BEFORE THE NEW YORK STATE SENATE
STANDING COMMITTEE ON HOUSING, CONSTRUCTION, AND COMMUNITY DEVELOPMENT
AND
STANDING COMMITTEE ON INVESTIGATIONS AND GOVERNMENT OPERATIONS
AND
NYS SENATE STANDING COMMITTEE ON CONSUMER PROTECTION

JOINT VIRTUAL PUBLIC HEARING:

TO EXAMINE AND IDENTIFY WHETHER AND HOW POTENTIAL HOMEBUYERS OF COLOR SUFFER ILLEGAL AND UNEQUAL TREATMENT BY REAL ESTATE AGENTS ON LONG ISLAND

Date: September 25, 2020
Time: 10:00 a.m.

PRESIDING:

Senator Brian Kavanagh, Chair
NYS Senate Standing Committee on Housing, Construction, and Community Development

Senator James Skoufis, Chair
NYS Senate Standing Committee on Investigations and Government Operations

Senator Kevin Thomas, Chair
NYS Senate Standing Committee on Consumer Protection

SENATORS PRESENT:

Senator James N. Tedisco (RM)

Senator Philip M. Boyle

Senator James Gaughran

Senator Anna Kaplan

SPEAKERS:	PAGE	QUESTIONS
Bart Cafarela Real-Estate Broker Reza Amiryavari Real-Estate Agent Joseph Jannace Real-Estate Agent Margaret Petrelli Real-Estate Agent Realty Connect USA	5	22

(This date's joint virtual hearing is a continuation of the hearing held on September 17, 2020, which the co-chairs declared was on temporary recess, but was not adjourned.)

SENATOR SKOUFIS: Good morning, everyone.

I'm Senator James Skoufis, chair of the Investigations and Government Operations Committee.

I'm joined by Co-Chairs Brian Kavanagh, who is chair of the Housing, Construction, and Community Development Committee, as well as Co-Chair Kevin Thomas, who leads the Consumer Protection Committee.

We're also joined by our ranking member and colleague Senator Jim Tedisco.

This is Part 2, this is a continuation of a hearing from last week, that looks at the serious issue of housing discrimination within real estate on Long Island specifically, prompted by "Newsday's" investigation in late 2019.

We had one panel that chose not to be with us last week, but they are with us here today, and I will introduce them in just a moment.

But, first, I'd just like to remind the incoming panel of the same ground rules that were in place for last week's hearing.

First, after I introduce them in a moment, they will be administered an oath and their testimony will be sworn.

Each witness will be afforded up to five minutes for their opening remarks.

During questions at this hearing, chairs and rankers will be provided 10 minutes, while members of each committee will be provided five minutes if we are joined by members.

Chairs and rankers will be afforded a second round of questions if needed.

Just like at the last hearing, I would like to remind the witnesses today that they are subject to Section 215.60 of the Criminal Procedural Law entitled "Criminal Contempt of the Legislature," specifically:

A person is guilty of criminal contempt of the legislature when, having been duly subpoenaed to attend as a witness before either house of the legislature or before any committee thereof, he or she (1) fails or refuses to attend without lawful excuse, or (2) refuses to be sworn, or (3) refuses to answer any material and proper question, or (4) reuses, after reasonable notice, to produce books, papers, or documents in his or her possession

or under his or her control which constitute material and proper evidence.

Criminal contempt of the legislature is a Class a misdemeanor, punishable by fines and jail time.

So, with that, I think we are prepared to hear from our first and only panel today, which are folks from Realty Connect USA, and with the company we have: Bart Cafarela, Reza Amiryavari, Joseph Jannace, and Margaret Petrelli.

I know we were having some trouble getting Margaret Petrelli into the Zoom today.

I don't know if she has joined us yet or not, but, hopefully, she can. Certainly, the expectation is that she be with us today.

Stanley, do you have any update on Ms. Petrelli?

OFF-CAMERA TECHNICIAN: She is being walked through the technical piece with our control room now.

SENATOR SKOUFIS: Okay. Very good.

So while we wait for her, I will administer an oath to her after she joins us.

But, in the meantime, if the three gentlemen could raise their right hand for me.

Do you swear that the testimony you're about to give is the whole truth, and nothing but the truth, so help you God?

BART CAFARELA: I do.

REZA AMIRYAVARI: I do.

JOSEPH JANNACE: I do.

SENATOR SKOUFIS: Very good.

Thank you.

Mr. Cafarela, do you have opening remarks?

BART CAFARELA: I do; I do, Senator.

SENATOR SKOUFIS: Please proceed.

BART CAFARELA: Thank you.

Good morning, Chairman Kavanagh, Chairman Skoufis, Chairman Thomas, and members of the committee present today.

I would like to start off by thanking all of you for providing us this opportunity to discuss the important issue of fair housing on Long Island, as well as "Newsday's" investigation and how it pertains to Realty Connect USA.

If I may share just a little bit about myself:

My name is Bart Cafarela.

As a licensed real-estate broker for over 40 years, I have always taken fair housing practices

quite seriously.

Everyone has the right to fair and equal treatment in all aspects of their lives, including, most especially, when obtaining housing.

In 2010 we created Realty Connect USA.

Fair and equal treatment for all, and fair housing, was one of our cornerstones.

This applies not only to our customers, but to our staff and all our sales agents as well.

The principles of equality have, in fact, been woven into the very fabric of our firm.

I believe we may have the most diverse real-estate agency on Long Island.

Since our inception, and through the past decade, we are, and have been, extremely proactive at providing weekly educational training on many subjects, with fair housing being a constant component.

Topics such as, fair housing by a brokerage, illegal rentals, laws regarding advertising, fair-housing rules and regulations, all protected characteristics, and updated fair-housing laws are some of the topics, just to name a few.

In addition, since our inception, and at least on a quarterly basis, we contracted with the

department of state board-certified trainers to facilitate our dedicated programs on fair housing for all our agents.

These trainings were held in addition to our regular broker trainings.

All our meetings are filmed and archived in our internal Facebook site, allowing agents who did not or were not able to attend in person to view these trainings at their convenience with 24/7 access.

We strive to educate our agents not just to the law, but to the spirit of the law, and well beyond what is required.

This is something that Realty Connect USA has always done.

I believe this committee has received some samples of the meetings Realty Connect USA has conducted, and continues to conduct on a frequent and consistent basis.

Our dedication to providing agents with updated, constant information about fair housing is evidenced in the hundreds of samples of documentation provided to you, which included in-person meetings, company-wide trainings, company-wide e-mails, company social-media posts,

archived training videos, and now because of COVID-19, Zoom meetings.

I believe you received our packet here.

The worst thing that can happen to a homebuyer or renter is to be discriminated against or treated differently because of their color, national origin, sexual orientation, age, or gender, just to name some.

They are the real victims, and this is unacceptable.

So it was important for me to review the "Newsday" tapes in their entirety, as well as to speak to the agents individually, before taking any action or passing any judgment.

When I first saw the article and viewed some of the clips, I, like most people, was concerned.

At face value, things may not always appear as they should.

After speaking with each of the agents individually, as well as viewing each of their recordings in their entirety, I was satisfied that unequal treatment, racial bias, or steering was not at the heart of their statements with the testers.

Yet, if any of the comments recorded offended anyone, I, along with the agent in question, are

truly and sincerely sorry, as it is -- certainly was not the intent.

And while I do believe that unequal treatment was not at the core of any of these comments, it's clear that we all need to modify how we interact with our customers.

We need to be consistent, as inconsistency can be interpreted as unequal treatment.

We need to understand implicit bias, and how it affects each of us and our interactions, not only with our clients and customers, but with everyone we meet.

We now need only to speak about the real estate, the property, the house, and the deal.

Period.

And so, how do we at Realty Connect USA move forward?

To develop a better understanding of the issue, we scheduled a meeting with Bobby Kalotee, the chair of the Nassau County Commission on Human Rights, to discuss the issue of fair housing in Nassau County, and we volunteered our services to sit on a proposed committee to address these issues and formulate strategies moving forward.

I voluntarily met with the New York State

Department of State, as well as the New York State Director of Human Rights, to discuss the "Newsday" article.

After much research, we met with Steve Glassrot [ph.], director of housing policy and initiative for Erase Racism.

SENATOR SKOUFIS: If you could wrap up in the next 20 seconds or so.

BART CAFARELA: I'll do my best, Senator.

And expert test -- and we also met with founder, Elaine Gross, who provided expert testimony here this week.

In fact, we hired Erase Racism to host a workshop for our agents entitled "How Do We Build a Just Long Island?" which focused on housing discrimination, the history of housing discrimination, and included a strong segment on implicit bias.

This seminar was held in February, and we look forward to doing future workshops with her organization.

Having been disappoint -- disappointment with the department of state training programs, we began a search for an internal, mandatory fair-housing course for Realty Connect USA agents that could

provide just not -- just not another outdated compliance course, but a true learning experience.

I wanted an interactive curriculum, which provided supervision through monitoring, and also would include a testing component, so that the agents would truly understand what was being taught.

We contracted with Andrew Lieb of Lieb Law, an expert in fair housing and real-estate law, and designed an online course that included all these components.

We launched this course in late April, which is ongoing and mandatory for every one of our existing agents, agents that are new to our company, as well as our staff.

In addition, we have updated our website, our independent-contractor's agreement, our in-office signage, created a "Know before you go" customer information sheet, and amended on-boarding proceedings to reflect -- to better reflect the commitment to fair housing and equal treatment for all.

SENATOR SKOUFIS: I'm going to ask you to stop there, if you could.

BART CAFARELA: Thank you.

SENATOR SKOUFIS: Yeah, thank you.

BART CAFARELA: I conclude.

SENATOR SKOUFIS: Because we do have the others to -- I'm sure we'll have questions.

Mr. Jannace, do you have any opening statement?

JOSEPH JANNACE: Yes, Senators.

Senators, and members of the committee present today, I would like to first thank you for the opportunity to speak about this issue in my opening statement.

I'm Joseph N. Jannace, a real-estate broker with Realty Connect USA, and I've have been a realtor for over 47 years.

I can unequivocally state that I have never steered or discriminated against anyone who came to see me to help find a home.

I believe the totality of the video obtained by "Newsday," and the facts presented in the article regarding my treatment of the two testers, demonstrate fair and equal treatment to all.

