

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS LICENSING

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March 15, 2019
Start: 11:07 a.m.
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HELD AT: Committee Room - City Hall

B E F O R E: RAFAEL L. SPINAL, JR.
Chairperson

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

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

Lorelei Salas, Commissioner Department of
Consumer Affairs

Nick Rozza, Director of Finance, Department of
Consumer Affairs

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

Nadia Marin Molina, National Day Labor Organizing
Network, NDLON

Christian Appearing for the Executive Director of
La Colmena Community Job Center, Staten Island

Alexis Paz, Worker Engagement Coordinator, New
Immigrant Community Empowerment, NICE

Luiz Cortez, Worker Center Director, Northern
Manhattan Coalition for Immigrant Rights. NMCIR

Margarita Arana, Workers Justice Project
(Testimony via translation)

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2 [sound check] [pause] [background
3 comments/pause] [gavel]

4 CHAIRPERSON ESPINAL: Good morning, and
5 welcome to the Fiscal 2020 Preliminary Budget
6 Hearing. I'm Rafael Espinal, the Chair of the City
7 Council Committee on Consumer Affairs and Business
8 Licensing. This morning we will be reviewing the
9 projected budget of the Department of Consumer
10 Affairs for Fiscal Year 2020. Specifically, we'll be
11 assessing DCA's programs and activities to ensure
12 that the agency is serving the public in a
13 financially responsible way. Before we begin, I want
14 to acknowledge that we've been joined by my colleague
15 and—and member of the Committee, Peter Koo from
16 Queens. The Mayor's Fiscal 2020 Preliminary Budget
17 for the Department of Consumer Affairs is \$43.4
18 million including \$29.3 million in personnel services
19 funding to support 450 budgeted full-time positions.
20 The funds in the Fiscal 2020 Preliminary Budget are
21 primarily allocated to resolve consumer and working
22 complaints, issue various licenses and educate and
23 protect consumers and ensure that businesses comply
24 with the local and state laws. In a few minutes
25 we'll hear from the Administration on specific plans

for these allocated funds in our discussion with DCA this morning. I hope to explore different areas of the budget to gain clarity and transparency on where and how money is being spent to protect consumers, create financial empowerment for New Yorkers, educate businesses, and maintain high standards for employee rights in New York City. In particular I look forward to hearing more from DCA regarding the rebranding of the agency announced by the Mayor in January, which increase DCA's Worker Protection mandate. Secondly, I wish to discuss DCA's budget realignment within its adjudication unit. Lastly, I'd like to examine DCA's reporting in the PMMR to gain a better perspective of how well aligned its budget is with this performance. We will first hear from the Department of Consumer Affairs, and then members will have a chance to follow up with questions for the Commissioner. After that, members of the public will have an opportunity to provide testimony. I hope that the Commissioner or members of hear staff will stay and hear the public testimonies. I look forward to working with the agency and other interested parties to finalize the budget over the next few months. In closing, I want

to staff—I want to thank my staff and the Committee staff and the Budget staff for working to put this hearing together, and also, I would like to acknowledge we’ve been joined by Valkese (sp?) who’s been away for a few months. Thanks for coming back. It’s great to have you back in the committee. We will now hear testimony from the Department of Consumer Affairs. So, Commissioner, before you begin, will you and your team raise your right hand.

LEGAL COUNSEL: Do you swear or affirm to tell the truth, the whole truth, and nothing but the truth before this committee, and to answer Council Member questions honestly?

MALE: I do.

FEMALE: I do.

LEGAL COUNSEL: Thank you

CHAIRPERSON ESPINAL: Thank you.

COMMISSIONER SALAS: Good morning, Chair Espinal and members of the Committee on Consumer Affairs and Business Licensing. I’m Lorelei Salas and I am the Commissioner of the Department of Consumer Affairs. I’m joined here today, this morning by my colleagues Nick Rozza, Director of Finance and Casey Adams, Director of City Legislative

Affairs. I'd like to thank the committee for the opportunity to testify today about DCA's budget for the Fiscal Year 2020. DCA's mission is protect and enhance the daily economic lives of New Yorkers to create thriving communities. We do this by licensing more than 71,000 businesses across the more than 50 industries and enforcing key consumer protection, licensing and workplace laws that apply to countless more. This year is a time of celebration and reflection for DCA. 2019 marks the 50th Anniversary of the agency's creation under Mayor John Lindsay in 1969. Today, I will share with you some of DCA's major successes for New Yorkers over the past year, and show you where the agency plans to go to in 2019. I'll begin by just briefly discussing our budget. DCA's total Expense Budget in the Fiscal Year 2020 is \$43.4 million, an increase of about 1.4% from the Fiscal Year 2019 Budget at adoption. Our total revenues are \$30--close to \$30 million, an increase of about 8.7% merely attributable to an increase in the number of sidewalk café licenses and associated consent fees. Our agency authorized headcount remains the same at 450 positions. This is an exciting time for DCA. During our 50th Anniversary

Mayor de Blasio announced that DCA's mission will expand as the agency is renamed the Department of Consumer and Worker Protection with the powerful mandates to defend consumers and workers. As part of this expansion, DCWP will develop a free uniquely tailored Alternative Dispute Resolution program to help domestic workers and employers to resolve issues, and provide both parties institutional support and tools for ensuring optimal employment conditions. We will also expand the groundbreaking program established under the Freelance Isn't Free Act, which helps to ensure that that freelancers are paid on time and in full for the work they've completed. Finally, DCWP will work to implement the first in the nation mandate for papers on time for New York City workers. Mayor de Blasio put those in his State of the City address. This expansion built on the landmark work Know run by DCA's Office of Labor Policy and Standards, which enforces New York City's Paid Safe and Sick Leave Law to start work with scheduling the law that guarantees fast food and retail first, the right to a predictable and stable schedule and implementation of the Freelance Isn't Free Act. In the fall we hope—we told the committee

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about important work DCA has been doing to identify the challenges impacting student loan borrowers and to better protect them and promote their financial health. Building on the regional research—

NICK ROZZA: Okay.

CHAIRPERSON ESPINAL: Oh, just going to watch a very-very-[Video plays]

MALE SPEAKER: [interposing] I've come to the Financial Empowerment Center for the past year. The first time I came here I was still paying off my student loans.

CHAIRPERSON ESPINAL: Student loans is another one that's tough. I can see clients. They tend to run away from their student loans, and—and hope that if they hide under their covers, that it's going to go away, but actually that can create a greater problem. The worst case scenario is that if you don't do anything, your wages can get garnished or they can go after your bank. It's important to come in to get a diagnosis of what is the best solution to address the student loan.

MALE SPEAKER: I was taught on how to better manage my finances, where to allocate certain percentages or amounts to certain places depending on

whatever my expense may be keeping in mind what my income is and how to manage my expenditures. Now, that my student debts are fully paid, I want to come back to what else I can do to financially empower myself. [music playing]

COMMISSIONER SALAS: Building on original research conducted by our Office of Financial Empowerment, DCA launched Student Loan Debt Clinics to help New Yorkers understand their student loans and how to obey them. DCA's clinics provided education, student loan literacy and opportunities for financial and legal counseling in neighborhoods that our research identified as having high levels of student loan debt related financial distress. New Yorkers are excited about these services. More than 100 people attended appointments at our first round of Student Loan Debt Clinics, and over 300 more signed up for a waiting list. We look forward to hosting more events to meet the strong demand including our next clinic taking place at the end of this month. In addition, our Financial Empowerment Centers continue to be a critical resource for those struggling to manage their student loans by providing free confidential one-on-one counseling with

professional financial counselors who help open a bank account, tackle debt, improve credit and safe and plan for a stable financial future. Since the creation of the Financial Empowerment Centers, OFE has conducted over 100,000 financial counseling sessions, helping over 52,000 New Yorkers improve their financial health, reduce their debt by \$65 million and increase their savings by \$5.1 million. In addition, OFE has also helped New Yorkers file more than one million tax returns for free, helping clients to claim refund boosting tax credits and saving \$150 million in preparation fees. As the committee knows, DCA has also filed a lawsuit against the for-profit school Berkeley College. DCA's lawsuit follows a nearly two-year investigation involving thousands of interviews with current, prospective and former students, undercover operations, extensive research and review of thousands of pages of the communication (sic) from Berkley. Our complaint reveals that Berkley engage in aggressive recruiting and debt collection tactics by luring consumers, many of whom are people of color and first generation college students with low incomes to one-on-on sales pitches where they deceive

