

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

CONSUMER AFFAIRS AND BUSINESS LICENSING

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HELD AT: 250 Broadway - Committee Rm.
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B E F O R E: Rafael L. Espinal, Jr.
Chairperson

COUNCIL MEMBERS: Margaret S. Chin
Peter A. Koo
Karen Koslowitz
Bard S. Lander

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

Casey Adams, Director of City Legislative Affairs
New York City Department of Consumer Affairs

Kenny Maniha, Chief of Staff
New York City Department of Consumer Affairs

Edgard Laborde, Retail Wholesale and Department
Store Union

Juleon Robinson, New Economy Project

Andy Collado, Assistant Director of Services,
Financial Clinic

Leo Kremer, Dos Soros Taqueria

Micehlle Gauthier, Mulberry Vine

Jillian Grossberg, By Chole Restaurant Worker

2 [sound check] [pause] [gavel]

3 CHAIRPERSON ESPINAL: Good morning. My
4 name is Rafael Espinal. I am the Chair of the
5 Committee on Consumers and Business Licensing. I'm
6 joined today by my colleagues on the Committee. We
7 have Peter Koo from Queens, the sponsor of this we
8 have Ritchie Torres from the Bronx who has joined us
9 as well. Today, the committee will be hearing
10 testimony on two pieces of legislation: Intro Bill
11 No. 1023 Sponsored by Council Member Cabrera in
12 relation to requiring signage at cashless retail
13 establishments, an introduction —and Intro Bill No.
14 1281 from Council Member Torres, which would prohibit
15 retail establishments from refusing to accept payment
16 in cash. Both of these bills draw attention to some
17 of the unintended consequences of new cashless
18 technologies and highlight that we need thoughtful
19 solution to alleviate any negative effects. Cashless
20 transactions may be beneficial for businesses.
21 Eliminating cash from the premises removes the
22 incentive for robbery and store owners don't have to
23 worry about having change for customers' transactions
24 or making deposits at day's end. Businesses also
25 report that car transactions happen faster. That

2 means less wait time for customers who appreciate
3 speed and efficiency. Both the bill we are hearing
4 today will still permit this technology—technology to
5 be utilized. However, they have been introduced in
6 order to mitigate some of the unintended negative
7 consequences that flow on from a policy that relies
8 exclusively on cashless payments. In a modern
9 financial hub like New York City it might be easy to
10 assume that everyone has access to the banking
11 facilities and technology that allow cashless
12 transactions. Unfortunately, however, this is not
13 the case. Across the city there are large
14 populations who are disconnected from the formal
15 banking institutions. In 2013, close to 12% of the
16 city's population were completely unbanked.
17 Additionally, more than 25% of the population were
18 underbanked meaning that—meaning that they relied on
19 services such as payday loans or check cashing
20 facilities rather than banks. These households may
21 have a savings or checking account, but in most cases
22 the fees or overdraft fines make them too cost
23 prohibitive to use regularly. The share of unbanked
24 and underbanked households is also closely linked to
25 poverty rates. According to a 2015 report the

2 boroughs with the highest percentages of unbanked and
3 underbanked household were the Bronx and Brooklyn.
4 Both of these boroughs had rates way above the
5 national, state and city rates, and both also have
6 high levels of poverty. In terms of neighborhoods in
7 my district Brownsville, which falls partly in my
8 district, 28% of households had no bank account in
9 2015. They also had a 33% poverty rate. In addition
10 to creating barriers for poor communities,
11 establishments that solely limit transactions to
12 cashless purchases may also impact immigrant
13 communities and survivors of domestic violence. Both
14 populations face specific challenges with opening
15 bank accounts whether that be a lack of documents or
16 identifying information, language barriers or safety
17 fears. It's easy to get swept up in the promise of
18 technological advancements especially when they move
19 at such a breakneck speed, lights.

20 COUNCIL MEMBER TORRES: We're growing
21 lights?

22 CHAIRPERSON ESPINAL: Yes. Alright.
23 [laughter] Saving energy for the environment. It's
24 easy to get swept up in the promise of—I haven't—I
25 haven't memorized this. I made a lot of sorries.

2 It's easy to get swept up in the promise of
3 technological advancements especially when they move
4 at such breakneck speed. However, digital
5 transactions are vulnerable to the tracking,
6 identification theft and hacking, and they raise
7 issues about customer privacy. Cashless technology
8 clearly brings important benefits to businesses and
9 to the customers who are able to make use of it.

10 While it can seem—while it can seem like
11 counterintuitive to challenge innovations and
12 streamline process and make businesses more
13 efficient, it is important to ensure that these
14 changes do not cause an unintended harm. When
15 attitudes towards cash money equated with being
16 dirty, antiquated or unsophisticated, we risk
17 stigmatizing the communities who rely on it.

18 According to one author, cash is still the most
19 egalitarian system of payment in the U.S. and we want
20 to make sure that people who have no other form of
21 legal tender can fully make use of it. If not, we
22 risk segregating customers and perpetuating the
23 divide between the haves and have nots. We,
24 therefore, look forward to feedback from a range of
25 witnesses today, and hearing about how we can balance

2 the needs of business with that of all their
3 customers. Before we begin, I would like to invite
4 the bill's sponsor to make a statement. Ritchie.

5 COUNCIL MEMBER TORRES: Thank you, Mr.
6 Chairman. It's an honor to be here with you, and my
7 colleagues. Intro 1281 forces us to grapple with a
8 simple question: What is a cashless economy mean for
9 New Yorkers who have faced historically barriers to
10 accessing credit and debit, right. The history of
11 redlining, the history of financial racism in America
12 is well documented, but imagine if you're a New
13 Yorker who has no documentation, or no permanent
14 address or no credit history or an abysmal credit
15 history or you live in a neighborhood where there are
16 no traditional banking options only predatory finance
17 or you fall victim to fees when attempting to
18 purchase a pre-paid card. Right, given the sheer
19 prevalence of underbanking and poverty in New York
20 City, I worry deeply about the cashless economy and
21 the really world exclusionary effect it will likely
22 have on the most vulnerable New Yorkers. When you
23 open a dollar bill, it reads this note is legal
24 tender for all debts public and private. Those words
25 remind us that cash is the universal currency. It's

2 the great equalizer. Not everyone has access to
3 debit or credit, but everyone of us has access to
4 cash. Now, there are a whole list of reasons you
5 might prefer cash. Some people especially senior
6 citizens prefer cash because it's their most familiar
7 and habitual mode of payment. Some prefer cash
8 because it protects their privacy. It does not
9 involve the dissemination of private data that then
10 can be sold to a third party for the purpose of
11 profit, and as all of you know, there's been a
12 growing backlash against the commercialization of
13 personal data. Some prefer cash because it
14 facilitates fiscal restraint. You know, research has
15 shown that we exercise far less spending restraint
16 when using credit and debit than when using cash as
17 weight we can feel in our pockets. So, if you are a
18 New Yorker who lives paycheck to paycheck for whom
19 every dollar counts, then the stakes of spending
20 restraint are far higher for you and the benefits of
21 cash are far clearer. Now I for one rely on
22 electronic payments. I use debits for almost all of
23 my transactions, but that should be a choice that I
24 make freely as a consumer not a requirement imposed
25 on me by a business, and I want to be clear about

2 what my position is. I am not proposing that we
3 stifle technological innovation or resist the
4 digitization of the economy. I recognize the economy
5 will become more digitized, not less. All I'm
6 claiming, all I'm asserting is that cashless payment
7 should be one option among many. It should never be
8 the sole option. Consumers should have choice,
9 should have the power to choose cash as their
10 preferred method of payment. So, as far as I'm
11 concerned, the purpose of the bill is not to inhibit
12 technological progress. It is to balance
13 technological progress with equity, privacy and
14 consumer choice, and with that said, thank you Mr.
15 Chairman.

16 CHAIRPERSON ESPINAL: Thank you, Ritchie.
17 I just want to acknowledge that we've been joined by
18 Karen Koslowitz from Queens and Brad Lander from
19 Brooklyn. With that said, I want to call up the
20 first panel. We have Casey Adams, the Director of
21 City Legislative Affairs for the New York City
22 Department of Consumer Affairs, and we have Kelly
23 Mahia from the Consumer Affairs as well. Can you
24 please raise your right hand? Do you promise to be
25

2 truthful to the best of your knowledge in the
3 statements you make and the questions you answer?

4 CASEY ADAMS: I do.

5 CHAIRPERSON ESPINAL: Thank you. You may
6 begin.

7 CASEY ADAMS: Good morning Chairman
8 Espinal and members of the committee. My name is
9 Casey Adams, and I'm the Director of City Legislative
10 Affairs for the New York City Department of Consumer
11 Affairs, and I'm joined by our Chief of Staff, Kenny
12 Maniha. I would like to thank the committee for the
13 opportunity to testify today on behalf of DCA
14 Commissioner Lorelei Salas regarding Introductions
15 1023-2018 and 1281-2018 related to cashless payment
16 policies at retail and food service establishments.
17 DCA's mission is to protect and enhance the daily
18 economic lives of New Yorkers to create thriving
19 communities. As part of this mission DCA houses the
20 Office of Financial Empowerment, which assists New
21 Yorkers with low and moderate incomes by developing
22 and offering innovative programs and services to
23 increase access to high quality, low-cost financial
24 education and counseling, safe and affordable
25 mainstream banking and access to income boosting tax

2 credits and savings. OFE works to educate, empower,
3 and protect New Yorkers and their communities so that
4 they can improve their financial health and assets.
5 Individuals who lack access to basic financial tools
6 like a checking or savings account or who are forced
7 to rely on alternative financial services like check
8 cashers face significant challenges in managing and
9 improving their financial health, which I think
10 Council Member Torres referred to earlier. These
11 individuals may have a harder time building savings
12 and assets or as the bills before this committee
13 recognize even purchasing basic goods or services of
14 businesses that implement cashless payment policies.
15 Barriers like these can make it harder for some to
16 participate fully in the vibrant local economy that
17 has made our city an engine for opportunity for so
18 many New Yorkers. DCA is strongly committed to
19 expanding financial access for all New Yorkers. In
20 2015, DCA commissioned the Urban Institute to examine
21 how many New Yorkers are unbanked or underbanked, and
22 provide a snapshot of which communities are most
23 affected by lack of financial access. That study
24 found that roughly 1 in every 9 New York City
25 households does not have access to a bank account at

