

Testimony by the New York Legal Assistance Group (NYLAG)
Before the Committee on Women and Gender Equity
and Committee on Civil and Human Rights
December 12, 2022

Chair Caban, Chair Williams, Council Members, and staff, good afternoon and thank you for the opportunity to speak to the Committee on Women and Gender Equity and the Committee on Civil and Human Rights about the proposal to amend the New York City administrative code to expand protections for victims of domestic violence to include economic abuse. My name is Tuozhi Lorna Zhen. I am a Senior Supervising Attorney at the New York Legal Assistance Group (NYLAG)'s Domestic Violence Law Unit. NYLAG uses the power of the law to help New Yorkers in need combat economic, racial, and social injustice. We address emerging and urgent legal needs with comprehensive, free civil legal services, impact litigation, policy advocacy, and community education. Our Domestic Violence Law Unit (DVLU) provides free representation to domestic violence survivors in the five boroughs, as well as continued advocacy and safety planning. DVLU attorneys have expertise in family offense petitions, custody and visitation matters, child and spousal support matters, contested and uncontested divorces, family law appeals, and domestic violence-based immigration claims.

We appreciate the opportunity to testify before the Committee on Women and Gender Equity and the Committee on Civil and Human Rights today, and the support the City Council and the Mayor's Administration have shown for domestic violence survivors. With new and increasing challenges faced by domestic violence survivors both during and since the COVID-19 pandemic, the support of the City Council and the Mayor's Administration is critical.

Intersection of Domestic Violence and Economic Control and Abuse

This legislation is vital because as advocates for survivors of intimate partner violence, we know that abusive partners target the economic independence and stability of their victims in order to limit their options and resources and compel their continued dependence on the abusive partner.

Restricting Access to Money, Assets, Credit or Financial Information

Subversive forms of financial control and abuse are common methods of keeping a survivor isolated from her community and future financial independence. In many cases we have seen, particularly amongst new immigrant and non-English speaking survivors, abusive partners forbid partners from working, taking English classes, or even learning the NYC public transportation system. Abusers, whether through threats, intimidation, or physical violence, force survivors to stay home to serve as unpaid help, weaponizing gendered stereotypes and expectations, reinforcing their role as homemakers and childcare providers. In turn, abusers often keep survivors on strict budgets, tying money needed for necessities or assistance with immigration relief to demands for acceptable behavior or even sexual favors.

This serves to further isolate the survivor and keep them completely reliant on the abuser for shelter, food, and other basic needs. Take the example of Muneeba (name changed for her safety), whose husband helped her immigrate from Pakistan. She moved away from her loving extended family and gave up a career as a civil servant to move to Brooklyn, on the belief that the United States would provide greater opportunities for herself and two sons. Soon after her arrival, Muneeba's husband made her position in the family clear. She was expected to stay at home, cooking and cleaning for her husband. Every attempt to secure financial independence – whether it was enrolling at community college, trying to secure part-time employment, or even taking birth control – was met with physical violence and threats not only from her husband, but

his extended family. When Muneeba finally reported her husband's abuse to the NYPD, he was arrested and excluded from the home. However, her husband convinced her landlord to start an eviction proceeding against her in retaliation.

Or consider Tatiana, who came to the United States to work as a model at the age of 19. After meeting her partner, who was more than 30 years her senior, Tatiana became pregnant as a result of a sexual assault. Her partner convinced Tatiana to keep the baby, promising to take care of her and their child. Instead, over the course of several years, he used his status as a doctor to manipulate her, taking advantage of his reputation to build trust and then isolating Tatiana by convincing her to give up her career and immigration status in the US. Tatiana's partner used her reliance on him for financial support for herself and her child to demand compliance with his sexual demands.

Unfairly Using a person's personal economic resources for one's own advantage

Similarly, we frequently hear from our clients that their savings, resources, assets, and inheritances were taken or dissipated by their abusive spouse or otherwise converted to assets in the abusive party's name only. Many of our client's come from communities and cultures where the betrothal and bridal jewelry are an integral part of the engagement and wedding ceremonies. This jewelry, often gifted to the bride, stands as not only an assurance of the husband's ability to provide for his wife, but as a source of financial security for the bride should the marriage end or outlive her husband. This financial surety is often taken from our clients in abusive marriages, severely restricting their economic independence and ability to leave safely.

These were the issues facing Laila, whose husband's family forcibly took her bridal jewelry after she reported her husband's abuse to the police. After his arrest and exclusion from the home, Laila came home to find that her jewelry was missing from her bedroom. When she confronted

her in-laws, who resided upstairs in their shared duplex and were the only other people with access to her apartment, they blamed Laila, providing evasive answers and stating that the jewelry was missing because Laila knew what she had done. Having no documentation of the jewelry except in her wedding photos, Laila was unable to seek any recourse within the legal system. Without any of her own savings and two young children, Laila was unable to move away and was forced to remain at her husband's home where her in-laws subjected her to daily harassment and intimidation.