1 them about potential financial obligations and say
2 misrepresentations about other higher education
3 institutions. Among other things, our lawsuit
4 alleges that Berkley College misled students about
5 financial aid, tricked students into taking out loans
6 directly from Berkley, deceived students about
7 institutional grants, transfer credits, majors and
8 careers, and violate local debt collection laws by
9 concealing its identify from former students when
10 collecting debt including debt that is not actually
11 owed. That litigation is ongoing. DCA wants to do
12 more than just hold companies accountable when their
13 practices hurts students. We want to arm students
14 with information they need to protect themselves
15 before harm occurs. DCA research and investigations
16 along with research and reporting by scholars,
17 regulators and others suggest that some for-profit
18 schools engaged in patterns of deceit by misleading
19 potential students about among other things the
20 availability and impact of certain types of financial
21 aid, transferability of credits and the actual cost
22 of offenders. That is why DCA recently proposed new
23 rules to prohibit deceptive trade practices by
24 certain for-profit schools, and requiring new
25

disclosures about program costs, graduation rates, job placement rates, completion times and student debt amounts. With better information, prospective students can make informed decisions about what programs are right for them rather than taking up significant burdens based on misleading promises. We look forward to receiving comments from interested parties as these rules go through the Administrative process. DCA also closed a major case against Enhanced Recovery Company, ERC, a licensed debt collection agency that sent illegal collection letters to tens of thousands of New Yorkers. Our settlement resolved DCA's findings that ERC failed to include information required by law on their collection letters including the name of the agency and the name of a live contact. DCA's settlement requires ERC to pay \$105,000 civil penalty, and to develop, implement and monitor recent policies to ensure compliance with both the Settlement Agreement and applicable DCA regulations including training and compliance across all languages the agency uses to collect debt. DCA's settlement with ERC resulted from a larger compliance initiative that examined the policies, procedures, and conduct of 40 licensed debt

collection agencies with respected New Yorkers with limited—limited English proficiency, and their policies, procedures and interactions with LEP consumers. We look forward to sharing the results and recommendations of that initiative in the coming weeks. In September, DCA announced the findings of a major OLPS enforcement initiative involving 42— involving 42 homecare agencies throughout the five boroughs affecting an estimated 50,000 workers. Homecare aids are consistently a top complaint category for Paid Safe and Sick Leave violations. DCA used this data to proactively launch investigations into 42 homecare agencies employing close to 30% of homecare aids in New York City. Examining compliance with Paid Safe and Sick Leave wage an hour requirements and other workplace standards. The investigation began in July 2017, and focused on compliance with the Paid Safe and Sick Leave Law and included interviews with more than 500 workers in an extensive review of documents provided by workers and employers. DCA also recently received a decision in a major case against Queens based used car dealership Major World one of the largest used care dealerships in New York City. DCA first filed

the case in 2017 when we charged Major World with using deceptive and illegal practices to profit from vulnerable, low-income and immigrant consumers. The decision found that Major World committed tens of thousands of violations of the laws and rules that DCA enforces including by falsifying consumer income and/or monthly rent obligations on credit applications, falsely advertising the financial terms of deals in print advertisement on it's English and Spanish websites concealing the finance terms of deals from consumers, failing to provide legal documents in Spanish to certain Spanish speaker consumers, and misleading consumers about their legal rights and the history, condition and quality of the used cars they purchased. I am proud to inform the committee that the decision awarded DCA more than \$3 million in fines, and importantly puts Major World on notice that continuation of its wrongful conduct could result in revocation of its license. The decision follows 2018 Settlement Agreement with Major World that secured nearly \$142,000 in restitution to 40 consumers directly and \$68,000 to cover outstanding loans incurred as a result of Major World's actions. DCA looks back proudly on five

decades of protecting, educating and empowering consumers and businesses, but we also have our eyes on the job ahead. As I told the committee at last year's Budget hearing, many of the core tools DCA relies upon to protect New Yorkers have remained unchanged since the time the agency was created. Over the last we've been working with the Council to develop our proposals for updating these tools to better equip DCA to protect consumers and workers in the modern context. We hope that the Council will act swiftly on our proposal and send it to Mayor de Blasio for his signature. The Consumer Protection Law, the cornerstone of the our work to protect consumers from unfair, deceptive and unconscionable trade practices has not been updated since the agency's foundation in 1969, the year of the moon landing. The penalty amounts have not yet been adjusted for inflation during that time. That means that a business that engages in deceptive trade practices in 2019 is subject to the same penalties as a business that did so five decades ago despite the fact that the Consumer Price Index has increased more than 600% over the same period. If the Consumer Protection Law is to be an effective deterrent, then

penalties for businesses that deceive consumers, at a minimum keep pace with the cost of doing business and the process paid by consumers. In addition, DCA's authority to seek restitution for consumers harmed by these practices must be clarified. DCA believes that this proposal is a common sense step to bring our Consumer Protection Law into the 21st Century and to ensure that the tools for protecting consumers keeps pace with changing practices and markets. As we begin the next chapter o our history, DCA will be focused on raising public awareness of the work we do, and how it benefits New Yorkers to which the one million New Yorkers who have student loans and the thousands more who may be considering higher education, and to compete with the large investment in advertising and marketing by for-profit schools and debt relief programs, DCA plans to execute a highly visible and targeted public education campaign about student loan debt and for-profit schools this spring. The integrated multi-media campaign will educate aspiring college students about what to look for in a school, and how to understand financing options, and it would help inform those who have loans about their rights and responsibilities with

payment options and free financial counseling at the city's Financial Empowerment Centers along with other city resources. Advertisements will run on the city's subway cars, bus shelters, telephone kiosks, on radio and online, and in local businesses. In addition to outer advertising and online, we will use zip code and demographic information from DCA to Hyper Target using placements in community media, and on street furniture and street teams in neighborhoods known to have higher default and delinquency rates and/or are located near predatory actors. Also, this spring, DCA plans to launch an integrated multi-media public awareness campaign to ensure that the critical new protections that the city of New York has created for workers under Mayor de Blasio are fully realized. I am happy to report that DCA continues to provide New Yorkers with excellent service. According to the Preliminary Mayor's Management Report, DCA processed 71% of consumer complaints within 28 days—days compared to 61% during the same four month-period last year. All complaints continue to be processed within 90 days. The medium time to resolve a complaint improved by four days to 20 days. Continuing the improvement from the Fiscal

2017 average of 28 days. Our Licensing Division received 19,616 basic license applications in the first four months of Fiscal 2019, and approved 13,349 in that time. Those figures represent increases of 72% and 86% respectively. Even with the substantial increase in volume this year, the average wait time of the licensing centers remains stable at 10 minutes over the period while the average processing time for basic applications fell 50% dropping from four days on average to two. We also successfully implemented the new license category for electronic cigarette dealers processing 3,422 applications and issuing 2,929 licenses. In addition, DCA's Enforcement Division successfully refocused its tobacco inspection units to improve compliance with city and state tobacco laws regarding sales to minors. During the first four months of Fiscal 2019, the number of tobacco inspections conducted with minors increased by 23% from 2,264 to 2,781. The overall compliance rate with regards to sales to minors laws increased by five percentage points from 87% and 92% while the compliance rate and follow up inspections conducted after a sale to minor violation was issued increased by four percentage points from 82% in Fiscal 2018 to

87% in Fiscal 2019. So, I would like to thank the committee for the opportunity to testify today. DCA looks forward to deepening and strengthening partnership with the Council as we embark over the next 50 years of protecting and empowering consumers, workers, and businesses. Thank you.

CHAIRPERSON ESPINAL: Thank you, Commissioner. Thank you for the breakdown on-on the work you've done in the past, and what you plan on doing in the future, and just staying on that topic about the future, you know, the Mayor, as you mentioned, did announce that DCA will be rebranded. You know, we haven't seen any sign in the budget that's that there is going to be the mere change or any sort of any sort restructuring within the-within the agency in order to accommodate this new rebranding. Is-is there any plans on, you know, kind of looking at the budget and-and how that's going to change in respect to the new roles of the agency?

COMMISSIONER SALAS: So, we are still at the early stages of planning and we are aware that many of the Mayors' proposals as-as listed in the State of the City Address will require legislative action by the Council. So, we're hoping to work

1
2 closely with you in the next few weeks and months to
3 make that happen. I can tell you that you probably
4 will see soon in a couple of public-of our next
5 campaigns that we're planning that the new name will
6 reflected there. So, we'll use whatever existing
7 funds we have right now to start transitioning to a
8 new name.

