

# **NEW ECONOMY PROJECT**

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**2023 – 2024  
Report**

# OVERVIEW OF ACHIEVEMENTS

During the grant year, our achievements included:

- Providing direct legal services to 525 low-income New Yorkers, through our free hotline. Three New York-based organizations also benefited from our direct legal services.
- Securing sweeping changes to the New York City Transit Authority's unfair debt collection practices, benefiting approximately 850,000 low-income New Yorkers.
- Winning a monumental appellate court decision, upending years of bad case law that had enabled debt collectors to extract massive amounts of wealth from Black and brown neighborhoods.
- Leading community legal education and know-your-rights workshops for 4,076 New Yorkers, on a range of pressing financial justice topics and in multiple languages.
- Providing extensive pro se assistance to 7,392 New Yorkers, who were able to use our information to defend and advocate for their rights.
- Receiving a total of 37,770 unique downloads and engaged views of our extensive online know-your-rights resources.
- Translating our hotline and know-your-rights materials into ten languages: Arabic, Bengali, French, Haitian Creole, Korean, Mandarin Chinese, Polish, Russian, Spanish, and Urdu.



Our primary target populations are low-income New York City residents, particularly New Yorkers of color, immigrant New Yorkers, women, and seniors.

**Service Area:** New York City

**Population Served:** General Low-Income Population

**Staffing Full Time Equivalents:**

Total Staff: 6.29 Lawyers: 4

Paralegals: 1.21 Others: 1.08

# DIRECT LEGAL SERVICES

**Case Example #1, Consumer/Finance:** Ms. L, a 58-year-old Black New Yorker, called our hotline in September 2023 seeking help because her wages were being garnished. She learned from her HR department that a company called Midland Funding had obtained a court judgment against her without her knowledge.

With our help, she found out that Midland Funding, a debt buyer, had sued her on a credit card she didn't recognize – and that her wages were protected from garnishment under New York law. We helped her prepare and file papers asking the court to throw out the judgment and lawsuit and return her garnished wages. The judge agreed to vacate the judgment and ordered the return of her wages, but wouldn't throw out the case and scheduled another court date. To make matters worse, Midland Funding took several weeks to return her garnished wages. Despite the financial pressure and stress of having to return to court, Ms. L resolved that she shouldn't have to pay a debt she didn't owe.

On her court date, she called us to say the debt buyer's lawyer was pressuring her to enter into a payment plan. With further advice and encouragement from one of our staff attorneys, Ms. L decided to stand her ground and reiterate her strong legal defenses. As a result, the debt buyer agreed to drop the case for good.

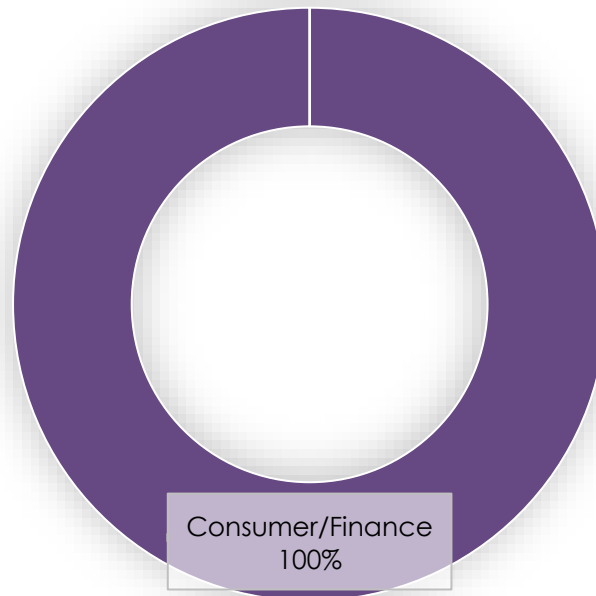
**Case Example #2, Consumer/Finance:** Ms. T, a 70-year-old Latina New Yorker whose only income is social security, called our hotline in March 2024 seeking advice on her housing situation. After renewing the lease on her barely affordable apartment, she was offered a unit in an affordable older-adult housing complex, after a long time on a waitlist. Her landlord, however, refused to release her from the renewal lease and threatened to hold her responsible for the full year's rent.

