paint System	02/07/23	Work Order and Statement of Services received later on 7/3, however, SOS not signed by NYCHA.	No	No documentation provided on date of visit 4/4/24	\$1,800.00
33	Baisley Park-0240	1410 - Apartment Painting	Conlon-Lifhe Towers: 3 Room Apartment - 3 Coat Paint System	05/16/23	Work Order and Statement of Services provided.	Yes		\$1,800.00

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
34	Baisley Park-0240	1410 - Apartment Painting	Conlon-Lifhe Towers: 3 Room Apartment - 3 Coat Paint System	03/23/23	Work Order and Statement of Services provided.	Yes		\$1,800.00
35	Baisley Park-0240	1260 - General Renovation-GR	Fha home Replacing Repairing bathroom wall, floor tiles, toilet	06/06/23	No Statement of Services or Work Order. Invoice provided later on 7/3, however does not list location.	No	No documentation provided on date of visit 4/4/24	\$9,040.00
36	Baisley Park-0240	1570 - Tile, Vinyl Floor Tile - Apartments	International TW - Remove and Replace Vinyl Cove Base in complete individual room(s) and/or areas within an apartment (Move-outs & Occupied Apartments)	10/18/22	Work Order and Statement of Services received later on 7/3, however, SOS not signed by NYCHA.	No	No documentation provided on date of visit 4/4/24	\$1,650.00
37	Baisley Park-0240	1260 - General Renovation-GR	We will repair rolling gate and replace motor at tenant parking lot at 89-09 162nd St. We will install new 5 heavy duty metal pit covers in basement at buildings 1,2,3,4 and 5. The size of pit covers 48X48. We will remove all debris.	05/23/23	No Work Order. Statement of Services provided.	Yes		\$7,950.00

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
38	Baisley Park-0240	1570 - Tile, Vinyl Floor Tile - Apartments	Conlon Lifhe - Remove and Replace Vinyl Cove Base in complete individual room(s) and/or areas within an apartment (Move-outs & Occupied Apartments)	05/02/23	Work Order and Statement of Services provided.	Yes		\$1,650.00
39	Baisley Park-0240	1570 - Tile, Vinyl Floor Tile - Apartments	New VC floor tile to be installed in Move-out (Unoccupied Apartments) VCT over VCT	11/22/23	Work Order and Statement of Services provided.	Yes		\$1,205.10
40	Baisley Park-0240	1570 - Tile, Vinyl Floor Tile - Apartments	Remove and Replace Vinyl Cove Base in complete individual room(s) and/or areas within an apartment (Move-outs & Occupied Apartments)	12/08/22	Work Order and Statement of Services received later on 7/3, however, SOS not signed by NYCHA.	No	No documentation provided on date of visit 4/4/2	\$1,650.00
41	Gov A E Smith-0531	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	09/19/23	Work Order and Blanket Release provided. Statement of Services provided later on 4/12/24.	Yes		\$1,643.44
42	Gov A E Smith-0531	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	11/14/23	Work Order and Blanket Release provided. Statement of Services provided later on 4/12/24.	Yes		\$1,643.44

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
43	Gov A E Smith-0531	1410 - Apartment Painting	5 Room Apartment - 2 Coat Paint System	09/19/23	Work Order and Blanket Release provided. Statement of Services provided later on 4/12/24.	Yes		\$2,025.92
44	Gov A E Smith-0531	1260 - General Renovation-GR	Window Swing Gate Repairs	10/03/23	No Work Order. Provided Statement of Services, Vendor cost proposal, Micro PO request.	No	All gates are broken	\$8,104.40
45	Gov A E Smith-0531	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Occupied Apartments), 4 Rooms	03/22/22	No Statement of Services. Work Order and Blanket Release provided.	Yes	Resident said that many areas had chips	\$1,324.00
46	Gov A E Smith-0531	1570 - Tile, Vinyl Floor Tile - Apartments	Re-tile of complete individual rooms and/or other areas within an apartment (Occupied apartments)	05/03/22	Work Order, Statement of Services, and Blanket Release (pg 2 only) provided.	Yes		\$1,338.40
47	Gov A E Smith-0531	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Move-out Apartments), 5 Rooms	03/29/22	Work Order, Statement of Services, and Blanket Release (pg 2 only) provided.	Yes		\$1,468.00

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
48	Gov A E Smith-0531	1260 - General Renovation-GR	Roof Landing Safety Sight Mirrors Install	06/13/23	Work Order and Statement of Services provided.	Yes		\$9,917.84
49	Gov A E Smith-0531	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Move-out Apartments), 4 Rooms	12/07/23	Work Order and Statement of Services provided.	Could not be determined		\$1,443.00
50	Gov A E Smith-0531	1410 - Apartment Painting	7 Room Apartment - 2 Coat Paint System	10/25/22	Work Order and Statement of Services provided.	No	Resident stated that all rooms were not painted. Superintendent disagreed	\$3,472.41
51	Pelham Parkway-0586	1410 - Apartment Painting	Boston Rd Plaza-3 Room Apartment - 2 Coat Paint System	06/07/22	Work Order and Blanket Release provided. Statement of Services provided later on 7/3.	Yes		\$1,135.16
52	Pelham Parkway-0586	1410 - Apartment Painting	3 Room Apartment - 2 Coat Paint System	11/17/22	No Statement of Services. Work Order and Blanket Release provided.	Could not be determined		\$1,135.16

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
53	Pelham Parkway-0586	1570 - Tile, Vinyl Floor Tile - Apartments	Citywide - New Floor Tile (VCT) to be installed in Public Space Areas (VCT over VCT) Repair to Floor with Excessive Damage due to abnormal conditions in excess of two hours (the first two hours are the responsibility of the contractor)	08/11/22	Work Order, Statement of Services, and Blanket Release provided.	Yes		9,834.00
54	Pelham Parkway-0586	1410 - Apartment Painting	Public Space Paint Day	09/27/22	No Work Order. Statement of Services and Blanket Release provided.	No	Daycare staff could not confirm painting done	\$25,275.60
55	Pelham Parkway-0586	1570 - Tile, Vinyl Floor Tile - Apartments	Boston Secur-Installation of Tile (Occupied Apartments), 5 Rooms	06/16/22	No Statement of Services. Work Order and Blanket Release provided.	Yes		\$1,528.00
56	Pelham Parkway-0586	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	12/14/22	Work Order, Statement of Services, and Blanket Release provided.	Yes		\$1,513.55

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
57	Pelham Parkway-0586	1035 - Bathtub Wall Surround Installation	demo supply and install	12/05/23	No Work Order and Statement of Services. Provided Micro PO Request, Vendor cost proposal. No address listed on documents.	No	Documentation does not indicate where work was done	\$9,800.50
58	Pelham Parkway-0586	1410 - Apartment Painting	Public Space Paint Day	01/31/23	Statement of Services and Blanket Release provided. Work Order provided later on 7/3	No	Peeling and cracked paint	\$9,929.70
59	Pelham Parkway-0586	1570 - Tile, Vinyl Floor Tile - Apartments	Citywide - New Floor Tile (VCT) to be installed in Public Space Areas (VCT over VCT) Repair to Floor with Excessive Damage due to abnormal conditions in excess of two hours (the first two hours are the responsibility of the contractor)	01/10/23	Work Order, Statement of Services and Blanket Release provided.	Yes		9,960.00
60	Pelham Parkway-0586	1260 - General Renovation-GR	Install security poles around development	08/01/23	No Work Order. Provided Statement of Services, Standard PO, Vendor cost proposal, Micro PO request.	Yes		\$9,903.16

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
61	Cypress Hill-0536	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Occupied Apartments), 4 Rooms	10/27/22	No Statement of Services or Work Order.	No	No documentation provided	\$1,210.00
62	Cypress Hill-0536	1410 - Apartment Painting	6 Room Apartment - 2 Coat Paint System	01/04/24	Work Order and Statement of Services provided.	No	In process of painting, spackling done	\$2,977.00
63	Cypress Hill-0536	1410 - Apartment Painting	6 Room Apartment - 2 Coat Paint System	04/20/23	Work Order and Statement of Services provided.	Could not be determined		\$2,977.00
64	Cypress Hill-0536	1570 - Tile, Vinyl Floor Tile - Apartments	Re-Tile of Complete Individual Rooms and/or Other Areas within an Apartment (Occupied Apartments)	12/28/23	No Statement of Services. Provided Work Order, Blanket Release, Invoice.	Could not be determined		\$1,457.90
65	Cypress Hill-0536	1260 - General Renovation-GR	repair and stabilize metal stair railing & (2) locks on gate @ 1064 Hegeman	03/31/22	Work Order and Statement of Services provided.	Yes		\$4,800.00
66	Cypress Hill-0536	1260 - General Renovation-GR	install epoxy floors in 2 elevators 1200 & 1210 Sutter	04/19/22	No Work Order and Statement of Services. Provided Vendor cost proposal, Requisition.	Yes		\$9,998.00

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
67	Cypress Hill-0536	1260 - General Renovation-GR	Building #1 Flag Pole Repair	04/20/23	No Work Order. Provided Statement of Services, Vendor cost proposal.	Yes		\$5,990.00
68	Cypress Hill-0536	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	11/01/22	No Statement of Services or Work Order.	No	No documentation provided	\$1,959.25
69	Cypress Hill-0536	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Move-out Apartments), 4 Rooms	10/12/23	Work Order and Statement of Services provided.	Could not be determined		\$1,108.80
70	Cypress Hill-0536	1570 - Tile, Vinyl Floor Tile - Apartments	Re-Tile of Complete Individual Rooms and/or Other Areas Within an Apartment (Occupied Apartments)	12/28/23	No Statement of Services. Work Order, Invoice, Blanket Release provided later on 7/3.	No	No documentation provided on date of visit 4/8/24	\$1,673.00
71	Cypress Hill-0536	1260 - General Renovation-GR	610 Euclid Ave Remodeling the Assist Super's Bathroom	12/27/22	No Work Order and Statement of Services. Provided Standard PO, Vendor cost proposal.	Yes		\$9,915.00
72	Wagner SR-0224	1410 - Apartment Painting	4 Room Apartment - 3 Coat Paint System	05/18/23	Work Order and Statement of Services provided.	Yes		\$2,400.00

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
73	Wagner SR-0224	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	05/18/23	Work Order and Statement of Services provided.	Could not be determined		\$1,516.40
74	Wagner SR-0224	1260 - General Renovation-GR	this proposal is to create and install 12 signs for the compound vinyl and metal with u shape post	12/12/23	No Work Order and Statement of Services. Provided iProcurement Standard PO, Vendor cost proposal, Micro PO request.	Yes		\$9,923.00
75	Wagner SR-0224	1410 - Apartment Painting	4 Room Apartment - 3 Coat Paint System	12/13/22	No Statement of Services. Provided Work Order signed by 4 inspectors, Blanket Release.	No	Resident said she painted	\$2,400.00
76	Wagner SR-0224	1570 - Tile, Vinyl Floor Tile - Apartments	Re-Tile of Complete Individual Rooms and/or Other Areas Within an Apartment (Move-out Apartments)	09/14/23	Work Order, Statement of Services, and Blanket Release provided.	Yes		\$1,401.20
77	Wagner SR-0224	1570 - Tile, Vinyl Floor Tile - Apartments	New VC floor tile to be installed in occupied apartments VCT over VCT	09/19/23	Work Order and Statement of Services provided.	Yes		\$1,116.00