9 CHAIRPERSON ESPINAL: So, the-the-the
10 rebrand-rebranding I guess the-the restricting of
11 agency will need legislative approval from the City
12 Council.

13 COMMISSIONER SALAS: We-we need to get a
14 chapter amendment

15 CHAIRPERSON ESPINAL: Is there any-any
16 timeline with-within the Mayor's side of-of when you
17 plan to introduce or-or show us any sort of
18 legislative documents of what that will look like?
19 Specifically because he did mention in this State of
20 the City. So, I'm guessing it should happen sometime
21 within this year?

22 NICK ROZZA: Yeah, we're hoping to move
23 quickly on that, but as the Commissioner mentioned,
24 we're in the early stages. I'm sure that we'll be
25 having some conversations with you and your

colleagues about the best way to get that done in the near future.

CHAIRPERSON ESPINAL: Any projection on how many positions will DCA to take on for the additional responsibilities of this rebranding of the--of the--of the agency?

COMMISSIONER SALAS: Not at this time. So, what we will see what efficiencies we can create within the agency and some of the work will be absorbed with our current staffing. So, at this point, we don't have an estimate for a budget.

CHAIRPERSON ESPINAL: But do--do you expect for there to be a growth within the agency because of this?

COMMISSIONER SALAS: Depending, and as you know, we're working on paid personal time very closely with the Council, and depending on what legislation looks like, you know, we'll work closely with OMB to make sure that--that we're properly resources to do the work

CHAIRPERSON ESPINAL: Uh-hm. Now, just to kind of stay on the topic of--of the agency staff, I mean last year I think we--we've highlighted or mentioned that there was a vacancy rate of about 10%.

1 This year it seems to be about 11.3% as of December
2 2018. Is there a reason why that vacancy continues to
3 exist or is there any--any plans of how you plan on
4 filling those roles?
5

6 COMMISSIONER SALAS: Uh-hm. Well, we are
7 currently working and we have--I think most of the
8 vacancies are already posted. So we are going
9 through the hiring process. That I think--there's
10 definitely--we're working on the realignment with OMB.
11 I understand that you had some questions about the UA
12 for the Adjudication UA so we're still working on
13 that with OMB and in the next few weeks I think you
14 will be able to see proper realignment.

15 CHAIRPERSON ESPINAL: The Mayor's PEG
16 (sic) outlines roughly about \$1.2 million in
17 mandatory savings for DCA. How do you plan on
18 achieving those--those savings?

19 COMMISSIONER SALAS: So we were briefed
20 on these PEGs just recently earlier this month and
21 we're just beginning the discussions with OMB to look
22 at what areas of programs are within the agency that
23 could actually--where we could find savings. So, it's
24 still very early, but we will work with them to
25 achieve our target. [pause]

CHAIRPERSON ESPINAL: I have one question on the Office of Financial Empowerment. Our numbers show that in 2018 less than 40% of the clients served achieved measurable success in 2018. Can you unpack that a little bit? Is there a reason why you believe—why—why it's below 40%? Is there a need for the agency to be able to do more outreach or be able to provide more assistance, or do you feel that you're doing everything you can to do it, but there's just something off when it comes to the services and the folks trying to that out?

COMMISSIONER SALAS: Absolutely. The measure of outcomes that you referred to are actually particular to one of the programs at OFE, right. We have several programs. We have the New York City Pre-Tax Prep Campaign. We have the effects of the Financial Empowerment Centers, which is where the financial counseling happens, and these outcomes are for the financial counsel—counseling sessions right? For that particular program, the budget that is assigned for that is closer to \$2.5 million, and most of that money, close to \$2 million goes to—actually to the providers. Right, the ones who are providing the financial coaching in the communities. So, I

1 would say that, you know, to be able to achieve that
2 measurable outcome, individuals need to attend at
3 least two financial coaching sessions, and then
4 achieve certain goals where there are short-term or
5 long-term goals. It could be anything from like
6 obtaining a bank account, right. From improving
7 their credit score. So, there are a number of things
8 that it can do to achieve those outcomes. We are
9 continuously looking at the program and the ways in
10 which we can retain clients and make sure that they
11 come back for a second and a third session because
12 that—that's where we need to show outcomes. But I
13 would say also that we are in the process of looking
14 at how to make our financial coaching services more
15 flexible, right. So sometimes a client may be able
16 to come for the first time in person, but until now,
17 we required decisions to be in person, we're looking
18 at maybe with note coaching or something that will
19 help people who are typically really busy who don't
20 have the time to just, you know, make a trip to—to
21 the center. So, we are looking at all of our
22 efficiencies, and we're hopeful, you know. We think
23 that with the new program changes, we'll see an
24 increase in those numbers.
25

2 CHAIRPERSON ESPINAL: Okay. Now, there—
3 there was an increase—a positive increase in the
4 amount of clients you do serve by about 8, almost
5 close to 800 new clients between 2017 and 2018. What
6 do you attribute that to?

7 COMMISSIONER SALAS: Well, we have I
8 believe been providing additional hours.

9 CHAIRPERSON ESPINAL: Uh-hm.

10 COMMISSIONER SALAS: What is that? Let
11 me just go back and check the number. I want to make
12 sure that I gave you the right answer.

13 CHAIRPERSON ESPINAL: Yeah, I—I have 750—
14 759 new clients in the past year.

15 COMMISSIONER SALAS: Okay. I mean I
16 would just say it's part of our outreach efforts,
17 right. We try to target our advertising in about
18 thirds (sic) in those neighborhoods and communities
19 where we know we are—we have a lot of low-income
20 individuals who could use these services, and so our
21 outreach has been much more targeted.

22 CHAIRPERSON ESPINAL: Alright, let's just
23 stay on performance, and I'll—I'll hand it over to my
24 colleagues afterwards. You know, over the years I
25 would say DCA prided itself in being able to issue

1 less fines, be able to collect more--more of those
2 summonses and--and our--our analysis shows that or
3 that--that the--there's been an increase of about up to
4 10% of fines with summonses that had not been paid
5 since 2017. Is--is there a reason why there has been
6 a decline in the collection of those fines?
7

8 COMMISSIONER SALAS: [pause] Are you
9 referring to the--sort of the--the fines that are not
10 fully paid within 120 day?

11 CHAIRPERSON ESPINAL: No, the timely
12 payment of fines, it was 22% of summonses assessment
13 in 2018 were not fully paid, up 10% in 2017.

14 NICK ROZZA: So, Council Member, I think
15 there is--

16 CHAIRPERSON ESPINAL: Yeah within the 120
17 days. Yeah, right.

18 COMMISSIONER SALAS: Oh, okay. Yes, so--
19 so as you're aware with that transition of our
20 adjudicatory functions through OATH, we have less
21 control over, you know, at what time the--the
22 respondents or the businesses actually are--have
23 completed with our Administrative process. Right. So
24 to give you an example, right now businesses or
25 respondents have an opportunity to actually move to

vacate a finding by OATH that they, you know, they own money to the agency or money in fines, and so, the—the time that it takes for us to be able to start collecting is longer now.

CHAIRPERSON ESPINAL: Okay. Do any of my colleagues have any questions? Peter Koo.

COUNCIL MEMBER KOO. [off mic] Thank you, Chair. Is this mic on? [pause] [on mic] Thank you Commissioner Salas. I want to touch upon the thing you mentioned before that's Consumer Affairs, which include workers' protection. So, are you doing the same thing as the State Labor Department?

COMMISSIONER SALAS: So, no, it's—it's deeper in work. The laws that we enforce are the law that the City, the Council and the Mayor have worked to—to pass, right. So there is city workplace laws. We, however, do serve as a resource for workers who have any type questions. So, if a worker calls us and they have not received pay for their sick days, right, but also have not been getting overtime pay, we will handle the paid sick leave investigation, and we will work to connect them to their appropriate state agency or federal agency that handles those issues.

COUNCIL MEMBER KOO: So, if a consumer goes to the State Labor Department, would they not enforce the city laws? They—they don't—they don't—they will take care—they won't take care of them?

COMMISSIONER SALAS: The State Department of Labor does not have the authority to enforce paid sick leave law. In fact, the only agency or body that can enforce that law is us.