We informed her of a provision in New York's 2019 rent reform laws giving older New Yorkers the right to break their lease

**1,025**  
people  
benefited  
from

**523**  
legal cases  
closed

## CASES BY LEGAL PROBLEM AREA



without penalty in order to move into an affordable older-adult housing or care facility. We prepared a letter for Ms. T to send to her landlord asserting her legal rights and demanding that she be released from the renewal lease without penalty. The landlord granted her request and she moved into her new apartment at the end of April.

## OTHER LEGAL-RELATED SERVICES

Our target population is low-income New Yorkers, particularly New Yorkers of color, immigrants, women, and seniors. Other legal-related services include:

**Community Legal Education:** During the grant year, New Economy Project conducted extensive community legal education on debt collection, credit reporting, banking access, and related issues, serving a total of 4,076 New Yorkers. We completed a major outreach campaign, disseminating nearly 3,000 legal brochures about our legal services and know-your-rights information, in multiple languages, to community partners and elected officials' offices. We translated our hotline flyer and know-your-rights material into ten languages (Arabic, Bengali, French, Haitian Creole, Korean, Mandarin Chinese, Polish, Russian, Spanish and Urdu) to reach even greater numbers of New Yorkers who are not proficient in English. We also produced an educational New Yorkers Speak Out video, featuring an older New Yorker we helped through

our hotline, that has already garnered 844 views; we continue to share the video to educate New Yorkers about their rights and to promote our hotline.

We served an additional 236 New Yorkers through workshops we presented in collaboration with community-based organizations, elected officials, senior centers, public libraries, and other groups throughout NYC (see examples below.)

**Pro Se Assistance:** We provided extensive pro se assistance to 7,392 New Yorkers, who were able to use our know-your-rights information to defend and advocate for their rights pro se. We continued to serve as consumer law experts in Civil Legal Advice and Resource Office (CLARO) clinics, serving 213 New Yorkers – more than four times the number of New Yorkers we served through CLARO the prior year. We also provided a range of self-help material on our website, such as a sample dispute letter, which clients can use to tell a debt collector to stop contacting them, and to set forth their grounds for disputing an alleged debt.

**Online Outreach:** We published on our website a wide range of online know-your-rights resources, which this grant year received a total of 37,770 unique downloads and engaged sessions. (Note: Google Analytics, which we use to track progress toward our online outreach goals, changed the way it counts web sessions, in Q3; as a result, our numbers significantly increased in the second half of the grant period). New Economy Project’s hotline information, with links to know-your-rights information, is also listed on LawHelpNY and the New York State courts’ website, nycourts.gov. A number of community partners also link to our hotline page.

**7,392**

people  
benefited  
from

**Pro Se  
Assistance**

**4,076**

people  
benefited  
from

**Community  
Legal  
Education**

**37,770**

people  
benefited  
from

**Web-Based  
Assistance**

# IMPACT CASES

Here are brief descriptions of impact cases on which we performed significant activity:

**Robinson v. New York City Transit Authority (NYCTA):** We secured a major settlement in a federal class action lawsuit we filed with co-counsel in 2019 against the NYCTA, an arm of the Metropolitan Transportation Authority, on behalf of low-income New Yorkers. The civil rights lawsuit challenged the Transit Authority's seizure of people's state tax refunds to collect on default judgments – some going back 20 years or more – without legally-required notice or opportunity to review relevant documents.

We brought the lawsuit after identifying the pattern of due process violations reported by New Yorkers who contacted our legal hotline for assistance. In October 2023, the court granted final approval of our settlement agreement, which requires the NYCTA to significantly improve notice and disclosure and provide New Yorkers with access to crucial information for free or at reduced cost. These changes will enable low-income New Yorkers to meaningfully defend against debt collection by the NYCTA, which agreed to implement these changes by early 2024. The changes are especially timely as the number of transit summonses is skyrocketing across the city, with Black and brown people disproportionately targeted by police. The final settlement benefits an estimated 850,000 New Yorkers.

