

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CIVIL SERVICE AND LABOR

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B E F O R E:

I. DANEEK MILLER  
Chairperson

COUNCIL MEMBERS:

Elizabeth S. Crowley  
Daniel Dromm  
Costa G. Constantinides  
Robert E. Cornegy, Jr.

## A P P E A R A N C E S (CONTINUED)

Julie Menin, Commissioner  
Department of Consumer Affairs

Marla Tepper, General Counsel  
Department of Consumer Affairs

Peter Bruland, Assistant Commissioner  
Analysis and Planning  
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Richard Muller, Director  
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New York City Department of Environmental  
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Leslie Lipton, Division Chief  
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Dr. Raymond Rivera, President  
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Steve Rotlevi, President  
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Frank Roman, Owner  
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Julie Getson  
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Retail, Wholesale, and Department Store  
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Benjamin Locke, Attorney  
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Manuel Viegas  
Drew Herschkowitz  
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Magdalean Barbosa, Attorney  
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David Mertz  
Retail Wholesale Department Store Union  
(RWDSU)

Anthony Mankari  
Alpha Chemical Services

2 CHAIRPERSON MILLER: Good morning and  
3 thanks everyone for coming out. I'm Council Member  
4 I. Daneek Miller, and I am the Chair of the City's  
5 Civil Service and Labor Committee. Today's topic  
6 Proposed Introduction of 125-A Local Law to amend the  
7 Administrative Code of New York in relation to  
8 licensing of car wash facilities. Unlike many  
9 cities, New York City does not require a general  
10 business license to operate in the city. There are  
11 many laws that all businesses are required to follow,  
12 but most businesses do not require a license to  
13 operate.

14 One of these industries is surprisingly  
15 the dirty business of car washing in New York City.  
16 It is a relatively small number of businesses and  
17 employees in the grand scheme of things, and not all  
18 of them are bad actors. Due to the part -- to them  
19 not being licensed, we do not know how many car  
20 washes are operating today. I have heard 200 and  
21 possibly 300 car washes operate in the city employing  
22 as much as 5,000 workers.

23 The proposed bill is to license these  
24 businesses and clean up the industry, which has a  
25 report of underpaying the minimum wage, no overtime,

1  
2 and tips, sometimes quote, unquote "shared management  
3 - managers" use to payoff customer complaints or  
4 damages to vehicles.

5           We want to emphasize, however, that not  
6 all car washes are bad actors. However, in some car  
7 washes these low paid workers are also given harsh  
8 noxious chemicals to clean and degrease cars, often  
9 without protective gear provided, which is a  
10 violation of federal law. I expect that we will hear  
11 from workers today who have been harmed on the job,  
12 which do not always provide healthcare. It always  
13 concerns me that when some car wash's practice for  
14 dealing with consumer complaints is just to pay  
15 damages out of the pockets of low wage workers.

16           If consumers are being harmed, it should  
17 be up to the businesses to compensate those  
18 consumers. No one is putting money in the tip jar  
19 thinking it's going to anyone other than the workers.  
20 And finally, there's an environment. This is  
21 unregulated industry that deals with chemicals and  
22 thousands of gallons of water each day. We don't  
23 know whether these chemicals are getting into the  
24 environment in the neighborhoods where they operate.

1  
2           There is some good news. In the last  
3 couple of years, New York Department of Labor  
4 obtained a multi-million dollar settlement against  
5 car washes in Manhattan for back pay, and some car  
6 washes have unionized in the city. So hopefully,  
7 this city is moving in the right direction to help  
8 the industry shape up. We will hear first from the  
9 Commissioner of Consumer Affairs, Environmental  
10 Protection, and we will then hear from the workers  
11 and advocates who will represent the car wash  
12 industry.

13           Before we begin, however, I want to  
14 acknowledge that we have been joined by the Speaker  
15 of the New York City Council, Melissa Mark-Viverito,  
16 and the members of this committee Costa  
17 Constantinides. I knew that he would be here that  
18 make me say that, and Council Member Elizabeth  
19 Crowley, and Council Member Donovan Richards. I'd  
20 like to thank the Counsel Matt Carlin for putting  
21 this together, and I would like to begin by allowing  
22 Speaker a moment.

23           SPEAKER MARK-VIVERITO: Good morning.  
24 Good morning to everyone, and thank you Chair Miller  
25 for scheduling this important hearing on proposed

1  
2 Introduction No. 125-A a Local Law in relation in  
3 licensing car wash facilities. I am the proud  
4 sponsor of this bill, which was initially introduced  
5 through the last legislative session. In addition to  
6 sponsoring this legislation, I was a member of this  
7 committee in the last session.

8           In 2012, the Civil Service and Labor  
9 Committee held an oversight hearing on the practices  
10 of the car wash industry, and then in late 2013, held  
11 a hearing on an earlier version of this bill. At  
12 those hearings, the Committee received testimony from  
13 workers and advocates that claimed that some workers  
14 in this industry do not always receive the minimum  
15 wage, seldom get overtime pay after 40 hours, have  
16 their tips taken by management right in front of  
17 them, and sometimes are sent home during the middle  
18 of their work shift because business is slow.

19           We also received testimony that important  
20 environmental regulations weren't always followed and  
21 that consumers were adversely affected by some bad  
22 actors in the industry. So it is important that we  
23 license this industry and ensure that good businesses  
24 are operating in New York City. The intention of  
25 this bill is to improve the car wash industry's

1  
2 practices and encourage these businesses to be more  
3 responsible towards employees and customers.

4 Our goal is to have car washes follow all  
5 relevant city, state, and federal laws. We do not  
6 intend for licenses to be denied when a previously  
7 bad actor has demonstrated that it has cleaned up its  
8 act, and shown that it operates in compliance with  
9 the law. However, we do intend that any car wash  
10 that continues to be a bad actor will not be able to  
11 obtain or renew their licenses.

12 I am pleased that the Department of  
13 Consumer Affairs and the Department of Environment  
14 Protection are present today. I look forward to  
15 working with them to enact this important piece of  
16 legislation. I want to thank you Chair Miller and  
17 all my colleagues that have supported, and are  
18 signing onto this bill. We've been working really  
19 hard on it. I want to thank the legislative staff.  
20 I've been working really diligently with all parties  
21 involved both sides, and I look forward to hearing  
22 responses to the proposed bill. Thank you very much.

23 CHAIRPERSON MILLER: Thank you so much,  
24 Madam Chair, and thank you for your leadership in  
25



1 sponsoring this bill. I'd like to begin the hearing  
2 by calling our first panel.

3 [Pause]

4 CHAIRPERSON MILLER: And not all members  
5 of the panel will be testifying unless called upon  
6 for their expertise. But from the Administration we  
7 have from the Department of Consumer Affairs,  
8 Commissioner Menin and General Council Tepper, Marla  
9 Tepper; Leslie Lipton from DEP; Peter Bruland from  
10 Consumer Affairs; and Richard Muller of DEP; and  
11 Marshall Cayman [sp?] of the Buildings Department.  
12 Steven Fergross [sp?], and I know that I butchered  
13 that, and from Buildings as well. So we can begin.  
14 Please state your name for the record before  
15 speaking, everyone.

16 COMMISSIONER JULIE MENIN: Thank you so  
17 much. I'm Julie...

18 CHAIRPERSON MILLER: [interposing] I'm  
19 sorry.

20 [Pause]

21 CHAIRPERSON MILLER: I just would like  
22 for everyone to affirm that your testimony will be  
23 the whole truth, and nothing but the truth.

24 [Pause]

25

2 CHAIRPERSON MILLER: Thank you.

3 COMMISSIONER JULIE MENIN: Good morning.

4 I'm Julie Menin, Commissioner of the Department of  
5 Consumer Affairs, and I'm thrilled to be here. I  
6 want to acknowledge our Speaker Melissa Mark-Viverito  
7 and Chair Miller, and members of the Committee. Let  
8 me take a moment to introduce our team from DCA,  
9 Marla Tepper, our General Counsel is here with me;  
10 and Peter Bruland our Assistant Commissioner for  
11 Analysis and Planning.

12 We greatly appreciate the opportunity to  
13 testify in support of the proposed bill authorizing  
14 DCA to license New York City's car washes. We  
15 believe that this licensing bill is a step in the  
16 right direction to improving this industry for car  
17 wash customers, for owners, and for workers. Let me  
18 first talk a little bit about the basis for DCA's  
19 licensing of car washes. The Department currently  
20 licenses 55 categories of business comprising  
21 approximately 78,000 businesses in New York City.  
22 The Department also regulates other industries such  
23 as tax preparers, and funeral parlors though  
24 industry-specific laws and rules.

1  
2           Currently, the Department does not  
3 license of specifically regulate car washes. As with  
4 other businesses that the Department does not license  
5 or specifically regulate, the Department may indeed  
6 investigate car wash complaints, conduct inspections,  
7 and issue violations pursuant to the City's Consumer  
8 Protection Law. The proposed licensing bill provides  
9 important protections to consumers and prevents car  
10 washes from contaminating the City's water system.

11           I'm now going to move to a discussion of  
12 the specific bill provisions. Intro No. 125-A  
13 requires car washes to be licensed by the Department  
14 unless they fall within limited exemptions. Among  
15 other requirements to obtain a license, car wash  
16 operators will be required to have certificates of  
17 insurance for workers compensation, for unemployment  
18 insurance, and disability insurance coverage, and  
19 copies of liability insurance policies, or  
20 certificates of insurance for liability insurance.  
21 Importantly, car wash operators will be required to  
22 keep electronic records documenting complaints of  
23 damage to vehicles.

24           The bill also authorizes the Department  
25 to refuse to issue a license to an applicant who

1 lacks good character, honesty, and integrity. The  
2 law provides that to make this determination, DCA  
3 could consider failure by the applicant to provide  
4 truthful information or documentation in connection  
5 with the application or a finding of liability in a  
6 range of civil or administration actions. We note  
7 that as with other fitness reviews that DCA currently  
8 conducts, the purpose of this review would be to  
9 ensure that an operator is fit to hold a license, not  
10 to create a barrier to licensing.  
11

12 Consequently, in assessing an applicant's  
13 fitness, the Department would consider matters that  
14 are recent, relevant, and bear a relationship to the  
15 operator's fitness to operate a car wash. We would  
16 not deny a license based on old, insignificant, or  
17 irrelevant matters. The proposed bill would also  
18 require car wash operators to maintain a surety bond  
19 from an authorized surety company payable to the  
20 people of the city conditioned upon compliance with  
21 the provisions of this law. The bill proposes that  
22 the amount of the bond will be at least \$300,000.

23 Under this law, no license would be  
24 issued or renewed. And every license already issued  
25 would be subject to suspension or revocation upon the

1 failure of the applicant or licensee to pay or  
2 satisfy any judgment secured against them. Provided  
3 that the judgment was secured in a court of competent  
4 jurisdiction against applicant or licensee for acts  
5 with regard to the business or pursuant to the  
6 license. This requirement would apply to any  
7 successors or predecessor owners of the car wash  
8 according to criteria set forth in the bill.

10 Under the bill, a car wash operator would  
11 have to pay \$550 for a license. This fee is based on  
12 DCA's analysis of the costs of licensing this  
13 particular industry. The bill also contains various  
14 provisions to safeguard the City's water supply. To  
15 obtain a license from the Department, car washes  
16 would have to provide, among other things, self-  
17 certification of compliance with various laws,  
18 regulations, and rules, including environmental  
19 protection for groundwater discharge, and the  
20 discharge of materials and substances into the public  
21 sewer, as well as verify that they obtained all  
22 necessary permits from New York City.

23 To date, we have worked very  
24 cooperatively with the Council on the bill, and the  
25 proposed bill takes into account concerns raised by

1  
2 our department. We look forward to working with the  
3 Council. In conclusion, Intro No. 125-A delegates to  
4 DCA the responsibility for ensuring that car washes  
5 will be held accountable for compliance with consumer  
6 as well as Environmental Protection Laws. We embrace  
7 the opportunity to utilize the agency's licensing  
8 function to advance these very important objectives.

9 Thank you Speaker Mark-Viverito, Chairman  
10 Miller, and Committee Members for the opportunity to  
11 speak today. I welcome any questions you might have  
12 for the Department of Consumer Affairs, and certainly  
13 look forward to working with you and your staff on  
14 this and DCA's other important initiatives. Thank  
15 you.

16 [Pause]

17 CHAIRPERSON MILLER: Thank you,  
18 Commissioner. We'll save the questions for later.

19 COMMISSIONER JULIE MENIN: Okay.

20 RICHARD MULLER: Richard Muller. Good  
21 morning Speaker Mark-Viverito, Chairman Miller, and  
22 members. I'm Rick Miller, Director of Legislative  
23 Affairs in the New York City Department Environmental  
24 Protection. I am joined today by Leslie Lipton,  
25 Director -- Division Chief of Pollution Prevention in

1  
2 the Bureau of Wastewater Treatment. Thank you for  
3 the opportunity to testify on Introduction 125-A,  
4 which proposes to establish licensing for car wash  
5 facilities.

6           While my testimony is based on the bill  
7 that is posted on the Council's website, we continue  
8 to work together with Council staff to ensure that  
9 the final version improves the regulation of this  
10 industry, as well as the quality of life for everyday  
11 New Yorkers. You have heard from the Department of  
12 Consumer Affairs, which will have the principal role  
13 in the regulatory scheme that the bill would  
14 establish. DEP's role is limited to oversight of the  
15 provisions in the Plumbing Code that regulate the  
16 devices required for businesses such as car washes.

17           These businesses discharge the water they  
18 use to the sewer system, and the equipment such as  
19 sand interceptors or traps and oil/water separators  
20 removes debris and pollutants that are not allowed  
21 under DEP's Sewer Use Regulations to enter the  
22 system. When an applicant submits plans for the  
23 construction of a new car wash to the Department of  
24 Buildings, DEP's responsibility is to review the  
25 plans for this equipment. To make sure it will

1 retain the used water long enough for the sand or oil  
2 to settle or separate out so that it is not  
3 discharged with the wastewater to the sewer system.  
4 The plans are then approved, and returned to DOB,  
5 which processes the entire application.  
6

7           The other type of equipment that is  
8 important for the protection of the drinking water  
9 supply is the Backflow Prevention Device. This  
10 device ensures that water that is used under pressure  
11 such as in spray washing of cars that may have  
12 chemical additives, cannot be allowed to be forced  
13 back into the water main when the pressure created by  
14 the equipment is greater than the pressure in the  
15 water main. This equipment must also be approved for  
16 adequacy.

17           With regard to record retention, as with  
18 other businesses such as restaurants that are  
19 required to install and maintain grease traps on  
20 their sinks and dishwashers, we required that  
21 maintenance records be kept on premises and made  
22 available to an inspector on request.

23           The bill contains provisions relating to  
24 material safety data sheets now known simply as  
25 safety data sheets, or SDSs. The bill proposes to



1 require retention of SDSs, review of SDSs by the  
2 Commissioner, and contemplates promulgation of rules.  
3 We understand that there is a comprehensive body of  
4 federal regulation in this area, including  
5 regulations by the Occupational Safety and Health  
6 Administration, and we are reviewing whether this  
7 type of local regulation could be preempted by  
8 federal law.

9  
10 We appreciate the Council's collaboration  
11 with the Administration to amend the provisions of  
12 this bill to make this regulatory scheme as simple  
13 and as efficient as possible for all concerned.  
14 Thank you for the opportunity to present testimony.  
15 I would be glad to answer any questions.

16 CHAIRPERSON MILLER: Okay, thank you.  
17 That's it? No one from Buildings? Then that's it.  
18 We've been joined by Council Member Dromm and Council  
19 Member Cornegy. We also have written testimony from  
20 Controller Scott Stringer.

21 [Pause]

22 CHAIRPERSON MILLER: DCA, Commissioner,  
23 you spoke of-- In your testimony, you spoke of a  
24 specific insurance that was needed for car wash  
25 licensing as well as some other provisions. I kind

1 of want to speak to that, and would you speak to that  
2 first, but also some of these provisions that are  
3 asked for within the local law, I'd like for you to  
4 kind of speak to whether or not it is unique to this  
5 industry, and if so, why.

7 COMMISSIONER JULIE MENIN: Sure. We'd be  
8 happy to answer that. As I said in my testimony, the  
9 proposed bill would require car wash operators to  
10 maintain a surety bond in the amount of \$300,000.  
11 I'm going to turn it over to Marla Tepper, our  
12 General Counsel to answer the latter part of your  
13 question in terms of uniqueness.

14 GENERAL COUNSEL TEPPER: Good morning.  
15 The proposed bill contains provisions that are very  
16 similar to many of our other laws. For example,  
17 under the proposed bill, the Department is required  
18 to conduct what we would call a fitness examination  
19 of potential licensees. That's something that the  
20 Department routinely does pursuant to the  
21 Administrative Code. The Code provides that we are  
22 required to assess the fitness and integrity of a  
23 potential applicant. And when we do so, it looks  
24 specifically at acts that are germane to the conduct  
25 in which they want to engage. So we're looking at

1            what the business is and conduct related to that.  
2            For example, violations that they've had, or their  
3            failure to pay fines that they owe to the agency. So  
4            that's very similar to the work that the agency  
5            routinely does.  
6

7            There are other bills, or other laws, for  
8            example, that provide for the same or similar moral  
9            character test that is provided under this bill. One  
10           distinction in this bill is that under the proposed  
11           law, the Department may consider a range of other  
12           judgments of civil judgments. And typically, we do  
13           not consider the entire range of those judgments,  
14           such as torts or breach of contract. That's not  
15           typical for us.

16           You asked about the surety bond. That is  
17           something that we have in many other laws. I think  
18           14, for example. So that's something that the agency  
19           is required to check for with other industries as  
20           well. As for the question about insurance, we also  
21           require insurance in multiple other categories.  
22           That's not atypical either.

23           CHAIRPERSON MILLER: So there are  
24           obviously insurances specifically -- specific to  
25

1  
2 industries, and I trust that's what you were  
3 referring to?

4           GENERAL COUNSEL TEPPER: That's correct,  
5 and we can follow up with the specifics of the  
6 insurance that we require under laws. But we want to  
7 make sure that businesses have the insurance that is  
8 appropriate to make sure that the conduct of the  
9 business is safe, and that's the purpose of the  
10 insurance requirements.

11           CHAIRPERSON MILLER: Could you speak a  
12 little -- speak to the required -- the requirement of  
13 the bond?

14           GENERAL COUNSEL TEPPER: So the bond in  
15 this law is a bond of \$300,000. As I said earlier,  
16 we require bonds in many other categories. \$300,000  
17 is a higher rate for a bond than those typically in  
18 our other laws. I believe that the highest bond that  
19 we have is \$100,000, and that is for process server  
20 agencies. So, \$300,000 is higher than others in our  
21 regulated categories.

22           CHAIRPERSON MILLER: So aside from the  
23 process servers, who are some of the other businesses  
24 that require bonds?

1  
2 GENERAL COUNSEL TEPPER: So there are 14  
3 categories of businesses that require bond. One is  
4 auction house, auctioneer, booting companies, debt  
5 collection agencies, employment agencies, laundry,  
6 laundry jobber, pawn broker, process server,  
7 individual process server agency, second hand dealer  
8 in fire arms, second hand dealer general, and tow  
9 truck companies.

10 CHAIRPERSON MILLER: Okay, and did you  
11 say laundry -- laundry mat?

12 GENERAL COUNSEL TEPPER: Yes, I did.

13 CHAIRPERSON MILLER: And does that  
14 include cleaners as well?

15 GENERAL COUNSEL TEPPER: Excuse me?

16 CHAIRPERSON MILLER: Does that include  
17 dry cleaners as well?

18 GENERAL COUNSEL TEPPER: We don't license  
19 dry cleaners per se. Many of the laundries that we  
20 regulate happen to be dry cleaners as well.

21 CHAIRPERSON MILLER: Okay, and what is  
22 the amount of their bonds?

23 GENERAL COUNSEL TEPPER: The amount of  
24 the laundry bond is based on the number of employees.

1  
2 So it ranges from \$500 to \$5,000 based on the number  
3 of employees.

4 CHAIRPERSON MILLER: So is there -- Would  
5 you consider multiple levels of bond depending on the  
6 size of the business?

7 GENERAL COUNSEL TEPPER: I think that  
8 that's one good approach. I think that there may be  
9 variables that are appropriate to consider that we  
10 could discuss with the Council as well. The purpose  
11 of the bond is to make sure that consumer complaints,  
12 for example, can be satisfied. And certainly, the  
13 size of the entity bears with their relationship.  
14 The size of the entity, the number of employees,  
15 their business model, for example, would bear on the  
16 relationship to the bond.

17 CHAIRPERSON MILLER: Okay, so there --  
18 because there are a number of industries that are  
19 bonded accordingly based on numbers and other  
20 criteria that have multi-level bonding, correct?

21 GENERAL COUNSEL TEPPER: The one I'm  
22 familiar with at this moment is laundry. So we can  
23 provide you with other information as to tiered  
24 pricing for bonds, yes.

1  
2 CHAIRPERSON MILLER: Yeah, I think there  
3 may be one or two others as well.

4 GENERAL COUNSEL TEPPER: Okay.

5 CHAIRPERSON MILLER: Okay.

6 [Pause]

7 CHAIRPERSON MILLER: On the -- and for  
8 DEP, can you speak to the specifics that were  
9 mentioned in terms of some of the requirements that  
10 you -- that would be necessary according to the Local  
11 Law, and what makes that different from some of the  
12 other requirements, or business that are operating  
13 currently?

14 RICHARD MULLER: There are a number of  
15 businesses that would fall under the same regulations  
16 as car washes. We talk about the sand interceptors  
17 or traps so that when you wash a car, there is the  
18 road grit and grime and so on that falls from the car  
19 and drains off. And we want to make sure that that  
20 sand and grit does not end up in the sewer system.  
21 And so we have these interceptors that retain the  
22 wastewater for a minimum of 15 minutes. So that the  
23 sand can settle out before the water drains off the  
24 top of the tank and is sent into the system.

