

Official: Housing Agency Should Review Contracts for Corruption

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The public advocate wants the city agency responsible for overseeing the construction of affordable housing to make sure it doesn't contract with potential crooks.

Bill de Blasio announced earlier today that he had sent the commissioner of the Department of Housing Preservation and Development a letter urging the agency to review all current contracts and suspend any involving companies that might be under investigation.

De Blasio said he was spurred to write the letter following reports that an executive at a company bidding for projects with HPD is under investigation for bribery.

"We need to take commonsense precautions any time there is a chance a company bribed its way to city business," De Blasio said in a statement earlier today.

Catie Marshall, an HPD spokeswoman, said the agency does extensive background checks on all developers and contractors to identify whether they may have been convicted or have been involved in any violations.

"We also recently initiated an enhanced contractor review process to add an extra layer of scrutiny to ensure that contractors with issues related to wage compliance and construction quality are held accountable," she wrote in an email.

Earlier this year, federal prosecutors accused an executive with the Great American Construction of arranging a \$50,000 contract to build the home of a former HPD official.

The firm has withdrawn from one project, but remains under contract for four active projects in

Brooklyn and Bronx, the News reported. A coalition of housing groups are calling for the firm to be removed from those projects, three of which are already under construction, the Daily News reports.

The HPD spokeswoman said that the agency hadn't done any new transactions with Great American Construction since 2009.

"We take seriously any pattern of wrongdoing and weigh the track records of the proposed participants before entering into any transaction," Marshall said.

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