

## Mayor de Blasio Announces Nonprofit Oversight following Recent Scandal

On February 7, 2021, the New York Times (NYT) released findings of an investigation into the founder and head of the Bronx Parent Housing Network (BPHN), Victor Rivera.<sup>1</sup> The NYT found evidence that Rivera engaged in sexual abuse and financial misconduct.<sup>2</sup> The Bronx Housing Network is listed in its Form 990, its tax reporting form, as a 501(c)(3) nonprofit “committed to making a difference in solving the housing problem in New York City by transforming lives and creating holistic paths to employment so that individuals and families can secure safe, clean, and affordable, permanent housing.”<sup>3</sup> The reported misconduct is a significant issue for New York, because the BPHN has received over \$274 million from the city since 2017, about the time allegations about Rivera’s misconduct started.<sup>4</sup> The organization’s website currently consists of a statement from the board explaining their decision to fire Mr. Rivera immediately, citing the alleged misconduct reported in the NYT article.<sup>5</sup>

The NYT found 10 allegations of sexual misconduct against Mr. Rivera, two of which resulted in lawsuit settlements for \$175,000 from BPHN. The alleged sexual misconduct was reported as early as 2010. Multiple women that have come forward were homeless or living on a property owned by Rivera at the time of the assault. Additionally, some employees quit, due to disgust over the allegations.

Signs of financial misconduct were reported to the city as early as 2017, with evidence that Rivera was using his nonprofit’s resources to benefit his for-profit housing company. An example reported was Rivera using BPHN to get government money by sending women in BPHN shelters to rent from his privately owned apartment building. His for-profit housing company then received the money the city pays to property owners who rent to homeless people. Even after Rivera stepped down from the for-profit housing company in 2017, the allegations of financial misconduct continued. Rivera was next accused of nepotism, first by promoting his wife to a prominent position in BPHN, and then, when she stepped down due to the scandal, BPHN created a \$4 million contract with his wife’s new company. There are also suspicions that Rivera used the government money to buy himself a lavish car and house.<sup>6</sup> Since the announcement of Rivera’s firing, the Bronx DA’s office has come forward stating their intent to investigate the allegations of sexual abuse and financial impropriates.<sup>7</sup>

The NYT article prompted New York Mayor de Blasio to announce on Twitter that the City will be hiring an outside auditing firm to review the nonprofit shelters receiving funding from the city.<sup>8</sup> There were previous investigations by The Department of Social Services, into BPHN, but the City continued to funnel money into the organization.<sup>9</sup> The lack of oversight is

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<sup>1</sup> <https://www.nytimes.com/2021/02/07/nyregion/victor-rivera-bronx-homeless.html>

<sup>2</sup> *Id.*

<sup>3</sup> <https://www.open990.org/org/134100758/bronx-parent-housing-network-inc/>

<sup>4</sup> <https://www.nytimes.com/2021/02/08/nyregion/victor-rivera-homeless-shelter-allegations.html>

<sup>5</sup> <https://bphn.org/>

<sup>6</sup> *Id.*

<sup>7</sup> <https://www.nytimes.com/2021/02/08/nyregion/victor-rivera-homeless-shelter-allegations.html?searchResultPosition=2>

<sup>8</sup> <https://twitter.com/NYCMayor/status/1358456501241839616>

<sup>9</sup> <https://www.nytimes.com/2021/02/07/nyregion/victor-rivera-investigation.html>

significant because New York City is under a court order to provide temporary shelter to every homeless person. The City has decided to follow that court order by funding nonprofit groups to manage shelters and help people find permanent housing. As a result, the City sent \$2.1 billion to nonprofit groups who manage shelters. No further details about the city's oversight plan have been released at this time.

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