1  
2 I know there was question about the  
3 oil/water separators. Those are not required for all  
4 businesses, but if a plan is submitted to us  
5 specified that there will be washing of the engine or  
6 the undercarriage of the car. And if you think of a  
7 standard car wash the drive-through or the pull-  
8 through or the one that you can actually -- You know,  
9 the coin operated, they generally don't have  
10 provisions for engine washing or undercarriage  
11 washing.

12 And so that type of car wash would not be  
13 required to have an oil/water separator. But when  
14 there's oil that comes off the engine or the  
15 undercarriage, then we want to make sure that that  
16 oil does not enter the sewer system as well. And so,  
17 when we get the plans for review, Leslie's shop has  
18 a plan reviewer who looks at the plans for any new  
19 car wash. And makes sure that the activities that  
20 they're going to engage in are protective of the  
21 system in terms of the equipment that they'll use.

22 CHAIRPERSON MILLER: Okay, so you kind of  
23 segued right into my next question was about the  
24 water/oil separators.

25 RICHARD MULLER: Yes.



2 CHAIRPERSON MILLER: So obviously, you  
3 spoke to something that exists in a great deal of car  
4 washes currently, but you're saying -- So are they  
5 required, the separators?

6 RICHARD MULLER: Yes, sir, always. If  
7 they are -- As I said, if the engine is washed, if  
8 the undercarriage of the car is washed, they must  
9 have an oil/water separator.

10 CHAIRPERSON MILLER: Okay.

11 [Pause]

12 CHAIRPERSON MILLER: We'll now hear from  
13 Council Member Cornegy.

14 COUNCIL MEMBER CORNEGY: Good morning,  
15 Commissioner.

16 COMMISSIONER JULIE MENIN: Good morning.

17 COUNCIL MEMBER CORNEGY: Thank you,  
18 Chair. So I'm extremely sensitive to, and concerned  
19 about the problems with the payment of car workers  
20 described in the Committee Report, and here today.  
21 However, I chair the Council's Committee on Small  
22 Business. And my mantra since assuming that role in  
23 January has been my own version of the Hippocratic  
24 oath, which says that we should do no harm.

1  
2           What this means to me is that our  
3 policies must recognize that New York City is a  
4 challenging and expensive place to do business. Yet,  
5 we rely on business owners to create the range of  
6 jobs city residents rely on to sustain themselves and  
7 their families. This obviously ranges from entry  
8 level positions to higher paid employment with fair  
9 treatment, room for growth, the opportunity to  
10 organize and legal protections at every level.

11           With this in mind, I look at every  
12 proposal to increase regulation and business  
13 operations costs critically. And it's in this vain  
14 that I would like to pose just a couple of questions.  
15 Do you know, and I apologize for being late, but this  
16 is budget season so we're jumping in and out of  
17 meetings all over the place. And I don't know if we  
18 have touched on this already. But how much in total  
19 will it cost the average car wash owner to comply  
20 with the provisions of this proposed act? Do you  
21 have that?

22           COMMISSIONER JULIE MENIN: We do not have  
23 that information.

24

25

1  
2 COUNCIL MEMBER CORNEGY: Is that  
3 something that perhaps at a later date you could look  
4 at and discuss?

5 COMMISSIONER JULIE MENIN: We'd have to  
6 get back to you on that. Yeah.

7 COUNCIL MEMBER CORNEGY: I obviously  
8 through the chair would appreciate an opportunity to  
9 just kind of look at that.

10 COMMISSIONER JULIE MENIN: Absolutely.

11 COUNCIL MEMBER CORNEGY: Secondly, your  
12 report states that in the 21-1/2 -- I mean the 2-1/2  
13 years proceeding the spring of 2012 there were only  
14 11 consumer complaints relating to car washes, and  
15 that these complaints included damage to vehicles and  
16 pricing. How does this statistic justify the  
17 proposal's requirement of a \$300,000 surety bond for  
18 every car wash?

19 COMMISSIONER JULIE MENIN: One of the  
20 important things to note is that we see an uptick in  
21 consumer complaints once DCA regulates the particular  
22 industry because then the DCA license number and a  
23 sign is put up in that particular business indicating  
24 that DCA is the one to regulate that particular  
25 entity. So this is important to note because of the

1 fact that car wash complaints, if DCA were to  
2 regulate them, would, of course, increase once people  
3 know that DCA is a regulating agency, and they can  
4 contact us. If there's no signage up there, and the  
5 customer doesn't know who to call, then the  
6 complaints are most likely not going to go to DCA.  
7 And that's an experience we have seen in other  
8 industries when we've started to regulate them.

9  
10 COUNCIL MEMBER CORNEGY: So I don't want  
11 to belabor or debate the point, but how did you get  
12 those first 11?

13 COMMISSIONER JULIE MENIN: I'm going to  
14 turn it over to Marla Tepper because that happened  
15 before my tenure as Commissioner. So she can address  
16 those specific 11 complaints.

17 GENERAL COUNSEL TEPPER: Some consumers  
18 do know, and do find their way to Consumer Affairs  
19 when a business is not licensed by the agency, and  
20 that was the case with those 11 complaints. However,  
21 as the Commissioner noted, we do see many more  
22 complaints filed when consumers see our sign, and our  
23 license and call 3-1-1 at the location of the  
24 business.

1  
2 COUNCIL MEMBER CORNEGY: So you  
3 anticipate a significant uptick in complaints based  
4 on the knowledge of consumers that there is a  
5 governing agency who regulates?

6 COMMISSIONER JULIE MENIN: [interposing]  
7 Yes, we do, and that's been our experience when we  
8 started regulating other industries. Once people  
9 know that this is the agency they should call, there  
10 usually is then an uptick in complaints.

11 COUNCIL MEMBER CORNEGY: So part of the  
12 concern that I've had in the past is that if a  
13 consumer or business' only interaction with DCA is  
14 that kind of interaction, it began -- begins just  
15 this whole trajectory of the city in the way it does  
16 business, but I won't even address that here. But  
17 that, you know, kind of sends a whole message. I'm  
18 just going to continuing in my line of question if my  
19 Chair will indulge me.

20 The statistics that the Department of  
21 Labor believed in 2010 that 80% of car washes in the  
22 city were not complying with wage and hour laws is  
23 staggering. If this was the case, why do you  
24 propose, or why do you think or purport that there  
25 weren't more prosecutions? So at that high rate the

1  
2 Department of Labor is reporting, why do you think  
3 there weren't more--? As the cases went on, why  
4 weren't there more prosecutions, in your opinion?

5 GENERAL COUNSEL TEPPER: I think that the  
6 Department of Labor is best poised to answer why they  
7 didn't prosecute more of those cases. And perhaps it  
8 was workload, but that would be speculative on our  
9 part.

10 COUNCIL MEMBER CORNEGY: Thank you, and  
11 has this estimate changed? In the last four years,  
12 has that number to your knowledge, gone up, gone down

13 GENERAL COUNSEL TEPPER: We don't know.

14 COUNCIL MEMBER CORNEGY: And then lastly,  
15 why no increase enforcement of existing laws to get  
16 at these bad actors, and give monetary relief to  
17 effective workers?

18 GENERAL COUNSEL TEPPER: That would be a  
19 question, and it would best be directed to the  
20 Department of Labor. However, this law addresses  
21 consumer concerns, and environmental concerns, that  
22 are fully within our jurisdiction.

23 COUNCIL MEMBER CORNEGY: Thank you for  
24 your answers.

2 COMMISSIONER JULIE MENIN: Thank you,  
3 very much.

4 CHAIRPERSON MILLER: Council Member  
5 Constantinides.

6 [Pause]

7 COUNCIL MEMBER CONSTANTINIDES: I'll ask  
8 a quick question, and then I'll accede my time to  
9 Council Member Richards. But I'll ask very quickly  
10 about backload devices. I know that you spoke about  
11 that a little bit. I know under the new law we'll  
12 have to make sure that there is compliance and  
13 documentation. Where are we in compliance? So  
14 document -- give me some idea of what chemicals are  
15 already being released by these car washes, and what  
16 dangers do they pose to the communities around them  
17 if they were to get into the water supply?

18 RICHARD MULLER: We have surprisingly  
19 few, even rare complaints about car washes, and what  
20 they tend to be is run off of soapy water on the  
21 street that might become slippery when it's cold.  
22 But we should keep separate the Backflow Prevention  
23 Devices, which have to do with the water supply.

24 COUNCIL MEMBER CONSTANTINIDES:  
25 [interposing] Right.

1  
2 RICHARD MULLER: And we very, very  
3 carefully regulate those devices because we don't  
4 want any chemicals being forced back into the  
5 drinking water system. With regard to the sewer  
6 regulations, and possible pollution of the  
7 environment, we don't see problems with car washes.  
8 Leslie can speak to this extensive list of industries  
9 that his shop has to keep an eye on with his  
10 inspectors, and we can talk about even the dental  
11 offices with dental amalgam, spray painting  
12 operations, plating operations, numerous industries.

13 But that is about the discharge of  
14 wastewater, and so the important thing is to keep  
15 those pollutants out of the system. Now, what we  
16 understand is that car washes are using detergents.  
17 They are not -- though they might be technically  
18 characterized as hazardous under the Community Right  
19 to Know Law, they don't present a hazard to the  
20 general community. And they don't present a hazard  
21 to the wastewater system. Our treatment plants can  
22 handle those detergents.

23 COUNCIL MEMBER CONSTANTINIDES:

24 Detergents, wax, everything. It's a little more than  
25



1 just like something on your car. I want to clean my  
2 shirts. It's a little bit more than that.

4 RICHARD MULLER: Correct, correct.

5 That's our understanding yes. So this does it not,  
6 but this does not --.

7 COUNCIL MEMBER CONSTANTINIDES:

8 [interposing] But you-- I'm making it-- I'm sort of  
9 going in the direction, and I think you're agreeing  
10 with, and I think I'm disagreeing with you. It's a  
11 little bit more than me like going to the washing  
12 machine and like putting my shirt in the washing  
13 machine. These are heavy duty detergents with heavy  
14 duty waxes. These are some serious chemicals to  
15 remove some things that I'm probably not going to  
16 come into contact with, but my car is, correct?

17 RICHARD MULLER: That's correct.

18 COUNCIL MEMBER CONSTANTINIDES: But  
19 you're telling me that our system can handle that, no  
20 problem?

21 RICHARD MULLER: Yes, sir.

22 COUNCIL MEMBER CONSTANTINIDES: And we  
23 shouldn't be disagreeing with sort of the premise  
24 that we're sort of trying to accomplish today, or  
25 where are we going?

1                   RICHARD MULLER:  Oh, no, not at all.  
2  
3                   Just that we don't see a problem with the discharge  
4                   that is coming from these car washes.  They are in  
5                   compliance with our Sewer Use Regulations, and so  
6                   that is -- that aspect is not a problem.

7                   COUNCIL MEMBER CONSTANTINIDES:  Okay.

8                   COUNCIL MEMBER RICHARDS:  Thank you.  
9                   Thank you, Costa, for raising those particular  
10                  issues, and obviously I'm putting on my hat as the  
11                  Environmental Protection Chair, and you raised  
12                  obviously some valid points.  And I would just ask  
13                  that you guys give us more definitive information.  
14                  So I would want to know how many violations, and I  
15                  guess DCA would more so answer this question.  How  
16                  many complaints or violations were lodged last year  
17                  in terms of contamination, or people who were  
18                  concerned about particular car washes?

19                  COMMISSIONER JULIE MENIN:  Okay, go ahead  
20                  and answer.

21                  GENERAL COUNSEL TEPPER:  So you've asked  
22                  the questions how many complaints have we had about -  
23                  - from people who've been contaminated by car washes?

24                  COUNCIL MEMBER RICHARDS:  Well,  
25                  neighborhoods where individuals have complained

1  
2 about, you know, runoff from the car washes going  
3 into their particular --

4 GENERAL COUNSEL TEPPER: We have not yet  
5 received complaints of that.

6 COMMISSIONER JULIE MENIN: [interposing]  
7 Because those complaints are less likely to come to  
8 DCA. DCA is more likely to get the straight, strict  
9 consumer complaint, whether it's about pricing or  
10 other issues. So, we do want to get that.

11 COUNCIL MEMBER RICHARDS: [interposing]  
12 So can DEP...? So this complaint would definitely go  
13 to DEP?

14 COMMISSIONER JULIE MENIN: I mean one of  
15 the issues, as I mentioned earlier, is that when DCA  
16 begins to regulate a new industry, and assign as post  
17 with the DCA license number, and it's very clear that  
18 DCA is a regulating agency, then we really start to  
19 see complaints come directly to DCA. In this regard,  
20 and if I understand your question correctly, you're  
21 asking more about environmental nature complaints,  
22 which are more unlikely to come to us.

23 COUNCIL MEMBER RICHARDS: So who were  
24 they going to?

2 RICHARD MULLER: They would come to DEP  
3 because we are concerned about what goes into the  
4 sewer. For example, construction sites. If there's  
5 concrete washout water from the trucks, we don't want  
6 that stuff going into the sewer and that's --

7 COUNCIL MEMBER RICHARDS: Some of where  
8 that sort of question that I raised was how many  
9 violations were lodged on this issue last year?

10 RICHARD MULLER: Rare.

11 COUNCIL MEMBER RICHARDS: But I mean do  
12 you have a number? Is rare a hundred? Is rare two?

13 RICHARD MULLER: About one or two a year.

14 COUNCIL MEMBER RICHARDS: One or two a  
15 year?

16 RICHARD MULLER: Yes, sir.

17 COUNCIL MEMBER RICHARDS: Okay. And so  
18 now obviously with this, with the passage of this  
19 bill happening, the coordination I'm assuming is  
20 going to be better between DEP and DCA on these  
21 issues?

22 RICHARD MULLER: Yes, I'll say that we  
23 are very happy when we have maintenance records that  
24 we can check if there is a complaint. And the  
25 requirement that the owner maintain maintenance

1 records on the sand trap or on oil/water separator,  
2 if they have one, that we can look and we can make  
3 sure that they're being properly maintained. The  
4 analogy I made in the testimony is to grease traps.  
5 And as you know, great traps is a huge problem for  
6 the system.

8 And so when we go to inspect, and that is  
9 usually triggered by a sewer backup, we want to see  
10 those records to make sure that they have a licensed  
11 hauler to take the grease away, that they are  
12 maintaining their grease traps. That they have  
13 properly sized grease traps. And in like manner,  
14 even though these car washes do not present this type  
15 of problem for us, we -- If we respond to a  
16 complaint, we would be glad to know that those  
17 records will be there.

18 COUNCIL MEMBER RICHARDS: All right,  
19 Chairman Miller, I would just add that I guess as we  
20 move forward that there be some part of this  
21 legislation where DEP has to report back to either to  
22 -- I mean obviously to my committee or your committee  
23 on the number of violations we'll see in a year. And  
24 I just fail to believe that only two car washes out  
25 of New York City got complaints on runoff when know

1 that obviously there's more. Or obviously there  
2 needs to be more outreach on this issue so people  
3 know that they should call 3-1-1 on this particular  
4 issue. But I'm very concerned about these chemicals  
5 running into our sewer system, and our water systems.  
6 And we want to make sure that we obviously are having  
7 the cleanest water obviously in New York City. So  
8 thank you chairman for your time.

10 CHAIRPERSON MILLER: Thank you Council  
11 Member Richards for your insightful questions as  
12 usual as it pertains to environmental protection.  
13 Now, Council Member Dromm.

14 COUNCIL MEMBER DROMM: Just to clarify.  
15 I'm not exactly sure how people would know to go to  
16 either of the agencies to make complaints in this  
17 regard, and the number of one or two seems to be low  
18 to me. But I don't think I as even a Council Member  
19 would know exactly how to go about filing a  
20 complaint. So what type of information do you put  
21 out there? How do you let people know, and is that  
22 part of the problem in terms of the reporting of  
23 complaints?

24 COMMISSIONER JULIE MENIN: Well, I'll be  
25 happy to address that first, Council Member. From

1  
2 DCA's perspective, and let me just be clear about  
3 this. We currently don't regulate car washes, and  
4 that's obviously what the proposed bill would do. So  
5 that would change the reporting scheme. But most  
6 people when they complain to DCA do call 3-1-1. And  
7 as you can imagine, we have a myriad group of  
8 complaints across many, many different industries and  
9 categories. We also have tremendous web traffic on  
10 our website. Many people go on our website to is  
11 this a category that DCA regulates or not? And so, a  
12 lot come in that way, and we also receive a few phone  
13 calls as well. So we have our small business live  
14 chat. So we come and we get through the complaints  
15 in a number of different ways.

16 COUNCIL MEMBER DROMM: There's no vehicle  
17 right now to make any complaint to DCA about these  
18 violations.

19 COMMISSIONER JULIE MENIN: Well, in the  
20 last administration, 3-1-1 was the mechanism. So  
21 rather than DCA having a dedicated hot line, the last  
22 administration made the decision that all complaints  
23 had to go through 3-1-1. And so that is something  
24 that obviously we are looking at, and certainly have  
25 raised concern about. We want to make sure people

1 know about DCA, that they can come to DCA, and one of  
2 the main goals that we have at DCA is to have  
3 increased notification that people can complain  
4 directly to us. Particularly, we want to make sure  
5 that some of New York City's most vulnerable  
6 communities know that they should come directly to  
7 DCA, and we are here for them if they are the victim  
8 of fraud abuse or scam.

10 COUNCIL MEMBER DROMM: What about DEP?

11 RICHARD MULLER: Council Member, Consumer  
12 Affairs testified they see about 11 complaints  
13 against car washes, and the rare complaints about  
14 runoff have to do with the hazardous condition on the  
15 sidewalk. You know, if it's cold and the run off  
16 freezes, it's slipper. But that's the sum and  
17 substance of the complaints that we get.

18 COUNCIL MEMBER DROMM: So I don't want to  
19 condemn the whole agency, but I actually have had  
20 people make complaints to DEP because we have a car  
21 wash on 75th Street and Northern Boulevard. And  
22 often times when DEP comes out, and even for other  
23 complaints as well, if you don't state the problem  
24 specifically as it's defined in your manual, or book,  
25 or whatever, it's not recorded as the intended person



1  
2 meant it to be. And so, I'm wondering if that's not  
3 also a part of the problem, and that's why these  
4 numbers are so low. Have you heard this before?

5 RICHARD MULLER: No, Council Member.

6 COUNCIL MEMBER DROMM: Okay, because we  
7 have a situation on 75th street, and Northern  
8 Boulevard, which people are just slipping and sliding  
9 all over the place. And, you know, we've had  
10 residents that have had issues, made complaints. I  
11 don't know exactly what the outcome of that was. But  
12 I have this information, and I will share that  
13 information with you so that we can do follow up.  
14 But in general, I don't think that people actually  
15 know where or how to go about those complaints. I'll  
16 give you an example even with another issue. It's a  
17 little bit off topic here, but just as an example.  
18 We called in a water leak to DEP. Somebody said that  
19 it wasn't a leak. There was another term that was  
20 used, and so, therefore, it wasn't fixed until it  
21 became a pond. And then something else happened, and  
22 so I suspect that something similar is happening with  
23 these car wash complaints. So think that is why we  
24 see these numbers so low. Thank you.

1  
2 CHAIRPERSON MILLER: Thank you Council  
3 Member Dromm. So a couple more questions. On the  
4 DEP side as we talk about additional regulations as  
5 it pertains to health and safety, I have noted that  
6 there is no mentioned of safety requirements or  
7 additional training requirements. Was that a  
8 prerequisite and kind of as we talk about piece of  
9 evidence, piece of legislation, and regulating this  
10 industry, where is health and safety as a matter of  
11 priority?

12 RICHARD MULLER: Mr. Chair, Health and  
13 Safety I assume that you mean exposure by workers.

14 CHAIRPERSON MILLER: [interposing]  
15 Handling chemicals, exposure to chemicals, yeah.

16 RICHARD MULLER: We don't regulate that,  
17 and that's under the jurisdiction of the Occupational  
18 Safety and Health Administration, and whoever would  
19 be the state agency, and then if there's delegations  
20 with the city agency I don't know. But that does not  
21 fall under DEP's jurisdiction.

22 [Pause]

23 CHAIRPERSON MILLER: Okay, thank you,  
24 panel.

2 COMMISSIONER JULIE MENIN: Thank you very  
3 much.

4 CHAIRPERSON MILLER: Council Member  
5 Richards.

6 COUNCIL MEMBER RICHARDS: Sorry, just one  
7 more question. So in terms of protecting the  
8 workers, and I know that a lot of workers work at  
9 these car washes, and they're not necessarily getting  
10 the protective gear that they should to ensure that  
11 they're not contaminated. You know, obviously hurt  
12 by the chemicals. What are the plans that you guys -  
13 - I don't know which agency will speak to this, that  
14 would ensure that these workers -- The owners would  
15 be required to either provide them with the  
16 protective gear to sure that they're not-- You know,  
17 these chemicals are not being put on their skins and  
18 other things. So that's the basic question. So  
19 there would be like a requirement to ensure that they  
20 are -- they have protective gear.

21 RICHARD MULLER: I think the strongest  
22 provision you could have is that with the self-  
23 certification by the owner that he or she is in  
24 compliance with all relevant federal regulations.