"Newsday" concluded I engaged in steering by providing the minority reporter with listings that were 58.4 percent White census tract areas, and the White tester, listings over 67 percent White census tract areas.

Simply put, I do not have -- I do not have access or knowledge to the statistical racial makeup of particular census tracts.

I don't even know what a particular "census tract" is.

These statistics are not something I've ever considered, or would consider, in representing a client to purchase a home.

The criteria I consider in suggesting homes to prospective clients are the details they provide regarding commute, style of home, bedrooms, bathrooms, finishes of a home, and many other factors that are specific to real estate.

At no point does race, either directly or inherently, play a factor in how I choose to represent a client or the listings I send.

This was not a fair and accurate test, in the fact that the two reporters had numerous differences in their criteria.

Linda indicated that she definitely likes renovated homes.

Jennifer asked to include listings that needed a little updating to get more for the money.

These factors dictate whether a prospective client is provided with listings in newer condition,

or not.

Linda was starting a new position in Bay Shore, while Jennifer and her husband both were working in central Queens County.

This had the biggest bearing on my selection of which listings to send to each.

Linda was opposed to short sales, while Jennifer was open to short sales.

Because Jennifer had a young child, I eliminated main roads.

Linda was open to waterfronts, while Jennifer eliminated waterfront homes.

Senators, for your reference, my statement includes the time stamp for each of the factors I've described above.

In both tests, I spent several minutes explaining the real-estate search engine Collaborate, which allows clients to specify criteria of homes in geographic areas.

These preferences are shared for my viewing and allows me to effectively represent a client, and provide showings of homes identified by the buyer.

Despite my efforts to provide resources to most effectively search for a home, I was repeatedly asked by these reporters for listings.

The conversations and criteria provided by clients is the utmost importance in deciphering their preferences. There's no detail that is too small or insignificant.

After all, it's been my life's work to use these details to ensure countless prospective homebuyers to find a home that suits their family and loved ones.

I welcome any questions you might have, and thank you again for providing me the opportunity to speak today.

SENATOR SKOUFIS: Thank you for being here.

I do want to acknowledge that we have been joined by Senator Anna Kaplan.

Mr. Amiryavari.

If you can unmute yourself, please.

JOSEPH JANNACE: Press your "mute."

REZA AMIRYAVARI: Yes.

Senators, and members of the committee present today, I first like to thank you for allowing me an opportunity to speak on issue and opening statement.

I originally entered real estate as a second career in early 2000s.

After my experience purchasing a home, my

wife and I bought a home, and no one told us about the various steps involved.

We were rushed through the process and never told about the inspection being such an important aspect of buying process.

I was never told about what good things or bad things to look for in a home.

This is typically the most important purchase of an individual or family in their lives.

This experience motivated me to become involved in real estate.

I believe it is my passion for helping clients that allows me to be an effective real-estate agent.

For that reason, I tried to give as much information as possible to my clients, to assure their home-buying experience is not like the first one I had.

Let me be abundantly clear in saying that I did not provide unequal treatment or serve either of the testers depicted in the investigation.

Furthermore, the "Newsday" article indicates that there was a third tester I was evaluated by, whose recording equipment failed.

"Newsday" reported that the third tester was

provided equal and fair treatment.

Unfortunately, "Newsday" did not provide me with any evidence of the third tester.

I don't believe I violated any fair-housing law; however, as a result of the "Newsday" investigation, I now realize that even the best of intentions can be misconstrued and interpreted as something proper -- improper.

In the wake of the "Newsday" article, I evaluated how I communicate with my clients.

I evaluated my professional responsibility to communicate more concisely and effectively.

Since the release of the article, I have completed six separate fair-housing education courses with the Lieb School of Real Estate, New York School of Real Estate, Charter Real Estate School, Long Island Board of Realtors, Long Island School of Real Estate, as well as a course generated by Realty Connect USA and Andrew Lieb of the Lieb School of Real Estate and Continuing Education.

I have also completed the training commissioned by Realty Connect USA entitled "How Do We Build a Just Long Island?" conducted by Ms. Elaine Gross of Erase Racism.

Finally, and most importantly, I am an

immigrant myself from Middle East, who arrived in the United States in 1975.

I have made it a personal and professional practice to look past an individual's race or any protected class.

In the context of the "Newsday" article, the race of either tester was never a factor in my efforts to provide them with the best possible service.

I appreciate you affording me the opportunity to speak, and I welcome any questions you might have.

SENATOR SKOUFIS: Thank you very much for your opening statement.

I do want to point out we have been joined by Senator Phil Boyle.

And I'm glad, Ms. Petrelli, you were able to work through the technical issues at the onset, and you've joined us.

Before we get to your testimony, and if you could please unmute, I did swear in the rest of the panel before you arrived.

So if I may, if you can raise your right hand for me.

Do you swear to tell the truth, the whole

truth, and nothing but the truth, so help you God?

MARGARET PETRELLI: I do.

SENATOR SKOUFIS: Thank you.

Please proceed.

MARGARET PETRELLI: Okay.

Good morning, Senators and members of the committees present today.

I would like to thank you for allowing me an opportunity to speak on a -- to speak and issue an opening statement.

I would like to start by saying that the "Newsday" article has caused me to conduct a great deal of self-reflection in my personal life and my professional life.

I must admit that being accused of unequal treatment or implicit bias relative to representing clients in consideration of their race is a significant accusation.

I believe that I did not act in violation of fair-housing laws and regulations.

I know that I had no intention to represent either tester differently in any way.

I welcome the opportunity to speak with you about the specific thought process I had and what the videos depict.

However, I admit the "Newsday" article, in general, has changed the way I conduct business.

I have been a licensed real-estate agent since 1996.

I have never had a complaint made by a client, or anyone else, for that matter.

However, I recognize, as a professional, we are always learning and changing how we conduct business.

I believe it is incumbent on the real-estate agent to remind mindful of any implicit bias we may have.

I believe it is important to utilize resources made available to each agent of Realty Connect to assure proper knowledge and application of the federal fair-housing laws.

Since the release of the "Newsday" article, I conducted a self-imposed reduction of my business activities to ensure proper education, and evaluate how I interact with clients.

I voluntarily participated in four separate fair-housing courses.

First, with [indiscernible], followed by a course with the New York State Association of Realtors.

I have attended and participated in the training commission by Realty Connect USA entitled "How We Build a Just Long Island," conducted by Elaine Gross of Erase Racism.

I have completed the interactive fair-housing course generated by Realty Connect USA and Andrew Lieb of the Lieb School of Real Estate, and continuing education from the New York State Association of [inaudible].

These classes have provided a different perspective that I find useful in communicating with clients, and assuring that I do not speak or act in a way that would invite scrutiny.

While I disagree with many of the methods and conclusions in the "Newsday" article, I have tried to use the article to self-reflect and more effectively represent my clients and the Long Island community.

I welcome any questions you may have, and thank you again.

SENATOR SKOUFIS: Thank you all very much.

We'll jump right into questions, and I'll start.

I'll start with Mr. Cafarela.

You're the broker; correct?

BART CAFARELA: Correct.

SENATOR SKOUFIS: Okay.

And how many agents are in your brokerage?

BART CAFARELA: Over 400.

SENATOR SKOUFIS: Over 400. Okay.

Now, if -- if I may, you know, you -- I think your word was "concerned"; you said you were concerned when you initially saw the videos and the information in the "Newsday" exposé.

But that, after having meetings and speaking with the agents, you felt that there was no misbehavior that rose to the level of discipline.

And just to be clear, there was no discipline with any of the agents following this investigation. Is that correct?

BART CAFARELA: Well, when I reviewed -- well, the "Newsday" article actually came out, and it came out in pieces. And it naturally was shocking, I think, to everyone when it first -- when it first broke, and it broke in a big way, it broke in a big public way.

So I -- I took the time to research, and tried to view as much as I possibly could, as fast as I could, initially. And it, quite frankly, took a long time to go through all the process.

And when I saw everything in its entirety, and after consulting with the agents themselves, and I probably viewed these tapes several times now, I chose not to see that there was any racial discrimination. The spirit of the racial laws was not violated.

And I chose not to do any -- take any direct discipline with any of the agents.

And I did suggest that, like I myself did, maybe we missed something, and maybe we should -- maybe I should get back into the real-estate schools and see what they're teaching again.

And I voluntarily went to a fair-housing class, along with some of my staff, at that particular time.

And I did suggest the same to [simultaneous talking] --

SENATOR SKOUFIS: And you felt there was no inconsistent treatment that rose to the level of violating fair-housing laws.

Is that fair?

BART CAFARELA: That's fair to say, yes.

SENATOR SKOUFIS: Okay.

You felt there was no steering --

BART CAFARELA: That's correct.

SENATOR SKOUFIS: -- in the end?
BART CAFARELA: That's correct.
SENATOR SKOUFIS: Okay.
If I may, I want to put up two clips, the first of which is going to be Clip 1 from Mr. Amiryavari.
(Audio-only clip playing, and transcribed as follows:)
AGENT REZA AMIRYAVARI: You don't want to be in -- I don't think you should be in Elmont.
I think you should probably just be Franklin Square.
THE TESTER: Okay.
AGENT REZA AMIRYAVARI: I think that's my thought, you know?
THE TESTER: Okay.
AGENT REZA AMIRYAVARI: I think you want to stay in Franklin Square, if you go there.
THE TESTER: Okay.
AGENT REZA AMIRYAVARI: Here is great --
THE TESTER: Okay.
AGENT REZA AMIRYAVARI: -- East Meadow okay, no issues --
THE TESTER: Okay.
AGENT REZA AMIRYAVARI: -- as far as, you

know, the feedback that I get from, you know, buyers, and I've looked stuff up.

THE TESTER: Right.

AGENT REZA AMIRYAVARI: But, technically, as a real-estate agent, we shouldn't tell the buyers --

THE TESTER: Oh, okay.

AGENT REZA AMIRYAVARI: -- which school district is better.

THE TESTER: Okay.

AGENT REZA AMIRYAVARI: Really, we are not supposed to --

THE TESTER: Okay.

AGENT REZA AMIRYAVARI: -- because you gotta, you know, the school district-wise only, you know, because there's something called "steering," you know, steering (indicating), like, you know, steering --

THE TESTER: Oh, like a car, or something?

AGENT REZA AMIRYAVARI: No, like a horse, you know.

