



**New York State Office of the State Comptroller**  
Thomas P. DiNapoli

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Division of State Government Accountability

# **Administration of Tenant Complaints**

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## **Homes and Community Renewal Office of Rent Administration**

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Report 2013-S-72

December 2014

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# Executive Summary

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## Purpose

To determine whether New York State Homes and Community Renewal's Office of Rent Administration addresses tenant complaints in a timely manner. Our audit period includes tenant-initiated complaints received between January 1, 2010 and December 31, 2012.

## Background

New York State Homes and Community Renewal consists of all the State's housing and community renewal agencies. These agencies include the Division of Housing and Community Renewal (Division), which is responsible for the supervision, maintenance, and development of affordable low- and moderate-income housing in New York State. The Division's Office of Rent Administration (Office), the subject of this audit, is responsible for administering New York State's rent laws. These laws are designed to provide decent, affordable housing for millions of New Yorkers. According to Office records, it received 19,653 tenant complaints during the audit period, of which 17,716 were resolved by March 6, 2014. Office records indicate that 5,883 tenant complaints were open as of May 15, 2014, including complaints received prior to and after our three-year scope period. The most common tenant complaints received by the Office relate to rent overcharges and decreased landlord services.

## Key Findings

- Officials have not established criteria for how long it should take to assign, address, and/or resolve tenant complaints.
- We observed that it took an average of 6.7 months for complaints just to be assigned to an examiner, with rent overcharge complaints taking an average of 14.8 months - and some as long as three years - to be assigned.
- Of the complaints received in our scope period, 1,101 remained unassigned as of March 6, 2014, including 133 from 2010 and 2011.
- A significant percentage of the tenant complaints resolved during the audit period (31 percent) took longer than a year to resolve, including 8 percent taking over two years, and some taking as long as four years.
- Officials have not performed any recent staffing or productivity analyses to determine whether current staffing levels are adequate and whether existing employees are performing efficiently.

## Key Recommendations

- Establish criteria for the amount of time it should take to assign, address, and resolve tenant complaints, and document the reasons why cases are not resolved within the prescribed time frames.
- Investigate the circumstances surrounding long-term open cases and take steps to resolve them.
- Conduct an examiner staffing/productivity analysis and redeploy Office staff if necessary and as appropriate to align with complaint caseloads and complexity.

## **Other Related Audits/Reports of Interest**

[Housing Affordability in New York State \(March 2014\)](#)

[Division of Housing and Community Renewal: Quality of Internal Control Certification \(2012-S-31\)](#)

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**State of New York**  
**Office of the State Comptroller**

**Division of State Government Accountability**

December 11, 2014

Mr. Darryl C. Towns  
Commissioner/CEO  
NYS Homes and Community Renewal  
Hampton Plaza  
38-40 State Street  
Albany, NY 12207

Dear Commissioner Towns:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage government resources efficiently and effectively and, by so doing, providing accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit of NYS Homes and Community Renewal's Office of Rent Administration, entitled *Administration of Tenant Complaints*. The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

*Office of the State Comptroller*  
*Division of State Government Accountability*

Cc: Woody Pascal, Deputy Commissioner, ORA

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## Background

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Many New Yorkers have been increasingly challenged to find affordable housing in the face of stagnant or declining income and rising housing costs. As of 2012, the U.S. Census Bureau estimates that more than 50 percent of renters and 30 percent of homeowners in New York exceeded the U.S. Department of Housing and Urban Development's "home affordability threshold" of 30 percent (i.e., percentage of income spent on housing costs); and within those groups about 1.5 million households spent more than half their income on housing. Thus, for a growing number of citizens, affordable housing is beyond reach. This audit is part of the Comptroller's initiative to assess a range of housing programs administered by various New York State and New York City agencies and public benefit corporations.

