1. **Title**

Powerlessness in the Unhoused Community: How the CEO of a New York City Nonprofit Homeless Shelter Organization Abused His Position of Power, Resulting in Allegations of Sexual Harassment and Conflict of Interest.

2. **Summary**

This case study examines the unethical practices of Victor Rivera, the founder and CEO of the **Bronx Parent Housing Network** (BPHN) and the failure of both BPHN’s Board of Directors and the City of New York to hold Mr. Rivera accountable for his many abuses. One of New York City’s largest homeless shelter providers, the organization’s mission states: “BPHN is 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, affordable and permanent housing.” Mr. Rivera founded BPHN in 2001 and capitalized on his compelling story of rising from a childhood spent in shelters, a youth and early adulthood spent dealing and using illegal drugs, and incarceration to become a dedicated public servant committed to helping others experiencing homelessness. On Sunday, February 7, 2021, the New York Times published an article that detailed sexual harassment and financial misconduct allegations against Mr. Rivera. The Times found that Mr. Rivera and the BPHN had escaped accountability despite years of
reports of abuse to both the organization and the city. Within hours of the release of the story, the New York City Mayor Bill de Blasio and the Bronx District Attorney both announced investigations into BPHN and homeless shelter providers in general. Our case study will consider questions of organization and systemic responsibility specific to organizations that work with vulnerable populations.

3. Applications

Unethical Leadership:

This case reveals that when a leader behaves in an unethical manner in one area, unethical behavior is likely to occur in multiple areas. BPHN CEO Victor Rivera abused his position of power by sexually harassing and assaulting multiple women in the organization over the course of several years. Many of these women were in particularly vulnerable positions as unhoused women of color or employees of the organization, populations that are statistically at greater risk for sexual abuse (Benitez et al., 2006) Furthermore, Mr. Rivera engaged in self-enrichment by increasing his salary from $67,000 in 2012 to over $306,000 in 2019, not including an expensive vehicle leased for his use by the organization.

Organizational Compliance:

The BPHN’s 990s indicate that it has Whistleblower and Conflict of Interest Policies in place, and yet the organization’s Board of Directors failed to act in compliance with these policies when complaints were levied against Mr. Rivera for sexual harassment, nepotism, and conflict of interest. Furthermore, in 2018 the board paid two women a total of $175,000 in settlements that prohibited them from speaking publicly about their sexual harassment allegations. It is clear that the board failed in all three of its duties – Duty of Care, Duty of Loyalty, and Duty of Obedience.

Systemic Failure:

The New York City Department of Social Services failed in its responsibilities on multiple occasions. It ignored a 2017 complaint of nepotism of and conflicts of interest and continued to pay millions in contracts to BPHN. In another incident, after a BPHN employee complained to the Department of Social Services that Mr. Rivera had sexually harassed her, the department returned the complaint to BPHN, requesting it lead its own investigation into the allegations. The organization then found the allegations baseless. While the city is legally responsible to provide shelter to its entire unhoused population, it has failed to ensure the safety of its most vulnerable citizens.
Public Trust:

Accounts of ethics failures in nonprofit leadership and organizations such as those in BPHN contribute to the erosion of trust in social service charities in the general public. In Neo Law Group’s Nonprofit Law Blog, Gene Takagi writes “Despite the greater trust in nonprofits than for-profits and government, according to the Edelman Trust Barometers, the trust percentage in nonprofits dropped from 58 percent in 2017 to 49 percent in 2018 before moving slightly back up to 52 percent in 2019.” (Takagi, 2019).

4. Outcomes

Transparency:

An organization should publicize its commitment to ethical practice. Its website should include the organization’s Whistleblower and Conflict of Interest policies, as well as any Code of Ethics adopted by the board of directors and other relevant documentation. If a violation of any of the policies takes place by a staff member or a member of the board, the organization should address the issue publicly and detail efforts to remedy the situation. An organization may also choose to publish its annual 990 forms on its website.

Board/Staff Training and Oversight:

Board members should be educated about their responsibilities and duties and required to sign a Code of Ethics annually. Board elections should be held annually or on a reasonable regular schedule.

Staff should be educated about their responsibilities and rights and should be encouraged to report ethical violations in the organization to the city and/or other relevant government and non-government agencies. Anti-bias and sexual harassment training should be conducted annually.

