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**TRANSCRIPT: MAYOR ERIC ADAMS ANNOUNCES OFFICE OF SPECIAL ENFORCEMENT LAWSUIT AGAINST ILLEGAL SHORT-TERM RENTAL OPERATION**

**Christian Klossner, Executive Director, Mayor's Office of Special Enforcement:** Good afternoon. My name is Christian Klossner, Executive Director of the New York City Mayor's Office of Special Enforcement, also known as OSC. Housed within the Mayor's Office of Criminal Justice, OSC is a multi-agency task force that uses inspections, litigation, and education to address quality of life situations that cannot be adequately addressed by a single agency. OSC's work focuses on stemming the proliferation of illegal short term rentals in New York City. Short term rentals are rentals for fewer than 30 consecutive days, and state and city laws only allow homes to be rented for up to two guests, and only when the host is staying with the guests. Entire home short term rentals, and those for more than two guests, are illegal. They take housing away from New Yorkers, they endanger the tourists who book and stay there, and they disrupt the quality of life for our neighbors.

**Klossner:** I am pleased to be here with the mayor and allies to announce that today we are filing a lawsuit to stop just such an illegal operation. The building behind me, 344 East 51st street, is supposed to be a home for eight families and a doctor's office. Instead, data obtained from Airbnb shows it has been the home of a major illegal short-term rental operation. This operation was run by Aaron Latimer, a licensed real estate broker trained in the laws and rules governing real estate. Over a four year period, Latimer has received over \$2 million in payouts from Airbnb

for illegal short-term rentals, most of which occurred in this building behind us. He has used over 28 distinct host accounts, many of which used either fake names or other people's names, despite Airbnb indicating it had verified the host's identities. He operated approximately 78 listings, nearly all of which used a false address in an apparent attempt to cover up illegal activity.

**Klossner:** Latimer used 10 different LLCs, each with its own bank account and set up with Latimer as the signatory to receive the payments for over 2,200 illegal transactions. And he deceived over 6,500 people visiting our great city by providing them with unsafe and illegal accommodations. Esther Yip, also a defendant in the lawsuit, through her LLC Apex East Management owns this building and allowed the operation to continue despite repeated rounds of enforcement.

**Klossner:** The city is seeking an order from the court to immediately restrain these defendants from continuing their illegal acts, and will seek penalties sufficient to recoup the ill-gotten gains and make clear that violating the law can be an expensive proposition. Identifying this large scale operation would not have been possible without the data obtained from Airbnb, and provided pursuant to the city's booking service data reporting law. And bringing this case would not have been possible without the ongoing commitment of Mayor Adams to preserve our housing and hold illegal operators accountable. And with that is my pleasure to introduce New York city mayor Eric Adams.

**Mayor Eric Adams:** Thank you. Thank you. Well said, well said, thank you so much. This investigation is one of many that this organization is conducting so we could identify those who are depriving taxpayers and depriving our housing stock. And I'm happy to be joined here with so many colleagues in government and advocates in this area. What I want to do first though, I think it's important to touch on our COVID numbers and what are we doing around COVID. It's important that we are still... COVID is a formidable opponent, I cannot say this enough. New variants continue to enter our country and our city, but it's preparation, not panic. Preparations, not panic. It is something I stated over and over again. We still have to function... I said this in January, we have to learn to live with COVID. We're not out of the woods, we're still here, and it's still impacting our lives.

**Mayor Adams:** And so we have to take the proper steps. The new variants, we are seeing higher rates of community transmission, and as well as we... Infection. People I know who have had COVID are reinfected, but because of the tools we have available, we're able to combat this, we're not seeing the level of fatalities that we've witnessed when we did not have those tools. And New Yorkers should take necessary precautions.

**Mayor Adams:** In my briefing this morning we talk about masking on the subway or indoors, to continue to encourage New Yorkers to do the right thing. We want them to use high quality mask in public settings, and continue to just wash your hands, do some of the basic things that we have been successful at doing. And if you're eligible, you're vaccinated and/or boosted, that's important. That's how we have pushed back the previous variants.

