



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, NY 10007

FOR IMMEDIATE RELEASE: November 19, 2018
CONTACT: pressoffice@cityhall.nyc.gov, (212) 788-2958

TRANSCRIPT: MAYOR DE BLASIO APPEARS LIVE ON INSIDE CITY HALL

Errol Louis: Welcome back to Inside City Hall. We are talking about two big stories involving Mayor de Blasio – the firing of the City’s Investigation Commissioner, Mark Peters and the ongoing crisis in public housing. Joining me now to talk about this is Mayor de Blasio. Good evening, good to see you, Mr. Mayor.

Mayor Bill de Blasio: Good to see you, Errol.

Louis: Let’s just jump right into it. When it comes to the DOI, you’ve made history. No DOI commissioner has ever been fired before. It’s an extraordinary and unusual step. You said in today’s press conference, there was never an attempt in any way to undermine an investigation. Were you talking just about you because he made specific allegations about a lot of your deputies, high ranking NYPD officials?

Mayor: It’s just – I don’t buy it. Look, let’s go back to your original statement, this is unprecedented. In fact, what we’ve found was that the underlying problem was unprecedented. We’ve never had a DOI commissioner who had whistleblower complaints against him. The DOI commissioner is supposed to be the paragon of integrity in City government. So when three whistleblower complaints came forward, directed at the DOI commissioner personally, literally no one could find a precedent for what to do in that situation. They ended up saying okay, there has to be an investigation, it can’t be done by DOI, it has to be done externally. How do we do this? And Mark Peters himself proposed a former Southern District prosecutor to be the outside, independent investigator. The Law Department agreed to it. That’s McGovern who came up with the report that said that Mark Peters had done a series of inaccurate and inappropriate things. And I looked at that report and I was deeply troubled. It was not becoming of someone who would be the DOI commissioner. It wasn’t becoming of any public servant. So let’s put that in perspective, that you’re right, that the action that I had to take was unprecedented, it was authorized by the City Charter, but it was unprecedented also because of the actions of that DOI commissioner, no one before him had ever done anything like that.

Louis: Did you end up giving him a warning? Did call him up and say you know, look Mr. Commissioner, you know, you don’t want to be the first one to get fired, I don’t want to be the first mayor to have to fire you – back off, fly right, straighten up, that kind of thing?

Mayor: It was so clear to me from so many instances that unfortunately that abusive behavior toward employees, towards agencies had become the norm for him and when it comes down to the fact that he was – you know in effect, if someone said I think something being done here is illegal as Anastasia Coleman did, I'm not sure this is right, I'm asking you to reconsider this action, it might not be legal and he fired her – I mean, come on. This is extreme stuff you wouldn't expect from any commissioner, particularly not a DOI commissioner.

Louis: One thing he says in today's letter is that while you – the McGovern report came out in mid-October, there was a file reportedly going back, well dated April, saying statement of reasons for the removal of Mark G. Peters. So he's suggesting that the firing was planned, and that the McGovern report was sort of pre-textual, that you were already contemplating this.

Mayor: Hold on, we had a lot of concerns, I had a lot of concerns about his performance because I had seen and when that material was leaked it did delineate not only the items covered by the McGovern report but other situations where he threatened City employees when he wasn't getting his way. Unfortunately this behavior appears to be a bigger pattern. So yes, there were people who said wait a minute, this very troubling and we have to consider this option. But the McGovern report took it to a whole other level because here was an objective, outside investigator hired by Mark Peters who said this is unacceptable.

Louis: Well as was pointed out in your press conference today, the McGovern report says he needs to be reprimanded, a letter should go in his file, and an apology should be forthcoming. He apologized, the letter was in the file, he agreed with it, he didn't contest the findings.

Mayor: Hold on and the folks he fired had to be given back their jobs, etcetera, etcetera. This, you could argue, I could say to you that I'm not sure that's an acceptable situation for any commissioner but particularly the DOI commissioner, again supposed to be the paragon of virtue, supposed to be the example integrity. How on Earth do we see this happen time and time again and not act on it? I would not have felt comfortable leaving [inaudible] in place capable of that kind of behavior. And what we are doing instead is turning to a career prosecutor with a sterling reputation, Margaret Garnett, from the Southern District, the U.S. Attorney's Office, from the State Attorney General's Office who has done an outstanding job, who is totally independent. It's time for someone to go in and restore the integrity and the trust in that office and among the folks who work there.

