

Four Major Risks from the MyCity Portal Will Put New Yorkers and Their Data in Danger

Compiled by Surveillance Resistance Lab and New Economy Project
Based on testimony submitted by AI Now Institute, Legal Aid Society, NYPLI, NYCLU,
Sugar Law, and TechTonic Justice

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On September 30, 2024, the New York City Council Committee on Technology held an oversight hearing on the MyCity Portal, “[a centralized platform for City services and benefits](#)” that Mayor Adams and his administration claimed will be “a one-stop shop for New York City services and benefits.” Aside from one other City Council hearing in 2023 and some journalistic analysis of the contracts online, MyCity has been designed and developed behind closed doors without democratic engagement or oversight.

At the September 30 hearing, more than a dozen organizations testified. Many raised shared questions and concerns about the MyCity portal expanding policing powers throughout more City government departments and services, as well as the lack of data protection measures in the digital infrastructure being silently built to support it.

Multiple organizations raised the alarm about how the corporate capture and outsourcing of these services to private contractors will have serious— and potentially dangerous— long-term consequences for the everyday life of New Yorkers. The City’s digital dependency on corporate tech could undermine democratic safeguards in government. Many of these concerns echoed the March 2024 [report](#) MyCity, INC: A Case Against Compstat Urbanism.

Advocates also shared that a “one-stop shop” for City workers and vendors to access sensitive information about New Yorkers is a major cybersecurity risk. Central to this were concerns about the inadequacy of data protections in place to safeguard information. This is especially concerning because the administration recently loosened the rules around when and how agencies can use demonstration project procurement (an non-competitive and opaque procurement method) for new technologies. This will further insulate agencies and tech corporations from democratic oversight.

As reviewed in detail in the testimony by **New Economy Project**, many of the organizations at the hearing previously worked together in a coalition of community, immigrant rights, economic justice and legal organizations that successfully fought against the attempted corporate tech takeover of New York City municipal ID cards in 2019.

After the hearing on Monday, City Council Technology Committee Chair Jennifer Gutiérrez, City Council Governmental Operations Chair Lincoln Restler, and NY State Senate Standing Committee on Internet and Technology Chair Senator Kristen Gonzalez [sent a letter to NYC Comptroller Brad Lander calling for an audit of the City’s tech contracts](#) after a string of

controversies over potential conflicts of interest and lack of transparency in procurement processes.

We call on the City Council to stop, question, and assess the MyCity and digital wallet projects. We also support the legislators' call for an audit by the Comptroller of all tech contracts. We additionally urge the Committee on Technology to hold a hearing specifically about demonstration project procurement, tech contracts, and the current data sharing practices across city agencies, including police.

The MyCity portal creates multiple foreseeable major risks for New Yorkers' community power, privacy, taxpayer liability, and human and civil rights. Below we outline **Four Major Risks from the MyCity Portal Will Put New Yorkers and Their Data in Danger:**

- **MyCity is Mayor Adams's plan for the privatization and "policification" of City services, connecting the digital infrastructure of service providers directly to the NYPD and to corporate contractors.**
- **MyCity is a threat to democracy in New York City, with an embrace of AI and centralized digital infrastructure that will undermine protections built into government processes, basic worker and union rights for City employees and city government infrastructure itself.**
- **MyCity is a prime example of prioritizing corporate technology "solutions" to provide services and how that undermines long-sought solutions brought by advocates, undermining democratic community power over local governance and service delivery, and it excludes New Yorkers without tech access.**
- **Mayor Adams is using MyCity to transfer tax-payer funded public services to for-profit corporations with little to no oversight just as he and members of his administration are facing multiple federal investigations into corruption and bribery in New York City.**

Excerpts from advocates' testimonies are cited or quoted throughout and at the end.

1. **MyCity is Mayor Adams's plan for the privatization and "policification" of City services, connecting the digital infrastructure of service providers directly to the NYPD and to corporate contractors.**

MyCity will create a [Digital Cop City](#), extending the NYPD's digital infrastructure and data collection to [all NYC agencies](#) participating in this project. This inextricably links service delivery to data collection for the purpose of policing and punishment. It also creates more opportunities for corporate influence in public service governance as they shape and provide technological solutions.

Instead of protecting the boundaries between civil and police agencies and data access, this Adams administration has rolled out an aggressive and rapid expansion of digital control over our lives that should be concerning for all New Yorkers. The Adams administration has recently [announced](#) the appointments of NYPD officials who will become embedded throughout civilian agencies as well as the building of [a training facility](#) for the city's new "public safety apparatus." Advocates like **NYLPI** emphasized how imperative it is that we protect mental health and family services data from police. The MyCity data sharing agreement and the One City Act that this administration proposed in Albany undermines New Yorkers' privacy rights.