**Mayor Adams:** And we are telling people if you come down with the symptoms, isolate immediately and take advantage of the free at-home tests that are being distributed around the city with more than 1,200 sites. And I'm happy to announce today another evolution of what we're doing, our amazing medical team, we are partnering with Test and Trace and we will be distributing 35,000 at-home tests through the Department of Parks and Recreation.

**Mayor Adams:** So we are using every part of our city government to get the test to individuals in all five boroughs at select parks, recreation centers, nature events and centers, and at our pools. The antiviral treatments are available for free. For those people who are eligible and qualified, this is we're unique with our delivery service and what we are doing, we're leading the entire country in doing this. And so it's important that New Yorkers know, as I stated, we're not out of the woods, but we will be prepared and we won't panic, as we continue to understand the complexity of COVID.

**Mayor Adams:** And as we know, we have to learn to live with COVID as we keep our city operating. But back to today's topic on OSC short term rental lawsuit, this is the power of government working in the right way. Today is taking actions to shut down illegal short term rentals and protect our visitors, our communities, and our hospitality industry. These short term, illegal rentals have a major impact on our hospitality industry and those who are employed in the industry. And we're starting right here on East 51st Street. This building, as was indicated, was one of the largest short term rental operation in the city in 2021, and that was entirely illegal. And they ignored the laws and continued to operate without of the importance of understanding the enforcement that was put in place.

**Mayor Adams:** And for years, the broker used fake host profiles in popular sites to lure unsuspecting guests to our city, regardless of the condition of the building, and violating the law. Online reviews described this building as astonishingly dirty. This is not what we expect from New York is in the quality of hotels and other legal renters that we have in this city. The defendants continued to run the operations, really snubbing their nose at the law, and we are saying that snubbing of the nose at the law is ending.

**Mayor Adams:** Their multiple violations, including hazardous conditions, is something that puts individuals in jeopardy for their safety and public health. Today we are sending a message. This kind of lawlessness will not be tolerated in our city, and we're not going to stand by while shady brokers used illegal listings, fake host accounts, to skirt the law and defraud customers.

**Mayor Adams:** We're using the power of the law to protect the public interests. And we're going to continue to identify these locations that are using the same method to circumvent the laws that are put in place. We're not going to let bad actors, despite their attitudes, they are not going to deplete our houses stock and our hospitality sector. We want to keep our visitors and community safe, and make sure that New Yorkers are not deprived of their much needed living space. The administration, our administration, is determined to preserve affordable housing and cracking down on illegal short term renters are one way we are going to accomplish that aspect.

**Mayor Adams:** And when I talk about law and order, I'm talking about law and order not only from violent crime, but also from those who believe they're going to have a disorderly rental market in our city. And this administration is going to tackle crime, corruption and our business sector just as we tackle street crime. This lawsuit shows... That's my cousin, I guess. This lawsuit shows exactly why we need reporting requirements for booking platforms, and why the city needs short term rental registration program that will take effect in 2023. We're focused on this issue, and I really want to thank the Office of Special Enforcement for their great work for highlighting and moving forward with this lawsuit. Thank you very much.

**Klossner:** Thank you Mr. Mayor. Our next speaker is President of the Hotel Trade Council Rich Maroko.

[...]

**Klossner:** Thank you, President Maroko. Our next speaker is Council Member Keith Powers who represents this building.

[...]

**Klossner:** Thank you, Council Member. Our next speaker is Council Member Gale Brewer.

**Mayor Adams:** Always my borough president.

[...]

**Klossner:** Thank you, Council Member. Our next speaker is Assembly Member Richard Gottfried.

[...]

**Mayor Adams:** Thank you. Thank you for your work.

**Klossner:** Thank you assembly member. Our next group of speakers will be the Coalition Against Illegal Hotels represented by Tom Cayler. Please join.

[...]

