

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CIVIL RIGHTS

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April 14, 2015  
Start: 12:13 p.m.  
Recess: 12:40 p.m.

HELD AT: 250 Broadway - Committee Rm,  
16th Fl.

B E F O R E:  
DARLENE MEALY  
Chairperson

COUNCIL MEMBERS:  
Mathieu Eugene  
Daniel Dromm  
Deborah L. Rose  
Andy King  
Brad S. Lander

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2 CHAIRPERSON MEALY: Good afternoon. I'm  
3 Councilwoman Darlene Mealy; I'm the Chair of the New  
4 York City Council Committee on Civil Rights. I'd  
5 like to introduce the other members of the Council  
6 who have joined us this afternoon -- Danny Dromm,  
7 Danny Rose... [background comments, laughter] Debi  
8 Rose... [background comments] They always want you on  
9 their team. [background comments, laughter] Wow.  
10 Andy King; I apologize, my sister; we have Brad  
11 Lander with us. And I wanna thank our counsel, Civil  
12 Rights.

13 Today the Committee on Civil Rights will  
14 vote on Introductory Bill No. 0261-A, a very  
15 important piece of legislation that will prohibit  
16 discrimination in employment based on an employee or  
17 applicant's credit history.

18 Studies show that many employers use  
19 credit history when making employment decisions and  
20 that considering credit history has a negative impact  
21 on many New Yorkers. Studies also show that the use  
22 of credit history in employment decisions has  
23 disproportionate [sic] impact on low-income  
24 communities and communities of color. This issue is  
25 even more concerning, because oftentimes credit

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2 reports have incorrect information and individuals  
3 are not always given the opportunity to explain or  
4 challenge the negative reporting.

5           It is important to note that studies also  
6 show that credit reports do not predict performance  
7 or work behavior, which is why we must act to end the  
8 use of such information when not required by federal  
9 or state law, or in other situations when necessary  
10 for security reasons.

11           Intro 0261-A is important because it  
12 seeks to address this issue and would give more New  
13 Yorkers more opportunity to compete for employment  
14 and obtain financial growth.

15           Thank you Council Member Lander for  
16 introducing this important legislation. Thank you to  
17 Committee staff, Miss Wright in Finance, Miss Ansari,  
18 Policy Analyst and Miss Brown, Counsel to the  
19 Committee.

20           I hope that my fellow committee members  
21 will support this bill today so we can vote on it at  
22 Thursday's Stated Meeting.

23           Thank you again for making the time to  
24 vote on such an important legislation; I will now let  
25 the prime sponsor of this legislation, Council Member

1  
2 Lander, to read his opening statement as a sponsor of  
3 this great legislation... [crosstalk]

4 COUNCIL MEMBER LANDER: Thank you so much  
5 Chair Mealy; really, it's wonderful to be here and I  
6 wanna thank the other members of the Committee as  
7 well, your predecessor as chair of this committee is  
8 the second-named sponsor of this bill and a great  
9 partner in getting here, so thank you, Council Member  
10 Rose and to council Member Dromm and Council Member  
11 King as well.

12 I'm so grateful to this committee for  
13 taking up Intro 0261-A, which will be the strongest  
14 bill of its type in the country to prohibit the use  
15 of credit checks in employment, which have been  
16 unfairly locking out so many New Yorkers from  
17 consideration for jobs for which they are qualified  
18 and which, as you note, adds up to discrimination  
19 against low-income people and communities of color.

20 As we all know, poor credit is common;  
21 millions of Americans, hundreds of thousands of New  
22 Yorkers, and quite often linked to circumstances far  
23 beyond their control -- student loans -- one way of  
24 thinking about this bill is, if you use credit checks  
25 in employment, you're discriminating against the kid

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2 who had to borrow to go to college and then wasn't  
3 able to easily get a job upon graduation, in favor of  
4 the kid whose parents were able to pay without taking  
5 on debt. People have health care debt because they  
6 didn't have insurance and it winds up on their credit  
7 report, they face unemployment, identity theft,  
8 divorce; we hear situations of women whose husbands  
9 stick them with debt in divorce and it sits there on  
10 the credit history -- identity theft, and as you  
11 said, in many cases just errors in the credit report;  
12 it adds up to damage credit history for an enormous  
13 set of people, and so then when these very people go  
14 to get the thing they need to help them get where  
15 they're going, a job, they face an unfair barrier to  
16 getting it; it locks people out of jobs in ways that  
17 simply make no sense. In big picture that also adds  
18 up, as you pointed out, to discrimination against  
19 communities of color and low-income people; study  
20 after study has shown that people who are most likely  
21 to be burdened with bad credit more likely to be  
22 African-American or Latino; more likely to be women.