COUNCIL MEMBER KOO: But they can do the minimum wage, you know, right? Minimum wage is \$15.00?

COMMISSIONER SALAS: The State Department of Labor and the Federal Department of Labor have different jurisdictions to enforce wage payment laws, yes.

COUNCIL MEMBER KOO: Okay, yeah.
[coughs] So, the other questions I have is since I represent like Downtown Flushing, right, which is really congested, and we—the sidewalks are really important to the pedestrians, right. So, I want to ask you, and like how does DCA grant and revoke stoop line license? Would you revoke stoop line license?

COMMISSIONER SALAS: Do we revoke them?

COUNCIL MEMBER KOO: Yeah.

COMMISSIONER SALAS: Yes. I mean we would—we can revoke licenses depending on what the license rule and regulations give us power to do, but we cannot revoke them outright ourselves. We actually have to go to OATH and file a case at OATH, and then OATH has to find that we are able to revoke a license.

COUNCIL MEMBER KOO: So, how many—how many violations do you have to get before you go to OATH?

COMMISSIONER SALAS: So, typically, any violation that we issue, if the business refuses to comply or to pay the fine let's say, they can appeal. They can appeal that decision—our decision of fines to OATH. So, it's really not in our control, right. If the business decides to appeal, we need to go through to—in front of the Administrative Tribunal, and try to prove our case, and ultimately a judge from OATH will decide whether we were right in issuing the—the violation or not. We—we issued or we conducted—

NICK ROZZA: [interposing] So—

COMMISSIONER SALAS: Oh.

NICK ROZZA: --we've--Council Member,
because you asked specifically about taking away
licenses or revoking licenses, I can tell you that
we--we had at least 45 licenses suspended last year 45
street line stand licenses suspended. We do about
1,900 inspections stoop line stands, and we did issue
over 800 violations to stoop line stand licenses last
year including over 260 in--in your borough. So, we
do take the complaints very seriously. I know that
I've been working with your staff on a couple of
specific places in Flushing on Main Street that had
cause problems, but I think it's important to
remember that our stoop line stands are only licensed
for particular types of products mostly food, and
flowers. So, we--so some of the congestion that
happens in--in those--in those types of streets is
related to--is related to things like sale of goods,
which is more of a general vending area, and that is
enforced typically by PD, and I think we've--we've
discussed that with your local precinct as well. So,
I think in terms of overall congestion, we're always
looking to work with the other agencies' health
licenses, food vendors. PD does a lot of the
enforcement. Sanitation enforces some of the--the

street use rules as well. So, I think it's really a multi-agency effort, but in terms of specifically the stoop line stands that we license, we take complaints very seriously. There isn't an automatic revocation of licenses. For example, if you get a certain number of violations, and the Commissioner mentioned, we not only have to go to OATH to have each individual violation sustained by an administrative law judge, we then also have to have that administrative law judge decide that we can revoke the license under the law. And in the case of stoop line stands, I don't have it off the top of my head, but it's multiple violations within a two-year period in order for us to have the authority to seek revocation of that license. That said, there are—it requires a landlord's consent to have a stoop line stand out in front of his store. And so we've had some success in cases where stores are cause big problems talking to the landlord, and informing them that—of the violations that we've issued, and sometimes consent will be withdrawn, which allows us to take back the license.

COUNCIL MEMBER KOO: Well, that's the problems, you know, because we are finger-pointing

1 all the time. You just mentioned sometimes it's the
2 Sanitation Department's job. Sometimes it's NYPD's
3 job. So, you creators keep pointing fingers at the
4 job right now. That's why we have this congestions
5 on Main Street for the last ten years. Nothing has
6 been improved. So, look at this, no? This is not--
7 one of the biggest problems that we see is from
8 pedestrians is no, they cannot walk. You know, they--
9 they have these conditions. This is like conditions
10 in the first place as I know in--in third-world
11 countries, you know. People use all the sidewalks to
12 sell stuff, and to--and they are more around there,
13 and--

14
15 NICK ROZZA: Uh-hm.

16 COUNCIL MEMBER KOO: --and I'll give this
17 to you, once after the meeting, but we had to pay
18 special attention. The reason why I get--I'm so--I'm
19 so adamant about this because we are Downtown
20 Flushing. You know, our sidewalks are really
21 important, you know, because we have thousands of
22 people walking on the sidewalks. We are one of the--
23 we are the second most busiest place in New York
24 City, and we don't want this like merchants to take
25 advantage of the heavy traffic and do everything

outside on the streets, on the sidewalk to sell, and—
and Consumer Affairs, or the HPD or not HPD, the NYPD
they are pointing fingers to each other. Oh, this is
not my job. This is the Consumer Affairs job. We
don't—we don't—we don't know if their license are
fake or not, right?

COMMISSIONER SALAS: Uh-hm.

COUNCIL MEMBER KOO: And then Sanitation
say oh this is Consumer Affairs' job, but I don't
know. So, that's why conditions like this persist
for like more than ten years.

COMMISSIONER SALAS: Yes. Uh-hm.

COUNCIL MEMBER KOO: And we're in one of
the most busy places in Downtown Flushing. You know
that is where the Long Island Railroad is where the
Train is, you know, and we have 22 buses. Like they
have bust stops on Main Street. One of these place,
and I look at this. [pause] This is the bus stop at
least on this one 41 Road and Main Street, and we
have so many like vehicle vendors here. I mean I
pointed at these at one time. This is a stretch of
rows. There are marked stoop lines. They have no-no
way to get a license.

NICK ROZZA: So, again, Council Member—

COUNCIL MEMBER KOO: [interposing] And
it's been like this for ten years.

NICK ROZZA: So, again, Council Member,
we--our jurisdiction is the--

COUNCIL MEMBER KOO: [interposing] For
more than ten years now.

COMMISSIONER SALAS: Uh-hm.

NICK ROZZA: Our--we know this is an
important issue for you, and for your constituents
and we've been out--I've been out there with you to
see those conditions but there is--it is true that
there are a number of agencies implicate here, and
we're always on the lookout for stoop line stands
specifically. I think in that--in terms of the
vendors on the street, we do know that a lot of--that
some of the vendors there are disabled veteran
general vendors. So, they are allowed to be in
restricted areas. The--now that said, I think that we
are all--we're all--really stand ready to work with
NYPD to help them understand what the laws and rules
are around general vendors, which is where we have--we
are the licensing entity, and we've extended that
hand to them before. We'll continue to do so, and we
will always work with you on specific stoop line

stand issues. So, if-if there is a license where they are exceeding the bounds, we want to know that. We've-we've gotten that information from you before. We'll send out an inspector and we'll issues those violations.

COUNCIL MEMBER KOO: So, so how many like enforcement agents do you guys have?

COMMISSIONER SALAS: Ho many enforcement agents? Um--

COUNCIL MEMBER KOO: Who are enforcing the stoop lines?

COMMISSIONER SALAS: Oh, well, our inspectors are not-other than the Tobacco Units, right, our sectors are patrolling and inspecting for different types of license requirements and-and laws. So, in Queens, we have seven inspectors that cover Queens, and they do a number of things in addition to--

COUNCIL MEMBER KOO: [interposing] So, how are they assigned? You know, is this complaint driven or how are they assigned?

COMMISSIONER SALAS: It's-it's both complaint driven, but we also schedule patrol inspections. So, the inspectors have routes that

1 they follow based on typically how many violations in
2 the past certain businesses have—have received. So,
3 we tend to go to areas where we see higher rates of
4 violations. But we will take your—the complaints.
5 We—I'll take the pictures from you today. You know
6 that I—I have come also to walk the street with you,
7 and I—I know what you're saying. I think that we
8 need to sit down and take a closer look at the work
9 that we've done in Flushing, and we should be able to
10 provide you with more detailed information on the
11 number of licenses that we've issued in—in Flushing,
12 and what is suspended and revoked, and continue to
13 think about a solution.

14
15 COUNCIL MEMBER KOO: Yeah, I—I know this
16 and you guys, you inspect the regular business a lot.
17 No, every year you go once or twice, and I think you
18 inspect their—their license and all the other stuff
19 or even their high stake (sic) goods, or expired
20 stuff.

21 COMMISSIONER SALAS: Uh-hm.

22 COUNCIL MEMBER KOO: But I'm disappointed
23 you don't like pay attention on the street vendors
24 that much. This is not the veterans. They are not
25 veterans. They are just a regular supermarket or

1 food stand. They extend their places especially after
2 5:00. They think, oh, after 5:00 there's no
3 enforcement, right?