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
78	Wagner SR-0224	1570 - Tile, Vinyl Floor Tile - Apartments	New VC floor tile to be installed in occupied apartments VCT over VCT	05/18/23	No Statement of Services. Provided Work Order and Blanket Release.	Yes		\$1,490.40
79	Wagner SR-0224	1260 - General Renovation-GR	this proposal is to install 2 new housing sign boards in front of maintenance area and the corner of building 13 both signs are 4x6 ft	06/14/22	No Work Order. Provided Statement of Services and Standard PO.	Yes		\$9,987.00
80	Wagner SR-0224	1260 - General Renovation-GR	this proposal is to repair clean and installation o window blinds in the management.	02/01/22	No Work Order. Provided Statement of Services, Vendor cost proposal.	Yes		\$9,995.00
81	Wagner SR-0224	1570 - Tile, Vinyl Floor Tile - Apartments	New Floor Tile (VCT) to be installed in Public Space Areas (VCT over VCT)	01/09/24	No Statement of Services. Provided Work Order and Blanket Release.	Yes		\$28,786.00
82	Marlboro-0426	1410 - Apartment Painting	4 Room Apartment - 3 Coat Paint System	10/12/23	Work Order, Blanket Release provided. Statement of Services provided by Vendor and not signed by NYCHA.	Could not be determined		\$2,188.87

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
83	Marlboro-0426	1570 - Tile, Vinyl Floor Tile - Apartments	Remove and Replace Vinyl Cove Base in Complete Individual Room(s) and/or Areas within an Apartment (Move-outs & Occupied Apartments)	09/26/23	Work Order, Statement of Services, and Blanket Release provided.	Yes		\$1,804.00
84	Marlboro-0426	1410 - Apartment Painting	4 Room Apartment - 3 Coat Paint System	10/12/23	Work Order and Blanket Release provided. Statement of Services provided by Vendor and not signed by NYCHA.	Could not be determined		\$2,188.87
85	Marlboro-0426	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	07/05/23	Work Order and Blanket Release provided. Statement of Services provided by Vendor and not signed by NYCHA.	No	Resident said work was not done	\$1,380.82
86	Marlboro-0426	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Move-out Apartments), 4 Rooms	05/09/23	Work Order and Blanket Release provided. Statement of Service provided later on 6/14.	Could not be determined		\$1,170.00


	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
87	Marlboro-0426	1570 - Tile, Vinyl Floor Tile - Apartments	New Floor Tile (VCT) to be installed in Public Space Areas (VCT over VCT)	05/18/23	Work Order and Blanket Release provided. Statement of Service provided later on 6/14.	Yes		\$9,875.00
88	Marlboro-0426	1570 - Tile, Vinyl Floor Tile - Apartments	Remove and Replace Vinyl Cove Base in Complete Individual Room(s) and/or Areas within an Apartment (Move-outs & Occupied Apartments)	10/18/22	Work Order and Blanket Release provided. Statement of Service provided later on 6/14.	Could not be determined		\$1,210.00
89	Marlboro-0426	1570 - Tile, Vinyl Floor Tile - Apartments	Removal of Non-Asbestos Containing Floor Coverings, including but not Limited to: Vinyl Composition Floor Tile, Linoleum, Self Adhesive Floor Tile, Carpet, Ceramic Floor Tile, Wood Flooring, Etc. (Un-Occupied Apartments)	04/06/23	No Work Order. Provided Blanket Release, requisition details. Provided Statement of Services later on 6/14. No location listed on documents.	No	Missing documentation , no location listed	\$11,250.00
90	Marlboro-0426	1410 - Apartment Painting	5 Room Apartment - 2 Coat Paint System	01/19/23	Work Order and Statement of Services provided.	Yes		\$2,182.36

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
91	Marlboro-0426	1260 - General Renovation-GR	Safety Stickers in 21 Buildings EHS Violation	10/17/23	No Work Order. Provided Statement of Services, Standard PO, Requisition details, Vendor cost proposal, Micro PO request.	Yes		\$9,456.36
92	Stapleton-0436	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	03/21/23	Work Order, Statement of Services, and Blanket Release provided.	Could not be determined		\$1,445.04
93	Stapleton-0436	1570 - Tile, Vinyl Floor Tile - Apartments	Repair to Floor with excessive damage due to abnormal conditions in excess of two hours (the first two hours are the responsibility of the contractor)	01/09/24	Work Order, Statement of Services, and Blanket Release provided.	Yes		\$7,350.00
94	Stapleton-0436	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	12/22/22	No Statement of Services. Work Order and Blanket Release provided.	Yes		\$1,445.04
95	Stapleton-0436	1410 - Apartment Painting	4 Room Apartment - 2 Coat Paint System	07/26/22	No Statement of Services. Work Order and Blanket Release provided.	Could not be determined		\$1,445.04

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
96	Stapleton-0436	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Occupied Apartments), 5 Rooms	01/26/23	Work Order, Statement of Services, and Blanket Release provided.	No	Work not completed	\$1,634.00
97	Stapleton-0436	1260 - General Renovation-GR	Fabricate & Install 4 Development Signs 44"x48" and 15 Smaller Signs 4"x4"	02/16/23	No Work Order and Statement of Services. Provided Standard PO.	Yes		\$9,880.00
98	Stapleton-0436	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Occupied Apartments), 5 Rooms	07/20/23	Work Order, Statement of Services, and Blanket Release provided, however, SOS not signed.	Yes		\$1,634.00
99	Stapleton-0436	1570 - Tile, Vinyl Floor Tile - Apartments	New VC floor tile to be installed in Move-out (Unoccupied Apartments) VCT over VCT	01/25/24	Work Order, Statement of Services, and Blanket Release provided.	Yes		\$1,957.00
100	Stapleton-0436	1570 - Tile, Vinyl Floor Tile - Apartments	Installation of Tile (Move-Out Apartments), 4 Rooms	07/20/23	No Statement of Services. Provided Work Order and Blanket Release.	Yes		\$1,134.00
101	Stapleton-0436	1260 - General Renovation-GR	Replace 18 Pieces of Broken / Cracked Glass Bldg# 4 = 8 Bldg# 5 = 10	11/01/22	No Statement of Services. Provided Work Order and Standard PO.	Yes		\$9,950.00

	NYCHA Development	Category (Contract Type)	Description of work	Payment date	Supporting documentation found	Substantiated that work was completed in accordance with description in purchase documentation	Comment	Amount
			Could not be determined whether work completed in accordance with purchase documentation= 24					\$51,575.29
			Substantiated that work was completed in accordance with purchase documentation = 55					\$285,683.07
			Unable to substantiate because no documentation indicating the nature or location of the work = 12					\$67,227.31
			Unable to substantiate that work was completed satisfactorily based on visual inspection/ tenant = 10					\$57,853.97
			Total					\$462,339.64

 Work was not completed satisfactorily based on visual inspection/ tenant

 No documentation indicating the nature or location of the work

Appendix II

Breakdown of 19 Sampled Micro and Small Purchases for Bathtub Wall Surround Installations

	NYCHA Development	Description of work	Payment date	Supporting documentation found	Amount
1	Sound View-0537	demo supply and install	12/05/23	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.50
2	Sound View-0537	demo supply and install	09/05/23	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.00
3	Sotomayor Houses-0222	demo supply and install	01/09/24	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.00
4	Melrose-0523	demo supply and install	12/05/23	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.50
5	Melrose-0523	demo supply and install	01/09/24	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.00
6	St Mary's Park-0673	demo supply and install	11/02/23	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.00
7	St Mary's Park-0673	demo supply and install	07/27/23	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.00

	NYCHA Development	Description of work	Payment date	Supporting documentation found	Amount
8	Soundview SC-S537	demo supply and install	10/19/23	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.00
9	Soundview SC-S537	demo supply and install	10/17/23	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.00
10	Marble Hill-0638	Bathroom Renovation (Bldg.#9) Shop#1	10/25/22	No Work Order. Provided Vendor cost proposal, Invoice. Statement of Services later provided on 9/5.	\$9,850.00
11	Marble Hill-0638	demo supply and install	11/16/23	No Statement of Services or Work Order. Provided Vendor cost proposal and invoice. No exact location listed on documents.	\$9,800.00
12	Edenwald-0214	New galaxy edenwald 10 tub	05/24/22	No Statement of Services or Work Order. Provided Vendor cost proposal. No exact location listed on documents.	\$9,995.00
13	Eastchester-0313	demo supply and install	12/19/23	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.50
14	John Adams-0248	demo supply and install	10/10/23	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.00
15	John Adams-0248	demo supply and install	10/12/23	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.00
16	Morris Height Rehab-0769 (Private)	demo supply and install	10/12/23	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.00

	NYCHA Development	Description of work	Payment date	Supporting documentation found	Amount
17	Throggs Neck-0218	demo supply and install	8/17/23	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.00
18	Throggs Neck-0218	demo supply and install	08/08/23	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.00
19	Webster C.C.-C231	demo supply and install	09/07/23	No Statement of Services or Work Order. Provided Micro PO Request, Vendor cost proposal. No exact location listed on documents.	\$9,800.00
	Total				\$186,446.50

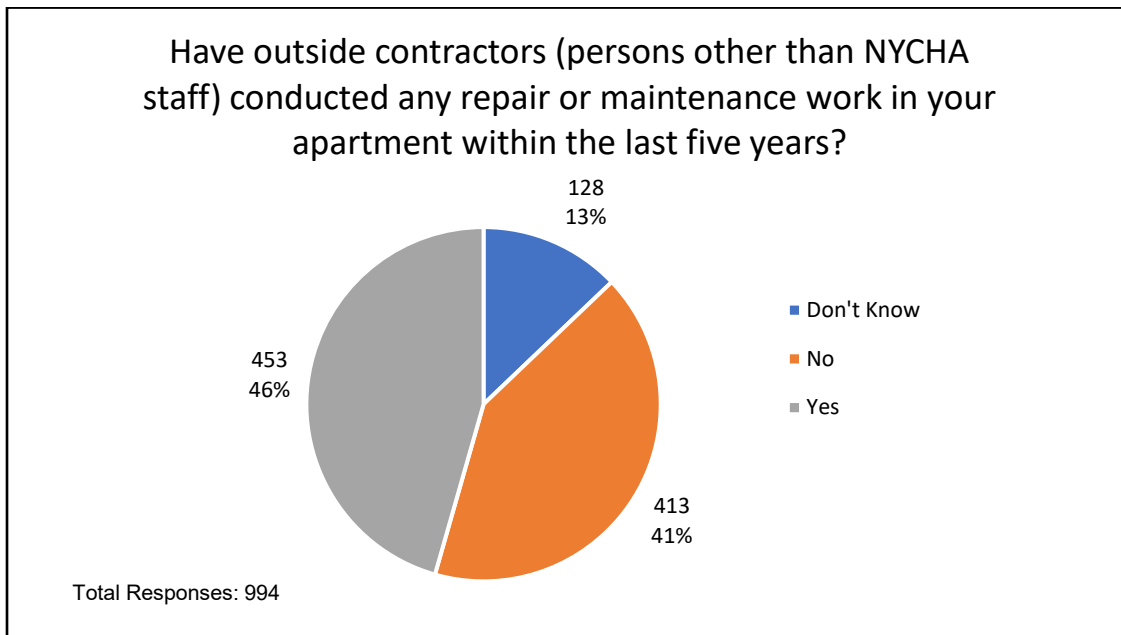
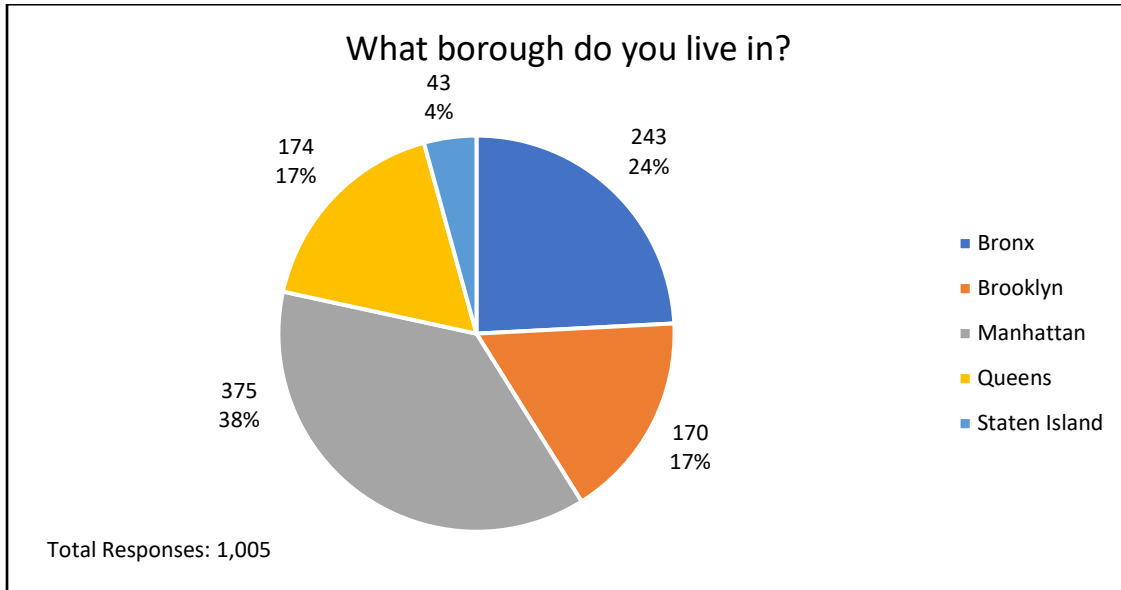
Appendix III