Systemic Corrections:

Government social service agencies should be legally required to regularly audit the organizations it funds to fulfil its obligations to the public and to maintain a robust commitment to investigate allegations of impropriety. If an organization that is funded by a government entity is found to have violated its ethical obligations, it is the responsibility of the appropriate government body to monitor the organization for meaningful change to the structures that allowed the organization to commit these violations. If the organization is unable to comply with required remedies, it should be shut down and assets transferred to another similar organization with proven ethical and effective management.
5. Videos

PIX Report Video on Bronx shelter scandal: https://www.youtube.com/watch?v=hIfALZ5Aqs

Chasing the Dream Metro Focus report on the homeless epidemic (2019, May 7): https://www.youtube.com/watch?v=0eiDT_byRpU

ABC 7 Eyewitness News report on homeless epidemic in New York City’s the Upper West Side: https://www.youtube.com/watch?v=JT3iZwzJ0Ac

6. Descriptions

On February 7, 2021, The New York Times reported that Victor Rivera, the CEO of the Bronx Parent Housing Network (BPHN), had been accused of sexual harassment by several women who received housing services from his organization. Registered as a 501(c)(3) charity in 2001, the BPHN is among New York City’s largest homeless shelter providers.

The New York Times reported that ten women accused Mr. Rivera of sexual harassment abuses that ranged from unwanted sexual attention to sexual assault. Some of the women were residents in his shelters from whom he demanded sexual favors in exchange for housing and others were employees of his organization. Among his accusers, Erica Sklar reported that Mr. Rivera offered her a spare apartment at his home in the Bronx and then forced himself on her and demanded oral sex. Fearing the loss of her housing, Ms.Sklar complied. After Ms. Sklar later refused Mr. Rivera’s advances, he moved her into substandard housing. At least two women were given payments by BPHN in exchange for silence about Mr. Rivera’s sexual harassment.

The NYC Department of Social Services, which oversees the city’s shelter system, received other complaints about Mr. Rivera’s leadership, including a whistleblower complaint about nepotism and conflicts of interest levied in 2017. Allegations include giving jobs to family members, illegally mixing his BPHN nonprofit’s business with his for-profit business, and excessive compensation. Previous complaints to the city of Mr. Rivera’s sexual misconduct was directed back to the BPHN, who found that the reports were baseless.

Regardless, the city has allotted over $274 million to BPHN to run its homeless shelters since 2017 and an additional $10 million since the Coronavirus epidemic began to provide places for infected people to isolate. Hours after the New York Times February 7th story was published, NYC Mayor Bill de Blasio ordered an audit of the city’s entire $2 billion homeless shelter operation. On February 8th, the Bronx District Attorney announced an investigation of criminal activity on the part of Victor Rivera and BPHN.

The BPHN’s Board of Directors committed multiple violations of its responsibility to the public good. In 2017, after a woman filed sexual harassment allegations against Mr. Rivera
with the New York City Department of Human Services, which oversees the city’s shelter system, the city returned the grievance to the BPHN to investigate, who found the allegations baseless. In 2018, the BPHN paid $175,000 total to two women who had filed sexual harassment allegations against Mr. Rivera with a state human rights agency in settlements that prohibited them from speaking publicly about their allegations.

Also following the publication of the New York Times story, the BPHN Board of Directors released the following statement: “B.P.H.N. recognizes how difficult this must be and is committed to serve as a resource for their healing, not an obstacle.” Regardless, A spokesman for the organization declined to answer questions about Mr. Rivera’s ethical behavior or financial concerns and BPHN’s website includes no mention of the scandals and all references to Mr. Rivera have been removed from the site. On Monday, February 8th, the BPHN named Ululy Rafael Martinez as its new CEO.

Mr. Rivera’s personal story includes accounts of childhood homelessness and early years spent in shelters in the South Bronx, drug addiction and dealing, and incarceration. After release from prison in 1990, he became committed to shelter services, eventually forming the Bronx Parent Housing Network in 2001, with the original focus of providing housing and services for homeless people and those with H.I.V. and AIDS. Initially, the organization struggled to secure funding. In 2012, revenue totaled $1.1 million and Mr. Rivera received a salary of $67,000. Following an increase in the city’s homeless population and Mr. Rivera’s connections to politicians, including sizable campaign contributions, BPHN’s contracts with the city grew substantially. In 2018, Mr. Rivera’s salary was $306,000, he purchased two large homes, and the organization provided him with a Mercedes-Benz E-Class sedan.

The BPHN issues are not unique. Ten of New York City’s seventy homeless shelter operators are on a city watchlist for management or financial improprieties yet continue to receive city funding. As a result of a court ruling in the 1970s, New York City is required to provide shelter to all of its homeless people. In the effort to meet the mandate of the ruling, the city overlooks issues of financial impropriety.