1           That would be the farthest we could get with that I  
2 believe.  
3

4                   COUNCIL MEMBER RICHARDS: And I want to  
5 be very fair. I'm very concerned about self-  
6 certification because self-certification without  
7 people technically regulating, or agencies really  
8 looking at this matter means that you still will have  
9 this going on in the long term. So I would hope  
10 that, you know, you guys are going to do some sort of  
11 annual inspections or pop-up inspections to ensure  
12 that this is happening. Because with self-  
13 certification, we've seen this with -- I don't want  
14 to put out developers out there, but I've certainly  
15 seen some things when it comes to self-certification.  
16 And I'm concerned that they may not report as  
17 accurately as they should.

18                   RICHARD MULLER: Understood.

19                   CHAIRPERSON MILLER: Thank you, Council  
20 Member Richards, and I think as we move forward and  
21 kind of sum this up, there will be further -- There  
22 are some questions that were not completely answered.  
23 There are some questions that are outstanding and  
24 we'll forward to each partner, each agency, and  
25 hopefully we'll get the answers to those questions as

1 we move forward. Clearly, oversight of the  
2 legislation and the industry is going to be  
3 important moving forward, but we have intelligent  
4 oversight as we do so. And certainly, what is  
5 paramount is the health and safety of the workers.  
6 And so we want to make sure that we have the proper  
7 understanding of what industry standards are, and  
8 what they should be. And so we'll bring the  
9 appropriate agencies, and when that is done, we'll  
10 hope that we have agency coordination so that this is  
11 built as precisely what everyone of us hope that it  
12 will do. So I thank you for your testimony, and I  
13 look forward to seeing and speaking with you again.

14  
15 COMMISSIONER JULIE MENIN: Thank you very  
16 much. We look forward to continuing to work with the  
17 Council on this bill. Thank you.

18 CHAIRPERSON MILLER: Thank you.

19 RICHARD MULLER: Thank you, Mr. Chair.

20 CHAIRPERSON MILLER: And before we call  
21 up our next panel, we have some guests in the rear,  
22 and who are these young people? Identify yourself.

23 MALE SPEAKER: [off mic]

24 CHAIRPERSON MILLER: Brooklyn in the  
25 house. Okay. Welcome to the people's house.

2 [Pause]

3 CHAIRPERSON MILLER: The next panel is  
4 Dr. Raymond Rivera, Juan Carlos Rivera, and Miguel  
5 Castillo [sp?].

6 [Pause]

7 CHAIRPERSON MILLER: Okay. Do we -- does  
8 anyone need a translator over there? Do you have a  
9 translator?

10 MALE SPEAKER: Yes.

11 CHAIRPERSON MILLER: Okay, can we just  
12 affirm that we will tell the truth and nothing but  
13 the truth as it pertains to this testimony here  
14 today?

15 [Pause]

16 CHAIRPERSON MILLER: You can begin anyway  
17 you want to. Please identify yourself before  
18 speaking.

19 Clerk: [swearing in -- off mic]

20 DR. RAYMOND RIVERA: I do. My name is  
21 Dr. Raymond Rivera. I'm President of the Latino  
22 Pastoral Action Center, and Co-Chair of the NYC  
23 Clergy Roundtable, which represents several hundred  
24 churches here in New York City. I've been involved  
25 with the car washes since almost the inception of

1  
2 their struggle to obtain worker rights. And I'm here  
3 basically from the moral perspective representing the  
4 faith based community. We think that this  
5 legislation 125-A is just -- We think it's rooted in  
6 our faith tradition or we can dichotomize. Both the  
7 Judeo-Christian and Islamic sacred text all speak  
8 about justice for the workers.

9           They all speak to owners about  
10 exploitation of worker, and we think that this is a  
11 just legislation. So I'm here on behalf of our  
12 several hundred churches supporting this legislation.  
13 We think the owners are on the wrong side of history.  
14 We think that minimum wage is going up, both at a  
15 hopefully city level, state level, and federal level.  
16 We think we're all for small businesses. Let me say  
17 to the owners as a pastor and as a minister we  
18 support small businesses. But we support small  
19 businesses that are in compliance with the law, with  
20 city law, with federal law, with state law. We  
21 support small businesses that are just with their  
22 workers and that produce living wage jobs. So we're  
23 here not as anti-business. We're here as pro-worker  
24 and also supporting businesses that are in compliance  
25 with the law and that provide just living wages for

1  
2 the workers. So I want to thank you for listening my  
3 testimony.

4 [Pause]

5 JUAN CARLO RIVREA: [Testifies in  
6 Spanish]

7 TRANSLATOR: Good morning, my name is  
8 Juan Carlo Rivera.

9 JUAN CARLO RIVREA: [Testifies in  
10 Spanish]

11 TRANSLATOR: I started working at a car  
12 wash in 2006 in SoHo, Manhattan.

13 JUAN CARLO RIVREA: [Testifies in  
14 Spanish]

15 TRANSLATOR: I want to say that our  
16 salary was very just. When I started it was \$3.00 an  
17 hour.

18 JUAN CARLO RIVREA: [Testifies in  
19 Spanish]

20 TRANSLATOR: And then within a year, they  
21 would raise the wages to \$4.00 or \$5.00, but it was  
22 very small like that.

23 JUAN CARLO RIVREA: [Testifies in  
24 Spanish]

25



1  
2 TRANSLATOR: Aside from that, our tips  
3 were also deducted. If there were any damages to any  
4 cars, they would deduct from our tips.

5 JUAN CARLO RIVREA: [Testifies in  
6 Spanish]

7 TRANSLATOR: And this is how we've been  
8 working with these types of business owners. You  
9 know, I don't want to say that they're bad people,  
10 but really they exploited the workforce.

11 JUAN CARLO RIVREA: [Testifies in  
12 Spanish]

13 TRANSLATOR: We've had to work while even  
14 being sick, and if we don't show up to work we have  
15 the potential of being fired.

16 JUAN CARLO RIVREA: [Testifies in  
17 Spanish]

18 TRANSLATOR: And I want to talk  
19 specifically about the L&C Company or Lage as it's  
20 cited in its official documents.

21 JUAN CARLO RIVREA: [Testifies in  
22 Spanish]

23 TRANSLATOR: But I want to say that it's  
24 not just his large chain, and his car washes that are  
25 bad operators, but just basically any car wash that

1  
2 you see around the corner. The workers are living  
3 the same experiences

4 JUAN CARLO RIVREA: [Testifies in  
5 Spanish]

6 TRANSLATOR: And just to give you a  
7 previous of the exploitation that's happening in the  
8 car washes, in 2009 there was a lawsuit against Lage.

9 JUAN CARLO RIVREA: [Testifies in  
10 Spanish]

11 TRANSLATOR: One of my co-workers who  
12 currently who's still works at the Lage Company has  
13 been working the for 21 years. He started earning  
14 only \$2.00 an hour after the wage an hour lawsuit  
15 that the DO had against Lage. He still was not able  
16 to receive any, or recover any of his money.

17 JUAN CARLO RIVREA: [Testifies in  
18 Spanish]

19 TRANSLATOR: And that's why we're here  
20 fighting, not just for -- we're fighting because of  
21 the wage stuff that's happening in the car washes,  
22 and I hope that you can hear my testimony, and that  
23 you really listen to what we have to say.

24 [Pause]

25

1  
2           MIGUEL CASTILLO: Well, good morning  
3 everybody. My name is Miguel Castillo [sp?]. I am a  
4 car wash worker, and I work in the car wash industry  
5 for more than five years. So what would you like to  
6 tell our-- Before the car wash company began, my co-  
7 workers worked at thinking of the ways in managing  
8 the ways. We have to split our takes from the  
9 manager. They would pay money from the hour it takes  
10 to cover loss or damage herein. With this minimum  
11 wages with the tips taken into account, we needed to  
12 get overtime. They also didn't pay us the mandatory  
13 four hours when they send us home early on rainy days  
14 or a slow day, or for the original hour that the law  
15 ensures. After working ten consecutive hours --

16           MIGUEL CASTILLO: [Testifies in Spanish]

17           TRANSLATOR: So we -- my co-workers and I  
18 are very much tired of having to pay out of our  
19 pockets, out of our tips anything that was damaged,  
20 if it was a mirror, if it was a wiper. Why did the  
21 workers have to pay out of their pockets, when the  
22 owners and the car wash business is supposed to have  
23 some type of insurance to cover these damages.

24           MIGUEL CASTILLO: [Testifies in Spanish]

2 TRANSLATOR: And, in fact, we also have  
3 some of my co-workers who believe that they've  
4 acquired asthma, or they've had some kind of  
5 irritation or problems with their skin due to the  
6 chemicals that we have been forced to use.

7 MIGUEL CASTILLO: [Testifies in Spanish]

8 TRANSLATOR: We even had a co-worker who  
9 recently -- who a year ago suffered an accident, and  
10 he hasn't been able to get any compensation for that.  
11 He had to pay for all of his medical bills, all of  
12 his medicine. And we're here today to ask for your  
13 support. As by ourselves we can't change the laws,  
14 but it is in your hands to change them.

15 MIGUEL CASTILLO: [Testifies in Spanish]

16 TRANSLATOR: So thank you for listening  
17 to me, and I hope that you make the right decision.

18 CHAIRPERSON MILLER: Thank you each and  
19 everyone for your valid testimony. I have a few  
20 questions and --

21 [background conversation]

22 CHAIRPERSON MILLER: You have one more to  
23 testify. You have one more testifying? Okay, just  
24 identify yourself before testifying.

25 [Pause]

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RAFAEL IGNIZIO: [Testifies in Spanish]

TRANSLATOR: Good morning to all, and thank you for coming. My name is Rafael Ignizio.

RAFAEL IGNIZIO: [Testifies in Spanish]

TRANSLATOR: I have been working at the same car wash for the last 15 years.

RAFAEL IGNIZIO: [Testifies in Spanish]

TRANSLATOR: When I started working, I was getting paid \$3.00 an hour.

RAFAEL IGNIZIO: [Testifies in Spanish]

TRANSLATOR: We were not paid overtime.

RAFAEL IGNIZIO: [Testifies in Spanish]

TRANSLATOR: We also had to share our tips with the managers, the cashiers, and the assistant manager.

RAFAEL IGNIZIO: [Testifies in Spanish]

TRANSLATOR: We also had to pay out of our tips anything that was damaged or broken in the car wash, mirrors, antennas, anything really that was damaged.

RAFAEL IGNIZIO: [Testifies in Spanish]

TRANSLATOR: Up until--

RAFAEL IGNIZIO: [Testifies in Spanish]

2 TRANSLATOR: Up until this November we  
3 were still getting only \$4.00 an hour with our comp  
4 our time being compensated for overtime.

5 RAFAEL IGNIZIO: [Testifies in Spanish]

6 TRANSLATOR: And also, you know, when it  
7 was slow, we would show up to the car wash. They  
8 would dismiss us to go home right away, and we were  
9 left without getting paid even though the law  
10 requires four hours of pay when you report to work.

11 RAFAEL IGNIZIO: [Testifies in Spanish]

12 TRANSLATOR: Our shifts -- when our  
13 shifts would run from 11, 10 -- I mean, 11 or 12 or  
14 13 hours a day, we were still not paid a span of  
15 hours.

16 RAFAEL IGNIZIO: [Testifies in Spanish]

17 TRANSLATOR: Last year some of my co-  
18 workers and I go together to try to sue the previous  
19 owner of the car wash.

20 RAFAEL IGNIZIO: [Testifies in Spanish]

21 TRANSLATOR: We were told by our lawyers  
22 that the debt accumulated to -- that was owed to us  
23 was around \$500,000.

24 RAFAEL IGNIZIO: [Testifies in Spanish]

25 TRANSLATOR: For the last five years.

2 RAFAEL IGNIZIO: [Testifies in Spanish]

3 TRANSLATOR: But unfortunately we weren't  
4 able file any kind of lawsuit this owner because she  
5 just sold the car wash, erased everything from under  
6 her name, and technically disappeared.

7 RAFAEL IGNIZIO: [Testifies in Spanish]

8 TRANSLATOR: We also found out that three  
9 years ago, three of our ex-co-workers also sued the  
10 owner. They actually had a judgment them, but we're  
11 unable to collect any money.

12 RAFAEL IGNIZIO: [Testifies in Spanish]

13 TRANSLATOR: And for those three workers,  
14 the debt that is owed to them is around \$300,000,  
15 just three workers, but the owner has basically  
16 disappeared off the map. So they have not been able  
17 to collect any of their money.

18 RAFAEL IGNIZIO: [Testifies in Spanish]

19 TRANSLATOR: And now, we leave it up to  
20 your hands so that you can approve this legislation,  
21 and so that there is some kind of regulation on this  
22 industry.

23 RAFAEL IGNIZIO: [Testifies in Spanish]

24

25

2 TRANSLATOR: So that other car wash  
3 workers don't have to go through what we went  
4 through.

5 RAFAEL IGNIZIO: [Testifies in Spanish]

6 TRANSLATOR: I also want to add that  
7 thanks to the support of the union, now the new owner  
8 is actually abiding by the law.

9 RAFAEL IGNIZIO: [Testifies in Spanish]

10 TRANSLATOR: Thank you, and I hope that  
11 you make the right decision.

12 CHAIRPERSON MILLER: I will. So I have a  
13 couple questions for the panel and likewise with  
14 other members of the committee here. So we'll start  
15 with the workers, brown collars or either could kind  
16 of jump in. So do you now belong to a union?

17 TRANSLATOR: [Speaking Spanish]

18 RAFAEL IGNIZIO: [Testifies in Spanish]

19 TRANSLATOR: All right. Yeah, thanks to  
20 the help of the community organizations, Make the  
21 Road and NYTC now I'm being represented by the union  
22 that I'm wearing on my shirt, RWDSU.

23 CHAIRPERSON MILLER: So could you talk  
24 about some of the-- Do you know about paid sick  
25 leave?



2 TRANSLATOR: [Speaking Spanish]

3 RAFAEL IGNIZIO: [Testifies in Spanish]

4 TRANSLATOR: Yes, I was actually part of  
5 the signing with Bill de Blasio. I was one of the  
6 people that was invited on his behalf.

7 CHAIRPERSON MILLER: Okay, because I know  
8 that you mentioned that someone had gotten sick or  
9 perhaps asthma sometime in the past. So just want to  
10 be sure workers knew of their rights. Also, have you  
11 as a worker ever received any type of training for  
12 the handling of chemicals or any products  
13 specifically products -- products specific to the car  
14 wash.

15 TRANSLATOR: [Speaking Spanish]

16 RAFAEL IGNIZIO: [Testifies in Spanish]

17 TRANSLATOR: No, as car wash workers in  
18 my car wash, we didn't receive any kind of training  
19 or any kinds of acknowledgement as this is how you're  
20 supposed to use the chemicals, let alone any type of  
21 protection.

22 CHAIRPERSON MILLER: No special equipment  
23 to handle chemicals of any kind was provided?

24 TRANSLATOR: [Speaking Spanish]

25 RAFAEL IGNIZIO: [Testifies in Spanish]

2 TRANSLATOR: No.

3 CHAIRPERSON MILLER: Okay, what are you  
4 currently earning?

5 TRANSLATOR: [Speaking Spanish]

6 RAFAEL IGNIZIO: [Testifies in Spanish]

7 TRANSLATOR: Now, we're earning a little  
8 bit above the tipped minimum wage is \$6.35 and now we  
9 are receiving overtime compensation.

10 CHAIRPERSON MILLER: And you said that  
11 you were involved in a lawsuit. Was that for back  
12 pay?

13 TRANSLATOR: [Speaking Spanish]

14 RAFAEL IGNIZIO: [Testifies in Spanish]

15 TRANSLATOR: Yes, there was reference to  
16 two lawsuits. So the official was trying to sue the  
17 previous owner of his car wash in a private lawsuit.  
18 And the lawsuit that Carlos was referring to was the  
19 settlements that the Department of Labor reached with  
20 John H. [sp?] back in 2009.

21 CHAIRPERSON MILLER: Okay, thank you so  
22 much. Council Member Richards.

23 COUNCIL MEMBER RICHARDS: Thank you,  
24 Chairman. You raised one question I was going to  
25 raise on today, were they provided protective gear to

1 obviously protect them from contaminants. The second  
2 question I had was have you guys ever witnessed  
3 chemicals being dumped into our sewer system?  
4

5 TRANSLATOR: [Speaking Spanish]

6 RAFAEL IGNIZIO: [Testifies in Spanish]

7 TRANSLATOR: So at SoHo Car Wash, I  
8 definitely witnessed the chemicals being dumped into  
9 the sewer system. In this new car wash where I'm at.  
10 I see them kind of dumping it in the canals.

11 RAFAEL IGNIZIO: [Testifies in Spanish]

12 TRANSLATOR: And I say this not only that  
13 I've seen it, but also that I've experienced it. The  
14 owner has asked me, management has asked me to do it,  
15 and I've done it.

16 COUNCIL MEMBER RICHARDS: Thank you.

17 Thank you for answering that question.

18 TRANSLATOR: [Speaking Spanish]

19 RAFAEL IGNIZIO: [Testifies in Spanish]

20 TRANSLATOR: So in the car wash where I  
21 work there is some kind of well that collects the mud  
22 or the dust or sand as some other people noted. And  
23 what I've noticed is that that's collected there, but  
24 the rest of the water just goes into the waters --  
25 not the city sewer.

2 COUNCIL MEMBER RICHARDS: Thank you so  
3 much. Thank you.

4 CHAIRPERSON MILLER: Council Member  
5 Dromm.

6 COUNCIL MEMBER DROMM: Thank you, Mr.  
7 Chair. I don't have so much a question as I have an  
8 observation because much of what these workers have  
9 described is something I have seen with my own eyes.  
10 I think about a year ago, maybe not quite a year, I  
11 arrived at car wash. I won't say exactly where  
12 because actually the owner turned around and is  
13 working with us now. But when I arrived at the car  
14 wash, he was there screaming and yelling at the  
15 workers. He pulled down the door. He started  
16 kicking things around. He started cursing at the  
17 workers. We told him we were elected officials and  
18 that we were there, and he didn't care about that.  
19 And the reason why the car wash workers [sic] asked  
20 me to come is because there were allegations of wage  
21 theft, and not have been paid for weeks on end.

22 I mean to have seen and witnessed what  
23 went on there with my very own eyes was just  
24 incredible. Now, I have to tell you I do own car,  
25 and whenever I go to the car wash, I always think

1 about the workers. And I think about how hard that  
2 work is to begin with, because it's very difficult  
3 physical work. I've got to tell you that's why I go  
4 to the car wash because I can no longer do that type  
5 of work. And, I always think about the tips that we  
6 leave, and how is that taken care, and where doest  
7 hat really go. And then I have had in my district  
8 people come into my district office to tell me that  
9 their owner of the car wash where they worked was  
10 stealing their tips, which I couldn't believe was  
11 actually going on.  
12

13 And so, I have heard these stories over,  
14 and over and over again. Actually, in another car  
15 wash just a little outside of my district, we had a  
16 similar situation where the owner was resistant to  
17 the unification efforts by the workers, and he was  
18 threatening the workers. And when I got there he  
19 calmed down a little bit, but you know this was going  
20 on. And I saw these things happening with my very  
21 own eyes. So me, I have to tell you I'm very, very  
22 proud to be on this piece of legislation. And I can  
23 tell you that nothing will convince me otherwise that  
24 this stuff doesn't happen because I have already  
25 witnessed it my very self. And I just want to stand

1 here in solidarity with these workers. Thank you  
2 very much, Mr. Chair.

3  
4 CHAIRPERSON MILLER: Thank you for your  
5 comment. Thank you to the panel for coming out and  
6 testifying. We will now call the next panel.

7 CHAIRPERSON MILLER: Frank Ramon, Scott  
8 Cantone, Jeff Price, Steve Bernard, and Steve  
9 Rotlevi.

10 [background conversation]

11 [Pause]

12 COUNCIL MEMBER LANDER: Chairman Miller  
13 will be right back, but he needs a short break. So  
14 I'm Council Member Brad Lander from Brooklyn, the  
15 Deputy Leader for Policy. Has everyone been called?  
16 All right, great. So please go ahead.

17 STEVE ROTLEVI: Mr. Chairman, and ladies  
18 over here, and here and Madam Speaker and members of  
19 the Committee. My name is Steve Rotlevi and I'm a  
20 New York City based car wash owner and President of  
21 the Car Wash Association of New York. I am joined at  
22 the table today by Steven Bernard, Executive Board  
23 Member of the Association, and Scott Cantone of  
24 Bender Cantone Consultants who represents the  
25 Association. I'm also joined here today in the City

1  
2 Council Chambers by dozens and dozens of car wash  
3 workers and employees, some of whom you will hear  
4 from today. You can see them all in yellow shirts  
5 all around.

6 I want to thank you for the opportunity  
7 to testify before you today. First and foremost, I  
8 want to thank Speaker Viverito for meeting with  
9 several weeks ago to hear our concern with regards to  
10 this legislation, and to learn about the serious  
11 problems our industry faces. Our representatives  
12 continue to talk with your staff, and have made  
13 tremendous progress over the last few days. We  
14 remain hopeful that we can continue our dialogue  
15 after today's hearing to come to a fair and  
16 reasonable compromise.

17 Before addressing our issue with the  
18 legislation, I would like to offer some background in  
19 the industry and our Association. The Association of  
20 Car Wash Owners was formed about two years ago, and  
21 currently represents 85 professional car washes in  
22 New York City. We did an extensive survey to  
23 determine there are approximately 118 professional  
24 care washes in the five boroughs, and it is estimated  
25

2 that these 118 car washes employ approximately 3,000  
3 individuals.

4 Under our Association definitely, a  
5 professional --

6 [background discussion.

7 COUNCIL MEMBER LANDER: Please keep it  
8 quiet in the chambers or we'll have to ask you to  
9 leave. Okay? Thank you.

