

**Testimony of Commissioner Samuel A. A. Levine  
New York City Department of Consumer and Worker Protection**

**Before the Committee on Consumer and Worker Protection  
Hearing on Enforcement of Consumer Protection Law and  
Introductions 177 and 410**

**February 23, 2026**

***Introduction***

Good afternoon, Chair Epstein, and members of the Committee on Consumer and Worker Protection. My name is Samuel Levine, and I am the Commissioner of the Department of Consumer and Worker Protection (DCWP). I am joined by our General Counsel, Michael Tiger, and Deputy Commissioner of External Affairs, Carlos Ortiz. Thank you for the opportunity to testify before the Committee today on enforcement of the Consumer Protection Law and Introductions 177 and 410.

***Protecting New Yorkers***

The NYC Department of Consumer and Worker Protection (DCWP) is the nation's leading municipal enforcement agency charged with delivering economic justice. DCWP leverages its authority to bring New Yorkers real economic relief and protect them from predatory, deceptive, and unfair practices that violate their rights as consumers and workers. This includes pioneering cutting-edge protections, such as the City's Consumer Protection Law, Protected Time Off Law, Fair Workweek Law, and Delivery Worker Laws, including the Minimum Pay Rate for delivery workers. Through licensing more than 45,000 businesses in over 45 industries, DCWP ensures fair competition and a level playing field for responsible small businesses that are integral to New York City's vibrant communities. DCWP also provides essential services such as free tax preparation and financial counseling to ensure New Yorkers keep more of what they earn and can plan for their futures. DCWP is committed to making sure New York City is a fairer, more affordable place to live.

***Championing Consumers, Workers, and Small Businesses Throughout NYC***

Over the last six weeks, we have turbocharged our efforts to deliver on this commitment. We filed three major lawsuits where we are aiming to recover tens of millions of dollars for consumers and workers targeted by junk fees, stolen wages, and exorbitant price hikes. We returned more than \$5 million to underpaid delivery workers, and we blew the whistle on a scheme by Uber and DoorDash to drive down workers' tips by more than \$550 million. We finalized a strongest-in-the-nation rule to crack down on hotel junk fees, which will save New Yorkers more than \$45 million every year. We stood alongside members of this Committee to celebrate the passage of key laws expanding opportunities for street vendors and protecting gig workers from arbitrary deactivations. And last week, we announced a new data-driven enforcement strategy for Protected Time Off, to ensure that no worker in NYC faces illegal restrictions or discipline when they take time off for childcare, health reasons, or other protected needs.

I am especially proud that we are identifying new and innovative tools to drive down costs for New Yorkers. This month – which we have dubbed Fee Free February – we are leveraging our existing laws, including our licensing authority, to make New York more affordable and ensure that honest businesses aren't undercut by companies that cheat. For example, we have sent dozens of notices to tax preparers warning them against illegal fees, while promoting New York's best-in-the-nation free tax prep services alongside Mayor Mamdani and Chair Epstein. We have deployed our inspectors throughout New York City to ensure that grocery stores aren't overcharging consumers, and that employment agencies aren't ripping off struggling New Yorkers. And just last week, we sent

notices to the largest gyms in the city that trap New Yorkers in memberships they can't cancel will not be tolerated.

Across the board, we are aiming to send a clear message: the era of ripping off New Yorkers with impunity is over. Whether you're a retiree struggling to afford groceries on a fixed income, a deliverista facing arbitrary deactivation, a recent graduate looking for a job, or a freelance worker waiting to get paid, we are here to fight for your rights and deliver on the promise of a fairer economy. And we could not do that without the broad authority and steadfast support of this Committee and this Council.

### ***Introduction 177***

Turning to today's legislation, Introduction 177 requires the DCWP to create and run a program to provide individualized counseling to individuals about federal and state student loan forgiveness programs in consultation with the Department of Citywide Administration (DCAS). We support this legislation. I have worked on student loan affordability for more than a decade, and have seen how student loan debt can drive families into financial distress. DCWP is proud to provide supports for student loan borrowers across the city through one-on-one financial counseling at our Financial Empowerment Centers (Centers). Our Centers provide free, professional guidance and help clients address savings, banking, credit and debt, including dealing with student loan debt. We look forward to working with Council on this and other ways to support student loan borrowers in New York City.

### ***Introduction 410***

Introduction 410 would require retail stores that primarily sell food for off-site consumption or that includes a pharmacy to accept flexible benefits cards distributed by health insurance providers if the store already accepts credit or debit cards. We have previously testified in support of the intent of this legislation. We worked closely with Council throughout the legislative process last year and our understanding was that there was still not full clarity on the potential impacts that this bill may have, including large cost implications for small businesses. We look forward to hearing from stakeholders today to gain a better understanding of how the flexible benefits market operates, so that together with Council we can strike a balance between the intent and the real-world implications this bill may have on small businesses in New York City.

### ***Conclusion***

Thank you for the opportunity to testify before your committee on our essential work uplifting New Yorkers and today's legislation. We look forward to working with all of you to further our efforts to protect New Yorkers from harm in the marketplace. I welcome any questions you may have for further discussion.



**Powering a  
more equitable  
New York**

Testimony by  
Community Service Society of New York  
New York City Council  
Consumer and Worker Protection Committee Hearing  
Monday, February 23, 2026

## **Introduction**

Thank you for the opportunity to submit written testimony to the Committee on Consumer and Worker Protection on behalf of the Community Service Society of New York (CSS).

CSS is an informed, independent, and unwavering voice for low-income New Yorkers. For 180 years, our organization has worked to address the root causes of economic inequality through rigorous research, advocacy, litigation, and innovative direct-service programs that strengthen communities across the state. Through our work in healthcare and higher education, we see every day the critical need for stronger consumer protections. New Yorkers seeking essential care or striving to advance their education are too often met with harmful, exploitative practices at the very moments they are trying to improve their lives. CSS remains committed to ensuring that all New Yorkers are safeguarded from these harms and can access needed support without exploitation.

## **The Urgency of Protecting Student Loan Borrowers**

As one in four federal student loan borrowers are now at risk of default<sup>1</sup>, the stakes could not be higher. Over the decades, borrowers have experienced severe financial harm due to chronic federal loan servicing failures which are now exacerbated post-COVID, by the current federal administration. These failures include servicers:

- Steering borrowers into repeated forbearances rather than income-driven repayment plans, causing balances to balloon and leaving borrowers saddled with debt longer;
- Providing misinformation about eligibility criteria for loan repayment and relief programs;
- Mismanaging account records and payment histories.

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<sup>1</sup> NewsBreak. (2025). *1 in 4 borrowers is behind on student loans and these groups blame Trump*. <https://www.newsbreak.com/the-daily-overview-358953826/4505438247140-1-in-4-borrowers-is-behind-on-student-loans-and-these-groups-blame-trump>

Despite extensive documentation of these failures, servicers remain largely unaccountable. This lack of accountability is compounded by the fact that each new administration’s transition, regardless of intent, results in system instability, widespread borrower confusion, and barriers to legally entitled relief. At the same time, the federal infrastructure intended to protect borrowers has been weakened. Borrowers today depend on a Department of Education whose staffing—particularly within Federal Student Aid—has been gutted, diminishing its capacity to respond to complaints, enforce laws and oversee servicers. The Consumer Financial Protection Bureau (CFPB), once a critical check on servicer misconduct, has also experienced reductions in authority and enforcement capacity, resulting in little to no resolution for borrowers using traditional complaint channels.

*Take Rachel’s case. She fully qualified for Public Service Loan Forgiveness, yet due to servicer mismanagement and missing loan records, she was credited with only 68 payments instead of the 120 she had earned over ten years of monthly payments. She filed multiple complaints and supplied complete payment records back to 2004, but the servicer failed to correct the errors, forcing repeated escalations. It ultimately took over two years to fix her account and secure the discharge she was entitled to.*

No borrower should lose access to promised relief (or spend years in limbo) because of servicer errors. Rachel’s experience shows how even eligible borrowers face prolonged delays and systemic failures before receiving the relief they deserve.

In this current environment, borrowers have no meaningful avenue to enforce their rights when they are harmed. They cannot hold servicers accountable for misinformation, mismanagement, or denial of legally entitled benefits. They cannot seek damages or directly compel corrections to their accounts when servicers refuse to act and now, they can’t rely on federal agencies to intervene consistently or effectively.

To make matters worse, nearly eight million borrowers enrolled in the SAVE repayment plan are now being pushed out of it due to court challenges, leaving them without access to the lower payments and protections the plan was designed to provide.<sup>2</sup> This abrupt change will force borrowers into less affordable repayment options, significantly increasing their risk of delinquency or default.

Such instability creates ideal conditions for scams and deceptive practices, especially from fee-based “document preparation” companies that often target borrowers during moments of confusion and desperation.

*Nadine was targeted by a document-processing company that took control of her Federal Student Aid account, needlessly consolidated her federal loans, enrolled her in auto-debit, and charged her \$799 upfront plus a \$39 monthly “maintenance” fee, leaving her trapped in a predatory scheme that was difficult to stop.*

Consumer advocates and federal agencies have already warned that the SAVE plan freeze is generating widespread uncertainty among borrowers, making them more susceptible to misleading or fraudulent offers.

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<sup>2</sup> Zampini, M. (2026, February 12). *New student loan repayment plan won’t save borrowers*. The Institute for College Access & Success. <https://ticas.org/affordability-2/fed-reserve-rap-loan-default-feb-2026/>

For millions of New Yorkers, this transition and lack of servicer accountability is a consumer protection crisis that demands stronger oversight, clearer communication, and robust enforcement tools to prevent further harm across all levels—city, state, and federal. This is why establishing a private right of action for New York borrowers is essential, not only to meet the current moment but to ensure long-term true consumer protection. Without the ability to take legal action when they are harmed, borrowers remain powerless in a system that has demonstrated that administrative complaint processes are insufficient to protect them. A private right of action would give borrowers the basic ability to seek relief, compel accountability, and deter future misconduct.

## **The Growing Shift Toward Private Student Loans**

We are deeply concerned about the accelerating shift toward the private student loan market driven by federal policy changes. *HR1—The One Big Beautiful Bill Act (OBBBA)* will eliminate Grad PLUS loans, impose new federal borrowing caps, and restrict repayment and forgiveness options for Parent PLUS borrowers. These changes will create immediate and significant gaps in how students and families finance higher education.

For decades, federal loans could cover up to the full Cost of Attendance, providing a stable and predictable financing option. That protection is now disappearing—yet most families remain unaware of the impending change. Colleges themselves are still assessing the scope of the financial fallout and struggling to plan for the higher number of students who will face unmet need.

A report from *The Century Foundation*<sup>3</sup> makes the implications clear:

- 38.2% of consumers nationwide will struggle to secure a private student loan for themselves or a family member.
- In low- and moderate-income neighborhoods, 50.9% of consumers have limited credit history or poor/fair credit, creating major barriers to private loan approval.
- In neighborhoods where most residents are people of color, 46.9% face similar credit barriers, reflecting stark racial disparities.

As a result, many students will be unable to borrow or cosign the private loans they are now being pushed toward—a shift that will widen existing inequities in college access, persistence, debt outcomes, and upward economic mobility, particularly for low-income communities and communities of color.

Equally alarming is the near-total lack of transparent consumer information in the private loan market. Students, families, and even institutions lack access to meaningful data about private lenders, interest rates, underwriting standards, repayment terms, or portfolio performance. There is no standardized way to compare products “apples to apples,” leaving consumers to navigate a murky, opaque system at one of the most consequential financial moments of their lives.

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<sup>3</sup> Granville, P. (2025, July 21). *The FICO factor: GOP megabill will limit who gets to access college*. The Century Foundation. <https://tcf.org/content/report/the-fico-factor-gop-megabill-will-limit-who-gets-to-access-college/>

Layered on top of this is the emotional pressure surrounding college financing. Families are consistently told that higher education is worth the cost. Even when private loans are unaffordable, emotions and urgency, often override careful financial decision-making. The foreseeable result is clear: Students and families will take on debt they cannot afford, and many students will be forced to stop out when private credit is unavailable or insufficient.

*Take John's experience. As an undergraduate, his financial aid didn't cover his full costs. Unaware of the Parent PLUS option, his family turned to private loans. His parents cosigned for the first year, but their limited income made them ineligible the following year. His grandfather then cosigned another private loan to keep John enrolled. Now, both his parents and grandfather face financial insecurity—all stemming from gaps in federal financing and reliance on private credit.*

Again, the shift from federal to private financing threatens to deepen inequality and push more New Yorkers into financial distress just as they are striving to build stability and opportunity through higher education. Robust monitoring of private student loans and related products is a first step toward building the consumer-protection infrastructure needed to detect abuses early, improve transparency, and hold lenders accountable.

### **The Rising Risk of Direct-to-School (Institutional) Debt**

The third issue we expect to worsen dramatically is the rapid rise of institutional, or direct-to-school, debt—money owed directly to a college when a student cannot cover tuition or related costs. This type of debt frequently occurs when a student misses a withdrawal deadline, must leave school due to health or personal emergencies, or cannot secure sufficient financial aid or loans to remain enrolled.

With new federal loan caps and shrinking access to private credit, institutional debt is projected to increase sharply. As more students are unable to borrow what they need to stay enrolled, they will instead accumulate balances owed directly to their college. These debts block re-enrollment until paid in full, trapping students in a devastating cycle: debt but no degree, fewer employment opportunities, and severely limited economic mobility.

This problem is especially concerning because New York invests heavily in expanding access to higher education through TAP, Excelsior, CUNY/SUNY funding, and opportunity programs. Yet rising institutional debt threatens to undermine those investments, effectively shutting students out of the very institutions the State is working to make more affordable. Without intervention, we risk creating a pipeline where public dollars support access on the front end, only for students to be pushed out and burdened with unprotected institutional debt on the back end.

Institutional debt is also far more punitive than federal student loans. It carries none of the consumer protections that exist in the federal system. There are no income-based payment options, no hardship forbearances, no forgiveness pathways, and no borrower defense process. Collection is governed by archaic institutional policies, not modern consumer-protection standards. As a result, consequences can be swift and severe:

- At CUNY, institutional debts are turned over to private debt collectors;

- At SUNY, the Attorney General’s Office sues students to recover balances;
- At private nonprofit colleges, students face aggressive collection agencies and, in some cases, litigation.

These practices often lead to damaged credit, financial instability, and an inability to continue or resume higher education. These are conditions that disproportionately harm first generation and low-income students.

Given the shifting federal landscape, New York must prepare for a significant increase in institutional debt and adopt a strong consumer-protection posture. This includes monitoring institutional debt trends, ensuring transparent billing and withdrawal policies, establishing guardrails around collection practices, and ultimately protecting students from being pushed into financial ruin simply because they pursued higher education.

### **What New York City and DCWP Can Do**

To safeguard New Yorkers, we urge DCWP and City leadership to:

1. Expand consumer protections for all education-related debt, including private and institutional debt.
2. Ensure transparency requirements for private lenders, including standardized disclosures and public reporting.
3. Support the creation of a private right of action, giving harmed borrowers the ability to seek relief.
4. Monitor trends in federal, private, and institutional student debt, and develop early-warning mechanisms for consumer risk.
5. Work closely with community-based organizations, legal service providers, and state regulators to strengthen oversight and enforcement.

### **Conclusion**

New Yorkers deserve a higher education financing system that promotes economic mobility and expands opportunity. Without stronger protections, transparency, and accountability, borrowers will continue to face financial harm that deepens inequity. These consequences reach beyond individual households—they echo across local and state economies, weaken our workforce pipeline, and undermine New York’s longstanding investments in accessible and affordable higher education. Strengthening consumer protections is essential to safeguarding the economic well-being of New Yorkers.

For more information, please contact Carolina Rodriguez, Director of the Education Debt Consumer Assistance Program ([EDCAP](#)) at [crodriguez@cssny.org](mailto:crodriguez@cssny.org) or 212-614-5457.



# MANHATTAN CHAMBER OF COMMERCE

## TESTIMONY OF JESSICA WALKER

President & CEO, Manhattan Chamber of Commerce  
Before the New York City Council

### Committee on Consumer and Worker Protection

*Oversight Hearing: Enforcement of the Consumer Protection Law*

February 23, 2026

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## INTRODUCTION

Good afternoon, Chair Epstein and distinguished members of the Committee on Consumer and Worker Protection. My name is Jessica Walker, and I am the President and CEO of the Manhattan Chamber of Commerce. Thank you for the opportunity to testify today. This testimony arrives at a uniquely consequential moment: just yesterday, the sweeping changes mandated by Local Law 145 of 2025 took effect, DCWP published its new Benchmarks enforcement report only three days ago, and the agency's public hearing on proposed Protected Time Off rulemaking is scheduled for March 2—barely one week from today. The pace and scale of regulatory change now bearing down on small businesses is extraordinary, and it makes this Committee's oversight more important than ever.