**Klossner:** Thank you, Tom, and thank you to members of the Coalition Against Illegal Hotels. Obviously, you've heard a lot of support for our office. It wouldn't have been possible without the support of the folks gathered here today and others. It also would not have been possible without the support of my incredibly talented and hardworking staff, Deputy Executive Director Francine O'Keefe is here today. And the countless attorneys, inspectors, researchers, computer staff, and comm staff that worked to put this all together. I thank you on behalf of the city. And now we'll open it up to questions and answers.

[...]

**Question:** Thank you. I can't recall if it was you, Mr. Mayor, or the executive director, but you mentioned that there are several investigations going on for similar situations. Can you speak a little bit to how pervasive this problem is in the city, and how many investigations are we talking?

**Mayor Adams:** You know, ongoing investigations are ongoing investigations, and it's a problem that we are going to resolve. One or two illegal buildings is far too many. It erodes the confidence in our affordable housing system, our hotel industry. And as we announce these lawsuits, we're going to roll them out as they come forward.

**Question:** And what type of repercussions could the building owner here face? Are we talking stiff financial penalties? Are we talking criminal consequences? What could happen to an owner?

**Klossner:** Sure. First and foremost, we've issued three rounds of violations, so they'll already, once sustained at oath, be facing tens of thousands of dollars in fines. We will seek to recoup all of the ill gotten gains. There's a variety of causes of actions with different penalties attached, but it is all civil penalties. And most importantly, we'll be seeking an injunction, a court order telling them to stop such that if they didn't, we could then take them into court for contempt.

**Tom Cayler, Chair, Coalition Against Illegal Hotels:** May I toss in one other thing there for you from your first question? Based on our numbers, working with Murray Cox at Inside Airbnb, we estimate that there are 30,000 illegal short term rental units in New York City right now. We believe that when the registration law goes into effect in January of 2023, that is going to drastically cut that number down. So 30,000 units, we could house all of our homeless.

**Question:** I just wanted to hear a little bit more about the potential penalties because obviously tens of thousands of dollars in fines doesn't add up to much, if I heard correctly, if the owner was making about \$2 million in the last two years. What do we need to do to get the penalties high enough that it dissuades other people from cashing in and then paying a relatively small fine?

**Klossner:** Sure. I think a significant number of the folks that receive fines and enforcement are deterred by the fines and enforcement. In addition, this lawsuit has a cause of action for violations of the city's deceptive trade practices, which allows for full disgorgement. So we do have a cause of action that would allow us to pry out all of the illegal revenue, were we to go all the way through to the end of trial. And you can see from our website and prior announcements, we routinely settle these cases for hundreds of thousands, if not over \$1 million.

**Question:** Mayor, I have a question on COVID, since you brought that up.

**Mayor Adams:** Hold on. We're going to get to that. We're going to get to that.

**Question:** [Inaudible] on the owners of one to two family homes [inaudible] or are you focusing on bigger [inaudible] buildings?

**Klossner:** Sure. I'm glad you asked that question because it gives me a chance to clarify something. It's often misunderstood that it's only illegal in multiple dwellings, buildings with three or more. It is in fact illegal in one in two family homes as well. The rules are the same. You have to be there. You can't have more than two guests. When you ask, are we cracking down, our enforcement priorities have always been to focus on commercial actors, people who are taking one or more units of housing off the market; dangerous actors, people who are creating really horrible overcrowding or illegal alteration or putting people in cellars with no lights and no windows; or disruptive actors, people who are disrupting the quality of life in their communities and neighbors. I think our history of enforcement shows that one in two families are being used. They're being bought by real estate speculators who are taking them out of the rental market and turning them into homes.

**Klossner:** And they're also a critical component. It's almost a third of the city's rental stock with hundreds of thousands of rental units of one and two families that we cannot afford to lose to an unregulated market, and instead we need those homes for New Yorkers.

**Question:** [Inaudible].

**Klossner:** I'm sorry, I really can't hear you.

**Mayor Adams:** What more would we like Airbnb and other platforms to do?

**Klossner:** Well, once the registration law starts in 2023, the platforms will be prohibited from processing unregistered transactions. What we'd like for them to do is comply with that law and work with us. It'll be the first time we will say, these people are allowed to do this kind of activity, and it'll be up to them if they're going to comply with the law or if we'll have to bring an enforcement action against the companies. I would point out, you heard in my notes, all of this activity happened on Airbnb's watch. We found this building and this operation by using data from the company. And I'll leave it at that and let them answer what more they should do.