2 all. They're unbanked. More than 1 in 4 New York
3 City households are underbanked meaning that they
4 have a checking or savings account, but still rely on
5 some place other than a bank to cash a check,
6 purchase a money order, transfer money
7 internationally, or complete some other type of
8 financial service. In total, roughly one million New
9 York City households underbanked or unbanked. This
10 study also found that these households are not evenly
11 distributed across our city. Compared to New York
12 City as a whole, Bronx households were more than
13 twice as likely to be unbanked with 21.8% reporting
14 that they did not have a bank account against 11.7%
15 for New York City overall. Households and
16 neighborhoods in the Bronx and Brooklyn consistently
17 exhibited the highest rates of lack of financial
18 access. In fact, a 2008 OFE study found that New
19 Yorkers in just two neighborhoods Melrose in the
20 Bronx and Jamaica in Queens spent approximately \$19
21 million in check cashing fees annually. Across the
22 city New Yorkers spent \$225 million in check cashing
23 fees every year. Alternative financial services
24 firms like check cashers extract huge sums of money
25 from our hardest working New Yorkers causing

2 substantial harm to their financial health. In a
3 separate study also commissioned by DCA, the Urban
4 Institute examined data about how New Yorkers
5 themselves feel about their own financial security.
6 This study found that perceived financial security
7 was similarly concentrated in certain parts of the
8 city. For example, 36.4% of Bronx residents reported
9 feeling financially unsatisfied, several times higher
10 than the national rate of 31.9% while only 22.3% of
11 Staten Island residents felt the same way. All of
12 this research underscores how important OFE's work to
13 promote financial inclusion and expand access to safe
14 and affordable financial products is to New Yorkers.
15 It is absolutely critical that the city take a lead
16 role in helping our residents achieve financial
17 health connecting them to secure, quality banking
18 products and reducing their need to rely on cash, and
19 thus reduce the tremendous negative impact of check
20 cashing and other similar alternative financial
21 services establishments. The de Blasio
22 Administration believes that it is critically
23 important to keep our focus on promoting financial
24 inclusion, expanding access to safe and reliable
25 financial products and protecting consumers from

2 predatory and deceptive financial practices. The
3 core of DCA's work in this area is rooted in OFE's
4 Financial Empowerment Centers, the first of which
5 opened in the Bronx in 2009. Today there are more
6 than 20 Financial Empowerment Centers across the five
7 boroughs providing free confidential one-on-one
8 counseling with professional financial counselors who
9 can help New Yorkers open a bank account, capital
10 debt, improve credit and save and plan for a stable
11 financial future. Since the creation of Financial
12 Empowerment Centers, OFE has conducted over 100,000
13 financial counseling sessions helping over 52,000 New
14 Yorkers improve their financial health, reduced their
15 debt by a collective \$65 million, and increase their
16 savings by a collective \$5.1 million. OFE has also
17 helped New Yorkers file more than one million tax
18 returns for free, helping clients to claim refund
19 boosting tax credits and saving \$150 million in tax
20 preparation fees. Finally, OFE has helped New
21 Yorkers open more than 30,000 bank and credit union
22 accounts through our Financial Counseling and
23 Coaching Programs, the IDNYC program, and other
24 programs promoting banking access. Cashless retail
25 and food services businesses are a relatively new

2 phenomenon in New York City. A few years ago
3 businesses that opted not to accept cash for payment
4 might have been considered unusual, but today
5 ubiquitous New York City restaurants like Dig In, Dos
6 Toros and Sweetgreen have gone cashless. According
7 to the New York Times writing back in 2017, cashless
8 is fast on its way to becoming normal. The emergence
9 and growth of cashless businesses has raised
10 questions about the impact that these policies have
11 on financial inclusivity particularly for communities
12 with significant unbanked and underbanked population.
13 Recent research supports the idea that the way
14 consumers pay for goods and services is changing.
15 According to Gallup, Americans today use cash less
16 frequently than they did five years ago, and a report
17 by the Federal Reserve system found that consumer
18 preference for credit cards has increased in common
19 years—in recent years. That report also found that
20 debit and credit cards are now the most commonly used
21 means of payment while cash continues to be widely
22 and frequently used by consumers. In 2017, debit and
23 credit cards were the payment method for 48% of all
24 purchases with cash accounting for 30% of purchases.
25 However, cash continue to account for nearly half of

2 transactions for households making under \$25,000
3 annually. Proponents of cashless payment policies
4 cite reported benefits like streamlining checkout
5 processes, freeing up employee time spent on
6 counting, managing and securing cash, and reducing
7 the risk of theft associated with the managing and
8 transporting cash. One New York City restaurateur
9 estimated that accepting cash would force him to
10 increase prices at least 10%. Credit card companies
11 like Visa, which we should remember collect
12 processing fees from merchants who accept their cards
13 from consumers have even encouraged businesses to
14 explore going cashless by offering assistance to
15 upgrade payment technology and other incentives.
16 Concerns about cashless payment policies have focused
17 on the potential to exclude unbanked households.
18 Critics have pointed out that consumers without bank
19 accounts will be unable to purchase goods and
20 services from cashless businesses presenting new
21 barriers to full participation in the local economy.
22 Others have argued that basic service industries have
23 an obligation to be inclusionary and accessible to
24 everyone, which they argue should include accepting
25 cash. Critics have also noted that households of

2 color may be disproportionately affected by cashless
3 payment policies because they are more likely to lack
4 access to a bank account. Responding to these
5 concerns some jurisdictions have considered or
6 implemented prohibitions on cashless payment
7 policies. Massachusetts law has required retail
8 establishments offering goods and services to accept
9 cash since 1978 and New Jersey, Chicago, Philadelphia
10 and Washington, D.C. have all considered similar
11 bills. According to the Federal Reserve, there is no
12 federal statute mandating that a private business, a
13 person or an organization must accept currency or
14 coins as payments for goods or services. Private
15 businesses are free to develop their own policies on
16 whether to accept cash under current law. Local Law
17 does not currently prohibit businesses from adopting
18 cashless payment policies. However, DCA's position
19 is and has been that if a business chooses to adopt
20 such a policy it should clearly disclose those
21 restrictions on payment options to consumers. I will
22 now turn to the bills before the committee today,
23 which represent differing responses to the emergence
24 of cashless businesses. Intro 1023 would require
25 retail establishments that do not accept payment in

2 cash from consumer to clearly post signage informing
3 consumers of their cashless payment policy at all
4 customer-consumer entrances or adjacent to cashiers
5 or payment kiosks. Violations will be punishable by
6 civil penalties of \$25 to \$250. Intro 1281 would
7 prohibit retail and food service establishments from
8 adopting policies in which they refuse to accept in
9 cash from consumers, and violations for that law
10 would be punishable by civil penalties of \$250 to
11 \$500. DCA believes that the city should focus its
12 efforts on promoting financial inclusion by
13 connecting unbanked and underbanked New Yorkers to
14 safe and affordable financial products. For these New
15 Yorkers, the financial challenges go further and
16 deeper than an inability to use cash to purchase
17 goods and services at retail. Prohibiting these
18 businesses from transitioning to cashless payments
19 might treat one symptom of financial inclusion, but
20 it would not remedy the cause, lack of access to
21 payment options other than cash. DCA believes that
22 in an increasing cashless world, helping New Yorkers
23 to get access to a bank account and other financial
24 tools to help them build a secure financial future
25 must be the most important priority. That is why we

2 are so proud of the exemplary work done by OFE and
3 the concrete results that those initiatives have
4 achieved for New Yorkers. We hope the Council will
5 remain a strong partner as we continue to pursue
6 those goals. At the same time, OFE's research and
7 experience suggests that more payment options are
8 generally better for low and moderate income New
9 Yorkers. For that reason, DCA supports a policy that
10 promotes financial inclusion and access by requiring
11 businesses to accept cash. While we share the
12 inclusionary goals embodied in Intro 1281, we also
13 believe that any such policy should be responsive to
14 the real world concerns and experiences of consumers,
15 workers and businesses affected by evolving payment
16 options and business practices. We look forward to
17 working with the Council to address these and other
18 issues through the legislative process. DCA commends
19 the Council for holding this hearing, which we think
20 is part of an important and ongoing dialogue about
21 cashless payment policies, and the evolution of other
22 payment options in New York City. The de Blasio
23 Administration is firmly committed to pursuing
24 policies that protect and promote the financial
25 health of low and moderate income New Yorkers,

2 particularly those New Yorkers who are part of
3 vulnerable communities. We are always eager to work
4 with the Council to encourage businesses to help make
5 our economy fully accessible and inclusive of all New
6 Yorkers. DCA looks forward to hearing New Yorkers
7 who have interacted with cashless establishments,
8 businesses who have adopted or are considering
9 adopting cashless payment policies and advocates,
10 experts, and organizations that focus on promoting
11 financial inclusion. Thank you for the opportunity
12 to testify today, and I'm now happy to answer the
13 committee's questions.

14 CHAIRPERSON ESPINAL: I also want to
15 acknowledge we've been joined by Margaret Chin from
16 Manhattan. I would like to defer to Ritchie to ask a
17 few questions.

18 COUNCIL MEMBER TORRES: Thank you, Mr.
19 Chair. It seems to me that we're on the same page.
20 We agree on the diagnosis that underbanking is a
21 widespread reality in New York City. There is real
22 financial exclusion. The financial exclusion has
23 historical roots, but it's—I'm—I'm reading your
24 testimony to suggest that you're supportive of the

2 bill, but I'm not clear. Are you fully supportive of
3 the bill?

4 CASEY ADAMS: We certainly share the
5 policy outcome, and I think we are on the same page
6 about both the--the disease and the symptom here.

7 COUNCIL MEMBER TORRES: Yes.

8 CASEY ADAMS: Lack of--

9 COUNCIL MEMBER TORRES: [interposing] Do
10 we agree on the prescription?

11 CASEY ADAMS: I think we do agree on the
12 prescription. I think we look forward to working
13 with you through the legislative process to make sure
14 that there aren't unintended consequences, and that
15 whatever policy ends up being adopted by the Council
16 is responsive to the concerns of course unbanked and
17 underbanked New Yorkers, those who choose to rely on
18 cash, but also consumers, workers and businesses.