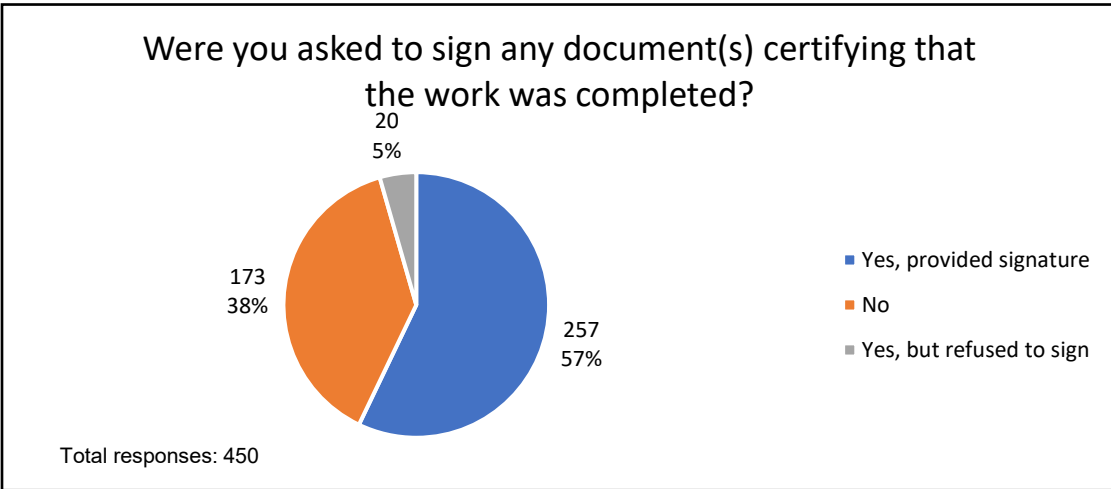
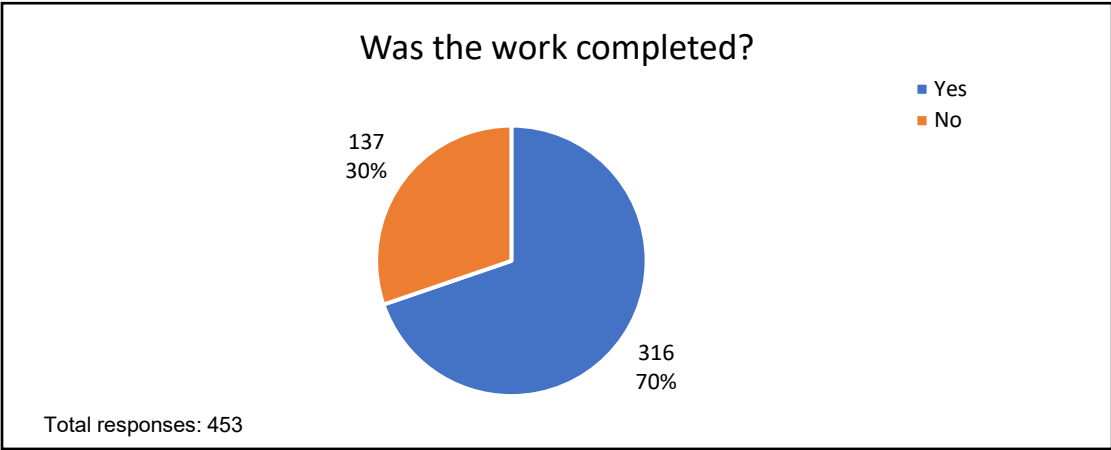
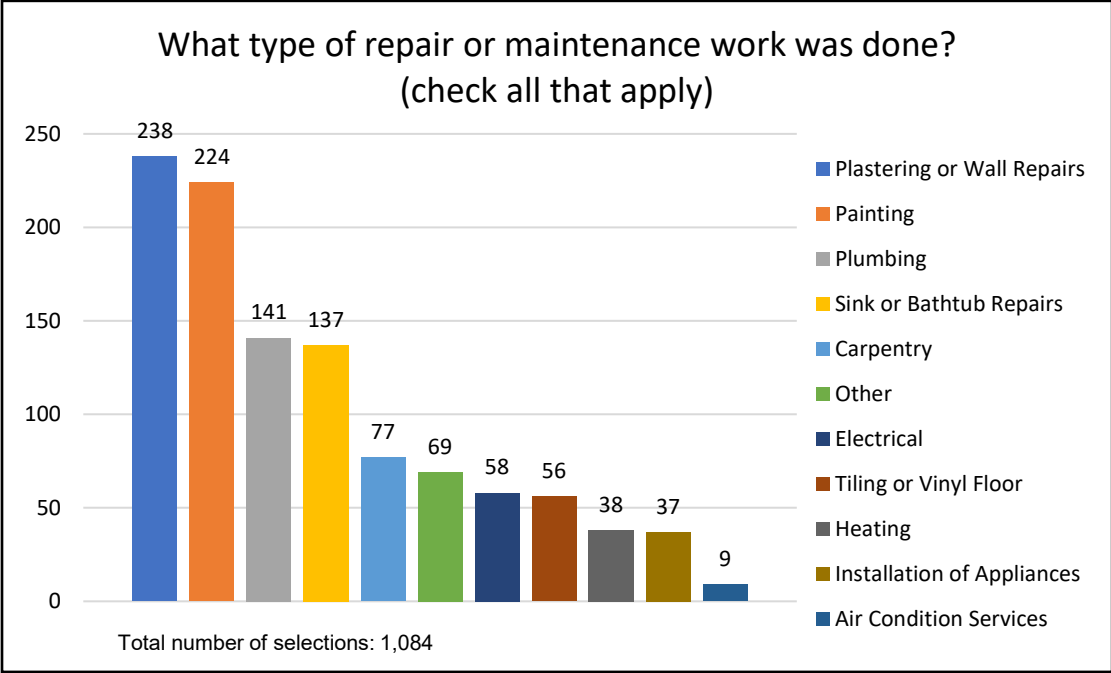
Developments Selected for Micro and Small Purchase Testing

NYCHA Development	Borough	Amount received on purchase orders relating to (1) apartment painting, (2) floor tiling – apartments, (3) general renovation, and (4) bathtub wall surround installations	Total Amount for sampled purchase orders
Wagner	Manhattan	\$ 1,139,595	\$ 69,015
Gov. Alfred E. Smith	Manhattan	\$ 1,072,979	\$ 32,381
Vladeck Federal	Manhattan	\$ 1,422,980	\$ 43,629
Pelham Parkway	Bronx	\$ 1,139,145	\$ 80,015
Castle Hill	Bronx	\$ 952,570	\$ 36,109
Marlboro	Brooklyn	\$ 1,165,858	\$ 42,706
Cypress Hill	Brooklyn	\$ 888,230	\$ 44,066
Baisley Park	Queens	\$ 1,199,828	\$ 38,415
Ravenswood	Queens	\$ 893,484	\$ 38,129
Stapleton	Staten Island	\$ 471,911	\$ 37,874
TOTAL		\$ 10,346,580	\$ 462,340

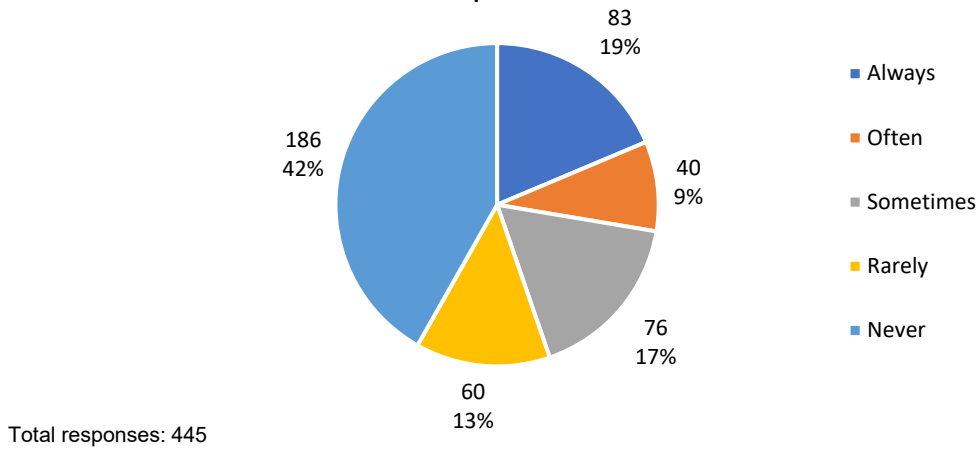
Appendix IV

The following is a breakdown of resident survey questions/topics and results.