7. Ethical Discussion Questions:

1) From a leadership perspective:

- How was Victor Rivera allowed to retain his position as CEO of BPHN and avoid prosecution for so many years, after allegations of of sexual abuse, conflict of interest, and financial malfeasance had been filed with both NYC’s Department of Human Services and with BPHN itself?

- What factors from Mr. Rivera’s past might have contributed to his ethical failures? Do we place greater trust in leaders whose personal stories indicate shared experience with the populations they serve? If yes, is this trust warranted?
• Does unethical behavior in one area suggest likely unethical behavior also occurs in other areas?

2) From an organizational perspective:

• What responsibility does an organization and its board of directors have to address ethical concerns concerning its leadership and operations to the public?

• Should board and staff members with personal ties to Mr. Rivera or under whose watch crimes were committed without consequence be allowed to continue to serve?

• Should an organization that has covered up and facilitated serious ethical violations in its leadership be allowed to continue its operations?

3) From a systemic perspective:

• What responsibility does the government have to oversee and regulate organizations to which it provides funding and operating licences?

• What responsibility does society have to provide funding for government agencies that support homeless services and affordable housing? To what extent is inadequate funding responsible for poor oversight of organizations and inadequate consequences for ethical failures of leaders like Mr. Rivera?

• To what degree is unequal distribution of wealth and resources to blame for the spike in the unhoused population?

4) From an ethical theory perspective:

• Which economic approach is most likely to remedy the epidemic of economic disparity that contributes to homelessness currently seen in the United States – the neoliberal policies advocated by Milton Friedman and his followers or the Keynesian approach advocated by the 99 percenters and others?

• Which virtues, such as compassion, empathy, discipline, humility, justice, responsibility, and trustworthiness, did Mr. Rivera fail to exhibit in his behavior toward the women in his employment, people who received his housing services, and the BPHN organization in general? What encoded memories and moral experiences might have led to his failures in moral leadership agency?
8. **Resources**

- Bronx Parent Housing Network, Inc: [https://bphn.org/](https://bphn.org/)
- Bronx Parent Housing Network Programs and Services: [https://bphn.org/what-we-offer-clients/](https://bphn.org/what-we-offer-clients/)
- New York City Department of Social Services. [https://www1.nyc.gov/site/dss/index.page](https://www1.nyc.gov/site/dss/index.page)
- Leaders must treat homelessness like the urgent humanitarian crisis it is. The [2020 State of the Homeless Report](https://bphn.org/what-we-offer-clients/) provides a housing policy roadmap that calls on the city to increase the number of NYCHA public housing placements for homeless families and to drastically increase the number of new affordable housing units set aside for homeless families.
- The [Bridgespan Group](https://www.bridgespan.org) works with nonprofits and their boards to provide strategy consulting and leadership development that addresses opportunities and challenges related to scaling social impact. Their [Leadership Deficit Research](https://www.bridgespan.org/leadership-deficit-research) study and other leadership development resources provide excellent resources for nonprofit CEOs, Executive Directors, and top-level managers.
- The [National Coalition for the Homeless](https://www.nationalhomeless.org) points to the need for those experiencing homelessness to be more involved in the governance, oversight, and distribution of homeless dollars in every city in the United States. If unhoused people were more involved in a meaningful way in the governance of the shelters in the United States, staff exploitation and harassment would be significantly decreased.
- NYC’s official website includes the [NYC311](https://311.nyc.gov/) page that includes resources for people needing assistance, including the unhoused looking for shelter, eviction complaints, domestic violence shelter complaints, and more.
- The VAW Net website is an online resource library for gender-based violence. The site includes a page focused on [sexual assault against homeless women](https://www.vaaw.org/).  
- The [National Healthcare for the Homeless Council](https://www.nahc.org) website includes resources and policy recommendations to improve housing and health services to the unhoused.
- The [Center for American Progress](https://www.americanprogress.org) makes specific policy recommendations regarding the unhoused in Coronavirus responses.
- Coalition for the Homeless is a NYC-based organization that advocates for effective policies to remedy NYC’s homelessness crisis.
9. **Endnotes/References**


Disclaimer: The case study here analyzed is made for educational purposes only and it is based on publicly available documents. The case is publicly shared to advance the collective consciousness of the nonprofit social sector and to develop nonprofit ethical leadership practices. The case does not reflect an official position of the university toward the interested parties. Although formulated with sound academic and critical analyses methods, the case does not claim to represent the full realities of the organizations and people involved, especially in their most recent developments or internal remedies. For questions and concerns please contact the USF Office of General Counsel generalcounsel@usfca.edu or Dr. Marco Tavanti mtavanti@usfca.edu