19 COUNCIL MEMBER TORRES: What--what are
20 those concerns?

21 CASEY ADAMS: I think that there are
22 certain types of situations where a business may have
23 a good reason for restricting--

24 COUNCIL MEMBER TORRES: [interposing]
25 Right.

2 CASEY ADAMS: -- the type of that is
3 accepted. So, a great example of this is a business
4 that is concerned about accepting high denomination
5 bills like \$100 bills because they believe that that
6 puts their business and their workers at greater
7 risk--

8 COUNCIL MEMBER TORRES: [interposing] But
9 we're not mandating the acceptance of high
10 denomination bills. We're mandating the acceptance
11 of cash in general, right?

12 CASEY ADAMS: Well, the bill as it's
13 written now is quite broad, and I think it sounds
14 like we share the goal to make sure that those types
15 of situations don't present a challenge here. So, we
16 look forward to making sure that that's reflected in
17 the text of the bill that ends up being adopted.

18 COUNCIL MEMBER TORRES: Any other
19 concerns? Is that the only concern you have?

20 CASEY ADAMS: I think we—we look forward
21 to hearing more from the public about concerns that
22 they have, and from the businesses because we
23 recognize that this is a situation where businesses
24 right now get to shape the policies in terms of how
25 they accept cash or don't accept cash. So, we are

2 not in position to say that we know ever situation
3 that could come up and should be accounted for by
4 this policy. So, we're supportive of the policy
5 goal. We look forward to getting more information
6 from the people who are on the ground doing these
7 things in the community, and making sure that the
8 policy takes account of those.

9 COUNCIL MEMBER TORRES: And so it sounds
10 like the only concern that DCA has at the moment is
11 the high denomination bills, and you're waiting to
12 hear more concerns from those who testify at the
13 hearing?

14 CASEY ADAMS: Council Member, I think
15 what we're saying is that we don't believe that we
16 have all of the information to--

17 COUNCIL MEMBER TORRES: [interposing] We--
18 none of us have all the information.

19 CASEY ADAMS: Right.

20 COUNCIL MEMBER TORRES: None of us can
21 contemplate every situation or scenario that arises--

22 CASEY ADAMS: [interposing] Absolutely.

23 COUNCIL MEMBER TORRES: --from our
24 legislation, right.

25 CASEY ADAMS: Uh-hm.

2 COUNCIL MEMBER TORRES: But at the moment
3 it seems like your only concern is mandating the
4 acceptance of—of all bills no matter the dollar
5 amount. Is that--?

6 CASEY ADAMS: Yeah, I wouldn't say that's
7 no accurate because I think again we're leaving the
8 door open to hearing more from people who have more
9 direct experience here. The nomination bills are
10 just one example that's very common for these types
11 of businesses. The other concern, of course, would
12 be someone who wants to come in and pay with all
13 pennies for example, and this is. So, the—the—the
14 point that we are making is that we share your policy
15 goal. We believe that businesses should accept cash.
16 They shouldn't send the message to underbanked and
17 unbanked New Yorkers that they can't access goods or
18 services at those businesses. We're also saying that
19 the businesses who actually accept cash or don't
20 accept cash and work with consumers everyday, and the
21 workers who are asked to handle that cash in those
22 businesses may have concerns of which we're not yet
23 aware. And we'd like to make sure that those are
24 heard, which I'm sure they will be today, and to work
25 with you to make sure that this bill achieves your

2 policy goal while taking all of those factors into
3 account as well.

4 COUNCIL MEMBER TORRES: And I want to
5 note that the Mayor has expressed strong support for
6 policy objective of the bill like the--

7 CASEY ADAMS: [interposing] Certainly

8 COUNCIL MEMBER TORRES: I think there are
9 all sort of folks for whom cash is--is still, you
10 know, the go-to option, and there are lots of folks
11 for whatever reason who are not going to have a card
12 or not comfortable using one, and it worries me that
13 they're shut out of the economy and shout out of
14 opportunities.

15 CASEY ADAMS: Absolutely.

16 COUNCIL MEMBER TORRES: So, that's strong
17 language. The Mayor is clear that the status quo has
18 the effect of shutting out New Yorkers, vulnerable
19 New Yorkers--

20 CASEY ADAMS: Uh-hm.

21 COUNCIL MEMBER TORRES: --from the
22 economy and from opportunities.

23 CASEY ADAMS: And we agree with that and
24 I think that's reflected in our testimony.

2 COUNCIL MEMBER TORRES: So, I think it
3 seems like we're largely on the same page. I look
4 forward to hearing, but and I recognize that there
5 are efficiency gains that come with a cashless
6 business model, right.

7 CASEY ADAMS: Uh-hm.

8 COUNCIL MEMBER TORRES: But my basic
9 contention is that whatever efficiency gains stem
10 from a cashless business model is outweighed by the
11 effect of financial exclusion, that in life we have
12 to weigh cost and benefit, and I would argue that the
13 cost of cashless economy, an exclusively cashless
14 economy far outweighs the benefits. So, that's the
15 extent of my questions.

16 CHAIRPERSON ESPINAL: Thank you. Peter.

17 COUNCIL MEMBER KOO: [coughs] Thank you,
18 Mr. Casey, yeah. Thank you, Mr. Chairman. So, you
19 know, the old saying is that cash is king, you know.
20 What happened to it? So, there--there are a lot of
21 restaurants that only accept cash, too. They say no
22 credit cards. So, does--does DCA have position on
23 that?

24 CASEY ADAMS: We have not confronted that
25 as a widespread issue. We're happy to talk to you

2 about that as is reflected in our testimony. We think
3 that the acceptance of more payment options is good
4 for low and moderate income New Yorkers because there
5 may be people who prefer credit or debit cards over
6 cash for different reasons, and someone might prefer
7 cash, and so our general position is that we value
8 consumer choice, and we think that more payment
9 options are always better.

10 COUNCIL MEMBER KOO: You know, I—I think
11 there's a need for cash in our society especially
12 like Ritchie just said in some areas where high
13 concentration of new immigrants, they're—they—they-
14 they're used to using cash, and because of their
15 recent arrival they don't have a credit history to
16 apply for credit cards, you know, and they don't have
17 bank accounts. Having a bank account is expensive,
18 too. Some banks they require a \$3,000 balance and
19 otherwise they will assess you a fee of \$30 or more,
20 and things like that. So, to this—that's why a lot
21 of people don't have bank accounts--

22 CASEY ADAMS: Uh-hm.

23 COUNCIL MEMBER KOO: --or--or credit
24 cards. Credit cards charge a high fee. Like if you
25 forgot to pay it's like 28% interest. It's a lot of

2 interest using credit cards. So, that's why there's
3 still a lot of people who prefer to use cash for the
4 convenience. Some you use it, you don't want to
5 forget—remember that you have to pay bills, or the
6 bill is due and—and even myself when I pay credit
7 cards either I don't receive the bill or the postman
8 deliver to the wrong apartments, I get—they charge a
9 fee many times. However, I think we are moving to a
10 cashless society in the future. I—I want to
11 challenge everyone of you. How many of you have over
12 \$100 in you wallet? Not too many. Are you? Uh-hm.
13 [laughs] Right? Only one person. So—so the people
14 at a fancy restaurant they eat, right? A \$100 isn't
15 at a friendly restaurant. Right? It's not enough.
16 Right. So, most people they use their credit cards
17 because of the purpose, but you don't know how much
18 money you will spend, on the day and also of safety
19 purpose. Also, I think the—the balance is, you know,
20 information informing the customers. Well, you know,
21 they have a good sign outside. This pays only to
22 cash or this pays only to both or only with credit
23 cards, you know. I understand it from a business
24 point of view, well having cash. But having cash is
25 a problem like you said for robbery and internal

2 theft is a big problem, too. Internal theft because,
3 you know, when you have a credit card, the employees
4 are looking at this, you know, and keeping the credit
5 card unless they want the information and then a lot
6 of banks they charge a—charge fees. We can deposit
7 cash now. If you deposit a few thousand dollars
8 cash, everyday they charge you a fee percent. So,
9 it's not worth it to accept cash, too. So, I'm
10 talking about both points now from the personal point
11 of view and from a business point of view. So, I
12 understand why they say oh, we do not accept credit
13 cards because to accept credit cards is to the
14 disadvantage. They have to pay a fee for it, and 2
15 and 3% and American Express is like 5% of their fees.
16 Their money go to the fees. So, this---so this is a
17 dilemma for us. We have to pay—I think we have to
18 use a combination to address this problem. For those
19 who want to use credit cards, let them use credit
20 cards. For those who don't want to, let them use
21 cash. So—so I prefer that we—we—we—I go to the first
22 bill that you post a sign saying this establishment—
23 establishment only accept cash or this establishment—
24 establishment only accept credit card. So, the

2 consumers will know right away, right away what
3 credit they want to go into the store.

4 CASEY ADAMS: Uh-hm.

5 COUNCIL MEMBER KOO: But I think we
6 should mandate also with customers (sic) deliver
7 food, they have to accept cash as an option because
8 need to buy food to eat right?