4 COMMISSIONER SALAS: Uh-hm.

5 COUNCIL MEMBER KOO: They put everything
6 out on the street on the sidewalk. So, consumers and
7 the pedestrians have no place to walk. They have to
8 walk on the street, you know.

9 COMMISSIONER SALAS: Well, I'm committing
10 to the next inspection we will do it after 5:00, and
11 if you tell us there's a particular like day of the
12 week when you think it's worse, we'll come out and
13 take a look.

14 COUNCIL MEMBER KOO: So, so and then on-
15 on your agents, how many of these agents are multi-
16 lingual? Do they speak any other language if they
17 work in Queens?

18 COMMISSIONER SALAS: We do. We have
19 language capacity. I don't know that I have the
20 exact numbers of how many of our staff speak other
21 languages, but they also have access to-

22 NICK ROZZA: [interposing] Language Line.

23 COMMISSIONER SALAS: --Language Line.
24
25

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2 NICK ROZZA: Yeah, Council Member so when
3 our inspectors go out to a store, they have a card
4 with multiple languages indicated on the card, and
5 with the business owner if they prefer their
6 inspection to be conducted in a different language
7 other than English, they can point to it, and the
8 inspector will connect with Language Line telephonic
9 interpretation and conduct the inspection in that—in
10 a preferred language. In addition, we do have multi-
11 lingual enforcement staff as well as staff in other
12 units, and we can you a breakdown of that.

13 COUNCIL MEMBER KOO: Okay. So, one more
14 thing I want to touch on points to the—on the laundry
15 mats, right. The—in my area, you know, there are a
16 lot of laundries there. Laundries--

17 COMMISSIONER SALAS: Uh-hm.

18 COUNCIL MEMBER KOO: --and they have been
19 complaining to me about on the machines like that you
20 have the sort of like customer's address, but it's
21 that nobody want to give their address to them. So,
22 when a consumer does come to see their receipts, if
23 there's no address they fine them, you know for each
24 one. I think this is a very old regulation, and we--
25 we should change it.

COMMISSIONER SALAS: Yes.

COUNCIL MEMBER KOO: I mean it's right there on their cell phone--

COMMISSIONER SALAS: Yeah.

COUNCIL MEMBER KOO: --listed on the receipts.

COMMISSIONER SALAS: Yeah.

COUNCIL MEMBER KOO: That--this should be enough. Yeah.

CHAIRPERSON REYNOSO: Council Member, we-- we have heard that complaint as well, and I think-- I've actually had a conversation with your staff. That requirement is--is in the law, and I think that we would be amenable to having a discussion with you about how we--how we correct that fact, and we--how we reconcile the law with sort of the practices that are in place now that are easy for businesses to implement, but also still protective of consumers.

COMMISSIONER SALAS: But I would just also add that we have to accept the receipts that say, Did not want to provide address, right. So, if-- if, you know, the business still has to write something down, and make the effort to get the

address, but they can say, the Council Member refused to provide the address.

COUNCIL MEMBER KOO: So, they have to write down the law, the customer and the--?

COMMISSIONER SALAS: Refused to provide the address.

COUNCIL MEMBER KOO: Refused to provide address. Yeah, but it's too complicated you have to write the sentence, you know, on every receipt--

COMMISSIONER SALAS: [interposing] I understand.

COUNCIL MEMBER KOO: --and if you have 100 customers, you have--you have to write it down 100 times. So, I think maybe we have--we have to change the--the law, Mr. Chairman, yeah.

CHAIRPERSON ESPINAL: [off mic] Yes, absolutely.

COUNCIL MEMBER KOO: Yeah. Yeah, right? Yeah, and also on the same consumer subject, on the push carts they have on the--the laundry, but you have to put a sign there, and with addresses is the soap. The address has to be one--how is the regulation?

COMMISSIONER SALAS: That's yours.

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2 CASEY ADAMS: Yeah, I believe that's also
3 in the law, but it sounds like there are a couple of
4 things that we should follow up with you on to have
5 a-a more detailed conversation about what your
6 constituents are bringing to the table.

7 COUNCIL MEMBER KOO: Anyway, but the-the-

8 CASEY ADAMS: Yeah.

9 COUNCIL MEMBER KOO: --the requirement is
10 too big. You know, you-the carts are only this big
11 and then you have to pick which line. You know, it's
12 ridiculous. No.

13 CASEY ADAMS: Uh-hm. Council Member we
14 can-we can set up a meeting with you to discuss
15 specifically the issues that your-your laundry owner-
16 laundromat owner constituents have brought to you.
17 We're happy to do that. We know that there is sort
18 of a recent amendment to this, and that has brought
19 attention to the-the law. So, we're happy to discuss
20 that with you.

21 COMMISSIONER SALAS: But really, that's
22 part of the Laundry Licensing Law.

23 CASEY ADAMS: Right, yes.

24 COUNCIL MEMBER KOO: Okay, yeah, thank
25 you, yeah.

COMMISSIONER SALAS: Okay.

CHAIRPERSON ESPINAL: Brad.

COUNCIL MEMBER LANDER: Thank you, Mr.

Chair. Commissioner, it's good to see you here.

Thank you as always for the work that DCA is doing,

which continues to be just like a—I feel like you

guys are like under-appreciated heroes in New York

City these days with the work that you're doing for

student—on student loan debt, on consumer protection

and through the Office of Labor and Policy Standards.

It's really remarkable what's going on. I think it's

hard for people to appreciate because it's kind of so

sprawling and your name still doesn't match really

the—the work that you do. So, I thank you for doing

it, and I really value the breadth of that work, but

you know, my—my favorite is in the Office of Labor

and Policy Standards. So, I want to ask a little

about that. You know, because that is a newer unit,

it—it's harder to find in the Mayor's Management

Report and in the Budget so, and we actually spoke

about this. Maybe it was even at last year's hearing

about developing a better way to really like see and

understand the outcomes of, understand the resources

for that work, but so far I can't really find it

1
2 either in the MMR or in the Budget. So, what, you
3 know, what can you tell me about OLPS and the
4 resource it—it needs since we keep giving it more and
5 more work to do, and how it is being grown to—to
6 achieve its, you know, achieve its mission, and where
7 we're tracking its outcomes--

8 COMMISSIONER SALAS: Right/

9 COUNCIL MEMBER LANDER: --in ways that we
10 cannot understand what we're getting for that money,
11 which I know is a lot, but I think isn't yet showing
12 up in the ways that would help us in the Budget
13 process.

14 COMMISSIONER SALAS: Yes and thank you.
15 Thank you for all your support throughout the years.
16 I know you have been champion as many of the Council
17 Members here, too. So, I need a number the number of
18 staff.

19 NICK ROZZA: Uh-hm.

20 COMMISSIONER SALAS: So, let me just tell
21 you a couple of things. You are right that not all or
22 the laws right now have metrics in the—in the MMR
23 Report, right. The Paid Safe and Sick Leave Law is
24 there, but not the most recent laws. So, I would say,
25 though, that we tried to include some of the progress

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on our enforcement in the narrative. We also at this point have—we published—I don't know. I we published like five reports last year with the—like the state of Workers Rights Report, a report just on freelancers and, you know, all the numbers are there.

COUNCIL MEMBER LANDER: But believe me, this is not a—like are you doing the work? It's just how do we make that work visible--

COMMISSIONER SALAS: Yes

COUNCIL MEMBER LANDER: --visible in the budget process so that we can make sure you have the resources necessary to do it, and we understand what those resources are—are paying.

COMMISSIONER SALAS: I will definitely see if Nick has anything to add, but I would say to you right now there are 45 positions in OFES, 38 are active positions and all that—that remain in vacancies, seven of them are posted. Right.

NICK ROZZA: Right.

COMMISSIONER SALAS: Now we're going through a realignment process.

NICK ROZZA: Yeah. So the seven vacancies are posted and we do have some selected candidates for most of the seven. So, only about two or three

are remaining that are—have not have selected candidates. So, we do see that in the near future it should be fully staffed.

COUNCIL MEMBER LANDER: And what's the projected head count for the budget that we're reviewing? Is it that same 45?

COMMISSIONER SALAS: And so, right now it's steady at 45. I was just explaining earlier that we recognize that many of the Mayor's proposals in the State of the City Address will require some legislative action, but we're still working on that. So, it really depends on what pay personal time and stop looking, right. Then we'll have to figure out where resources are needed for that, and we will work closely with OMB to make sure we haven't.