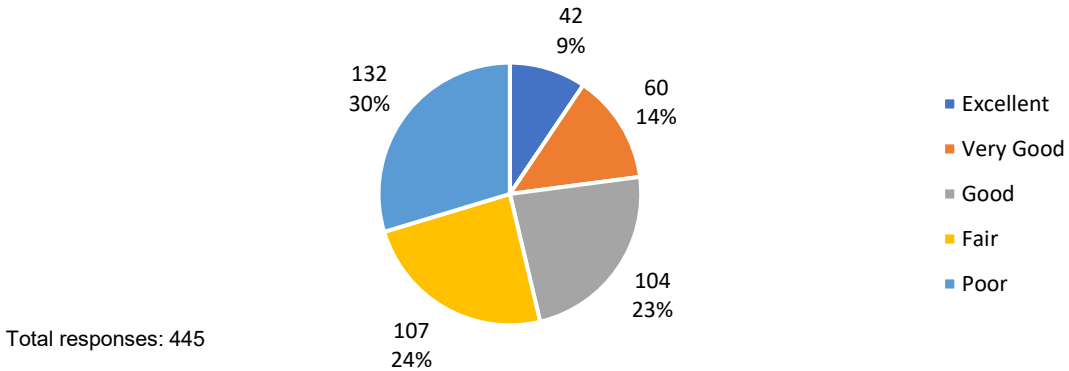




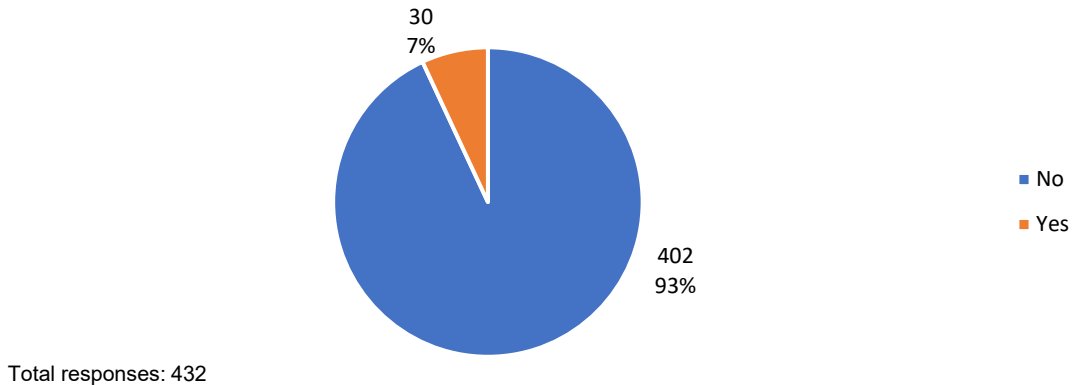
To what extent was NYCHA staff present during the repair process?



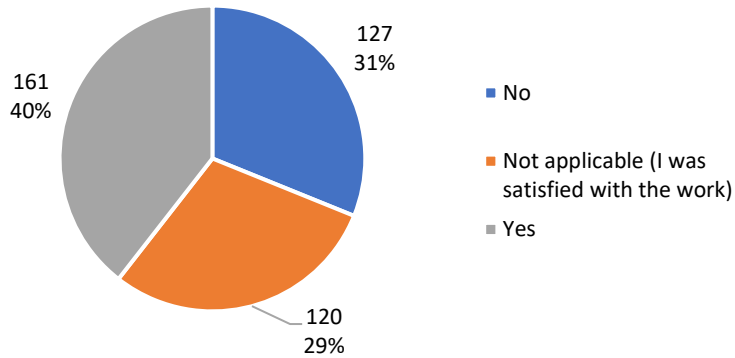
Overall, how would you rate the work performed by outside contractors?



Did NYCHA ask you to rate your satisfaction with the work performed?

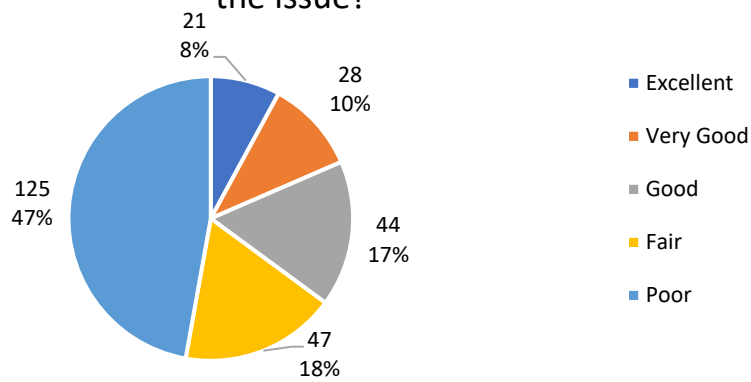


If you were unsatisfied with the work, did you notify NYCHA?



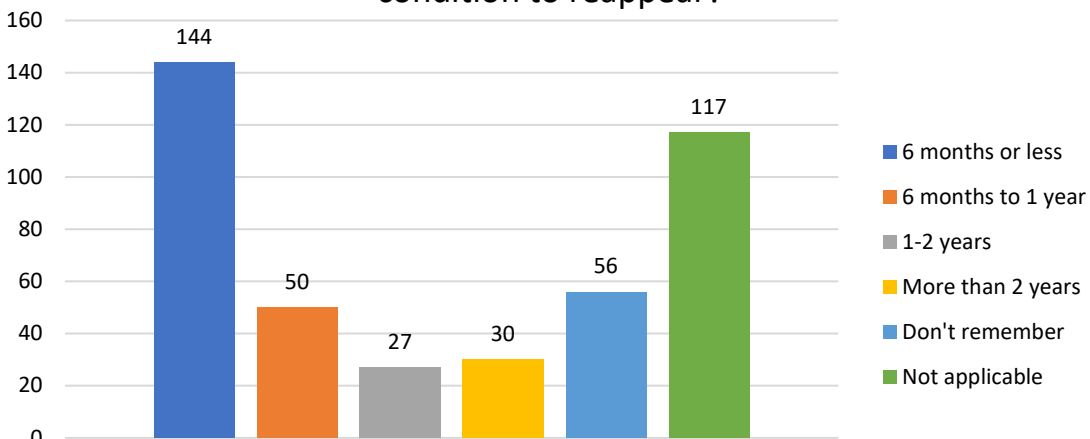
Total responses: 408

How would you rate NYCHA's responsiveness in resolving the issue?



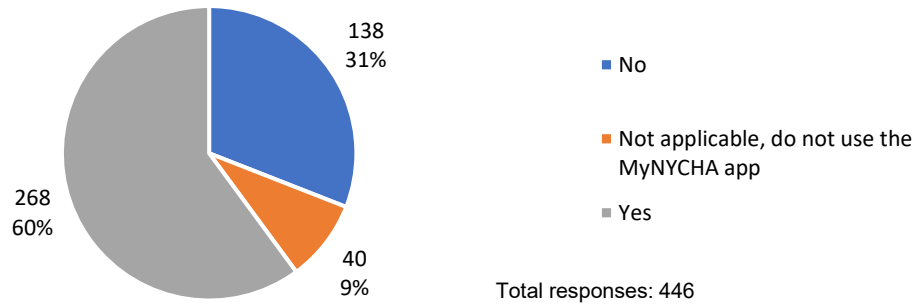
Total responses: 265

If a repair did not last, how long did it take for the condition to reappear?

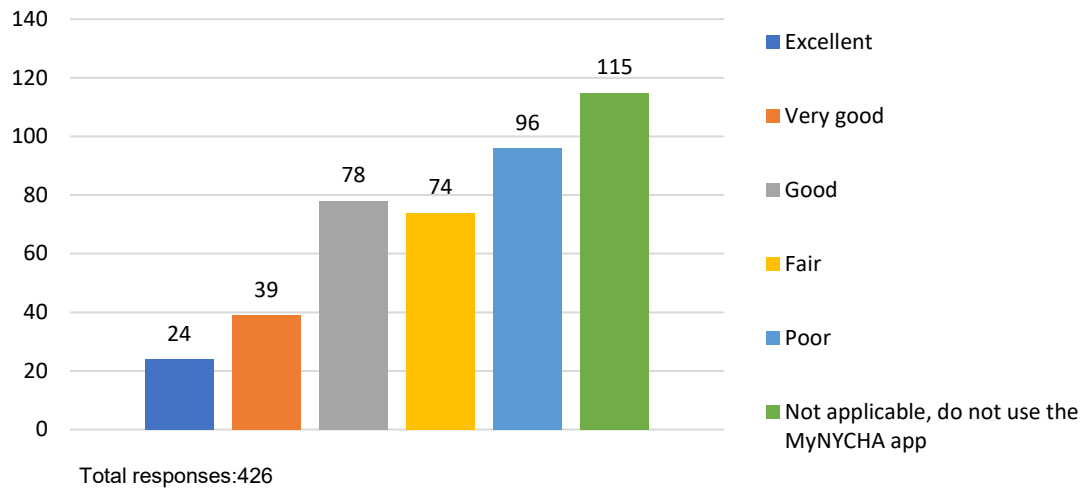


Total responses: 424

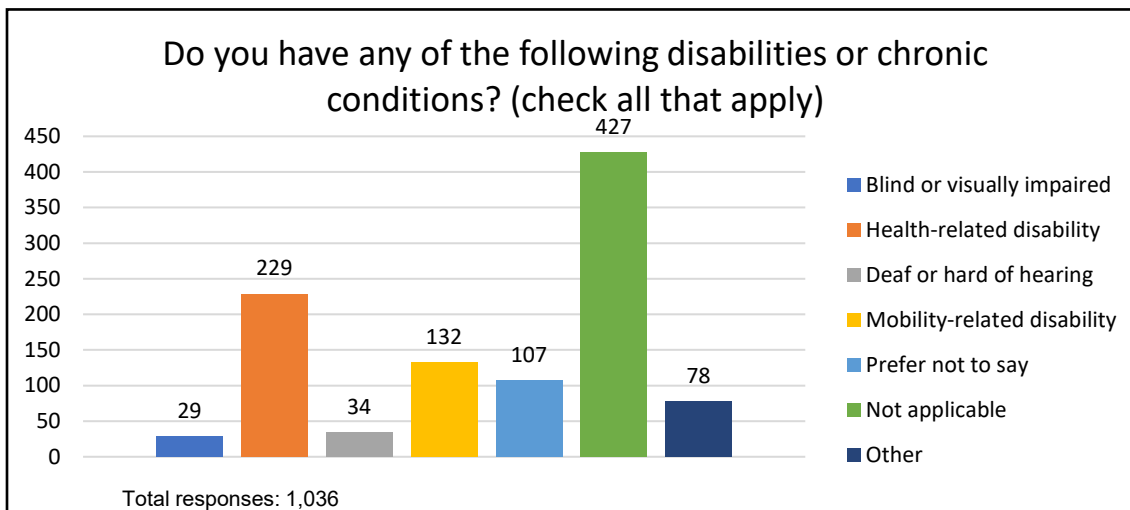
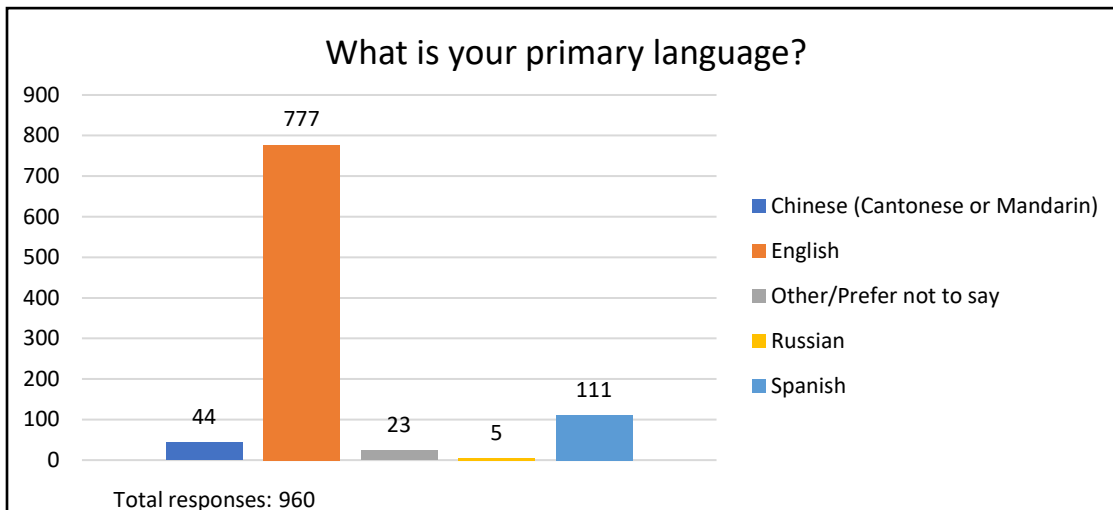
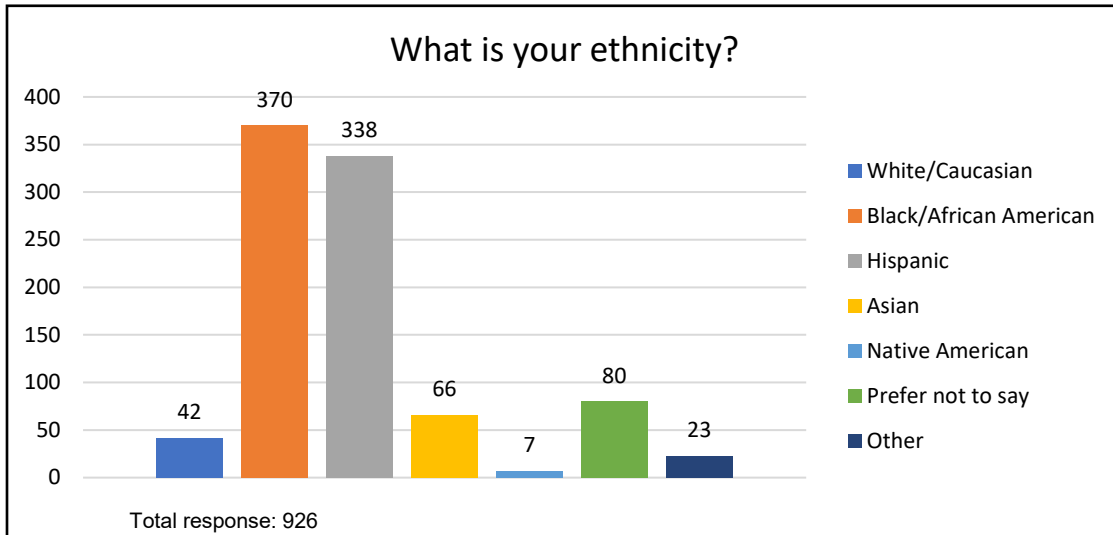
Have you used the MyNYCHA mobile app to create, submit, schedule, view and get updates on maintenance service requests?