The Manhattan Chamber advocates for businesses of every size across the borough. Manhattan itself is home to more than 130,000 business establishments that collectively support roughly 2.5 million jobs and one of the largest local economies in the country. But behind the headline numbers are individual entrepreneurs: the bodega owner in Washington Heights who opens at 5 a.m., the nail salon operator in Chinatown working alongside her two employees, the family-run laundromat in Harlem that has served the same neighborhood for three generations. I am here today on their behalf.

We share this Committee's commitment to protecting consumers and workers. Strong enforcement is essential to a fair marketplace, and we have no interest in shielding bad actors from accountability. What we are asking for is a system that distinguishes between malice and mistakes—one that recognizes the vast majority of small business owners are not corporate entities with dedicated legal and HR departments, but working people who are often learning about a new regulation for the first time when an inspector walks through their door.

# I. THE ENFORCEMENT LANDSCAPE: WHAT OUR DATA SHOWS

In December 2025, the Manhattan Chamber published “Enforcement Uncovered,” a comprehensive analysis of DCWP inspection and charges data from July 2023 through October 2025. We analyzed approximately 211,000 inspection activities and more than 100,000 charges of violations across all five boroughs. The findings paint a troubling picture for small businesses.

## **DEFAULT JUDGMENTS DOMINATE THE SYSTEM**

Sixty-two percent of all resolved charges ended in a default judgment—meaning the business was found guilty not because the case was adjudicated on its merits, but because the owner failed to respond to a summons. When nearly two-thirds of cases are decided by non-participation, that is not a sign of widespread defiance. It is a sign of a system that is failing to reach the people it regulates. Many of these business owners are immigrants with limited English proficiency. Many work 12- to 14-hour days and never see the mailed notice buried in a stack of official-looking documents. The result is a de facto penalty system, not an adjudicatory one.

## **SMALL BUSINESSES STUMBLE ON PAPERWORK, NOT FRAUD**

Our analysis of the top 30 non-tobacco and non-cannabis violations reveals that the overwhelming majority of charges are for administrative and signage infractions: a missing refund policy sign near the register, a shelf tag that fell off, an absent “straws upon request” notice. Nearly 5,000 businesses were cited for failing to post a refund policy. Over 3,400 were cited for missing shelf pricing. These are not acts of consumer fraud. They are the predictable result of asking small operators—many without any dedicated compliance staff—to track an ever-growing list of mandates across multiple regulatory agencies.

We also note that environmental regulations around single-use plastics have recently surged into the top tier of violations. Over 1,300 businesses were cited for missing the required “plastic straws upon request” signage, and nearly 1,200 for providing a straw without being asked. We strongly support environmental goals, but when new mandates are rolled out without adequate education and transition support, the businesses that bear the burden are not large chains with compliance teams—they are the corner store and the local deli.

To be clear, the Manhattan Chamber applauds DCWP’s current, highly publicized efforts to crack down on predatory ‘junk fees’ and hidden subscription traps. That is exactly what consumer protection should look like: targeting bad actors who intentionally deceive New Yorkers to inflate their profit margins.

However, there is a profound difference between a corporate gym deliberately hiding fees and a local deli accidentally handing out a plastic fork with a takeout order. Yet, the current enforcement framework treats them with the same immediate severity. Under the rigid structures of recent environmental mandates—specifically the ‘Skip the Stuff’ law (Local Law 17 of 2023) and the single-use plastics ban (Local Law 64 of 2021)—small businesses are actively denied the opportunity to fix administrative mistakes. Now that their initial rollout warning periods have expired, neither of these laws contains a permanent Right-to-Cure provision for first-time infractions. A neighborhood bakery cited for a missing ‘straws upon request’ sign is immediately hit with a fine, completely bypassing the educational intent that Right-to-Cure was supposed to

champion. These environmental laws desperately need permanent cure periods so that our smallest businesses are educated, not just penalized.

## THE RIGHT-TO-CURE IS BROKEN

New York City's Right-to-Cure laws were designed to give businesses a fair chance to fix minor, first-time violations before facing penalties. But our analysis found that 55 percent of cure-eligible charges have no recorded outcome whatsoever in DCWP's reporting—they appear as blank entries in the public data. We cannot tell whether these businesses successfully corrected the issue, were penalized by default, or remain in limbo. If the City cannot account for half of its own cure-eligible cases, policymakers have no basis for evaluating whether this critical protection is functioning at all.

## II. CONCERNS REGARDING DCWP'S PROPOSED PROTECTED TIME OFF ENFORCEMENT FRAMEWORK

While the specific focus of today's oversight hearing is the enforcement of the consumer protection law, it is impossible to separate those practices from DCWP's broader regulatory philosophy. The punitive, "gotcha" approach that traps small businesses in administrative consumer violations is the exact same approach the agency appears to be escalating in its labor enforcement. Because this committee oversees both domains, we wish to draw your immediate attention to two recent actions by DCWP that, taken together, represent a significant escalation in how the city enforces protected time off requirements against small businesses.

### THE NEW "BENCHMARKS" REPORT

In February 2026, DCWP published "Benchmarks for Evaluating Compliance with NYC's Protected Time Off Law." The report describes a data-informed approach that compares an employer's paid sick leave usage rate (drawn from payroll records) to benchmark usage rates derived from national survey data. DCWP indicates that unusually low usage can serve as a screening signal for further review, and that, where paired with other evidence from an investigation, it may inform enforcement decisions.

We have serious concerns about this approach. We first wish to acknowledge that DCWP's simultaneous rollout of a voluntary self-auditing tool—which allows employers to check their own compliance without sharing data with the agency—is a positive and constructive step. That is exactly the kind of collaborative approach we are asking for across the board. Our concern is that the Benchmarks report points in the opposite direction:

- **This approach risks false alarms - especially for small employers where a few absences (or a lack of absences) can swing the numbers dramatically.** A small restaurant with 15 employees where only a handful used sick leave in a given year may have a perfectly legitimate explanation: a young and healthy workforce, seasonal staffing changes, or employees handling minor illnesses informally. Benchmarks should be a starting point for outreach and education, not a shortcut to presuming noncompliance.
- **National benchmarks do not reflect local realities.** DCWP's benchmarks are derived from a national CDC survey, yet DCWP itself acknowledges these figures underestimate

expected usage in New York City due to higher rates of respiratory illness and other factors. Building enforcement around an admittedly imprecise tool raises due process concerns, especially for small employers where the sample size of employees makes any statistical comparison inherently unreliable.

- **The penalties are severe and cumulative.** Under the current penalty structure, an employer found to have an “official or unofficial policy or practice” of suppressing leave use owes \$500 per employee per year in relief, plus an equal amount in civil penalties. For a business with 100 employees, that is \$300,000 over three years. For a small business of 20 employees, a three-year finding would mean \$60,000—a potentially business-ending sum for a neighborhood establishment.

## THE PROPOSED RULE AMENDMENTS

Simultaneously, DCWP has proposed sweeping amendments to its rules implementing the Earned Safe and Sick Time Act, incorporating the changes mandated by Local Law 145 of 2025. These amendments rename the framework to “Protected Time Off,” expand the authorized uses of leave to include childcare, housing proceedings, and public disasters, and require all employers to provide an additional 32 hours of unpaid leave that must be immediately available on an employee’s first day of work.

The policy goals behind these expansions are laudable. But the compliance burden they impose on small businesses is extraordinary. Consider what is now required of a small employer: maintain written policies covering every authorized use of leave, track separate banks of paid and unpaid time, differentiate between protected time off accrued under different statutory provisions, print detailed accrual and balance information on every pay statement, and understand which bank of leave to draw from depending on the employee’s request and remaining balances. The proposed rules run to over 20 pages of dense regulatory text.

A business owner with five employees and no HR department is expected to implement all of this—often without any awareness that the law has changed. DCWP’s public hearing on these rules is scheduled for March 2, 2026. We urge this Committee to ensure that robust small business education accompanies any new rulemaking, and that first-time administrative violations of these new requirements are subject to a meaningful cure period before penalties attach.

## III. CONCERNS REGARDING INTRODUCTION 0410-2026

We also wish to address Introduction 0410-2026, which would require retail stores and pharmacies that accept credit cards to also accept “flexible benefits cards” issued by health insurance providers. We share the goal of expanding purchasing power for working New Yorkers. However, as drafted, this bill risks functioning as an unfunded operational and technology mandate on the small businesses least equipped to absorb it.

These benefit cards often do not operate like ordinary credit cards in a mixed retail basket. Eligibility rules are set by the card issuer and can vary by plan, product category, and merchant

configuration. For bodegas and independent grocers that sell a mix of covered and non-covered items, that can translate into declined transactions at checkout, confusion for customers and staff, and significant time spent resolving disputes.

To comply reliably, many small retailers would likely need clear guidance on which benefit-card networks are covered, additional merchant enrollment steps, point-of-sale software or terminal updates, staff training, and ongoing support when issuer rules change. Even when each individual step is manageable, the combined burden is real for thin-margin neighborhood stores - and it is a burden the bill currently places entirely on the retailer.

We respectfully urge the Committee to consider three modifications: first, create a technology and onboarding assistance program (grants, vouchers, or negotiated discounted pricing) for small businesses that must update systems to comply; second, include a clear small-business exemption or safe harbor for very small retailers and those without modern point-of-sale systems; and third, require DCWP to publish a standardized compliance pathway and provide a longer phase-in period so businesses can implement changes without disruption to daily operations.

## IV. REGARDING INTRODUCTION 0177-2026

Finally, we wish to briefly address Introduction 0177-2026, which would require DCWP to create and operate a student loan financial counseling program. We support this initiative. Student debt is a significant barrier to economic mobility for workers across Manhattan's industries, and expanding access to individualized counseling on federal and state forgiveness programs is a worthy public investment—particularly given ongoing uncertainty at the federal level around the future of programs like the SAVE Plan.

We offer one note of caution. DCWP is already being asked to enforce an increasingly complex web of consumer protection rules, labor standards, and environmental mandates—many of which, as we have outlined today, are straining the agency's capacity to conduct effective outreach and education. We would encourage the Committee to ensure that this new counseling program is resourced independently so that it strengthens DCWP's consumer education mission without diverting capacity from the agency's enforcement and compliance functions. Small businesses need DCWP's full attention on getting enforcement right; workers need this counseling program to succeed on its own terms.

## V. WHAT WE ARE ASKING FOR

The Manhattan Chamber is not asking this Committee to weaken consumer or worker protections. We are asking you to build a smarter enforcement system—one that reserves its heaviest tools for employers that willfully exploit their workers, while offering small businesses the education, support, and due process they need to do the right thing.

Specifically, we recommend:

- **Mandate SMS and email notification** of upcoming hearing deadlines at 7, 3, and 1 day before the response date, in multiple languages. A 62 percent default rate is unacceptable, and better notification is the simplest fix.

- **Expand the Right-to-Cure** and require DCWP to close the data gap on cure outcomes. Create a mobile-first “one-click cure” portal that allows business owners to upload photos of corrected violations. And require DCWP to report quarterly on cure completion rates and default decision rates as public accountability metrics.
- **Amend recent environmental mandates to include permanent cure periods.** We urge the City Council to pass legislation explicitly amending Local Law 17 of 2023 ("Skip the Stuff") and Local Law 64 of 2021 (the single-use plastics ban) to establish a permanent Right-to-Cure for first-time administrative and signage infractions. When the temporary warning periods for these laws expired, small businesses lost the ability to correct honest mistakes before facing fines. Reinstating a permanent cure period for first-time violations ensures that the City is educating neighborhood businesses on sustainability goals rather than just penalizing them for paperwork errors.
- **Fund Compliance Navigators** through the Small Business Resource Network operated by the Five Chamber Alliance and the Department of Small Business Services. These advisors would provide ongoing, in-person compliance guidance—not just at the licensing phase, but throughout the life of a business. The City should also provide “starter kits” with mandatory signage to every new licensee.
- **Apply the Benchmarks report with caution.** We urge the Committee to exercise oversight over DCWP’s use of statistical benchmarks in Protected Time Off enforcement, particularly for small employers where small sample sizes make the methodology unreliable. At minimum, a cure and education period should precede any penalty in cases where the employer demonstrates a good faith effort to comply.
- **Ensure Int 0410 does not become an unfunded mandate.** If the City requires small retailers to accept issuer-defined flexible benefits cards, it should help pay for the required onboarding, training, and point-of-sale updates - and it should provide clear rules and appropriate exemptions for the smallest businesses. Without financial assistance, safe harbors, and a realistic phase-in, this bill could burden the very neighborhood stores it aims to help.
- **Resource Int 0177 independently.** We support the creation of a student loan financial counseling program, but urge the Committee to ensure it is funded and staffed in a way that does not draw resources away from DCWP’s existing enforcement and small business outreach obligations.

## CONCLUSION

New York City’s small businesses operate in one of the most complex regulatory environments in the country. Most do not have a lawyer on retainer or an HR department to parse 20-page

rulemaking documents. They learn about new requirements from a neighbor, from their accountant at tax time, or—too often—from the inspector who has come to cite them.

We can do better. We can build enforcement systems that educate before they punish, that use technology to reach business owners where they are, and that measure success not by the volume of fines collected, but by the rate of compliance achieved. That is the system New York's small businesses deserve, and that is the system that will ultimately best serve their workers and customers as well.

We respectfully submit the Manhattan Chamber's full "Enforcement Uncovered" report for the Committee's record.

Thank you for your time and for your continued service to the people of New York City. I welcome your questions.



# ENFORCEMENT UNCOVERED

ANALYSIS OF BUSINESS INSPECTIONS AND CHARGES  
ISSUED BY NEW YORK CITY'S DEPARTMENT OF CONSUMER  
AND WORKER PROTECTION (DCWP)



↙ DECEMBER 2025

# ENFORCEMENT UNCOVERED

ANALYSIS OF BUSINESS INSPECTIONS AND CHARGES ISSUED BY NEW YORK CITY'S DEPARTMENT OF CONSUMER AND WORKER PROTECTION (DCWP)

DECEMBER 2025



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## ABOUT THE CHAMBER

The Manhattan Chamber of Commerce is the borough's premier organization dedicated to empowering businesses, strengthening our local economy, and ensuring that New York remains the world's most exciting and opportunity-rich place to do business.

We help, connect, and fight for the 125,000+ businesses across Manhattan, which is the heart of New York's economy. Collectively, these businesses employ 2.4 million people and generate over \$1 trillion in annual GDP.

Learn more: [www.manhattanc.org](http://www.manhattanc.org)

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## EXECUTIVE SUMMARY

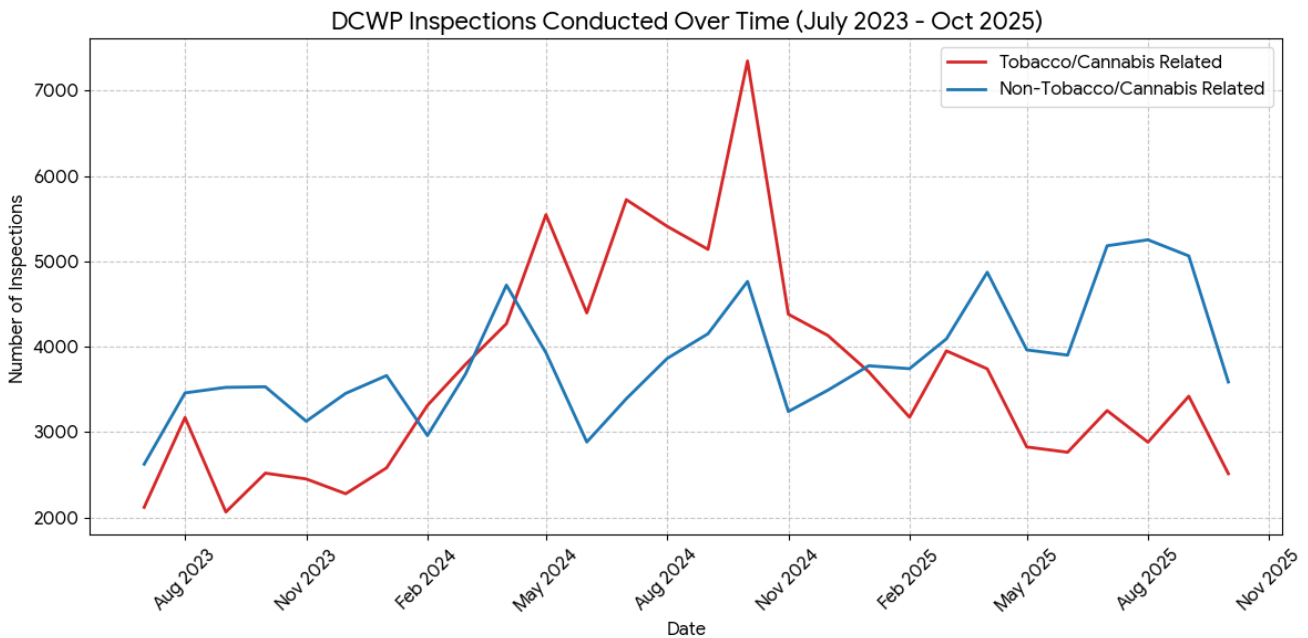
From July 2023 to October 2025, the New York City Department of Consumer and Worker Protection (DCWP) conducted approximately **211,000 inspection activities** resulting in roughly **123,600 on-site visits** at businesses across the five boroughs. These inspections, aimed at enforcing consumer protection and workplace regulations, generated more than **100,000 charges** of violations.