9 CASEY ADAMS: Uh-hm.

10 COUNCIL MEMBER KOO: Milk and convenience
11 stores mandate—we should mandate them to accept cash.

12 CASEY ADAMS: [interposing] Okay Council
13 Member--

14 COUNCIL MEMBER KOO: Those are—those are
15 my questions and comments. Yes.

16 CASEY ADAMS: Yeah, I think Council
17 Member you're—you're highlighting really two things
18 that—that both of which we agree with. The first is
19 that the array of financial products our there can be
20 confusing, and they are—it can be hard to understand
21 especially for someone who hasn't had a relationship
22 with a financial institution before, and they may
23 end up in a situation where they're paying more in
24 fees than they should where they're not getting a
25 product or service that they need and deserve, and

2 that's why we have Financial Empowerment Centers
3 because our counselors can guide people toward the
4 low fee products that have the features that they
5 need and want, and that will allow them to plan their
6 financial future going forward. So, that's—that's
7 one piece, and then the second piece is as you said,
8 the—this needs to be an all of the above approach we
9 think because setting aside the issue of cash—
10 cashless or cash only policies, the reality is as
11 Council Member Torres said technology is going to
12 continue to evolve, and the economy is going to
13 become more digitized. And so we think the most
14 powerful thing that we can do for an unbanked or
15 underbanked New Yorker is to connect them to those
16 financial services because today we're here talking
17 primarily about retail and food service
18 establishments, but we don't what will—what will be
19 going cashless next. And by helping people to get
20 those accounts, we're equipping them for a future
21 that we may not even be able to anticipate, new
22 businesses that are becoming cashless. New payment
23 options that may be better for them than cash. So,
24 that's certainly something that we—that we agree on,
25 that there needs to be a combination of increasing

2 access today, but also connecting people with
3 financial accounts to equip them for what may be an
4 increasingly cashless future. So, we, you know, as-
5 as I said in my testimony, we support a policy that
6 requires retail and food service establishments to
7 accept cash, but we are also very focused on making
8 sure that people who are now unbanked or underbanked
9 get connected to those services so that they can make
10 the choice for themselves, and I think that was
11 mentioned a few times by different members of this
12 committee. We think consumers should be able to make
13 a choice, and in order for them to be able to make an
14 informed choice, they have to have both options open
15 to them, and if you are only-if you only have access
16 to cash, there's only one option, and there's no real
17 choice there.

18 CHAIRPERSON ESPINAL: Brad.

19 COUNCIL MEMBER LANDER: Thank you very
20 much, Mr. Chair. Council Member Torres, I'm proud to
21 be a co-sponsor of this bill, and I appreciate your
22 introduction of it, and I appreciate the testimony.
23 And I guess I just want to ask a little more. You
24 know, I think you're right. I mean I-I support this
25 bill. We want to do everything we can to make sure

2 unbanked New Yorkers are connected to financial
3 services, but for those who still are whether because
4 they're locked up for the ranges of the reasons—the
5 range of reasons that Council Member Torres spoke of
6 or who choose to be for other reasons we should not
7 lock them out of the economy. I appreciate all the
8 work that Department of Consumer Affairs is doing to
9 provide people with access to banking services. I
10 just wonder, there are some things folks are talking
11 about as sort of a bigger picture level. You know,
12 various folks of public banking, postal banking,
13 library banking, you know, various steps we could
14 take to go further in our mandates to the financial
15 services industry to push for even better versions of
16 low cost accounts to get to some of the things that
17 Council Member Koo talked about. So, you guys are
18 doing a lot of things to try to connect people to
19 financial services under the sort of current
20 constraints of the marketplace--

21 CASEY ADAMS: Uh-hm.

22 COUNCIL MEMBER LANDER: --and I just
23 wonder if you guys have given thought to taking a
24 look at some of these bigger picture, bigger push

2 next steps toward really substantially opening up
3 affordable retail financial services--

4 CASEY ADAMS: Sure

5 COUNCIL MEMBER LANDER: --to New Yorkers
6 in some--in some bigger way?

7 CASEY ADAMS: So, you're absolutely
8 correct that we are--we're focused on--on connecting
9 people with services today. So, the services that
10 are available to them, and it will be helpful to them
11 in the short term and in long term. At the same time
12 we are--we're certainly open to participating in
13 conversations about what the next step is, what the
14 new, you know, what products would be most responsive
15 to the needs of unbanked or underbanked New Yorkers,
16 what, you know, what is not on the market now, or not
17 offered otherwise that could be offered to them.
18 We're certainly--we certainly want to be part of that
19 conversation, and I think that we have, you know,
20 we've done original research, and we've worked with
21 different organizations to try and design new
22 products, not--not library and postal banking yet, but
23 the--but we have worked on helping to align products
24 with what we see both on the ground and from our
25 financial partners as the most necessary features for

2 unbanked or underbanked New Yorkers. And I think
3 we've had a lot of success with that particularly
4 working with credit unions and, you know, as you are
5 all aware, the IDNYC has been a big door opener for
6 people who want to open accounts with—with certain
7 banking and credit unions, and I think that we
8 certainly want to be part of that conversation with
9 you about what products are most responsive, what
10 services are most responsive, and what the next steps
11 for financial access are.

12 COUNCIL MEMBER LANDER: Great. Thank
13 you. I mean I think your testimony speaks both to
14 the, you know, the value of this bill, the sincere
15 and good work that DCA is doing and the gap we still
16 face.

17 CASEY ADAMS:

18 COUNCIL MEMBER LANDER: You know, I think
19 it's just worth pushing ourselves on, you know, what
20 are the things that people are doing. I, you know,
21 I—I feel like at the beginning as the 2020
22 presidential race was setting up, you know, there
23 were some folks starting to talk about these much
24 more ambitious ideas like, you know, postal banking,
25 which I confess sounds kind of crazy to me because

2 the post office in my neighborhoods you could barely
3 get your mail from. So, whether they would really be
4 able to provide the financial services, but the basic
5 idea that we ought to be able whether through local
6 government or the federal government to enable people
7 to have access to some of these services without
8 being extorted as a result of their poverty seems
9 like something we should really push ourselves had to
10 do.

11 CASEY ADAMS: Uh-hm.

12 COUNCIL MEMBER LANDER: So, thank you for
13 your testimony here today and look forward to
14 following up.

15 CASEY ADAMS: Thank you.

16 COUNCIL MEMBER LANDER: Thank you.

17 [pause]

18 COUNCIL MEMBER TORRES: Now, I-I just
19 want to-I agree that in the long-the long term there
20 could be value in integrating more people into
21 cashless economy, right, but the question is what do
22 we do in the short term?

23 CASEY ADAMS: Uh-hm.

24 COUNCIL MEMBER TORRES: We're not going
25 to integrate underbanked New Yorkers overnight--

2 CASEY ADAMS: Sure.

3 COUNCIL MEMBER TORRES: --but-but-but I
4 think there an even further nuance. It's true that
5 we're living in an economy that's increasingly
6 digitized. It's also true that we're living in a
7 time where there's a greater backlash against
8 corporate surveillance. When you think of social
9 media platforms and their mishandling of our private
10 data, there's never been a greater suspicion of
11 corporate power. And so there's some people who will
12 never want to use credit cards or debit cards who
13 will only want to use cash because it is protective
14 of their privacy, because it insulates them from what
15 they take to be corporate surveillance. Like that--
16 those two trends are--it is true that we're becoming
17 more cashless, but it's also true that there is a
18 greater backlash against the sale of our personal
19 data and corporate surveillance over our personal
20 lives, and just an ever deepening suspicion of
21 corporate power over our lives.

22 CASEY ADAMS: Uh-hm.

23 COUNCIL MEMBER TORRES: So, that--that's
24 why I think cash should always remain an option even
25

2 as we integrate more people into an increasing
3 cashless economy.

4 CASEY ADAMS: We—we agree with you
5 Council Member and I think I would actually add there
6 are other—there are plenty of other reasons why
7 someone would continue to prefer to use cash even if
8 they access to a credit or debit card. So, a big
9 population we see this with are seniors who are
10 accustomed to using cash. They have a credit card or
11 debit card for emergencies, but that's not what they
12 want to use on—on a day-to day-basis. So, there's
13 plenty of reason that someone would want to make sure
14 that cash is available and we—we agree with you that
15 it should be an option.

16 COUNCIL MEMBER TORRES: And it's—it's
17 worth noting that, you know, everyone knows there's
18 been a—a public backlash against the siting of Amazon
19 in Long Island City, and it's been revealed to me
20 that, you know, Amazon—there's a real concern that
21 Amazon is displacing small businesses, the brick and
22 mortar businesses and has plans to open its own
23 cashless businesses. So, a trend that's beginning at
24 the margins can spread like wildfire throughout the
25 city when you have a trillion dollar company like

2 Amazon that's intent on opening these cashless
3 businesses in major cities like New York. So, I
4 think that the trend—I—I feel that we should
5 intervene before the trend spirals out of control and
6 has a real world exclusionary effect on underbanked
7 New Yorkers, and I—and I suspect we agree on the
8 overarching points.

9 CASEY ADAMS: Uh-hm.

10 COUNCIL MEMBER TORRES: Thank you.

11 CHAIRPERSON ESPINAL: Peter.

12 COUNCIL MEMBER KOO: So, [coughs] I have
13 an idea to help—to help the [coughs] people doesn't
14 bank accounts if they want to use a—a credit card.
15 So, in Hong Kong every Metro Card cardholder and they
16 could add money to their Metro Card like \$500 or a
17 \$1,000. Then you can use that Metro Card to buy
18 stuff. You this assures you of cash in any stores or
19 and convenience supermarkets they will take the Metro
20 Card and just swipe it, but they know your identity
21 because you are a Metro Cardholder so the money is in
22 there. Whatever money is in there, you get access.
23 Of course, you can use it for access to the train,
24 too. Right, you could go to the train station for
25 \$2.75 or \$3.00. So the money in there you got to use

2 if for-to do a lot of things, concessions, other
3 thank-you know, you just send them the cash. So that
4 would help the-the people without credit references
5 even the identity. There's no identity theft with
6 using a Metro Card, right. I mean anyone can buy a
7 Metro Card, but they will ask for your ID, but you
8 can use ID, but-but when technology in here it's not
9 ready yet. So, you have to have a credit card like
10 chip touch technology to go to the station-to go in
11 the stations. I mean it's very popular in Hong Kong,
12 in Asia that you can add money to you Metro Card for-
13 anyone can-can do that. You know, it's very
14 convenient. You don't have to carry change to buy a
15 newspaper, a coffee. Just touch it and then you go.
16 So, maybe city should encourage. We have the NYC
17 Identity card, right? So we could add a feature in
18 there. You can put money in there, and identity-you
19 don't mind if I'm there, right?

20 CASEY ADAMS: Yeah, Council Member I
21 think we're always open to innovative new approaches
22 to expand financial access, and I think the
23 Administration is exploring some things similar to
24 what you just suggested, and we're happy to, you

2 know, have a—more of a conversation with you about
3 where that's going .