COUNCIL MEMBER LANDER: And—and this where I'll just get a little more transparent. Like we're going through a PEG Analysis on the one, you know, we need to be doing that, but I don't want it to happen that resources are cut here when we know there's going to be big new need for paid personal time, but also I want to make sure there's enough, you know, personnel to enforce the Freelancers and Free Act, and our Fair Work Week, you know, laws for

fast food and retail workers. So, I guess, you know what I--on those two things in particular on--on Fair Work Week, and Freelancers and Free, are there--do you have now that you can give me or can you follow up to give me some more recent data on tracking outcomes--

COMMISSIONER SALAS: Yes.

COUNCIL MEMBER LANDER: --enforcement. I know you did a report at the end of the first year of Freelances and Free, but I assume there have been a lot more, you know, kind action since then.

COMMISSIONER SALAS: Yes.

COUNCIL MEMBER LANDER: You know, that's partly to feel good about the work that's getting done, and partly to be able to for us to make the case internally that this is one thing we want to make sure we're--we're at least preserving and preferably growing resources for, but not letting be subject to--to cuts.

COMMISSIONER SALAS: And let me just say that the Freelancers is proactive and a huge success and really we've served over 788 freelancers who had complains for owed wages. Where like nearing a million dollars in restitution. So, that's a lot of

money in the pockets of people who wouldn't have had it without these resources. So, it's been--

COUNCIL MEMBER LANDER: [interposing]

Yeah.

COMMISSIONER SALAS: --really fantastic.

We have people from like—we have used outlets from either the immigrant calling us to talk about this work. I mean it's a credit to your—your work and your efforts to get this in the books, but it's been really fantastic and we do have—it—it served the kind of work that that is not as resource intensive, but you really have a lot of—a great return for the work done.

COUNCIL MEMBER LANDER: Right. Well, and we would like—I'd like—I'd love it if we do more outreach because I think we know that the set of people who are most likely to know about this Freelancers and Free Act are freelancers who might have more access to information and be more white collar professional freelancers, but all these independent workers who might we know be having their wages stolen. So, you know, if—if we had more resources we could do more outreach, we could provide more restitution.

COMMISSIONER SALAS: Absolutely, and the Administration has given us a one-time like allocation of funding. So, very soon in the next maybe month or even less than that you are going to see our—our campaign on—on, you know, how workers can reach us and it's going to—it's going to be fantastic, but we are being very strategic about targeting the areas, neighborhoods where we know we need to see more freelancers come forward.

CASEY ADAMS: And Council Member, we also have, as the Commissioner mentioned the State of Workers Rights Report, which actually breaks down the outcomes by law. So, you'll be able to see what the outcomes were for a Fair Work Week for example and for freelancers, and I think that that would really help you to understand.

COUNCIL MEMBER LANDER: And when would—I might have missed the most recent report. When did that come out?

CASEY ADAMS: It came out recently. I don't have an exact date, but we're happy to provide it for you.

COUNCIL MEMBER LADNER:

CASEY ADAMS:

COUNCIL MEMBER LADNER: Or that supplement. Sorry. Well, I can get it. I mean I'll take one, but, you know, I can get it online so that is fine. Let me just suggest again, which I think-- so that's great. I will take a look at that. I will use that internally to make sure we're keeping resources strong here for the future and let me just suggest again that you do what's necessary to integrate those outcomes since you're tracking them anyway into the--

COMMISSIONER SALAS: Yes.

COUNCIL MEMBER LADNER: --MMR and the-and the budget work so we can keep track of everything. (sic)

COMMISSIONER SALAS: I would just that certainly we had started the discussions with the Mayor's Office of Operations, and as you are aware, we had a couple of lawsuits challenging our authority in the last year. So, we didn't know where we would land. So, we're going to restart those conversations.

COUNCIL MEMBER LADNER: Wonderful. Thank you very much. Thank you, Mr. Chair.

CHAIRPERSON ESPINAL: Questions? Good?

Alright, well thank you--thank--yes. Council Member Chinn.

COUNCIL MEMBER CHIN: Thank you, Chair.

Thank you Commissioner--

COMMISSIONER SALAS: Hi.

COUNCIL MEMBER CHIN: --and thank you for all the great work that your agency does. I wanted to follow up with some of the issue in terms of education, you know, for the general public, but also for small businesses who go to Department of Consumer Affairs to get licenses. How many staff do you allocate to really focus on doing education and outreach?

COMMISSIONER SALAS: Uh-hm. So, I have a couple of different answers for that. We have an Outreach Team within the Department of Consumer Affairs, right. If you want to focus on business education, I can give you the--the numbers for that, but for our average team we have close--

NICK ROZZA: I think there are five people.

COMMISSIONER SALAS: Five people who speak the same languages who do outreach for both

1 consumers, workers and businesses. We have also a
2 team of Visiting Inspector Program inspectors, and
3 they are just dedicated to go and meeting with
4 business owners that are obtaining licenses from DCA.
5 So that's been—I think I spoke about this last year.
6 It's a new program where the moment that you apply
7 for a license for the first time and you get a
8 license from us, you get your license and also a call
9 to—to, you know, basically what—for us to come into
10 your business. And so that the first thing that you
11 see from us is not just that we're coming into
12 enforce, but we're coming into really just educate
13 you on all of the laws that we enforce, and we spend
14 a lot of time in each business. We make sure that we
15 answered all the questions. There are no fines.
16 There's nothing and the goal is really to get people
17 started on the right foot with the right tools.

18
19 COUNCIL MEMBER CHIN: How many of the--

20 COMMISSIONER SALAS: [interposing] There's
21 three inspectors in that—in that group. Now, they
22 are—our most recent and most experienced inspectors
23 so they're really good at their jobs. They also
24 speak different languages, but I would say that we—
25 beyond the—that work, right, we do a lot of work with

Council Members and we coordinate business education days. So, that's an effort where we actually bring in an entire team of people, and they're not just outreach people, but they are just inspectors and people from other programs, and we've done--I believe we did last year 14.

NICK ROZZA: We did 14. Yes.

COMMISSIONER SALAS: 14 business education days, and we take commercial corridors after talking to Council Members who advise us as to where the need is. You know, we do again, we just did anywhere from 70 to 100 businesses or more, and we just go door to door bringing information for business owners. Again, those days they are no fines issued. It's just all education. We also have started doing business roundtables where it's a more like intimate group of people, and I'm happy--I will be happy to work with you. I go to those roundtables because I want business owners to see us as approachable and as willing partners in helping them to be in compliance with the laws. So, I'm happy to--to coordinate something with your office.

CASEY ADAMS: Yes.

COUNCIL MEMBER CHIN: It doesn't—doesn't seem like you have enough staff support because like even like for a business applying for a license, three for the whole city. It's a lot of area to cover, and then like outreach you only have five. Because the work that you do is so critical because especially in immigrant communities where there's a lot of new businesses, they need a lot of help. And relating to what Council Member Koo was talking about, it's that some of it is—it has to be regular I wouldn't say enforcement, but just like regular check up and regular so that people don't feel like oh, they can get away with things.

COMMISSIONER SALAS: Uh-hm.

COUNCIL MEMBER CHIN: And with the stoop line, I have the same problem in my district in Chinatown, and I think that is it possible when someone comes and apply for a stoop line stand, they can only extend out what? Three feet, right?

CASEY ADAMS: It's actually slightly larger than that. So, three feet is the—the-what you're referring to I think is the Three-Foot Rule, which is where business owners can put goods out in front of their store without a license from DCA.

1 The-the stoop line—a business has to come to DCA if
2 they want to extend further than that. So, typically
3 it will be four feet, but in specified cases under
4 the law it's five feet.

6 COUNCIL MEMBER CHIN: So, how do you—you
7 judge that based on the width of the sidewalk I
8 assume?

9 CASEY ADAMS: Yeah, that's part of the
10 equation, yeah.

11 COUNCIL MEMBER CHIN: So, is there a way
12 that—that DCA—see it—there's got to be a way for
13 people if they put it for three feet. They have to
14 get some permission on license of the DCA because
15 they never—they don't get a license, you know,
16 without the receipt.