If you utilize the MyNYCHA app to track repairs, how would you rate the app in terms of communicating with NYCHA and getting updates?

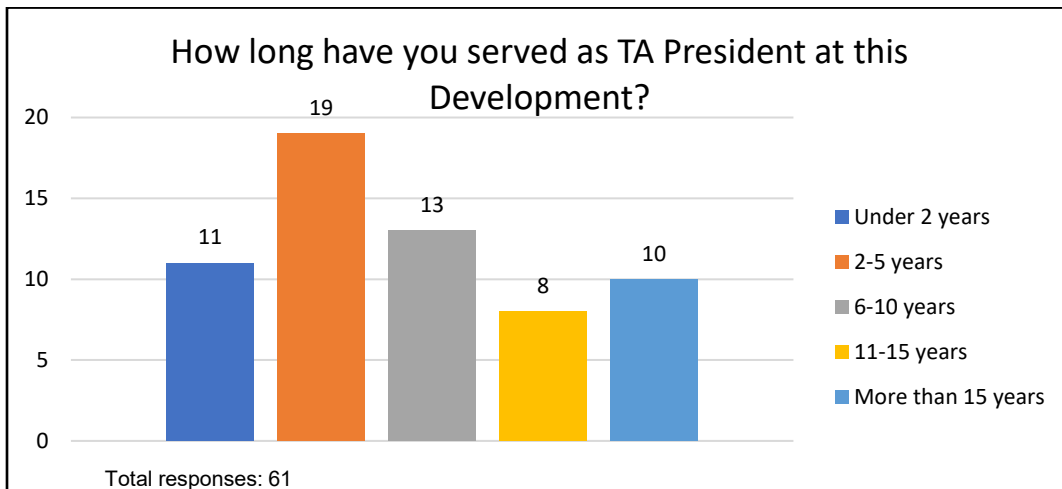
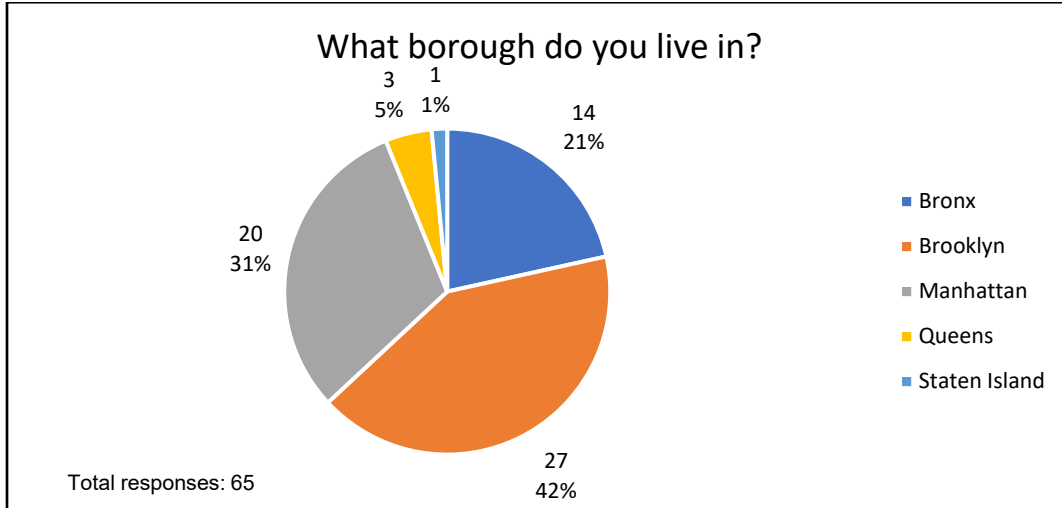


Demographics:

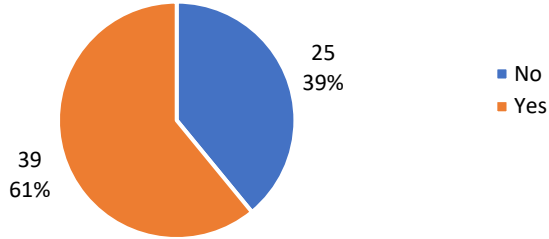


Appendix V

The following is a breakdown of TA President survey questions/topics and results.

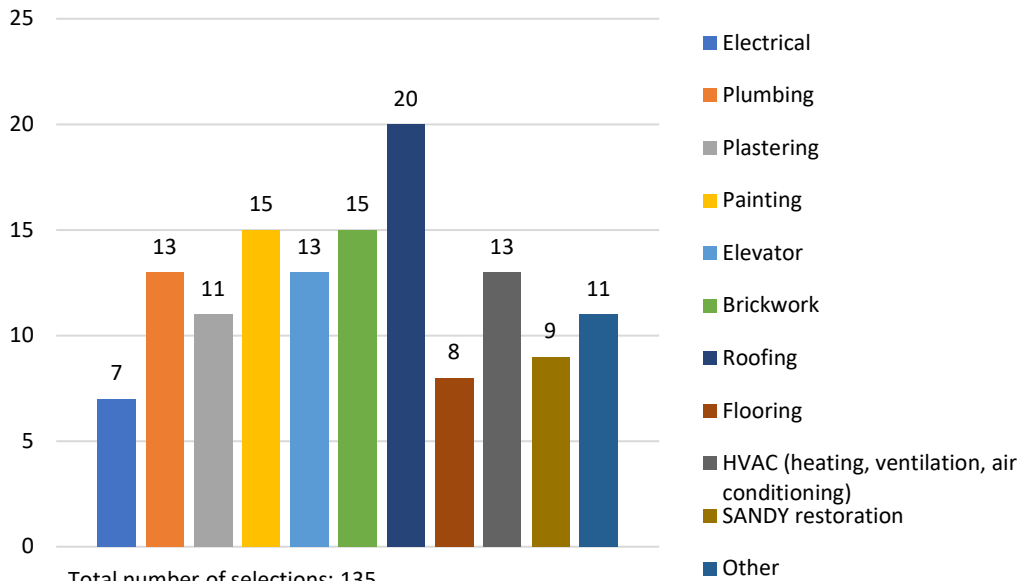


Are you aware of any large-scale work (multiple units or buildings) conducted by contractors (not NYCHA staff) at your development within the last three years?