THE TESTER: Ah, okay.

AGENT REZA AMIRYAVARI: You know, like facing somebody towards whatever you want them.

THE TESTER: Oh, okay, okay. I see.

AGENT REZA AMIRYAVARI: So, in our business,

they say, if you do that, that's not right.

THE TESTER: Okay.

AGENT REZA AMIRYAVARI: And it's not right.

Some agents do it, but it's not correct --

THE TESTER: Okay.

AGENT REZA AMIRYAVARI: -- because the buyers should kind -- we gotta give you information, basically.

THE TESTER: Right, right.

(End of video clip and corresponding transcription.)

SENATOR SKOUFIS: So, Mr. Cafarela, around the same time that your agent went into some detail explaining what steering was, he explicitly noted, "you don't want to be in Elmont."

Now, certainly, that seems to me to be steering.

Now what convinced you otherwise after having a conversation with your agent?

BART CAFARELA: Well, this is -- that was, I think, 16 seconds of probably several hours of the interactions with the clients that Russ had.

And I think not having heard the opening statements from the agents with me today, I think Russ may have handled that in his opening statement

and addressed that.

And this was Russ's way of explaining, like he said when he purchased his own home, people didn't explain much to him.

This is his way of explaining what he can, and what's not permitted.

It may not have been the most articulate way to go about doing it, but I believe Russ is trying to explain to that client, really, what steering was all about, because [simultaneous talking] --

SENATOR SKOUFIS: Yeah, I don't think the question is, you know, his explanation of steering, and whether, you know, it was accurate or not, at least that's not my question here.

My question to you is: In light of, you know, him bringing it up on his own shortly after making a note, "you don't want to be in Elmont," you noted, after speaking with your agents, that you didn't believe there were any violations of fair-housing, no steering taking place.

What additional context, or what explanation did you receive from your agent, that convinces you that that statement, "you don't want to be in Elmont," was not steering?

BART CAFARELA: Well, I think it was related

to the entire interaction that Russ may have had with this particular tester.

I will point out, in my conversations with what --

Well, I call him Russ. His name is Reza.

-- in my conversation with Reza, Reza didn't realize one client from another. He couldn't -- he never distinguished one was, I believe now turns out to be Hispanic, and one was White.

SENATOR SKOUFIS: What do you think he was referring to when he said "you don't want to be in Elmont"?

BART CAFARELA: In the context of that whole conversation, I don't exactly know what he was referring to.

I'm trying to think back what took place prior to that interaction, as to why he said not to be in Elmont.

I don't consider --

SENATOR SKOUFIS: So you can unequivocally tell this committee there was no steering taking place, but then just tell me that you don't know what he was referring to when he --

BART CAFARELA: I can honestly tell you that that's the case.

SENATOR SKOUFIS: How can you say that when you just said you don't know what he's referring to there --

BART CAFARELA: Well, I --

SENATOR SKOUFIS: Stay away from Elmont, basically?

BART CAFARELA: -- yeah.

Well, I viewed the entire video of Russ, and I saw the whole interaction in context.

And he offered these clients, and I quote, I wrote a quote down that I think it's very important to know, that showed that he had no intention and there was issue of steering [indiscernible], when he said to the tester, "I can show you any home, anywhere."

SENATOR SKOUFIS: And that's -- that's a defense for anything that might come subsequent to that statement?

BART CAFARELA: Well, I wasn't using it as a defense.

And I would have to go back and review that particular portion as to why he said "you don't want Elmont."

SENATOR SKOUFIS: Okay.

BART CAFARELA: It could have been his

opinion, based on a lot of conversations with that tester, that maybe the best choice of homes for him were not in Elmont.

SENATOR SKOUFIS: Okay.

I would have thought, especially since your opening remarks, and given the additional week of time, perhaps you would have that context at your fingertips, knowing that you would be asked about this.

But let's move on to Clip Number 1 from Ms. Petrelli, please.

(Audio-only clip playing, and transcribed as follows:)

AGENT MARGARET PETRELLI: [Indiscernible] they want something, some form of ID.

THE TESTER: Some form of ID? Okay.

Uhm ...

[Inaudible.]

AGENT MARGARET PETRELLI: [Indiscernible.]

THE TESTER: That matches the name?

AGENT MARGARET PETRELLI: Yes.

THE TESTER: I'm sort of confused to why you would need some form of ID, though.

AGENT MARGARET PETRELLI: Well, I just need to know that this is really where you live, and

everything, so that if we do the paperwork --

THE TESTER: Right, right, right.

Okay.

[Simultaneous talking by both parties.]

THE TESTER: Yeah, no, yeah, that's fine.

(End of audio-only clip and corresponding transcription.)

SENATOR SKOUFIS: Mr. Cafarela, is it office policy to request ID of prospective buyers?

BART CAFARELA: It is strongly suggested that the agents can -- yeah, can ask them for ID at their open houses.

We've done this consistently, and we have done it from a safety point of view, that agents do feel comfortable asking for a form of ID.

It's not a company policy. It's strongly recommended that agents [indiscernible] --

SENATOR SKOUFIS: It is?

BART CAFARELA: -- [indiscernible].

Yes.

SENATOR SKOUFIS: And is it --

BART CAFARELA: From a whole safety point of view.

SENATOR SKOUFIS: -- however, is it problematic if some people are asked for it, and

some others, by an individual agent?

BART CAFARELA: Yes, we realize it is problematic if that agent says -- requests some form of ID from some clients, and from other clients they do not.

There is also incidents where homeowners request, that they don't want people in their homes unless we get their ID.

And we do respect those requests from our clients.

SENATOR SKOUFIS: If I can turn over to Ms. Petrelli, and if you could please unmute yourself, so, in the case of the "Newsday" testers, you asked the tester of color for their ID, but not the White tester.

Can you -- can you give us some explanation for that?

MARGARET PETRELLI: Yes, Senator, I can.

I asked the minority because of a personal life event between the five-month gap between the two testers.

It was a traumatic experience that erratically altered my understanding of personal safety.

I now make it a practice to ask all clients

for identification.

Realty Connect USA stresses asking for identification for our own safety.

I do not wish to share the particulars of this personal event, and hope that you can respect my wishes for that.

SENATOR SKOUFIS: Okay.

So what you're saying is, the minority tester was the second of the two testers to approach you -- is that correct? -- and something happened in the interim?

MARGARET PETRELLI: Yes.

SENATOR SKOUFIS: Okay. So can you say -- can you tell us, these committees, with certainty, then, that prior to this life event, this personal event, that you're referring to, that you had never asked a prospective buyer for an ID?

MARGARET PETRELLI: I probably did not.

I should have for my own personal safety, but I probably did not.

SENATOR SKOUFIS: Okay.

And since this personal event, have you asked all prospective buyers for their ID --

MARGARET PETRELLI: Yes.

SENATOR SKOUFIS: -- regardless who they are

and where they're coming from?

MARGARET PETRELLI: Yes, Senator.

SENATOR SKOUFIS: Okay. Thank you.

I may come back for a second round, but in the meantime, I'll turn it over my co-chair Brian Kavanagh.

SENATOR KAVANAGH: Great.

Thank you, Senator Skoufis, and thank you to the witnesses.

I'm going to just start with Mr. Cafarela.

You -- you mentioned that a whole series of steps that you've taken since the "Newsday" articles came out.

Do you believe that -- and you've said -- you said, unequivocally, that you don't believe anybody at Realty Connect violated fair-housing laws.

Do you believe the article showed, I mean, wrongdoing? improper behavior?

What is -- what is your -- what is your assessment of the -- of the evidence that we've all seen?

BART CAFARELA: The entire "Newsday" -- "Newsday" article, as I said earlier, was quite sensational, and it actually unfolded over a series of weeks, if not months. And it was a lot -- it

was -- it was -- it was an impressive -- it was an impressive article, and it was very, very detailed on many fronts.

So it took us time to really absorb it all just to really see it.

If you're asking my overall impression of the "Newsday" article, Senator? Is that -- am I correct on that?

SENATOR KAVANAGH: Well, I want that, and then your overall -- I mean, you've -- you've -- it's inspired you to take a whole range of steps.

And it's sort of, like, kind of if -- if -- if nobody at your firm did anything wrong, why was such a substantial change in your practices necessary?

BART CAFARELA: Yeah, okay.

Correct.

You know, you can't be too careful today.

The industry, as well as the world, is evolving. And what was normal -- normal acceptable practice three, four, five years ago, is not normal today.

What is practiced today is not acceptable -- what was practiced six months ago is different than what we practice today.

So we -- I felt that we better step it up and really make sure that we are providing at least -- the best -- the best possible training we can possibly find regarding fair housing, which was not an admission, it should not be construed, as we've done anything wrong in the past.

I -- I strive, along with my partners, to put forth the best fair housing we possibly could throughout [indiscernible] -- throughout our company since we -- since we started.

So we -- we start out the very best, to be sure that any issues would never -- would never happen again, and that our agents were well-trained.

SENATOR KAVANAGH: Do you believe it's acceptable today to give specific opinions about school districts, what school districts to avoid?

BART CAFARELA: Senator, we -- we --

SENATOR KAVANAGH: That's a yes-or-no question.

Are you -- do you believe it is acceptable to give specific opinions about school districts?

BART CAFARELA: We do not believe that today.

SENATOR KAVANAGH: Do you believe that was acceptable a year ago?

BART CAFARELA: We don't believe it was

even -- you know, it's -- it's -- to talk -- to talk about school districts was -- a year ago, did agents speak about school districts?

I'm sure they did, and -- and -- in the context of, this school, that school, the next school.

It certainly is something that we train today, not to talk about school districts.

In fact, Senator, we put together a little "Know before you go" --

SENATOR KAVANAGH: Okay, but [indiscernible] I'm focused -- you've done that recently.

I'm talking about, as things were a year ago.

As things were a year ago, do you believe it was acceptable in your industry to be making specific assertions about school districts to avoid?

BART CAFARELA: We -- we -- we -- I don't believe a year ago we were encouraging people to talk about school districts.

SENATOR KAVANAGH: I'm not asking you whether you were affirmatively encouraging people to do that.

I'm asking whether that was acceptable in your industry and in your firm.

BART CAFARELA: In the industry I would think

it was acceptable to talk about school districts.

SENATOR KAVANAGH: Okay. Is it -- was it legal to talk about school districts a year -- [indiscernible] -- to recommend somebody specifically to avoid a specific school district?