17 COMMISSIONER SALAS: Uh-hm.

18 COUNCIL MEMBER CHIN: What-what I'm
19 looking at is that if there's a way to that DCA can
20 actually paint the line, you know, saying that this
21 is what's allowable if you are applying for a soup
22 line stand or if you are doing—extending your
23 businesses. Because what's happening is a lot of the
24 owner of the business itself they rent out that
25 space, and they charge a lot of money to other

businesses, and that's been going on for years and years. But there is no guideline. What I'm looking at is if DCA can come out and just put down the green tape. Like you can't go beyond this line, and that would help enforce the NYPD and everything because right now every time that enforcement comes, it's just like a big to-do when you have Sanitation come and they take everything, and they throw it into the garbage truck, and it just creates havoc and people in the community are not upset. No, they're upset and say why is the city doing this? But meanwhile on a daily basis if there's a way to let people know this is how far you can go, and if you go beyond that, you're violating the law.

NICK ROZZA: So, the--

COUNCIL MEMBER CHIN: --and so the police officer come by or DCA inspector come by, they know that hey--

CASEY ADAMS: Uh-hm.

COUNCIL MEMBER CHIN: -- this is a violation.

CASEY ADAMS: So, I think there are a couple of things there. The first thing is the--the Three-Foot Rule is not something that we're the

primary enforcer for. It's actually Sanitation typically. So, if you have—you go any further than that, they can issue you a violation for the Three-Foot Rule the same as if they were issuing you a violation for the—for an A-frame sign. Obviously, I can't speak for them, but I'm just speaking from experience when we've gone out on these walks, but for example, your office of Council Member Koo's office, the—the IP Program that the Commissioner was mentioning, if someone applies for a Stoop Line Stand License, they get it. A senior inspector comes out. They will look at that stand and they will tell that business you're too far out, and the next time I come back here, if it's still this far out, I will have to issue you a violation, and that will help that business come into compliance. But our—our Stoop Line Stand License only comes into play when someone is—trying to get that extra space. Otherwise, it's—it involves other agencies, and I think that's part of the challenge that you and Council Member Koo are identifying, and so to the extent that our authority is involved here, we're—we're happy to meet with you, look at problems in your community, and think about creative ways that we can—that we can start solving

it, but I think the VIP program does start that process because if someone gets a DCA license and they decide I'm going to put out six-foot stand, when our inspector comes they will know that, and not only will the business be informed that they have to make a change, the—our Enforcement Division will be aware that that problem was identified.

COUNCIL MEMBER CHIN: Yeah, I think what Council Member Koo and I maybe with the Chair we should really look at changes in legislation. I mean this is so antiquated with so many different departments, you know, it just doesn't make sense and our sidewalks are so crowded that, and especially like in Lower Manhattan the sidewalks are so narrow. Like you just don't have the space, but people are taking advantage and they're renting out those space for a lot of money, and then they don't follow the rules.

CASEY ADAMS: And—and that specifically, Council Member where a business rents out the space in front of their store to someone else to operate a stand. That is prohibited by the law already. So, if that—if you are aware that that's happening, I'd encourage you to come and—and report that to us so

that we can go and take a look at that. Stores are not allowed to, you know, rent a storefront and then charge their neighbor rent to put a stand in front of that store.

COUNCIL MEMBER CHIN: Yeah, I think if you have a store that sells hardware stuff, and then in front of it sells fruits and vegetables--

CASEY ADAMS: Right.

COUNCIL MEMBER CHIN: [laughs]

CASEY ADAMS: So, we want to know about those, and--and we want to work with you. I want to go back though really quickly up to--to outreach because we do have as the Commissioner mentioned a dedicated Outreach Unit of five people, but also other divisions have staff that engage in outreach. So, a good example of this is the Office of Labor Policy and Standards that last year conducted 430 outreach events on its own in addition to the general outreach that we do, and overall we held 913 events the last year, and those include things like tabling presentations to the community, days of action. You'll see in the--also in the PMMR I believe our number is currently for Fiscal Year was over 18,000, which is a high in--in--in recent years and actually an

improvement of about 5,000 over the previous Fiscal year. So, we're very proud of the outreach work that we're able to do with the staff we have, and it's not just in that outreach team. They partner with outreach staff and other divisions as well.

COUNCIL MEMBER CHIN: Yeah, and I—I do want to continue to see more outreach and education in terms of all the, you know, the laws that we have passed were basically--

CASEY ADAMS: [interposing] Absolutely.

COUNCIL MEMBER CHIN: --and making sure that workers are—are taking, you know, taking these benefits and not being harassed by an employer, and if they are, that they know that they can come to the department and file complaints and things like that. So, I think those kind of education work needs to really continue.

COMMISSIONER SALAS: And we welcome your ideas and suggestions for where else we should be going especially in your district, let us know. Thank you.

COUNCIL MEMBER CHIN: Thank you, Commissioner. Thank you, Chair.

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2 CHAIRPERSON ESPINAL: Thank you Council
3 Member. With that said, I'd like to call up the next
4 panel. Thank you for your testimony.

5 COMMISSIONER SALAS: Thank you. Thank you
6 so much, Council Member.

7 CHAIRPERSON ESPINAL: [pause] Next we
8 have Nadia Marin Molina from the National Day Labor
9 Organize—Organizing Network. Christian
10 Zimeratnium, (sp?), Lewis Corez—Cortez, Alexis Bass,
11 [background comments/pause] Yeah, you may have a
12 seat and you can begin. Anyone can begin. Just
13 state your name for the record.

14 NADIA MARIN MOLINA: [off mic] Hi. This
15 is Nadia Marin Molina from the Nation Day Labor
16 Organizing Network. [background comments] [on mic]
17 Hi. Nadia Marin Molina from the National Day Labor
18 Organizing Network. Start? So thank you for giving
19 us the opportunity to give testimony today on behalf
20 of the New York City Day Labor Workforce Initiative.
21 We'd like to provide some background information on
22 day laborers in New York, a national perspective on
23 the current context and an overview of the Day Labor
24 Workforce Initiative. Day laborers, first we're
25 talking about workers who are hired by the day with

no guarantee of future work. They are providing an essential service in the U.S. Labor Market in general, generally working in construction, landscaping domestic work and home improvement, and I've also taken a--an important role into that sort of relief. (sic) Meanwhile, Day laborers are also vulnerable to workplace injuries, wage theft and difficult working conditions, and face all these challenges in a national context where the rights of immigrants and workers are under constant attack. As you know, our workers at this point are deportation priorities. If they're undocumented for the federal government and programs like DACA and TPS has been terminated--are being terminated--are I the process of being terminated. Why are the conditions of day laborers important for workers here in New York City and why are they important to New York City because when unscrupulous contractors see that that day laborers are exploited, and there isn't a response, then they will continue to do this, and they continue to graduate and move on to more and more workers, and continue to take the same action. When one worker comes to the United States, and finds that his first job here is a job where his rights are not respected,

and where he's working in really difficult working conditions. Every job he goes to after that, he's going to expect will be more or less the same. On the other hand, the Day Labor Centers, which are going to testify today are an important and effective form of grassroots workers' rights enforcement. Employers know that a worker is not alone and just this has reduced the incidents of wage theft, which usually out on the street corner we've documented that about 50% of workers find that—that have been a victim of wage theft in the past two years at Day Labor Center like the ones that the city has been supporting that is reduced to a very minimal amount. The Day Labor Centers, there are six Day Labor Centers in five boroughs, and they provide job referral, wage theft legal clinics, Know Your Rights Trainings, referrals to critical services in workforce development, and the Day Labor Workforce Initiative has demonstrated incredible success. There are now six Day Labor Centers in New York City and there were only three when the initiative began, and now they're dispatching more jobs than they ever have, close to 1,800 jobs were dispatched just in the last Fiscal Year. They're providing skills

training in painting, sheetrock, carpentry, et
cetera, and they've held a lot of workshops and done
education and collaboration with OLPS, whose, you
know, giving testimony today with the Department of
Small Business Services working closely with the
Human Resources Commission, the District Attorneys'
Offices in the various boroughs and state agencies as
well as well a way to make sure that workers are—are
getting their rights enforced. There's still much
more to do. In the coming years, the Day Labors—in
the coming years the Day Labor Workforce Initiative
is going to focus on its role in emergency response
and disaster preparedness because day laborers always
end up being called upon, and for example, after
Hurricane Sandy. It happened here in New York, and
in building the leadership of women day laborers who
are looking for good jobs just like men out on the
corners in construction, but in construction and also
in-house cleaning as well. Nationwide other-other
centers in other areas are looking at New York as a
model, and a beacon of hope and of-of what can be
done, and so we're -we're here to thank you for the
support so far and also to ask that we commit to
continuing the expansion and development of the Day

Labor Centers, continuing the Day Labor Workforce Initiative with funding in the budget this year, the Funding Proposal is for \$3.6 million in Fiscal Year 2020. Thank you for the opportunity to testify.