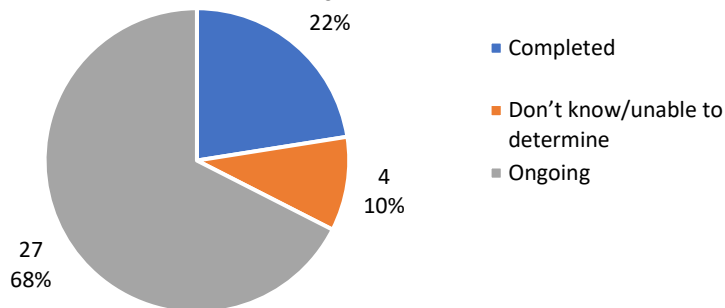


Total responses: 64

Please select all large-scale work from the following categories

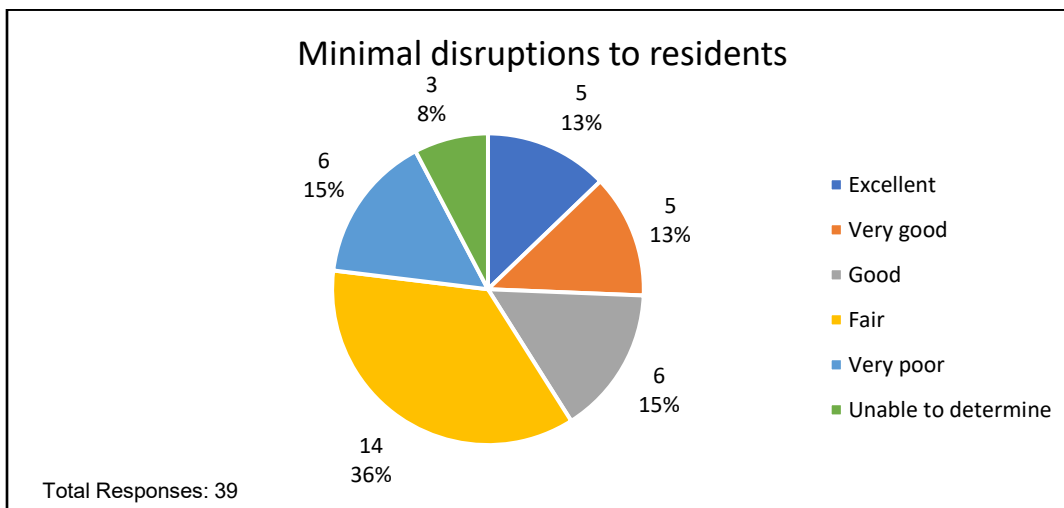
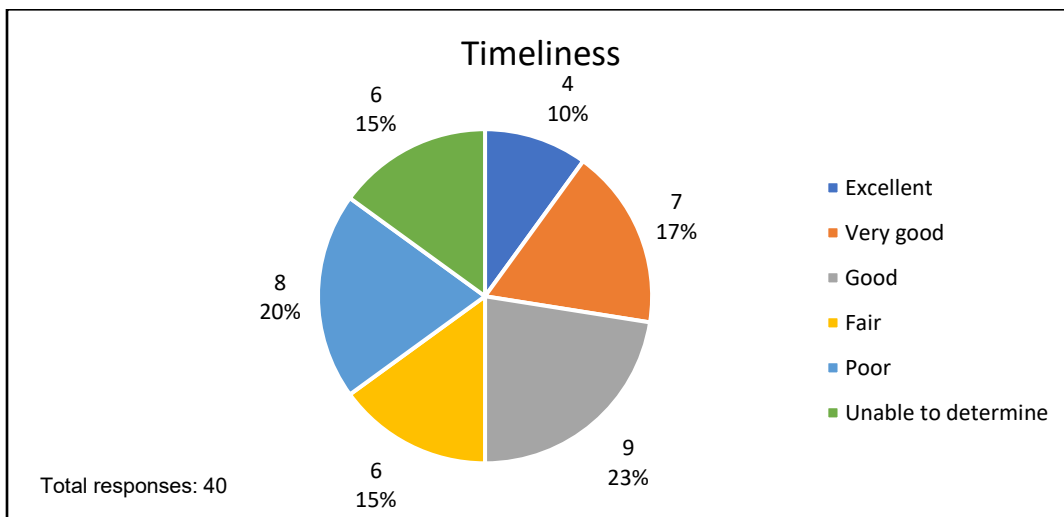
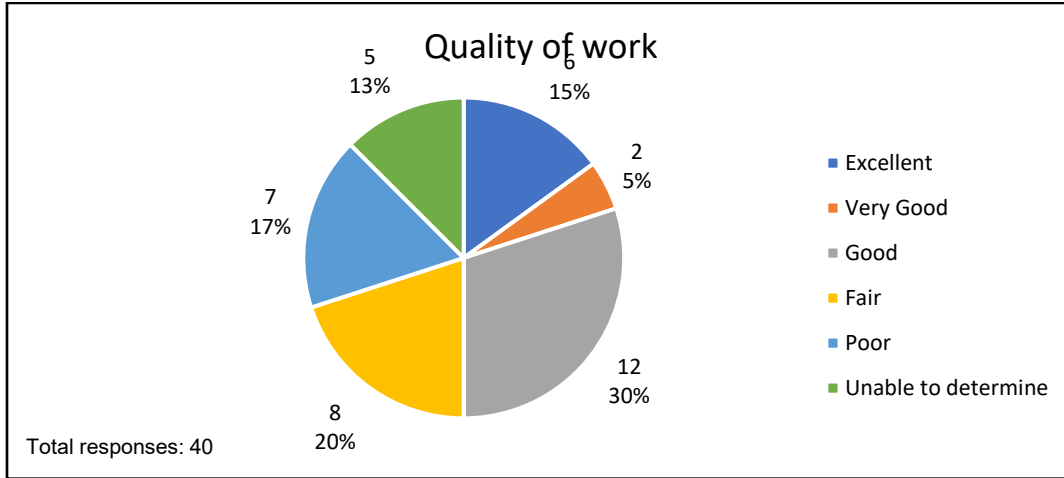


What is the current status of the most recent work performed?

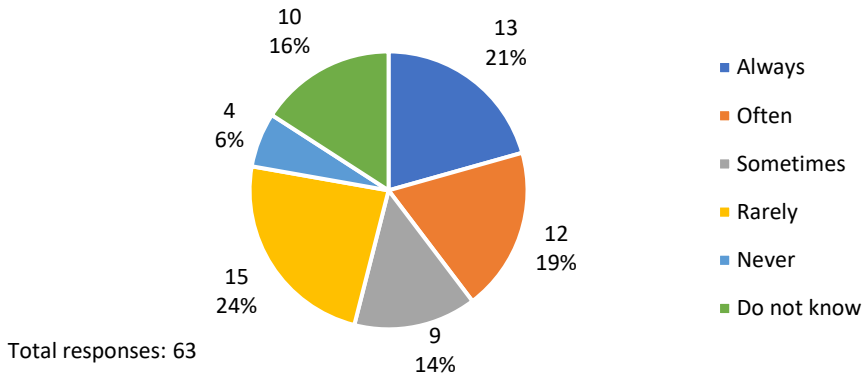


Total responses: 40

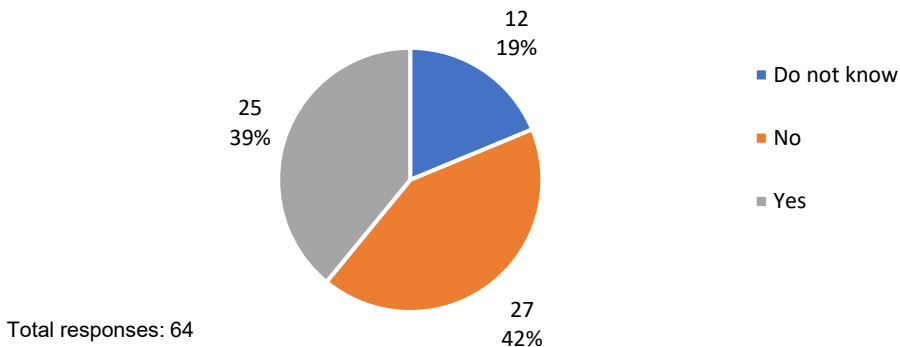
In your opinion, how would you rate the large-scale work (building- or development-wide) performed by contractors in terms of the following attributes:



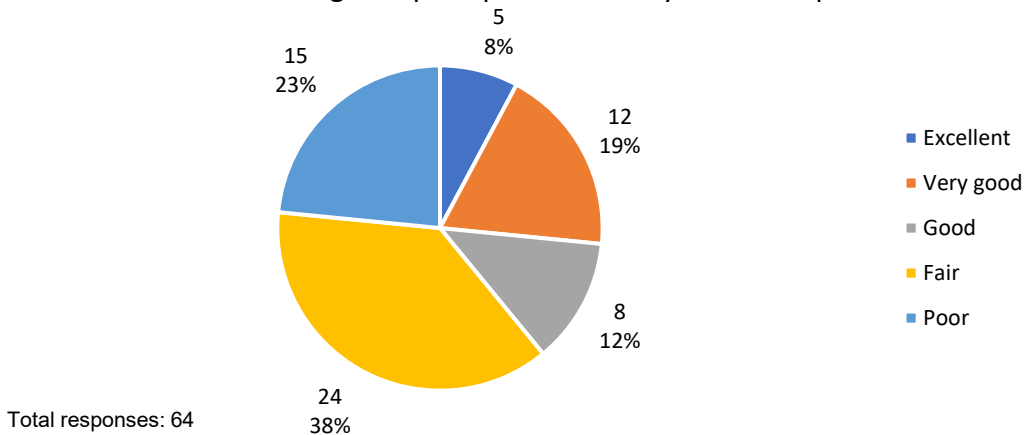
In your experience, to what extent is your building superintendent or a designee observing the work being performed by contractors when they are working on-site?



In your experience, are you aware of anyone from NYCHA, other than the building superintendent or their designee, coming to the development to monitor when large-scale work (building- or development-wide) is being done?



How would you rate NYCHA's responsiveness to questions and concerns relating to repairs performed at your development?





NEW YORK CITY HOUSING AUTHORITY
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LISA BOVA-HIATT
CHIEF EXECUTIVE OFFICER

October 22, 2024

Ms. Maura Hayes-Chaffe
Deputy Comptroller for Audit
NYC Office of the Comptroller
One Centre Street, Room 1100N
New York, NY 10007

Dear Ms. Hayes-Chaffe:

This letter is in response to your October 7, 2024, letter, which provided the Draft Audit Report (the Draft Audit Report or Draft Report) on the New York City Housing Authority's (NYCHA's or the Authority's) Monitoring of Contractor Repairs (MH23-094A).

NYCHA acknowledges that some aspects of its procurement, contract administration, and vendor management processes related to the selection, evaluation, monitoring, and oversight of contractors, including the micro –purchase process at the properties, were in need of reform. Improving these processes has been a key part of NYCHA's Transformation Plan. Specifically, NYCHA has worked to formalize and standardize performance evaluation reviews, enhance compliance, improve related Information Technology (IT) systems, and strengthen controls related to documentation. In addition, as mentioned in the Draft Audit Report, NYCHA's Compliance Department and Quality Assurance Department worked with the Federal Monitor and the NYCHA Inspector General (NYCHA IG) to uncover fraud and waste in the micro purchase program, and then worked to implement certain new controls while referring cases to law enforcement where appropriate. This work has been ongoing since the Agreement with HUD and the U.S. Attorney's Office was signed in January 2019.

NYCHA has been working diligently to implement recommendations from the New York City Department of Investigation (DOI), stemming from the arrests on February 6, 2024, that will protect against waste and fraud. NYCHA reports on its progress implementing these recommendations publicly¹ and has successfully implemented eleven (11) of the fourteen (14) recommendations. Many of the recommendations that have been implemented in the last eight (8) months are responsive to and already address the recommendations outlined in the Draft Audit Report, as outlined below.

¹ <http://www1.nyc.gov/assets/nycha/downloads/pdf/Second-Semi-Annual-Report-Micro-Purchase-Report-FINAL.pdf>

NYCHA also now makes public the results of the routine reviews that NYCHA's Compliance² and Quality Assurance³ Departments had been performing prior to the arrests, and continues to perform, as part of its semi-annual report. These results, along with reporting on the recommendations, can all be found on NYCHA's website. Indeed, NYCHA's own audits are referenced in the Draft Audit Report. NYCHA is committed to full transparency and a transformation of the way NYCHA does business, and we thank you for reviewing these programs.

At the same time, because of NYCHA's own experience auditing and reviewing this program, the Authority feels it is important to point out some of the significant flaws in the Draft Audit Report that make the Report misleading and unreliable.

1. The Percentages Deemed “Questionable” and Having “Work Not Performed” Are Not Supported by Actual Data and Findings

The two (2) conclusions in the Draft Report when discussing the sampled purchase orders are that: (1) “46% of the Amounts Paid on Sampled Purchase Orders Are Questionable” (page 8) and (2) “Work Not Performed on 27% of the Amount Paid for Randomly Selected Sample” (page 9). However, the data and findings detailed in Appendix I do not support these findings.

a. “Questionable” Percentage Does Not Equal 46%

Page 8 of the Draft Audit Report states that there were 120 sampled purchase orders totaling \$648,786. Page 8 of the Draft Report further states that twenty-four (24) of these totaling \$51,575 were categorized as “unable to gain access,” fifty-six (56) of them totaling \$295,533 were “substantiated,” and forty (40) of them totaling \$301,678 were “unsubstantiated” because they were “lacking evidence of work performed, or was performed unsatisfactorily based on visual inspection/tenant statement.” There are two (2) issues with the conclusion that 46% of the amounts paid were “questionable” based on this data.

First, eighteen (18) of the forty (40) purchase orders and \$176,597 of the associated \$301,678 were related to the tub enclosures detailed in Appendix II that, in the audit team's own words, were “judgmentally selected based on perceived risk” (noted later in the report, they were selected because an indicted individual had procured them). Looking at just the random sample, and not including the “judgmentally selected” purchase orders, shows that \$125,081 of the \$462,339 (or 27% and not 46%) were actually “questionable.” As detailed below, here the Draft Report characterizes these twenty-two (22) purchase orders as “questionable,” but later characterizes them as “work not performed.” These are two (2) different characterizations. Importantly, the second analysis excluded the “judgmentally selected” purchase orders, and a random sample is more appropriate to draw program-wide conclusions.