BART CAFARELA: You know, we -- we -- we brought in -- we brought in a lot of fair-housing experts, quote/unquote, some of them were attorneys, to train on this subject. And talking about school districts was not something they said "do not mention."

These were state-certified trainers. They were working off curriculums --

SENATOR KAVANAGH: Mr. Cafarela, with all due respect, I'm asking you specifically, in -- your understanding, you're -- you're a -- you're licensed in this business. I'm asking your understanding of the law.

Do you -- is it your understanding of the law that it is permissible, or impermissible, to indicate that a homebuyer should avoid a specific school district?

BART CAFARELA: That's not permissible.

SENATOR KAVANAGH: Not permissible?

BART CAFARELA: Correct.

SENATOR KAVANAGH: It's illegal?

BART CAFARELA: It's not permissible. It -- it --

SENATOR KAVANAGH: Under the law?

BART CAFARELA: -- correct.

SENATOR KAVANAGH: Okay.

Okay, I'm going to go -- Ms. Petrelli, one of these testers was mentioned already.

But you met with a White tester and a Black tester who were similarly situated, and both said they had school-aged children.

You didn't provide the Black homebuyer with a list of school districts.

I want to show a clip now of your interaction with the White homebuyer.

This is number -- Clip Number 2, if we could show that.

(Video clip playing, and transcribed as follows:)

AGENT MARGARET PETRELLI: We have [indiscernible], which is [indiscernible]. That's 23.

We have Seaford, which is 6.

We have Massapequa, which is beautiful, which, if you are in Massapequa, you only want

School District 23.

THE TESTER: Okay.

AGENT MARGARET PETRELLI: You don't want 6 in Massapequa because that takes you into Amityville, and you're not going to like those schools.

But Seaford is different.

THE TESTER: Oh, okay.

(End of video clip and corresponding transcription.)

SENATOR KAVANAGH: Okay. So [indiscernible] -- Ms. Petrelli, we just heard you advise a White homebuyer that she didn't want District 6 in Massapequa because it takes in Amityville, and "you're not going to like those schools."

What did you mean when you said "you're not going to like those schools"?

MARGARET PETRELLI: Okay, I discussed the particular school districts with respect to resale value.

The resale value in certain areas and certain school districts don't hold up.

It had nothing to do with any kind of a racial makeup, or anything to do with that.

It was only on resale value.

SENATOR KAVANAGH: Okay, are you -- are you telling this committee that racial makeup of communities doesn't affect resale value?

MARGARET PETRELLI: I don't look at it that way. I don't look at the racial end of it.

I'm just looking at the resale value.

SENATOR KAVANAGH: Okay.

[Indiscernible], again, we're -- a lot of what we are looking at is training, including, we have several pieces of legislation about training.

So I do want to understand your understanding then and your understanding now.

You believe it is acceptable today to steer somebody away from a school district if you're doing it based on your perceptions of resale value in that school district?

MARGARET PETRELLI: Today, no.

SENATOR KAVANAGH: Okay, was it acceptable a year ago?

MARGARET PETRELLI: I didn't -- like, it was just nothing to do with race, so I don't believe I was doing anything against the fair housing.

It was just to do with the resale value.

SENATOR KAVANAGH: Okay, I understand -- I understand that you are testifying about --

about -- about your intent there.

But, again, there's been additional training, and you've, you know, had time to think about this.

Do you believe that it was impermissible a year ago to tell somebody that they don't want a particular school district because "you're not going to like those schools"?

Which I will note, "you're not going to like those schools" is not a reference to home values.

It's a ref -- it's -- I mean, I -- I don't know how somebody hearing "you're not going to like those schools" is going to understand that your meaning was, you're not going to like those schools because, some day, you're going to sell your home, and the quality of those schools is going to affect resale value.

But putting that aside, as a homebuyer with a child, and you're telling them they're not going to like the schools, but you believe that is -- today, do you believe legal, and acceptable, if your -- if your intent -- if -- if the reason you're saying is about resale values in that school district?

MARGARET PETRELLI: I'm sorry, Senator, you're going have to repeat that, because I don't understand --

SENATOR KAVANAGH: Do you believe it is acceptable and legal to tell somebody that they don't want to go to District 6 in Massapequa because it includes Amityville, if the reason you're saying that is that you believe the resale value of the Amityville schools will not hold up?

MARGARET PETRELLI: That's really not what my intention was. That's not what I did.

As a matter of fact, if you go back to the video, when you go to Minute 6, where it says, "I'm sure you want a good school district, too, because it's great for resale. You being a teacher, why don't you look at the school districts. Pick a couple" [simultaneous talking] --

SENATOR KAVANAGH: I respect -- I don't -- just because our time is short, and I respect what you're saying, I respect you've testified about your intent here.

And, again, if you want to say you don't know the answer to this, that's an answer.

But, do you believe it is legal to tell somebody that they want to avoid a particular school district if that is based on your intent to maximize the homebuyer's resale value?

MARGARET PETRELLI: That's -- that's not what

I did, Senator. I had -- that was not my intention at all.

It was just --

SENATOR KAVANAGH: I know, but just, again, [indiscernible] what you did was said, "You don't want 6 in Massapequa because that takes in Amityville, and you're not going to like those schools."

That's just a fact.

Now, there's other context, and we do have access to other materials.

But you believe today that statement is acceptable, if your intent -- if it's based on the resale values in Amityville, rather than whether the particular homebuyer will like or not like the schools per se?

MARGARET PETRELLI: Again, all I can say, Senator, is that I didn't do it with anything to do with the school district, as far as anything racial and steering.

I did it because of the resale value.

SENATOR KAVANAGH: Okay.

I'm going to -- my time is up. I may want to continue in a minute.

But I'll -- I'll turn it back over to our

other chairs.

SENATOR SKOUFIS: Senator Thomas.

SENATOR THOMAS: Thank you, all.

I have a few questions for Mr. Cafarela.

Given that you are the broker and all of them work under your license, I'm correct about that; right?

BART CAFARELA: Right.

SENATOR THOMAS: Okay.

So tell me your obligations, under the law and regulations, regarding the supervision of agents.

BART CAFARELA: In short, Senator, all licensees that work under my broker's license we are responsible for.

SENATOR THOMAS: That's it?

BART CAFARELA: Well, that's pretty broad.

How specific would you like me to be?

SENATOR THOMAS: Tell me, go ahead, elaborate more than just them being your responsibility.

BART CAFARELA: Well, we have a responsibility to supervise, which is one of our big responsibilities. And we monitor -- we monitor -- I don't want to say we monitor all the activities. That would be totally impossible. But we do

supervise all the agents under our license.

And we -- we -- we communicate with them the best we can, and we try to utilize all the latest technology to do so, so everyone has a clear understanding of exactly the procedures and the -- and what's expected of them at my company.

SENATOR THOMAS: How often -- actually, let me go back a little.

How -- how long ago have they started to work under your license?

Like, when did they first start to work under your license, all four of them?

BART CAFARELA: Oh, I don't have those dates, but I believe all three of the agents with me today have been with me for a number of years.

I don't have that information with me currently, but they -- they've been with me for a while.

SENATOR THOMAS: Dealing -- do you -- like, when -- when you supervise agents, do you often give them personal feedback?

How does this -- how does your supervision work?

BART CAFARELA: Our company is maybe uniquely organized for this, where my partner and I, both

brokers here, our primary responsibility and job is to look after and work with the staff and the -- all our agents.

We -- we don't do our own personal business.

We dedicate all the administrative work to our administrators, and we handle all the -- all the agents with any of their brokerage issues.

So that's really our -- our -- pretty much [simultaneous talking] --

SENATOR THOMAS: So let's say -- so let's say there is a complaint launched against one of your sales agents.

How would you go about trying to, you know, figure out what's going on? And how do you rectify that situation?

BART CAFARELA: Okay, great.

So should a -- should a complaint be launched against one of our sales agents, that would go -- that would come to myself or my partner, and we would immediately take action against -- on that complaint, and have conversations, and call in the agent involved, and do an investigation, and handle it with any party that may be involved with that.

We would handle that directly and personally.

SENATOR THOMAS: So let's say, in the past

year, how many complaints have come up to you and your partner?

I mean, you don't have to give me like specific facts, but how many have actually come up to you?

BART CAFARELA: Outside of the fair-housing forum --

SENATOR THOMAS: Yes.

BART CAFARELA: -- or just in general?

SENATOR THOMAS: No, outside of this.

AGENT REZA AMIRYAVARI: Outside of the fair-housing?

It's -- it's -- it's not all that often. It's -- the complaints could be from, maybe a homeowner who is not particularly happy. An agent is having an issue with other agencies.

SENATOR THOMAS: But how many; how many [simultaneous talking] --

BART CAFARELA: It's maybe a half a dozen, if I had to render a guess.

SENATOR THOMAS: Half a dozen. Okay.

BART CAFARELA: Putting aside -- putting aside the fair-housing and the "Newsday" article, yeah.

SENATOR THOMAS: And -- and -- you know,

outside of this "Newsday" article, in the past year, how many agents have been disciplined for any sort of violation?

BART CAFARELA: Well, it depends on the violation, and it depends on the complaint. And most of the complaints are usually resolved.

Agents may have been disciplined.

There have been agents who have been let go. Some [simultaneous talking] --

SENATOR THOMAS: So you're telling me, this past year, you let go of someone, or you disciplined anyone?

BART CAFARELA: I would -- I -- I -- I'd have to go back to see if anyone in the past 12 months has been let go because of a -- just -- because of a problem or a complaint.

SENATOR THOMAS: Okay, let me move on.

So you supervise about 400 agents?

BART CAFARELA: Along with my partner, yes.

SENATOR THOMAS: Okay. And how many of them are active?

BART CAFARELA: Most of them.

SENATOR THOMAS: Most of them.

And how many offices do these agents operate out of?

BART CAFARELA: We have one main office and eight conference centers.

SENATOR THOMAS: Eight conference centers. Okay.

All right. So you reviewed the videos; right?

And in your testimony, in your opening statement, actually, you talked about sitting down with the human rights commissioner here in Nassau County, Bobby Kalotee?

BART CAFARELA: That's correct.

SENATOR THOMAS: What -- what did he say about the videos?

BART CAFARELA: I don't know if Bobby really said much about it. I don't even know if Bobby was aware of it.