This report analyzes the inspections, charges, and case outcomes to identify trends and propose policy fixes. As the City’s consumer watchdog, DCWP licenses and regulates thousands of businesses—ranging from bodegas and nail salons to tobacco retailers and debt collectors. While the agency plays a vital role in maintaining a fair marketplace, our analysis reveals a system where **default judgments dominate, data transparency is lacking, and small businesses face significant hurdles** in navigating complex compliance requirements.

## KEY FINDINGS

### 1. Enforcement is Driven by Strategic "Sweeps" on Regulated Products

DCWP enforcement is highly concentrated. The dataset records **210,826 inspection entries** for the 28-month study period. A substantial portion of this volume was driven by targeted initiatives, particularly those addressing tobacco sales to minors and unlicensed cannabis retail—often conducted in support of the Sheriff-led "Operation Padlock to Protect" that peaked in 2024. Roughly **49%** of all inspection records are categorized under Tobacco, E-Cigarette, or Cannabis retail codes. This highlights a bifurcated enforcement landscape: intense scrutiny for high-risk regulated products, distinct from the routine checks performed on general retail.



## 2. Queens & Bronx Lead in "Clean" Inspections; Manhattan Sees High Turnover

Analysis of inspection outcomes reveals distinct borough-level trends:

- **High Compliance in Outer Boroughs: Queens and The Bronx** recorded the highest rates of positive outcomes. When combining "No Violation Issued" with "No Evidence of Activity" (a positive outcome indicating inspectors found no illegal unlicensed activity), **Queens (42%)** and **The Bronx (41%)** led the city in compliance.
- **Market Volatility in Manhattan: Manhattan** recorded the highest rate of businesses marked "**Out of Business**" (**18.5%**) at the time of inspection. While this designation can sometimes indicate temporary closures or renovations, the consistently higher rate in Manhattan compared to the other boroughs (avg. 15.5%) serves as a concerning proxy for the borough's significant market turnover and commercial vacancy challenges.

## 3. Sustainability Rules and Signage Are Major Stumbling Blocks

Excluding tobacco and cannabis-specific violations, the data shows that small businesses struggle primarily with **signage, pricing transparency, and new environmental mandates**. Violations related to **single-use plastics** have recently surged into the top tier of non-tobacco charges.

### Top "Non-Tobacco/Cannabis" Violations (July 2023 - Oct 2025):

1. **Failure to Post Refund Policy (4,924 violations):** The most common administrative error. Businesses fail to post the specific refund disclosure signage near the register (e.g., "No Refunds").
2. **Missing Shelf Pricing at Point of Display (3,424 violations):** Failure to display a clear price tag on the shelf, bin, or sign where the item is stocked.
3. **Missing Plastic Straws Signage (1,386 violations):** Failure to post the required sign stating "Plastic straws available upon request".
4. **Missing Individual Price Stickers (1,320 violations):** Discrepancies where 5 or more items are not clearly stamped or tagged with their price.
5. **Expired OTC Medication (1,260 violations):** Selling over-the-counter drugs (e.g., pain relievers) past their expiration date. *Note: This is distinct from expired food violations, which are regulated by the Health Department.*
6. **Plastic Straws Provided Unlawfully (1,175 violations):** Providing a plastic straw to a customer who did not explicitly request one.

These infractions suggest that recent environmental regulations are becoming a major compliance hurdle for neighborhood retailers who may lack the resources to track every new signage mandate.

## 4. The "Cure" Process is Obscured by Missing Data

New York City's "Right-to-Cure" laws were designed to give businesses a chance to fix first-time, low-stakes violations without penalty. However, the public data regarding these cures is dangerously incomplete. **55% of cure-eligible charges** have no recorded outcome in the "Cured" field—appearing simply as blank entries. Consequently, it is impossible to determine from the public record whether these businesses successfully fixed the issue, were penalized by default, or if the case is still open and pending. Until DCWP closes these record-keeping gaps, policymakers cannot reliably judge whether the "Right-to-Cure" is functioning as intended.

## 5. Default Judgments Remain the Norm

The rate of default judgments—where a business is found guilty because they failed to respond to the summons—remains the primary method of resolution. **62.3% of all resolved charges** ended in a default. While DCWP notes that many defaults involve businesses that have been properly served, a system where nearly two-thirds of cases are decided by non-participation suggests systemic barriers to engagement.

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## BOROUGH-LEVEL ENFORCEMENT DATA

*Analysis of unique inspection records (July 2023 – Oct 2025)*

Borough	Total Inspections	"Clean" Rate*	"Out of Business" Rate
Bronx	30,534	41.4%	13.9%
Brooklyn	59,002	36.5%	15.9%
Manhattan	55,840	37.4%	<b>18.5%</b>
Queens	56,400	<b>41.9%</b>	16.8%
Staten Island	8,934	43.1%	14.0%

*\*Clean Rate defined as "No Violation Issued" + "No Evidence of Activity" (e.g., no unlicensed activity found).*

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## POLICY RECOMMENDATIONS

To address these findings, the Manhattan Chamber of Commerce proposes a strategy focused on transparency, support, and accountability.

### 1. Radically Improve Data Accessibility

While DCWP and OATH maintain open data portals, the datasets are fragmented and difficult to navigate. The City should centralize these feeds into a single, user-friendly dashboard that tracks the life-cycle of a violation from Inspection to Notice of Hearing to eventual Outcome. Crucially, DCWP must prioritize data entry for "Cure" outcomes to eliminate the "unknown" status that currently plagues over half of all eligible charges (even by introducing a "case is open and pending" tag to enhance clarity).

## 2. Expand Wrap-Around Compliance Support

The data shows that small businesses are failing on "paperwork" and "signage" rules rather than malicious fraud. While DCWP's "Visiting Inspector Program" provides initial education, the high violation rates for simple signage suggest gaps remain. We recommend expanding support to include "Compliance Navigators"—trained advisors integrated into the trusted Small Business Resource Network operated by the Five Chamber Alliance in coordination with the city's Small Business Services Department—to offer reliable, in-person guidance beyond the initial licensing phase. Additionally, the City should provide "Starter Kits" with mandatory signage (Refund Policy, Plastic Straw Notice) to new licensees.

## 3. Maximize the Right-to-Cure

With a default rate exceeding 60%, the current notification system is failing to engage business owners. The City should implement SMS and email reminders at 7, 3, and 1 day before hearing deadlines to ensure owners do not miss their chance to contest or cure a violation. This notice could also refer them to free help via the Compliance Navigators outlined above. Furthermore, a mobile-first "one-click cure" portal would allow owners to upload photos of corrected violations instantly, reducing the administrative burden of the cure process.

## 4. Establish Accountability Metrics

The Mayor's Office of Data Analytics should publish a quarterly dashboard tracking key success indicators, including the Cure Data Completeness rate (Target: <10% unknown) and the Default Decision rate (Target: <40%). Tracking these metrics will ensure that enforcement reforms translate into tangible improvements for New York City's small business community.

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## DATA SOURCES

This report's analysis is derived from two primary public datasets provided by the City of New York, accessible via the NYC Open Data portal:

- **DCWP Inspections Dataset** (<https://data.cityofnewyork.us/Business/DCWP-Inspections/jzhd-m6uv>): This dataset provides detailed records of inspections conducted by DCWP. It includes information such as the date of inspection, the business name and address, the type of inspection conducted (e.g., "Patrol," "Consumer Request to Inspect," "Business Education," or specific program-driven inspections like "Tobacco 21 compliance"), and the immediate outcome of the inspection (e.g., "Violation Issued," "No Violation Issued," "No Evidence of Activity," "Warning").
- **DCWP Charges Dataset** (<https://data.cityofnewyork.us/Business/DCWP-Charges/5fn4-dr26>): This dataset complements the inspection data by providing comprehensive records of the Notices of Hearing (NOH) issued by DCWP. It details the specific charges filed against businesses, the associated violation types (e.g., "Missing Refund Policy," "Sale of Expired Goods"), the status of these charges (e.g., "Default," "Cured," "Pleaded," "Withdrawn"), and potentially the corresponding fine amounts.

The data was last accessed on December 26, 2025.

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## APPENDIX: DETAIL ABOUT “NON-TOBACCO/CANNABIS” VIOLATIONS

The total number of non-tobacco charges in the studied period (July 2023 – October 2025) was **34,828**, that number is built up from a "long tail" of **535 different unique regulations**. Here is how the math breaks down:

### 1. The "Long Tail" Effect

The top 10 violations account for about half the volume. The other half comes from hundreds of obscure or niche rules that accumulate slowly over time.

- **Top 10 Charges:** ~17,200 violations (49% of total)
- **Next 40 Charges:** ~11,400 violations (33% of total)
- **Remaining 485 Charges:** ~6,200 violations (18% of total)

Because the tail is so long, you reach a high total (~35k) without any single violation needing to be huge.

### 2. Industry Fragmentation (Silos)

"Tobacco" is a single industry with one main product, so every inspection checks the same thing (e.g., "Underage Sale"). This concentrates the numbers.

"Non-Tobacco," however, includes totally separate businesses that never get the same tickets. This "dilutes" the top numbers:

- **Parking Garages** get tickets for "Capacity Signs" (Rank #20). A bodega will never get this ticket.
- **Laundromats** get tickets for "Lost Ticket Policies" (Rank #17). A parking garage will never get this ticket.
- **Tax Preparers** get tickets for "Disclosure Forms." A laundromat will never get this ticket.

Because the non-tobacco violations are siloed by industry, no single charge can dominate the list the way tobacco charges do.

### 3. Top Industries Contributing to the ~35k Total

You see this fragmentation in the industry breakdown. The total is a sum of many different business types:

- **Grocery/Bodega:** ~13,000 charges (Refund policies, Price tags)
- **Supermarkets:** ~3,600 charges (Scanner accuracy, Scales)
- **Parking Garages:** ~2,500 charges (Rate signs, Capacity signs)
- **Salons/Barbers:** ~1,600 charges (Price lists)
- **Laundromats:** ~1,200 charges (Refund signs)

## Top 30 “Non-Tobacco/Cannabis” Violations

Below is the ranking of the 30 most frequent charges issued to businesses for non-tobacco/cannabis related infractions (July 2023 - Oct 2025). The list is dominated by signage and pricing transparency rules, with a notable recent surge in environmental (plastic straw) violations.

Rank	Charge Description	Count
1	<b>Missing Refund Policy Sign</b> (At register/point of sale)	4,924
2	<b>Missing Shelf Pricing</b> (No price on shelf/bin)	3,424
3	<b>Missing "Straws Upon Request" Sign</b> (Failure to post mandatory notice)	1,386
4	<b>Missing Individual Price Stickers</b> (Failure to sticker 5+ items)	1,320
5	<b>Selling Expired OTC Meds</b> (Selling meds past expiration date)	1,260
6	<b>Unlawfully Providing Plastic Straws</b> (Providing without request)	1,175
7	<b>Unlawfully Providing Plastic Stirrers</b> (Plastic stirrers are banned)	1,103
8	<b>Deceptive Trade Practice - Tax</b> (Taxing non-taxable goods)	905
9	<b>Net Quantity Labeling</b> (Package missing weight/count info)	850
10	<b>Manufacturer Address Labeling</b> (Package missing maker's info)	837
11	<b>Missing "Open Door/Window" Complaint Sign</b>	781
12	<b>Missing Price List for Services</b> (e.g., Salons, Laundries)	696
13	<b>Deli Items Pricing Display</b> (Prices not displayed for deli goods)	561
14	<b>Register Display Visibility</b> (Customer cannot see cost indicator)	537
15	<b>Receipt Information Missing</b> (Receipt lacks required details)	470

<b>Rank</b>	<b>Charge Description</b>	<b>Count</b>
16	<b>Perishable Food Dating</b> (Missing sell-by/use-by dates)	431
17	<b>Missing Laundromat Refund/Complaint Sign</b>	413
18	<b>Exceeding Vehicle Capacity</b> (Parking Lots/Garages)	407
19	<b>Improper Rate Sign</b> (Parking Lots/Garages)	395
20	<b>Failure to Provide Straws</b> (Not having straws available when asked)	380
21	<b>Missing "Capacity Full" Sign</b> (Parking Lots/Garages)	364
22	<b>Credit Card Limitations Disclosure</b> (Not posting card minimums/rules)	361
23	<b>Missing Credit Card Total Price Sign</b>	353
24	<b>Sidewalk Obstruction</b> (Box/barrel outside stoop line stand)	327
25	<b>Service Price List - Conditions</b> (Price list lacks "starts at" details)	327
26	<b>Unlicensed Parking Lot Activity</b>	320
27	<b>Unlicensed Stoop Line Stand</b>	251
28	<b>Open Door w/ Air Conditioner On</b> (Store door open while AC is running)	239
29	<b>Refusal of Cash Payment</b> (Cashless ban violation)	234
30	<b>Missing Customer Scale</b> (Store lacks required scale for customers)	223

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February 23, 2026

Harvey Epstein, Chair  
Committee on Consumer and Worker Protection  
New York City Council  
New York, NY 10007

Dear Chair Epstein and Members of the Committee on Consumer and Worker Protection:

The National Association of Consumer Advocates (NACA) is a nonprofit organization actively engaged in promoting a fair and open marketplace that forcefully protects the rights of consumers. We appreciate this opportunity to appear before you to share our views on the oversight and enforcement of consumer protection law in New York City. As the global center for business and commerce, New York City should also serve as a model for protecting and empowering individual consumers, particularly the most vulnerable among us, in the marketplace.

### **New York tackles unfair, deceptive and abusive business practices**

In January 2025, as the Consumer Financial Protection Bureau prepared to transition to the current administration's control, the federal agency under the former administration issued a recommendation to states to "refresh" their decades-old UDAP statutes.<sup>1</sup> In December 2025, New York Gov. Kathy Hochul signed into law Senate Bill 8416, the Fostering Affordability and Integrity through Reasonable Business Practices Act (FAIR Act), an update to New York's consumer protection statute in Section 349 of New York's General Business Law. In light of the federal government's actions over the past year to quash consumer protections and incapacitate regulators, New York and now New York City's move to modernize its laws and boost safeguards for working families and small businesses is not only timely, but crucial.

Before the FAIR Act, the state consumer law prohibited *deceptive* business practices, and it authorized the attorney general and private consumers to bring legal action to enforce it. The new law, which expands the state's consumer protections to prohibit *unfair* and *abusive* business acts or practices, brings New York on par with other states that combat unfair practices, and aligns it with federal standards against abusive practices.<sup>2</sup>

While New York's updated UDAP law represents a significant and positive step for consumer protection, it leaves an unmistakable enforcement gap that will obstruct the state's ability to achieve its goals. According to the FAIR Act, *only* the attorney general, and not harmed individuals, will be able to bring legal claims against bad actors that commit unfair or abusive practices against the state's residents.