4 CHAIRPERSON ESPINAL: Karen.

5 COUNCIL MEMBER KOSLOWITZ: I would just
6 like to say I would like to add my name to this bill.

7 CHAIRPERSON ESPINAL: Thank you.

8 CASEY ADAMS: Thank you.

9 CHAIRPERSON ESPINAL: I don't—I don't
10 have any questions. So, thank you.

11 CASEY ADAMS: Thank you, Council Members.

12 CHAIRPERSON ESPINAL: The next panel we
13 have Edgard Laborde, from the RWDSU; Juleon Robinson
14 from the New Economy Project; and Andy Collado from
15 the Financial Clinic. That's it? [pause] And feel
16 free to being once you settle down. [pause]

17 EDGAR LABORDE: Good morning. My name is
18 Edgard Laborde and I am representing the Retail
19 Wholesale and Department Store Union, and we
20 respectively submit this testimony in support for
21 Intro 1281, which bans retail establishments from
22 refusing to accept cash payments. The RWDSU
23 represents 100,000 members including more than 25,000
24 in New York City. These members live and work in—in
25 the city and are employed by hundreds of food and

2 retail establishments. More and more businesses are
3 moving towards cashless business that disadvantages
4 low-income people, and people of color. Cashless
5 businesses to not accept cash. They only accept
6 credit cards and debit cards, and to have a credit
7 card a person must have a bank account. This means
8 that people without bank accounts and without credit
9 cards are excluded from these businesses, and they
10 are excluded from participating in the local economy.
11 In fact, large portions of the populations are—of
12 this population are unbanked or underbanked.
13 Communities of color, low-income people, the disabled
14 and other marginalized households they're unbanked
15 that rates far higher than the national average.
16 Close to 17% of black households and 14% of lanex
17 (sic) households are unbanked compared to an average
18 of 6.5% nationally and an average of white households
19 of only 3%. In addition, about 1 in 5 households
20 have no credit, and without credit, you cannot access
21 this needed credit cards to purchase at businesses
22 that do not accept cash. Cashless businesses range
23 from bookstores to coffee shops and restaurants and
24 it's only a matter of time before this discrim—
25 discriminatory practice expands to other business

2 types. Credit companies and cashless enterprises
3 promote the cash free economy without addressing its
4 financial burden on low-income New Yorkers, and
5 communities of color. Cashless institutions
6 encourage a FEN-TECH Jim Crow by restricting the
7 places where people of color can shop, eat and
8 receive basic services. By refusing to sever low-
9 income New Yorkers and communities of colors,
10 cashless establishments carve out niche-niches in
11 gentrified neighborhoods through cash exclusion in an
12 already unaffordable city. The growth of this field
13 can drive up prices for communities as cash-free
14 businesses pass credit card processing fees onto
15 customers and cash accepting enterprises raise prices
16 just to keep up. There's a simple fix to ensure that
17 low-income people and people of color are not
18 disadvantaged by cashless business. New York City can
19 simply ban cashless businesses. There's a
20 precedence for this approach as has been discussed
21 earlier. Massachusetts had required businesses to
22 accept cash since 1978. The New Jersey State
23 Legislature advanced a ban on cashless food and
24 retail businesses that's going before the Senate.
25 Chicago has also taken up this conversation.

2 Washington, D.C. Council and Philadelphia. Banning
3 cashless businesses will not address the underlying
4 issue that low-income New Yorkers lack adequate
5 access to banking services. However, these issues
6 are not mutually exclusive, and both should be
7 addressed immediately. We hope that the City Council
8 will move to pass this bill that will ban cashless
9 business model that disadvantages low-income people
10 and people of color. Thank you. [pause]

11 JULEON ROBINSON: Thank you Committee
12 Chair Espinal and the other members of the committee
13 for the opportunity to testify today. I'm Juleon
14 Robinson, and I represent New Economy Project, and
15 economic justice organization that serves low-income
16 New Yorkers throughout New York City. New Economy
17 Project has for 24 years worked with grassroots
18 groups to challenge Wall Street and other
19 corporations that perpetuate inequality, poverty and
20 segregation, and to work with community groups to
21 build new institutions that are grounded in
22 cooperation, democracy, economic, racial and gender
23 just-justice. Given the points I'm going to discuss
24 in my testimony today, mere notice is not sufficient
25 to address the economic and racial justice issues

2 that are at play. As such, New Yorker Economy
3 Project supports Intro 1281 sponsored by Council
4 Member Ritchie Torres, prohibiting retail
5 establishments from refusing to accept cash payments.
6 The emerging trend by some businesses to no longer
7 accept cash payments is disturbing on many fronts.
8 It has a discriminatory impact on Long Island City
9 New Yorkers who face many barriers to fair banking
10 services, and has a discriminatory impact on people
11 of color who live in communities that banks still
12 redline to this day. It promotes a shift to inferior
13 and poorly regulated digital payments, pre-paid cards
14 and other non-bank services, and it requires people
15 to seep even more personal information to large
16 companies exposing them to privacy and surveillance
17 risks. This morning I will focus on the following:
18 Persistent bank redlining in New York City
19 neighborhoods of color; Concerns about financial
20 technology or FEN-TECH companies in the emerging
21 cashless economy; and the need for bold solutions to
22 address our two-tiered financial system, which serves
23 to perpetuate poverty, inequality and segregation in
24 New York City. First, persistent redlining in New
25 York City neighborhoods of color: Cashless retail

2 outlets effectively reinforce the systemic inequities
3 in our financial system and our economy at large.
4 Different (sic) New Yorkers who live in redlined
5 communities of two bad options: Either purchase a
6 high cost under-regulated financial product like a
7 pre-paid card or be left unable to make any purchases
8 at all. It will take a look at some of the maps I've
9 provided with my testimony. The first one you'll see
10 is a map of the city. In Southeast Queens, Central
11 Brooklyn and South Bronx, in the neighborhoods of
12 color you'll see that there's fewer than one bank
13 branch per 10,000 residents, and if you look at the
14 following two maps, Map 2 and 3, you'll see the Upper
15 East Side of Manhattan, and East Harlem. On the
16 Upper East Side of Manhattan, you'll see so many bank
17 branches that there are reports of folks in those
18 communities complaining that there are too many bank
19 branches in their neighborhoods. In East Harlem
20 you'll see a complete lack of bank branches
21 especially above 96th Street. In that void are high
22 costs and predatory financial services like check
23 cashers and pawn shops. I'd be more than happy to
24 answer any other questions you have about these maps
25 after my testimony. (2) Concerns about FEN-TECH

2 companies in the emerging cashless economy. Cashless
3 businesses by their very nature an exclusive
4 marketplace in which New Yorkers must accept the
5 terms and conditions of private entities in order to
6 participate. Requiring people to rely on this
7 private infrastructure simply to buy school supplies,
8 food or medicine for example grants an inordinate
9 amount of power to corporations that are more
10 accountable to their investment—investors than to New
11 York City neighborhoods and New Yorkers especially
12 now as Amazon threatens to bring a wave of
13 gentrification in Western Queens with their HQ2
14 development, and as they consider a plan to open
15 numerous cash lists and cashierless businesses all
16 over New Yorker. It is imperative that the Council
17 look for ways to eliminate, not enhance the serious
18 financial burden on low-income New Yorkers and on New
19 Yorkers of color. (3) There's a need for bold
20 solutions, and Council Member Lander suggested to
21 address our 2-tiered financial system, which
22 perpetuates poverty, inequality and segregation
23 throughout the city. As I've outlined throughout the
24 testimony, there are deep structural inequalities in
25 our current financial system. Intro 1281 is an

2 important step in the right direction ensuring no New
3 Yorker will be excluded from the economy solely
4 because they lack a credit card, a bank account or
5 requiring them to purchase a high cost and under-
6 regulated financial product like a pre-paid card.
7 The Council should support this bill as part of a
8 broad and bold platform to address inequality and
9 segregation in our 2-tiered financial system. The
10 Council should support efforts to democratize our
11 economy with and for communities that have been
12 exploited and excluded from the mainstream financial
13 system for decades. For example, groups around the
14 city are actively organizing for increased funding
15 from mission driven community development financial
16 institutions, for community land trusts and other
17 non-speculative housing models to strengthen—and to
18 strengthen, expand—to strengthen and expand the
19 worker, food, and financial and other cooperatives,
20 and to establish the first municipal public bank in
21 the nation, and much more. There are many meaningful
22 ways in which the Council can support these efforts,
23 and hope you'll consider them going forward. Thank
24 you.

2 ANDY COLLADO: Good morning. My name is
3 Andy Collado. I'm the Assistant Director of services
4 at the Financial Clinic. Founded in 2005, the
5 Financial Clinic builds the financial security of
6 poor New Yorkers by providing free one-on-one coach
7 in collaboration with non-profits and social services
8 organizations and agencies across the city. Our job
9 is to meet financially insecure people where they are
10 to support and empower them to achieve their
11 financial goals that matter the most to them, and to
12 help them navigate the many systemic economic
13 barriers that keep them from living secure and
14 prosperous lives. I'd like to start by thanking
15 Committee Chair Espinal and the other member of the
16 Consumer Affairs Committee for holding today's
17 hearing, and for the opportunity to give testimony in
18 support of regulating the ability of retail
19 establishments to refuse cash payment. I'd also like
20 to thank Council Member Torres for taking seriously
21 the unequal impact that cashless businesses have on
22 many New Yorkers for introducing this bill. I feel
23 very lucky that I get to work every day as a
24 financial coach. I have the opportunity to see the
25 challenges and barriers affecting financially

2 insecure New Yorkers, challenges and barriers that
3 others might miss. I'm especially attuned to these
4 issues being a first generation American myself and a
5 proud son of immigrants. At first glance an issues
6 like shops and restaurants going cashless might not
7 seem like a big deal to most people, but for a
8 significant number of New Yorkers, new immigrants or
9 undocumented, the low and mid-income many it means
10 that they are unable to shop at the same restaurants
11 as everyone else or stores. That this may start with
12 a restaurant, but trickles very quickly become
13 floods. It means that they're effectively cut off
14 from participating in the economic systems that can
15 mean the difference between food and water at dinner,
16 clothes on their backs or roofs over their heads.
17 It's worth pointing out that reports of death of cash
18 notwithstanding, recent data from the Federal Reserve
19 shows that customers still use cash more frequently
20 than any other form of payment. Cash is
21 overwhelmingly preferred way to pay for purchases
22 under \$25. It's the method used most often in
23 general by low-income folks and people over 65,
24 something that's already been mentioned today often,
25 and it's something that I confirm every day in their