Under the City's plan, it will also partner with a financial technology (or fintech) firm to create and promote a so-called "digital wallet" on the MyCity platform. This wallet would also be used by the City to pay government workers and benefits recipients. This plan threatens to centralize benefits into a single digital platform, giving government agencies excessive control and enabling intrusive monitoring over how New Yorkers spend their money. In fact, the Administration has been open about its desire to [use the digital wallet to track users' purchasing habits](#). This type of surveillance raises alarming concerns around privacy, autonomy, and government overreach.

2. MyCity is a threat to democracy in New York City, with an embrace of AI and centralized digital infrastructure that will undermine protections built into government processes, basic worker and union rights for City employees and city government infrastructure itself.

Mayor Adams has already laid out his vision for MyCity as a centralized platform akin to CompStat – the infamous NYPD tool that led to manipulation and stop-and-frisk policing – for all city agencies to aggregate and analyze data and ultimately to make predictions. Similar to other tech-solutionist "smart city" projects, New Yorkers were promised MyCity would make service provision faster, safer, more convenient, more efficient, and cheaper. Instead, as emphasized by **NYCLU**, "we're seeing record lows of food stamps and cash relief application approvals and inordinate difficulty reaching human operators." We are also seeing deep budget cuts across city services, allowing the City to leave critical agency human employee positions unfilled for extended periods of time.

The mayor has also bought into the Big Tech firms' narrative that AI is going to change the world for the better and make government more efficient. However, as **AI Now's** testimony emphasized, we see much the opposite in the real world: unbridled commercial surveillance, power concentration in a few dominant firms, and a lack of public accountability. We cannot allow private firms to hide behind corporate secrecy laws and must ensure corporate accountability within public infrastructure projects. Finally, we must push back against the City's prioritization of outsourced private contracts over in-house, unionized tech jobs.

The experiences of other states and municipalities that have created similar centralized, automated and privatized systems are strikingly similar to the concerns organizations raised at the hearing and serve as a warning to New Yorkers. **TechTonic Justice** flagged multiple

jurisdictions including Arkansas, Rhode Island, Colorado, and others that have experienced the harms from these centralized and privatized platforms.

For example, **Jacob Fallman from Sugar Law** testified about Michigan automated its unemployment insurance benefits system, relying on algorithmic decision-making in public benefit programs, and how it should be a cautionary tale for New York. “Despite being heralded as a success by state officials, MiDAS quickly resulted in widespread harm. The system flagged tens of thousands of Michiganders for fraud, leading to more than 34,000 automated fraud determinations between 2013 and 2015. Shockingly, an internal review later found that up to 93% of these cases were false accusations.” The consequences for affected claimants were devastating and led to lawsuits and tens of millions of dollars in legal settlements that the state paid out at taxpayer expense. Michigan laid off many of its union-member claims examiners, which has had a lasting effect on the ability of Michiganders to access unemployment benefits. A preliminary injunction from a class-action lawsuit forced the state to halt collections and reassess its practices.

3. MyCity is a prime example of prioritizing corporate technologies’ “solutions” to provide services and how that undermines long-sought solutions brought by advocates, undermining democratic community power over local governance and service delivery, and it excludes New Yorkers without tech access.

One of the administration’s justifications for the MyCity initiative has been the promise to expand access to city and financial services, particularly for historically redlined communities. However, as explained by **New Economy Project’s** testimony, a closer analysis of the MyCity proposal, and its reliance on partnerships with fintech companies like MoCaFi, reveals that the initiative will not provide the robust, equitable financial inclusion New Yorkers deserve. Research and past experiences show that digital-only financial solutions, such as the proposed MoCaFi digital wallet, fail to meet – and often exploit – unmet needs in communities where barriers to financial inclusion are deeply structural.

“Low-income callers [to New Economy Project’s Financial Justice Hotline] who have used fintech products to receive benefits and access funds routinely report significant problems receiving statements, accessing and transferring funds, and reporting and receiving redress for fraud—notwithstanding clear EFTA protections in place to prevent and curtail these abuses. Furthermore, without careful attention to how the digital wallet and user accounts are structured, New Yorkers risk falling outside the scope of critical EFTA protections when fintech products like digital wallets are opaque, complex, and involve multiple parties. We are alarmed that New Yorkers could be steered to a digital wallet without ensuring they would retain these vital consumer protections. Fintech companies, such as MoCaFi, generally lack adequate regulatory oversight and routinely evade or flout consumer protection laws. Fintech products are typically characterized by high and hidden fees, data extraction, and limited consumer recourse in the event of disputes—all of which disproportionately affect low-income communities and communities of color. These companies invariably focus on maximizing profits at the expense of the public interest. When governments contract with fintechs for public services, it enables this

profit-driven approach to erode the integrity of those services and undermines broader public policy objectives. In the case of MyCity, these partnerships risk undermining public trust and uptake of city services.”