23 Now given all of that, if there was  
24 evidence that credit history was somehow linked to  
25 your job performance or likelihood to commit fraud or

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2 theft, maybe it would be useful, but study after  
3 study has shown that there is simply no demonstrated  
4 correlation between your credit history and your  
5 likelihood to commit fraud or theft and a  
6 representative of one of the big three credit  
7 agencies, TransUnion, even admitted as such, saying  
8 on the record, under oath, we don't have any research  
9 to show any statistical correlation between what's in  
10 somebody's credit report and their job performance or  
11 their likelihood to commit fraud or theft.

12 Nonetheless, this practice is widespread; Society for  
13 Human Resources Management says something like half  
14 of employers use credit histories even for positions  
15 -- retail workers, cashiers, dog walkers, janitors --  
16 a wide range of positions, despite the fact that a  
17 great study done locally showed small business people  
18 less likely to use it and able to get the information  
19 they need about employees because we want employees,  
20 obviously, employers to be able to get the good  
21 employees that they need through reference checks,  
22 through references, through education; through past  
23 employment. And I guess I would urge anyone who  
24 still has questions to look on the New York City  
25 Coalition to End Employment Credit Checks' website

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2 for some powerful testimonials that we heard in this  
3 Committee and that you can see online about what this  
4 means and has meant in the real lives of individuals  
5 and see the people that we're benefiting as a result  
6 of passing this bill today.

7 Intro 0261-A will make it an unlawful  
8 discriminatory practice under New York City's Human  
9 Rights Law to utilize, to ask for or to use consumer  
10 credit check and it carefully defines consumer credit  
11 history and makes it clear what employers can and  
12 can't do. As I mentioned, this bill will be the  
13 strongest bill of its type in the country; 11  
14 jurisdictions, 10 states, plus Chicago currently have  
15 laws of this type, but all of them contain a series  
16 of some broad loopholes or exemptions; eight of them  
17 fully exempt financial industries or banks, even down  
18 to tellers and janitors, so the very institutions  
19 that make it hard for Americans in some cases to have  
20 good credit wanna discriminate against them in jobs;  
21 nine of those jurisdictions allow an exemption if the  
22 employer simply says I need it for some reasons; it's  
23 related to jobs and about half of them exempt all  
24 managerial positions, even like retail shop floor  
25 managers. The bill that we're passing does have some

1 narrower and much more thoughtful targeted  
2 exemptions, but it does not have these big broad  
3 loopholes or carve-outs of other states around the  
4 country. What we agreed to, and we had a very  
5 thoughtful process that began in this Committee and  
6 dialogue with many employers, HR professionals,  
7 advocates, community organizations; I won't go  
8 through them all, but we agreed to exempt police  
9 officers and law enforcement positions, any place  
10 where we're gonna give somebody a gun, we really  
11 wanna dig in and make sure we know everything we can;  
12 psychological profiles, positions with regular access  
13 to intelligence information, national security  
14 information or trade secrets, people like CFOs or  
15 fiduciaries who have the ability to extend a  
16 company's credit in excess of \$10,000 and a cyber  
17 security exemption for the most senior people  
18 involved in information security. But those are  
19 targeted, thoughtful; narrow; I think the vast  
20 majority of jobs, certainly over 95 percent of jobs  
21 in New York City's employment are covered under this  
22 very strong bill. And one additional great feature  
23 is the bill provides that in two years the New York  
24 City Human Rights Commission, who will administer the  
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2 bill, will report to us on how their experience with  
3 the law and they'll do a survey of both public  
4 agencies and private employers, including on those  
5 categories of exemptions, to see whether we continue  
6 to believe that they make sense or whether there's  
7 additional work that we should do.

8           So I just wanna say a few thank yous; I  
9 wanna thank you and the members of this committee; I  
10 wanna thank the Committee staff, Aisha [sp?] Wright,  
11 Muzna Ansari, Alaysha [sp?] Brown; Rachel Cordero and  
12 Matt Gewolb stuck with this legislation through some  
13 intense negotiations and late nights; I wanna thank  
14 them; Ben Smith, my Policy Director and Michael  
15 Friedman-Schnapp, my Policy Director in the prior  
16 terms, did a lot of work on this bill, and finally,  
17 the Coalition to End Employment Credit Checks, led by  
18 the New Economy Project and their Co-Directors, Sarah  
19 Ludwig and Josh Zinner were just invaluable partners;  
20 the Speaker and the Speaker's Office also really  
21 helped us work through issues to make sure we got a  
22 very, very strong piece of legislation. So I'm  
23 grateful to all of them and to all of you and excited  
24 to have this bill considered in Committee today.  
25 Thank you very, very much.

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2 CHAIRPERSON MEALY: Thank you. And the  
3 former chair of Civil Rights, we will have Debi Rose;  
4 she has a statement also.