New York State Homes and Community Renewal (Homes) consists of all the State's major housing and community renewal agencies, including the Division of Housing and Community Renewal (Division). The Division is responsible for the supervision, maintenance, and development of affordable low- and moderate-income housing in New York State. The Division's Office of Rent Administration (Office) is responsible for administering New York State's Laws and Regulations that are designed to afford owners an adequate return on investment while protecting tenants from unlawful rent increases, harassment, and illegal evictions. As the administrator of the laws, and custodian of all rent registration records, the Office is responsible for responding to owner and tenant applications, inquiries, and complaints regarding the nearly 1 million regulated apartments in New York State. Our audit focused on the complaints received from tenants residing in these regulated apartments.

The Office receives many types of complaints; the most common ones are related to rent overcharges and decreased services. Service complaints address individual apartment as well as building-wide conditions. When the Office receives a complaint, it is docketed, an acknowledgment of receipt is sent to the tenant(s), and a copy of the complaint is sent to the building owner, who has an opportunity to respond. The Office may also schedule an inspection of the premises to determine whether the conditions reported in the complaint are occurring.

Office officials told us that complaints are assigned on a first-in-first-out basis, unless circumstances warrant that they be expedited or held back. Generally, once a complaint is resolved, the Office issues an order granting or denying the requested action. According to available records, the Office received 19,653 tenant complaints during the audit period, of which 17,716 were resolved by March 6, 2014. Office records also show that 5,883 tenant complaints remained unresolved as of May 15, 2014, including complaints received prior to and after our three-year scope period - with some about 10 years old.

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## Audit Findings and Recommendations

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The Office has not established formal criteria for how long it should take to assign, address, or resolve complaints. Our review of Office records determined that a significant number of tenant complaints may be unresolved for anywhere between one to four years. In fact, the average time it takes for an incoming complaint to be assigned to an examiner is 6.7 months - and in some cases, up to three years. We also note that Office officials have not performed any examiner staffing or productivity analyses to determine what the per-examiner workload should be and whether current staffing is able to meet Office needs. In addition, the Office's computerized database does not readily provide meaningful information for decision makers.

### Complaint Processing Timelines

We analyzed the time frames surrounding the 19,653 tenant complaints received by the Office during the three-year period ending December 31, 2012 and found a wide range in the amount of time it took to resolve them. While many complaints were resolved within a year, a significant percentage - 31 percent - took longer than that, including 8 percent taking over two years and some taking as long as four years.

Of the 19,653 complaints reviewed, 17,716 had been resolved as of March 6, 2014; the remaining 1,937 complaints, or 10 percent of the complaints received, were still open. The average length of time for the 17,716 complaints to reach resolution was 9.8 months. We noted that rent overcharge complaints took significantly longer - 18.3 months on average - to resolve.

Much of the elapsed time is spent waiting for complaints to be assigned to a rent examiner. In fact, it took an average of 6.7 months for complaints to be assigned; rent overcharge complaints took an average of 14.8 months, and some took as long as three years. Of the complaints received in our scope period, 1,101 were still not assigned as of March 6, 2014, including 133 from 2010 and 2011.

The following table shows the number of complaints received by the Office during our audit scope - by complaint category - and how long it took for them to be resolved:

| Tenant Complaints 2010-2012, as of March 6, 2014       |                |                     |                     |                           |                       |
|--|----------------|---------------------|---------------------|---------------------------|-----------------------|
| Complaint Type   | Total Received | % of Total Received | Complaints Resolved | Average Months to Resolve | Unresolved Complaints |
| Building-wide services                                 | 871            | 4%                  | 870                 | 7.4                       | 1                     |
| Tenant maximum base rent challenge (rent control only) | 140            | 1                   | 140                 | 1.9                       | 0                     |
| Eviction   | 18             | 0                   | 18                  | 6.1                       | 0                     |
| Fuel cost challenge (rent control only)                | 310            | 2                   | 310                 | 2.0                       | 0                     |
| Harassment   | 627            | 3                   | 525                 | 11.4                      | 102                   |
| Heat/hot water   | 194            | 1                   | 194                 | 1.2                       | 0                     |
| Non-compliance with an order                           | 592            | 3                   | 495                 | 10.6                      | 97                    |
| Rent overcharge  | 5,319          | 27                  | 3,958               | 18.3                      | 1,361                 |
| Petition for administrative review                     | 2,150          | 11                  | 1,822               | 8.2                       | 328                   |
| Failure to renew a lease                               | 3,709          | 19                  | 3,663               | 11.2                      | 46                    |
| Services   | 5,723          | 29                  | 5,721               | 4.4                       | 2                     |
| <b>Totals</b>  | <b>19,653</b>  | <b>100%</b>         | <b>17,716</b>       | <b>9.8</b>                | <b>1,937</b>          |