**Esgro Capital Management LLC v. Sharae Banks:** New Economy Project won a monumental appellate court victory, upending years of bad case law that had enabled debt collectors to systematically deprive New Yorkers of due process and extract massive amounts of wealth from low-income and Black and brown New Yorkers.

We filed the appeal in 2021 on behalf of Ms. Banks, a single mother of three, who called our hotline after a debt collector fraudulently garnished her wages. For years, New York courts had sided with the debt collection industry to say that people like Ms. Banks who did not take immediate action waived their right to challenge a judgment – even if they were never notified in the first place.

## All Impact Cases

- Robinson v. New York City Transit Authority, with co-counsel NCLEJ
- Esgro Capital Management LLC v. Sharae Banks, with co-counsel Legal Aid Society
- Crespo v. Gutman, Mintz, Baker & Sonnenfeldt LLP et al.

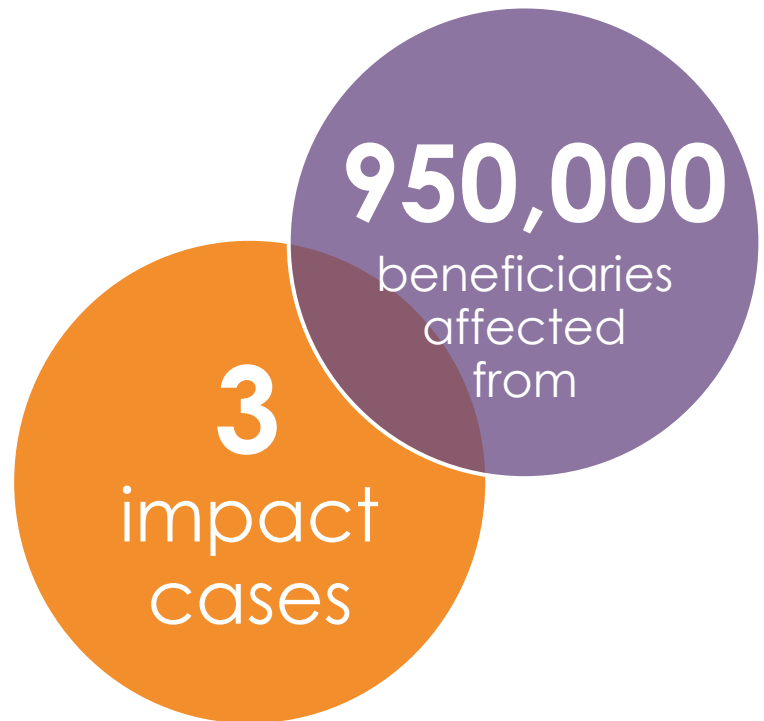
In December 2023, supported by amicus briefs from the New York State Attorney General and seven fellow advocacy organizations, we won a unanimous Appellate Division decision rejecting 16 years of bad case law and sending Ms. Banks's case back to the lower court. In February, we represented our client at a hearing in the lower court, and will represent her at an additional hearing in May. We expect the lower court to order the default judgment against Ms. Banks vacated, the case dismissed, and her garnished funds returned.

We conservatively estimate the appellate decision will benefit an additional 100,000

low-income New Yorkers in the years to come. We have already heard from numerous legal services colleagues who have cited this appellate decision in their legal briefs, to great effect. We were pleased to co-counsel on the appeal with the Legal Aid Society and Quinn Emanuel Urquhart & Sullivan, LLP.