SENATOR THOMAS: He wasn't aware of it?

BART CAFARELA: I'm not sure if he was.

I don't think there was -- he said -- he had any comments regarding the fair-housing and the "Newsday" article.

SENATOR THOMAS: Okay, but -- but --

BART CAFARELA: I don't recall that part of the conversation.

SENATOR THOMAS: -- I mean, but --

BART CAFARELA: From him, rather, him being aware.

SENATOR THOMAS: -- I mean, your -- your opening statement said, you know, in order to rectify the situation that we're in, you sat down with him.

Like, what was the conversation about, like, what exactly were you trying to rectify?

BART CAFARELA: Well, it's, like, we sought him out for advice.

We sought him out, thinking that there may be an issue with fair housing in Nassau County.

He is the director -- he -- I believe he still is the director of human rights in Nassau County, and I sought his advice.

SENATOR THOMAS: And what did he say?

BART CAFARELA: He really didn't think it was that big of a deal based on what we let him know.

SENATOR THOMAS: Wow, he said that?

Okay.

BART CAFARELA: Well, don't quote me on that.

And --

SENATOR THOMAS: Well, you're in a hearing, testifying live.

BART CAFARELA: Yeah, so -- [simultaneous

talking] --

SENATOR THOMAS: So I don't know how else to take that.

But let me move on --

BART CAFARELA: Okay. [Simultaneous talking] --

SENATOR THOMAS: Let me move on.

BART CAFARELA: -- he did suggest that we be part of a committee on fair housing that they were thinking of putting together.

SENATOR THOMAS: Okay.

So I want to talk to you about the different programs that were used, which gave potential evidence of disparate treatment. Right?

So one of the agents that you supervised directed a prospective homebuyer to use Collaborate, which was to a Black tester, and Prospect Match to a White tester.

How do these programs work?

BART CAFARELA: Okay.

SENATOR THOMAS: And who decides, you know, which program to use?

BART CAFARELA: Okay.

So if I may explain, and I -- Collaborate and Prospect Match are, in essence, the same program.

It's with the multiple listing service on Long Island, where we can actually input criteria that a customer would like.

And based on the criteria that is entered, or they enter, listings would automatically be sent to them, based on their criteria.

So they have access to the entire database, and to every property available through the Long Island Multiple Listing System.

So the Collaborate is just a program that they can go in at any time and change and modify, view properties, based on their criteria, and it pushes listings to them.

You may have used it.

I use it regularly.

If you're in a home search, you would probably use it with one of the big search engines as well.

And most of the agents do utilize that.

So every home -- potential homebuyer can actually dictate which homes they would like to see, where they would like to see them, what their interest is, and what the criteria is, and they can do that without the aid of an agent today.

SENATOR THOMAS: But is there any sort of

difference between the platforms?

I mean, if one is recommended to a White tester and the other recommended to a Black tester, is there some sort of difference there?

BART CAFARELA: Yeah, my understanding is that Prospect Match is the old name for the service, and Collaborate is the new name for the service.

MLS went through a transition, and I believe Prospect Match, us old-timers, like myself, we call it "Prospect Match." They now call it "Collaborate."

But, in essence, it's the same program, Senator.

SENATOR THOMAS: Okay.

Thank you so much.

BART CAFARELA: Thank you.

SENATOR SKOUFIS: Thank you, Senator Thomas.

I know that Senator Kavanagh has some questions, but a couple things first.

One, I want to acknowledge that, some time ago, Senator Jim Gaughran joined us.

And just a reminder to any committee members, that if do you wish to ask questions, to please just raise your hand.

Use that function within Zoom and we'll get

you on the list.

I do just want to follow up on something, very quickly, with Mr. Cafarela that was part of the exchange with Senator Thomas.

I just want to revisit something that you just said.

In characterizing your outreach to the Nassau County Human Rights Commissioner, you described his response to the allegations within your company as, quote, not that big of a deal.

I want to give you an opportunity to perhaps revise those comments, given that you're under oath.

I -- because if that is, in fact, the case, and that he viewed them as "not that big of a deal," I suspect that our committees would want to follow up with him.

So do you want to just elaborate a little bit on that exchange?

BART CAFARELA: I'll try to do my best to clear that up, but I appreciate the opportunity to allow me to do that, Senator.

I don't think anyone -- I may have misspoke when I said "it was not that big of a deal."

And I don't know how early on it was after the investigation that I sought out Bobby.

And I will say this, that those of you who know Bobby, and I refer to him as Bobby, he is a very effervescent individual.

We've known him in the past, early on, many years prior. So we thought it would be a good idea to speak to him, just to see if there was anything that we could do, should there be an issue, should anyone believe there were housing issues on Long Island, that we would like to be part of the solution and not part of the problem.

And that's when the committee issue arose, and he said, look, if we put together a committee, I believe, I think the Nassau County Executive was thinking of putting a committee together, would we like to be part of that?

We said we certainly would be honored to do that.

So I don't want to characterize him as him saying "not that big of a deal."

I don't think anyone -- everyone has taken this very seriously.

So I misspoke when I said "he didn't think it was a big deal."

Maybe the individual instances, or maybe the way I described it to him, maybe didn't raise his

level of concern with us.

SENATOR SKOUFIS: So just to be clear, in reflecting on the individual cases in your company that "Newsday" -- that was included in the "Newsday" exposé, your feeling is that the commissioner did not have a high level of concern after speaking with you, and seeing the videotapes, regarding your specific agents?

BART CAFARELA: No, no, no.

Let's take that back.

I don't agree with that [indiscernible].

Everyone has a high level of concern when it comes to fair housing, including him.

I don't think he actually saw any of the videotapes that we were referencing when we met with him.

But he always has a level of concern.

After all, he is the director of the division of human rights.

SENATOR SKOUFIS: And so I guess -- I think I'm more confused now than when I started this line of questioning.

So what was his takeaway, in your opinion, of your specific agents' behavior as alleged in the "Newsday" investigation?

BART CAFARELA: We didn't speak about the specifics. And I don't think we made him aware of specifics, or he knew of the specifics, of the article.

We mainly spoke about, if we would like to be on a committee, would we be interested in that?

SENATOR SKOUFIS: So there was no conversation about the individual situations?

BART CAFARELA: I believe we didn't have conversations about the individual situations, no.

SENATOR SKOUFIS: Okay.

BART CAFARELA: Again, this was -- this was a while back ago.

And once again, if you do know -- if you do know Bobby, he's -- he probably did 95 percent of the talking that day.

SENATOR SKOUFIS: Senator Kavanagh.

SENATOR KAVANAGH: Thank you, Senator Skoufis.

Just a quick question for Mr. Amiryavari.

Am I saying that correctly?

REZA AMIRYAVARI: Yes, sir.

SENATOR KAVANAGH: Okay.

You said in your -- in the clip that was shown earlier, you said, you know, some agents --

you know, you described steering, actually, I think, you know, a solid definition of it.

I like thinking about it as a horse rather than a car. I think that's kind of an evocative image.

But you said that, you know, "some agents do it." You don't do it.

What did you mean by "some agents do it"?

Are you aware -- have you seen this behavior in other context?

REZA AMIRYAVARI: At the time, being -- this was, mind you, it was about 2016, which was about four years ago, yeah, most agents, and most buyers even, folks that, you know, they were -- they were talking about schools on Long Island. They were actually talking about, asking questions about, the schools, and stuff like that.

You know, so that's what I basically meant.

SENATOR KAVANAGH: Okay. So you -- so your perception is that -- you know, this was four years ago.

Your perception is, at that time, it was not unusual to engage in steering and -- and -- and --

REZA AMIRYAVARI: No --

SENATOR KAVANAGH: -- among agents --

REZA AMIRYAVARI: -- no, no, no.

No, no, no, no.

The word "steering," that's why I went out of my way to explain what "steering" was, because I don't condone it. I do not do that.

SENATOR KAVANAGH: No, I understand -- I'm not suggesting you -- you thought it was a good idea for people do it four years ago.

But you -- you -- you described it, and then you said "some agents do it."

You don't do it, but some agents do it.

Is that -- I mean --

REZA AMIRYAVARI: I'm saying that the trainings that I took at the time, you know, that nobody, that I remember -- you know, most agents could sort of, and even the buyers, as I said, the buyers that were coming to us and asking questions, they were specifically asking about schools.

So we had to indulge them [indiscernible].

And then that caused, you know, me to learn about the grading -- the school grading that, actually, "Newsday" published many times, and they were online.

And I actually directed these folks, anybody that would come to me, I said that, you know, the

information is on online --

SENATOR KAVANAGH: Right.

REZA AMIRYAVARI: -- and you can go and check it, please, and then, you know, you decide.

SENATOR KAVANAGH: Okay.

So we -- we had -- we had -- we had, you know, several folks last week, including, I think, the entire contingent from Douglas Elliman, tell us they're not aware of any instances of steering anywhere on Long Island or in the industry.

I just thought your perception and your testimony was somewhat different.

REZA AMIRYAVARI: Sure.

SENATOR KAVANAGH: Mr. Cafarela, so you, you know, saw the exchange I had a moment ago with Ms. Petrelli.

Do you -- and I -- a follow-up sort of on a question I asked you before: Is it acceptable for an agent to tell somebody that they're not going to like the schools in a particular school district if they're doing that because of their perceptions of resale value in that school district?

BART CAFARELA: That's a two-part question.

You know, last -- last night I was watching TV, and there was a National Association of Realtor

commercial on, and promoting local knowledge.

Go to a realtor today because of local knowledge.

Many buyers, they seek realtors out for local knowledge.

That's some of the local knowledge they've always relied on in the past from a realtor, as well as other local knowledge.

So, you know, that -- I think it's a two-part question.

Resale value plays an important part in purchasing a home, and people want to know about that. And people do want to know about school districts today.

We don't talk about school districts today.

Was it acceptable four years ago?

I probably would say many agents did talk about school districts four years ago.

SENATOR KAVANAGH: Has the law -- to your knowledge, has the law on that point changed in the last four years?

BART CAFARELA: I'm not aware that the law has changed in the last four years. But the perception of the answers are certainly interpreted differently today than they were four years ago.

SENATOR KAVANAGH: So -- so, again, Ms. Petrella -- Ms. Petrelli went through a list of school districts that, collectively, were about 87 percent White.