We selected a judgmental sample of 25 resolved tenant complaints and reviewed the associated file folders to determine whether the complaints were addressed efficiently. We found many of them took what we believe to be unreasonable amounts of time to assign, address, and resolve. For example, one rent overcharge complaint was received by the Office in January 2010. The complaint was not assigned to an examiner until March 2011 - 14 months after receipt. Between June 2011 and September 2012, we found no evidence in either the file folder or the Office's computer database of any examiner activity to address this complaint. In March 2013, the Office determined that the tenant was overcharged a total of \$12,580 by the landlord and was entitled to interest of \$4,812, for a total adjustment of \$17,392.

We asked Office officials why it took 14 months to assign this case to an examiner. They indicated that the amount of time it took to assign this case was good and that (at the time of our discussion) complaints were taking about 27 months to be assigned due to a reduction in examiner staff. However, as noted, once the complaint was assigned, it still took the Office two years to make a determination on the validity of the complaint. We acknowledge that examiners have to gather all relevant information on a complaint in order to make an informed determination, and that each examiner is likely working on multiple complaints simultaneously. But such lengthy delays in a case like this may cause undue financial hardship for the tenant.

We also found several service-related complaints where required inspections were not always



requested or done timely, which led to delayed resolutions of complaints involving potentially dangerous conditions. For example, a service complaint received by the Office in January 2010 alleged numerous physical problems: no gas, water, sink, or cabinets in the kitchen; the wall in the bathroom was removed and the bathroom had no water, cabinets, or shower; a wall in the living room was removed, and there was dust and debris from the wall demolition. The tenant asked for a rent reduction to make up for the noted conditions. The Office notified the owner, who responded that same month (January 2010) stating that the repairs had been done. However, the owner's paperwork supporting the corrections was not submitted to the Office until May 2010. In June 2010, the tenant submitted a letter refuting the landlord's assertion that the work had been done. An Office inspection did not occur until October 2010 - nine months after the complaint was filed and four months after the tenant refuted the owner's claims of repair. The tenant's request for a rent reduction was denied. Had the inspection occurred shortly after the complaint was received, and the tenant been correct in his/her assertions, the requested rent reduction may have been granted.

We discussed these issues with the Office's Deputy Commissioner and other senior personnel. While Office officials acknowledged that this, and other service complaints discussed, could have been assigned and processed in a more efficient manner, they believe that overall, service complaints are resolved more efficiently. They also reiterated that the continuing reductions in examiner staff is a contributing factor to the time frames we observed.

We believe several factors might be impacting the timely assignment and resolution of complaints. These factors include the lack of established time frame criteria to assign, address, and resolve complaints. Establishing such criteria would provide examiners with a performance goal and management with statistics to evaluate examiner performance.

We also believe the absence of any recent examiner staffing or productivity analyses leaves Office management without any basis to determine exactly how many examiners are actually necessary to handle the Office's annual workload. In today's atmosphere of "do more with less," it is imperative that managers know what they can reasonably expect of their examiners before requesting additional funds for increasing staff or using outside contractors.

In regard to time frame criteria, we were told that each complaint has its own unique set of circumstances that affects the processing time. These circumstances include the amount of time required by the code and law for parties to respond; the complexity of the complaint or the number of parties involved; the possibility that owners or tenants may request an extension of time for responding; the need for inspections to be assigned and completed before case processing can continue; and whether complaints were held due to a pending court case.

The Deputy Commissioner also stated that imposing time limits might create the risk that staff would be motivated strictly by results (i.e., complaints closed within a specified number of days) as opposed to being motivated to issue quality determinations that can survive judicial scrutiny. He explained that the Office is a "quasi-judicial" agency, and each matter addressed involves two adversarial interests - the tenant and the building owner - and that each party is entitled to their issues being heard.