10 STEVE ROTLEVI: Under the Association  
11 definition the professional car wash is defined as a  
12 business that has a drive-through tunnel, a conveyor  
13 system that automatically moves cars through the  
14 tunnel. A machine automatically dispenses soap and  
15 wax and high pressure water, and a water drainage  
16 recovery system. Professional car washes do not  
17 include coin operated self-service, mobile, or  
18 waterless car washes, or gas stations that have coin  
19 operated vacuum cleaners. We have built many of  
20 these non-professional operations, some of which the  
21 legislation exempted or does not address, violates  
22 state, city, and federal environment, health and  
23 labor laws.

24 I should also note that many new and used  
25 car dealerships have their own car wash operation



1 that may not comply with environmental, health, and  
2 labor laws. The car wash business employs the  
3 unskilled, hard to employ immigrants that gives them  
4 an opportunity they may not have otherwise, the first  
5 rung on the economic ladder. Not only does our  
6 industry mainly employs immigrants, but many of the  
7 car wash owners are immigrants themselves. In fact,  
8 some started out as car wash workers and became  
9 managers, partners, and now own a car wash  
10 themselves.

11  
12 I myself came to this country when I was  
13 13 years old and began washing windows. While some  
14 car wash owners have a good location, own more than  
15 one business, and do well, most car washes are family  
16 businesses with marginal profits. It is important to  
17 emphasize that this business is weather contingent,  
18 does very little, if any, business when rain or snow  
19 is forecast the next day, and is closed when the  
20 weather is inclement. On average we estimate a  
21 typical cash wash is closed one-third of the time  
22 severely impairing our ability to run a consistently  
23 profitable business. And overwhelming of car washes  
24 are honest law abiding businesses, and should not be  
25 unfairly penalized as an industry because a few

1  
2 willful and well publicized violators. Let's be very  
3 clear. The Association of Car Wash Owners is  
4 committed to and has an undeniable interest in  
5 cleaning up the industry of those willful and  
6 continue to violate the law.

7           These violators not only give the  
8 industry a bad image, but they create an unfair  
9 competitive pricing field vis-à-vis abiding car wash  
10 owner could not compete with violators. While we  
11 have no problem with the fair constructive licensing  
12 system, it should also be noted that current laws are  
13 adequate to deal with the violators. They just  
14 simply need to be aggressively enforced.

15           The car wash business already must comply  
16 with a litany of laws and regulations. We are  
17 overseen by a host of city, state, and federal  
18 agencies including the DEP, DOH, State and Federal  
19 Department of Labor, and OSHA. OSHA -- I'm just  
20 going to add a little bit -- which protects workers'  
21 safety. You were asking for that, who will protect  
22 worker's safety before. OSHA is the regulation.

23           When a car wash is charging below owner  
24 standard costs for a basic car wash, we know that car  
25 wash is breaking law and not paying their employees

1  
2 fairly. And we want them brought into compliance or  
3 close down. The legislation before you today, as  
4 currently drafted, does not go after the bad apples  
5 over the industry, but instead will severely hurt  
6 small business owners struggling to survive while  
7 allowing those violators to continue to operate.

8           Intro 125-A requirement that each car  
9 wash must put \$300,000 surety bond is not only  
10 extreme, unaffordable, and unattainable, it is an  
11 amount and requirement unheard of or seen in the  
12 Administrative Code. Other surety bonds requirements  
13 under the Administrative Code include tow truck  
14 operators, who must post bond between \$5,000 to  
15 \$25,000; laundry between \$500 and \$5,000; process  
16 servers between \$10,000 and \$100,000; store  
17 warehouses \$10,000; and debt collection agencies  
18 between \$5,000 and \$25,000.

19           We have shared contact information  
20 letters with Council staff from surety bond  
21 industries and have attached such letters to my  
22 submitted testimony. All the experts we spoke to  
23 agreed the typical car wash business would not be  
24 able to meet necessary underwriting requirements to  
25 qualify for and afford a \$300,000 bond, and that a

1  
2 \$50,000 bond would be more appropriate. Surety  
3 companies would require a car wash to possess good  
4 credit, and owners' personal or business finance to  
5 be reviewed, and have a CPA third-party preparers  
6 costing upwards of \$9,000. The car wash would also  
7 need to evidence capital and net worth in excess of  
8 \$300,000.

9           Most car washes do not have the  
10 sophistication credit, nor financial strength to  
11 support a bond of \$300,000. Even if such bond were  
12 feasible, three to five percent of the bond fee,  
13 \$9,000 to \$15,000 is simply unaffordable to any small  
14 business. Why would the city condition a business  
15 license or surety bond requirement that is impossible  
16 to obtain unless the purpose is to put them out of  
17 business? Before such requirement is put into law,  
18 we must guarantee that the surety industry is willing  
19 to take such business, and that the car washers can  
20 qualify and afford such bonds.

21           It would also be helpful if the  
22 Association of Car Wash Owners would be permitted to  
23 partner with surety bond companies who can offer a  
24 discount to the Association's Compliance Program.  
25 Very important word 'Compliance Program.' Under this

1 scenario, members of the Association would be  
2 required to join the Association's Compliance Program  
3 whereby the Association's lawyers and accountants  
4 will work with the members of the car washes to  
5 ensure and certify their business is operating in  
6 compliance with all necessary city, state, and  
7 federal law. This would create a lower risk of  
8 violation and judgment and surety companies would be  
9 able to offer the Association discounts to the  
10 members. This would clearly serve public purpose,  
11 and would be a win-win for all involved. While I am  
12 happy to hear we will be close to agreeing on the  
13 right and reasonable language defining good moral  
14 character, as currently drafted Intro 125-A also  
15 establishes an extremely arbitrary and unfair  
16 standard for obtaining new car wash licenses that go  
17 above and beyond what is currently in the  
18 Administrative Code for small --- similar businesses

19           The legitimate fear of the Association is  
20 that traditional language and requirement provide  
21 such more authority to discretion of DCA to deny  
22 owners that are in current compliance with the law,  
23 but may have tax violations, criminal, civil, and  
24 administrative law. The majority of small businesses  
25

1  
2 in this city who have some violation of law would not  
3 be able to get their license under this standard.  
4 Just think about just a sanitation ticket. You  
5 wouldn't be able to get a license.

6 If a business has no outstanding final  
7 judgment and is in current compliance with applicable  
8 law, we believe that they should be able to obtain  
9 the new car wash license. Based on our ongoing  
10 discussion, and I believe we are getting closer to  
11 that standard. If this legislation becomes law as  
12 drafted, not only will a significant percentage of  
13 law abiding small businesses be forced to shut down,  
14 but thousands of mostly immigrant workers will lose  
15 their jobs. Honest hard-working car wash owners will  
16 not be able to afford the additional burden of costs  
17 associated with the law, and not be able to compete  
18 with the violators who will continue to operate.

19 Many law abiding car washers will go out  
20 of business, or return to exterior wash only  
21 operation much like it was in the 1970s, resulting in  
22 a contracted car wash industry that has substantially  
23 fewer jobs. Thank you for letting me testify. We  
24 look forward to working with you and your staff on  
25 creating a fair and reasonable license scheme for car

1 washers that will allow them to continue to operate,  
2 flourish, and provide meaningful opportunities for  
3 car wash workers.  
4

5 I just wanted to add one last thing. You  
6 had a lot questions about backflow devices before.  
7 Backflow devices are tested regularly by DEP. This  
8 is by law. They come to us regularly and we pay for  
9 it. I think -- I believe it's yearly, if I'm not  
10 mistaken.

11 MALE SPEAKER: It is yearly.

12 STEVEN ROTLEVI: It is and I think it's  
13 like you have to hire a license plumber to do it  
14 himself.

15 [Pause]

16 STEVEN BERNARD: Thank you. I'd like to  
17 say it's a little bit disturbing, and it saddens me  
18 that so many council people ...

19 CHAIRPERSON MILLER: Do you want to  
20 introduce yourself, please?

21 STEVEN BERNARD: My name is Steven  
22 Bernard, and I'm a Board Member of the Association of  
23 Car Wash Owners. It saddens me and disturbs me that  
24 so many Council people are not here present right now  
25 to hear what we have to say, and our side of the

1 story. I think it's really extremely unfair. That  
2 notwithstanding, I will go on and tell you what I  
3 have to say. Madam Speaker, Council Member Miller,  
4 and members of the Committee. Thank you for the  
5 opportunity to testify today.  
6

7 My name is Steven Bernard. I'm a semi-  
8 retired car wash owner and executive board member of  
9 the Association of Car Wash Owners. I've been in  
10 this business for 45 years, and I've been proud of my  
11 personal impact on the lives of my employees. I've  
12 always paid my workers above minimum wage. I've  
13 always paid my workers when they were sick all my  
14 life when no law required it. I have personally  
15 helped teach and developed skills of my workers.  
16 Employees who started wiping down cars, cleaning  
17 inside windows and vacuuming cars, I eventually  
18 promoted them managers, provided them with  
19 opportunities to become partners and owners of their  
20 own car washes, and there's many of them.

21 These individuals are now sending their  
22 children to American universities, own their own  
23 homes, and are living the American dream and have  
24 become proud citizens of the United States of  
25 America. I am one of few who have been fortunate



1  
2 enough to have good locations, great partners, and I  
3 have done well. I'm semi-retired now. By and large  
4 we are not an industry of wealthy owners but of small  
5 mom and pop shops. Many operators are very fragile,  
6 have difficult paying their monthly bills in an  
7 industry that is ordinarily -- extraordinarily  
8 weather sensitive.

9           We are closed so much of the time. In  
10 addition, New York City car washers have some of the  
11 most expensive electric and water bills in the United  
12 States. We are also an industry of honest, hard-  
13 working small business owners. Most of the owners  
14 are immigrants themselves, and the advocates of this  
15 legislation would make us out, based on a few high  
16 profile violators and a movement to unionize our  
17 industry. We are not, we are not sophisticated  
18 corporate businesses. They would make us out to be  
19 who we are not.

20           Most of the owners manage their own  
21 businesses even working the line, vacuuming, wiping  
22 cars. Most owners have large loans and second  
23 mortgages on their homes. They are terrified at what  
24 has happened over the last two years by this  
25 legislation. They sincerely believe that their

1 homes, their jobs and their families are at risk.  
2 While every industry has bad apples, the car wash  
3 industry is no exception. It is unfair to paint a  
4 broad brush and demonize an industry of small  
5 businesses and burden them with unworkable and  
6 unaffordable regulations. I am gratified that our  
7 representatives are working together with the City  
8 Council and the advocates and have made progress  
9 regarding the burdensome environmental requirements,  
10 and the overly broad licensing standards. I hope the  
11 discussions continue, and after today we can come to  
12 a reasonable understanding, and our industry can  
13 survive and thrive.  
14

15 The biggest outstanding issue regarding  
16 this legislation remains the prohibitive surety bond  
17 requirements. Requiring a \$300,000 bond alone would  
18 put most of our industry out of business. No surety  
19 company will provide such a bond to a car wash  
20 business, and that's the surety bond industry telling  
21 us that. The bill is so burdensome and costly that  
22 it will produce the opposite of its intent in terms  
23 of helping low wage immigrant workers. It will  
24 create mass unemployment in our industry, because car  
25 washes will simply either shut down, or operate with

1 less employee, eliminate interior services and got  
2 exterior only, which in many requires two men, not 20  
3 or 30. In this way the industry operate in the  
4 1970s. I was there. I operated those exterior car  
5 washes, but change with consumer demand for more  
6 services on the interior.  
7

8 We want to work with you Madam Speaker,  
9 Mr. Chairman, and Members of the Council. We have a  
10 shared interest in ridding our industry of those who  
11 continually and willfully violate the law. Of those  
12 who do not treat their employees with dignity and the  
13 respect that they deserve. They not only give a  
14 profession a bad image, but our members simply can't  
15 compete with them. Please understand this  
16 legislation, as currently drafted, only hurts those  
17 who are trying everyday to do the right thing.

18 I just want to digress for one minute on  
19 the bond, and make a point about the bond. Two  
20 points actually. Number one, a lot of the Council  
21 Members have seen a bond from California. And I want  
22 to say there's a vast difference between the mom and  
23 pop shops in New York City, and California car washes  
24 with wealthy landowners who have a bond that they can  
25 easily afford and property that they own to

1           substantiate that bond, and be able to pay for it.  
2  
3           And I also wanted to say any bond that has a scale  
4           based on the volume of business a company does is  
5           really misguided. Because you can have a small  
6           business, a tiny business with very low value, and  
7           very low rent making a lot of money. And then you  
8           could have a business that has a very, very big  
9           value, but the person paid a lot of money for his  
10          business, overpaid even, has a huge mortgage, huge  
11          note, and is hardly making any money at all. So it's  
12          very hard to create a bond based on volume that the  
13          car wash does or the number of employees it has. It  
14          simply is not a formula that works, and could never  
15          possibly work.

16                        I'd liked to just say after meeting you,  
17          Madam Speaker, I believe in my heart that you and  
18          your staff are not anti-business, and will make sure  
19          that his bill in its final form will establish a fair  
20          licensing system for the car wash industry. Thank  
21          you for the privilege of allow me to speak.

22                        [applause]

23                        CHAIRPERSON MILLER: Listen, here at the  
24          Council this is a clap. Anything over that then that  
25          is unacceptable. We appreciate your

1  
2 acknowledgements, but if you're going to do it,  
3 please use that hand gesture.

4           JEFF PRICE: Hi, my name is Jeff Price.  
5 I'm the President of Price and Price Enterprises  
6 d/b/a Melwain Surety Bonds, and I'm here today to  
7 speak on behalf of the surety industry. Thank you  
8 for the opportunity to speak before you. I myself am  
9 a third generation surety agent. As I said before,  
10 I'm the President of Price and Price Enterprises,  
11 Inc., d/b/a Melwain Surety Bonds, a surety-only  
12 agency operating out of Valley Stream, Long Island.  
13 As a surety-only wholesaler that does not do any  
14 insurance, a lot of insurance brokers in the area  
15 actually come to us to obtain these bonds. So we're  
16 aware of market trends, upcoming bond requirements  
17 and the standard security approach to these  
18 requirements.

19           Since Price and Price represents over 18  
20 different surety markets, different companies, which  
21 do business in the City of New York, I'm able to  
22 provide a general consensus of what the majority of  
23 these surety companies in the area thoughts are as  
24 pertaining to the possible new requirement. My  
25 position personally, and as well as with the

1            companies that I represent is that the proposed  
2  
3            \$300,000 bond requirement will be difficult to obtain  
4            for the majority of car washes operating in the City  
5            of New York for the following three reasons:

6                            One, The bond may be unattainable for the  
7            majority of entities that are being required to post  
8            it. Unlike insurance, in the event the surety has to  
9            pay out a loss, it has the right to seek to be made  
10           whole, either part or partial reimbursement by the  
11           principal via the indemnity agreement they have  
12           signed with the surety. Therefore, part of the  
13           standard underwriting of all bonds involves financial  
14           assessment of the principal, which in this case would  
15           be the car wash. All surety companies require  
16           certain financial thresholds, which will be relative  
17           to the size of the bond requirement. For a large  
18           bond, the surety would obviously have a higher  
19           threshold. Many smaller car washes would not qualify  
20           for the threshold that would be in place for any  
21           \$300,000 bond.

22                            Additional hurdles associated with  
23            obtaining a bond come how the surety would want to  
24            confirm the financial capabilities of the principal,  
25            as was said, in this case the car washes. For a bond

1 of this size, the surety would be looking for CPA  
2 prepared financial statements on the company. The  
3 financial statements need to come from a CPA so that  
4 it's a third-party representation of the financial  
5 capacities of the business. Financial statements are  
6 different tax returns. So they would have to get  
7 their normal taxes done, and financial statements  
8 done in addition because normally taxes are prepared  
9 on a cash basis. Whereas, financial statements are  
10 prepared on an accrual basis, which take into account  
11 accounts receivable and accountings payable.  
12

13 Most, if not all, car washes to date that  
14 I know of have financials that are prepared in this  
15 way. Unless they had to get bank financing they  
16 would have needed these in the past. As car washes  
17 do not have these financial statements readily  
18 available, they would have to retain a CPA to get  
19 these statements. Only when these statements are  
20 prepared will the average client know if they qualify  
21 for the bond, meaning the threshold set forth by the  
22 surety company.

23 For a \$300,000 bond on average the surety  
24 would be looking for a net worth and working capital  
25 of approximately \$300,000, which is the bond amount,

1 to be shown on the financial statement. Many small  
2 car washes who go to the extent of obtaining a CPA,  
3 preparing financial statements just to find out that,  
4 you know what? They don't qualify for it. At this  
5 point, they will either be declined or they would be  
6 forced to pay usury rates on the bonds. Going back to  
7 the bond is unaffordable. The wording in the bond  
8 form, and the size of the bond requirement will  
9 obviously impact the surety the company is willing to  
10 take on this class of business.  
11

12 The less onerous the wording the lower  
13 the penal sum of the bond, the more surety companies  
14 will be willing to write the requirement. The more  
15 surety companies that are willing to write it, the  
16 more competition there will be among the marketplace,  
17 the better rates there will be for the clients. If  
18 only a few surety companies are willing to write this  
19 class of business, they will control the market, and  
20 they could cherry pick car washes they want to write  
21 this business. If this happens, a \$300,000 bond  
22 could wind up costing clients close to \$7,000. In  
23 addition to the \$7,000 for the bond, which is the  
24 premium, there would be other costs to the business  
25 that these car washes would incur just to qualify for



1           the bond. As I mentioned before, they would need to  
2           pay a CPA anywhere between \$2,000 to  
3           \$10,000, depending upon the size of their operation,  
4           to have the financial statements prepared.  
5

6                       Plus, there would be additional costs  
7           incurred just as they change their day-to-day  
8           operation, at the request of their CPA, to meet their  
9           requirements for the bond. Companies would be  
10          required to keep higher cash balances in their  
11          business at the end of the year, and pay higher taxes  
12          because they want their financials to show that  
13          they're in a stronger position so they can qualify  
14          for the bond. Whereas, probably before they were  
15          paying out everything at the end of the year.

16                      Third, a \$300,000 bond is not in line  
17          with any other bonds required by various city  
18          agencies. The City of New York currently requires  
19          bonds for various businesses licenses and permits.  
20          None of these businesses have a bond size anywhere  
21          near the \$300,000 mark. Given some examples of  
22          bonds. Some of them I mentioned before, but I'll do  
23          them again.

24                      Auctioneers are required to have \$2,000  
25          bond posted to the Department of Consumer Affairs.

1           Employment agencies, \$5,000 bond posted to the  
2           Department of Consumer Affairs. Home improvement  
3           contractor, \$20,000 bond posted to the Department of  
4           Consumer Affairs. Laundromat, \$5,000 bond, again to  
5           the Department of Consumer Affairs. Pawn Broker,  
6           \$10,000 bond. Process Server, \$100,000 bond.  
7           Reseller of Tickets, \$1,000 bond. Second Hand  
8           Dealer, \$1,000 bond. Storage Warehouse, \$10,000  
9           bond. The only exception to this is the new street  
10          obstruction bond, which was changed about two years  
11          ago to become a tier bond, which is now \$10,000 for  
12          one permit; \$50,000 for 2 to 50 permits; \$100,000 for  
13          51 to 100 permits; and \$250,000 for unlimited  
14          permits.  
15

16                    I can tell you from experience I only had  
17          -- In my office I have about 700 street obstruction  
18          bonds, of which about 600 of them are a \$50,000 bond,  
19          and only five to ten are the 250.

20                    My conclusion, personally I feel that  
21          some sort of tiered approach can be taken regarding  
22          the bond requirement, if a smaller bond cannot be  
23          done. The tiers can be based off a number of things.  
24          I understand the revenues may be difficult to manage.  
25          Maybe by the number of employees or by their payroll.

1 This way the smaller bond requirements; \$10,000,  
2 \$50,000 can be written as transactional business by  
3 most companies, and it will take the smaller car  
4 washes out of business. It would make them  
5 affordable, attainable. The larger car washes with  
6 more employees, higher revenues may be able to obtain  
7 the financials and show net worth to support the  
8 larger bond. Whereas, the smaller ones definitely  
9 will not. If a tiered approach is not available, I  
10 would suggest just a smaller bond, or a bond that the  
11 associations can post on behalf of their members, as  
12 they will have the financials to actually be able to  
13 support the bond. Thank you.

15 FRANK ROMAN: Good afternoon, Mr.

16 Chairman Miller and Council. Thank you for giving me  
17 the opportunity to testify here today. My name is  
18 Frank Roman. I am the owner of Seven-Day Car Wash,  
19 and a proud member of the Association of car wash  
20 owners. I am testifying here today with great  
21 concern for my business. And if this Introduction of  
22 125-A is passed, I am in jeopardy of the Department  
23 closing my business because it would be unaffordable.  
24 I understand that my neighborhood business employs a  
25 lot of help from the neighborhood. And I, a native

1  
2 New Yorker from Puerto Rican descent born and raised  
3 in the Bronx, and proud to run a small car wash in my  
4 own neighborhood. My parents came to the U.S. from  
5 Puerto Rico in the early '60s. And growing up in New  
6 York I remember going with my dad to a car wash on  
7 128th Street and 2nd Avenue. That was a landmark for  
8 anyone that lived in New York. In those years, we  
9 would go to the car wash, and I would sit inside and  
10 be fascinated of the operation.

11 I did not come from a wealthy family. I  
12 worked hard. I also got a job in my local car wash  
13 growing up, worked several jobs; supported my family  
14 and also helped -- This is my only source of  
15 income, which helps me provide for my family.  
16 Through loans and mortgages on my house, I was able  
17 to obtain this business. I've been in business for  
18 20 years, and struggling for the last few because of  
19 the weather, high costs of operation, insurance,  
20 water, electrical, and it has become very  
21 unaffordable.