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<sup>1</sup> Consumer Financial Protection Bureau, *Strengthening State-Level Consumer Protections, Promoting Consumer Protection Federalism*, Jan. 2025, [https://files.consumerfinance.gov/f/documents/cfpb\\_strengthening-state-level-consumer-protections\\_2025-01.pdf](https://files.consumerfinance.gov/f/documents/cfpb_strengthening-state-level-consumer-protections_2025-01.pdf).

<sup>2</sup> The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 prohibits unfair, deceptive, or abusive acts or practices (UDAAP).

For decades, laws that prohibit unfair, deceptive, and abusive acts and practices, or UDAAP laws, have been crucial for enabling state governments and individual consumers to confront and stop harmful business practices that affect consumers' everyday lives. State and federal officials, and private individuals have enforced UDAAP laws to tackle misconduct, including in the marketing of products and services, such as identity theft protection, bank overdraft programs and credit card account practices.<sup>3</sup> UDAAP also covers insidious practices such as hidden up-front fees and charges without consumer consent in services such as debt settlement and subscriptions; unauthorized tracking and data collection in online applications; bait-and-switch tactics in auto sales; delayed or withheld disclosures in sectors, such as mortgage servicing.<sup>4</sup> These days, consumers also face unfair and deceptive schemes connected to the purported use of artificial intelligence and other evolving technology.<sup>5</sup>

### **Public and private: the 'complementary relationship' for enforcing consumer protections**

As products and services evolve, state and federal consumer protection statutes have combatted a wide range of misconduct due to the "complementary relationship among federal, state, and private enforcement."<sup>6</sup> Federal agencies such as the Federal Trade Commission and the Consumer Financial Protection Bureau exercise their UDAP/UDAAP authority and enforce consumer laws under their respective jurisdictions. State governments through their attorneys general and other public offices also initiate lawsuits against perpetrators to protect their residents.

It is also important to note that most federal consumer protection statutes and many states rely on consumer-led private enforcement, that is, affected consumers file individual legal actions against wrongdoers. These laws empower harmed consumers to act as "private attorneys general," and give them "direct access to adequate remedies."<sup>7</sup> To ensure continuous enforcement and to make legal help accessible and affordable to everyday families, many state and federal consumer protection and civil rights laws also include provisions that allow consumers to recover their legal fees directly from the wrongdoer after successful resolution of their cases. Under these provisions, people who cannot afford to pay for legal help upfront can still enforce important rights. It also assures legislators that the protective laws they pass are enforceable by the persons they were meant to protect.

These private enforcement provisions serve multiple purposes. First, harmed individuals bear the brunt of the costs that unfair and deceptive practices impose. When companies break the law, an individual's private right of action to seek remedies ensures that at least a portion of the cost of the misconduct will transfer back to the wrongdoer that compensates victims. Second,

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<sup>3</sup> See, OCC, Comptroller's Handbook, *Unfair or Deceptive Acts or Practices and Unfair, Deceptive, or Abusive Acts or Practices Version 1.1*, December 2024, <https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/files/unfair-deceptive-act/pub-ch-udap-udaap.pdf>.

<sup>4</sup> See, also, Myriam Gilles, *The Private Attorney General In A Time Of Hyper-Polarized Politics*, <https://arizonalawreview.org/pdf/65-2/65sarizlrev337.pdf>.

<sup>5</sup> See, e.g. Federal Trade Commission, *FTC Announces Crackdown on Deceptive AI Claims and Schemes*, September 25, 2024, <https://www.ftc.gov/news-events/news/press-releases/2024/09/ftc-announces-crackdown-deceptive-ai-claims-schemes>.

<sup>6</sup> See Pridgen, *The Dynamic Duo of Consumer Protection: State and Private Enforcement of Unfair and Deceptive Trade Practices Laws* (2018). Faculty Articles, [https://scholarship.law.uwyo.edu/faculty\\_articles/13](https://scholarship.law.uwyo.edu/faculty_articles/13).

<sup>7</sup> Pridgen, [https://scholarship.law.uwyo.edu/cgi/viewcontent.cgi?article=1012&context=faculty\\_articles](https://scholarship.law.uwyo.edu/cgi/viewcontent.cgi?article=1012&context=faculty_articles).

consumer-led enforcement or a private right of action is a smart and prudent strategy to deter companies from breaking the law, imposing little cost to the public or the government, while benefitting both. Third, as political winds change, consumer-led private enforcement allows for consistent and predictable administration of laws, with the judicial system as its anchor.<sup>8</sup>

Fourth, consumer-led enforcement supplements our limited public resources. New York City, like other federal, state and local jurisdictions, lacks sufficient resources to pursue every act of misconduct impacting every consumer.<sup>9</sup> Public enforcement activity is structured to pursue cases that would have the largest impact, rather than smaller or individual disputes that private individuals or groups of individuals can address. And fifth, consumer-initiated enforcement, which stops and deters illegal conduct, also provides an indirect remedy for law-abiding businesses damaged by the unlawful practices of their competitors. These provisions, that authorize attorney general and private consumer-led enforcement, carry out the fundamental purposes of our consumer laws.

### **NYC can close the enforcement gap in its consumer laws**

New York City has an opportunity to implement long-established and proven consumer protections and to facilitate broad and vigorous enforcement of its laws. We recommend that the New York City Council take the following steps to enhance its residents' rights:

- Grant a right of action, through individual and class actions, and access to damages and injunctive relief to its millions of residents, which would allow and encourage them to enforce the City's consumer protections;
- Require companies to pay the legal fees of the consumers who win cases against them;
- Permit public interest organizations to act on behalf of consumers in appropriate circumstances;
- Make these rights and remedies unwaivable in consumer contracts to prevent companies from using their outsized bargaining power to suppress them in the fine print.<sup>10</sup>

These consumer rights will empower everyday consumers; deter predatory tactics, deception, and fraud in consumer transactions; level the playing field for law-abiding businesses; and bolster the City's reputation as a leader in commerce as well as consumer protection.

We appreciate your time and consideration of our views.

Sincerely,

Christine Hines  
Senior Policy Director

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<sup>8</sup> Myriam Gilles, *The Private Attorney General In A Time Of Hyper-Polarized Politics*, <https://arizonalawreview.org/pdf/65-2/65arizlrev337.pdf>.

<sup>9</sup> See, e.g. Deirdre Sullivan, *Taking Matters into Your Own Hands; Using the Private Rights of Action in UDAP Statutes to Hold Businesses Accountable for Data Breaches*, 2 Student J. Info. Priv. L. (2024), <https://digitalcommons.maine.gov/sjip/vol2/iss1/5/>.

<sup>10</sup> Andrea J. Boyack, *Abuse of Contract: Boilerplate Erasure of Consumer Counterparty Rights*, 110 Iowa L. Rev. 497 (2025), <https://ilr.law.uiowa.edu/volume-110-issue-2/abuse-contract-boilerplate-erasure-consumer-counterparty-rights>.



**Make the Road New York**  
**Testimony on Unlawful Junk Fees Charged to Low Income Tenants in New York City**  
**Before the New York City Council Committee on Consumer and Worker Protection**

**February 26, 2026**

My name is Daisy Martinez, and I am a Housing Paralegal at Make the Road New York, a community-based organization representing tenants in Brooklyn and Queens. This testimony addresses the growing practice of landlords forcing tenants to pay “junk” fees simply to pay their rent through online rent payment systems. Our legal team represents hundreds of tenants each year in eviction cases, illegal lockouts, HP cases for repairs, and 7A actions for buildings with dangerous conditions.

We are concerned with the increasing number of tenants being required to pay their rents through online tenant portals that charge service fees ranging from \$2 to \$10 per transaction just to pay their rent. These “pay to pay” fees are not optional and are assessed even if the tenant chooses to use a debit or credit card, or pay directly from a bank account. Tenants who have attempted to use an alternative payment method such as money orders or checks often are rejected by the management companies and landlords who refuse those payments.

For example, we represented a group of rent-stabilized tenants residing in a six-unit building in Brooklyn who asked the landlord to allow them to pay rent via Zelle or checks in order to avoid the \$6.95 portal fee required for each monthly rent payment due. However, the landlord refused, stating their other tenants are using the online portal therefore they should also be able to use it without any issues. Similarly, another group of rent-stabilized tenants in Brooklyn attempted to pay their rent by check, but it was not accepted as a form of payment and the management company required them to pay online, charging a \$2.95 fee. Another rent-stabilized tenant in a Queens apartment pays a monthly rent of \$2,486.53 and has to pay an additional \$9.99 through ClickPay tenant portal each month. The list goes on, and includes an elderly longtime Brooklyn rent-stabilized tenant forced to adapt to technology who now pays a \$3.95 service fee each month in addition to her rent.

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**WESTCHESTER**  
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Under Real Property Law § 235-g, landlords can offer online rent payment options to tenants as long as they offer a free alternative payment method. However, these landlords are refusing to accept checks or money orders and pushing tenants into using fee-based systems for their own convenience, shifting the financial burden onto the tenants. Without accountability, landlords will continue to impose these illegal and abusive “junk” fees. Even where landlords may accept checks or money orders, many tenants are directed to pay online and are not aware that the landlord must accept a free alternative payment method.

Tenants should not have to pay these junk fees just to pay their rent. I appreciate your time and commitment to protecting New York City tenants.

Daisy Martinez  
Intake/Outreach Paralegal  
Make the Road New York

## Testimony of Anthony Peña

Owner and Operator, City Supermarkets

Before the New York City Council  
Committee on Consumer and Worker Protection

Hearing on Oversight of the Consumer Protection Law  
February 23, 2026

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Good afternoon, Chair Epstein, and members of the Committee on Consumer and Worker Protection. My name is Anthony Peña. I'm a second-generation owner and operator of City Supermarkets. We have stores in Connecticut, Massachusetts, and Rhode Island — and it all started right here in New York.

My father started a bodega in Yonkers in [ADD YEAR]. That bodega grew into a market, which grew into a supermarket. Today, we have [XX] stores across [XX] states. Grocery is a tough business, but it's a rewarding business. It's a business I'm proud to be in.

I'm here today to talk about competition in the grocery industry and why this Council should act to protect it. Not as an abstract economic concept, but because it directly affects what New Yorkers pay for food and whether they have access to it at all.

We estimate that more than 80 percent of the grocers serving New York City are independent grocers. We are the backbone of this city's food supply. We operate in every borough, in every kind of neighborhood. And we are under siege.

Our customers are working people. All kinds of different backgrounds. Because of that, our stores aren't one-size-fits-all. They are part of the community, and they carry food that reflects that community.

For example, one of our stores in [LOCATION] serves mostly Haitian customers, while another operates in a mostly Colombian neighborhood. We cater to that. We have a store in Indian Orchard that has a lot of Portuguese customers. You'll find things in that store, like [ADD EXAMPLE], that you won't find in others.

That's the beauty of independent, main street grocers. It's not a cookie cutter. It's part of a community.

But those kinds of stores are endangered. Looking at the numbers, they're critically endangered. That's not because they don't provide consumers value. It's because retail industry consolidation has concentrated economic power in the hands of just a few companies — and those companies are using that power to rig the wholesale market against the rest of us.

Here is the reality that New Yorkers need to understand: dominant retailers like Walmart squeeze suppliers so aggressively that those suppliers are forced to increase costs on independent grocers to make up the difference. That means the higher food prices that New Yorkers pay at their neighborhood grocery store are effectively subsidizing Walmart's lower wholesale costs. Walmart then either pockets that added margin as profit or uses its superior position to undercut and put grocers like me out of business. Either way, New York City consumers lose.

This is not a rural problem or a national abstraction. This is a New York City cost-of-living problem. When 80 percent of the grocers serving this city are being forced to pay inflated wholesale prices because a handful of mega-retailers have rigged the supply chain in their favor, that cost gets passed directly to the people of this city.

In some cases, these mega-retailers can sell identical products for lower prices than I can buy them for at wholesale. Let me say that again: their retail price is lower than my wholesale cost.

Let me give you one example. Orange juice — a must-have for grocery stores. Not long ago, I was buying a [INSERT UNIT] of juice for just north of four dollars. Then we couldn't get any in stock. Suppliers would say "there's simply none to sell you."

Then I go to Walmart and it's fully stocked with the exact product that I cannot get.

Delivery drivers literally go right past my stores to make sure Walmart is stocked. And you can't blame them — Walmart's abuse of its buyer power to demand on-time and in-full deliveries during a supply chain crisis means suppliers have no choice but to meet their demands first.

This kind of economic discrimination happens every day. It happens because no one — not at the federal level and not at the city level — has adopted rules that account for how retail concentration creates gatekeeper power. Mega-retailers set the terms for suppliers and, by extension, for their competitors. They capture the savings for themselves rather than pass them to consumers. Meanwhile, I'm forced to buy fewer products at higher prices, and my customers — your constituents — suffer.

The Council has an opportunity to do something about this. New York City has long been a leader in consumer protection. I am urging this Committee to consider legislation that would protect fair wholesale competition in the grocery industry within the five boroughs. Fair wholesale costs will promote competition, lower food prices for New Yorkers, and help address the food desert crisis that continues to devastate communities across this city.

Because that is the other side of this equation. When independent grocers are driven out of business by unfair wholesale practices, they don't get replaced by Walmart. They get replaced by nothing. The neighborhood loses its grocery store. Fresh food disappears. A food desert is born. And the people who can least afford it — the working families we serve — are the ones who pay the price.

If mergers and concentration continue as they have, independent stores will continue to close. People will have fewer choices. You'll only have the options that a few enormous corporations want you to have. Is that really the city that New Yorkers want to live in?

New York City has always been defined by its neighborhoods and by the independent businesses that serve them. I'm asking this Council to protect that. We work incredibly hard to serve the working people who depend on us. All we ask for is a fair chance to keep doing it.

Thank you for your time.

**TESTIMONY OF CHUCK BELL  
PROGRAMS DIRECTOR, ADVOCACY  
CONSUMER REPORTS**

**BEFORE THE**

**COMMITTEE ON CONSUMER AND WORKER PROTECTION  
MONDAY, FEBRUARY 23, 2026**

**REGARDING**

**OVERSIGHT - ENFORCEMENT OF THE CONSUMER PROTECTION LAW**

Good afternoon, Chairman Epstein and members of the Committee. My name is Chuck Bell, and I am Programs Director for Advocacy for Consumer Reports.<sup>1</sup> Thank you for your efforts to support New York City's consumer protection initiatives, and investigate ways consumers are being cheated, scammed, ripped off, overcharged or otherwise treated unfairly.

When I moved to New York City in the early 1990s, I remember Commissioner Mark Green padlocking the gates of electronic stores that preyed on city tourists by selling overpriced and often defective merchandise, showing that New York City would enforce its laws not just for the city's residents, but for the benefit of visitors and the rest of the nation.

In the years since, I have often seen the NYC Department of Consumer and Worker Protection act boldly, effectively and courageously, fighting for consumer financial and labor protections. In the process, the agency has established many nation-leading protections and standards that have been very good for New Yorkers, which have also inspired other cities and states across the country to take similar actions. And we see this leadership role continuing prominently today, with Mayor Zohran Mandami and Commissioner Sam Levine implementing regulations to create the nation's strongest protections against unfair and deceptive hidden fees.

Over the years, our DWCP Commissioners and staff have been exceptionally hard-working and dedicated to carrying out the agency's mission, and we strongly urge you to

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<sup>1</sup> Founded in 1936, Consumer Reports (CR) is an independent, nonprofit and nonpartisan organization that works with consumers to create a fair and just marketplace. Known for its rigorous testing and ratings of products, CR also advocates for laws and corporate practices that are beneficial for consumers. CR is dedicated to amplifying the voices of consumers to promote safety, digital rights, financial fairness, and sustainability. The organization surveys millions of Americans every year, reports extensively on the challenges and opportunities facing today's consumers, and provides ad-free content and tools to 6 million members across the United States.

provide them the full legal authority and budgetary resources the agency needs to to protect New York City’s consumers and workers in the 21<sup>st</sup> century economy, across the full range of their statutory responsibilities and community needs.

But despite New York City’s best efforts to protect consumers, Consumer Reports and other consumer advocates see a problem. Over the last several decades, businesses have grown in scale, scope and complexity. They increasingly have asymmetrical power in the marketplace and in government when decisions are made. The digital economy has expanded, costs have crept up, and the affordability crisis has intensified over many years. We have fallen behind in updating our state, city and federal consumer laws. In this environment, New Yorkers are increasingly paying more, getting less, and falling through the cracks of a broken consumer-protection system.

New Yorkers like to think we are living in one of the most consumer-protected cities in the country. But, because of the trends cited above, the truth is the opposite. Today, our state and city consumer protection laws are generally much weaker than the laws in place in other states.