2 daily work. The poor, the undocumented, the people
3 of color are disportionary--disproportionately more
4 likely to be unbanked, face greater barriers to
5 opening up credit cards and debit cards because they
6 lack a Social Security Number, they could have poor
7 credit, or they could even be on check systems
8 preventing them from opening an account in the first
9 place. These groups are effectively locked out of
10 patronizing a shop or restaurant that chooses to go
11 cashless. The impact on these communities alone
12 should give us pause. The gains in time efficiency
13 or customer experience that opponents to these
14 regulations purport surely are not worth the
15 exclusion imposed on our friends and our neighbors.
16 I want to take a moment to highlight the unique
17 impact of the cashless trend on the undocumented.
18 According to Fiscal Policy Institute, undocumented
19 immigrants in New York contribute over a billion
20 dollars every year in state and local taxes. Thanks
21 to Mayor de Blasio and the members of the City
22 Council, the IDNYC allows many undocumented New
23 Yorkers to get a bank account. Their options,
24 though, are not unlimited. Less than 30% of banks
25 right now accept IDNYC for the purpose of opening a

2 bank account, and the current national climate you
3 could very well understand a healthy skepticism in
4 the immigrant community of sharing their personal
5 information with anyone let alone a bank. I have yet
6 to actually sit with an undocumented New Yorker who
7 actually knew they could open an account with an
8 IDNYC Card, and I have seen over a thousand people in
9 the last three years. So, should we accept as
10 opponents of these rules do that there will just be
11 some places undocumented New Yorkers can't go and
12 shop or buy food? Lastly, it's important to be clear
13 that his issue is not about just pitting the unbanked
14 versus the banked, though that should be of very
15 critical concern. There are also many New Yorkers
16 that own bank accounts, but for many number of
17 reasons mostly need or just prefer to use cash. The
18 tip workers for example see much more of their income
19 in cash. Here, too, though there's a dynamic
20 inequality. Many New Yorkers are forced to rely
21 mostly on cash because it's inconvenient or
22 impractical to them to readily visit a bank or ATM
23 because there's not one near them. In Sunset Park
24 where our offices are located, there's only one bank
25 branch to serve 8,500 residents. When payday comes

2 or maybe the tax refund check arrives, many
3 underbanked customers in these neighborhoods will go
4 to one of the city's many check cashers because
5 paying the fee is easier for them to get to a bank.
6 Forty-three percent of the customers the Financial
7 Clinic assists with filing their taxes do not use
8 direct deposit for their tax refund, and when they
9 have cashed that check they turn around and buy food.
10 Can we agree that access to that food should be a
11 human right, and that they should be turned away
12 because of a piece of plastic? I strongly urge this
13 committee to end this discriminatory practice,
14 protect all New Yorkers' rights to pay for food or
15 services in the way that right for them and pass
16 Intro 1281. Thank you for your time today and your
17 attention to this matter.

18 CHAIRPERSON ESPINAL: Ritchie.

19 COUNCIL MEMBER TORRES: I have a few
20 questions. Can you and the question could be
21 directed toward every issue. Anyone can explain—just
22 explain in greater detail the Amazon effect on the
23 cashless economy.

24 ANDY COLLADO: Well, there—there are
25 several Amazon ghost stores or Amazon stores that—

2 COUNCIL MEMBER TORRES: Yes.

3
4 ANDY COLLADO: --that only allow for
5 payment through a credit card, an Amazon Prime
6 account or if they were to purchase an Amazon card at
7 another location, and bringing that card and
8 purchasing the item at-at that store.

9 COUNCIL MEMBER TORRES: And my
10 understanding is Amazon takes-the situation to the
11 extremes. So, not only is there no cash here, no
12 cashiers, right.

13 JULEON ROBINSON: There-there are people
14 that accept-that accept the-the credit card, and-and-
15 and they also accept the payment by having or helping
16 the customer sign into their Amazon Prime Account so
17 that they purchase it, and it affects-it affects the
18 number of cashiers. It could affect the number of
19 cashiers in the store.

20 COUNCIL MEMBER TORRES: Now some have
21 said that-you know, saw my argument at 2:00 (sic) and
22 left me because the trend of cashlessness is at the
23 margins in New York City, but a company the size or
24 Amazon has the ability to spread the cashless the
25 cashless business model much more widely. You-You

2 have indications that Amazon is intent on opening
3 brick and mortar cashless businesses not only here in
4 New York City but also in the country. What is that
5 based on and what's the--the scale of cashless
6 businesses that Amazon is looking to pursue?

7 JULEON ROBINSON: Well, I think what
8 you're referring to either, of course, that Amazon
9 itself has put out--

10 COUNCIL MEMBER TORRES: Yes.

11 JULEON ROBINSON: --in terms of their
12 goals, in terms of opening up additional thousands of
13 Amazon stores across the country. So, according to
14 Amazon they have--they have communicated that this is
15 a direction that they are looking to--to go in terms
16 of more brick and mortar stores.

17 COUNCIL MEMBER TORRES: Now, and like I
18 said, it was question for any of you. You know, I--I
19 think we often think of a cashless business model as
20 a convenience, but what you're essentially telling us
21 is that we have the situated in the historical
22 context of redlining. Right. So, do you want to
23 explain how what might seem like a benign neutral
24 business model actually fits into our country's dark
25 history of--one term was FEN TECH Crow, financial

2 racism? There's a whole host of words you could use
3 to describe it.

4 EDGAR LABORDE: Uh-hm. So since the 1930s
5 when redlining maps started to be produced actually
6 by the federal government, there has been a deep
7 structural and racial inequality in provision of
8 financial services in particular in communities of
9 color, in particular in immigrant communities, in
10 particular in low-income communities. That has
11 persisted since the '30s and you can see it in the
12 maps I provided today, and there are still large
13 sections of the city and still inhabited by people of
14 color that have no access to fair and affordable and
15 accessible financial services, and what that does is
16 in that space come high costs and predatory financial
17 services like check cashers and pawn shops. And we
18 see prepaid cards as a similar high cost, and
19 predatory product as it costs people money to access
20 their own income. I believe that as my colleagues
21 from the financial college—or clinic mentioned,
22 people are paying money at these check cashers
23 because they need cash in order to buy food.

24

25

2 COUNCIL MEMBER TORRES: Right. So, when
3 you're—when you're adopting the business model you're
4 not doing so in a vacuum.

5 EDGAR LABORDE: Right.

6 COUNCIL MEMBER TORRES: You're doing so
7 in an historical contest. So, if we were to move it
8 toward a cashless economy we're raising the risk of
9 entangling low-income New Yorkers with predatory
10 financial products. Can you explain more the
11 products that are out there?

12 EDGAR LABORDE: Sure. We—so, fortunately
13 because of strong New York State laws there is no—
14 there are no payday loans in New York but we do have
15 check cashers. We do have pawn shops. We do have
16 places where because there is no bank branch where
17 people can safely deposit their money, there is no
18 credit union that offers people accounts that meet
19 their needs, people must—it's—it's expensive to be
20 poor is sort of the old adoption. People are paying
21 money to these cost and precatory services because of
22 the structural inequity in our financial system, in
23 our economy at large.

24 COUNCIL MEMBER TORRES: Now I'm going to
25 play Devil's Advocate, right. Suppose from what I

2 can see they submitted access to credit right. Some
3 people have no credit report. Some people have an
4 abysmal credit rating, and suppose I can see because
5 it's factually the case that there are communities
6 that have no traditional banking options, right. One
7 argument I've heard is that everyone can get a free
8 paid debit card. I go to a convenience store, you
9 could easily buy a pre-paid debit card, and voila,
10 you're integrated into the cashless economy. Why
11 does that argument underestimate the barriers that
12 low-income New Yorkers face?

13 EDGAR LABORDE: Those pre-paid cards cost
14 money. By requiring low-income New Yorkers to pay
15 more than New Yorkers that have means to open a bank
16 account that have, you know, that live in a
17 neighborhood where bank branches are present, you are
18 burdening the already burdened. You are burdening
19 low-income New Yorkers. You are burdening immigrant
20 New Yorkers, undocumented New Yorkers and people of
21 color in this city further by while they exist in a
22 financial system that already burdens them so much.
23 So, a prepaid card is a way to enter into the
24 cashless economy, but it comes at serious cost for
25 people who don't have the means to pay that cost.

2 COUNCIL MEMBER TORRES: Right, so if
3 you're steering of going towards a debit card, and
4 you have to pay a fee, you're effectively imposing a
5 tax on poverty.

6 EDGAR LABORDE: And you're also
7 increasing insecurity because if they lose that pre-
8 paid debit card--

9 COUNCIL MEMBER TORRES: [interposing]
10 Right.

11 EDGAR LABORDE: --that's it. They are
12 cut off from that money until they send them a new
13 pre-paid debit card in the mail. Right. This is why
14 having cash on hand is important.

15 COUNCIL MEMBER TORRES: And-and I will
16 confess I-I occasionally use my credit--lose my credit
17 cards and my debit cards, but I can afford to buy a
18 new one. If you're a low-income New Yorker who is
19 living paycheck to paycheck and every dollar counts,
20 you can only afford to lose so many cards. You spoke
21 about--we know that traditional banking is heavily
22 like regulated, and you mentioned that the financial--
23 alternative financial services tend to be poorly
24 regulated. Can you provide more detail on that?

2 JULEON ROBINSON: I can get back to with
3 more—

4 COUNCIL MEMBER TORRES: Yeah,

5 JULEON ROBINSON: --details and I did
6 more information and research on that, but what we
7 have seen is that the check cashers and the pawn
8 shops have—the offer predatory services. They offer
9 high cost services, and they don't have the stringent
10 regulations that the traditional banking services in
11 the mainstream financial system, including credit
12 unions have in place.

13 COUNCIL MEMBER TORRES: I—I appreciate
14 your testimony and thank you for just providing
15 historical context for the cashless business models.
16 Thank you, Mr. Chair.