Second, it is not clear what is meant when the Draft Report says these purchase orders lack evidence of work performed or that they were performed unsatisfactorily based on visual inspection/tenant statement. In the twenty-two (22) highlighted rows in Appendix I, the way the data is characterized

² <http://www1.nyc.gov/assets/nycha/downloads/pdf/Appendix-A-Compliance-Micro-purchase-Review-Second-Semi-Annual-Report.pdf>

³ <https://www1.nyc.gov/assets/nycha/downloads/pdf/Appendix-B-Quality-Assurance-Micropurchase-Report-Second-Semi-Annual-Report.pdf>

varies widely. For some (see, for example, the following eleven (11) rows: 5, 21, 24, 32, 36, 40, 50, 58, 62, 96), a Statement of Service and other documentation *was* provided, though it was provided later or there was some other discrepancy (such as a lack of signature on the Statement of Service). Based on the information provided, it is unclear what makes these still “questionable” or lacking in verification.

For others, there were work orders or invoices but not Statements of Service provided. Here, too, it is difficult to surmise what makes them “questionable.” There is no structured data in Appendix I related to the visual inspection findings so NYCHA also cannot analyze the audit team’s physical findings, to the extent they exist. Mostly, it appears the audit team relied on notes and questionnaires documenting tenants’ comments, making it difficult to roll up the individual results by purchase order to a structured data set that will allow the Comptroller’s audit team to make these larger claims.

b. “Work Not Performed” Percentage Does not Equal 27%

Page 9 of the Draft Audit Report states that work was not performed on 27% of the amount paid within the randomly selected sample work orders. As back-up, the Draft Report references the same twenty-two (22) purchase orders discussed as “questionable” above from the sampled purchased orders totaling \$125,081 (27% of the \$462,339 amount paid). Later, the body of the Report (not the headline) states that these “could not be verified as performed.”

First, a declaration that “work was not performed” is very different from a declaration that the work “could not be verified.” This difference is made obvious when examining the actual details related to the twenty-two (22) purchase orders. For the majority of these twenty-two (22) purchase orders, the Report stated that documentation was lacking, but the audit team could not or did not determine whether the work was not performed. In Appendix I, at least twelve (12) of the twenty-two (22) rows were highlighted in yellow and not blue precisely because this was an issue with the documentation, not necessarily a finding that the work was not performed.⁴ If those twelve (12) rows were removed, the percentage of cases where there was supposedly “not work performed” would drop significantly.

Then, also in Appendix I, in the ten (10) rows highlighted in blue, it was not always the case that the audit team found *no* work was performed. For example, for row sixty-two (62), the Draft Report states, “in process of painting, spackling done.” In row 58, which dated back to January 2023 and dealt with public space painting at Pelham Parkway (a property with twenty-three (23) buildings), the Draft Report notes that there was “peeling and cracked paint,” but does not conclude there was never any painting done at the property. For row 50, the note says “resident stated that all rooms were not painted. Superintendent disagreed.” For row 24, it said “resident said that only 2 of the 4 rooms were painted.” In these cases, the notes say the opposite of the headline – work *was* performed, but perhaps there was some other discrepancy or a potential quality issue. Again, it appears the audit team is manipulating the data to formulate a headline.

2. Sample Data Set Includes Releases off Blanket Purchase Agreements

Page 6 of the Draft Report states that there was “a total of \$135.6 million in small purchases in 2022 and 2023, all of which are comprised of purchases of \$50,000 or less.” In particular, the Draft Report focuses on the \$55,824,502 spent in four (4) categories the audit team chose to focus on. The next

⁴ Rows 2, 21, 27, 32, 35, 36, 40, 57, 61, 68, 70, and 89.

sentence does acknowledge what was discussed between NYCHA and the audit team during the Exit Conference, which is that many of these are “expenditures related to larger blanket agreements.” These purchases were not stand-alone micro purchases but rather were single releases against a larger blanket contract. This is important because these blanket agreements are competitively bid, there is a fixed price assigned by line item for the services procured in the blanket agreement, and the expectations in terms of where documentation is kept, as well as the ongoing administration of these contracts, vary from the micro purchase program.

It appears the Comptroller’s audit team treated these releases off blanket agreements as if they were micro purchases when looking for documentation and when characterizing the dollar value of potential losses based on the February indictments that alleged fraud within the micro purchase program (as discussed later). This is not the right way to conduct this analysis – the audit team is using the wrong denominator for the extrapolated dollar figure and, also not tracking what documentation should be present based on the procurement type. As previously explained to the audit team, NYCHA cannot confirm which of the 101 sampled purchase orders were a release off a blanket agreement rather than a micro purchase without the unique purchase order numbers (though NYCHA does suspect, based on the descriptions in the Draft Report, that many of them are releases off a blanket agreement). NYCHA has asked the audit team to provide unique purchase order numbers for the items in the sample on multiple occasions so that NYCHA could assist in ensuring the denominator is fixed and the review is being performed properly based on the procurement type. Unfortunately, these unique identifiers have not been provided to date and so the findings contained in the Draft Audit Report should be read with skepticism.

3. Extrapolated Dollar Figures Are Speculation Based on Faulty Math and Contradict U.S. Attorney’s Statements on Their Findings

On page 10, there is a claim that “smaller purchases totaling up to \$36.6 million may be unsubstantiated.” The Draft Report states that the federal indictment and the audit team’s analysis shows that “there is a material risk that a considerable percentage of the payments made for *all* micro purchases were questionable.” The problem is the estimate upon which these statements are based does not restrict itself to the micro purchase program and there is no showing that this many purchase orders in the sample were “unsubstantiated.” First, the \$36.6 million estimate is arrived at by using the 27% figure mentioned in Section 1(b) above, but the audit findings did not show that 27% of the purchases reviewed were “unsubstantiated,” as discussed above. It is not clear to NYCHA why varying terminology is utilized – sometimes “questionable,” sometimes “unsubstantiated,” and sometimes “work not performed” – to discuss these findings, but it is the same mischaracterized finding throughout.

Second, the dollar value denominator used multiplies 27% against the \$55.8 million spent in these four (4) categories. Again, though, the \$55.8 million is not restricted to micro purchases, but rather includes releases off blanket agreements and small purchases. The U.S. Attorney’s Office did not indict staff members based on fraud in these procurement types and the Comptroller’s audit team cannot use this dollar figure denominator to make a conclusion about the micro purchase program.

NYCHA acknowledges fraud in the micro purchase program existed for many years, but it is also important to be precise about what was found and the monetary impact of this fraud. Back-of-the-napkin math is not the way to properly analyze this issue. It is also important to note that the U.S. Attorney for the Southern District of New York, during his press conference, had the opposite

conclusion when discussing the indictments when he said, “the work that was contracted to be done was done.” The acts alleged in the indictments did not reveal a lack of work performed or unsubstantiated work – to receive the bribe the work had to be done – and this is a very important fact to keep in mind.

4. Survey Results are Mischaracterized and Omit Critical Information

The audit team’s survey is not structured in such a way or based on a high enough universe of responses to make it statistically significant. In several places, the Draft Report characterizes the findings of the surveys in a way that is misleading and overly negative relative to NYCHA’s actual performance in the survey. This is because the Comptroller’s audit team omits the percentage of residents who characterized NYCHA’s performance as “fair.” When NYCHA works with its data experts to design surveys, “fair” is usually considered the mid-point on a scale, meaning it demonstrates the service was “of average or acceptable quality” (this is the Merriam Webster dictionary definition of “fair”⁵). “Fair” is an important data point to provide full context on the survey’s results. In addition, the number of individuals who failed to respond to certain questions should also be stated more transparently. Some examples of places where the audit leaves out this context include:

Comptroller’s Statement	Actual Results in Appendix IV or V
<p>“In response to a question asking residents to rate the work performed by contractors, 30% of those who responded rated the work as “poor” and less than half rated the work performed by vendors as “good,” “very good” or “excellent” (Page 5).</p> <p>“Auditors received 1,005 responses from residents in 44 developments... Key takeaways from the survey are as follows: 30% of the respondents who answered this question rated the work as “poor”. Less than half of the respondents who answered this question (46%) rated the work as “good” or better. (Page 7)</p>	<ul style="list-style-type: none"> ● 445 respondents (not 1,005) answered this question. They said in response to “Overall, how would you rate the work performed by outside contractors?”: <ul style="list-style-type: none"> ○ 9.4% Excellent ○ 13.5% Very Good ○ 23.4% Good ○ 24.0% Fair ○ 29.7% Poor
<p>“When asked to rate the performance of the contractors, just over half of those [65 TA Presidents] who responded to the question (57%) rated the performance as “good”, “very good” or “excellent” (Page 5).</p> <p>“Over half of the TA Presidents who rated the quality and timeliness of the work gave the rating of good or better (57% and 59%, respectively) but less than half rated the work as good or better in terms of minimizing the disruption to residents.” (Page 16).</p>	<ul style="list-style-type: none"> ● Quality of Work had 40 (not 65) responses and below are the results: <ul style="list-style-type: none"> ○ 17.1% Excellent ○ 5.7% Good ○ 34.3% Good ○ 22.9% Fair ○ 20.0% Poor ○ 5 unable to determine ● Timeliness had 40 (not 65) responses and below are the results: <ul style="list-style-type: none"> ○ 11.8% Excellent

⁵ [Fair Definition & Meaning - Merriam-Webster](#)

	<ul style="list-style-type: none">○ 20.6% Very Good○ 26.5% Good○ 17.6% Fair○ 23.5% Poor○ 6 unable to determine
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5. Bid Splitting Discussion Does Not Provide Proper Context

The Draft Audit Report states that there were “249 instances in which developments made multiple micro purchases” with a single vendor in which the total purchases exceeded \$10,000 on the same day (page 12). The audit team uses this to conclude that “controls intended to prevent inappropriate micro purchases are easily circumvented.” Two (2) pieces of context are important here. First, NYCHA processes between 10,000 and 15,000 micro purchases for services and materials per year. 249 instances would be less than 1% of all the purchases in calendar year 2022 and 2023. Second, NYCHA Procurement identified that many of these 249 instances procured different scopes of work with each purchase order. This would not be “bid splitting” – it would be using the vendor for two (2) different tasks. Even where there are similar scopes, it can be difficult to understand whether the requester is artificially or willingly splitting a purchase. In some circumstances when dealing with a repair issue, it is possible the total known requirement at the time of each purchase reflected a change in the scope of the repair as more facts became known. This is all important context to ensure the reader better understands whether the conclusion is appropriate.

Another important point, as explained to the Comptroller’s audit team on numerous occasions, is that it is not accurate to automatically label two (2) micro purchases from the same vendor as “bid splitting” simply because they were approved and awarded on the same day. It is not bid splitting if the total requirement was not known at the time of each purchase request. In addition, purchase orders approved and awarded on the same day in and of itself do not necessarily mean that the purchase order was split to circumvent required thresholds for competition, since multiple purchase orders with different request dates could be batch-approved and processed on the same day. Currently, the Purchasing staff flag potential irregularities to the best of their ability, based on the type of work, location, and request date.

Recommendations

1. Many Recommendations Are Already Addressed and Underway; This Was Discussed with the Audit Team

NYCHA does believe it is important to provide a preliminary response to each of the recommendations in the Draft Report. As evidenced in our responses, many of these recommendations are repetitive of items NYCHA has already implemented or is currently implementing. This was discussed with the audit team throughout the course of the audit, but they chose not to include this important context.

Audit Recommendation No. 1

Investigate the instances identified in this report for which auditors were unable to find evidence that work was performed before payment was rendered. If sufficient evidence of satisfactory work is not found, make efforts to recover the funds expended from vendors.