In New York City, under the state and city consumer laws we have today, businesses can legally engage in much conduct that is unfair, exploitative, coercive, or abusive — as long as they don’t technically *lie* about it.

This is the ***New York City Unfairness Gap***. And it’s costing New Yorkers billions of dollars, stripping away rights that residents of other cities and states take for granted.

Enacted in 1970, N.Y. State General Business Law § 349 is now limited and outdated. Since its passage, 42 states and the federal government have raised the bar, expanding prohibitions to outlaw unfair and abusive conduct. Without a ban on unfair and abusive acts and practices, bad actors can avoid consequences for taking advantage of people, as long as they do not get caught in a lie. New York consumers are unprotected and honest companies that treat their customers fairly are at a competitive disadvantage. Furthermore, the penalty in the state consumer law set in 1970 is outdated and too laughably low to provide a deterrent: only \$50, capped at \$1,000 even for willful and knowing violations.

Over the year, New York courts also have undermined the Legislature’s intent that General Business Law § 349 cover “all economic activity,” which has weakened the current law even more by requiring the consumer to prove that the bad business practices affected many people, even if the misconduct is directed at a single person. This interpretation exposes consumers and small businesses to bad acts with impunity and has excluded everyday consumer transactions such as apartment leases, deed theft schemes, and insurance contracts, leaving New Yorkers more vulnerable than residents in the vast majority of other states.<sup>2</sup>

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<sup>2</sup> Carter, Carolyn. *Consumer Protection in the States: A 50-State Evaluation of Unfair and Deceptive Practices Laws*, National Consumer Law Center, March, 2018, p. 9-17, available at: <http://www.nclc.org/images/pdf/udap/udapreport.pdf>

### **What does “unfairness” mean for New York City consumers?**

It’s the bad and unacceptable corporate behavior that occurs when companies hide behind the fine print in contracts, user agreements and marketing claims:

- Hidden fees
- Dark-pattern cancellation traps
- Payment-app scams with no refunds
- Auto-finance add-ons you never asked for
- Credit-reporting errors that never get fixed
- Data brokers selling your personal information
- Tenant-screening reports with outdated evictions
- Shrinkflation and slack-fill packaging
- Unfair loan-servicing practices
- Predatory targeting of seniors, immigrants, and low-income families

In almost every other state, individual consumers can go to court to challenge unfair business practices. In New York, they can’t — unless they can prove a materially misleading and deceptive statement. If the company didn’t lie, New Yorkers are out of luck.

Recently, the state approved the New York Fair Business Practices Act, which now gives the Attorney General the ability challenge unfair and abusive practices. That’s great, but it does nothing to upgrade the law to protect the ability of individual consumers to bring a case if they need to, or join a class action in cases where many consumers have been harmed by unfair practices.

As mentioned above, consumers in 42 other states – *including New York’s neighboring states such as Vermont, Connecticut, New Jersey and Pennsylvania* – are protected by a general consumer law that specifically bans unfair practices. Those consumers can act as “private attorney generals” to enforce the law themselves when they need to, in cases that may just affect them personally, or a handful of other consumers.

The New York Attorney General brings many important enforcement actions to protect consumers, and New Yorkers greatly benefit from the agency’s leadership, as we do from DCWP. But the Attorney General and local consumer agencies can’t be everywhere in a \$2.32 trillion economy, the 3<sup>rd</sup> largest state economy in the nation, and one of the ten largest in the world.

The AG and local consumer agencies understandably choose to bring enforcement actions based on based on widespread patterns of harm, and focus on those where they feel they can have the greatest impact. But this leaves huge gaps in private enforcement in New York State and New York City, putting individual people at a great disadvantage compared to other states and cities that have the essential legal protections against unfair and abusive conduct by businesses.

## **How The Unfairness Gap Hurts Consumers**

Here's some examples of how real people are harmed by New York's Unfairness Gap.

### *1. Older adults trapped in subscription scams*

In other states, seniors can sue companies that design cancellation flows to be confusing or impossible, which is unfair, but not necessarily "deceptive." In New York, those cases are likely to get dismissed.

### *2. Immigrants targeted with unfair contracts*

Other states allow lawsuits when businesses exploit language barriers. New York does not.

### *3. Working class families hit with auto-finance abuses*

Yo-yo financing, worthless add-ons, and unfair repossession practices are illegal elsewhere. In New York, they're legal if disclosed somewhere in the paperwork.

### *4. Renters denied housing because of outdated screening data*

Other states treat this as unfair. New York treats it as "not deceptive." When companies act based on outdated or incorrect data, they get a free pass. Because after all, they didn't specifically commit to ensuring data accuracy, and anyway, they never promised you a Rose Garden. Unfair, but not deceptive!

### *5. Victims of Digital Payment App scams*

According to the Federal Trade Commission, consumers lost \$391 million to digital payment fraud in 2024, such as government and bank imposter scams. Over the last 3 years, reports of digital app payment fraud are up 30%+ and losses are up 200%, for an average reported loss of \$500.

In other states, consumers can challenge unfair dispute systems for scam transactions. In New York, because platforms rarely make explicit promises, consumers lack a legal basis to bring a claim against unfair treatment.

### *6. Shoppers paying more for groceries and everyday goods*

Shrinkflation, slack-fill, and unfair loyalty pricing are actionable in most other states around the U.S. But in New York, these unfair practices have generally have free rein, because they are not necessarily "deceptive."

### *7. Consumers charged excessive bank fees.*

If banks reorder checks to maximize overdraft fees, or manipulate credit card payment

deadlines to run up late fee charges, consumers in New York do not have a cause of action. The practice is unfair, but not deceptive.

Do you see a pattern here? To make a quick buck, unethical businesses can extract profits by engaging in sharp and shady business practices, draining money out of consumers' pockets and undercutting honest sellers.

### **Who is harmed the most?**

The New York City Unfairness Gap hits hardest where power imbalances are greatest:

- Older adults
- Women
- Immigrants and limited-English-proficient consumers
- People with disabilities
- Low- and moderate-income families
- Black and Latino communities
- Renters and job seekers
- Anyone using digital platforms or payment apps

These are the people unfairness laws were designed to protect — and New York is failing them.

### **The Unfairness Gap in Regional Context**

If we take a look at states that border New York, we can quickly see that their consumer laws are stronger. Typically these states ban business conduct that is unfair, unconscionable and exploitative, putting consumers in a better position to challenge scams, fraud and shady practices by bad actors.

#### **1. Massachusetts (Chapter 93A)**

Examples of conduct treated as *unfair* (even without deception):

- Taking advantage of unequal bargaining power (e.g., predatory loan terms)
- Charging unconscionable prices or fees
- Failing to act in good faith in performing a contract
- Home improvement contractors taking deposits and not performing work
- Mortgage servicers applying payments unfairly or imposing junk fees

Relief typically awarded:

- Actual damages
- Mandatory multiple damages (double or treble) for willful or knowing violations
- Attorney's fees (automatically for prevailing consumers)

Massachusetts is one of the strongest UDAP states; courts regularly award double or treble damages for unfair conduct.

## 2. New Jersey (Consumer Fraud Act)

Examples of conduct treated as *unfair* or *unconscionable*:

- Unconscionable commercial practices (a broad category distinct from deception)
- Predatory for-profit school financing practices
- Unfair loan terms or abusive debt collection
- Auto dealer “packing” of unwanted add-ons

Relief typically awarded:

- Treble damages (automatic)
- Attorney’s fees
- Restitution
- Injunctive relief

New Jersey aggressively enforces unfair and unconscionable practices, including in education-finance cases.

## 3. Connecticut Unfair Trade Practices Act (CUTPA)

Examples of conduct treated as *unfair*:

- Contract terms that “offend public policy”
- Taking advantage of consumer inability to protect their interests
- Unethical business practices even without misrepresentation
- Unfair mortgage servicing or foreclosure conduct

Relief typically awarded:

- Actual damages
- Punitive damages (discretionary)
- Attorney’s fees
- Injunctive relief

CUTPA uses the “cigarette rule,” which explicitly covers *unfairness* independent of deception. Derived from a 1964 Federal Trade Commission (FTC) policy statement, it asks whether the practice: (1) offends public policy (established by statute, common law, or other concepts of unfairness); (2) is immoral, unethical, oppressive, or unscrupulous; or (3) causes substantial injury to consumers, competitors, or other businesses/

## 4. Vermont Consumer Protection Act

Examples of conduct treated as *unfair*:

- Predatory lending and rent-to-own abuses
- Unfair contract terms
- Taking advantage of vulnerable consumers
- Unfair billing or service-cancellation practices

Relief typically awarded:

- Actual damages
- Civil penalties
- Attorney's fees
- Injunctive relief

Vermont courts treat “unfairness” broadly, especially in financial services.

## 5. Pennsylvania Unfair Trade Practices and Consumer Protection Law (UTPCPL)

Examples of conduct treated as *unfair* or *unconscionable*:

- Home improvement contractor abuses
- Unfair utility billing practices
- Auto dealer unfair conduct (not just deception)
- Unfair debt collection or repossession practices

Relief typically awarded:

- Actual damages
- Treble damages (discretionary)
- Attorney's fees

Pennsylvania's UTPCPL historically focused on deception, but courts and the Attorney General increasingly treat unfair or unconscionable conduct as actionable.

In summary, Vermont, Connecticut, Massachusetts, and New Jersey all prohibit **unfair** and **unconscionable** practices. Pennsylvania often allows unfairness claims under its “catch-all” provision. New York stands alone in protecting only against **deception**, not **exploitation**.

The result is simple: **New Yorkers pay more, lose more, and have fewer rights than consumers in every neighboring state.** New York State and New York City are outliers in our region, because the surrounding states ban unfair, unconscionable and exploitative conduct, but New York merely bans deceptive acts and practices, when it comes to individual consumer cases and enforcement. If a business harms you in a way that is unfair but not deceptive, New York law says: “Too bad.”

This is not normal. This is not modern. And it is not acceptable for a state that prides itself on protecting consumers.

New York is the **only state in the region** where:

- unfair loan-servicing practices
- unfair credit-reporting systems
- unfair data-broker practices
- unfair payment-app dispute systems
- unfair auto-finance abuses
- unfair hidden fees
- unfair supermarket pricing
- unfair dark-pattern design

are **legal**, as long as the company avoids making a deceptive statement.

This is the **New York Unfairness Gap**, and it leaves New Yorkers uniquely exposed to the **highest-cost consumer harms** in the modern economy.

### **Federal Consumer Protection in 2026: Missing in Action**

We are also living in a period where the federal government is reversing course on consumer protection. Last year saw the near elimination of the Consumer Financial Protection Bureau--the primary federal watchdog agency protecting consumers from misconduct by banks, lenders, mortgage servicers, credit reporting agencies, debt collectors, and other financial services companies. An important court hearing tomorrow may shed light on whether planned massive layoff will be given the green light to proceed. In the breach, we look to New York City to please step up its game, and help fill the vacuum that is being opened up by sustained corporate and tech oligarch attack on financial regulation and consumer protection.

### **The Cumulative Harm**

As should be clear, we are not talking about a handful of consumers being nickel and dimed for one or two episodic, isolated or occasional transactions in the course of year. The NY City Unfairness Gap is a *systemic problem* that New York City consumers are forced to live with --day in and day out.

The New York City Unfairness Gap drains New Yorker City consumers through:

- Higher prices
- Hidden fees
- Lost housing
- Lost jobs
- Damaged credit
- Unrefunded scams

- Unfair loan terms
- Data misuse
- Predatory targeting

Unfair and abusive practices systematically impact and extract wealth from low-income, immigrant, and Black and brown communities, as well as people with disabilities and seniors.

It also rewards the worst actors — the ones who design their systems to be unfair but not technically deceptive.

New York’s law is so outdated that companies openly exploit the gap.

Conversely, if we strengthen the New York City consumer protection law to protect individual consumer rights, we will create a strong deterrent against unfair and predatory conduct, and unfair and predatory competition. A lot of these unfair practices would go away, if companies knew they could be challenged by individual plaintiffs and private attorneys in New York City, just as they can be challenged in Newark, Philadelphia, Hartford and Boston.

### **What New York City Should Do**

We urge New York City to develop strong legislation to strengthen the general consumer protection law, by banning unfair and abusive practices, to catch up with our neighboring states and the rest of country. We urge you to define unfairness clearly, by borrowing from other statutes such as the Federal Trade Commission Act and Consumer Financial Protection Bureau standards, and to give consumers a much stronger private right of action for the full UDAP (unfair, deceptive and abusive practices) provisions that are at the core of other state and federal laws. Without a full UDAP section, our consumer law will have no teeth.

New York City should also include provisions that protect vulnerable consumer segments against exploitation and unfair corporate behavior, so consumers will be treated fairly, regardless of age, disability, language barriers, immigration status, and economic vulnerability.

We also need a stronger law that clearly applies to the products, services and practices of the modern economy, including:

- digital platforms
- payment apps
- data brokers
- algorithmic systems
- tenant and employment screeners

## **Conclusion**

New Yorkers deserve the same protections as people in Boston, Hartford, Newark, Chicago, Los Angeles, Miami, and Seattle. Right now, they don't have them.

The New York Unfairness Gap is not a technicality — it is a structural failure that leaves millions of people exposed to exploitation every day. New York cannot regulate a 2026 economy with a 1980 statute. We need to make sure that New York City residents' legal rights catch up to ***where the economy is now***, so they have a fighting chance to defend and enforce their rights when people rip them off.

Closing the New York Unfairness Gap is one of the most important consumer-protection, civil-rights, and economic-justice reforms New York can make. And the time to fix it is now.

Thank you very much for considering our views. We look forward to working with you and DWCP to strengthen New York City's consumer protection law and infrastructure. We commend the DCWP for its work to protect consumers and workers, and promote individual and family well-being for all New Yorkers.

For more information, contact:

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## APPENDIX A. HOW NORTHEAST REGION CONSUMER PROTECTION LAWS COMPARE REGARDING HIGH-IMPACT CONSUMER HARMS\*

### NY vs. VT, MA, CT, NJ, PA — Focusing on the Harms with the Greatest Financial & Personal Costs

#### Legend

✓ = Consumers can sue for unfair or abusive conduct    ⚠ = Limited or partial protection  
 ✗ = Consumers can sue only for deception, not unfairness    ✨ = High-impact harm where unfairness matters most

#### 1. Payment-App Scams & Unfair Dispute Systems

✨ High financial harm, high vulnerability impact

State	Can consumers sue for unfair refund practices, unfair dispute systems, or platform design that enables scams?
NY	✗ No — must prove deception; unfair systems not actionable
VT	✓ Yes — broad unfairness standard
MA	✓ Yes — 93A covers unfair dispute systems
CT	✓ Yes — CUTPA covers unfair digital-platform practices
NJ	✓ Yes — “unconscionable practices” standard
PA	⚠ Partial — UTPCPL requires deception; courts sometimes stretch “catch-all”

#### 2. Loan-Servicing Abuses (Mortgage, Student, Auto, Consumer Loans)

✨ Thousands of dollars per household; major driver of financial distress

State	Can consumers sue for unfair payment misapplication, force-placed insurance, dual-tracking, steering into bad options?
NY	✗ No — unless the servicer lied, the case dies
VT	✓ Yes — unfair servicing is actionable
MA	✓ Yes — classic 93A unfairness claims
CT	✓ Yes — CUTPA covers unfair servicing conduct
NJ	✓ Yes — unconscionable servicing practices
PA	⚠ Limited — deception required; unfairness claims inconsistent

### 3. Credit Reporting Agencies (CRAs) & Data Brokers

✦ *Errors, mixed files, stale data, dark-pattern opt-outs, harmful data sales*

State	Can consumers sue for unfair dispute systems, mixed files, stale data, or unfair data-broker practices?
NY	✗ No — must show a misleading statement; unfair systems not actionable
VT	✓ Yes — broad unfairness doctrine
MA	✓ Yes — unfair CRA/data-broker conduct actionable
CT	✓ Yes — unfair reporting and screening practices covered
NJ	✓ Yes — unconscionable reporting practices
PA	⚠ Partial — deception required; unfairness uncertain

### 4. Auto-Finance Abuses (Yo-Yo Financing, Add-Ons, Repo Practices)

✦ *High-dollar harm, concentrated in low-income communities*

State	Can consumers sue for unfair auto-finance practices even if disclosed?
NY	✗ No — disclosure defeats the claim
VT	✓ Yes
MA	✓ Yes
CT	✓ Yes — CUTPA covers unfair auto-finance conduct
NJ	✓ Yes — Bosland line of cases
PA	⚠ Partial — must frame as deceptive