Economic Exploitation and Coerced Debt

Exploiting a survivor's credit to incur debt in their name is another insidious form of financial abuse. It can happen in relationships where the abusive partner uses fraud, theft, coercion, force or misinformation to get their partner into debt. It can also occur among unmarried couples where survivors are forced to turn over their paychecks or withdraw cash for their abusers. This type of financial abuse is common and results in long lasting financial consequences, even after the relationships have ended. This economic exploitation prevents survivors from being self-sufficient and affects their ability to secure housing, employment, open a bank account or get on sound financial footing. It is extremely difficult for survivors to recover from this form of financial abuse because of the lasting repercussions. It impacts a survivor's credit score, can cause her to be hounded by collection agencies for debt in her name that isn't really hers, and for survivors whose partners falsely claim their children as dependents on tax returns even after they have separated, prevents her from receiving tax refunds and other tax credits.

However, even if a survivor somehow does manage to prove in matrimonial court that an abuser had wrongly accrued debt to her name, the court's ability to provide relief is profoundly limited. In family court proceedings, rarely does a court look at financial abuse when making

determinations of how to make a survivor whole. Further complicating the matter, neither the IRS nor collection agencies are required to recognize a court's finding that an abuser is responsible for a survivor's coerced debt. Civil courts are also not bound to recognize a finding of coerced debt as they only care about receiving what they are owed, not who it is coming from. Under the current system, there is nowhere for a survivor to go to discharge coerced debt. Instead, a survivor is forced to either negotiate directly with her creditors, submit paperwork to the IRS challenging the fraudulent filing or find another lawyer to take her case pro-bono.

This is exactly what happened to Angela, who came to this country with her husband. When Angela arrived in the United States, she planned to enroll in graduate school to further her education and build a career. Instead, her husband pressured her into being a stay-at-home mother, forbidding her from attending school or finding a full-time job. While the parties were looking to buy a home for their growing family, her husband pressured Angela into signing the mortgage application even though she did not fully understand what she was signing. Several years later, her husband asked her to sign documents for a second mortgage and she refused. It was only years later when the parties were in divorce proceedings that she was made aware of the fact that her signature was on the paperwork for the parties' second mortgage, her husband having forged it. During their marriage, her husband opened several credit cards in Angela's name, forging her signature on the credit card applications, and forced her to open several more, racking up close to \$17,000 in credit card debt, causing collections to come after her and for her credit score to be negatively impacted. Because the credit card debt was in Angela's name, she was unable to convince the collection agencies that it was really her husband who had opened the cards and incurred the debt. Angela's husband continued to economically harm Angela and their four children even after their divorce by repeatedly and falsely claiming their children as his dependents

and taking tax refunds and COVID-19 stimulus payments that Angela was entitled to for her children.

"Taking Care of Finances" and Separate Property

In many families and relationships, it is also common for one party to be designated the money manager or accountant to take care of the family's finances, assets, and debts. Oftentimes, this may be the more financially literate or English-speaking family member or partner, who offers to help in this regard as a demonstration of good faith and kindness. This may be the normal circumstance for many families and relationships, but it can easily be abused. What once started as convenience can quickly become controlling behavior, and money and property that once belonged solely to the survivor can then be used to threaten and coerce the survivor. A survivor is then unable to access her own finances and assets, unable to meet her basic needs, and utterly dependent on the whims of her abuser. Not only is this a prevalent issue in cases of domestic violence, but there has been a rampant rise of this behavior in cases of elder abuse.

Take for example the case of Lilian, who had separate savings of more than \$100,000 from before her marriage. After her marriage, her husband convinced Lilian to invest her savings, arguing that this could help secure their retirement. As Lilian was unfamiliar with investments, she turned over control of the portfolio to her husband believing that her husband had their best interests in mind. Less than a year after the transfer of property, Lilian's husband began to threaten her whenever Lilian asked questions about the investments, telling her that she no longer had any rights to the information, and that he would kick her out of the home if she continued questioning him. Soon the threats became violent, and Lilian fled her home out of fear. With no savings, she was forced to enter a domestic violence shelter. During their divorce proceedings, the discovery process unveiled Lilian's husband's elaborate scheme. Having obtained her savings, Lilian's

husband instead used part of her money to fund his gambling habit, while the rest of her savings was mismanaged in investments that now totaled less than \$10,000. Despite the history of domestic violence, Lilian was unable to financially recover any of the money or assets wasted by her husband.

Conclusion

Like physical violence, threats, and stalking, financial abuse is part of the pattern of behavior that is used by individuals perpetrating domestic violence to coerce, control, intimidate, and maintain power over the survivor. We need to recognize it as such.

We thank the Committee on Women and Gender Equity and Committee on Civil and Human Rights for their leadership in addressing the issues facing survivors of domestic and intimate partner violence. We hope we can continue to be a resource for you going forward.

Respectfully submitted,

New York Legal Assistance Group