

## House Committee on Financial Services

### Oversight and Investigations Subcommittee Hearing of 2.10.2026, Entitled “Building a Solid Foundation: Restoring Trust and Transparency in Public Housing Agencies”

#### Statement of Bart M. Schwartz

My name is Bart Schwartz. I am the Chairman and co-founder of Guidepost Solutions, a global investigations, compliance, and consulting company. I am also an attorney and former federal prosecutor who served as the chief of the Criminal Division of the United States Attorney’s Office in the Southern District of New York.

Most relevant to the purpose of today’s hearing, I served as the first term federal monitor for the New York City Housing Authority, known as “NYCHA,” from February 2019 through February 2024. Please see the Addendum to this document for details about how the monitorship came about.

I note that NYCHA is an irreplaceable asset for the City of New York and provides homes for thousands of good, hard-working people who are entitled to live in a decent, safe, and secure environment.

Today, I point out some changes that we made at NYCHA which did not require additional funding. I will also list some recommendations which can be used by all public housing agencies.

My statement today is principally derived from my Final Report as monitor, which is available at [guidepostmonitor.com](https://guidepostmonitor.com).

#### The Team

The team I assembled as monitor included engineers, architects, attorneys, consultants, IT specialists, administrative staff - and importantly - a highly skilled team of field investigators who had previously served as New York City detectives.

The investigators visited developments across the city every day, taking pictures, talking to residents and employees, and writing reports. They developed information through many sources - and cultivated relationships with tipsters. They documented suspicious circumstances involving NYCHA personnel and contractors and developed a record of shoddy work and materials.

In a short time, our investigators found that many superintendents were corrupt and colluded with like-minded contractors to abuse HUD's well-intentioned micro purchase rule. We developed informants, and eventually 70 superintendents were indicted.

### Identifying Problems and Finding Solutions

We also saw that the prevailing thinking at NYCHA included the idea that failure was always an option. Acceptance of an unacceptable status quo was prevalent.

I observed that NYCHA executives did not know how to defend the agency. I was reminded of something I used to say to my law clients, "would you rather be a porcupine or a pinata?"

NYCHA had severe problems with governance and administration, and no focus on values-based integrity and ethics. It did not have a proper code of conduct.

We saw poor management, shoddy work by field employees and contractors, deficient employee oversight and lack of discipline, and standard operating procedures that were obsolete. There was a lack of pride in the workforce.

Use of technology and data to enable efficient operational and capital performance and planning - as well as oversight and compliance assessments - was deficient.

There was a lack of accountability, transparency, and cooperation. Functions operated in silos.

The problems that attracted the attention of the media were as bad as we had feared: rampant mold, improperly maintained lead paint, filthy grounds, lack of heat and hot water, faulty elevators, vermin.

Blame for NYCHA's operational problems and physical deterioration was always cast on lack of funding.

### Building a Solid Foundation for Public Housing Agencies

This committee is interested in the question of how to build a solid foundation for public housing agencies to restore trust and transparency - particularly when resources are scarce. Much can actually be done which does not require additional funding.

For example, we formed teams to collaborate with NYCHA managers to address the many problems with mold, lead paint, heat, elevators and pests and waste.

Detailed action plans were discussed and documented and posted on our web site for all to see. Everyone knew what was to be done, how, and when.

We sought to identify, empower and unleash talented managers at NYCHA to build their teams, be creative – and to be serious in striving to always do better, to be leaders. Pride on the part of many NYCHA employees became evident.

A few examples of accomplishments follow:

As part of the mold action plan, NYCHA installed new or performed major repairs on approximately 6,200 roof fans and cleaned approximately 74,000 ventilation ducts to draw mold-causing moisture out of apartment bathrooms. Mold outbreaks were cut by 50% from their height of just three years before.

Through proactive methods we strongly supported, NYCHA identified the locations of thousands more children at risk of lead exposure than had previously been reported.

As part of the lead action plan, through excellent management, NYCHA radically improved its performance in abating lead in the thousands of apartments inhabited by children under six years old. At the beginning of our tenure, NYCHA was abating only around 700 apartments per year. At the completion of our service, NYCHA was abating some 400 apartments per month. Compliance with lead safe work practices in maintenance work became the norm through rigorous training, spot inspections and digital record keeping.

Regarding trash and grounds, we developed and gave NYCHA a methodology and software for groundskeepers to use to assess and document daily cleanliness – and it meant a great deal to residents to see clean grounds. We also gave NYCHA a definition of “clean” and had them document it using photos.