### 5. Hidden Fees (Hotels, Ticketing, Telecom, Digital Apps)

✦ *Massive aggregate harm; drip pricing and mandatory add-ons*

State	Can consumers sue for unfair hidden fees even if disclosed?
NY	✗ No — disclosure defeats the claim
VT	✓ Yes
MA	✓ Yes
CT	✓ Yes — unfair fee structures actionable
NJ	✓ Yes
PA	⚠ Partial — must show deception

## 6. Supermarket & CPG Unfairness (Shrinkflation, Slack-Fill, Loyalty Pricing)

✦ *High-frequency harm; regressive impact on low-income households*

State	Can consumers sue for unfair pricing/packaging even if technically accurate?
NY	✗ No — net weight disclosure defeats the claim
VT	✓ Yes
MA	✓ Yes
CT	✓ Yes — CUTPA covers unfair pricing/packaging
NJ	✓ Yes
PA	⚠ Partial — deception required

## 7. Platform & App Dark-Pattern Design (Subscriptions, Opt-Outs, UX Manipulation)

✦ *Recurring monthly harm; disproportionately affects seniors & disabled consumers*

State	Can consumers sue for manipulative design even without deception?
NY	✗ No — design unfairness not actionable
VT	✓ Yes
MA	✓ Yes
CT	✓ Yes — CUTPA covers unfair digital design
NJ	✓ Yes
PA	⚠ Partial — must frame as deceptive

\*Chart prepared with assistance from Microsoft Copilot. For more information, see National Consumer Law Center, *Consumer Protection in the States: A 50 State Evaluation of Unfair and Deceptive Practice Laws*, March 2018, available at: <https://www.nclc.org/resources/how-well-do-states-protect-consumers/>

Advocates of the  
Food Industry  
Since 1900



## FOOD INDUSTRY ALLIANCE OF NEW YORK STATE, INC.

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111 Washington Avenue - Suite 200, Albany, NY 12210 (518) 434-1900

### **Testimony from the Food Industry Alliance of New York NYC Council Committee on Consumer and Worker Protection Hearing**

**February 23, 2026**

The Food Industry Alliance of New York (FIA), the premiere trade association representing the full spectrum of the retail food industry throughout our State and inclusive of New York City, appreciates the opportunity to submit this testimony today to Chair Epstein and the respective members of the Committee on Consumer and Worker Protection.

While most of our testimony today will focus on legislation under consideration by this committee, we also want to highlight current efforts we are currently undertaking to address food insecurity both here in New York City and throughout New York as FIA partners with numerous charitable and food security organizations.

Among those efforts, our organization and members are strong proponents of the Supplemental Nutrition Assistance Program (SNAP). SNAP is recognized as the nation's most impactful anti-hunger program, providing direct monthly benefits to nearly 3 million New Yorkers, which includes more than 1.8 million recipients in New York City. To that end, since the end of the COVID public health crisis, FIA has been pushing for a long overdue increase in the SNAP minimum benefit. Boosting the minimum benefit, which is currently a paltry sum of \$23 dollars, to a respectable \$100 minimum benefit would put New York more in line with the needs of recipients and our neighbor in New Jersey, which raised their minimum benefit to \$95 in 2023.

Additionally, and relevant to legislation this committee is considering, Governor Hochul's budget is rightfully allocating money to convert SNAP EBT cards to the more secure, chipped-based cards. This transition will require every retailer in New York to upgrade their point-of-sales (POS) systems.

This brings us to our concerns with respect to Int.1097-2024, which would require retail food stores and pharmacies to accept flexible benefits cards distributed by health insurance providers. While well-intentioned, this bill imposes significant technological and financial burdens on retailers by failing to account for the complexities of point-of-sale (POS) systems and the lack of uniformity among these benefit cards.

Unlike standardized credit and debit cards and the current SNAP and WIC EBT cards, flexible benefits cards vary widely in their processing technology, eligibility rules, and integration requirements. Therefore, retailers would be forced to update or completely replace their existing POS systems to accommodate multiple insurers' platforms, each with different processing protocols. Many businesses, particularly independent grocers and smaller retail chains, do not

have the resources to purchase new hardware, upgrade software, and navigate extensive system reconfigurations simply to comply with this mandate.

To reiterate the overarching concern, each entity which provides consumers with a specific flexible benefit card would require a retailer to conduct a specific upgrade for that card and this would have to be repeated multiple times to meet the requirements of this bill. In discussing this legislation with our members, the estimated cost per register per specific benefit card would range from \$3,000 upwards of \$12,000.

Beyond the significant cost of this legislation, this bill does not address the fact that these cards operate under different eligibility restrictions for covered products. This requires a level of POS programming that is far more intricate than standard transactions, as retailers must ensure that systems correctly identify which products qualify under different insurers' plans. Unlike government benefit programs like SNAP, which have a standardized structure, flexible benefits cards lack uniformity, making it nearly impossible for retailers to integrate them seamlessly without adopting multiple processing solutions—an unsustainable and costly burden.

While the bill places responsibility on the Department of Consumer and Worker Protection to conduct outreach and education, it does not address the real financial and operational costs that retailers will bear. Businesses should not be mandated to overhaul their payment systems without a universal, standardized processing solution in place. Until insurers and payment processors establish a single, compatible framework for flexible benefits cards, retailers, particularly smaller operations, cannot be expected to absorb the financial and logistical strain of implementing multiple, often conflicting systems.

While the Food Industry Alliance of New York State strongly opposes this bill, we also want to share with the committee that we are willing stakeholders to work with the bill's sponsors, this committee and those that are promoting this bill to find a workable and cost-efficient solution. As currently constructed, this bill will dramatically increase costs for every retailer in New York City, while also creating a fine structure for failure to comply with the provisions within the bill. Which is completely unnecessary when you consider that the retail food industry does not want to meet the needs of consumers.

We strongly urge further discussion to find a cost efficient and consumer friendly solution to meet the bill sponsor's desired outcome.

Respectfully submitted,



Maura Callahan  
Government Affairs Coordinator  
Food Industry Alliance of NYS, Inc.

February 23, 2026

**Testimony of Eda Henries, Founder & Managing Principal of Henries and Co.**

*RE: How to protect New York City small business owners from unfair and abusive lending practices*

Thank you, Chair Epstein and members of the committee. My name is Eda Henries, Founder & Managing Principal of Henries and Co. I'm also one of 85,000 small business owners who is proud to be a member of Small Business Majority, a national nonprofit organization empowering America's diverse entrepreneurs to build a thriving and equitable economy. Today, I am pleased to submit testimony for the Committee on Consumer and Worker Protection emphasizing the need to protect small businesses from unfair and abusive lending practices.

I am a proud entrepreneur and operate a financial advisory firm focused on small, high-growth companies. Most of my clients generate between \$10 million and \$50 million in revenue. I work essentially as a broker and an advisor who evaluates a business as it stands today, gathers information about the business's goals, and then develops a strategy to help that business raise the growth capital it needs to align with its business plan.

Although I work with highly successful small businesses, nearly every one of my clients has had some experience with predatory lenders. This happens because traditional banks have, by and large, exited the small business lending area, leading to a riskier capital landscape, and leaving the market to be saturated with non-traditional lenders that use unfair and abusive loan terms.

In the last year, unpredictable tariff policies and rising commercial rental rates have made the cost of small business ownership in New York City unbearable for many. Meanwhile, we are seeing unprecedented federal cuts to small business funding and new regulations from the U.S. Small Business Administration that bar non-U.S. citizens from apply for SBA loans, severing many legal, tax-paying residents from the safest and most affordable avenues to capital for small business owners. It is important to note that nearly half of all small business owners in this city are immigrant owned, so the effects of this ruling have vast implications for our economy and community.

The impact of this policy is not abstract—it is immediate and real. I am currently working on an SBA loan application for a client who owns several restaurants here in New York City and employs more than 100 people. My client was a lawful permanent resident, and their spouse is a U.S.-born Army veteran. Their loan was scheduled to close at the end of March. However, because of the arbitrary March 1 cutoff, their lender is now scrambling to salvage the transaction. If this deal falls through, the consequences will not be limited to one business owner. They will ripple outward to more than 100 employees, their families, and the vendors and suppliers who depend on these restaurants.

These issues compounded leave small business owners desperate for cash and more vulnerable than ever to abusive schemes. For example, a small medical practice and client of mine faced severe consequences when it was strapped for cash and accepted a loan from a predatory lender that eventually seized insurance reimbursement payments from the practice to service loan debt, leaving them in a worse financial spot than when they started and struggling to pay for basic necessities like vaccines and payroll.

This story is not unusual. And what my client experienced wasn't illegal here in New York. These often confusing lending arrangements skirt around traditional regulations to trap entrepreneurs into a debt cycle, with little ability to break free. The lack of disclosures, enormous payment requirements and unclear contracts can result in instances where a loan of less than \$200,000 leads to daily payments of \$1,000.

These predatory loans can lead to disruptions in business operations, closures and even personal bankruptcy because for many small business owners, business credit is tied to the owner's personal credit and finances. Personal bankruptcy resulting from a predatory loan is not the American Dream.

New York has been the leading state when it comes to protecting small businesses from predatory loans, but the work is not complete. We must go further. We must not allow bad actors in the lending space to act without guardrails or in abusive, unfair ways. To continue to help ensure that our small business community can grow and thrive, we must provide it with meaningful protections from abusive practices by these lenders, vendors and other predatory businesses.



TESTIMONY

PRESENTED TO THE NEW YORK CITY COUNCIL  
COMMITTEE ON CONSUMER AND WORKER PROTECTION  
AT THE PUBLIC HEARING ON GENERAL ENFORCEMENT  
OF  
THE CONSUMER PROTECTION LAW

**PRESENTED BY ARIANA LINDERMAYER**

February 23, 2026

250 Broadway, 8th Floor, Hearing Room 3

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Thank you to Chair Harvey Epstein, Speaker Julie Menin, the New York City Council Committee on Consumer and Worker Protection and all the members of the New York City Council participating in the hearing on general enforcement of the Consumer Protection Law, specifically including laws related to a student loan financial counseling program and requiring certain retail stores to accept flexible benefit cards. Mobilization for Justice (MFJ) submits this testimony to highlight the need to improve consumer protections for New Yorkers, and specifically for New York City to adopt a strong, privately enforceable ban on unfair, deceptive, and abusive business acts and practices (UDAAP or UDAP). A strong NYC UDAAP is a critical tool towards general enforcement of the Consumer Protection Law, enabling the Department of Consumer and Worker Protection to focus on industrywide reform while addressing narrower concerns such as misinformation by student loan services and discriminatory retail policies.

MFJ's mission is to achieve justice for all. MFJ prioritizes the needs of people who are low income, disenfranchised, or have disabilities as they struggle to overcome the effects of social injustice and systemic racism. We provide the highest-quality free, direct civil legal assistance, conduct community education and build partnerships, engage in policy advocacy, and bring impact litigation. We assist more than 14,000 New Yorkers each year, benefiting over 24,000. I am a Senior Staff Attorney in MFJ's Consumer Rights Project, which provides advice, counsel, and representation to New Yorkers with limited and low incomes who are regularly taken advantage of by companies that treat them unfairly and that subject them to various abusive and deceptive practices.

Desperate New Yorkers harmed by unfair, deceptive, and abusive practices by predatory businesses regularly contact and are referred by elected officials to MFJ for help with problems related to every aspect of the marketplace, including mortgage lending, student loan servicing, rent-to-own transactions, bank fraud, debt collection, credit reporting, and automobile sales and financing, among others. We see how unscrupulous businesses exploit New Yorkers and subject them to overcharges, junk fees, and sharp practices in the marketplace.

New York's existing laws do little to hold bad actors accountable and support honest businesses. Industry-specific laws are not nimble enough to address novel, evolving scams; by the time they are enacted, the bad actors have found a new way to scam people. Moreover, New York State's catchall consumer protection law is one of the worst in the country, riddled with gaps, loopholes, and such paltry penalties that the National Consumer Law Center called it "toothless" and ranks us behind 42 states and the District of Columbia.

## **I. Consumer Protection Landscape**

The bedrock of consumer protection in this country is the prohibition against unfair, deceptive, and abusive practices. These protections have existed at the federal level in the Federal Trade Commission (FTC) Act since 1938. Over the past 50 years, all states have enacted their own

form of a UDAAP law to prohibit unscrupulous practices and to give state agencies the authority to enforce these prohibitions and allow individual consumers to seek remedies. As explained by the National Consumer Law Center, “UDAP statutes provide the basic protections for the thousands of everyday transactions that each consumer in the United States enters into each year. Although UDAP statutes vary widely from state to state, their basic premise is that unfair and deceptive tactics in the marketplace are inappropriate. UDAP statutes are the basic legal underpinning for fair treatment of consumers in the marketplace.”<sup>1</sup> Strong UDAAP laws prohibit unfair, abusive, and deceptive practices in marketplace transactions and must be broad and flexible in order to serve their purpose.

## **II. New York’s Consumer Protection Law is Among the Worst in the Nation**

New York State enacted N.Y. General Business Law § 349, modeled after the FTC Act, to provide consumers with redress against deceptive business conduct. GBL 349 was supposed to be a “gap-filler,” protecting New Yorkers against evolving malfeasance across “all economic activity” throughout the state, including novel schemes by student loan servicers and retail stores.

GBL 349 was amended to add a private right of action when the Legislature concluded that the law could not accomplish its goal relying just on public enforcement. However, that section of New York’s statute, which has not been updated since 1984, is not a true “UDAP” statute because it does not proscribe unfair and abusive conduct, which makes it woefully out of step with the rest of the country; in fact, 42 states, including Arkansas, Kansas, and Idaho, and D.C. already have a privately enforceable unfairness ban.

GBL 349’s damages provision—intended to be a deterrent—is also outdated: the penalty for violating the law is a paltry \$50 and damages are capped at \$1,000 for businesses that willfully harm people.

Its utility has been further diminished by strained court interpretations over time that require a showing that the bad acts affect the public at large. This unpredictable doctrine, called the “consumer-oriented conduct requirement” limits protections for small business owners and makes it hard for even consumers to get their money back. MFJ brought a case on behalf of a vulnerable homeowner who was tricked by fraudsters who sought to steal her home. Her deceptive business practices claim was dismissed by a judge despite 13 other examples of similar conduct by the same perpetrators, on the basis that the bad conduct was not sufficiently “consumer oriented.”

Too often, what has happened to our clients is unfair and abusive but not illegal, or is deceptive but not actionable under our current case law.

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<sup>1</sup> Carolyn Carter, National Consumer Law Center, *Consumer Protection in the States: A 50-State Evaluation of Unfair and Deceptive Practices Laws* 10 (March 2018), available at: [https://www.nclc.org/wp-content/uploads/2022/09/UDAP\\_rpt.pdf](https://www.nclc.org/wp-content/uploads/2022/09/UDAP_rpt.pdf).

### **III. The Affordability Crisis Facing New Yorkers**

As we all know, the affordability crisis in New York City is real and growing. The only “hoax” is the lie peddled by corporations that rising costs are the result of consumer activity, like filing lawsuits. But as long as executive compensation keeps rising, there can be no confusion that jacking up prices is a business decision that is being forced on regular New Yorkers.

For far too long, New Yorkers have been squeezed by rising costs and inadequate pay due to corporate greed—specifically, predatory decisions to pad every transaction with junk fees, to renege on cancellation guarantees; and to peddle harmful, worthless products like debt settlement and usurious merchant cash advances.

These are examples from real people who have contacted Mobilization for Justice for help:

- A car dealer refused to provide sales tax documents necessary to register a vehicle unless the customer paid an additional, and unexplained, \$1000.
- A solar-panel salesperson pressured a homeowner with mental disabilities into installing solar panels that day, promising a specific reduction in his utility bill that was actually an estimate, and electronically signing his name to a 20-year lease with hefty fees.
- A debt settlement company instructed a senior with exempt income who was current on his accounts to default on all of them, then kept 50% of his payments as fees.
- Nursing homes routinely sue relatives of deceased residents for unpaid bills, vaguely alleging fraudulent conveyances without even naming what the alleged conveyance is.
- A landlord charges a \$40 processing fee for every online rent payment.
- A landlord requires rent to be paid in cash, refuses to provide receipts, then sues for the bogus arrears.
- A landlord refuses to repair broken bedroom window and plumbing, telling the tenant to use the local gas station’s bathroom instead.
- An eyeglass store had permission to check a client’s credit limit, then opened a credit card for her and charged items she had explicitly refused.
- A bank finally honored a client’s fraud dispute, providing a final credit, only to inexplicably reverse it several months later.