5 COUNCIL MEMBER ROSE: Thank you...  
6 [crosstalk]

7 CHAIRPERSON MEALY: And I'm glad you  
8 stayed on with this legislation also.

9 COUNCIL MEMBER ROSE: Thank you... Thank  
10 you, Chair Mealy.

11 First I'd like to say, Brad, you did a  
12 really good job on NY1 last night explaining this  
13 bill and fending off Errol Louis' questions. And I  
14 wanna thank Chair Mealy for actually ushering this  
15 bill through to the vote. I'm very excited about it;  
16 it's a very important piece of legislation and we  
17 weren't able to get it done last term and so I'm  
18 really excited that you were able to make that happen  
19 today.

20 And the stop credit check discrimination  
21 bill will end discrimination based on consumer credit  
22 history. As I've said before, how can you get a job  
23 if you can't get a job? How can you pay your debts  
24 if you can't get a job? The practice of using credit  
25 checks as part of the employment application process

1 is pernicious; it often prevents people from  
2 disadvantaged backgrounds who are more likely to have  
3 a bad credit rating from getting a job and it impacts  
4 college and professional school graduates who are  
5 coming out of school with unprecedented debt levels,  
6 as well as people with medical debt; even more  
7 concerning is that there is often erroneous  
8 information on credit check reports and people are  
9 being held responsible for these errors in these  
10 credit check reports. It also is a big business for  
11 the credit agencies; they get paid for distributing  
12 these reports. The bottom line is that this practice  
13 is keeping people who want to work and who can work  
14 from working for no justifiable reason. It is time  
15 to remove all of the artificial barriers that exclude  
16 countless numbers of New Yorkers from becoming  
17 gainfully employed. It's time to open doors, not  
18 close them. It is time to support this commonsense  
19 legislation. It is time for this to end and for it  
20 to end now without delay and I want to encourage all  
21 of my colleagues to vote yes on Intro 0261-A.  
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23 And I wanna thank the Civil Rights  
24 Committee staff for all of their help making this day  
25 possible.

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CHAIRPERSON MEALY: Thank you. I

definitely wanna thank both of you for the great work you did on this legislation and make sure that it goes through. And I just wanna... how could this ever be where people get out of college and still cannot get a job because you check their credit history and find out they have student loans, and that is so true, how can you get a job to get a job? So I thank you Brad for this great legislation. And I'm gonna turn it over to our counsel for the vote on this great legislation.

COMMITTEE CLERK: William Martin,

Committee Clerk, roll call vote Committee on Civil Rights. Chair Mealy.

CHAIRPERSON MEALY: I vote aye on this

legislation; I thank my colleagues for doin' a great job and this committee. Thank you.

COMMITTEE CLERK: Dromm.

COUNCIL MEMBER DROMM: With

congratulations to Council Member Lander and Council Member Rose, I vote aye.

COMMITTEE CLERK: Rose.

COUNCIL MEMBER ROSE: I happily vote...

happily and enthusiastically vote aye. Thank you.

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2 COMMITTEE CLERK: King.

3 COUNCIL MEMBER KING: Permission to  
4 explain my vote.

5 CHAIRPERSON MEALY: Yes you may. Yes you  
6 may... [crosstalk]

7 COUNCIL MEMBER KING: Just real briefly.  
8 First I wanna say thank you, Council Member Lander,  
9 Madame Chair; Madame Chair, [laughter] that you still  
10 will be a chair in all our hearts, but I think this  
11 piece of legislation is real life legislation that  
12 helps communities of color and even though it's for  
13 everyone across the board, we know the history of  
14 oppression in this country and most of it is targeted  
15 towards communities of color and this is one way to  
16 take that burden out of the way of people who are  
17 trying to just provide for themselves in turn to be  
18 able to provide for their families; it's something  
19 that's smart; it's something that's respectful and  
20 something that we all should be able to stand behind  
21 and get behind; I'm proud to be co-sponsor with you;  
22 I stand here as, not only as your colleague, but as a  
23 black man who's had to experience some of my friends  
24 going through the challenge of trying to get  
25 employment but being held back because of a mistake

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that they might've had in college or just someone, a family who had a health care crisis and their whole world tumbled down because they went into debt. So I'm urging everyone today to do the responsible thing that City of New Yorkers have elected us to do and that's pass legislation that makes sense and I will be voting aye today; vote aye.

COMMITTEE CLERK: By a vote of 4 in the affirmative, 0 in the negative and no abstentions, item has been adopted.

CHAIRPERSON MEALY: Thank you... [interpose, cheer] and we will hold the vote open for about 10 minutes for one of our colleagues, and this meeting is primarily adjourned; not as of yet; we will leave it open 10 minutes. Thank you. Thank you colleagues.

[cheers, background comment]

[pause]

COMMITTEE CLERK: Council Member Eugene.

[background comments]

COUNCIL MEMBER EUGENE: I vote aye.

Thank you.

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COMMITTEE CLERK: Final vote in Committee on Civil Rights is now 5 in the affirmative, 0 in the negative and no abstentions. Thank you.

CHAIRPERSON MEALY: We're gonna close the Committee on Civil Rights with this great legislation and this meeting is now 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 April 23, 2015