**Crespo v. Gutman, Mintz, Baker & Sonnenfeldt LLP et al.:** New Economy Project continued a federal lawsuit we filed in August 2022 with co-counsel The Law Office of Ahmad Keshavarz. Brought on behalf of a Bronx resident harmed by a major debt collection law firm, the lawsuit alleges that the law firm used deception and fraud to unlawfully restrain our client's unemployment funds, which are legally exempt from debt collection. The law firm denied our client access to sorely-needed funds at a time when he was out of work, homeless, and experiencing multiple health issues and financial hardship amid the COVID-19 pandemic.

A favorable ruling on this case will benefit thousands of low-income New Yorkers whose exempt funds are and would in the future be restrained by the law firm's use of deceptive conduct. The parties recently concluded their exchange of discovery and we anticipate either filing a motion for summary judgment or proceeding to mediation this spring.



# TECHNOLOGY

We continued to work with an excellent IT consultant to improve our technology, ensure the delivery of excellent legal services and protect organizational information.

Highlights from the grant year include:

- Network hardware upgrade – We purchased new Wi-Fi routers and network switches to replace outdated, consumer-grade equipment that had reached the end of its useful life. The new, enterprise-grade hardware includes more robust security features to protect our data and systems from ever-evolving cybersecurity threats.
- Email migration – Last summer, we transitioned our email away from an old platform to Google Workspace, which has provided significantly enhanced cybersecurity and email speed.
- Cyber security training and scan – We implemented a new annual cyber security training covering important best practices for protecting personally identifiable information (PII) and sensitive organizational data, which all staff must complete. Additionally, our technology consultant instituted a new, periodic scan check for any potential credential leaks pertaining to our staff members' email accounts.
- Security software – We upgraded our Microsoft Office Suite to replace an old version which was no longer receiving vendor updates, and added new security software to all staff members' computers, to provide additional layers of protection to organizational information.
- Multi-factor authentication – We expanded multi-factor authentication in the past year to encompass our email and our case management system (CMS).

## IOLA TECHNOLOGY GRANT

We greatly appreciate the supplemental 2023 IOLA Technology Grant, which helped to bolster our organization's cybersecurity and overall productivity.

- Contractual expenses – The majority of the grant helped to cover the cost of our IT consultant to implement key IT projects during the grant year, including: upgrading our networking system, transitioning our email to Google Workspace, and instituting new cybersecurity training and scans (described in Section H. above).



- Salary & fringe – A small portion of the grant helped to cover salary and fringe for our Finance & Operations Manager, who serves as our onsite IT manager. He oversaw implementation of the IT projects described above, coordinating between our IT consultant and staff.
- Operating expenses – We purchased an upgraded Microsoft Office Suite and security software license for all staff involved in our legal program. A portion of the grant also helped to cover case management system (CMS) costs to add multi-factor authentication to our database.
- Other – We contracted with a shredding service to safely dispose of physical legal files and records past our retention policy to improve the security of our record keeping.

## PRO BONO VOLUNTEERS

We actively recruit and work with law student interns. We recruit law interns whenever we serve on law school panels; through email blasts, web postings, and social media; and through connections with area law schools and civil rights and other social justice programs, such as the Root-Tilden-Kern Public Interest Scholarship Program and Arthur Garfield Hays Civil Liberties Program at NYU School of Law.

In March, a third-year NYU law student began interning with our organization full-time through a New York Pro Bono Scholars program. After receiving extensive training, he is already providing valuable support, helping to staff our hotline and conducting legal research to bolster our policy advocacy. We had one full-time law intern in summer 2023, and we will have two full-time law interns in summer 2024. We fully integrate law interns into our organization; for example, they attend staff meetings, work on our hotline, complete legal research and writing assignments, and gain exposure to policy advocacy, model bill-drafting, and the like.