In regard to staffing and examiner productivity, Office officials told us that a large percentage of their employees have either recently retired or are eligible for retirement. According to OSC payroll records, as of March 31 for the years 2000 through 2014, examiner staffing was reduced from 119 to 80, a reduction of 33 percent. Their assertions were echoed in a 2012 report prepared by an outside consultant, which stated, “A high number of long-serving staff will be eligible to retire soon, and there is a risk that the institutional knowledge and experience of these individuals will not be replaced.” The report stated further that the reduction in staff has negatively impacted operational performance and elevated organizational risk in terms of being able to address the high workload.

We acknowledge that each complaint has its own set of circumstances, and that the Office needs to follow due process. We also acknowledge that the time it takes to resolve certain complaints is out of the Office’s hands, such as when a case may be held up in court. Nevertheless, without established performance goals and detailed knowledge of examiner productivity, Office management has limited ability to determine whether staff production is sufficient or whether they have an adequate number of staff to address tenant complaints efficiently.

## Management Information System

To meet its responsibilities to the tenants and owners of the State’s nearly 1 million regulated apartments, the Office utilizes the “Historical Update and Tracking System” (HUTS) database, which was implemented in 1984, to maintain complaint information as well as rent registration information. Actual complaint documents are kept in file folders.

During the survey phase of our audit, we requested various caseload data that we could review to assess how efficiently tenant complaints were being addressed by Office examiners. Our requests included incoming caseload data by complaint category for the three years within our scope period, and the dates these complaints were assigned and resolved. In response to our request, Office officials told us that their Information Technology staff would have to run a special report to accommodate our request as their database could not readily provide the requested information.

We were concerned by this response, since the type of data we requested is necessary for Office management to monitor the Office’s effectiveness in addressing complaints efficiently. Our concerns were echoed by staff from various units within the Office, several of whom stated that an upgrade to the current HUTS database would be helpful to them in performing their jobs.

We also noted that in September 2012 an independent consultant identified numerous weaknesses in the Office’s 30-year-old HUTS, including its limited user functionality and inability to customize reports. The consultant stated that HUTS data is not being used to proactively identify fraud or compliance-related issues or to monitor or track key performance metrics. In addition, the system requires full-time staff to write code when changes are needed.

On July 25, 2013, the Division issued a Request for Proposals (RFP) to obtain an automated case-management system for processing complaints, which would provide Office management with

the tools necessary to establish and achieve performance objectives. Proposals were due by September 3, 2013, however, as of April 24, 2014, a vendor had not been selected.

## Recommendations

1. Establish criteria for the amount of time it should take to assign, address, and resolve tenant complaints, and document the reasons why cases are not resolved within prescribed time frames.
2. Investigate the circumstances surrounding long-term open cases and take steps to resolve them.
3. Conduct an examiner staffing/productivity analysis and redeploy Office staff as appropriate to align with complaint caseloads and complexity.
4. Establish a formal timetable to complete the development and implementation of an effective management information system.

## Audit Scope and Methodology

We conducted this audit to determine whether the Office is addressing tenant complaints in a timely manner. This audit reviews the resolution of tenant-initiated complaints received between January 1, 2010 and December 31, 2012.

To accomplish our audit objective we reviewed relevant State and New York City laws, as well as applicable policies and procedures. We interviewed Office officials, supervisors, and staff to gain an understanding of the processes for resolving complaints. We also analyzed the 19,653 tenant-initiated complaints received in the three-year period of our audit scope as well as the 5,883 complaints outstanding as of May 15, 2014 to determine whether complaints were being resolved timely. We tested the integrity of the data we received and selected a judgmental sample of resolved tenant complaints and reviewed the files to determine whether the complaints could have been resolved more timely. We also obtained examiner staffing levels and reviewed a Request for Proposals for updating the Office's computer system.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to

certain boards, commissions, and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

## Authority

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This audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

## Reporting Requirements

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We provided a draft copy of this report to Office officials for their review and comment. Their comments were considered in preparing this report and are attached in their entirety at the end of the report. In their response, Office officials disagreed with our recommendation to establish criteria for the amount of time it should take to assign, address, and resolve tenant complaints. Officials also indicated, however, that the Office was replacing its legacy mainframe system for case management and reporting with a state-of-the-art Web-based system that will provide case processing workflows and dashboard reporting for Office management. Our rejoinders to certain Office comments are included in the report's State Comptroller's Comments.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of NYS Homes and Community Renewal shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where the recommendations were not implemented, the reasons why.