4. Mayor Adams is using MyCity to transfer tax-payer funded public services to for-profit corporations with little to no oversight just as he and members of his administration are facing multiple federal investigations into corruption and bribery in New York City.

As emphasized by the **Surveillance Resistance Lab**, MyCity gives corporations central decision making roles and the ability to design durable City infrastructure through opaque procurement processes without democratic debate or meaningful public engagement. We cannot allow the administration to continue constructing this highly consequential digital infrastructure, including the associated digital wallet, through procurement processes that they have made even more undemocratic. For example, just two weeks ago the [administration passed a rule allowing them even less transparency and accountability](#) through the demonstration project process.

As this project moves forward, there seems to be an expanding list of investigations into the Adams administration, including a federal investigation into a possible bribery scheme involving City contracts and a consultant who is the younger brother of outgoing schools chancellor David Banks and outgoing Deputy Mayor Phil Banks.

The centralizing of New Yorkers information into a single corporate-controlled database created with little oversight and protections is ripe for corruption, security breaches, selling of personal data and other multiple, foreseeable crises.

We call on all New Yorkers to join us in calling on the City to stop, question, and assess MyCity.

Excerpts from Advocates’ Testimonies

We fear that this administration has not protected the boundaries between police and civilian agencies. Unlike the fights over how many stops, how many abuses, or how many crime reports they refuse to make, these digital violations carry an additional danger—invisibility. It gives the NYPD the power to digitally search without being seen. It opens a lens into our spending habits, family connections, residential history, social networks, faith communities and more—for people reliant on city services to survive, the lens will be wide-open. (**Surveillance Resistance Lab**, 7)

The MyCity portal and digital wallet would similarly facilitate an unprecedented amount of data collection about New Yorkers seeking city services—exposing them to privacy, surveillance, data exploitation, and financial risks. The Council must ensure that robust and transparent safeguards are in place to address these serious risks, particularly in light of the Procurement Policy Board’s recent rule change, which makes an already opaque process for approving

demonstration projects even less transparent and accountable. Absent such protections, the Council must take measures to curtail this project. We call on the City Council to use all available powers, including its legislative and oversight authority, to fully investigate these issues and ensure that any future actions regarding MyCity are undertaken with full transparency, accountability, and public input—core principles that New Yorkers expect from their government. **(New Economy Project, 2)**

Instead of weakening the existing privacy protections, we should be strengthening them. Relying on government benefits and services should not open people up to even further surveillance and discrimination – this is especially true in light of this year’s election and the potential harms for immigrant people and other marginalized communities. City agencies should clearly articulate the need for data sharing, how it would further people’s access to services, and provide clear plans for safekeeping data to guarantee it is not used to criminalize, punish, or otherwise harm people in need. **(NYCLU, 2-3)**

While New Yorkers should expect the government to harness technology to improve our ability to access parks, shelters, benefits, childcare, education, and health care, we should not accept that it comes at the cost of exposing vulnerable New Yorkers to warrantless surveillance, potentially including fines; family separation; forcible removal from subways, sidewalks, and parks; detention; deportation; and other harmful state uses of force. **(Legal Aid Society, 4)**

We urge the City Council to question the risks associated with expanding interagency data sharing, data use, and data access to MyCity – particularly for individuals with mental health treatment records. We are counting on you to protect the privacy rights of New Yorkers with respect to their mental health, substance use, and other sensitive information. **(NYLPI, 1)**

Similar projects, oftentimes headed by large private vendors in various other states, have resulted in enormous failures. It’s not just Arkansas, Rhode Island, it’s Colorado, it’s Texas, places of different sizes, different political climates, and everything else. And when they fail, the result is outstanding and unsupportable human suffering. **(TechTonic, 3:08:04)**

The failure of MiDAS was compounded by the fact that Michigan laid off many of its union claims examiners—workers whose jobs had been to manually review claims. Replacing these human workers with an automated system, the state believed it would streamline operations. However, as the system began generating erroneous fraud determinations, the lack of human oversight proved disastrous. Thousands of cases flooded the Michigan Administrative Hearing System, overwhelming it with appeals. **(Sugar Law, 2)**

First, MyCity Portal must not be used to justify and entrench Big Tech corporate interests in public infrastructure while creating a centralized surveillance system that violates New Yorkers’ privacy and autonomy. Second, we cannot allow private firms to hide behind corporate secrecy laws and must ensure corporate accountability within public infrastructure projects. Third and finally, we must push back against the City’s prioritization of outsourced private contracts over in-house, public tech jobs. **(AI Now, 2)**