17 CHAIRPERSON ESPINAL: Margaret.

18 COUNCIL MEMBER CHIN: Yes. Thank you
19 Chair. Thank you for your testimony. I think that is
20 still an issue that we have not taken care of in
21 terms of helping people who don't have the
22 opportunity to open bank accounts and—and being taken
23 advantage of by all these, you know, the—the cash
24 place where they, you know, charge a fee to cash
25 their check, and it's still all over a different low-

2 income neighborhood. In one part of my district in
3 Chinatown, we got a bank on every corner, but a lot
4 of people still don't use credit cards. Hey still
5 use cash. Now, have you done any kind of like
6 research or even with the Department of Consumer
7 Affairs like which are they businesses that are
8 starting this? From my own experience, I mean
9 usually when I go for lunch I try to pay by cash.
10 It's just so much easier. I don't have to worry
11 about my card bill. All of a sudden one day I went
12 into one of the places that I patronize once in a
13 while, and they didn't take credit—I mean they didn't
14 take cash. I was surprised, and there was no sign,
15 of course, until I got to the register, but it's not
16 a cheap place. So, one of the things that I've been
17 seeing around is that a lot of the stores that are
18 starting this cashless thing, are the more expensive
19 stores, or stores that in some way is sending a
20 message that we only want certain type of customers.
21 People who can pay for this product, you know, \$12,
22 \$13 for this salad or whatever, and I think that is
23 like something that is really if that expands, it's
24 really going to create that discrimination and that
25 exclusion that if you don't have a credit card then

2 we don't want you. You don't have the opportunity to
3 try to out this product or to purchase this product
4 because you don't have a credit card. So, I think
5 that really is to me is like it's really sending a
6 really bad message going down the road because this
7 is just a recent phenomena. So, I think that it
8 would be good to really try to track like what are
9 the businesses that are doing that, and it sees like
10 a lot of them are these franchise that are opening up
11 that are more high end that are starting this. Have
12 you noticed that?

13 JULEON ROBINSON: Well, I actually want
14 to step back a point where you mentioned earlier
15 about the price being high at some of these places.
16 Honestly, I think that's completely irrelevant
17 because I deal with financial goals every day. You
18 know, there are many times that I have a client
19 standing in front of me and that goal for them it be
20 able to take—to be able to, you know, take their
21 family out for a nice dinner at a nice restaurant
22 that maybe they don't get to go to every time, but
23 they save up for it every month to get to do that,
24 right. And so, you're cutting off this—these—these
25 areas of fulfillment and joy that can—that can be the

2 one, two, three times a year this low-income
3 immigrant family has a chance to go out to that nice
4 restaurant, right. So, it's very important for us
5 not to cut off these avenues of joy for lower-income
6 and immigrant populations. It is what are you really
7 telling m-telling me there, right. This is not for
8 you. You know, that's not what we do. That's not
9 what New Yorkers stand for, and stopping—stopping
10 from getting to that point is very important, which
11 is why this Intro is so—is so important today.
12 Right. Like I said earlier, it could—it could just
13 be restaurants now, right. Who's to say this doesn't
14 kick down the line to retail institutions, you know,
15 and down the line like maybe they don't accept rent
16 by cash any more. Right. What are—what are we—what
17 are we showing to the future, you know, citizens of
18 the—of this city.

19 COUNCIL MEMBER CHIN: Thank you.

20 CHAIRPERSON ESPINAL: Thank you guys.

21 Appreciate it. Leo Kremer, Michelle from Dos Soros
22 Taqueria; Michelle Gauthier from Mulberry and Vine.
23 Anna Maria. I'm sorry. I can't read your last name—
24 By Chloe, and Julian Grossberg. [background
25 comments/pause] You may begin.

2 ANNA MARIA FRIENDS: Hello everyone. My
3 name is Anna Maria Friends (sic). I'm one of the
4 Regional Director for By Chloe. We are a fast casual
5 plant based vegan restaurant chain. Now we serve in
6 locations including six of them in the New York—in
7 New York City. We are a female founded company that
8 first opened in July of 2015 and we currently employ
9 over 240 employees in the New York City Metro area.
10 Caring for our employees has always been a priority
11 to us. We have a track record of highly promoting
12 from within, and we have always offered health
13 insurance benefits and benefits that exceeded the
14 minimum requirements since our inception. We
15 currently do operate as a cashless restaurant—as a
16 cashless restaurant in the New York City. When we
17 first opened in 2015 with our first location, we did
18 accept cash. We transitioned into a cashless chain
19 the fall of 2017, and completely went cashless in New
20 York in January 2019. Just before the transition
21 into a cashless establishment, cash represented less
22 than 10% of our total transactions predominantly from
23 tourists. We closely monitored for all customer
24 feedback regarding the new policy. The transition
25 proved to be very smooth with minimal customer

2 complaints. The primary reason why we decided to go
3 to a cashless format and continues to stay cashless
4 is for the safety of our employees. By not keeping
5 any cash in our stores our employees feel safer
6 especially in our preopening and closing hours and
7 our stores are relatively empty. We do have lower
8 volume stores where at the beginning of the day for a
9 number of hours at the end of the day for a number of
10 hours there would be only one employee in the front
11 of the house. Although that, as we know, that lately
12 it's unlikely, news reports of local restaurants
13 being robbed at gunpoint create a cause of concern.
14 There have been a series of robbery within blocks of
15 several of our locations, including the Fall 2016
16 robbery of Sweet Things (sic) in Union Square and the
17 summer of 2018 robbery of Adelei (sp?) on Urban
18 Place. Not keeping cash in our stores is an easy way
19 for us to help our employees feel more comfortable at
20 work and feel safer including out manages who do not
21 have to carry large amounts of cash in a bag, in a
22 hand bag in a paper back and forth from the bank
23 everyday. Importantly, going cashless is also
24 aligned with our mission of used plant based food as
25 a platform for sustainability, and the environment-

2 and the environmental benefits may seem small, but
3 going cashless has helped us to further reduce our
4 carbon footprint. The increasing availability of
5 pre-paid cards and more volume in the creation
6 increases the accessibility to digital payments for
7 everyone. As digital payments become increasingly
8 prevalent, we believe that our choice to be cashless
9 is the best of our customers, for our employees and
10 our business as well. We aspire to be inclusive, and
11 welcome everyone to eat our restaurant, and we do
12 empower our managers to make reasonable
13 accommodations whenever possible for customers with
14 only cash. Thank you. [pause]

15 LEO KREMER: Hello. Thank you for having
16 me here. So, we—we went into this business opening
17 Dos Toros Taqueria because we wanted to share with
18 our guests the California style Mexican cuisine that
19 we grew up loving not because we wanted to be
20 cashless. We are only interested in being cashless
21 because it allows us to serve our guests more
22 smoothly, operate more efficiently and significantly
23 enhances our ability to improve our team training and
24 morale and by extension to create a more compelling
25 guest experience, which is the entire goal of

2 hospitality. Going cashless has been enormously
3 helpful in these respects. We think of ourselves as
4 ethical corporate members of our community and take
5 pride in doing the right thing. We partner closely
6 with South Bronx United to help kids go to college.
7 We've donated over 100,000 meals over the years to
8 the New York Food Bank in addition to volunteering
9 out time, and we've not-not just made financial
10 contribution, but have directly worked with getting
11 out and staying to employ and offer career
12 opportunities to formerly incarcerated individuals.
13 We try to do right by the environment by sourcing
14 only naturally raised proteins and composting all
15 kitchen food waste. Most significantly, we've employ
16 over 500 amazing team members, and are proud to pay
17 them \$15 an hour and in most cases more than that
18 along with other benefits and real opportunities for
19 growth and career advancement. I should add that we
20 strongly encourage our new team members to start a
21 bank account if they don't already have one, and set
22 up direct deposit for their paycheck. We think
23 people ought to be encouraged to join the banking
24 system without being taken advantage of by check
25 cashing services. We are only able to do all these

2 things if we have a sustainable business model. I
3 want to emphasize they are in enthusiastic support of
4 the \$15 minimum wage and welcome the opportunity to
5 pay our team members a living wage and a level
6 competitive environment. But make no mistake the
7 higher minimum wage puts significant pressure on our
8 bottom line. For a business running an efficient
9 operation is the difference between staying open or
10 shutting down. If you've walked around New York City
11 recently, you will see many vacant storefronts.

12 Business survival is not a given, and we feel the new
13 law should not be introduced to make running a
14 healthy business even more challenging that it
15 already is. I think it's worth pointing that
16 Massachusetts has an existing rule about being
17 cashless, and it's one additional reason that we
18 decided to expand into a second market, which chose
19 Chicago rather than Boston. There are other arguments
20 against this legislation that I would like to mention
21 briefly. We believe it is safer for our team to not deal
22 with cash. We've been robbed twice previously and
23 not once since we've been cashless. It's expensive
24 for us to pay Armored car service to buy straps that
25 change, spend hours of our restaurant leaders' time

2 setting up cash drawers, counting drawers, recounting
3 drawers, dealing with deposit slips and bags, paying
4 bank fees to accept cash, and having to discipline or
5 even fire team members over cash discrepancies. We
6 pay all taxes owed on all revenue received, which is
7 definitely not happening at certain establishments
8 particularly business that are cash only, and it
9 seemed like a very positive thing for the city. The
10 entire Internet and all of E-commerce is cashless as
11 are all apps, and add-ons and many government
12 services are really held to a different standard. We
13 think it's clear that the future of currency is
14 electronic. Things are moving in that direction
15 already in many parts of the world. In the meantime,
16 businesses that consistently serve the unbanked or
17 underbanked population aren't going to go cashless.
18 It wouldn't make sense for them, and if someone
19 without a bank account wants to patronize a cashless
20 business they can convert cash to a pre-paid card in
21 any convenience store such as Walgreens or a Henry.
22 We sympathize and want to protect members of our
23 community that are more socio-economically
24 challenged, but this is not the way to accomplish
25 that goal. Let's pull those members of our community

2 forward and into the modern financial system that has
3 been pulling the business community backward. They
4 are well intentioned but ill advised on burdensome
5 regulation. Thank you.