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## Contributors to This Report

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## Division of State Government Accountability

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### Vision

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To improve government operations by conducting independent audits, reviews and evaluations of New York State and New York City taxpayer financed programs.

# Agency Comments



ANDREW M. CUOMO  
GOVERNOR

DARRYL C. TOWNS  
COMMISSIONER/CEO

July 23, 2014

Frank Patone  
Audit Director  
Office of the State Comptroller  
Division of State Government Accountability  
110 State Street, 11<sup>th</sup> Floor  
Albany, NY 12236

Dear Mr. Patone:

Thank you for the opportunity to review draft Audit Report 2013-S-72, Administration of Tenant Complaints. We have responded to all of the recommendations contained in the report and offer our detailed responses below.

Sincerely,

A handwritten signature in blue ink, appearing to read "Woody Pascal". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Woody Pascal  
Deputy Commissioner  
Office of Rent Administration

cc: Darryl C. Towns, Commissioner  
Kevin G. Kelly  
Sharon Devine  
Gary Connor  
Jason Kim



**Response Summary**

We received the draft Audit Report 2013-S-72 of the NYS Homes and Community Renewal's Office of Rent Administration (ORA). Let me begin by stating that we appreciate the efforts of the Comptroller's staff in familiarizing themselves with the regulations, procedures, and laws that ORA must administer. As the time they spent with ORA was relatively brief, it was undoubtedly a daunting endeavor getting up to speed. Our understanding is that your auditors were professional, courteous and made efforts to minimize the impact of their presence on ORA's staff.

As a state agency with an administrative role (over several laws and regulations) ORA is aware that like many other similarly situated government agencies, direct interaction with the public necessitates a delicate balance of factors, including both the speed in reaching determinations and the integrity of those determinations.

The Report made four "**Recommendations**" to which we respond below.

**Recommendation 1:**

**Establish criteria for the amount of time it should take to assign, address, and resolve tenant complaints, and document the reasons why cases are not resolved within prescribed time frames.**

**HCR Response:**

Generally, Rent Examiners in the Overcharge Unit are assigned 50 cases at any one time. Anything more becomes unmanageable for staff or supervisors given our existing technology. The amount of time to resolve a case is governed by the facts and issues pertinent to that case. We reject placing a prescribed timeframe on resolving an overcharge case for reasons that are discussed below.

The most important thing to recognize is that not all overcharge cases are the same. For example, an overcharge case involving a late fee will move quicker to resolution than a case involving an unresolved pre-base date service complaint, an MCI rent increase, or a lease renewal complaint component. Existing regulations require that an owner be provided at least 20 days to answer a complaint. Depending on the case ORA must also serve the opposite party and the agency must again allow time for a response.

Additionally, the agency generally has to conduct fact finding which also requires notice and an opportunity to respond by the subject party. Each case is fully documented with regard to the issues involved therein. The case file documents when extensions are granted, when requests for additional information is requested, and when notices are mailed to either party with pertinent and relevant information submitted by the opposite party. Thus, a review of a case file will detail all relevant actions taken by processing staff in that particular case.

It cannot be overstated that if ORA were to place an emphasis on speed in processing cases over other factors, the agency runs the risk of violating due process requirements, thus sacrificing the ability to issue quality determinations that can survive scrutiny by the courts; negatively impacting on the public's ability to rely on ORA's decisions. As ORA is a quasi-judicial agency, each overcharge complaint involves two adversarial interests, and oftentimes, each is represented by counsel.

\*

Comment

1

\* See State Comptroller's Comments, page 18.