Louis: When all of this came about, one of the questions that came up in today's press conference and elsewhere is – were his other investigations, as tough as they may have been, directed at the Corrections Department, directed at ACS, directed at the NYPD, directed NYCHA? As far as you are concerned, his behavior aside, were they fair and accurate, were they useful to your administration, were they good for the city?

Mayor: A number of the reports, a number of the investigations led to recommendations that we followed – City Hall and agencies followed. Now each investigation was different, sometimes I think recommendations were stronger, sometimes I think the way that it was reasoned was better and other ways less. But here's the bottom line. In my administration we continually added to the

budget of his department. We gave him the money to hire more and more investigators and do more and more investigations. I don't know what's better evidence than the fact that I believed, and my team believed, in the incredibly important role that DOI plays. We gave them the money and the wherewithal to do even more. That doesn't mean we agreed with every single recommendation but we sure agreed with important role that DOI plays and we tried to support it.

Louis: Well, you know it's interesting, because as I think of – to prior administrations, the DOI commissioner is usually an ally of the mayor. They may have some kind of political connection in the past, in this case Mark Peters was your campaign treasurer. But I've noticed it in the most cases those DOI commissioners when they are finding wrong doing, they don't go above a certain level. They might go after some wayward employees or maybe an assistant commissioner. The difference here is that he really went after top ranking people that you put in the place that answer to you. Is that part of what went wrong here?

Mayor: No, it's not. The – you have to follow the facts wherever they take you. The bottom line is you have to do it in a way that is communicative and trying to achieve a particular outcome. What we saw in the McGovern report was unfortunately a history of being abusive towards people who worked for him, towards people in other agencies. I don't know what caused that. It's not what I had known of him in the past. But it's that abusiveness, it's the arbitrariness of the decisions, obviously in the case of the Special Commissioner for Investigations at the Department of Education – literally trying to take over that office against the dictates of the City Charter and the executive orders that govern there. When someone dared to dissent firing them I mean look –

Louis: So, when he says in his letter that you called him at night and yelled at him, or told him to not issue reports and so forth. Did any of this come up when you were talking with him? Like, 'Hey you're being abusive to subordinates, I am getting complaints about you.'

Mayor: I'll tell you something. I, in the first few years, had a fair number of interactions with him. And I'd certainly give feedback. But I think the worst behavior we're seeing comes in the later years at which point, honestly, I was not having direct contact. I think from the time that the investigations began it was not appropriate for me to be in direct contact with him. And that just carried over since, so it's really been two years or so. But what I can say is I know people pointed it out to him many times that, that approach being very abusive to people, being disrespectful was not helping to achieve the goals that he said he wanted to achieve. And remember when you got someone who when there is dissent, they fire a person on the spot. I mean we have in the McGovern report word for word a conversation where you're hearing Anastasia Coleman in a very heartfelt matter saying, 'I don't think this is legal, I think you need to rethink this and he's like, 'I've made my decision, you're fired.' Come on, that's not what a DOI commissioner should be doing.

Louis: So now – some people and these are not political rivals, or opponents in any way – in fact it's your successor, Attorney General-elect Tish James – said the firing was "reminiscent of Trump-like behavior" suggesting that maybe you moved too harshly and aggressively against him.

Mayor: I don't – someone find me a parallel, I don't find it. I think that's simplistic thinking. Here was an independent investigation that laid out – you've probably read the McGovern report. It's a long, long detailed report. I don't know of any situation where Donald Trump was responding to an independent investigation that found wrong doing in the case of one of his officials. Donald Trump gets upset with people for the slightest dissent. In fact, here we have an example of someone who fired someone who had the wherewithal and the audacity to dissent. I have all sorts of people in my administration that I can have disagreements with them and still respect them. Most members of my team have been there a long, long time. Unfortunately at DOI that's not what was happening.

Louis: Okay, just to close this out. For the record, you're saying that his firing had nothing to do with any pending investigation of your administration.