6 MICHELLE GAUTHIER: Good morning or
7 afternoon. Close to it. My name is Michelle
8 Gauthier. I've live in New York 20 years and I own
9 five fast casual restaurants called Mulberry Vine.
10 I'm opposed to Bill No. 1281-2018 entitled Preventing
11 Retail Establishments from refusing said payment in
12 cash. I went cashless--cashless in April of 2016
13 solely for the benefit of my employees. The
14 management of cash can be an incredible burden. We
15 close at 9:00 p.m. and employees were consistently
16 getting out around 11:00 dealing with the cash drawer
17 or reconciliation. Once I went cashless, my employees
18 were out by 9:30. Another factor in my decision to go
19 cashless was the multiple bank runs a week to get the
20 correct change. Tellers have taken over by kiosks.
21 So the wait for a teller can be anywhere from 5 to 20
22 minutes. We're a busy lunch driven restaurant. It
23 was very stressful for my employees not know how long
24 the bank run would take. Going cashless has
25 certainly produced other unintended benefits: Fast

2 moving line, simplified bookkeeping, but my original
3 intention to take away unnecessary stress from and
4 incredibly job has been a huge win for my employees.
5 It saddens me that a decision that was made for the
6 best interest of my employees could be misconstrued
7 as classis or discriminatory. Many of my employees
8 are the same people I'm supposedly discriminating
9 against yet they wholeheartedly agree with my
10 decision to go cashless. Our cashless policy was
11 never intended to upset, embarrass, or lose a
12 customer nor to be political. It just simply works a
13 whole lot better for us. While we do not accept cash
14 as a form of payment, we have never turned away a
15 customer. We make accommodations for any one who
16 wants our food, and we do it with a smile on our
17 face. I'm a full-time single parent of two and small
18 business owner in New York City. I'm in a very tough
19 industry, and removing the management and burden of
20 cash was one of the best decisions I've made. I urge
21 you to oppose this bill. Thank you.

22 JILLIAN GROSSBERG: Hi. My name is
23 Jillian Grossberg. I am sorry if I sound nervous.
24 It's because I am. I have worked with Anna Maria
25 Albicolise (sic) since November 2016. I have worked

2 as a front of house member and a cashier since then.

3 When I first got there we were accepting cash fully,

4 but we ran into a lot of problems along the way.

5 When we stopped taking cash in the early 2017 area we

6 had a couple of eyebrow raises, but we explained to

7 them the reasons why we did it for the safety of our

8 employees. We had a lot of problems with going to

9 the bank every single morning. We had to take

10 thousands of dollars in paper bags to the bank. We

11 banks reject giving us a certain amount of change

12 because so many different companies with the area

13 wanted the same amount of change for their companies.

14 We also had a problem with—problems with fake bills

15 and then, therefore, people like myself who have

16 never really handled money like that had to rely on

17 machines and markers to tell whether bank notes were

18 actually legitimate, and it was difficult when we

19 argued with customers and we had just as much

20 experience as they did. We also—again as Maria said

21 are a lot in the restaurant and it is difficult with

22 a restaurant completely covered by glass window.

23 People can obviously tell when we're alone, and when

24 we keep our doors open a lot for cleaners to come in

25 and out at night. It is dangerous for them even if

2 we locked them because they know that there aren't
3 many people in there, and that there are states that
4 people keep cashing underneath. I worked in the
5 retail and food business since I was able to get a
6 job, and all of my friends have done the same to keep
7 themselves in college. A lot of my friends have had
8 experiences where people have walked into their
9 stores with guns, and they had to make the decision
10 to open a cash drawer and give them all the money
11 that was in there, and I do not—I never want to make
12 that decision, and I know that now I will never have
13 to. We have incidents at By Chloe where one of our
14 employees even ran after someone when they tried to
15 steal cash. It was dangerous for them, it was
16 dangerous for us and we also wondered what would
17 happen if a customer tried to run after them. We
18 never want to exclude anyone from eating at By Chloe,
19 and we love all our customers who come in every
20 single day who we know by name, but if we ban
21 companies like our from going cashless, we're taking
22 away the option for employers to say that this is the
23 safest option for is employees. Thank you.

24 CHAIRPERSON ESPINAL: Thank you. Any
25 questions?

2 COUNCIL MEMBER TORRES: I thank you for
3 Your testimony. Obviously you know more about how to
4 run a business than I do. So, I will take for
5 granted the benefits of the Cashless business model.
6 I do want to make a few points. I have the honor of
7 representing Arthur Avenue, which has some of the
8 most iconic businesses in the country. Some of these
9 businesses have endured for more than 100 years,
10 accept cash and are able to operate smoothly and
11 efficiently and safely in the Bronx, which is
12 probably much tougher than some of the neighborhoods
13 in which you operate, but I—I take your points. I do
14 want to respond to I guess the notion that—because I
15 feel like there's an attempt to portray the use of
16 cash as dangerous, and as a prohibitive burden but if
17 cash were so dangerous or a prohibitive burden, how
18 do we explain the fact that the vast majority of
19 businesses continue to use cash? Right, that's—
20 that's one point I would make, and I do want to
21 respond to a comment that Michelle made. You said:
22 It saddens me that a decision that was made for the
23 best interest of my employees could be misconstrued
24 as classless or discriminatory. Many of my employees
25 are the same people I am supposedly discriminating

2 against yet they wholeheartedly agree with my
3 decision to go cashless. I just want to be clear. I
4 don't know who you are. I'm in no way claiming that
5 you are discriminatory or classis, but I have
6 concerns that a cashless business model, you could be
7 Mother Theresa. You could be the most philanthropic
8 wonderful human being on the face of the earth, and
9 you can adopt the cashless business model with the
10 best of intentions, our concern is that it could have
11 the effect of disadvantaging underbanked New Yorkers.
12 Right, I think you pointed out we should encourage
13 people to join the banking system, but the banking
14 system has no presence in the poorest neighborhoods
15 in our city. Right, we have low-income New Yorkers
16 who have no traditional banking options in their
17 neighborhoods and who are susceptible to entanglement
18 with predatory financial products. So, I respect the
19 fact that that you're clear eyed about the benefits
20 of a cashless business model, and I will concede
21 those benefit. Those benefits are real, but I hope
22 that you could be equally clear eyed about the
23 barriers that low-income New Yorkers face to
24 accessing credit. And that's-yep that's-I have no
25 questions to ask.

2 CHAIRPERSON ESPINAL: I guess I just have
3 one question. When—when a consumer walks into your
4 restaurant, and sit down are they alerted or
5 informed that this is a cashless restaurant?

6 MICHELLE GAUTHIER: It's posted on our
7 front window and it's at the registers.

8 ANNA MARIA FRIENDS: In our restaurants e
9 have signage as well. There is signage by the front
10 door and by the register.

11 CHAIRPERSON ESPINAL: Okay, and what
12 happens if someone sits down and doesn't—isn't aware
13 but at the end of the day receives their meal and the
14 bill comes. What happens?

15 ANNA MARIA FRIENDS: Well, we are fast
16 cultural restaurants and we don't do table service
17 although services is counter service. However, if
18 anybody, you know, waits in line and gets up to the
19 register, orders and they—they by any chance they
20 didn't see this actual signage, they do not have cash
21 on them, then we borrow our managers to make the
22 appropriate decisions and comp those meals, and not
23 turn anybody away that hasn't and was not aware of
24 the policy and would like to dine with us.

25 COUNCIL MEMBER TORRES: Uh-hm.

2 CHAIRPERSON ESPINAL: [off mic] Any other
3 policies? [on mic] Any other policies?

4 MICHELLE GAUTHIER: Yeah, we give the
5 meal on the house.

6 LEO KREMER: Yeah, we--we have the same
7 policy.

8 CHAIRPERSON ESPINAL: Yes.

9 COUNCIL MEMBER TORRES: Can I--can I ask
10 before you moved to a cashless business model or
11 those of you that did, what--what percentage of your
12 customers were making cash payments? Do you have--do
13 you recall the data?

14 MICHELLE GAUTHIER: Ten percent.

15 COUNCIL MEMBER TORRES: About ten
16 percent.

17 MICHELLE GAUTHIER: Yes.

18 ANNA MARIA FRIENDS: Ours was about 9 to
19 10% as well.

20 COUNCIL MEMBER TORRES: 9 to 10%. Okay.

21 CHAIRPERSON ESPINAL: Great. Thank you.
22 The last panelist--the last panelist we have Zeb
23 Yerman . [background comments/pause]

24 ZEB YERMAN: Hi. I'm not from any
25 business. I'd just like to give a real life

2 situation. It's happened to me several times. First
3 of all, my-my credit-I'm on a tight budget. So, I
4 generally try to stay away from, you know, cards and
5 stuff like that and I carry cash with me, and I
6 walked into-I'll just give you a situation-a couple
7 of situations. I walked into a salad store where
8 they make salads. It was on Court Street in
9 Brooklyn, and I saw a nice-the guy who was making my
10 salad must have spent 15 minutes on it, and I walk up
11 to the, you know, I guess you call it a cashier or
12 whatever, and she said give me your \$15. I take our
13 \$15. She said no, no, you have to-you have to-you
14 have to pay it in credit card. I said well I don't
15 have a credit card. I have cash here. She said,
16 well, I can't give it to you. So this lady was
17 saying she makes amends if someone has cash. For me,
18 they didn't do that. But I'll tell you another
19 situation that happened to me. I walked into Grand
20 Central the other day through the main entrance, and
21 I was hungry and I was thirsty. I had a hard day,
22 and I see a big enormous food court. It's called the
23 Great Northern food court, and there's lots of little
24 stands there where you can get food. You think, wow,
25 all these different business people got together and

2 they put up different stands and every single one of
3 them is cashless. Finally, I get to the last one in
4 line and they—all the way at the end. I want to get
5 some potato chips and the chef they gave me we get in
6 a big argument over the whole thing and we went back
7 and forth. Anyway, but then I wanted—I then walked
8 away from the place. I walked all the way to the
9 bookstore and the entire crew there followed me and
10 they started harassing me, but that's a different
11 story. It's a police matter, but I started
12 investigating there and I found out that every single
13 one of those individual stands, their food stands is
14 owned by the same person, and his name Claus Mayor.
15 He's from Denmark, and he has all these restaurants
16 and food stands all over the city, which are—which
17 are cashless. So, that's a real-real situation
18 there.

19 CHAIRPERSON ESPINAL: Well, thank you for
20 sharing that.

21 ZEB YERMAN: Thank you.

22 CHAIRPERSON ESPINAL: With—with that
23 said, this hearing is adjourned. [gavel]

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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 March 20, 2019