DHCR and ORA are very concerned about tenant’s facing an “undue financial hardship”, as termed in the Report. However, it must be noted that a hardship paying rent does not mean that an owner is overcharging that tenant. Such tenants are poorly served by ORA hastening the issuance of orders which are then reversed by courts of competent jurisdiction because the agency gave short shrift to the rights of owners. As the agency recognizes that exigent circumstances do arise, there is a procedure to expedite matters. Furthermore, there is a counterweight to a tenant’s “hardship”, and that is ensuring that the potential financial liability placed on an owner is properly arrived at; before ORA issues a decision that may order an owner to not only pay back the amount overcharged, but oftentimes three times that amount plus interest, it has an obligation to all parties to reach that decision fairly and justly. It must be noted that due to some of the cases listed in the chart below, ORA has recently issued overcharge determinations involving large six-figure dollar amounts.

\*  
Comment  
2

DHCR recognizes that there are challenges to be addressed; however some plans are already in place including bringing ORA technology platform into the 21<sup>st</sup> century. Such plans include updating the agency’s technology (see item 4 below), quickly hiring replacements for retiring staff, increased usage of automation, and continuing to utilize cross-training. The agency will continue to seek ways to move cases quicker, but ORA cannot sacrifice its duty and purpose which includes resolving a tenant’s complaint as fairly (in addition to, as quickly) as possible for all parties.

**Recommendation 2:**

**Investigate the circumstances surrounding long-term open cases and take steps to resolve them.**

**HCR Response:**

As can be seen by the chart below, there is generally one reason why cases involving related issues are open “long-term” and that is because there is a related court proceeding(s) with significant impact on our procedures and practices being litigated. ORA is not at liberty to ignore such proceedings and then issue decisions that could impact negatively on possibly thousands of lives. It is important to reiterate the impact of these decisions on the processing of overcharge cases over the past six years; six years which were unlike any others in the agency’s history.

\*  
Comment  
3

As can be shown by the chart below, there were a total of six major court decisions that impacted on ORA’s ability to process cases in the order in which they were filed, and three of those cases (Cintron, Grimm, & Roberts) have significantly and permanently changed the way the agency must process overcharge cases. The ORA was required to place the affected overcharge complaints on hold until court proceedings were concluded and the subject holdings were properly and fully implemented by ORA in its practices and informational material.

**OVERCHARGE CASES ON HOLD DUE TO COURT PROCEEDINGS**

| <u>Decision</u> | <u>Placed on Hold</u> | <u>Court Decision</u> | <u>Processing Resumed</u> | <u>Time on Hold (yrs.)</u> |
|-----------------|-----------------------|-----------------------|---------------------------|----------------------------|
| Casado          | Dec 2008              | Mar 2011              | May 2011                  | 2.4                        |
| Cintron         | Oct 2010              | Oct 2010              | Jan 2012                  | 1.3                        |
| Grimm           | Sep 2009              | Sep 2009              | Jan 2012                  | 2.3                        |
| IPN             | 2007                  | Sep 2013              | Sep 2013                  | 5.7*                       |
| Roberts         | Oct 2009              | Apr 2013              | Feb 2014                  | 4.3                        |
| Shore Road      | 2008                  | Apr 2013              | Jan 2014                  | 5.0*                       |
|                 |                       |                       |                           | Avg. = 4.5<br>yrs.         |



\*- To calculate the "Time on Hold (yrs.)" for IPN and Shore Road, December 31<sup>st</sup> is used as the "Placed on Hold" date. Thus, one is looking at "best case" scenarios for "Time on hold (Yrs.)" in these instances; and, of course, using January 1<sup>st</sup> would add one more year to each.

As the listed cases are no longer on hold and their holdings were adopted by the agency, the current overall average wait time and processing time for a case to be assigned and closed is expected to decrease.