22 If this bill was to pass, it would make  
23 it very hard for a one-man operation to comply, and  
24 maybe have to result in closing my doors. I will not  
25 qualify for a \$300,000 bond. That means that a lot

1 of employees that I have may no longer be employed.  
2 So I ask the Council to revise the wording and the  
3 intention of this bill to benefit everyone, the  
4 employees and the owner. Thank you for letting me  
5 speak, and that's what I have to say.  
6

7 CHAIRPERSON MILLER: Thank you so much,  
8 and thank you to folks on the panel for coming in and  
9 testifying today. Let me just again reiterate what  
10 was said earlier by the Speaker and other Council  
11 Members. There's a lot of going on in the people's  
12 houses where a lot of businesses are done obviously  
13 that the business of the people of New York are done  
14 in this building here. And we are in the middle of  
15 budget negotiations, which is obviously a primary  
16 concern for everybody throughout the City of New  
17 York. So people are coming and going. This is also  
18 a committee that only consists of five individuals,  
19 including myself, all of which are here today, and  
20 have moved on and they have come in and out. Council  
21 Member Landers as well as Council Member Richards do  
22 not -- are not members of this committee, and have  
23 other committee responsibilities. So just as a  
24 matter of clarification of the business of what goes  
25 on and how it's conducted. But clearly, we are here

1  
2 to hear the concerns of each and every one involved  
3 in this hearing today. I think that it was  
4 demonstrated by the conversation in the outreach that  
5 was done to all parties involved. So everyone's  
6 testimony is valuable here, and so we will move on.

7 I have a few questions for the owners,  
8 the car wash owners there, and that is how many--  
9 And either or can respond. How many people do you  
10 employ currently. I'm sorry, Frank, do you have one  
11 car wash? And how many people do you employ?

12 FRANK ROMAN: Currently, I employee about  
13 24 employees, and we are struggling now with high  
14 costs of operating.

15 CHAIRPERSON MILLER: Are the full-time  
16 employees?

17 FRANK ROMAN: We're an industry where yes  
18 they are, but it's weather permitting because if the  
19 weather is bad, we cannot operate.

20 CHAIRPERSON MILLER: Okay, and so there  
21 has obviously been some objections from the panel,  
22 and what I've heard loud and clear is the objection  
23 is to the bond. Are there any other objections to  
24 this piece of legislation as we move forward --

1                   FRANK ROMAN:   [interposing] There are  
2  
3 the --

4                   CHAIRPERSON MILLER:  --that you would  
5 like to emphasize that you would like this body to  
6 understand that would prohibit-- ?  Because what I'm  
7 also hearing is that these are prohibitive to you  
8 guys moving forward.  And before you answer I would  
9 submit that every business should have a business  
10 bond.  When we should say that people who can't  
11 operation, I don't suspect that we're going to come  
12 along and introduce legislations that would prevent  
13 you from continuing to do what you do.  Or, allow  
14 others from entering into an industry startup.  There  
15 are business plans that are necessary, but I want to  
16 realistically have that conversation so we move  
17 forward.  Because obviously we are here to discuss a  
18 piece of legislation that I think we are all  
19 concerned about.

20                   We all think it is necessary, and that  
21 just as you mentioned that there are bad apples  
22 everywhere.  And that you want to be able to weed  
23 those out, and be able to move forward.  We want to  
24 come to some type of understanding of what is  
25 necessary as we move forward.  And that includes

1 workers first and foremost as this is Civil Service  
2 and Labor. Let me just say that the workers are  
3 quite important to us here, as you have indicated  
4 they are to you. In fact, some have testified that  
5 the business is like a family, an extended family.  
6 So that being said, that is our priority. Small  
7 business is certainly a priority of ours. But not  
8 just opening a business, but staying in business. So  
9 we are certainly here to address all of those issues.  
10 That being said, I just want to lay a foundation of  
11 what this committee and what this hearing is about.  
12 It's not about one side or the other. It's about how  
13 we move forward collectively.

15 STEVEN BERNARD: Chairman Miller, I just  
16 want to make one point before I turn the floor over  
17 to Steve Levy, because he can tell you a little bit  
18 about our organization, a lot about our compliance  
19 program and everybody doing the right thing. Ninety  
20 car washes in our organization, which is the vast  
21 majority. And he's in a better position to explain  
22 that than I am.

23 CHAIRPERSON MILLER: I just -- I want to  
24 ask specific questions, and one of them forthcoming  
25 will be about the Association.



1  
2 STEVEN BERNARD: Okay, but I just wanted  
3 to clear one last point about the bond, and try to  
4 help you understand something that's really critical.  
5 Take a small business operator, okay, who's doing  
6 everything right, but he has terrible electric bills,  
7 terrible water bills, the highest in the country.  
8 Taxes, high taxes. This guy is trying to survive,  
9 but he's paying his men right. He's paying overtime.  
10 He's in compliance. He has the masks, he has the  
11 gloves. He's doing everything right. He has the  
12 backflow device like we all do, okay, but he doesn't  
13 have the greatest credit. Why? Because sometimes  
14 he's late on his bills. His credit is not so good.  
15 This guy is really in trouble under the surety bond  
16 because no bonding company is going to give him a  
17 bond. He goes into a high risk category. The bond  
18 is a fortune. He has to close his doors. There are  
19 unemployed workers, and that's the sad part about it.  
20 We've got a lot of mom and pops with guys that are  
21 just barely getting by, struggling, and they're  
22 honest, and they're paying their men right.

23 CHAIRPERSON MILLER: [interposing] Okay.

24 STEVEN BERNARD: I mean we're not an  
25 industry of violators.

2 CHAIRPERSON MILLER: [interposing] I got  
3 it.

4 STEVEN BERNARD: We're an industry of a  
5 lot of good people.

6 CHAIRPERSON MILLER: [interposing] I got  
7 it. So, while I have you, how many employees do you  
8 employee?

9 STEVEN BERNARD: Somewhere between 35 and  
10 40.

11 CHAIRPERSON MILLER: You have one car  
12 wash?

13 STEVEN BERNARD: Yes, I have one now, but  
14 I had more before, but I'm semi-retired now. That's  
15 my last one.

16 CHAIRPERSON MILLER: What are your wages?

17 STEVEN BERNARD: My wages? I've always  
18 paid above minimum wage. With tips, my workers make  
19 way beyond minimum wage. So we don't use -- we don't  
20 use minimum wage as a standard. We pay the workers  
21 what we can. By the way, I want you to know our  
22 workers have been paid sick pay, and vacation pay,  
23 and we do things that nobody else does, not because  
24 we're such wonderful people. We love the guys. We  
25 can afford it. We're doing well enough to do right

1  
2 by them, and our workers are all happy. And we -- if  
3 they have a family emergency, we're there. If  
4 there's a crisis, a dental crisis, a family crisis,  
5 it they need a couple thousand dollars for something,  
6 our good workers are our family. So, I'm not saying  
7 every car wash is like that, and I wouldn't want to  
8 make that misrepresentation. But I will say to you  
9 there's a lot of good guys out there that are doing  
10 the right thing, and are really slanted by the high  
11 profile violators in our industry. And that's the  
12 sad part of all of this.

13 CHAIRPERSON MILLER: Thank you. Could  
14 you tell me a little about the Association.

15 STEVE ROTLEVI: The Association was  
16 started about two years ago as a result of this  
17 legislation actually. What happened was that a  
18 couple of us got together. We showed them the  
19 legislation, and we basically decided this is  
20 something that will actually destroy people like me.  
21 When I saw that, I was horrified. I actually own  
22 part of a car wash. I'm there everyday pretty much.  
23 I employee-- I know you're going to ask me that  
24 question -- about 16 people. And I can tell you

1 this, the legislation as it is today will take me out  
2 of business. Period.

3  
4 CHAIRPERSON MILLER: Specifically what?

5 STEVE ROTLEVI: The bond first of all.

6 CHAIRPERSON MILLER: What would the bond  
7 cost you? I wouldn't be able to get it.

8 JEFF PRICE: You would not qualify.

9 STEVE ROTLEVI: I wouldn't qualify. I  
10 would not qualify, sir.

11 CHAIRPERSON MILLER: You wouldn't  
12 qualify?

13 STEVE ROTLEVI: Yes.

14 CHAIRPERSON MILLER: Based on why not?

15 STEVE ROTLEVI: I have a mortgage and a  
16 second mortgage on my house, and I can tell I would  
17 not qualify. I've been told by my agent. This is  
18 what I've been told. It's as simple as that. That's  
19 why we're talking about an association bond, some  
20 kind of a program that I will be able to quality  
21 under. And there's a lot of people like me. You've  
22 got to understand there's a lot of people out there,  
23 that are like me. And what my main go is, and please  
24 understand, when you're talking about labor and  
25 issues of labor, we are very concerned about labor

1 all the time. This is our life blood. I know this  
2 is the Labor Committee, and I've got to tell you, we  
3 are the same. We are on the same side, believe it or  
4 not because we employ these guys. In the end, the  
5 guy who writes the check is me.  
6

7 CHAIRPERSON MILLER: So speak to me --

8 Let me just say this in case you're that in my prior  
9 life I was President of the Labor Union, and we had a  
10 bond. And we had the same business issues as  
11 everyone else. And although you represent working  
12 people, as a business person you have to conduct  
13 yourself in that manner. Could you speak a little  
14 bit about the program that you were talking about in  
15 terms of-- Because we were talking about an  
16 association. Obviously, other than creating numbers  
17 to fight a piece of legislation there has to be some  
18 benefits to the program of belonging to this  
19 Association. But could you speak specifically what  
20 you were talking about in terms of the bond  
21 enhancement?

22 STEVE ROTLEVI: Okay, one of the first  
23 things that we have found is that there was a big  
24 mis-education with business. You go into business  
25 and you say, Oh, well, this guy tells me what to do,

1 and you learn from him, the next guy, or somebody who  
2 works for another guy. And you follow and copy what  
3 they did. Unfortunately, sometimes they copy the  
4 wrong thing. So one of the first things we did is we  
5 did what we call a compliance program. Compliance  
6 program means that basically we educate the owners,  
7 and the workers for that matter on certain ways of  
8 conducting business. One of the first things we did  
9 was we'll all it labor compliance. Labor compliance  
10 meaning how to pay, what to pay, how to record  
11 things. I mean these are things that are really,  
12 really important.

14 Most small businesses will literally  
15 write things and do things because that's the way it  
16 is in small business. So we educate them on how to  
17 do it right on labor. Then we did an OSHA Program.  
18 The OSHA Program means worker's safety. OSHA  
19 chemical training. I can tell you that we have at  
20 this point a majority of the members already went  
21 through the OSHA Program. That means we have an OSHA  
22 trainer come in and show them how to use the  
23 chemicals, properly using chemicals. Most of the  
24 chemicals, by the way, that are used in the industry  
25 are biodegradable. They're completely safe. So some

1 of the stuff I heard was a little crazy I thought  
2 like spilling soaps down the drain. I mean I don't  
3 know any car wash owner that would let their workers  
4 spill chemicals down the drain.  
5

6 That cost a lot of money. But the OSHA  
7 Program is how to handle them; what to handle, and  
8 with the OSHA Program comes a kit. The kit includes  
9 gloves, masks, a body suit, whatever is needed for a  
10 car wash to be compliant with OSHA. There are OSHA  
11 rules, and OSHA goes around and they'll give you a  
12 very hefty violation if you are violating the law.  
13 And they are the expert in worker's safety rights.  
14 And these are the things that we did proactively  
15 before there was laws. We did things like bring in  
16 the Department of Labor to educate our members on the  
17 laws. And I can tell you the Department of Labor  
18 they have problems with it, too. The law is  
19 confusing, the federal and state.

20 So it gets really difficult for small  
21 business men who have got a language barrier, writing  
22 barriers and so on to understand what is the law?  
23 How you conduct yourself and how you do things right.  
24 This law as it is another layer of laws that on top  
25 of the layers of laws that we already have, and just

1 would make life so much more complicated. Imagine a  
2 one-man operation that basically I do all the  
3 paperwork. Now, I have to do another book for you,  
4 for the DCA, which I already have books, by the way.  
5 I have the Right to Know. It's all registered. It's  
6 online. You can look it up. I have the Material  
7 Safety Data Sheet. It's all there. It's all in  
8 place. The law is in place already. All you're  
9 doing right now is writing a law on top of a law, and  
10 requiring us to do more paperwork on the top of the  
11 ones we're doing already.

12  
13 CHAIRPERSON MILLER: Well, in terms--  
14 You know, I respectfully disagree in terms of health  
15 and safety. There are bodies, there are obviously  
16 experts that do it well, and that's what they do. In  
17 fact, that's my next question. When you said you had  
18 people come in, and buy health and safety training,  
19 who did that training? Who does that for you?

20 STEVE ROTLEVI: A Certified OSHA Trainer.

21 CHAIRPERSON MILLER: A Certified OSHA  
22 Trainer?

23 STEVE ROTLEVI: A Certified OSHA Trainer.  
24 If you want to comply--

25



2 CHAIRPERSON MILLER: [interposing] Who is  
3 it?

4 STEVE ROTLEVI: Huh?

5 CHAIRPERSON MILLER: Who are they are?

6 STEVE ROTLEVI: Tony Mankari [sp?]. You  
7 know, he's actually -- he does a lot of training for  
8 food plants and other things like in other industries  
9 that require OSHA training and chemical training and  
10 safety training.

11 CHAIRPERSON MILLER: Okay, so aside from  
12 the bond issue, and obviously now you have some of  
13 this with the -- And I think that we all agree that  
14 there is some legislation that needed to be  
15 implemented in the industry. So we were trying to  
16 focus on that, but I will just-- I want to pass this  
17 over to Council Member Lander. He has a few  
18 questions. Mr. Lander.

19 COUNCIL MEMBER LANDER: Thank you, Chair  
20 Miller. So I guess what I first want to ask is were  
21 you here for the testimony of the car wash workers?

22 STEVE ROTLEVI: Yes.

23 COUNCIL MEMBER LANDER: And you heard the  
24 allegations of wage theft?

25 STEVE ROTLEVI: Yes.

2 COUNCIL MEMBER LANDER: And the  
3 allegations of minimum wage violations.

4 STEVE ROTLEVI: Yes.

5 COUNCIL MEMBER LANDER: And the  
6 allegations of overtime violations?

7 STEVE ROTLEVI: Yes.

8 COUNCIL MEMBER LANDER: And the  
9 allegations of lack of safety and training?

10 STEVE ROTLEVI: Yes.

11 COUNCIL MEMBER LANDER: And you're  
12 familiar with some of the large fines that the U.S.  
13 Department of Labor and OSHA and others have levied  
14 against some of the car wash businesses in New York  
15 City?

16 STEVE ROTLEVI: Yes.

17 COUNCIL MEMBER LANDER: So what has the  
18 industry been doing. It's interesting to me that you  
19 just formed the Trade Association for the purpose of  
20 opposing the law. What were you doing before? What  
21 has the industry been doing to correct these problems  
22 prior to our legislating or what has --?

23 STEVE ROTLEVI: Okay, you just said it  
24 yourself. We didn't form the --

2 COUNCIL MEMBER LANDER: You said it. I  
3 didn't say it. You said it.

4 STEVE ROTLEVI: We formed the Association  
5 because the law went over, and I said it will take me  
6 out of business. But the next thing is we wanted to  
7 what are the inherent problems with what's going on?

8 COUNCIL MEMBER LANDER: You weren't  
9 familiar with those problems before you saw the law?

10 STEVE ROTLEVI: No. No, I was not.

11 COUNCIL MEMBER LANDER: But I thought you  
12 said you knew there were bad actors in the industry.

13 STEVE ROTLEVI: Now, I do and basically,  
14 it was publicized.

15 COUNCIL MEMBER LANDER: [interposing]  
16 Your testimony is that you weren't aware of wage and  
17 hour violations --

18 STEVE ROTLEVI: [interposing] I said -- I  
19 said --

20 COUNCIL MEMBER LANDER: --the safety  
21 allegations prior to seeing the draft of the law?

22 STEVE ROTLEVI: I was no. I'm -- I said  
23 that when the law came in that's when we formed the  
24 Association. Before that, I knew about violations,  
25 but I knew also there was conflicting parts of the

1 law. Now, our job as an Association is to educate  
2 our members.

3 COUNCIL MEMBER LANDER: But the  
4 Association didn't exist before that.

5 STEVE ROTLEVI: It did not exist before  
6 two years. Yes.

7 COUNCIL MEMBER LANDER: So you were aware  
8 that there were problems in the car wash industry,  
9 but you hadn't taken collective action together to do  
10 anything about it?

11 STEVE ROTLEVI: Please understand that I  
12 was only in the business a couple of years before  
13 that.

14 COUNCIL MEMBER LANDER: I mean, I don't  
15 mean to single you out. This is about -- I realize--

16 STEVE ROTLEVI: [interposing] But please  
17 understand--

18 COUNCIL MEMBER LANDER: --that in a  
19 certain way the folks who have come up to testify are  
20 some of the better actors in the industry. The  
21 problem is there are really bad actors in this  
22 industry. The industry has not acted in order to do  
23 something about its bad apples. When we put together  
24 to try to do something about, then you formed a trade  
25

1  
2 Association to oppose the bills. So it's hard to  
3 feel like you're here in good faith doing something  
4 about cleaning up the bad apples.

5 STEVEN BRAMER: Excuse me. What about --  
6 what about all the guys who always operated correctly  
7 and were unaware that guys-- And also, some of the  
8 things that you're hearing today, and you've heard  
9 today were stories that go back before 2009. I mean  
10 the highly publicized Lage -- the highly publicized  
11 Lage settlement, which goes back from 2009 to 2004.  
12 So the D

13 COUNCIL MEMBER LANDER: All more reason  
14 to have taken action together.

15 STEVEN BRAMER: But you're dealing with  
16 an industry based on publicity and high profile cases  
17 that has rally woken up to some extent, and they're  
18 doing much better. But you still have a whole bunch  
19 of guys who never did anything wrong. See, this is  
20 the point that I--

21 COUNCIL MEMBER LANDER: [interposing]  
22 With all due respect, I think you're missing the  
23 point, which is--

24 STEVE ROTLEVI: [interposing] Okay.  
25

1  
2 COUNCIL MEMBER LANDER: -- if the  
3 industry's good actors had come together to try to  
4 weed out the bad actors, then we wouldn't have needed  
5 to explore legislation. And the fact that you've  
6 only formed the Trade Association essentially in  
7 response to legislation, not proactively to try to do  
8 something about it, makes us harder for us to believe  
9 that the goal is to raise up the level of the  
10 industry.

11 STEVEN BRAMER: Yes, in response to do or  
12 die, yes we got together and said, Hey, we've got a  
13 problem. But when we didn't have a problem, those--

14 COUNCIL MEMBER LANDER: [interposing] You  
15 did have a problem. You said you know about the Lage  
16 violations. You knew about the--

17 STEVEN BRAMER: [interposing] No, I knew  
18 about the-- we knew about it after it became highly  
19 publicized and there was a settlement just recently  
20 in the last year. You know, you're working on the  
21 assumption that we know all these things, and--

22 COUNCIL MEMBER LANDER: You were not  
23 aware of the allegations of rampant wage theft, wage  
24 and hour violation, and labor violation? [sic]

1  
2 STEVEN BRAMER: [interposing] I  
3 personally wasn't aware of it. I became aware of it  
4 when we joined the -- when we started this  
5 organization that we had significant problems. Yes,  
6 I became--

7 COUNCIL MEMBER LANDER: I confess I find  
8 it hard to believe that you weren't aware. [sic]

9 STEVEN BRAMER: Okay, I became aware of  
10 it a couple of years ago, and I became aware of it a  
11 couple years ago when I joined the organization. And  
12 we decided we're going to make everything right, and  
13 do everything right.

14 COUNCIL MEMBER LANDER: So let me explore  
15 this then because you guys have indicated that you  
16 and many other people are good actors here, and that  
17 there are a few bad actors. Would you be open to  
18 model of this legislation that could distinguish  
19 between good actors and bad actors? And allow good  
20 actors to perhaps be able to save some money on their  
21 surety bond because they'd be far less likely to get  
22 violation. And bad actors to have to pay the full  
23 surety bond because they're the one who are likely to  
24 be hit with the various violations.

1  
2 STEVEN BRAMER: Wouldn't that be a  
3 beautiful thing if you can accomplish it because  
4 everybody sitting at this table will say God bless  
5 you and kiss you, okay. Because we want them to go  
6 away.

7 COUNCIL MEMBER LANDER: Have you proposed  
8 something to do that? Have you proposed a model that  
9 would help us be able to recognize the value of good  
10 actors and distinguish them from the folks we agree  
11 are causing violations.

12 STEVEN BRAMER: I believe that the people  
13 who represent us, Scott Cantone are working in that  
14 regard. It may not be an easy thing to accomplish,  
15 but that would be a beautiful thing to accomplish if  
16 it could be done. It would be the best of all  
17 worlds.

18 COUNCIL MEMBER LANDER: So, Mr. Roman, I  
19 guess I want to talk to you a little about your  
20 experience in sort of moving toward being able to do  
21 that. It's my understanding that there was a period  
22 of time when you were -- There were allegations  
23 around wage payment issues that you agreed to  
24 recognize them, and you've actually had a lot  
25 smoother operation since then. Is that correct?



1  
2 FRANK ROMAN: I did have an issue, but it  
3 was never with wages. All my wages -- all my  
4 employees were paid properly. They were getting paid  
5 their fair wages, the overtime, and the proper tips.  
6 They were probably unhappy for several other reasons  
7 unaware, but as far as I never violated. I was never  
8 fined a violation by the Labor Department or by the  
9 Union.