Mayor: No, if there are any and I don't know of any details of any, they should continue and there is a strong new leader taking over, an independent new leader who will continue them and initiate others.

Louis: Okay, thanks very much for all of that. We've got more to talk about we're going to take a quick break and we'll be back with Mayor de Blasio in just a minute, stay with us.

[...]

Louis: Welcome back to Inside City Hall. I'm joined once again by Mayor de Blasio. The main press conference that you had today was announcing 62,000 units will be steered into what's called the RAD program, which is essentially, I know I'm simplifying it but private management of some of the units to help take some of the financial burden off of NYCHA and get them fixed fast.

Mayor: Well, it's also – it relies upon the Section 8 program, what's called Project Based Section 8 so instead of the individual vouchers, this is when Section 8 is given to an entire development. It allows us to get some federal support. It allows us to get private financing in. It's a whole different way to bring in the resources. But here's the amazing thing, we were up at the Betances Houses in the Bronx. People were really happy that this was coming because they had talked to people at Ocean Bay, the development in the Rockaways. They have talked to people at Campos Plaza development in the Lower East Side where this approach had been used. People had new kitchens, new bathrooms, new hallways, new everything. The whole building had been renovated because we were able to get a public-private partnership to do it that would not be possible with the current way we go about funding things. So this is a program started under President Obama. It has been proven in practice in New York City. We originally thought we wanted to use it in a substantial way. We have now decided it's one of the essential ways we're going to help turn around the housing authority. 62,000 apartments, well over 100,000 residents are going to benefit from this. So this is going to be a game changer.

Louis: Is that scalable? Is that the maximum number that you could do? Or is – could it be 160,000?

Mayor: I think for the foreseeable future over the next 10 years that's a really big number. This is a national program. You have to go to the U.S. Department of Housing and Urban Development and get approved for each specific location. 62,000 apartments is vast in the eyes of HUD. Much of that alone would be bigger than the vast majority of housing authorities around the country. So from what we can tell that's about the maximum we can do in that 10-year frame. But it also allows us to then use the more traditional approach to double down on the other developments, a lot which [inaudible] real help with the other tools we'll be using. This was only the beginning. What we'll announce by the end of the year is a much bigger vision for the reform and the strengthening of public housing and including how we're going to find other resources to apply to some of the other developments that won't be in RAD.

Louis: Last week, did you know that the consent decree that was proposed between NYCHA and the Department of Justice was not going to be approved by the federal judge?

Mayor: No, no. I – look, the judge was asking some tough questions in the various proceedings. But I don't think any of us assumed he turned it down. Maybe there might have been some thought to modify it in some way or critique it, but not turn it down. Now that said, look, we want to somehow, and I think we can find a way, get together with HUD, with the Southern District, with NYCHA and the City, all of us, and find a way forward. I said from the moment the judge's decision came out, we're still going to provide the \$1.2 billion. I've put \$3.7 billion new money in the last four years – this \$1.2 billion, I'm locked down with that no matter what. It's almost \$5 billion over the last five years – a lot of money. We're going to keep those commitments. I think we can work out something, I think HUD could help us – there are some additional ways they could help us for sure. But, I think there's a spirit of cooperation and we go back to the judge next month and hopefully we can get things on track.

Louis: The judge sort of tipped his hand. I mean he strongly suggests that you might need a federal receiver right? This is something that HUD has done, in fact when you worked at HUD some of this happened, and just to read it briefly – the judge says, "The receiver may abrogate the public housing agency's contracts, demolish and dispose of the public housing agency's assets, establish new public housing agencies, consolidate the public housing into other agencies, circumvent certain state and local requirements related to procurement or financial controls, and exercise additional powers granted by the court." That's the most drastic tool that HUD has, and as I said I know back when you were in the agency it happened in some other cities. Would that throw off this plan if that were to happen?