**Recommendation 3:**

**Conduct an examiner staffing/productivity analysis and redeploy Office staff as appropriate to align with complaint caseloads and complexity.**

**HCR Response:**

Done. In 2011, due primarily to the lost of key personnel in the Overcharge Unit, ORA introduced and implemented the practice of temporarily redeploying select staff where such staff aided in the processing of cases in units with high backlogs. This required balancing the needs of multiple Bureaus and units while understanding their respective staff's roles, functions, and availability. This program is designated "cross-training", and the Overcharge/Luxury Decontrol Bureau has benefited significantly from such temporary redeployment. "Cross-training" is simply temporarily transitioning staffers the agency can predict will have diminished responsibilities for a certain time period in their current areas, to other Bureaus or units where they can assist due to staffing reductions and growing backlogs until either the backlog is reduced or such staffers are required back in their usual role. ORA will continue to utilize "cross-training" where necessary, as the benefits to the staff, the public, and the agency cannot be exaggerated.

Also, in August of 2012 a unit was dedicated solely to processing lease renewal complaints (generally where the tenant did not file an overcharge complaint), and this served to reduce the time for assignment of such lease renewal complaints to a current average of about five to six months.

The agency is consistently proactive in looking for ways to offset the rapid decrease in staff accompanied by increased responsibilities.

**Recommendation 4:**

**Establish a formal timetable to complete the development and implementation of an effective management information system.**

**HCR Response:**

The Office of Rent Administration (ORA) current relies on a legacy mainframe system to provide automated case management processing and reporting in its administration of the Rent Stabilization and Rent Control statutes of the State of New York. As part a major business transformation effort, this system is being replaced with a state of the art web based case management system that will enable case processing workflows, the ability to manage work queues for all case types, dashboard reporting for ORA management, as well as providing more transparency for tenants on the status of their cases and for building owners in responding to the compliance requirements.

\*  
Comment  
4

The design, build, and implementation of the new system will start in September 2014 and be completed by February 2016, but are subject to State appropriations and funding availability for SFY 15-16. Major milestones include:

Year 1 activities:

- High Level Analysis and Project Plan - 4 months
- Architecture Design, Security, and Capacity Plan - 1 month
- Build DEV and Test Environment – 1 month
- System analysis and definition of use cases for Authentication/Authorization/External Interfaces, Registration – 5 months
- Analysis and definition of Core Case management and Processing - 5 months
- Use Cases for Incident reporting, Management reporting, and Data Warehouse – 4 months

Year 2 activities:

- System Pilot - 3 months
- System rollout and training – 2 months
- Knowledge Transfer – 1 month
- Decommission HUTS system - 1 month

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## State Comptroller's Comments

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1. We acknowledge that overcharge cases are not all the same and that fact finding is often required to properly resolve cases. Nevertheless, we stand behind our recommendation to establish time frames for assigning and resolving cases. The use of standard time frames can help management to assess overall examiner case workloads and processing efforts. In addition, standards can help management identify individual cases that have been active for extended periods, and therefore, may require supervisory intervention. As detailed in our report, it often took the Office of Rent Administration (Office or ORA) significant amounts of time to assign and resolve cases, and there is considerable risk that the amount of time taken was often excessive. Also, during our audit period, about 14,300 (or nearly 73 percent) of ORA's complaints were for reasons other than rent overcharges.
2. We agree that tenants are poorly served if ORA issues orders in haste that are subsequently reversed by courts. Nonetheless, we believe that ORA should establish standards that provide reasonably sufficient time for staff to prepare orders properly and have them withstand legal challenge. Further, as previously noted, nearly 73 percent of ORA's cases were for reasons other than rent overcharges.
3. We acknowledge that some cases remain open for extended periods due to court proceedings, as demonstrated by the six rent overcharge cases detailed by ORA officials. We note, however, that ORA officials did not indicate the total number or percent of rent overcharge cases that were delayed due to court proceedings. As stated in our report, ORA received 5,319 rent overcharge cases during our audit period. We maintain that ORA should establish time standards for typical overcharge cases, particularly those that do not result in court proceedings.
4. ORA officials did not provide us with a formal staffing analysis and/or examiner productivity study during our audit fieldwork or with their response to our draft report. Further, we cannot assess the purported benefits of the staff deployment movements noted by officials because they provided no data or analysis to indicate whether any improvements in the timeliness of case assignment and resolution actually occurred.