10 COUNCIL MEMBER LANDER: But you do have a  
11 union now I assume?

12 FRANK ROMAN: [interposing] Absolutely.

13 COUNCIL MEMBER LANDER: And that's going  
14 okay?

15 FRANK ROMAN: Yes, yes.

16 COUNCIL MEMBER LANDER: So do you feel  
17 like that's one of the things that's--

18 STEVEN BRAMER: [interposing] Yes, it's  
19 going okay.

20 MALE SPEAKER: I don't feel like it's  
21 going okay.

22 FRANK ROMAN: Well, an aspect no it's  
23 going okay because --

24

25

1  
2 COUNCIL MEMBER LANDER: You said it was  
3 and then said something to you, and now you're saying  
4 it's not.

5 FRANK ROMAN: Because he didn't  
6 understand the question because he told me --

7 COUNCIL MEMBER LANDER: That's very  
8 insulting, sir. He's a perfectly intelligent person.  
9 He understood my question right.

10 FRANK ROMAN: Sorry.

11 COUNCIL MEMBER LANDER: Apologize to him,  
12 not to me. You're insulting him.

13 FRANK ROMAN: But that happens that we  
14 are talking about. I'm letting me operate my  
15 business fairly. I am surrounded by apples, by  
16 streetcar washers, by garages that don't pay any  
17 taxes. They pay no bills, and it's hurting my  
18 business. All over the streets in the Bronx, in the  
19 neighborhood I grew up in, I drive around and I see  
20 people opening up shops everywhere, in parking lots,  
21 on street corners. That is unfair to my business and  
22 to my employees.

23 COUNCIL MEMBER LANDER: So I agree  
24 entirely, but then I think that is the goal of the  
25 legislation to make sure that folks like you have an

1  
2 advantage over folks who are not doing right by their  
3 workers. And who haven't stepped up and shown that  
4 they're going to do the right thing. So the whole  
5 point of the legislation -- And this is one, and I  
6 guess the last point I want to make. You sort of  
7 indicated in the testimony that this legislation  
8 would hurt the good actors at the expense of the bad  
9 actors. Now, I understand how it's for a small  
10 business, harder for a small businessperson to get a  
11 surety bond than large businessperson. But surely  
12 it's easier for someone who's got a track record of  
13 not having to pay out violations to get a surety bond  
14 than someone who does. The whole point is to try to  
15 help us level the playing field in the direction of  
16 good actors like you.

17 FRANK ROMAN: Between the weather and the  
18 cost of operating, insurance, Workmans Comp, and  
19 having to struggle with the bad apples has really  
20 hurt my business. As far as my testimony, within the  
21 last several years it's been very hard to maintain.

22 COUNCIL MEMBER LANDER: So what do you  
23 think it is other than this legislation that we  
24 should do to enable folks who do the right thing to  
25

1  
2 be supported, and folks who do the wrong thing to be  
3 licensed and attended to?

4 FRANK ROMAN: Enforce the current law.  
5 If the Labor Department went around and visited all  
6 my competition to make sure that they were paying  
7 these employees properly like the ones that sat here  
8 and testified, we would never be in this position.  
9 But because someone did not do that--

10 COUNCIL MEMBER LANDER: Sir, I think  
11 we're actually then maybe perhaps in agreement  
12 because the whole reason the Council is developing  
13 legislation is because the current law is inadequate  
14 to solve the problem. So that is -- that's why we're  
15 looking at acting here because the current law is  
16 inadequate to solve the problem. And we're not able  
17 to -- Anyway, so go ahead.

18 STEVE ROTLEVI: If I may, the current is  
19 adequate to --

20 COUNCIL MEMBER LANDER: [interposing] Not  
21 from the point of view of the New York City Council.  
22 We've got all these folks testifying about the  
23 problems that they have.

24

25

1  
2           STEVE ROTLEVI: Well, if I may. The  
3 current law is adequate. It's just not being  
4 enforced properly.

5           COUNCIL MEMBER LANDER: And we can't  
6 enforce it because it's federal and state labor law,  
7 and at the city level we are unable to enforce it, or  
8 we can't protect the residents of our communities,  
9 and we need the ability to protect them. The  
10 industry didn't help to step up to find some way to  
11 do. You formed a Trade Association in opposition to  
12 our effort to do it. So, look, we do-- I appreciate  
13 your being here, and I came to listen to the owners'  
14 testimony because I thought it was important to do  
15 that. These are recorded, and we take the minutes so  
16 other members will see it as well. The whole goal  
17 here is to help good actors in the industry, and weed  
18 out bad actors in the industry. So as the Chair said  
19 it sounds like we're going to make some positive  
20 steps in that direction. But I will say that it  
21 hasn't felt like we've gotten the level of support  
22 that we need. It's hard in a trade association to go  
23 against bad actors and bad apples. That is hard in  
24 every industry. I admit it. I've been in some  
25 myself.

2 STEVEN BRAMER: The bad actors don't join  
3 us.

4 COUNCIL MEMBER LANDER: But that's why we  
5 have to do it by law. That's why we have to do  
6 something like this. And we look forward to working  
7 with you, and with the workers in finding a way to  
8 move this legislation forward. So I do appreciate  
9 your time here today. Mr. Chairman, I thank you for  
10 giving me so much time to ask these questions. Thank  
11 you very much.

12 CHAIRPERSON MILLER: Thank you so much  
13 Council Member Lander, and thank you gentlemen for  
14 your testimony, for coming out today, and I look  
15 forward to working with you in the future. I will  
16 call our next panel. Julia Getson, Ben Locke, and -

17 [Pause]

18 CHAIRPERSON MILLER: And Steve Moussen  
19 [sp?]. There will be a three-minute time limit as we  
20 move forward. Please adhere to it strictly.

21 [Pause]

22 CHAIRPERSON MILLER: Thank you. Please  
23 state your name before testifying, please. Let me  
24 just also say for those if there was any confusion  
25 about who testified or affirmed to their statement,

1 we generally ask all. But the administration, I mean  
2 those agencies, government agencies that testified  
3 are the ones that generally get asked to affirm.  
4

5 JULIA GETSON: Hi, my name is Julia  
6 Getson. I'm Assistant to the National Health and  
7 Safety Director at --

8 [Pause]

9 JULIA GETSON: I'm Assistant to the  
10 National Health and Safety Director at RWDSU, and I'm  
11 also a masters of public health student at Hunter  
12 College. And I'm here to read the testimony of Dr.  
13 Jack Caravanos who could not be here because he's on  
14 an environmental audit.

15 [Pause]

16 JULIE GETSON: I am here today to express  
17 my opinion regarding the impact -- the environmental  
18 impact of the car wash facilities as related to the  
19 Car Wash Accountability. I will address the  
20 environmental consequences of car wash facilities,  
21 and I'm not specifically expressing support for or  
22 against this legislation. However, I am surprised  
23 that the car wash industry has escaped regulation for  
24 so long. The waste coming from car washes pose grave  
25 environmental consequences, and city oversight over

1  
2 the car wash industry would go a long way towards  
3 protecting New York City's people and environments.

4           As background, I'm a tenured Associate  
5 Professor and Program Director of the Environmental  
6 and Occupational Health Sciences Program at City  
7 University of New York's School of Public Health at  
8 Hunter College. And have over 35 years of  
9 experience. Our program has been teaching and  
10 training professionals in the identification,  
11 evaluation, and control of environmental and  
12 industrial health hazards since 1978. And it has  
13 graduated over 600 students. Our alumni conduct  
14 environmental health assessments throughout the  
15 United States and abroad.

16           With regard to my experience and  
17 expertise commenting on the New York City Sewage  
18 Treatment System, I studied the process, engineering  
19 aspects of the Sewage Treatment System during my  
20 studies at CUNY and the Polytechnic Institute.  
21 During my course of study, I did an extensive  
22 internship at three New York City DEP wastewater  
23 treatment plants: Barry Bay, Newtown Creek, and  
24 Ward's Island, as well as a summer on the New York  
25 Harbor Survey Boat out of Flushing Bay. As a



1 professor, I received a large training grant in the  
2 late 1980s from DC-37, whereby I conducted safety and  
3 health trainings for all sewage treatment workers who  
4 were members of Local 1320. I authored a Right to  
5 Know handbook for sewage treatment workers, which  
6 described sewage treatment plant processes, and the  
7 chemicals that go into the sewage system. In short, I  
8 am very familiar with both the theoretical and the  
9 practical aspects of wastewater treatment.  
10

11 Finally, on a personal note, I am born,  
12 raised, and educated in New York City. I've lived in  
13 Washington Heights, Astoria, and Flushing, and now  
14 East Midtown in Manhattan. The car wash industry and  
15 its waste poses serious ecological threat to our  
16 city's waterways. Thereby, preventing citizens from  
17 enjoying the water, and endangering the lives of  
18 plants and animals that live in the water.

19 The untreated wastewater coming out of  
20 car wash operations contains numerous environmentally  
21 persistent chemicals that impact New York City's  
22 waterways. Many of these compounds are not removed,  
23 i.e., treated or destroyed during the city's normal  
24 secondary sewage treatment process. And that means  
25 harmful materials will enter the waterways, the East

1 River, Hudson River, Long Island Sound, Jamaica Bay,  
2 and Lower New York Harbor.

3  
4 Let me briefly describe some of the  
5 harmful compounds. First, car wash wastewater  
6 contains many petroleum hydrocarbons. The oils,  
7 greases, and lubricants associated with automobile  
8 engines. They are not unlike -- Excuse me. They are  
9 unlike the biodegradable fats, greases, and oils  
10 associated with food. Petroleum hydrocarbons do not  
11 readily degrade, and may pass through the secondary  
12 sewage treatment process. A second type of harmful  
13 component is the materials coming off of the cleaning  
14 process, which are both organic and inorganic based,  
15 and often coated with surfactants, ionic and non-  
16 ionic cleaners.

17 CHAIRPERSON MILLER: Would you start  
18 wrapping up, please?

19 JULIE GETSON: Sure.

20 [Pause]

21 JULIE GETSON: To my knowledge the EPA  
22 doesn't know one way or the other whether car wash  
23 sludge is classified as hazardous waste. But there's  
24 a good chance that the car wash sludge is what's  
25 called a quote "characteristic" unquote hazardous

1 waste due to its corrosive properties. When  
2 concentrated, many of the chemicals in the car wash  
3 cleaning agents are definitely hazardous waste. It  
4 is a question of whether or not the sludge itself has  
5 sufficiently high quantities of these chemicals to be  
6 considered hazardous in its own right. In any case,  
7 pursuant to 40 CRF Section 26211, the burden is on  
8 the car wash to test the solid waste and determine  
9 whether it's hazardous or not.  
10

11 I doubt the car washes are doing this.  
12 Thus, the sludge from car washes is yet another  
13 environmental concern posed by the car wash industry.  
14 The importance of the City Council in protecting the  
15 citizens of New York City is historic and  
16 undisputable. Numerous initiatives generated by this  
17 body have made New York City one of the safest and  
18 healthiest places to live. But they targeted a kind  
19 of disease eradicating or cleaner streets. Today,  
20 the City Council should act to protect New York from  
21 the hazards posed by the car wash industry and to  
22 make our city a healthier, more beautiful, and more  
23 ecologically friendly place. Thank you for your time  
24 and consideration.

25 [Pause]

1           BENJAMIN LOCKE: Good afternoon. My name  
2 is Benjamin Locke. I'd like to thank the Committee  
3 for the invitation to speak. I'm a staff attorney  
4 with Make the Road New York. Make the Road is the  
5 lead author of the legislation. We've heard  
6 testimony from the workers who -- I'd like to  
7 commend them first for their courage in coming out to  
8 speak. We also heard testimony from the owners, and  
9 I'd also like to thank them for their candor. It's  
10 hard to reconcile those stories. I think that the  
11 lesson from that is it's hard to take an exact  
12 measure of what's really going on in the car wash  
13 industry in New York City.

15           Aside from the testimony we've heard  
16 today, it's by and large in our experience a pretty  
17 opaque industry. The testimony we've heard today,  
18 and also at previous hearings raises a number of  
19 important questions about the industry's practices,  
20 unscrupulous business practices, lax environmental  
21 practices, and, of course, egregious labor practices.  
22 I think one question that's useful is what do we  
23 learn when car washes are forced to open their books?  
24 It's a rare situation, but for that information to  
25 come up to the Attorney General's settlement from

1  
2 earlier this year, which covered two car wash chains  
3 comprising two car wash -- I'm sorry, 21 car washes.

4           The findings were that the businesses  
5 under-reported employees on State Unemployment  
6 insurance forms. They under reported employees on  
7 Workers Compensation forms. They stole year's worth  
8 of wages from their workers. The lesson from all of  
9 that is that we just don't know what kinds of bad  
10 practices are taking place at car washes, at least  
11 until we start digging around. And we can only begin  
12 to calculate the toll that they take on the city.  
13 The Attorney General settled his case for \$3.19  
14 million. It doesn't tell us anything about the other  
15 car washes.

16           New York City's car wash industry we  
17 believe needs a new way forward. We're not proposing  
18 prosecution, we're proposing reporting to an  
19 oversight. The Attorney General's settlement  
20 addresses this, too. As part of the settlement the  
21 car wash agreed to up to three years of independent  
22 monitoring including unannounced inspections and  
23 audits.

24           Our proposal is more modest than that.  
25 Every two years, they apply for a license, just like

1 every other -- There are 78,000 licensed businesses  
2 in New York City. It requires filling out a basic  
3 application with information about your corporate  
4 identity, the identities of your owners. They'd have  
5 to certify compliance with the existing environmental  
6 laws. Keep a log of consumer complaints about damages  
7 that occur, and to provide certificates of insurance  
8 on employment insurance, workers comp, disability,  
9 liability, as well as proof of compliance with the  
10 surety bond requirement. And they would all have to  
11 certify that they have no outstanding judgments or  
12 warrants against them.

14 Through this bill, car washes will join  
15 car booters, parking lots, garages, tow comp  
16 companies to be among the 55 industries that DCA  
17 already oversees. Car wash licensing is already  
18 enforced in other jurisdictions. I know committee  
19 members are aware of the California case, and it's  
20 been a success there. In California, that  
21 legislation also emerged from a car wash campaign.  
22 It was passed in 2003, and within four years, the  
23 percentage of car washes in compliance with the law  
24 went from 18% to 63%. The law was supposed to sunset  
25 at the close of 2006. It was extended twice, and as

1  
2 of this year, the sunset provision has been  
3 eliminated. It's a permanent fixture on the  
4 landscape in California.

5 It's also worth mentioning that the  
6 California law has a bond requirement. It was set at  
7 \$15,000. This year it went up to \$150,000. Just to  
8 conclude, I think we're in agreement that the car  
9 wash industry needs oversight. I just have a couple  
10 more sentences. The committee has heard about a  
11 range of bad practices impacting New Yorkers' general  
12 welfare, and their pocketbooks. The bill would hold  
13 car washes to a new standard of transparency, and  
14 oversight on that numerous other businesses follow  
15 while competing successfully and contributing to the  
16 life of the city. The result we hope would be a  
17 marketplace that rewards integrity, and good business  
18 practices to benefit all New Yorkers. Thank you.

19 CHAIRPERSON MILLER: Thank you. Thank  
20 you both for your testimony. I just have a few brief  
21 questions. As you spoke to the monitoring and some  
22 for the -- And I know that as Chief Counsel at Make  
23 the Road that you kind of --

24 [Pause]

1  
2 CHAIRPERSON MILLER: Sergeant, would you  
3 help me out. That you had engaged in wage theft  
4 representation over the years. Where does the car  
5 wash industry stand in relation to other industries  
6 in this area? Do you find them -- How do you find  
7 them?

8 BENJAMIN LOCKE: Sure. First, let me  
9 just -- I just to correct you. I'm flattered that  
10 you think I'm Chief Counsel at Make the Road. I'm a  
11 staff attorney, and I have to say it because my boss  
12 is here today. So I have to be honest. Just at the  
13 outset, we do have a team that has been litigating  
14 car wash cases, and I haven't been with the numbers,  
15 but I can try to answer your question. As you can  
16 imagine, wage theft takes place in the shadows. So  
17 it's always hard to compare one industry to another.  
18 But in our experience, the obstacles we've  
19 encountered, we have plenty of car wash workers who  
20 come to us with complaints about wage theft. In our  
21 experience, one of the unique challenges in the car  
22 wash industry is its opacity. To be more concrete,  
23 it's hard to open up the books. Businesses change  
24 identities overnight. A business that is owned by  
25



1  
2 Mr. X within a week it switches to the ownership of  
3 his sister, Mrs. Z, and suddenly--

4 CHAIRPERSON MILLER: [interposing] But  
5 how would you quantify that in relation to the car  
6 wash industry as opposed to any other industry?

7 BENJAMIN LOCKE: Yeah, I'm not quite able  
8 to give you a comparison of where it stands with  
9 respect to other industries. I think that because of  
10 its number of employees. You know, at our  
11 organization we take a lot of workers in low wage  
12 industries or small businesses. Car washes tend to  
13 be bigger employers than most of our other industries  
14 that are represented in our practice. So I'd say  
15 that they do have the biggest liability among all the  
16 industries that we see in our daily practice.

17 CHAIRPERSON MILLER: Okay, thank you. I  
18 was just trying to quantify whether or not it was  
19 more prevalent in this industry than others. In  
20 particular we know that often the least -- those with  
21 the least voice are often exploited, and that's the  
22 case. But we recently did a hearing in the school  
23 bus industry, and people changed the ownership and  
24 did some of the things that you were talking about  
25 there. And that certainly is a totally different

1 monster from the industry than we're talking about.  
2  
3 As you read from the professor's testimony about DEP  
4 oversight, I would submit that your thought is that  
5 their oversight is insufficient at best?

6 JULIE GETSON: I don't want to speak for  
7 Dr. Caravanos, but -- How do I say it, but the DEP  
8 has RCRA [sp?], which is -- How would I say it?

9 CHAIRPERSON MILLER: Do you in your  
10 opinion feel -- In your professional opinion feel  
11 that the DEP standards are sufficient?

12 JULIE GETSON: No, and I didn't agree  
13 with -- And this is my personal opinion, not from RW  
14 -- I do not feel that the DEP's opinion of the sewage  
15 system in New York City was correct. The secondary  
16 treatment would not get rid of the chemicals, and  
17 they would go into the waterways of our waterways and  
18 water system. And we don't have the technology. We  
19 don't have a tertiary wastewater filtration, which  
20 would take care of those.

21 CHAIRPERSON MILLER: Thank you. Thank  
22 you for your testimony.

23 [Pause]

24

25

1  
2 CHAIRPERSON MILLER: The next panel will  
3 be Victor Negal [sp?], Jack Bolinsky [sp?] , Drew  
4 Herschkowitz, and Manuel Viegas.

5 [Pause]

6 CHAIRPERSON MILLER: Okay, before you  
7 testify just please identify yourself, and speak into  
8 the mic so that's not a problem. Then Council Member  
9 Crowley, I will impose upon her to sit in for me.  
10 But I will listen to the testimony. As I have  
11 another hearing next door, and I was totally  
12 oblivious to that. And we do have a lot going on  
13 here today.

14 [Pause]

15 MANUEL VIEGAS: Good afternoon, and thank  
16 you Chairman Miller and members of the Civil Service  
17 and Labor Committee for allowing me to testify. I'm  
18 a proud member of Car Was Owners, and a small  
19 business who is deeply troubled by the piece of  
20 legislation that is before the City Council. The  
21 bill that I am referring to is Introduction 125-A.  
22 Although it is know as the Car Wash Accountability  
23 Act, the only thing it will be accountable is the  
24 demise of modern day car washes in New York City as  
25 we know it. It's a job killing and kill small

1  
2 business bill that will unfairly punish an industry  
3 and put thousands of hard-working individuals out of  
4 a job and on the streets.

5 I've been working in the car wash  
6 industry since my immigration to the United States  
7 from Portugal in the 1980s. I started at the bottom  
8 washing and drying vehicles. It was a hard job I took  
9 very seriously, and in return it provided me with the  
10 financial resources I needed to build my new life in  
11 America. Approximately ten years ago, I began to  
12 purchase car washes in the hopes of turning the  
13 around into profitable ventures that provides the  
14 best quality wash.

15 In order to provide the best quality  
16 wash, I needed to offer great customer service, and  
17 that is only possible because of good employees. I  
18 comply with all federal and state law, with labor and  
19 employment laws. I pay my employees the minimum  
20 wage, allow them to collect tips and pay them  
21 performance based points. The individuals working  
22 for me are the foundation of my business. They earn  
23 my respect everyday with their hard work, and I thank  
24 to equally compensate them. However, doing so  
25 requires a friendly climate, and in recent years it

1           has been anything but friendly; taxes, rent, water,  
2           electricity, and equipment costs have skyrocketed.  
3           Can any Council Member present here tell me when was  
4           the last time that rates did not increase -- that  
5           water rates did not increase because I can't.

6                         Each year it's a battle to make sure my  
7           revenues keep pace with ever-rising operation  
8           expenses. But I have come to realize that just  
9           breaking even is considered lucky these days. It's  
10          important for the Council to be aware that the car  
11          wash industry is not comprised of high margin  
12          business with exorbitant conversation packages for  
13          top executives and employees. Instead, we are a  
14          group of small businesses, and I use the word 'small'  
15          strongly as there are only approximately 150 of us in  
16          all of New York City that deal with rising costs just  
17          like any other small business. These costs squeeze  
18          our profitability making it more difficult to  
19          survive.

