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Demand Investigation of New York City AIDS Contracting: Pervasive Violations of City and Federal Law Cited

Rally Outside Federal AIDS Hearing at 26 Federal Plaza Thursday Sept. 29

A Bronx community group today filed complaints with both the New York City Department of Investigation and the federal government urging a complete investigation of New York City's ongoing, massive shutdown of federally-supported AIDS services in the Bronx and Brooklyn, while it steers millions in AIDS contracts supported by federal funds to Manhattan. Investigation by the group, Health People, including materials obtained through Freedom of Information Law filings, show a pervasive pattern of violation of the New York City Charter, city procurement law and a fraudulent contracting process on the city's part in distributing these vital contracts.

The funding in question, commonly known as Ryan White AIDS funding, gives the city some \$110 million a year to provide improved AIDS services for "underserved populations," particularly low-income and minority people with AIDS. In New York City, 45% of the 110,000 people with HIV/AIDS live in the Bronx and Brooklyn but 67% of people with HIV/AIDS who are on public assistance—that is, the very low-income populations for whom these services are intended—live in the Bronx and Brooklyn. Yet, the entire thrust of New York City contracting for the past five years under the Bloomberg Administration has been to close down dozens of previously existing AIDS programs in the Bronx and Brooklyn while shifting millions of dollars to Manhattan organizations.

Health People, the Bronx community health organization which filed the complaints, is sponsoring a rally outside 26 Federal Plaza on Thursday, September 29 from 11 am to 1 pm where federal officials are holding hearings on the National AIDS Plan.

"The question is how this happened," said Chris Norwood, Executive Director of Health People, "Evidence we are forwarding both to the New York City Department of Investigation and the Inspector General of HHS, the governing department of the the federal Health Resources and Services Administration (HRSA), which administers the Ryan White program, shows that the city's Department of Health grossly favored Manhattan through violations of the City Charter, including a so-called 'anonymous' Coordinating Panel composed entirely of representatives of government and Manhattan organizations who decided final recommendations of agencies to be funded."

The Department of Health could not supply written guidelines on how this Panel, which in any case violates the City Charter, was selected. Worse, if possible, the complaint presents evidence that the city, itself, made 'material changes' to bids for

funding after agencies submitted their proposals requesting funds—something absolutely forbidden by city procurement law and ethical contracting. The government, itself, cannot be in the position of changing funding proposals to favor agencies after a supposed fair and neutral review process—but the evidence shows that a fraudulent government practice of making key changes was inherent to the biased distribution of these funds.

“Since the city receives more than half this \$110 million because of HIV/AIDS cases in the Bronx and Brooklyn, the unethical, and evidently illegal process the city used to give millions extra to Manhattan meant that **the poorest, sickest people in New York were exploited and millions of dollars brought to the city by their illness was used to expand organizations, provide jobs, and build health elsewhere,**” Ms. Norwood added. “Outer borough AIDS services were devastated and literally hundreds of people in the poorest areas of the Bronx and Brooklyn, who had been providing effective AIDS support and counseling for years, were thrown out of their jobs. These communities utterly lost the ability to organize a strong local response to AIDS which is the best way to fight the disease in neighborhoods which been overwhelmed by the epidemic. The Bronx’s portion of city AIDS deaths has increased every year since 2006, when this unrelenting city assault on outer borough AIDS programs started.”

In 2006, in the Bloomberg Administrations’ first round of “re-contracting” these federal AIDS Services, Manhattan agencies received 55% of the \$10,300,00 in funding even though Manhattan only had 31% of overall HIV/AIDS cases (and just 21% of the underserved cases for whom these funds are intended); meanwhile, Bronx organizations only received 12.5% of the funds and Brooklyn organizations 17.6%.

In the second stage of re-contracting, for contracts starting in March 2007, Manhattan organizations received 59% of the \$28,282,729 in federal funding, Bronx organizations received 17% and Brooklyn organizations 12%! (Please note virtually all these contracts—more than 100—are still in place, meaning these funding inequalities have now prevailed for years.) Finally, for re-contracting of contracts starting in March 2011, the city at first refused to give Bronx organizations one penny of the \$8,507,000 in federal moneys available and closed down all Bronx programs which had been supported with these funds; but finally it gave a few pennies. For example, some \$5,890,000 of the 2011 funds were assigned to provide food and nutrition services for poor people with AIDS; but, the Bronx with 34% of the city’s poor people with AIDS, was finally allotted only \$255,000 of the \$5,890,000.

“Medications used to treat HIV/AIDS must be taken with food,” Ms. Norwood points out. “What’s left to say when the federal government is willing to provide extensive emergency food funds to assure that people could regularly take their medications, but New York City refuses to provide that money to the very borough whose high poverty level means that AIDS patients there are the most likely to require such help to maintain the regular food intake necessary for their medical treatment.”