We worked with NYCHA to do summertime maintenance of boilers and heating systems and created detailed data dashboards, and used data driven analytics to greatly reduce the number of heating outages. Outage notices and repair times were put on a public dashboard.

Preventive maintenance plans and remote electric monitoring systems for elevators were created and implemented to improve performance and NYCHA’s outage response time.

We held bi-monthly in-person town hall meetings with residents where my staff and I took questions, comments and reports of problems. We had a toll-free telephone line where residents could communicate directly with the monitor’s office.

Community Advisory Committee meetings were convened every other month and at least once in each borough every 12 months.

Inspection “blitzes” of almost 100 tank rooms found untrained workers, broken equipment and leaking pipes and deficient record keeping.

Over 8,000 door sweeps to impede rats were eventually successfully installed - after three attempts by NYCHA – when we insisted that

management assume proper responsibility for their successful installation.

NYCHA established competent and robust departments for Compliance, Environmental Health and Safety, and Quality Assurance.

As a result of our investigative work, in February 2024, 70 NYCHA superintendents were arrested and charged by the U.S. Attorney with bribe receiving, fraud and extortion charges. By November 25, 2025, all 70 NYCHA employees had been convicted of bribery, fraud, or extortion offenses, either by guilty plea or by trial.

### General Recommendations

Proper administration of housing authorities must include common sense and best practices such as the following:

Better management gets better results.

Annual reviews for the purpose of improving workers and not punishing them gets better results.

Private sector procedures such as using available data gets better results.

Demanding quality work improves results.

Better training gets better results.

Separating the purchaser from the inspectors of goods and services increases the quality of the work.

Repeatedly procuring from shoddy vendors gets what you pay for.

Oversight, audit trails and inspections are among the most common ways to control quality, but they often are ignored.

Emphasizing honesty and integrity has a positive impact on culture and all that is undertaken.

To conclude, the simplest observation I can offer is that housing agencies must be held accountable for strict compliance with best business practices and HUD regulations, and be vigilant in preventing waste, fraud, and abuse by crafting and applying appropriate controls.

Finally, I would very much like to thank the Committee for the opportunity to appear before it and offer these remarks.

### ADDENDUM

#### Details About the Monitorship

The monitor's office was created pursuant to an out-of-court agreement between the federal government – specifically the United States Attorney's Office and the Department of Housing and Urban Development, and the City of New York and NYCHA.

The agreement settled a lawsuit brought by the government in 2018 in the Southern District of New York which sought redress for various serious violations of federal housing laws committed by NYCHA, including

- falsely reporting compliance with HUD regulations on lead paint (endangering the health of thousands of children who resided in NYCHA buildings which contained lead paint),

- willfully instructing employees how to cover up poor and substandard building and facility conditions so that they would not be detected during HUD inspections,

- failing to address unsafe environmental conditions such as chronic toxic mold,

- failing to provide reliable heating and elevator systems.

Among other provisions, the agreement required the monitor report on NYCHA's compliance with performance requirements in five major areas

impacting resident quality of life, which we referred to as the “pillars” of the agreement: lead paint, mold and leaks, pests and waste, elevators, and heating.

It required us to establish direct means of communication with NYCHA residents and tenant leadership, including by convening a “Community Advisory Committee,” or “CAC,” composed of community leaders, representatives of City agencies such as the NYPD, FDNY, the Mayor’s Office and City Council members, and resident representatives to solicit input from stakeholders regarding the achievement of the agreement’s purpose through discussion and cooperation and joint problem solving.

We were also directed or granted authority to closely examine NYCHA’s operations, administration, and governance, and establish departments for Compliance (with a Chief Compliance Officer), Environmental Health and Safety, and Quality Assurance.

We were required to submit detailed, public reports on our undertakings every quarter. All our reports are still publicly available at [guidepostmonitor.com](https://guidepostmonitor.com).

NYCHA is a huge organization: at the start of my tenure, it had over 175,000 apartments in over 300 developments spread across the five boroughs of New York and employed some 12,000 people. According to some estimates, over 600,000 people live in NYCHA apartments, with only about 400,000 people named on official records.

The First Term NYCHA Federal Monitorship Final Report, Published March 20, 2024 (“Final Report”), is available at [guidepostmonitor.com](https://guidepostmonitor.com)

The Final Report provides details on all aspects of NYCHA’s performance with the Agreement with the federal government and our oversight thereof.

Beginning on page 93 of the Final Report, a series of recommendations are made under the headings “Accomplishing the Basics,” and “Additional Recommendations.”