**Mayor Adams:** Thank you.

**Question:** Thank you very much. Congratulations.

**Mayor Adams:** Always good seeing you.

**Question:** The wedding people loved you.

**Mayor Adams:** Huh?

**Question:** The wedding people.

**Mayor Adams:** Oh, I like that. 500 weddings.



**Question:** They loved you.

**Mayor Adams:** Good seeing you again. Thank you. Good job. So a few on topics before I bounce.

**Question:** [Inaudible].

**Mayor Adams:** Miss Bernadette.

**Question:** Hi, Mayor. So one COVID question, and then one question on the stabbings of homeless people. So first, I'm curious, it seems like you're focused on severe hospitalizations and deaths, but are you concerned about long COVID? I was just talking with a friend who said she's having trouble with word retrieval six weeks after she had COVID. Are you concerned about long COVID?

**Mayor Adams:** Yes, without a doubt. And we're not just looking at hospitalizations and deaths. Every morning, I am briefed by my medical team, every morning, on just COVID and monkeypox now. So we do this every morning. And we continue to go through our strategies from long term COVID. We're doing things in H + H and some of our other facilities of how to give people help and assistance that are dealing with long term COVID. A very dear friend of mine is dealing with long term COVID and the impact. So we're concerned about the entire impact of COVID, not on our physical body, but the anatomy of our economy, the mental health aspect of it, of how our children are learning. This is a holistic approach to dealing with a real issue. COVID is a formidable opponent.

**Mayor Adams:** And I keep saying over and over again, if you don't pivot and shift, if you stay rigid, COVID will defeat you. And COVID is not defeating us because we're not rigid. And we are continuing to move forward. We kept our schools open. People wanted us to close them. We did the right thing by home testing, the right thing about masking. We did the right things, and we continue to navigate the complexity of COVID. And we're leading the country. The country's looking at what New York is doing, such as delivering medicine home, such as the testing operation. They're looking at what we are doing and seeing that New York has it right. Yes, we are concerned about long term COVID.

**Question:** And then on the homeless attacks, a man is wanted for stabbing three homeless people. Are you concerned that they're being targeted again?

**Mayor Adams:** We don't know. The investigation is going to determine the outcome. We have a few leads. We will catch the person responsible. And it is unacceptable for an individual to attack a person that's homeless or not homeless. And we are going to find this person responsible. We have a few leads, and we are following up on those leads.

**Question:** Mr. Mayor, the case of the bodega worker situation. Did you watch the video of the girlfriend of Austin Simon, where she allegedly also stabbed Jose Alba? And if so, do you think that she should also be charged in that case?

**Mayor Adams:** I didn't see the video. There must be a new video out. Anyone who carries out an assault of any nature should be held accountable for it. So if in that video it determines that she broke the law, I believe that the law must be enforced. But the district attorney makes the final outcome. My job is to continue to stand up and support those hard working New Yorkers that should not be the victim of aggressive behaviors.

**Question:** [Inaudible] district attorney about this case recently, and if so, what was the discussion about? What did you say to him?

**Mayor Adams:** No, we had a conversation about the case and I'm not going to go into the private conversations. I shared my thoughts. He shared his thoughts. But justice should be served here. And I am hoping that it is.

**Question:** When did you speak to him?

**Mayor Adams:** We had a conversation yesterday. He was at our town hall yesterday, and we had a brief conversation.

**Question:** Mr. Mayor, back to COVID for a moment. Late last week, your health department recommended masking indoors. And since then, you've had several indoor events where you yourself haven't been masked. What message does that send to New Yorkers?