These unscrupulous practices make life expensive for New Yorkers.

Even though the project I work in is called the Consumer Right Project, we regularly receive requests for help from small business owners. These individuals were facing financial ruin after being forced to personally guarantee unfair, deceptive, and abusive contracts, including long-

term equipment leases, merchant cash advances, taxi medallion loans, and commercial rent leases. Sometimes the contract was signed by an employee with no authority to bind the business; sometimes the equipment leased was never delivered, it was defective, or the lessor refused to honor the cancellation provision. In one case, a medallion owner forged a driver's name on an \$800,000 loan and a confession of judgment; the driver found out about the fraud when his bank account was restrained. In another case, the landlord refused to make repairs necessary for a restaurant to operate, then sued for the remainder of the lease after the business was forced to close. In many cases, out-of-state businesses were sued in New York, and New York businesses were sued out of state. These small business owners were carved out of consumer protection laws, but they also lacked business protections like limited liability and in-house counsel.

### **III. How a NYC UDAAP Can Ease the Affordability Crisis**

As noted above, in 42 other states and D.C., victims of these unscrupulous business practices can use the public courts to get their money back. This tool is an effective deterrent to scamming people in the first place. Yet, New York is one of only eight states that lack this protection.

It goes without saying that New York City would be more affordable if costs were not greedily inflated in exchange for no real value and if people were able to put lost money back in their pockets.

Strong consumer protection laws ensure that a regular person has real access to justice, not just by giving them the right to sue, but by providing access to legal counsel in the form of fee-shifting provisions, common in civil rights statutes. Having a theoretical right to sue is meaningless if hard-working New Yorkers have to pay attorney's fees, given the reality that successfully litigating a claim can take years and the legal fees can outweigh the amount of the recovery, creating a barrier to justice. Requiring the bad actor to pay the afflicted New Yorker's attorney's fees if they win accomplishes two goals: true access to justice; and an incentive to attorneys to bring cases with strong claims that they are confident they will win and will thus get paid for their labor.

Consumer advocates now look to New York City to fill the void that has been left by the federal and state governments.

In past years, New Yorkers have been able to count on federal regulators, including the Consumer Financial Protection Bureau (CFPB) and FTC to redress some unfair, abusive, and discriminatory practices in the New York marketplace. These agencies' regulatory and enforcement activities have reflected the strong standards set forth in federal law, which include protections against "unfair" and "abusive" practices. However, the current administration and Congress are gutting these federal watchdog agencies by depleting the workforce, reversing rules, abandoning enforcement actions, and changing their focus. With the dismantling of the

CFPB and FTC, New Yorkers are even more vulnerable to predatory practices and products because of the gaps in our state-level laws.

Yet, Albany seems committed to keeping it that way for now. Since 2018, economic justice advocates have been working tirelessly to modernize GBL 349.

Despite past support from Assemblymembers and Senators to amend GBL 349 to give individual New Yorkers the tools to protect themselves, last session, New York passed a weaker, narrow version of a bill that strengthened only the Attorney's General's enforcement authority. The purpose of the Office of the Attorney General is to effect large-scale industry reform. It does not have the funding or the mandate to resolve individual complaints, let alone in a timely manner.

New Yorkers should not have to rely on regulators to put their own money back in their pockets. For this reason, we call on our City Council to give all of us the necessary tools to seek justice when New Yorkers have been victims of unfair, abusive, and discriminatory business practices that have a pernicious impact on New York commerce—that is, a robust and privately enforceable ban with meaningful penalties and true access to justice.

#### **IV. Conclusion**

Dozens of organizations, including labor groups, Consumer Reports, and AARP support improving New York's consumer protections in the manner advocated here. A ban on unfair and deceptive business practices is the norm under federal law and in 42 other states and D.C. In other words, New York businesses are already subject to it. Giving New Yorkers the right to sue when they have been harmed will deter unscrupulous behavior, help level the playing field for honest companies that treat their customers fairly, and give consumers and small businesses new tools to fight decades of systemic racism and wealth extraction. Consumers and small business owners who are tricked, defrauded, deceived, and bilked should be made whole, and then some, and businesses should not be able to evade accountability by folding the financial consequences of a violation into the cost of doing business. We therefore urge passage of a New York City UDAAP.

*Thank you for the opportunity to provide this testimony; to discuss the issues raised in more detail or if you have any questions, please contact Ariana Lindermayer ([alindermayer@mjllegal.org](mailto:alindermayer@mjllegal.org)).*

My name is Izzy Goodman and I'm a paralegal at the New York Legal Assistance Group.

With the attorneys in my unit, I help advise clients on student loans issues such as payment plans, possible federal loan discharges, and private student loan discharges.

There is an outsized demand for these services due to the state of student debt. According to Federal Student Aid, New Yorkers owe about \$100,000,000, which spread among roughly 2.4 million borrowers averages to \$42,000 per borrower.

Over half of these borrowers are more than 90 days delinquent.

HR1, or the "Big Beautiful Bill", will exacerbate these dire conditions. The bill limits payment options for all federal borrowers, but especially anyone with existing loans for a child, who will have no access to cheaper payment plans. Students looking to take out new federal loans will face stricter limits on lending, increasingly leading them towards predatory private loans.

My clients managing these debts feel lost amidst the federal government's ever-changing programs and regulations. The resources on the Federal Student Aid website are limited and often incorrect. Federal servicers regularly send clients misleading and contradictory notices. Wait times to speak with these servicers on the phone can reach 10 or more hours. Searching the internet for help often turns New Yorkers toward for-profit scams.

The proposed student loan counseling program would be invaluable in reducing confusion and avoiding default. Having a safe and personalized source of guidance would stop borrowers from having to choose between paying their debt and paying the rent. I strongly

urge the city to pass this law and grant millions of New Yorkers the help they need to achieve financial security.

## Andrew Winakor Testimony – ProHealth Connect LLC

Food insecurity and diet-related disease remain two of the most significant drivers of poor health outcomes in New York City, particularly among seniors and low-income communities.

Recent data shows that more than 40% of NYC adults live in households at risk of food insecurity, with some neighborhoods experiencing rates as high as 30%. Nearly one in three adults, and almost half of families with children report food hardship.

Millions of New Yorkers receive Over-the-Counter and Grocery benefits through their health plans, funds specifically designed to support nutrition and preventive health. Yet access remains inconsistent. Many community-based grocery stores, bodegas, ethnic markets, and neighborhood pharmacies, where culturally relevant and affordable food is most available, are unable or discouraged from accepting these cards.

This limits food choice, increases transportation burdens, and reduces benefit utilization, particularly for seniors and mobility-limited residents.

At the same time, diet-related chronic conditions such as diabetes, heart disease, and hypertension drive hundreds of billions of dollars in healthcare spending nationally and disproportionately impact New York City communities facing food access challenges.

Mandating acceptance of OTC and Grocery benefit cards would immediately:

- Expand food access in high-need neighborhoods
- Support small and local businesses
- Improve chronic disease outcomes
- Reduce preventable healthcare spending

This requires no new public funding. The dollars already exist. The issue is access. By ensuring these benefits are accepted wherever food is sold, not just large chains, New York City can transform existing healthcare investments into a real public health impact.

I urge the Council to move forward with legislation requiring universal acceptance of OTC and Grocery benefit cards across food retailers.

Thank you for your leadership and commitment to health equity in New York City.



**Written Testimony by Protect Borrowers  
at a Public Hearing before the  
Committee on Consumer and Worker Protection  
of the  
New York City Council**

Oversight - Enforcement of the Consumer Protection Law (T2026-0996)

February 23, 2026

Chair Epstein and Members of the Committee:

Protect Borrowers submits this testimony about consumer protection in New York City. Protect Borrowers (formerly Student Borrower Protection Center) is a team of experts, lawyers, and advocates fighting to build an economy where debt doesn't limit opportunity. We investigate financial abuses, take predatory companies to court, and push for policies to protect working people from debt traps. We aim to deliver immediate relief to families while building power and driving systemic change.

New York City has long been a leader in consumer protection and financial empowerment, but its existing laws and resources are insufficient to address current needs. These needs are exacerbated by the federal government's abdication of its consumer protection responsibilities and by the affordability crisis that is sweeping the nation. Protect Borrowers urges the City Council to enhance local laws and resources so that New Yorkers can rely on the city's own protections.

**In the absence of federal oversight, NYC residents and small businesses are vulnerable to unlawful and abusive business practices and corporate power.**

Federal law prohibits unfair methods of competition and unfair or deceptive acts or practices in trade or commerce, and separately prohibits unfair, deceptive, or abusive acts or practices related to consumer financial products or services. These are two very powerful laws with well-established norms and regulations. However, they are primarily enforced by federal agencies, namely the Federal Trade Commission and the Consumer Financial Protection Bureau. Without these two agencies, households and small businesses nationwide do not benefit from these federal protections.

Under the Trump Administration, the FTC and CFPB are both abdicating their responsibilities to enforce these laws, and New Yorkers are paying the price.

During the first year of the second Trump Administration, the FTC has taken a pro-industry and partisan approach to consumer and worker protections. For example, President Trump unlawfully fired two Democratic FTC Commissioners,<sup>1</sup> and appointed Andrew Ferguson as Chair, who as a minority commissioner regularly dissented in the agency's consumer protection decisions and has a much narrower view of the agencies' authority.<sup>2</sup> The FTC chose to abandon defense of a rule banning non-compete provisions that had been challenged by industry,<sup>3</sup> also reopened and set aside consent agreements against companies that were entered into by the previous administration.<sup>4</sup>

The federal government's abdication is even more stark with the CFPB, which the Trump Administration has gutted. The administration is actively trying to close the agency, firing nearly all staff and attempting to cut off its funding, which has resulted in ongoing litigation that will ultimately determine the agency's future.<sup>5</sup> In the meantime, the CFPB has dismissed or terminated the majority of its enforcement actions,<sup>6</sup> pardoned some of the worst corporate offenders responsible for over \$3 billion in consumer harm,<sup>7</sup> and stopped complying with at least 87 statutory mandates.<sup>8</sup> The agency has also summarily rescinded over a decade of

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<sup>1</sup> Kim Phan et al., *Trump Fires the Two Democratic FTC Commissioners: What This Means Going Forward*, Consumer Fin. Servs. Law Monitor (Mar. 21, 2025), <https://www.consumerfinancialserviceslawmonitor.com/2025/03/trump-fires-the-two-democratic-ftc-commissioners-what-this-means-going-forward/>.

<sup>2</sup> *The Federal Trade Commission Bureau of Consumer Protection Under the Second Trump Administration: Top 10 Things to Know About Priorities, Enforcement, and Case Law Developments*, Debevoise & Plimpton (Apr. 29, 2025), <https://www.debevoise.com/insights/publications/2025/04/the-federal-trade-commission-bureau-of-consumer>.

<sup>3</sup> Press Release, *Federal Trade Commission Files to Accede to Vacatur of Non-Compete Clause Rule*, Fed. Trade Comm'n (Sept. 5, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/federal-trade-commission-files-accede-vacatur-non-compete-clause-rule>.

<sup>4</sup> Press Release, *FTC Reopens and Sets Aside RYTR Final Order in Response to the Trump Administration's AI Action Plan*, Fed. Trade Comm'n (Dec. 22, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/12/ftc-reopens-sets-aside-rytr-final-order-response-trump-administrations-ai-action-plan>.

<sup>5</sup> *See generally*, Stefanie Jackman et al., *CFPB Complies with Court's Funding Order in NTEU v. Vought*, Consumer Fin. Servs. Law Monitor (Jan. 12, 2026), <https://www.consumerfinancialserviceslawmonitor.com/2026/01/cfpb-complies-with-courts-funding-order-in-nteu-v-vought/>.

<sup>6</sup> Memorandum, *Dismissed/Terminated CFPB Enforcement Actions*, Protect Borrowers & Consumer Fed. of America (July 7, 2025), <https://consumerfed.org/wp-content/uploads/2025/07/CFPB-Pending-Enforcement-Actions-v2-Fellows-2.pdf>.

<sup>7</sup> Memorandum, *Trump-Led CFPB Pardons Repeat Offender Corporations for Violations Causing Over \$3 Billion of Consumer Harm*, Protect Borrowers & Consumer Fed. of America (Mar. 26, 2025), <https://protectborrowers.org/wp-content/uploads/2025/03/Repeat-Offender-CFPB-Pending-Enforcement-Actions.pdf>.

<sup>8</sup> Memorandum, *Statutory Requirements for Continuous Operations of the CFPB*, Protect Borrowers & Consumer Fed. of America (Feb. 13, 2025), <https://protectborrowers.org/wp-content/uploads/2025/02/CFPB-Statutory-Requirements-2.13.25.pdf>.

guidance and interpretive rules,<sup>9</sup> deprioritized its work related to certain topics such as medical debt and student loans,<sup>10</sup> and announced that its examiners—who are charged with auditing companies for compliance with applicable consumer protections—must make a “humility pledge” to each company before commencing an exam.<sup>11</sup> The cumulative effect of these actions has already caused an estimated \$18 billion in costs for working families.<sup>12</sup>

Available data make clear that this federal abdication is affecting New Yorkers. Based on publicly available data from the CFPB’s consumer complaint database, the number of complaints filed by NYC residents increased by 63 percent in 2025 relative to 2024, totalling 184,830 in 2025.<sup>13</sup> At the same time that the number of complaints to the CFPB increased across the city, the

<b>Complaint Volume</b>	<b>2024</b>	<b>2025</b>	<b>Percent Change</b>
<b>Bronx</b>	31,133	53,232	70.98%
<b>Kings</b>	35,965	54,761	52.26%
<b>New York</b>	14,873	24,518	64.85%
<b>Queens</b>	26,981	45,339	68.04%
<b>Richmond</b>	4,480	6,980	55.80%
<b>Total</b>	113,432	184,830	62.94%

number of complaints from NYC that were resolved and included relief to consumers fell by approximately 10 percentage points.<sup>14</sup>

<sup>9</sup> Consumer Fin. Prot. Bureau, *Interpretive Rules, Policy Statements, and Advisory Opinions; Withdrawal*, 90 Fed. Reg. 20084 (May 12, 2025), <https://www.federalregister.gov/documents/2025/05/12/2025-08286/interpretive-rules-policy-statements-and-advisory-opinions-withdrawal>.

<sup>10</sup> Alan S. Kaplinsky et al., *CFPB rescinds enforcement, supervisory priority documents, outlines new priorities for 2025*, Consumer Fin. Monitor (Apr. 17, 2025), <https://www.consumerfinancemonitor.com/2025/04/17/cfpb-rescinds-enforcement-supervisory-priority-documents-outlines-new-priorities-for-2025/>.

<sup>11</sup> Press Release, *CFPB’s Supervision Division Releases New ‘Humility Pledge,’* Consumer Fin. Prot. Bureau (Nov. 21, 2025), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-supervision-division-releases-new-humility-pledge/>.

<sup>12</sup> Memorandum, *Trump’s Consumer Financial Protection Agenda—or Lack Thereof—Has Already Cost Americans More Than \$18 Billion*, Protect Borrowers & Consumer Fed. of America (June 24, 2025), <https://protectborrowers.org/wp-content/uploads/2025/06/MEMO-The-Cost-of-Trumps-CFPB-.pdf>.

<sup>13</sup> Analysis on file with Protect Borrowers.

<sup>14</sup> Analysis on file with Protect Borrowers.

<b>Percent of Closed Complaints with Consumer Relief</b>	<b>2024</b>	<b>2025</b>	<b>Percentage Point Change</b>
<b>Bronx</b>	52.55%	42.85%	9.70
<b>Kings</b>	51.74%	41.36%	10.38
<b>New York</b>	49.79%	40.26%	9.53
<b>Queens</b>	51.57%	41.70%	9.87
<b>Richmond</b>	51.01%	41.70%	9.31
<b>Total</b>	51.64%	41.74%	9.90

It is therefore clear from the Trump Administration's own announcements and its own data that it is not working to protect the interests of households and small businesses, across the country and here in New York City.