She then said, you don't -- you're not going to like the schools in Amityville, the racial -- Amityville is 34 percent White, it's about 22 less -- 22 percentage point less White than the average.

If she says to a buyer, "You're not going to like the schools in that district," that can be acceptable depending on what her intention is?

BART CAFARELA: I think she made it clear to that buyer what her intentions were.

And she did say because of resale value.

SENATOR KAVANAGH: She certainly didn't say because of resale value in the clip we saw.

But, again --

BART CAFARELA: Yeah, well, [simultaneous talking] --

SENATOR KAVANAGH: -- if -- if you -- just to be clear, Mr. Cafarela, if I -- if I'm a real-estate agent, and I have a White homebuyer, and I list all the White school districts, and then I say, "Here's a majority-minority school district.

You're not going to like that majority-minority school district because of the resale values," that's permissible?

BART CAFARELA: Well, of course not.

But, Senator, let me just -- let me just say [simultaneous talking] --

SENATOR KAVANAGH: No, but, again --

[Simultaneous talking by both parties.]

BART CAFARELA: -- oh, no, no, no, hang on -- hang on one second, if I may.

We don't -- we don't have that statistical information. We've never had that, nor do we use that.

SENATOR KAVANAGH: -- well, again, Mr. Cafarela, is it -- it is accept -- we, apparently -- you know, Ms. -- Ms. Petrelli has testified that she had a perception of the resale values in that school district.

BART CAFARELA: Yeah, and she clearly stated to the buyer, "I'm sure you want a good school district because it's great for resale."

She stated the context why that school district.

SENATOR KAVANAGH: Ms. Petrelli, may I --

If you could unmute yourself for a moment.

MARGARET PETRELLI: Am I there?

SENATOR KAVANAGH: You are -- your picture is gone, but your voice is there.

So if you can hear me, that's fine.

MARGARET PETRELLI: Okay.

SENATOR KAVANAGH: -- you -- do you have any -- any sense of the racial composition of -- of -- do you have any sense that Amityville School District may be less White, overall, than some other school districts?

SENATOR THOMAS: No, I don't.

SENATOR KAVANAGH: You have never noticed anything about -- about Amityville that's different from other communities on Long Island?

MARGARET PETRELLI: No, Senator.

SENATOR KAVANAGH: Any of the brokers here have any perception of Amityville School District as opposed to other school districts?

Mr. -- Mr. Jannace --

I'm not sure I'm saying that properly.

-- you've been -- you -- you've gotten off easy here.

Can you -- do you have a perception of the Amityville School District, and the -- have you ever noticed that Amityville School District is

two-thirds non-White?

JOSEPH JANNACE: Yes.

But that has no --

SENATOR KAVANAGH: Okay.

Mr. --

JOSEPH JANNACE: But that has no bearing on showing homes there or not.

I show homes to everyone [simultaneous talking] --

SENATOR KAVANAGH: -- no, I understand that.

But just -- that's something you've noticed.

Ms. Petrelli, you have never noticed that Amityville School District is two-thirds non-White?

MARGARET PETRELLI: No, respectfully, Senator, I have not.

SENATOR KAVANAGH: That's your testimony, that's fine.

Mr. Cafarela, are you aware that Amityville School District is two-third -- is somewhat less -- at least somewhat less White than other school districts on Long Island?

BART CAFARELA: I grew up in Massapequa. I do know that, yes.

SENATOR KAVANAGH: Okay, so you know that.

And if you know that, and you're -- putting

aside the clip we saw -- if you know that, and you're advising a homebuyer to avoid that school district because "you're not going to like the schools," are you telling us that that is proper and legal if the reason you're saying that doesn't come from any racial animus; it comes from your perception of the home values in a school district that is majority-minority?

BART CAFARELA: In the context of resale values, that's correct.

But I -- I think you heard from Peggy and our agents. They're not going to -- they're not going to steer anyone anywhere, regardless of the school districts.

But if you saw the entire context, Senator, with all due respect, she asked them to go and check out all the school districts.

She was willing to provide that particular tester with phone numbers of schools so they could do their own [indiscernible] and their own assessment.

SENATOR KAVANAGH: Okay, again, but Mr. Cafarela, we're talking about the permissibility of a statement, "you're not going to like the schools."

Your testimony is that, that statement is permissible -- was permissible then, and presumably it's permissible now, because the law hasn't changed, if your -- if it's based on your perception of property values and resale value, rather -- you can -- you can single out a school district as having bad resale value?

That's permissible now, and, presumably, it was permissible then?

BART CAFARELA: Context to value.

Just like it would be north or south or east or west of someplace, or on a main road, it has to do with resale value.

And that's what she articulated [simultaneous talking] --

SENATOR KAVANAGH: Okay. I'm -- I'm -- I think we have a different perception of the law.

Mr. Cafarela, are you aware of any studies that suggest that resale value -- changes in resale value is highly correlated to the racial and ethnic composition of neighborhoods?

BART CAFARELA: I have not.

SENATOR KAVANAGH: Okay.

Again, I -- I have 49 seconds left, and we spent a lot of time, both today and last week.

So I will end there.

But I would just -- I would urge you to, you know, read the newspapers.

There's -- there's -- there are numerous studies that suggest that -- including a -- I think in the last 72 hours, in "The New York Times," there was a fairly extensive study reported on.

And, you know, again, it is a -- it is a widely perceived fact among researchers, and many people in the real-estate industry, that values in homes have increased very substantially in community -- in White communities, and much less so in communities that are much -- are different in their racial and ethnic composition.

And so we talked last week with some of our experts, about making sure that, to the extent there is training, that it would be valuable for people to understand that the train -- you know, the impact of the decisions brokers and agents make.

And, you know, we're -- we're singling out individual people today, like Ms. Petrelli, because, you know, we have that evidence before it.

But there's nothing -- we're not trying to suggest that this is an isolated incident, or that this is especially bad behavior, in the context of

industry.

The whole point here is that, we've had testimony that this kind of behavior is commonplace.

And we also have the -- you know, we -- we -- we're now hearing that somebody who is licensed in this industry believes it's okay to tell people to avoid a school district based on resale values.

And, you know, for me, that suggests an ongoing problem, and a continuing need to make sure people understand the impact of these decisions.

BART CAFARELA: So, Senator, I would invite you, [indiscernible], if you would be so kind as to [indiscernible].

I will look at that article. I -- and I appreciate you sharing that.

SENATOR KAVANAGH: Okay.

I'll end there.

SENATOR SKOUFIS: Okay. Thank you, Senator Kavanagh.

I don't see any other senators who wish to -- oh, Senator Tedisco, is that your hand?

SENATOR TEDISCO: Yep.

As ranker --

SENATOR SKOUFIS: Please, go ahead.

SENATOR TEDISCO: -- yeah.

Mr. Cafarela, to you, and thank you for being there and your testimony today.

So far I've heard a lot of questions in relationship to what the realtors offer, or suggestions of guiding, in certain ways.

But I want to ask you this question, to see if this would be appropriate, because there might be a fine line between what you're asked, and then given the opportunity to give an opinion, or just offering an opinion.

If I was to come up to a realtor, or you, and say, "I only want to buy a house, or live in a community where the house I buy has a very high resale value," and then I started to list communities, would it be appropriate for you to say, "You don't want to live in that community" if it had a low resale value?

BART CAFARELA: I wouldn't say that, and I wouldn't recommend we say that.

I would -- I would suggest they -- the research would -- we would provide some research for that client, and they would make their own decision.

SENATOR TEDISCO: If they said --

BART CAFARELA: And maybe the research that I was unaware of, that Senator Kavanagh just

mentioned, may be appropriate to use at that point.

We -- we -- we don't generally use all the information that many of you rely on, and that "Newsday" relied on, with racial demographics and breakdowns.

And I know "Newsday" provides an extensive school research paper every year, that we don't utilize as well.

And we don't, for reasons that, it could alter, and maybe, possibly, cause somebody to say, hey, I didn't realize, you know, maybe I should steer you away from that area.

And I know that's a terrible word to say, we don't use that word. But maybe we shouldn't look there because, you know, blah blah blah.

We don't use that information at all, Senator.

SENATOR TEDISCO: If when you said that to them, "Go do your research," they say, "Well, I just want to know, does this community have a high resale value, or not?" would you answer?

BART CAFARELA: Yeah, I would --

SENATOR TEDISCO: Would it be illegal -- do you think it's illegal to answer them, no, it has a low resale value, it doesn't have a high resale

value?

BART CAFARELA: If they were to ask me that direct question, and say, "Hey, Bart, you know, does this area have a good resale value?" I would say, my opinion, it may, yeah.

Yeah, I would always recommend you go back to the statistics, because that's how I'm basing what I'm suggesting on, and, you know, based on -- based on the facts that I could ascertain.

And we have many methods to do that, that are not subjective.

SENATOR TEDISCO: If they asked you, "I only want to buy a house in one of the best school districts in this county," and they started to name the school districts, and they said, According to the test scores and the graduation rates, is this school district one of the best in the county?

BART CAFARELA: Yeah, we -- we -- we would offer that opinion today.

You know, we put together this little -- little sheet, that they could research the schools on their own and determine what's important to them.

You know, I learned -- I learned long ago in my career that what's important to one person may not be important to another; that it's all their

personal preferences.

But I will -- I will even expand that conversation with you, Senator, at another time if you'd like, because, whether you agree with it or not, school districts play an important role on Long Island. And they play an important role in values, and resale values.

And I'm sorry to say, but that's just -- that's just -- that's just a fact.

SENATOR TEDISCO: So when -- when one of your realtors was asked -- or, there was an interest in school districts, and she mentioned -- happened to mention 87 percent of them, and they happened to be White, but they also happened to be the best school districts that the person was interested in, why wouldn't that not be appropriate?

BART CAFARELA: I -- first of all, I don't think anyone -- anyone knows that those school districts are 87 percent White.

We certainly didn't know it.

One of the -- the interesting facts we learned through the "Newsday" investigation is the demographic breakdown of these neighborhoods that we -- we -- we provided listings for to people.

We -- we didn't realize the racial makeup of

these neighborhoods.

"Newsday" provided us that information, based on their study.

We don't know that. We don't have -- we don't provide access to that. I wouldn't even know where to go get -- to get access to that.

So -- it just so happens that maybe they all were 87 percent. And maybe that's the whole south shore of Nassau County. I don't know.