20                         As it's currently written, Introduction  
21          125-A promises to make us squeeze that much harder.  
22          The bill requirements to obtain an absurd \$300,000  
23          surety bond will almost be impossible for any car  
24          wash to do so, let alone mine. If you don't believe  
25

1 me, please ask any surety bond company and experts as  
2 they will tell you the same thing. If by chance, a  
3 car wash is able to obtain such a ridiculous high  
4 surety bond, it will come with another set of costs,  
5 and will add another layer of bureaucracy right there  
6 at the point of business. Furthermore, any  
7 individual with less than stellar credit seeking to  
8 enter the car wash business, will be faced with  
9 significant financial barriers. I ask you in a time  
10 when our city--

12 [background discussion]

13 CHAIRPERSON MILLER: Wrap it up. Start  
14 wrapping up, please.

15 MANUEL VIEGAS: I ask you in a time when  
16 our city is still trying to recover the jobs lost  
17 because of the Great Recession, it's wise to impede?  
18 Is it wise to impede job growth? No industry in New  
19 York City is required to furnish such a high surety  
20 bond. Why are we forced to do so? I can assure you  
21 -- I can assure the Council if more hardships are  
22 placed on the car wash industry that my colleagues  
23 and I will be forced to switch to how make our own  
24 washing systems that employ only two or three people  
25 be site. In fact, that would be the best scenario if

1 this bill was. Is the Council willing to put 3,000  
2 individuals out of work? I urge the Council to  
3 reconsider Introduction 125-A as it is currently  
4 written. My colleagues and I are very happy to work  
5 with the Council to come up with a viable solution.  
6 But we must first do away with the current piece of  
7 legislation, and start over in our mind. [sic]  
8 Thank you.

9  
10 CHAIRPERSON MILLER: Thank you. Yes, are  
11 you ready?

12 DREW HERSCHKOWITZ: Good after noon. My  
13 name is Drew Herschkowitz [sp?]. I'm the owner of  
14 Dacco [sp?] Car Wash in Brooklyn. I'm a proud member  
15 of the Association of Car Wash Owners, as my fellow  
16 colleagues before me. Thank you Speaker Mark-  
17 Viverito, Chairman Miller, and Members of the  
18 Committee for giving me the opportunity to present  
19 testimony to you about a very concerning bill,  
20 Introduction 125-A, which if passed into law will  
21 place extreme hardships and burdens upon the car wash  
22 industry.

23 I understand that this piece of  
24 legislation emanated out of an issue related to a few  
25 bad apples in the car wash industry. And that the

1 overall goal is to ensure workers' rights and safety.  
2 However, I sit here before you today to warn you that  
3 Introduction 125-A will accomplish the complete  
4 opposite, effectively destroying the car wash  
5 industry, and putting 3,000 hard-working individuals  
6 out of a job. My car wash business is my life, and  
7 my employees are like my family. We see each other  
8 day, and even side-by-side on the line making sure  
9 each and every customers is satisfied. We break  
10 bread at the same table. They come to my house to  
11 share stories of my families, and help each other  
12 with any hardships we face.

14 It may be a place of business, but my car  
15 wash has a family like atmosphere where everyone  
16 looks out for each other. I am a small business, and  
17 I am struggling to stay afloat. Like so many other  
18 small business owners, however, I do everything in my  
19 power to make sure I provide the best opportunities  
20 for my workers. All of my employees make a base  
21 hourly salary of \$8.00, but with tips, it averages  
22 out to \$10.00 to \$12.00 an hour. That's 25 to 50%  
23 more than minimum way, and one of the highest base  
24 pays in the industry. I offered paid sick days and



1  
2 paid vacations to my employees long before it was  
3 even a topic or conversation in New York City.

4           In addition, I provide my employees with  
5 other forms of support when needed such as interest  
6 free loans to pay off the unexpected. In my eyes,  
7 none of my employees are seen as disposable or  
8 replaceable. They are hard-working individuals that  
9 earn my respect everyday, and for that, I try to give  
10 back as much as possible. In one case, an employee  
11 fell ill for almost an entire month and was unable to  
12 work. He still received full pay for the duration of  
13 his illness. Another employee was issued with his  
14 Visa and desperately needed legal representation. We  
15 provided an interest free loan to him for the purpose  
16 of hiring an attorney. I am proud to say that both  
17 men happily work at my car wash to this day.  
18 Unfortunately, providing such benefits to my  
19 employees become harder. Every year it eats away at  
20 my bottom line. Ever-rising taxes, water, utility  
21 rates among other operating expenses consistently and  
22 exponentially outpace any revenue generated.

23           Water rates alone have increased 78%  
24 since 2005. I ask you to name me one business that  
25 could survive, let alone turn a profit. And the

1  
2 essentials to operate that business increased by so  
3 much in such a short period of time. Furthermore,  
4 the willful violators in the industry, the  
5 individuals that do not pay their workers fair wages,  
6 and therefore charge lower prices for car wash while  
7 they steal of my potential customers away from my  
8 business. Adding to the hardship if you factor in  
9 maintenance costs, equipment upgrades, sky-high rent  
10 prices and inclement weather one bad operating week  
11 puts me in a deficit.

12           People forget that the car wash industry  
13 is a small business industry at the mercy of Mother  
14 Nature. If the weather is bad in any way, car washes  
15 do not make money. However, my employees still get  
16 paid for those days. Aside from hard work, the  
17 reason I provide my employees with a fair wage, paid  
18 sick and vacation days, and financial assistance, and  
19 any other way even though it is required, is because  
20 I know first hand what it is to work in a car wash.

21           CHAIRPERSON MILLER: [interposing] Wrap  
22 it up please.

23           DREW HERSCHKOWITZ: I started out as a  
24 basic car wash employee over a decade ago, washing  
25 and drying cars inside out. It was hard work but

1 through hard work, I was given an opportunity to  
2 climb the economic ladder and was promoted to  
3 manager, and eventually became owner alongside my  
4 colleague, Steven Bernard. I am eternally grateful  
5 to him, and I now have the ability to provide the  
6 same opportunities my employees. I ask the Council  
7 why I am being punished by doing right by team. Why  
8 is the City going after my colleagues just because of  
9 a few bad apples? I'm a small business owner, but  
10 this bill would effectively put an end to that. My  
11 business is too small to take a \$300,000 surety bond,  
12 as will be required by this bill.

14 The amount is so high that even the  
15 surety bond industry has confirmed it is not possible  
16 for car washes to obtain. I'm not a wealthy  
17 individual. I do not own my own. I rent an  
18 apartment in the same neighborhood I grew up in. I  
19 have no property or assets other than my business. I  
20 have a wife, two kids, and a livelihood with many,  
21 many employees to take care of. I cannot predict the  
22 future, but I do know is that this bill Introduction  
23 125-A will ensure hard-working New Yorkers will lose  
24 their jobs, and any sense of financial security. I  
25 urge the New York City Council to reconsider the bill

1 as it is currently written and think about the  
2 potential damage it cause. Thank you very much.

3 CHAIRPERSON MILLER: You're quite  
4 welcome. Let me just say again that the time is now  
5 of the essence. There are some things going on, so  
6 we want to hear from everyone.

7 DREW HERSCHKOWITZ: Okay, I apologize for  
8 being so long. [sic]

9 CHAIRPERSON MILLER: No problem. We want  
10 to hear everyone that everyone has to say because  
11 there will be some questions when we get through with  
12 the testimony here as well.

13 DREW HERSCHKOWITZ: Okay, go ahead.

14 JACK BOLINSKY: Good afternoon. My name  
15 is Jack Bolinsky [sp?]. Thank you for the  
16 opportunity to testify about this bill. I moved to  
17 this country 39 years ago because I believed in the  
18 American dream, and I knew if I worked ten times  
19 harder than anyone else, I would achieve that dream.  
20 I believed owning a small business was the key. So I  
21 sold my house, and I bought a car wash. My thinking  
22 was I would make my business a success, and buy  
23 another house. That was 23 years ago. I'm still  
24 renting. I'm the landlord for a car wash in Long  
25

1  
2 Island, but I no longer own the car wash I bought. I  
3 sold it, and though I would like purchase another, I  
4 will not if this bill is passed.

5           It is tough for any small business, very  
6 tough for an owner to survive, and it is even tougher  
7 for a car wash owner who is struggling with ever-  
8 increasing taxes, utilities, and water bills. We are  
9 not rich business owners, and every year our expense  
10 go way up, but we do not come even close to keeping  
11 up with inflation. The legislation will put us out  
12 of business. The \$300,000 surety bond in this bill  
13 will make sure it. We are not a criminal enterprise.  
14 So I do not know why we are being treated like one.  
15 No other industry in New York City has this kind of  
16 bond.

17           I used to be in the auto repair business,  
18 and getting a license was easy. There was no  
19 \$300,000 surety bond, but in that industry, we were  
20 repairing cars, getting them safe for the road. You  
21 can imagine the liability involved, but there was no  
22 surety bond. In the car wash industry, we're just  
23 improving the looks of the car wash cosmetically. So  
24 why then the bond. There are bad guys in every  
25 industry, and the car wash industry is no different.

1           But why try to put an entire industry out of  
2 business, not to mention thousands out of work.

3                         There are already plenty of laws we can  
4 enforce that would push out only the bad guys. I  
5 left Russian to pursue the American dream, and I  
6 thought I could achieve it by working hard and  
7 following the rules. But this bill is no rule; it is  
8 the persecution of select groups of people. It is  
9 also why I left Russia. I strongly urge the  
10 Committee to reconsider the bill. It is unfair. It  
11 will destroy an entire industry, and put thousands  
12 out of work. Thank you again for the opportunity to  
13 speak here today.

14  
15  
16                         VICTOR NARGUILE: Madam Speaker, Chairman  
17 Miller and Committee Members.

18                         MALE SPEAKER: Oh, the mic. Hold on.

19                         VICTOR NARGUILE: Oh, I'll talk to the  
20 mic. Madam Speaker, Chairman Miller, and Committee  
21 Members. My name is Victor Narguile [sp?] and I am  
22 an owner of two small neighborhood car washes, one in  
23 Corona, and the other in Middle Village, Queens.  
24 Thank you for allowing me to testify today on this  
25 very important matter. I have owned my car washes

1 for over 20 years, and I employ 30, mostly first  
2 generation immigrants. Some have been working with  
3 me for over 13 years. They are hard workers that  
4 rely on their job to provide for their families. If  
5 this law is passed, I will be forced to lay off at  
6 least half of my employees. If I have to switch to  
7 exterior only car washes, I will have no choice but  
8 to lay off the rest of my employees as exterior only  
9 washes require one to work workers to operate them.  
10 Simply put, small business owners such as myself are  
11 just getting by. We are already being squeezed by  
12 real estate taxes, insurance rates, and utility bills  
13 that seem to increase every year. Our water rates  
14 sometimes rise by double-digit percentages. I  
15 honestly cannot remember the last year in which water  
16 rates did not increase. I am also negotiating new  
17 garbage rates, which have also skyrocketed in recent  
18 years. My business, which is my livelihood, is a  
19 seasonal business. When it rains, we are not washing  
20 cars. During the winter months, we sometimes half as  
21 many vehicles. This is a tough business that seems  
22 to get tougher every year.

24 The \$300,000 surety bond requirement in  
25 this bill will ensure my having to lay off employees.

1           \$300,000 is what it costs to buy or even build a car  
2 wash. Also, the environmental regulations in this  
3 bill are ones I and my fellow car wash owners abide  
4 by and pay for. Why would you make us pay for them  
5 again? My environmental costs have already increased  
6 by 25% this year. There is only so much we can  
7 charge a person to wash their car, and if these new  
8 financial burdens are placed on my business, I will  
9 not be able to charge more for my services. I will  
10 either have to downgrade my operations or shut them  
11 down completely. I am told that this insanely high  
12 surety bond requirement is to prevent criminal  
13 behavior, but I am not a criminal.

15           I pay my employees at least minimum wage  
16 and all the time. Many of my employees have been  
17 with me for years, and I am proud of that. I  
18 understand that there are business owners who are not  
19 following laws, and take advantage of their  
20 employees. But I and many of my fellow colleagues  
21 are law abiding small business owners. I ask you, Is  
22 it necessary to punish the entire industry and  
23 effective label us all criminals? This bill will not  
24 put the bad guys out of business. It will put  
25 everyone out of business and out of a job including



1  
2 thousands of individuals who cannot afford to be  
3 without a job for even a short period of time. I ask  
4 the Council to please rewrite this bill to protect  
5 the car wash industry. If you do not, I fear my  
6 business and the car wash industry as a whole will be  
7 shut down. Thank you for allowing me the time to  
8 speak today.

9 CHAIRPERSON MILLER: Thank you so much,  
10 and thank you all, gentlemen, for your testimony.  
11 Could we start with Mr. Viegas? Could you tell us  
12 what is the current rate of pay for your employees at  
13 your car washes?

14 MANUEL VIEGAS: We have to groups. Even  
15 though my facilities, though they are self [sic] the  
16 people in the back are surprised to have you as a  
17 client. The people in the back make \$8.00 plus an  
18 hour, and we don't take a type for actual hours.  
19 [sic] Since my employees are individually tipped in  
20 front, and it's a union corporation, where they make-  
21 - they kind of work for themselves. So we pay the  
22 \$6.05 which is the typical hours, but they do very  
23 well. Everybody else it's much above the minimum  
24 wage.

2 CHAIRPERSON MILLER: And have you begun  
3 to work on compliance with the new paid sick leave  
4 provision?

5 MANUEL VIEGAS: Yes, we are. We have  
6 implemented all the new rules of the sick leave. We  
7 have.

8 CHAIRPERSON MILLER: Certainly, it's  
9 something that has to be approved so you haven't  
10 begun to see the real impact of it. But has that-- ?

11 MANUEL VIEGAS: That's going to increase  
12 the cost to about seventy-five cents per car  
13 throughout the year. That's the cost that we're  
14 going to have additionally.

15 CHAIRPERSON MILLER: How many workers do  
16 you have?

17 MANUEL VIEGAS: About 32.

18 CHAIRPERSON MILLER: You based that on  
19 the 32 workers times five basically --?

20 MANUEL VIEGAS: Times five, times how  
21 much they make, plus benefits plus everything else.  
22 That's not just the price per hour. It's insurance.  
23 It's Workers Compensation that goes up.

24 CHAIRPERSON MILLER: Do you also provide  
25 healthcare?

2 MANUEL VIEGAS: Not yet. We're looking.  
3 Unfortunately, I can't afford it. I wish I could  
4 afford it.

5 CHAIRPERSON MILLER: I know. What are  
6 your wages?

7 JACK BOLINSKY: Excuse me?

8 CHAIRPERSON MILLER: What wage are you  
9 currently paying.

10 JACK BOLINSKY: At present I do not own a  
11 car wash. I sold mine a couple of years ago. I  
12 would love to get back in the industry, but I have to  
13 see a future of it. Because right now I'm just  
14 sitting and waiting. Instead of creating jobs, and  
15 creating a business, I am sitting and waiting to see  
16 what the situation is going to be, and if I am going  
17 to be able to get back into it to be able to survive,  
18 and to make some profit to make a living for that  
19 matter. Because the standards -- the most you get  
20 now is you break even you're doing well.

21 CHAIRPERSON MILLER: Okay. I think that  
22 Mr. Herschkowitz?

23 DREW HERSCHKOWITZ: Yes.

24 CHAIRPERSON MILLER: I think you spoke to  
25 some of the other businesses in the industry not

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adhering to the same rules and regulations, and giving them somewhat of an unfair advantage competitively.

DREW HERSCHKOWITZ: Yes.

CHAIRPERSON MILLER: What would be your resolve to that issue.

DREW HERSCHKOWITZ: If you guys see a car wash, \$3.00 or \$4.00, \$5.00, they're obviously doing something wrong. You can't compete with that. It's impossible to wash a car for \$3.00 or \$4.00. It's impossible. It can't get done. You can't have a monthly deal for that. You can't do a monthly special because I can't pay my-- I don't even have a coupon in my car wash because I pay them everyday according to what they do. I pay them \$8.00 an hour plus tips, plus if they're working a year, a one-week paid vacation. I've been doing this for the past ten years since I've been owning this business. That's what you've got to do when you see \$3.00 or \$4.00 --

JACK BOLINSKY: Can I say something? All that needs to be done is for the Department of Labor to go to those violators, and they are everywhere. And you'll see if the Department of Labor goes to look for the car wash that he charges \$4.00, \$5.00,

1           \$6.00, \$8.00. Even for \$8.00 they know. They should  
2 know right away that these people are breaking the  
3 law if they are stealing from the workers. There is  
4 no way to do it. To wash a car, it costs us almost  
5 that amount.  
6

7           CHAIRPERSON MILLER: [interposing] So you  
8 do know -- you guys do know, gentlemen, that the  
9 Department of Labor is not a City agency. For a lot  
10 of reasons, the City would like to have oversight  
11 over this industry as well as other who operate  
12 within the city. And the same way the workers lose  
13 out. And the cities and communities that we  
14 represent are certainly losing out as well. So it's  
15 our responsibility to make sure that we have some  
16 type of oversight there. I think that there was a  
17 point where we made that, there was some type of  
18 opportunity to kind of self-police, and that has not  
19 happened. So we end up here, but we want some real  
20 constructive ideas as to again how do we kind of get  
21 there? I'm concerned about this bond piece that we  
22 keep hearing about, and there were some suggestions  
23 about doing tiers and doing some type of other  
24 qualifications and cost analysis based on that. But  
25 when it was mentioned, in fact, everyone said that

1  
2 they could not afford the \$300,000. What does that  
3 translate into annual costs?

4 [Pause]

5 STEVE ROTLEVI: The annual cost on that  
6 the way we figured it out if you can get it --

7 CHAIRPERSON MILLER: Okay.

8 STEVE ROTLEVI: I'm sorry.

9 CHAIRPERSON MILLER: Your name?

10 STEVE ROTLEVI: Steven Rotlevi. I  
11 testified before and it's under my testimony that I  
12 actually when I sourced it, if your credit is proper  
13 it's going to be somewhere between -- up to \$10,000  
14 or so. It could be even \$15,000 if your credit is  
15 right. The problem is the credit. The problem is  
16 how the business is running, how much the business  
17 makes a year, and that's what the concern is. It's  
18 really, really legitimate. A bond is not like an  
19 insurance. A bond is you've got to put up the money.  
20 It's not insurance.

21 JACK BOLINSKY: I think the bond costs  
22 and accounting costs will run about \$20,000 a year.  
23 So for a regular car wash that let's say 40,000 cars,  
24 that \$1.00 per car that's going to have to be passed  
25

1 on to the consumer. Or the owner is going to have to  
2 absorb it, which is impossible.

3  
4 CHAIRPERSON MILLER: So we talk about  
5 some of this competition that was enhanced by those  
6 bad actors in this industry. Do you think that this  
7 oversight will address that issue right now that you  
8 have a governing body that can actually go in with  
9 authority and address these bad actors and  
10 potentially remove them from the industry?

11 MANUEL VIEGAS: I don't think so. There  
12 is a big reason behind it. In fact, today if you go  
13 around Brooklyn, there are small car washes being  
14 opened everywhere. If you go to Queens you see the  
15 same thing, and you see people operating left and  
16 right out of their garages. So what you're really  
17 going to do is even hurt us more because those  
18 operations will not stop. I'll give you another  
19 example. In my place, this is exactly we're going --  
20 what you're going to have in my place. I have a  
21 repair shop, which is licensed, and I have an oil  
22 change, which is also licensed. In repair shop,  
23 which you know is right next to me, I have and SDS  
24 and I have an advanced auto parts for parts. [sic]

1  
2 Right next in the parking to an SDS and advanced auto  
3 parts there's about 20 people fixing cars.

4 I've called the Department of Motor  
5 Vehicles in Albany, which I have it in writing. They  
6 told me that in order for them to do anything, I need  
7 to get New Voice from what the people are doing  
8 whatever they're doing. I told them these people are  
9 doing. I told them, you know, it's impossible. All  
10 these people are going to-- Well, there's nothing  
11 else we can do. So this is what's going to happen  
12 with the car wash industry. In fact, when I took  
13 over my business, which was one of the biggest  
14 problems, 50% of the people that were there, were not  
15 even working there. They were going next door, and  
16 they were providing services next for the clients.  
17 So I don't think that's going to solve the problem.  
18 On the opposite, it's going to create more.

19 CHAIRPERSON MILLER: Well, again, I think  
20 that if you will induldge me and give me the  
21 privilege that certainly this was an industry that  
22 had a reputation for exploiting workers that  
23 superseded the good actors in business. That we are  
24 certainly making an attempt with the assistance of  
25 everybody involved here to ensure that we move



1 forward, and that the industry and small business  
2 continues to exist. But that workers are valued and  
3 respected, and they you were given the opportunity to  
4 do so. So I want to just address those issues,  
5 particularly as it pertains to bonds and any other  
6 overhead. But just consider that there is small  
7 business, as Council Member Cornegy testified earlier  
8 as the small business economic development here that  
9 is going on next door. There is a lot of technical  
10 assistance, and assistance available to small  
11 businesses to ensure that they have an opportunity to  
12 grow and thrive. And that they have the resources  
13 that they need. And so, at the same time, the  
14 Council attempts to address this and present some  
15 oversight. We are also providing assistance to those  
16 businesses so that you can be in compliance. It's  
17 just as when we rolled out the paid sick leave there  
18 were forums all over the place with technical  
19 assistance given to businesses involved with that.  
20 So we're hoping that in the future with assistance  
21 that can be done, but something has to be done. So  
22 in the interest of time, I will call the final two  
23 panels. But I thank you very much for coming out.

24  
25 MALE SPEAKER: Thank you Chairman Miller.

2 [Pause]

3 CHAIRPERSON MILLER: Magdalena Barbosa,  
4 Dave Mertz, and David Getzel [sp?].

5 [Pause]

6 CHAIRPERSON MILLER: Thank you. Please,  
7 when you're ready, just identify yourself before  
8 giving your testimony and we are adhering to a three-  
9 minute clock. So please be mindful of that.