**Mayor Adams:** That I have to do better like everyone has to do better. I'm perfectly imperfect. I must have said that 100 times. And my Department of Health commissioner, we talked about it today. He told the whole staff on the call, let's continue to mask indoors. And some days, we forget. We got to get it right. Some days, we got to get it right. Being mayor is not perfection. It's dedication. I'm dedicated to navigating the city out of this crisis. And I have my N95 in the cars, and as much as possible, I'm going to put it on because he was right. And we need to always do a better job and lead by example. And that's what I'm going to attempt to do.

**Question:** If I can follow up real quick. Given that more PCR testing sites are slated to close in about a week, we're seeing the emphasis on at home tests. How important for your strategy of mitigating COVID is it for the city to know about individual cases may not rise to the level of severity going into a hospital, but how important is it for the city to know about individual cases?

**Mayor Adams:** We talked about that today. I learned something in, I think it was physics, called sampling of the population. You do not have to sample every individual to get an understanding of what you're dealing with. When you poll and see that I was the most popular candidate that was running, you didn't ask every New Yorker. You did a sampling of the population. We have enough. Unlike other municipalities, we have enough data that is coming in, that is allowing us to get a full understanding of where we are with COVID. We have clear records on hospitalization, clear records on death, clear records on ICU. So there's enough that's coming in, that we can sample the population and see what we are dealing with. And take home tests, that's the real win. Symptoms, test yourself right away, get the medicines delivered to you if need be if you qualify. We put together a great approach to dealing with a formidable opponent that we call COVID.

[...]

**Mayor Adams:** [Inaudible] NBC, how are you?

**Question:** Mr. Mayor. Very good, sir. OEM is out with this new PSA about what to do in cases of nuclear attack in New York City. I was curious what your take is on that. Is that alarmist? Is there something we should know?

**Mayor Adams:** No, I don't think it was alarmist. I'm a big believer in better safe than sorry. I take my hat off to OEM. This was right after the attacks in the Ukraine, and OEM took a very proactive step to say let's be prepared. And it doesn't mean just a nuclear attack, it's any natural disaster. Pack a bag. Know where your medicines are located. These are just smart things to do. And many of us, we think about COVID and other things that have been on the forefront, but we're still one of the top terrorist threats. There are no imminent threats to the city that we know about, but we always have to be prepared as New Yorkers. And I think OEM did the right thing. We're going to always be proactive, not panic, but we're going to be prepared.

**Question:** Mr. Mayor, do you think the Manhattan DA Alvin Bragg is an obstacle for you to get your public safety goals?

**Mayor Adams:** No. What I believe is an obstacle for me is the criminal justice system and lawmakers.

**Question:** But he's part of it, right?

**Mayor Adams:** Well, I'm just giving you my overview. I think that the criminal justice system and lawmakers have stopped putting in place initiatives that protect innocent people in this city and this country. We are protecting people who violate the law. I say let's start protecting people who follow the law. And that is what's disturbing to me. You can't have a police department that removes 3,700 guns off the streets. Last week, Commissioner Sewell gave a report of the number of repeated offenders arrested for burglary, back out on the street; arrested for robbery, back out on the street; carry a gun, back out on the street. That is just really in the way of everyday New Yorkers. We need to move in a direction of protecting innocent New Yorkers. So I don't want to pinpoint one DA or one lawmaker. The criminal justice system, I believe, has turned against the innocent people of this city and the men and women who are here to protect this city and the country.

[...]

**Question:** Why do you think it was acceptable to call protestors yesterday clowns when they were speaking out against budget cuts?

**Mayor Adams:** I'm sorry, I didn't hear that.

**Question:** Why do you think it was acceptable to call protestors clowns yesterday when they were speaking out against budget cuts in schools?

**Mayor Adams:** Well, there's a way for speaking out against budget cuts. There's a way to disagree without being disagreeable. When you stand up and yell while your neighbors are talking and attempting to solve a problem, then you've turned the place into a circus. And one of the people in the circus is a clown. So when you do things that's clown-like, then you should be probably defined as what you are. You don't stand up at a peaceful conversation with your neighbors, yell, and then run towards the mayor, where my security detail is not going to allow you to run towards the mayor. They're responsible to ensuring safety, particularly with some of the issues that we are seeing in the city. So I saw clown-like behavior, and we are not going to tolerate clown-like behavior in our peaceful meetings.