9

attorneys volunteered **237** hours



1

law student volunteered **120** hours

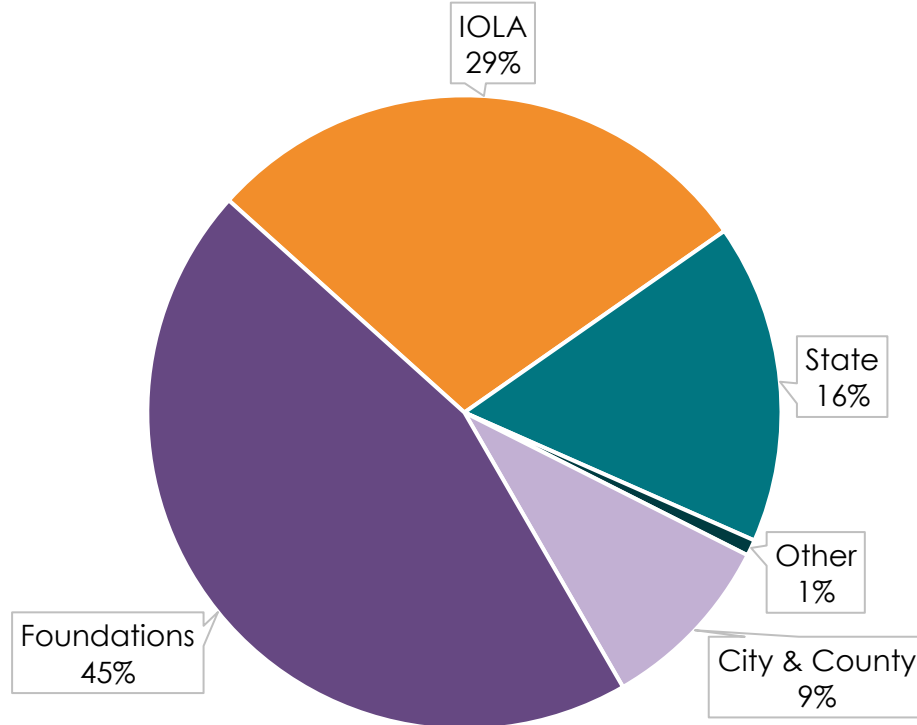
# SIGNIFICANT COLLABORATIONS

We work closely with the following other legal services providers and private bar organizations:

- Emery Celli Brinckerhoff Abady Ward & Maazel LLP – currently representing our organization in an amicus brief submitted during the prior report period (*Upsolve, Inc. v. James*).
- Faegre Drinker Biddle & Reath LLP, and the Law Offices of Gerald S. Hartman – co-counsel on impact litigation (see *Robinson* above).
- Feerick Center for Social Justice at Fordham University School of Law – partner in financial justice policy advocacy; organizer of CLARO clinics, in which we frequently participate.
- The Law Office of Ahmad Keshavarz – co-counsel on impact litigation (see *Crespo v. Gutman* above).
- The Legal Aid Society – co-counsel on impact litigation (see *Esgro Capital v. Banks* above).
- Mobilization for Justice (MFJ) – partner in coalition and policy advocacy and collaborator in NYC network of consumer advocates. Co-counsel on previously reported impact litigation.
- National Center for Law & Economic Justice (NCLEJ) – co-counsel on impact litigation (see *Robinson* above).
- New York Legal Assistance Group (NYLAG) – collaborated on amicus brief (*Upsolve, Inc. v. James*).
- NYC Bar Association – active member. Our legal director serves on the City Bar Association’s Civil Courts Committee.
- Quinn Emanuel Urquhart & Sullivan, LLP – co-counsel on impact litigation (see *Esgro Capital v. Banks* above).
- ArentFox Schiff LLP – pro bono counsel, providing legal and strategic support on our public banking and community land trust initiatives.
- We also partnered with numerous community-based organizations to provide know-your-rights workshops, and collaborated with coalitions to advocate for policy change.

# CIVIL LEGAL SERVICES FUNDING

**\$ 820,797**



<b>IOLA Funding</b>	<b>\$ 235,000</b>
<b>City &amp; County Funding</b>	<b>\$ 75,750</b>
<b>State Funding</b>	<b>\$ 133,939</b>
<b>Foundations</b>	<b>\$ 369,383</b>
<b>Other Funding</b>	<b>\$ 6,725</b>