SENATOR TEDISCO: And I took your point when someone asked about the town or community of Elmont.

Was that what it was about?

And he said, "You wouldn't want to live there."

You said, I'd have to go back to the tape.

BART CAFARELA: Yeah.

SENATOR TEDISCO: And when you said "go back to the tape," did you mean a whole series of things that the person said?

I'll give you an example, which just making up out of my hand: I don't want to buy a house where they have houses close to each other. Or, I don't want to buy a house that has very small lawns. I want larger lawns.

And then later on in the conversation, the

realtor said, Well, you don't want to go to Elmont.

It might have nothing to do with the racial content.

It might do with, it has small lawns and houses very close together.

Wouldn't that be the case?

BART CAFARELA: Could be, yes.

SENATOR TEDISCO: Okay.

Thank you very much. Appreciate your input.

BART CAFARELA: Thank you.

SENATOR SKOUFIS: Thank you, Senator.

I think, barring any last-minute questions, co-chairs, are you okay?

SENATOR KAVANAGH: Can I -- can I just, if I may, just one more, based on [indiscernible].

So, again, Mr. Cafarela -- and with apologies to all watching for the waiveringness [sic] -- but are you troubled at all that -- again, this -- these were matched testers.

So Ms. Petrelli had a White homebuyer with children, and a Black homebuyer with children.

And she specifically told the White homebuyer to avoid Amityville, which in your -- which she may not have been aware, she testifies, but you're aware, is significantly a majority-minority

district, that "you're not going to like those schools."

And she doesn't tell the Black homebuyer that, even though they also have schools.

Is that because -- do you think that's because Black homebuyers aren't concerned about resale value and White homebuyers are?

Does it trouble you at all that -- that -- that "you're not going to like these schools" is said to a White homebuyer to [sic] children, but not to a Black homebuyer with children?

BART CAFARELA: I was troubled by that, yes.

SENATOR KAVANAGH: So, again, having reviewed this material, you know, you testified before that you think that the material in the investigation requires changes -- you know, it requires you to change, to rethink, to sort of get up with the times, sort of, but that no -- you know there, was no improper behavior by any agent.

And it's just -- it's -- it's perplexing that, you know, I'm not sure what the distinction between being troubled by it and not finding it improper is.

BART CAFARELA: Yeah.

I would -- you know, again, the full context

of that, and the conversations, and understanding it, I -- I -- I felt okay with -- I felt troubled by it. On its outset, it looks very troubling, and everything seems to be what it seems to appear.

But like I said in my opening remarks, we not only want to go to above the letter of the law, we also want to go to the spirit of the law.

And that's why, as the broker of this organization, I -- I -- I may have -- I may have gone a little overboard with fair housing, but I don't think I could ever go overboard because it is that important of an issue.

And I'm sure Peggy would never say that comment again in relation to values, home styles or, any, any, any sort of indication, because it can be construed, and it can appear to be racist.

And that's one of the things we learned with implicit bias: What you mean and what you say, and how it's interpreted, could be two completely difference things, as we are learning here today.

So, you know, our agents are -- are -- they have to be much more -- much more conscientious of exactly how they present themselves, and present everything to a buyer, because it could be construed differently than what it's meant.

SENATOR KAVANAGH: If your agents or your company treat Black homebuyers and White homebuyers differently, as a -- and there's a pattern of that, is that a violation of the fair-housing laws even if nobody intends to discriminate?

BART CAFARELA: It is.

Yes, it would.

Yes.

SENATOR KAVANAGH: Okay. So you can -- you can -- you can violate the law, in your current understanding, without intending to disadvantage the homebuyers?

If you treat them differently, if you -- if -- if that behavior that we saw in those tapes became systemic, where White homebuyers with children were told, "you're not going to like the Amityville school districts" -- "the School District," but you're not going to like the Amityville schools, but, Black homebuyers were less likely to be told that, that would be a violation of the fair-housing laws?

BART CAFARELA: I'm not sure of the question.

If the question is, is -- is -- did I intend to hit that person on the sidewalk?

No.

But in my -- but I drank too much that day and I hit them. So -- but it wasn't my intention to hit them.

Now, I'm not clear in what you're asking.

SENATOR KAVANAGH: I -- I -- I suspect you're not a criminal defense attorney.

"I'm pretty sure I was drunk, and I hit them," isn't a very good defense in an assault case.

But it -- just to keep it in the context of fair housing, it is not -- in your view, it is -- it does not require an intent to discriminate, to disadvantage, Black homebuyers in order to violate, not just the spirit, but the letter of the fair-housing law.

Is that your understanding today?

BART CAFARELA: I'm not sure what you're asking me about.

But I will say that --

SENATOR KAVANAGH: I'm asking whether -- I'm asking whether, in a -- in a -- in a -- in a decision about whether a particular activity violates the fair-housing law, is it necessary to show that the person who is accused of violating the fair-housing law intended to discriminate, intended to disadvantage, one homebuyer over another?

BART CAFARELA: Yeah, I think the intent is irrelevant today.

SENATOR KAVANAGH: You think it's irrelevant, or relevant?

BART CAFARELA: I don't think it's -- I think today, if it's a clear-cut case of violation or discrimination because one is Black and one is White, I'm not interested in the intent.

SENATOR KAVANAGH: It doesn't matter the intent.

And, again, the law -- as far as you know, the law on that has not changed in the last five years?

BART CAFARELA: I don't -- not in that respect, no, Senator, the law has not changed.

SENATOR KAVANAGH: Okay.

Thank you.

I think that's all I have.

BART CAFARELA: Thank you.

SENATOR SKOUFIS: Thank you.

I do want to ask Mr. Jannace a couple of questions. We haven't heard too much from you.

At the -- when the "Newsday" investigation was released, you, and I think everyone, was provided an opportunity to view their findings, and

comment.

It does appear as though you took up their offer to view what they had, but that you declined to comment.

Can you just talk about why you declined?

Can you describe -- I don't think we've had any of the agents so far, today or last week, describe what that interaction was like with "Newsday" when everything came out?

JOSEPH JANNACE: Well, we originally got a letter, telling us that we were being investigated by "Newsday," and the statistics.

I was devastated when I got that letter.

I was sitting in my den with my wife, and I was -- my dad marched with Martin Luther King in Washington.

I mean, I was raised that you treat everyone the same.

And all of a sudden I'm being called racist, or steering. And it devastated me.

And my wife turned around and said: Go into the den -- into the living room and see who's there.

My teenage daughter had three friends there. It was like the United Nations.

I've always treated everyone the same way.

And then to have a newspaper say I did something wrong, so I wanted to go see what I did wrong.

When I got there, they wouldn't let me bring my phone in so I could record what was being said.

I had to go through a metal detector.

I had -- they put me in a room where a woman kept looking at me every couple of minutes to make sure I wasn't touching anything.

And I wrote notes down.

And what I did was, I wrote everything I said with the Black reporter on a piece of paper, in one column. And then when they played the White reporter, I highlighted the exact same things I said.

I treated them both the exact same way.

So, now, why wouldn't I give them a response?

I thought they were prejudice.

I thought they were looking for headlines.

I thought they were trying to sensationalize.

I'm not saying steering and racism is right. I'm not condoning that at all.

But they were looking to sell newspapers.

And my feeling, and when I spoke to my attorney -- my personal attorney before that,

anything I was going to say, they would have twist and put there their benefit, and make me look bad.

So why should I make any statements at all?

Very honestly, I have no idea why I was even mentioned in the "Newsday" story.

I treated both people -- if you watch the videos, you saw I treated both of them the same.

So I have no idea.

They both looked for different requirements, they both asked for different things.

So to go there and give "Newsday" more to put into their paper to make me look bad, no, I wouldn't go on the record with them.

So I hope that answers it.

SENATOR SKOUFIS: It does -- that does answer it.

JOSEPH JANNACE: I'm sorry I'm a little emotional, because, quite honestly, it's been, for the last year and a half, having to sit down with your children and tell them you have been accused of something, when you know it's false, that's not -- it's wrong.

And what they did to me and to my family, it was wrong, and I don't appreciate it.

I appreciate you giving me -- this is the

first time I've had the chance to defend myself in two years, and I thank you so much for that.

SENATOR SKOUFIS: Thank you, and that does answer any question.

And for whatever it's worth, you know, I think the fact that 98 percent of our questions thus far have been trained at the rest of the panel, I think may be a reflection of, you know, the varying levels of concern that we have as committees and co-chairs with the evidence that we have seen.

So, if I may --

JOSEPH JANNACE: Thank you, Senator.

SENATOR SKOUFIS: -- what do you make of what we have heard today at this, sort of, part two of the hearing?

I don't know if you watched last week. Certainly we tried to get this panel into last week's hearing.

But if you did watch, I'd love to hear what you thought of last week.

And what do you make of, just generally, the fact that it appears as though, and putting aside your situation, looking at everyone else around you today, last week if you did tune in, the broader "Newsday" investigation, what do you make of the

fact that it seems as though there was not a single agent disciplined after all of this?

Clearly, and I think we've gathered this from a number of the panelists today, your colleagues, that there is some acknowledgment that steering exists.

Not a single agent -- I mean, perhaps you and, you know, a number of others could argue that the allegations were not credible.

But to suggest that every single allegation in the "Newsday" exposé was not credible I think is outrageous and outlandish.

JOSEPH JANNACE: I agree.

SENATOR SKOUFIS: So what do you make of the fact that not a single person lost their job, not a single person was disciplined?

JOSEPH JANNACE: Well, you know, I can't speak for other real-estate companies, and I can't speak for other individuals.

But I think you expecting the brokers to do something, when there is State hearings that are pending before them, when there's board of realtors' hearings before them, you're asking them to make a determination on someone's innocence or guilt based on a newspaper article or tape.

And, meanwhile, how could someone -- if a broker terminates their agent, they're admitting to the department of state that they made a mistake.

So as long as there are open investigations, you can't have people -- it's like putting them at a double-edge sword.

But I will say this, someone -- the number-one question that's asked to every real-estate broker by every customer is:

How are the schools?

What are the schools like?

And I always tell them, go speak to the administrators.

But when agents are asked those questions every single day, by somebody, the public has to be made aware that agents aren't allowed to answer those questions, in addition to us being trained not to answer them.

But we are asked those questions every single day by almost every customer.