10 MAGDALENA BARBOSA: Sure. Good  
11 afternoon. My name is Magdalena Barbosa. I'm  
12 Supervising Employment Attorney with Make the Road  
13 New York. Thank you very much for allowing me to  
14 speak this afternoon. For the last three years, I  
15 have been meeting with car wash workers throughout  
16 the city. Time and again, I have heard the same  
17 stories; long grueling hours, no overtime pay, tip  
18 stealing, unsafe conditions, workplace accidents, and  
19 questionable environmental practices. Violations of  
20 the minimum wage and overtime laws are par for the  
21 course for many immigrant workers in New York City.

22 But the egregiousness and the  
23 pervasiveness of wage theft and repeat violations of  
24 wage, theft in this industry has been particularly  
25 concerning to me. I'm also familiar with the

1 findings of the Wash New York report from March 2012,  
2 as well as well as the 2009 U.S. DOL Settlement,  
3 which forced John Lage, and its affiliated car washes  
4 to pay \$3.4 million in unpaid wage. And the 2014 New  
5 York City Attorney General's settlement that again  
6 forced John Lage and his business partners to pay  
7 another \$3.9 million, including \$2.2 million in  
8 unpaid wages plus unemployment and Workers  
9 Compensation penalties.  
10

11 Based on my analysis of direct  
12 professional experience with the industry and review  
13 of these studies and settlements, I can state that  
14 wage theft is rampant to a truly shocking degree in  
15 this industry. Wage theft in the car was industry  
16 often takes shape in the shape of unpaid overtime.  
17 It is common industry practice for employees to work  
18 12-hour shifts, six and sometimes seven days a week  
19 without receiving time and a half for hours past 40  
20 in a week. There are other violations that are  
21 particular to the car wash industry. Some workers  
22 receive no wages at all, only tips.

23 Wage theft also takes the shape of unpaid  
24 reporting pay where employees show up for work as  
25 scheduled to work a short period of time, and are

1 sent home because of rain or other weather issues.  
2  
3 And they never receive the pay required by law. For  
4 example, almost every car wash worker that I've  
5 interviewed have reported that it's common practice  
6 also for managers to skim from workers' tips or  
7 deduct from workers' pay for damage to customers'  
8 cars.

9 Because of the egregiousness of the wage  
10 and hour violations across the industry, courts and  
11 government agencies, including the State and Federal  
12 Departments of Labor have begun to crack down on care  
13 washes. Earlier this year, the State Attorney  
14 General announced the \$3.9 million settlement with  
15 one of the largest car wash owners in the city. This  
16 is a settlement that comes right after the U.S.  
17 Department of Labor's 2009 found that the same  
18 employer owed \$3.4 million. This example shows how  
19 unresponsive car wash operators have been to attempt  
20 to default illegal pay practice.

21 It is clear that a more comprehensive  
22 legal framework is necessary to police this industry.  
23 In the past three year, car washes located in  
24 Brooklyn, Bronx, Queens, and Staten Island have based  
25 lawsuits for unpaid wages. To years ago, Make the

1  
2 Road New York filed a lawsuit against a car wash in  
3 Brighton and Astoria. Over 40 employees complained  
4 of unpaid wages, unpaid overtime, misappropriation of  
5 tips and unlawful deductions. Many workers will have  
6 the courage to seek legal counsel, initiative  
7 counsels -- initiate cases against their employers  
8 are not as lucky to receive a judgment.

9 I should mention that the case that Make  
10 the Road participated in against two years ago the  
11 workers, though this case was settled, and the  
12 workers able to receive over \$100,000. These were  
13 about 40 employees that had filed a complaint. But a  
14 lot of car wash workers, who file lawsuits, and they  
15 initiate cases aren't lucky to actually receive the  
16 money that is owed. Car wash owners like many  
17 employers of low wage and immigrant workers have  
18 become adept at shirking responsibility, and hiding  
19 their assets to avoid paying New Yorkers their  
20 legally owned wages.

21 Last summer three workers from the car  
22 wash Off Broadway in Queens, New York won a judgment  
23 for over \$200,000. To date, the plaintiffs have not  
24 seen a dime of this money. Some workers believe that  
25 the new owners are actually affiliated with the

1 former owners, and the ownership was transferred  
2 simply to avoid liability. Under current law, there  
3 is virtually no recourse for workers employers  
4 transfer assets or close down one corporate entity  
5 only to reopen under another name.

6  
7 Unscrupulous employers know how to  
8 transfer or hide assets over the course of litigation  
9 and investigations. By the time the Department of  
10 Labor makes a determination, or a court issues a  
11 judgment employers many times close up shop and  
12 disappear. Collection of back wages under those  
13 circumstances become impossible and unscrupulous  
14 employers know that option. If we are to stop the  
15 prevalence of wage theft in this industry, a strong  
16 bonding requirement as proposed in the Car Wash Act  
17 is critical. Thank you very much.

18 CHAIRPERSON MILLER: Thank you.

19 DAVID MERTZ: [off mic] Do you think  
20 that's better? Good afternoon. I'm David Mertz with  
21 the Retail, Wholesale and Department Store Union,  
22 RWDSU. I first just want to say thank for your  
23 attention and your interest in this matter and your  
24 commitment to working to try find a solution to  
25 improve an industry that is in bad need of common

1 sense regulation. Some two years ago, my union was  
2 involved in launching a campaign to reform the car  
3 wash industry, and organize workers. What we found  
4 was shocking, workers working for 60 and 70 hours a  
5 week or more all too often without getting their paid  
6 overtime. Many of them were not even getting paid  
7 the minimum wage. Conditions were dangerous and  
8 unhealthy. Many workers did not get the proper  
9 equipment to protect themselves from the chemicals  
10 they had to use. And by proper equipment, I mean a  
11 lousy pair of gloves and goggles. We heard over and  
12 over again that tips were stolen by managers who  
13 abused workers. The biggest, most professional owner  
14 in their industry has been forced to pay a multi-  
15 million dollar wage theft settlement, not once but  
16 twice since 2009. And others have testified about  
17 this settlement. Workers and advocates who have  
18 interviewed, hundreds of workers in the industry  
19 report that the smaller car washers are even more  
20 likely than the large car washes like John Lage, the  
21 settlement that I referred to a moment ago and his  
22 partners to be liable for even bigger wage theft  
23 claims.  
24  
25

1                   The evidence of that standard of  
2                   exploitation has been demonstrated time and time  
3                   again since 2012 when New York Communities for Change  
4                   -- [coughs] Excuse me -- and Make the Road New York  
5                   launched a campaign to clean up the industry, a  
6                   campaign which the RWDSU wholeheartedly supports.  
7                   Fortunately, the campaign is making some headway. My  
8                   union has won collective bargaining agreements with  
9                   seven car washes. By empowering workers, a union  
10                  contract provides the best possible mechanism to help  
11                  wage theft and other illegal acts. This legislation  
12                  is an effort to help the rest of the industry to come  
13                  into compliance with at least minimum standards, and  
14                  stay there for the first time.

16                 As things stand, responsible car wash  
17                 owners are at a huge competitive disadvantage  
18                 operating within the industry. Surety bonds are a  
19                 common well-established requirement for industries  
20                 that routinely handle consumer property. A recent  
21                 example of a need for this bond I can give is in  
22                 2011, and I believe has also been formerly mentioned  
23                 by some of the other people who have testified of  
24                 three workers who were employed at Off Broadway Car  
25                 Wash. The judgment in that settlement was found to



1  
2 be \$250,000, or close to \$250,000, and to our  
3 knowledge, the workers have still not been paid one  
4 cent of that. The bond in this issue would have made  
5 those workers whole.

6 A strong surety bond requirement is one  
7 of the only ways to actually ensure that aggrieved  
8 workers can access the wages to which they are  
9 entitled. The bond amount also protects consumers.  
10 Worker testimony indicates that standard practice to  
11 resolve consumer complaints is that employers take  
12 cash from the workers' tip pool to make the customer  
13 whole for any damage that machines may have  
14 inflicted. Workers have also told of money being  
15 taken out of their paychecks over time to pay for  
16 more expensive damage.

17 As oversight and worker courage  
18 eliminates this approach, consumers will also need a  
19 guarantee to access a bond to protect their claims.  
20 The key fact here is that this an industry with a  
21 long history of pervasive and often extreme wage  
22 theft where several governmental cleanup efforts have  
23 failed. Let's make sure that the work that we have  
24 done to clean up this industry continues and  
25 succeeds. We need the City to step up, and to help

1  
2 clean up this industry. It's important to the  
3 workers. It's important to consumer, and it's  
4 important to our community. Thank you very much.

5 CHAIRPERSON MILLER: Thank you. We'll  
6 hear from Council Member Crowley.

7 COUNCIL MEMBER CROWLEY: I want to thank  
8 both of you for your advocacy on behalf of all the  
9 workers who have been exploited. You've been here  
10 for most of the day to hear the testimony from the  
11 industry, and as it relates to the bonding in the  
12 bill, do you think that there could be flexibility.  
13 or do you think that it needs to stay at requiring \$2  
14 million in bonding?

15 DAVID MERTZ: I think some of the  
16 concerns that we've outlined about how the industry  
17 operates, and some of the levels of judgments that  
18 have already been levied against operators within the  
19 industry really bolster the idea that we need a  
20 significant surety bond in order to make sure that  
21 workers and consumers are made whole. And that there  
22 is real protection there. I think that number is  
23 adequate, and I think that actually the amount of the  
24 surety bond is appropriate for the problems that we  
25 have seen from the industry. That being said, I

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think everyone involved in this feels that we want to do everything we can to ensure that decent good employers are getting support they need to operate properly. We also want to make sure that no businesses are going to inadvertently suffer as a result of anything that we do. So we would be willing to consider options. But I would caution that we don't necessarily want to do anything that inadvertently makes it more difficult for the City to make sure that the proper protection is afforded to workers and consumers in our communities are in place.

COUNCIL MEMBER CROWLEY: Do you find that once investigations happen, and businesses are fined, do those businesses close down? I know that a lot of time in the past when we've had big settlements from the State Attorney General, over \$3 million settlements. How do we ensure that victims of this worker force exploitation get those monies that are owed to them? And do you find that these businesses close and reopen in different names? Does that happen?

DAVID MERTZ: Yeah, I think the short answer to that part of it is yes. I also think that

1 we've -- I think that the bond in itself is the  
2 perfect answer to the situation that you're talking  
3 about where you may have judgments that are go  
4 unpaid, but workers can be made whole if the surety  
5 bond was in place. So that's exactly the reason why  
6 we need this. We have seen operators within the  
7 industry. Several people have mentioned not one but  
8 two settlements that John Lage and his associates  
9 have paid, which have been in the millions of  
10 dollars. They continue to operate their car washes.  
11 So they have not necessarily closed as a result of  
12 the judgments that were levied against them. But I  
13 think we also have found that sometimes-- You know,  
14 we mentioned Off Broadway Car Wash where the previous  
15 owner had a judgment of \$250,000, and pretty much  
16 disappeared. And the new owners there is still some  
17 question as to whether or not what the connection was  
18 with the old owner. But the fact remains that  
19 workers have not received any money that they are  
20 owed as a result of that judgment.

21  
22 COUNCIL MEMBER CROWLEY: And then  
23 comparing the tips for service to other industries, I  
24 would imagine that it's not very similar to the  
25 restaurant industry where most people do leave tips

2 on the bill. Do you have a comparison, or do you  
3 have any idea of how much the workforce gets in tips,  
4 and whether it's substantiates in wage that they  
5 make?

6 MAGDALENA BARBOSA: I think what's  
7 problematic in the car wash industry is that when it  
8 is a bad day, when it is slow, they often times don't  
9 receive tips. And they don't receive enough tips to  
10 bring them up to minimum wage. So, perhaps it is a  
11 little bit different in the restaurant industry, but  
12 yes workers do receive tips. But a lot of times  
13 employers skim from their tips as well. And so,  
14 they're actually not taking home the amount of tips  
15 that they earned. And the amount of tips that would  
16 bring up the hourly wage that they're receiving up to  
17 the minimum wage.

18 DAVID MERTZ: I think most folks are  
19 familiar with how car washes operate. A lot of times  
20 you'll have the tip jar either at the front or the  
21 back of the car wash as you enter or exit. You'll  
22 customarily throw in a dollar or two dollars. But  
23 then it ranges from person to person, but I think as  
24 just has been pointed out, sometimes those tips never  
25 get into the hands of the workers.

2 COUNCIL MEMBER CROWLEY: I have no  
3 further questions.

4 DAVID MERTZ: Thank you.

5 CHAIRPERSON MILLER: Thank you, and thank  
6 you for coming out and sharing your testimony.

7 DAVID MERTIZ: Thank you very much.

8 CHAIRPERSON MILLER: And our final panel  
9 will be Anthony Mankari [sp?], Aaron Guinea.

10 [Pause]

11 CHAIRPERSON MILLER: Please before giving  
12 your testimonies just identify yourselves and speak  
13 into the mic, and be mindful of our three-minute --

14 CHAIRPERSON MILLER: [off mic]

15 [Pause]

16 ANTHONY MANKARI: Madam Speaker, Chairman  
17 Miller, and Members of the New York City Council  
18 Committee on Civil Service and Labor. Thank you for  
19 allowing me to testify today regarding Introduction  
20 125-A. My name is Anthony Mankari, and I have been a  
21 supplier of chemical detergent solutions to the  
22 professional car wash industry for 35 years.  
23 Currently, I work for Alpha Chemical Services out of  
24 Stoughton, Massachusetts. I began my career with Zep  
25 in 1979, and have the privilege of serving many

1  
2 members of the New York City car wash industry for a  
3 very long time.

4           Alpha Chemical Service is a manufacturing  
5 chemical cleaning solutions company with customers  
6 from a variety of industries. Throughout it's  
7 history, Alpha Chemical has made a commitment to  
8 formulate all its products with the best interest of  
9 its employees, its customers, and the environment in  
10 mind. Alpha has, and will in the future, formulate  
11 its solutions with the safest chemical alternative  
12 ingredients available. The car wash products we  
13 formulate for the New York operators are primarily  
14 surfactant based with mild solvents, acids, and  
15 alkaloids. All of the components used in the  
16 manufacture of car wash chemical products are  
17 environmentally preferable.

18           The surfactants used are alcohol,  
19 infascilites [sp?], which are not environmentally  
20 persistent, and many components of our formulations  
21 are third-party certified as green by the  
22 Environmental Protection Agency's Design for the  
23 Environment Program. The solvents used are non-  
24 carcinogenic, and not reactive or flammable  
25 substances. The acide and alkaloids used are not

1 hazardous to the environment, and readily neutralized  
2 during the wash process. The ancillary builders are  
3 non-phosphate and pose no danger to the environment  
4 or the end user.

5  
6 In addition, as an OSHA educated General  
7 Industry Safety and Health Trainer, I have performed  
8 chemical safety training on site at many car washes  
9 throughout New York City. Operators, as part of  
10 their Written Hazard Communication Program employ me  
11 to come to their car wash, and perform chemical  
12 safety training for their employees. The program  
13 that Alpha has put together for the employees is bi-  
14 lingual, and workers are required to sign in and  
15 watch a brief video in either English or Spanish on  
16 Chemical Safety and Employee Right to Know. Many  
17 employees have personally thanked me for the training  
18 they received, which was made possible by the car  
19 wash owner. Which takes a proactive approach to  
20 worker safety and worker education.

21 In the past several years, I have  
22 witnessed a remarkable turnaround in the professional  
23 car wash industry in New York City and the  
24 surrounding areas, including the following: Safer  
25 chemical alternative solutions are much more present



1 in the car wash chemical storage area. PPE, or  
2 Personal Protective Equipment, is more available than  
3 ever for the employees to protect the skin, their  
4 hands, they eyes, and their lungs from the dangers of  
5 chemical misuse. Safety training of employees is  
6 performed at least annually so workers can be  
7 refreshed on their responsibility of safe chemical  
8 handling, and understanding their company's hazard  
9 claim.  
10

11 New York City car wash operators are  
12 taking a very proactive approach to the health and  
13 safety of their employees, their customers, and the  
14 environment. In my opinion, the professional car  
15 wash location right now is the safest and most  
16 compliant method in New York City for people to have  
17 their vehicle cleaned as opposed to any other way.  
18 And especially more safer and environmentally  
19 friendly than washing a car in a driveway or on the  
20 street. I am proud to be a supplier to the New York  
21 City car wash operators for over 35 years and again,  
22 thank you for giving me the opportunity to testify.  
23 I will answer any questions at this time.

24 CHAIRPERSON MILLER: Thank you so much.  
25 So, I know you referenced specific chemicals

1  
2 involved, but are these the only cleaners that are  
3 used in the car wash? Can you speak specifically to  
4 that?

5 ANTHONY MANAKRI: I speak for the  
6 chemicals that we make at Alpha Chemical. I cannot  
7 speak for the chemicals manufactured at any other  
8 facility. However, in general, I compete with many  
9 national companies like Zep and Simonize, and I can  
10 only assume that they are in compliance with --

11 CHAIRPERSON MILLER: How much of the New  
12 York industry do you supply, what percentage?

13 ANTHONY MANKARI: Oh, I know probably all  
14 of the members of the association, and I've dealt  
15 with them throughout my career. The industry is very  
16 fragmented with six or seven major suppliers. So I  
17 probably get 15 to 20 to 25% of that chemical lab  
18 business.

19 CHAIRPERSON MILLER: All right. So you  
20 don't know what the other 80% is?

21 ANTHONY MANKARI: No way to know.

22 CHAIRPERSON MILLER: Okay. Generally,  
23 whose responsibility is it to provide health and  
24 safety training?

1  
2 ANTHONY MANKARI: Well, it's the  
3 responsibility of any business to perform health and  
4 safety training for their employees. The association  
5 has employed me to train the workers from car wash to  
6 car wash on-site. And I've done so for many  
7 operators.

8 CHAIRPERSON MILLER: Do you have a number  
9 of how many facilities that you've actually provided  
10 training for.

11 ANTHONY MANKARI: [interposing] Probably  
12 somewhere in the area -- near 80. There are 80  
13 separate facilities.

14 CHAIRPERSON MILLER: And how many -- do  
15 you know how many car washes belong to the  
16 Association?

17 ANTHONY MANKARI: I don't have that exact  
18 number. I would think Steve does.

19 STEVE ROTLEVI: We currently have 90  
20 members, car wash members.

21 CHAIRPERSON MILLER: So 90% of all the  
22 workers have been provided with this safety training?

23 STEVE ROTLEVI: That are part of the  
24 Association, yes.

25 CHAIRPERSON MILLER: Okay.

1  
2           STEVE ROTLEVI: We definitely try to keep  
3 up with it. Remember, it's a fluid industry, too.  
4 SO the people leave and go, but we do it yearly.

5           CHAIRPERSON MILLER: Okay, while I have  
6 you there, I have a question. I see what I could  
7 assume, and I could be just wrong, that there are a  
8 number of workers from the car washes represented  
9 through the Association in the room today. And quite  
10 frankly, I want to know why they weren't given an  
11 opportunity to testify?

12           STEVE ROTLEVI: First of all, the time  
13 constraint as you can see. There's a big time  
14 constraint, but if you'd like to get some people to  
15 speak to you, we will definitely provide you with it.  
16 I mean I'd like to work with you in cooperation hand-  
17 in-hand to show you the work we've done over the past  
18 two years. And I think you will be quite surprised  
19 at what we have done. The workers are an extremely  
20 important part of my business, and my the people in  
21 my Association's business. The majority of people I  
22 can tell you are very concerned about their workers,  
23 and are very friendly to the workers and would like  
24 to pay them more. You're talking about fair wage and  
25 everything. Listen, we'd like to pay them more. I'd

1  
2 like to pay everybody more, but how much would  
3 somebody pay for a car wash? That's the other  
4 question we have to ask ourselves. You know, how  
5 much would you pay for a car wash?

6 CHAIRPERSON MILLER: Listen, can I tell  
7 you --

8 STEVE ROTLEVI: [interposing] And I urge  
9 all the people of New York to tip more.

10 CHAIRPERSON MILLER: I'm a very generous  
11 tipper, and I really value workers, and I go out of  
12 my way to patronize the good actor. I'd go to  
13 another borough to patronize a good actor.

14 STEVE ROTLEVI: We appreciate that.  
15 Thank you. We appreciate it so much.

16 CHAIRPERSON MILLER: So, I want to thank  
17 you for coming out, as well.

18 ANTHONY MANKARI: [interposing] You're  
19 welcome.

20 CHAIRPERSON MILLER: And I thank everyone  
21 for coming out this afternoon and giving your  
22 testimony. It's been a long hearing being able to  
23 hear from the workers, and making sure that we do  
24 this right. Obviously, the purpose today, and the  
25 purpose of this bill was to clean up an industry that

1 obviously like many industries out there have bad  
2 actors. And so no one wants to be singled out, but  
3 we certain need to address issues. And this is an  
4 issue that we brought to the attention of the City  
5 Council, and you can do one at a time. There is no  
6 governing body right now here in the City of New York  
7 to address these issues of health and safety, and  
8 particularly wage theft, and all the other issues  
9 that were brought to the attention of this Council  
10 and to this body. So, we are hoping that by bringing  
11 all the stakeholders here today, the workers, the  
12 unions that represent them, the business owners, the  
13 car wash industry and its association. That we can  
14 certainly come to a conclusion that will allow the  
15 continued services to be provided to the citizens of  
16 New York. And provide the wages that sustain  
17 communities and sustain families, and the small  
18 business can continue to grow, and support the City  
19 of New York. So it's a lot at stake here. This is a  
20 first step, and I assure you that the Council will do  
21 all that it can and all within its power to ensure  
22 that this legislation is done properly. And that  
23 there is proper oversight so that it does what it is  
24 meant to do today. So I thank everybody for coming  
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COMMITTEE ON CIVIL SERVICE AND LABOR

out, and I'm looking forward to working with each and every one of you in the future. Thank you.  
Officially adjourned. [gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date June 22, 2014