NYCHA Response:

NYCHA objects to this recommendation as currently drafted. As mentioned above, NYCHA was not provided the purchase order numbers, which would serve as unique identifiers for each of the highlighted purchase orders. It is also not clear which purchase orders in the data set lacked “evidence that work was performed.” In some of these cases, the audit team was provided with some documentation, such as a statement of service or a work order. In some of the highlighted cases, the work was ongoing or some of the work had taken place. In order to perform a new visual inspection of these purchase orders, NYCHA would need additional detail from the audit team. Further, it may be impractical to go back to some of these locations to try to validate whether the work took place as, in some cases, this is work that took place two or more years ago. It would be difficult to claw back payments based on a visual inspection taking place now and without additional detail from the Comptroller’s audit team on what they found. However, NYCHA is open to setting up an inspection protocol for certain cases.

Audit Recommendation No. 2

Make all reasonable efforts to identify the micro purchases requisitioned by individuals named in the federal indictment and determine whether there is adequate evidence of satisfactory work pertaining to those purchases. (Such efforts should not interfere with those of the U.S. District Attorney responsible for prosecuting these cases.) If such evidence is not found, make efforts to recover the funds expended.

NYCHA Response:

NYCHA objects to this recommendation as currently drafted. The allegations in the indictments go back more than a decade, in some cases. It is not possible to do a visual inspection in 2024 and make a determination in these cases about whether work was performed as physical conditions may look very different now. As NYCHA has previously stated to the audit team, it is important to be mindful of what the U.S. Attorney for the Southern District of New York said in the press conference where the indictments were discussed – “the work that was contracted to be done was done.” NYCHA has been working with the U.S. Attorney’s Office on a process for restitution to be paid to NYCHA by the employees and vendors in a manner that reflects the facts of the allegations, which is that vendors and NYCHA staff over-charged NYCHA for work that was performed to ensure a bribe was provided.

Audit Recommendation No. 3

Take a firmer stance to prevent bid splitting and implement regular sample-based testing of micro purchases to ensure micro purchase processes are only allowed when strictly appropriate.

NYCHA Response:

NYCHA accepts this recommendation as it is repetitive of the DOI’s PPR Recommendation #8, which requires that the Operations, Quality and Cost Control, and Compliance Departments routinely use a risk-based analytical data tool to review purchase orders and identify questionable transactions (including potential bid splitting) on a monthly basis. The teams then conduct site visits and interviews for specific locations that constitute the sample. These reports are provided publicly and are referenced in the Comptroller’s Draft Report.

Additionally, as stated above, it should be noted that the auditors’ observation revealed potential splitting in approximately 1% of micro purchases over a two-year period. An analysis of the universe

identified by the audit team as potential bid splitting was performed by NYCHA staff and provided to the audit team.

Audit Recommendation No. 4

Strengthen internal controls by ensuring that policies and procedures include an adequate segregation of duties (e.g., party requesting the service should not be the same party selecting the vendor to provide the service) when procuring micro purchases and incorporate training and sample-based reviews to ensure compliance.

NYCHA Response:

NYCHA accepts this recommendation as it is repetitive of the DOI's PPR Recommendations #1, #3, #7, #8, and #9. NYCHA is implementing a new staffing model for micro purchases that, in short, segregates duties among property staff, Neighborhood Contract Managers (NCMs), Neighborhood Administrators, the Procurement Department, and the Finance Department. In this model, property staff will request that their NCM seek proposals from the vendor community, the NCM will need to ensure they are seeking proposals from firms pre-qualified by the Procurement Department, and the proposals will need to be within the cost estimates developed centrally or a Neighborhood Administrator's approval will be necessary. Once a request is submitted by the NCM and is approved by a different individual, the purchase order is also processed by the Procurement Department. Before payment is issued, the NCM, pursuant to DOI PPR Recommendation #9, will need to submit the documentation required to show payment can be processed. The Finance Department will then process payments.

All of the titles involved in procuring services, pursuant to DOI's PPR Recommendation #3, must attend an annual training provided by the DOI. As mentioned in the response to Recommendation #3, a sample-based review of micro purchases is also implemented under DOI PPR Recommendation #8.

Audit Recommendation No. 5

Ensure that a Statement of Services is completed and signed by authorized NYCHA personnel prior to paying invoices submitted for work performed. In cases where work is performed in residents' apartments, consider having residents sign Statements of Services when work in their apartments is completed.

NYCHA Response:

NYCHA accepts this recommendation in part as it is repetitive of the DOI's PPR Recommendation #9. Under this recommendation, the NCMs will need to collect a Statement of Service, blanket contract release, completed services/receipt of goods, before and after photos, and the vendor's invoice. These will need to be uploaded as a package to the financial system before payment is processed and if the documentation is incomplete, payment will be put on hold. The package does not include residents' signatures, though residents do sign work orders in the Maximo system.

Audit Recommendation No. 6

Establish mechanisms to detect and prevent vendors from acquiring more than one vendor ID number by regularly conducting "fuzzy" matching of addresses and vendors with similar names and routinely conducting ownership record searches, to ensure ID numbers are assigned to truly "unique" and unrelated vendors.

NYCHA Response:

NYCHA accepts this recommendation but notes this has already been or is being implemented.

As part of Accounts Payable standard procedures, Vendor Management Analysts review the existing vendor database prior to issuing new vendor ID numbers to businesses by checking the federal tax ID numbers with the IRS TIN MATCHING program. If a business has an adequate federal tax ID number issued by the IRS, even if located at the same address as an existing vendor, the Analyst will submit questions to the vendor for clarification, but it is not a basis for rejection for doing business with the vendor. NYCHA cannot prevent businesses from sharing the same address.

Audit Recommendation No. 7

Establish uniform policies and procedures regarding the maintenance of supporting documentation for all units at NYCHA administering and overseeing DECAR contracts to follow. This should include, but not be limited to, taking photos of the work in progress and the finished products as evidence of work performed, as well as standardizing how the supporting documentation should be maintained, allowing for straightforward retrieval and examination.

NYCHA Response:

NYCHA accepts this recommendation but notes this has already been or is being implemented.

Uniform policies and procedures are in place for maintenance of supporting documentation for capital projects contracts, including taking photos of the work in progress and the finished product as evidence of work performed. Procedures also detail how supporting documentation should be maintained. NYCHA continues to strengthen controls to ensure these policies and procedures are adhered to by staff and vendors for capital contracts. As detailed above, under DOI PPR Recommendation #9, for micro purchases NCMs will need to submit before and after photographs ahead of payment. NYCHA will evaluate whether there are other procurements that require this kind of procedure.

Audit Recommendation No. 8

Establish uniform policies and procedures for collecting and maintaining documentation of work performed, and for storing such documentation electronically, in an orderly and accessible fashion.

NYCHA Response:

NYCHA accepts this recommendation but notes this has already been or is being implemented.

Uniform policies and procedures are in place for collecting and maintaining documentation of work performed, and for storing such documentation electronically, in an orderly and accessible fashion, for capital projects. NYCHA continues to strengthen controls to ensure these policies and procedures are adhered to by staff and vendors for capital contracts. For other contracts, as detailed above, under DOI PPR Recommendation #9, for micro purchases NCMs will need to submit a documentation package electronically ahead of payment. NYCHA will evaluate whether there are other procurements that require this kind of procedure.

Audit Recommendation No. 9

Require that prior work performed by prospective vendors be formally considered and documented in all subsequent contract award decisions.

NYCHA Response:

NYCHA accepts this recommendation. NYCHA is exploring evaluation methodologies to incorporate past performance in the evaluation criteria for RFPs. There will need to be evaluation criteria developed that also does not put vendors who have never worked with NYCHA at a disadvantage.

Past performance is reviewed informally as an element of the responsibility determination by NYCHA Procurement. For any contracts over \$250,000, NYCHA performance evaluations are checked as part of the Vendor Name Check (VNC) approval process or as part of the condensed check process⁶ administered by NYCHA Procurement. NYCHA also asks DOI to report on any negative City performance evaluations in the VNC. This information is informally reported to the administering department, and while there is no formal process for its consideration, it can be used to make a decision on whether to move forward with the contract or to determine appropriate strategies for managing the contract.

Prior to the Draft Audit Report, NYCHA had an existing process for evaluating vendor performance. As previously explained to the Comptroller's audit team, NYCHA has commenced the process of formalizing the Performance Evaluation Reviews in a Standard Procedure for the Authority. An initial draft was started by the Procurement Department in July 2023 while updates were made to remove limitations and obstructions in the system.

Specifically, the changes included improvements to the system to allow multiple administrators, allow administrators to better track open evaluations and for evaluations to be tracked by department, allow administrators to close out evaluations where a contract was not used during the evaluation period and/or has expired, and streamline assignment and change of assignment of department liaisons and evaluators to complete performance reviews.

Following these updates, NYCHA continues to develop the Performance Evaluation Standard Procedure, which will delineate how to complete evaluations and how performance is used in the vendor selection process.

Audit Recommendation No. 10

Develop a standard format with standard criteria for rating vendors in evaluations, covering the areas of timeliness of performance, fiscal administration and accountability, and overall quality of performance.

NYCHA Response:

NYCHA accepts this recommendation but notes this has already been or is being implemented. NYCHA has been utilizing a standardized vendor evaluation process across the Authority, including

⁶ As previously described to the audit team, a condensed check is a responsibility check conducted by NYCHA's Procurement Ethics and Vendor Responsibility team (PEVR). PEVR does several checks that are conducted by the OIG, including: debarment checks, sex offender status, and PASSPort for cautions or other negative findings regarding the vendor(s). PEVR also reviews NYCHA performance evaluations, if the vendor previously worked with NYCHA and a performance evaluation was required; and requests an e-mail from the New York City Department of Investigation that confirms if the vendor has a pending investigation. In the new Standard Procedure that NYCHA is working on, a review of the State's Web Crims system for open criminal cases and a check for OSHA violations is being added to the condensed check.

for most capital project portfolios, for several years now, including specific evaluation criteria related to schedule performance, budget performance, and other areas.

See above response to Recommendation No. 9 regarding the development of the Standard Procedure, which will codify the existing standards and administration of the performance evaluation process.

Audit Recommendation No. 11

Ensure that contractor evaluations are conducted in a timely manner and that they demonstrate in sufficient detail the vendor's performance.

NYCHA Response:

NYCHA accepts this recommendation. NYCHA will implement enhanced controls to ensure evaluations completed through the refined process noted above (in response to Recommendation No. 10) are completed on a timely basis across all projects.

Additionally, as noted above NYCHA is working to formalize the process for vendor evaluations in a Standard Procedure, which will include a process for ensuring evaluations are completed on a timely basis with sufficient detail.

Audit Recommendation No. 12

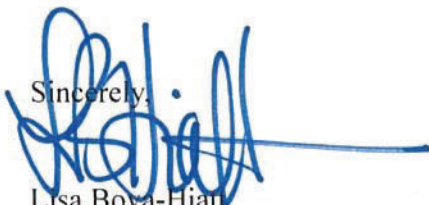
Develop a mechanism for soliciting and tracking resident feedback on repairs and maintenance of work performed, and for capturing and sharing the evaluation of micro and small vendors.

NYCHA Response:

NYCHA accepts this recommendation but notes that it has already been or is being implemented. NYCHA conducts an annual survey of residents generally. More than 18,000 residents responded to the survey in 2023 and the 2024 survey concluded in September 2024. NYCHA is also currently developing a resident survey for completed capital projects that will be piloted in Q1 2025 and will inform enhancements in resident engagement and delivery for capital projects.

If you have any questions, please contact Cassie Ward, Vice President of Internal Audit & Assessment, at 212-306-8484.

Sincerely,



Lisa Bova-Hiat
Chief Executive Officer

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