SENATOR SKOUFIS: I'd like to just -- thank you for that answer.

Can I just hone in on the first part of what you just said.

So you believe that the reason why we haven't

seen any discipline from brokers with their agents is concern that that discipline might preempt the -- either hearings or attorney general's investigation or the state agency oversight.

That's the reason why you think that there hasn't been discipline?

JOSEPH JANNACE: Well, I used to own my own company at one time, with three offices.

And I wouldn't put my -- yeah, I would think that, if I -- if a broker acknowledges something, you're putting them in a position where they now admitted they did something wrong, before the department of state and the board of realtors.

So until everything plays out --

SENATOR SKOUFIS: Mr. Cafarela, is --

JOSEPH JANNACE: -- you really can't have ...

SENATOR SKOUFIS: Thank you for that.

Mr. Cafarela, is -- is that -- do you agree with that statement?

Is that why there has been no discipline in your company; not because of, contrary to what you have said over the past hour and a half, contrary to, you know, what you've said, which is, you know, I don't believe that any of the behavior rose to levels of discipline?

Have you not taken discipline because you did not want to preempt these other investigations?

BART CAFARELA: No, absolutely not.

No.

And I fully understand my responsibilities as the broker here.

And, you know, that's not the reason at all.

We actually chose to take the education route, because I do believe, what I have learned throughout this process, Senator, is we could talk a lot about intentions and implicit biases.

And Elaine Gross's program really pointed out implicit biases, and I think -- that we all have.

And is that an excuse for -- is that another way of saying it's unintentional? No.

But I think -- I can't comment -- like Joe said, I can't comment on the other brokers' situations, only because I haven't looked into them.

I was concerned about my three agents and their conduct. And I wanted to make sure that I was satisfied that everyone was -- was fine with that.

SENATOR SKOUFIS: Let me ask you, if I may, so say one of these state investigations, attorney general, department of state, whoever it might be, comes down and does find violations, and revokes one

of your agent's licenses.

What's going to be your response to that?

I mean, do you remain defiant at that point that, you know, they did nothing wrong?

Or do you perhaps reflect, well, maybe I wasn't looking at this properly, and I should have taken some disciplinary action?

What's going to be your response if that happens?

BART CAFARELA: I don't expect that to happen, and I'm not sure what my response would be, because I'm not sure I understand the question, if one of our agents are found to be guilty in one [indiscernible] form or fashion.

I'll -- listen, we -- we've kind of -- I think we maybe see things a little bit different here.

And I know the prism you're looking through everything here as well.

So we -- we -- I couldn't give you that answer right now.

SENATOR SKOUFIS: Okay. Fair enough.

Senator Kavanagh or Thomas, do you have anything further?

SENATOR KAVANAGH: No. I think I'm done with

questions, other than, you know, thank you to all the panelists for, you know, participating today.

SENATOR SKOUFIS: Senator Thomas?

SENATOR THOMAS: I have a few questions for Mr. Cafarela.

Sorry.

SENATOR SKOUFIS: Don't apologize.

Go ahead.

SENATOR THOMAS: So just going back to our original questioning -- right? -- about the supervisory ability, how do you otherwise keep tabs on what an agent says that could be disparate or even unintentionally discriminatory?

Like, how do you keep tabs on these things?

BART CAFARELA: You know, most of the work being done today is being done from home right now, so it's almost impossible to keep tabs on conversations people have.

We don't censor their phone calls, we don't censor their e-mails.

So I don't understand that.

We can't keep tabs on conversations.

SENATOR THOMAS: Okay.

BART CAFARELA: The best I -- we try to attempt to do, Senator, is we -- we -- we try to

train them over and over and over again, and teach them, and let them know that, should any issue -- today, should any situation come up that they're not sure how to handle, they know where to go for those answers.

SENATOR THOMAS: So last week during some testimony, a number of agents testified that their training was inadequate.

Can you talk about the trainings that you give your agents?

BART CAFARELA: I can.

We provided -- there you go (holding up a stack of documents) -- a lot of samples to Senator Skoufis of what we've done.

Most of the trainings we do are broker-given trainings and experts out of the real-estate business.

If you want to talk directly about the fair-housing training, in my opening remarks, we have done a tremendous amount of that over the year.

We've quite -- we really stepped it up now with our online program, because I believe the State -- the State-mandated training, and the approved training from the State, is somewhat outdated and certainly ineffective.

SENATOR THOMAS: Okay.

BART CAFARELA: Because it's compliance training, and I have been through those courses.

I think some of the investigators have been through those courses.

And we realized that it's just not cutting it in the real world today, and we can do a better job.

We've taken it upon ourselves do that, at great cost and expense and time allocated to this.

And I would -- I offer the training to the division of human rights, to take a look at it, to make sure it meets with their approval.

And I would do the same with you, Senator.

SENATOR THOMAS: Okay.

Mr. Cafarela, thank you for that answer.

Now, can you tell me if any of the agents, like, when they go into the training, they feel like they're confident enough after the training to sell a house?

Like, do you get any sort of like feedback on their trainings?

Because we heard from a number of agents that they were inadequate. They just had an attorney spew a lot of legalese, and they were just on their own.

BART CAFARELA: Yeah, good question, Senator. Thank you.

Our organization doesn't -- we rarely -- I shouldn't say never -- we rarely take on brand-new licensees.

Most of the agents that join our firm have some field experience and have worked in other companies.

This type of training both my partner and myself do tremendously.

We do our own -- do a lot of the fair-housing training ourselves so it can be interpreted into real-life situations.

We don't put people in a room, sit down, here's 10 hours worth of training. They come out.

What have they learned?

They really don't learn.

So when we developed our current program, I -- I -- I did a lot of research on this. And I not only wanted a program that was effective, but I wanted to make sure our agents understood what was being taught.

So our internal program has questions and answers, so they make sure -- there's testing in our program, that if you don't pass the test, you have

to take the program over again.

And we're able to do this and monitor this program, you know, over the Internet, so they understand exactly what we are trying to teach them.

And it's not the compliance training that the State would provide.

It's our internal real-life training, and it talks about what happens, and we'd like to think it talks about real life.

SENATOR THOMAS: Would --

BART CAFARELA: As -- if I may, I know I'm long-winded with this, but I'm a little passionate about this.

SENATOR THOMAS: Got it. I understand.

But, you know, my time is limited here.

BART CAFARELA: Okay. I appreciate that.

Maybe we can meet at another day, then, because I know you're local.

SENATOR THOMAS: Yes.

Now, in terms of one-on-one trainings, do you give those to sales agents?

BART CAFARELA: We do. [Indiscernible] agents individually as well.

SENATOR THOMAS: Okay. And how often is that done?

BART CAFARELA: As needed.

SENATOR THOMAS: As needed.

Does it have to specifically request for one-on-one, or is it like part of the training regimen that you have?

BART CAFARELA: They request a one-on-one. They would request it, yeah.

SENATOR THOMAS: Would you recommend, after all of this, that it be not a request, but mandatory that they do a one-on-one with an experienced sales agent before they go out?

BART CAFARELA: Well, that's exactly how we do it, Senator.

We -- like I said earlier, most of our agents are experienced.

Any brand-new licensee that we take on, which is very few, they do work with an experienced agent.

SENATOR THOMAS: Okay.

So --

BART CAFARELA: So we don't -- I'm sorry.

So we don't just put them in a two-week training program and throw them out to the street.

No, that doesn't happen.

SENATOR THOMAS: Going back to the number of agents that work under your brokering license --

right? -- do you believe that you can supervise 400? Is that like something that you can actually do?

BART CAFARELA: Yeah, a lot of people ask that question, how do we do that?

We do it quite effectively through a lot of -- because our organization was built to support our sales people, and to supervise our sales people.

So it's -- we -- that's the primary role of my partner and myself to do that, along with our administrative staff to help us with that.

So that's what we do.

SENATOR THOMAS: Do you think [indiscernible] if we were to introduce legislation to limit the number of people working under your license, would that be an issue for you guys?

BART CAFARELA: I -- well, you're asking an opinion now, and I -- I'd -- I would love to talk to you at another time about that, quite frankly, Senator, because I don't think that would be effective in your ultimate goal.

SENATOR THOMAS: Well, ultimate goal is to make sure this doesn't happen again.

And I think that, from listening to a lot of testimony here for the past -- I mean, today and last week, it just seems that, you know, there are

way too many people that you guys have to supervise, and it's just not adequate enough.

So, thank you for your responses.

And over to you, Senator Skoufis.

SENATOR SKOUFIS: Okay. We'll go out for one last call.

Any final questions?

Seeing no hands, I want to thank each of you for your testimony.

It's been almost two hours.

And, you know, I think this was informative, it was enlightening, and we appreciate the answers.

We know that sometimes you have been on the hot seat these past couple of hours, but we do thank you for it.

It helps us inform our path forward now, as legislators, in how to respond to, you know, what we've seen and heard.

So thank you very much for being with us.

BART CAFARELA: Thank you.

JOSEPH JANNACE: Thank you.

SENATOR SKOUFIS: I want to thank everyone for -- for -- who are tuned in, for tuning in.

And I want to particularly thank my two co-chairs, Senator Thomas and Senator Kavanagh, and

our staffs, at central staff, who, as usual with these very substantive hearings, put in an enormous amount of work, helping us make sure that these run smoothly, and properly, and that we maximize our benefit, and get all the information that we're looking for.

[Indiscernible.]

SENATOR KAVANAGH: Great.

And I would -- yeah, I would just echo the sentiments [indiscernible].

Thank you, Senator Skoufis and Senator Thomas, and all of the work from Andra Stanley, our committee counsel, and housing, and all the other committees.

It's been a great collaborative effort.

I would also just would remind folks who are tuned in, that, you know, we began last week's -- the beginning of this hearing, by saying we have a number of legislative solutions. A couple of them have been mentioned today.

But we will be pursuing those as well.

So -- but, again, thank -- thank you everybody who has been involved in this.

SENATOR SKOUFIS: Are you good, Senator Thomas?

SENATOR THOMAS: Yes.

Thank you so much to everyone.

Thank you to staff.

Thank you to central staff for getting this panel here after last week's debacle.

And thank you, everyone, that testified.

God bless.

SENATOR SKOUFIS: Okay.

See you all soon.

Thanks very much.

(Whereupon, the joint virtual public hearing concluded, and adjourned.)

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