[...]

**Mayor Adams:** Oh, no, you got to get him. I haven't seen you in so long.

**Question:** It's been a while.

**Mayor Adams:** And I miss your articles. And you got a Brooklyn shirt on. Come on. What are you, anti Brooklyn?

**Question:** That means I have [inaudible].

**Mayor Adams:** Oh, Chris.

**Question:** I'm pretty sure that's the rule.

**Mayor Adams:** Chris.

**Question:** Thank you, Mr. Mayor. It turns out that former Mayor de Blasio in 2019 was given specific guidance by the Conflict of Interest Board that he could not charge taxpayers for the travel and lodging of his security detail when he was on his political campaign for president. He was given that advice. He ended up charging taxpayers anyway for those costs, \$320,000. And the Department of Investigation confirmed that violation in October. We're now about nine months after that, and I'm wondering whether you think that the former mayor should be penalized for that ethical violation, and whether the city is going to try to recoup the taxpayers money.

**Mayor Adams:** Well, it's COIB, which I believe they do an amazing job of determining if someone crosses the line in any way. And I think that's something that must go through COIB and the former mayor to determine how to resolve the issue. That's beyond my scope. I reach out to COIB and get the rulings, and we attempt to the best of our abilities to follow those rulings. And I think the mayor and the COIB and the corporation council, whatever entities that are involved in that, they need to look at that. I've got to focus on being the mayor of the city of New York, and so I don't have an opinion on that. My opinion is not going to matter. If my opinions matter, my brother will be doing my security.

**Question:** One, one quick thing on OEM and COVID. On the OEM video, you were saying specifically, it's what's going on in your brain that prompted that video. Did I understand that...

**Mayor Adams:** Yeah, it was of my briefing, because when I saw it and heard it, I thought it was a great idea. My understanding is that it was really taking necessary steps after what happened in Ukraine to give preparedness. But it's not only nuclear. We need to be clear on that. It's preparedness. We are going to continuously put out, as we move into hurricane season, we're going to put out a series of PSAs, a series of announcements about preparedness. We're in this

preparedness space. Because the worst thing we could happen is not to tell people prepared, and then Bernadette come and ask me and say, Eric, why you didn't tell people they were prepared? So I have to think ahead of time, and making sure we make the right steps. But it was focusing on preparedness. And that was one of the conversations about making sure you do the right things that needs to be prepared.

**Question:** One quick thing on COVID. Late last week at Maimonides, you mentioned that you're looking at developing new weapons in the fight against COVID. I was just wondering, do you have an update on what those new weapons are going to look like? And then separately, you also said that you were looking to bring in experts from across the globe, and I'm wondering, can you share...

**Mayor Adams:** No, no, that's a good question. So this COVID battle, what we are going to do the Department of Health and Mental Hygiene's commissioner, we are going to bring in experts all across the globe to host an event, I believe it's in formation now, to get lessons learned. What have we learned, or what could we do differently? How do we communicate with New York?

**Mayor Adams:** You know what our biggest issue, Chris, is that the same thing that happened during 9/11. People get comfortable. And so sometimes when your eyes don't see what the concerns are, you sort of get comfortable in the process. And so we need ways of communicating with New Yorkers to understand why we have to remain vigilant. And so that's what we're going to bring in experts to look at lessons learned as we look at these new variants, what did you learn in your municipalities, behavioral scientists. We're going to bring in everyone in this space so we can learn. And New York is going to host this and lead the way. We're going to ask people to join us, men and women from academia. We want a real public facing conversation about COVID so we can plan for the future.

**Question:** Is your administration going to ask the White House to release that 1 million doses for monkeypox that have already been paid for by US taxpayers that have just caught up because of an FDA snafu? I know you wrote the letter yesterday.

**Mayor Adams:** Yes. We sent them a letter yesterday. We have a couple of thousand now that we're doing... We're sending a letter. We hope they release as much possible. We have, really, proportionally, we should be getting more. And so we're communicating with the White House in order to get that done.

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