Mayor: I first [inaudible] respectfully that he strongly suggested it. I think he put it on the table as an option – he also said that HUD had a lot of other tools they could use. I think his central thesis was that he wanted HUD to play a more substantial role in achieving the outcome. Look, receiverships – my sense of the history is it's when you did not have a housing authority and a city government ready, willing, and able to take on the challenge. Here, after \$5 billion of new investment, naming a new leadership team, obviously I'm someone who from the very beginning of my administration has said I care deeply about public housing and the 400,000 New Yorkers who live in it – I'm going to try and be part of the solution. I think a lot of my predecessors held NYCHA at arm's length. At one of my very first budget announcements, as a new mayor, was to

talk about we were not going to charge NYCHA for police services anymore – never should have happened to begin with – gave that money back to NYCHA to use it for repairs. I think the judge needs to look at the difference between those examples years ago and jurisdictions that may not have been willing to step up the way we are, versus letting a new NYCHA management with a very new plan of where we're going – we've only started to show it today, there'll be more to come – with a mayor who is committed to public housing and putting the resources in, let us figure out a way forward. We're accountable here on the ground – we're ready to do this work right now.

Louis: A last NYCHA question, the New York Times story over the weekend showing how the Department of Health and NYCHA disagreed both in methods and in substance about what was going with the lead exposure and that in many cases the Department of Health sort of backed down. Well the buck stops at your desk right? You control both agencies – what's going to happen going forward?

Mayor: Look, I control the Department of Health outright – NYCHA is still an independently chartered entity but obviously I have a big impact on it. Two months ago or more, the leadership of NYCHA suspended that policy and said from now on when the Health Department indicates the need for action to be taken in an apartment in NYCHA it's just going to happen. The remediation is going to happen. They're not going to through the process that they went through before and to slow things down or whatever their motivation was. So that's a big change, and I think it's important to recognize that that article today in the New York Times shed a lot of light on a very bad history going back decades – a lot of missed opportunities to get it right, also talked about some children, and made it a very human reality of what we're facing here. That's why we have a Vision Zero approach to lead now. It's very simple. The new lead czar Kathryn Garcia – the mandate is eradicate lead poisoning in New York City once and for all. It is down 90 percent since 2005 so this City has shown it can make massive strides. We want to eradicate it – I think it can be done.

Louis: In our last couple minutes, the Amazon deal. If you were a Councilman, you would complain if you hadn't been brought in – into the initial negotiations, isn't that a fair statement?

Mayor: Yeah, I think so, but I also would say that somethings are truly exceptional. You've been around a while. You ever heard of a job – a single economic deal for 25,000 jobs going up to potentially 40,000 jobs?

Louis: No.

Mayor: I mean not even close. These jobs – we are going to make sure – this is where I'm going to step up and play a major role. You've got the biggest public housing development in North America within walking distance, Queensbridge Houses. I'm going to make sure that folks in Queensbridge Houses get a number of those jobs – I'm going to make sure that CUNY grads get a number of those jobs. By the way, half the jobs in tech don't even require a college degree, so young people coming out of our public schools have opportunity, or two-year degree programs at CUNY have opportunity. This is an extraordinary chance for us to get good paying jobs to

everyday New Yorkers. We're going to hold Amazon to its commitments and I'm going to push them to go farther.

Louis: Okay. One suggestion I have actually is that – I understand there's going to be PILOTs, Payment in Lieu of Taxes, for a portion of it. You can draw the lines in such a way that it actually includes Queensbridge, I would think, and then they would be the beneficiaries of some of the non-tax payments that Amazon is scheduled to make.

Mayor: We predict initially that's it about \$65 million we think will come out of those PILOT payments that are delineated in this plan, in this deal, for the larger area, the larger community, exclusive of the Amazon campus, so they don't benefit from those PILOT. Of course Queensbridge Houses is going to be a part of it. Amazon, the state, the City, also agreed to a specific training fund that will help the folks of Queensbridge. There's a lot of specific pieces that'll help. But the bottom line here is, in the history of the city we've never, in one fell swoop, gotten 25,000 to 40,000 new jobs, good paying jobs. Now, let's be thankful we have them, but let's make it work for the people of New York City. Let's make sure Amazon holds up its end of the deal, and gives our own people here opportunity.

Louis: Okay, we will be watching to see how all of the works out. Thank you for coming by Mr. Mayor.

Mayor: Thank you.

Louis: Tough day at the office for you.

Mayor: Just another day, Errol.

[Laughter]

Louis: Just another day.

###