**NYC must take every possible step to fill this void**

New York City residents are struggling with an affordability crisis, which is only made worse when they are cheated and taken advantage of by unscrupulous businesses. Their cry for help is reflected in the nearly 200,000 complaints from New York City to the CFPB made in 2025, which likely undercounts affected consumers and which does not reflect small businesses in need. The City can and must act.

One simple and immediate step that the City can take is to fill the oversight and accountability void left by the Trump Administration. To do this, it must do two things.

First, the City must enact a municipal law equivalent to the FTC’s and CFPB’s protections around unfairness, deception, and abuse, and must make this law privately enforceable. By mirroring the federal standards, the new law would not create a new standard of conduct with which businesses would have to comply. By making the law privately enforceable, the new law would address limitations in public enforcement and resources. Much like how New Yorkers’ federal protections should not depend on whether the federal government chooses to enforce them, New Yorkers’ local protections should not depend on whether the City has the resources and personnel sufficient to investigate and prosecute every violation.

Second, the City must adequately fund the Department of Consumer and Worker Protection. DCWP is well positioned to identify, investigate, and prosecute companies taking advantage of

New Yorkers, which its track record makes clear. However, it needs more enforcement attorneys, investigators, inspectors, and other staff in order to meet the growing need in the city.

Although the state has authority to protect New Yorkers against unlawful conduct similar to the FTC's and the CFPB's, the attorney general is responsible for the entire state and she does not have the resources to meet the enormous need across the city.

Together, a privately enforceable law and a robust DCWP are two policy commitments that the City can make to protect its households and small businesses.

## **Conclusion**

The unparalleled abdication of responsibility by the Trump Administration and the growing affordability crisis are resulting in an unprecedented moment for New York City. Although it will take many different policy interventions and investments to resolve these crises, one thing the City can do is commit to consumer protection. Strengthening local laws and ensuring that those laws can be meaningfully enforced will make a tangible difference in the local economy and in everyday New Yorkers' lives.

*Please contact Winston Berkman-Breen, Legal Director with Protect Borrowers, at [winston@protectborrowers.org](mailto:winston@protectborrowers.org), if you have any questions or would like to discuss this issue further.*

February 23, 2026

### **Testimony of Lindsey Vigoda, New York Director, Small Business Majority**

*RE: How to protect New York City small business owners from unfair and abusive lending practices*

Thank you, Chair Epstein and members of the committee. My name is Lindsey Vigoda, and I'm the New York Director of Small Business Majority. As representatives of the more than 2.2 million small businesses in New York City, I am pleased to speak with you to emphasize the need to protect small businesses from unfair and abusive practices.

New York's small businesses are nearly at a breaking point. Between rising commercial rental prices, changing tariff policies, a decline in traditional lending opportunities and the stripping of many U.S. Small Business Administration (SBA) lending programs, running a small business is becoming increasingly more expensive and access to affordable, safe capital is even more challenging. A [survey](#) we released in November highlights the position small business owners are in, with 45% of entrepreneurs reporting a decrease in revenues in the last three months.

In my work as a small business advocate, I have seen time and time again how in periods of economic uncertainty and turmoil like this, small business owners frequently turn to predatory lenders—often unknowingly—as a last resort to save the business they have worked so hard to build. With the decline in safe avenues of capital and the rise in AI and quick technology, this trend of predatory actors targeting small businesses is only going to increase.

While New York was once a leader in enacting policy to protect small businesses from bad loans, our neighboring states have now all passed laws to stop unfair and abusive behaviors from those who target small businesses, while New York has not. We cannot continue to fall behind on these common-sense protections as our city's small businesses fall victim to loan agreements with outlandish annual percentage rates (APRs) and impossible payment schedules.

These lenders prey on vulnerable small business owners who have nowhere else to turn, and with the latest SBA ruling, which bars all non-US citizens from accessing SBA loan programs, predatory lenders will continue to fill the space putting New York City's immigrant business owners—who make up nearly half of our city's entrepreneurs—at more risk now than ever before.

And while access to capital is a pressing issue for New York City's small business community, this is just the tip of the iceberg. Small businesses are increasingly faced with more and more unfair practices. I have heard all sorts of stories from small business owner from abusive collections practices to a business unknowingly, without consent signing up for an Energy Service Company that raises their utility bill, to a corporation stripping a small business's catalogue for their own use. In the city of endless opportunity, it is far too easy for a small business to be taken advantage of. So, I beg the question, what will happen if we don't act now? Too often, abusive fees and predatory actors place enormous strain on small businesses. With predatory and unfair practices taking over the small business landscape, it's time for New York to step up once again and defend our most precious asset—our small business community.

## **Testimony by The Legal Aid Society**

### **Before The New York City Council Committee on Consumer and Worker Protection**

**February 23, 2026**

Founded in 1876, The Legal Aid Society (“the Society”) is the oldest and largest not-for-profit provider of free direct legal services to low-income families and individuals in the United States. Operating from 24 locations in New York City with a staff of over 2,300, over 480,000 individuals and their families benefitted from the Society’s holistic, direct services last year. The Society’s law reform and social justice advocacy benefits some two million low-income individuals and families in New York City.

The mission of The Legal Aid Society’s Civil Practice is to improve the lives of low-income New Yorkers by providing legal representation and advocacy to vulnerable families and individuals so that they are able to obtain and maintain the basic necessities of life and access the benefits to which they and their families are entitled. The Society’s Civil Practice focuses on enhancing individual, family, and community stability by serving our clients in resolving a full range of legal problems in the areas of housing, public benefits, foreclosure prevention, immigration, domestic violence and family law, health law, employment, elder law, tax law, community economic development, health law, and consumer law.

I offer this testimony to urge the Council to pass a privately enforceable prohibition on unfair, deceptive and abusive business acts and practices. At a time when New Yorkers are beset by myriad schemes and bad actors, the federal government has retreated from enforcing and advancing consumer and worker protections. Russell Vought and the rest of the Trump administration have spent the past year systematically dismantling the Consumer Financial Protection Bureau (“CFPB”) by repeatedly attempting to terminate everyone at the Bureau, drastically reducing its supervisory role, rolling back needed regulations and cancelling nearly all enforcement actions, even in one case attempting to return

**Justice in Every Borough.**

a settlement payment obtained against a mortgage lender that admitted to engaging in racial discrimination.

With the federal government refusing to intervene, New Yorkers must rely on their state and city governments to offer protection. However, New York State's consumer protection law, General Business Law § 349, is limited, outdated, and weaker than 42 other states including our neighbors, New Jersey and Connecticut. Specifically, General Business Law § 349 only prohibits deceptive conduct. Unfortunately, many unsavory business practices do not rely on deceptive conduct but instead take advantage of the victim's lack of power and choice. To take a recent example, when mortgage servicers charge unauthorized convenience fees for homeowners to pay their mortgage online, rather than by mail, the servicer does not act deceptively; instead, the servicer relies on the fact that the homeowner does not have the ability to select a new servicer and must pay the unauthorized fee in order to stay current on their mortgage. In another example from the city, we have seen cases in which unscrupulous landlords improperly bringing actions in Supreme Court to avoid the legal safety net provided by the Universal Access to Counsel program available to tenants in Housing Court. Although such an action is legally defective, the tenant has no recourse other than defending themselves in court. And of course, a tenant has no control over who owns their building. Similarly, New Yorkers have no control over who services their student loans, which debt collectors purchase their debts, or which credit bureaus and data brokers have access to their personal information.

Non-unionized employment in New York City is rife with unfair and abusive practices. Workers are coerced into agreeing to all sorts of unfair conditions to get jobs, including overreaching non-compete agreements for work that does not involve proprietary skills or knowledge; waivers and truncating of rights, such as the right to file claims within the full statute of limitations; and repayment agreements for "lost profits" if they leave their jobs before a set period of time; among others. Workers deemed rightly or wrongly to be independent contractors are particularly vulnerable to abusive contractual requirements. The current law offers scant protection for these workers from these unfair and abusive practices.

In addition to not prohibiting unfair and abusive practices, New York courts have further weakened the limited protections of the current law by requiring the consumer to prove that the bad

business practices affected many people. New Yorkers must allege – when they bring suit – that the bad business practice was widespread. This is often an insurmountable obstacle for a consumer with no knowledge of the business’s general practices. This restriction allows businesses to get away with deceptive behavior.

New York’s failure to fully protect its citizens by prohibiting unfair and abusive acts and practices has helped to make New York City a hotbed for deed theft. Scammers often prey upon heirs who inherit property from a family member who dies intestate. These scammers will purchase fractional interests from distant heirs, often for pennies on the dollar, and then commence partition actions in state court to force a sale of the property and reap a windfall. The legislature attempted to crack down on these scams by passing the Uniform Partition of Heirs Property Act, and while this law shut the door on these partition actions, it didn’t stop the scammers from using whatever means are at their disposal to pry the property from the remaining heirs. The Society has seen scammers who were stymied in partition actions instead try to evict heirs in housing court, even though these heirs own an interest in the property, again using the court system in an abusive manner. In another case where the Society successfully defended an heir in a partition action, the scammer instead tried to rent the entire house to a tenant and constructively evict the heir from their family home. Despite its best efforts, the Legislature cannot specifically prohibit every scam. Scammers are endlessly creative in devising schemes to dispossess New Yorkers of their property. Only a catchall prohibition on unfair, deceptive and abusive practices will arm New Yorkers with the legal protections they need to defend themselves against these ever-evolving scams.

Last year, New York State passed the FAIR Business Practices Act, which recognized the limitations of existing law. The Act prohibited unfair and abusive acts and eliminated any requirement showing that the predatory practice has a widespread impact. But the Act only extended the scope of the law for actions brought by the Office of the Attorney General. While empowering government enforcement is important and we support fully funding the local Department of Consumer and Worker Protection, state and local agencies will never have sufficient resources to prosecute, discourage or even be aware of the wide variety of predatory business practices seeking to extract wealth from honest New Yorkers. The people – those who experience these scams and predatory practices firsthand –

should have the power to expose these exploitative practices and chart their own path through private litigation. The FAIR Act failed to address the inadequacy of the GBL's protections for most New Yorkers, the City of New York has an opportunity to act, and it should.

Last year, Westchester County amended its Consumer Protection Code to prohibit unfair and abusive business practices. The City should follow that example and pass a privately enforceable local law prohibiting unfair, deceptive and abusive business practices.

We thank you for the opportunity to testify today.

Respectfully submitted by

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# Written Testimony

NYC Council Committee on Consumer and Worker Protection Hearing – February 23, 2026 (1:00 PM)

Submitted by: Lee Gonzalez, Queens, New York City small business owner (independent hotel)

Chair and Members of the NYC Council Committee on Consumer and Worker Protection,

Thank you for the opportunity to submit written testimony. My name is Lee Gonzalez. I have owned and operated an independent hotel in Long Island City (LIC), Queens, since 2012. I am sharing my experience because it is a clear example of how small businesses can be cheated, overcharged, and left without a practical path to resolution; even when we do everything we are “supposed” to do.

At some point **without my knowledge or consent, my business’s Consolidated Edison electric supply account was switched to an Energy Service Company (ESCO) called Great American Gas & Energy (“GAGE”)**. This unfair predatory practice is well-known in both residential and commercial service and is often referred to as “slamming.”

Our building has multiple commercial tenants, and **our electric meters are in a shared meter room that is located within my neighbor’s space**. GAGE enrolled three electric accounts on one contract and later claimed that the enrollment was authorized by a person named Gregory Lynch from “Elevator Warehouse.” I don’t know anyone named Gregory Lynch. My neighbor’s business is in elevators. Mine is a hotel. No one at my company spoke with GAGE, signed an agreement, or knowingly approved any change in supplier.

The result was significant financial harm. Over the period in question (it took us a few months to realize our utility bills were unusually high), **my business was overcharged approximately \$15,112.81** in supply-related costs and associated fees. For a small business operating in New York City, an unexpected \$15,000+ hit is not a rounding error. It is disruptive, it changes decisions, and it is the difference between stability and crisis. It also consumes the one thing small business owners never have enough of: time.

What I want to emphasize to this Committee is not just that this happened, but what happened after I discovered it. I did what any responsible business owner would do. I escalated immediately. I contacted Consolidated Edison, and they explained what likely happened, blocked GAGE from my account, and provided a clear accounting of the impact this slamming had on my account. Next, I contacted GAGE directly to file a complaint. They offered an unsubstantial settlement that included credits for service I was no longer receiving and then stopped communicating with me.

I pursued the matter through every appropriate channel I could find. I **filed an official complaint with the New York State Department of Public Service**. I asked for reconsideration and an

appeal when the case was dismissed. I sought help from experienced advocates and agencies because the amount of money and the principle at stake were too serious to ignore.

Specifically, I have worked with the Senior Staff Attorney at **Mobilization for Justice** and the New York Director at **Small Business Majority**. They have been helpful in directing me to available resources. I have also opened a case with the **New York State Office of the Attorney General** regarding this matter. Even with that level of support, support many small business owners cannot afford the time or resources to pursue, my experience has been that the system is slow, fragmented, and extremely difficult to navigate. The burden remains on the small business to chase answers, chase documents, chase responses, and keep pushing, while the offending company faces little immediate consequence.

This experience has left me with a troubling conclusion: it is far too easy for a small business in New York City to be taken advantage of, and far too hard to unwind the damage once it happens. The basic dynamic is upside down. The business that was harmed is forced to prove what it did not do, while the business that profited can delay, deflect, or rely on complexity and process to outlast the complainant.

I am sharing this because I believe my case is not unique, especially with regards to ESCOs slamming businesses in multi-tenant buildings where access points and account boundaries are not always obvious. And I am here because when a small business is hit with \$15,000 in unauthorized charges, the harm is immediate and real: it affects payroll timing, vendor payments, investment decisions, and the owner's ability to keep the business running with confidence.

Thank you for the chance to be heard. I hope my experience is useful to the Committee as it considers how New Yorkers—including small business owners—are vulnerable to unfair predatory practices, and how existing systems of protection are failing us, despite persistent, good-faith efforts to seek accountability.

Respectfully submitted,  
Lee Gonzalez  
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Hon. Harvey D. Epstein, Chair  
Committee on Consumer & Worker Protection  
New York City Council  
City Hall  
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**Hearing**  
**February 23, 2026**  
**1pm**

**Re: *Testimony of Benjamin J. Wolf, Esq.; Counsel at Whiteford, Taylor & Preston, LLP; Concerning T2026-0996 Oversight - Enforcement of the Consumer Protection Law***

Chair Epstein, Members of the Committee, my name is Ben Wolf. I am a resident of the Upper East Side, and Counsel at the law firm of Whiteford, Taylor & Preston, LLP where part of my practice includes representing victims of consumer fraud here in New York, and also New Jersey.

I specifically mention our neighbor to the west not by accident, but purposefully, because although it is merely four or five miles from where we physically are this minute, our State consumer protection laws could not be more distant. While the New York State Attorney General, and the New York City Department of Consumer Worker Protection (“DCWP”) play a critical role in protecting the City’s residents, so do private lawyers, like me.

Every week, and sometimes multiple times a day, New York City residents contact my office looking for legal representation concerning consumer fraud issues involving used car dealerships, solar panel companies, debt collectors, health clubs, home improvement contractors, some of the world’s foremost financial institutions (many headquartered in this City), and other bad actors. The fact patterns are always the same: impermissible or extraneous fees, unsigned contracts, forged signatures, yo-yo scams, high pressure sales tactics, checking account fraud. You name it.

Most times, I am forced to, reluctantly, turn these potential clients away from suitable legal representation, where the playing field would be leveled against the bad actors hiring gigantic law firms, because New York’s weak consumer protection laws make it almost impossible for these residents to assert their rights through the judicial system with the benefit of private law firms. In short, New York’s consumer protection laws obstruct our residents’ ability to receive justice, and monetary compensation.

February 19, 2026

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Conversely, when presented with the same set of facts in New Jersey, and at the risk of hyperbole, I could probably draft a complaint and file it with the Court by tomorrow morning.

As this Committee considers the enforcement mechanisms of the DCWP, it should also appreciate how private lawyers, like me, can play an important role in helping protect New York City residents from consumer fraud.

No matter what side of the political aisle you stand on, we all know someone who has had issues with a student loan, mortgage, credit card, motor vehicle, bank account, health club membership, or a home improvement project; and we can all agree they should be protected by comprehensive, and strong, consumer protection laws through proper legal representation.

Thank you Chair Epstein, and to the Committee, for your time, and I welcome the opportunity to answer any questions.