CHRISTIAN: [coughs] My name is Christian. I am from La Colmena (sp?) I am going to read their testimony on behalf of my Executive Director. He prepared this but he's out of the country at the moment. So, thank you for the opportunity to give this testimony on behalf of La Colmena in support of the New York City Day Labor Workforce Initiative for Fiscal Year 20. La Colmena is a community based organization and worker center based on Staten Island with the mission to empower the immigrant community through Education, culture and economic development. In Staten Island and—and every other work center wage theft and workplace accidents continue to happen disproportionately to day laborer workforce on Staten Island. They face unique challenges particularly after the last presidential election where we have seen an uptick in report of harassment and discrimination adding to the already precarious nature of the industry. Thanks to the Day Labor Workforce Initiative, we have been able

to pen a safe space for day laborers where they can access dignified jobs, critical training and occupational health and safety, Know Your Rights and referrals to legal and other critical services. They have a space to protect themselves from unscrupulous employers and access to basic needs such as restrooms and protection from the elements and extreme heat in the summer and harsh winters because workforce day laborers are primarily—the share the space of corners waiting for jobs throughout the day. They also have a space to discuss their issues and articulate correction solutions based on the values of solidarity and economic democracy. We ask that New York City continue to be a bold leader in protecting one of the most vulnerable workers in our city, and commit to support the continued expansion and development of day labor centers by continuing the late—the Day Labor Workforce Initiative with funding of \$3.6 in Fiscal Year 2020. Thank you for the opportunity to testify. We look forward to working together with you to improve the lives of day laborers and all workers in New York City. Thank you.

ALEXIS PAZ: Hi. My name is Alexis Paz (sic) and I'm here on behalf of New Immigrant Community Empowerment. I'm here in support of the Day Labor Workforce Initiative. I hope that by saying my story as employee at night working directly with some of the most vulnerable workers in our city, you get a sense of the work that we do, and the need to continue supporting and protecting the day laborers in New York. For me especially working at NICE is more than just a job. The problems our members face are the same ones that my family faced when we first came here. I belong to the Border Protect Community an indigenous group from South Central Mexico, and that's another indigenous group in Mexico. We face a lot of discrimination, and economic hardship. So, like many of our members, my family had to come to the U.S. because we didn't have any opportunities in Mexico. There are no jobs in the countryside. So, unfortunately we found ourselves facing some of the same discrimination and abuse that we experienced back in our country. At NICE we would see people from all over Latin America. When our members first come to our centers, they come with complaints about employment agencies, notariats, Lawyers, employer who

are not—who are not paying them. So, and everything—
all of this happens because of the lack of
information when they first come in, and—and also
because they don't know their rights. So, also this
Know Your Rights Immigrants have a higher need to
find work, and often times the end up taking jobs
where wages and health and safety conditions are bad.
Also, many of—many of them just like my family they
come places where they survived with \$5.00, \$7.00 a
day. So, a lot of time they don't even understand or
they don't even know that they are being exploited, a
and even if they understand that their rights have
been violated, they think that there is nothing they
can do, and that this is the price that they have to
pay for being immigrants. You know, it's also
because back home our government institutions they're
not there for us. So, a lot of times they think that
nothing can be done. Through my time at NICE I've
seen an increase of with their cases every month.
When I started there I saw between 15 to 20 cases
every month, and now we're seeing close to 40, 45
cases every month. In the past year we conducted
intakes for more than 300 different cases of wage
theft, and our members have reported that amount of

more than \$600,000 that—that is owed to them. So, at NICE we engage in this wage theft process from like we make negotiation calls with the employer. We try to ask them why are you not paying our workers or our members. So often times we're able to collect the money there, but in many other situations it's really complicated to recover these wages. So, we also screen our members for discrimination, Workers Compensation and DACA, Health and Safety—safety cases, but the sad reality is that although these workers are taking a step forward to report their cases, it takes too long to recover the wages through the city or state agencies. So, that's even if they recover the wage because for most of the cases that I've seen, a lot of them they are still pending cases there with the Department of Labor. They are—in case they have sick leave complaints there at the Department of Consumer Affairs, and it just takes so many years to recover the wage. So, a lot of times the—that to really encourage our members to file a report but we really try to emphasize to them when they comment why this is a problem. So, through that we have established really strong relationships with our members. So when they come in—so they're the

ones that are encouraging other co-workers to report these bad actors because they know that this is a systematic problem even that it takes years to recover these wages. It's also a way to fine these bad actors and—and it's a way for us to tell our members, Oh, be careful with this employer. So, we try to let them know that when they report the case, they're not only trying to recover their wages, but they're also protecting other co-workers from suffering or being a victim of wage theft. So, in addition to continued services, we have some systematic solutions. We need to put a stop to bad actor employers who abusing our members. While these actors continue to operate without any consequences our members struggle to keep up with rent or other basic needs. We need to make sure that these bad actors are aware that what they're doing has consequences. This can be done by suspending or revoking the construction licenses of these bad actors so that they can't continue operating as usual. I encourage the City Council to hold construction contractors accountable by revoking or suspending their licenses for failing to pay wages and keeping unsafe conditions. I thank you for

making this work possible, and as that the City Council continues to support this critical work to empower the day labor community and my community. Thank you.

LUIZ CORTEZ: Good morning, Committee Members. My name is Luiz Cortez. I'm the Worker Center Director of the Northern Manhattan Coalition for Immigrant Rights, an organization that for over 35 years has been providing high quality trust with the immigration related legal services to the immigrant community. NMCIR is a non-profit organization funded in 1982 to educate, defend and protect the rights of immigrants through direct services, civil engagement, community organizing advocacy. The Worker Center grew out of our community services and we are created a new space for workers looking for better jobs opportunities in a safe and possible place to receive a variety of training. We are part of the coalition that makes up the Day Labor Workforce Initiative. The initiative partners include work Workers Justice Project in Brooklyn, New Immigration community, immigrant community empower-empowerment in Queens, Staten Island, Community Job Center and Catholic Charities

Archdioceses of New York and the Bronx of which whom have a long history of engage-engaging-engaging immigrant communities and working with day laborers in all five boroughs. We are thankful for the support that City Council provided that initiative in Fiscal Year 19, and urge the Council to invest \$3.6 million in the Day Labor Workforce Initiative for the next Fiscal Year. The Day Labor Workforce Development Initiative came together to address the needs of these underserved populations, services that are even more essential now than ever before. As members of the city's informal workforce, day laborers experience rampant wage theft, pervasive construction accidents, workforce hazards, lack of access to Workforce Development training and lack of infrastruc-infrastructure. The Initiative's role is to address these issues by linking day laborers to vital services providing trainings on workforce safety and legal rights, address wage theft, providing access to jobs and most importantly, creating safe and dignified spaces for day laborers to congregate as they search for gainful work. New York City has the potential to lead the nation in the fight for the-for day laborer rights. I'm here to

1 speak on behalf of more than 2,000 workers who have
2 reached out to us in the last year looking for work,
3 asking about our ongoing OSHA Training Workshops and
4 calling to report wage theft. Many immigrant workers
5 have a lot work experience in their countries of
6 origin, but because of various barriers—various
7 barriers including language may be working in a
8 different or struggling to find work. I would like
9 to draw you attention to this quote from the New York
10 City Department of Small Business Services about
11 immigrant communities. Foreign born New Yorkers face
12 unique challenges in connecting to living wage
13 employment, and are often over-employed but—or near
14 the threat for—for poverty in New York City. This is
15 the reality of thousand today. They want to work,
16 they want to learn new skills. They want to be
17 trained. What we do the Northern Manhattan Coalition
18 providing is a workers center opening its doors
19 offering respect, dignity, community and a real
20 possibility of bringing money home to pay rent and
21 put food on the table. This is also an anti-poverty
22 measure that brings economic health to individuals
23 and to neighborhoods. This is why we are providing
24 the space for organizing and providing opportunities
25

for workers to build power together. This space also removes workers from the parallas (sic) and they are not affected by adverse weather and abuses in the streets. With our job dispatching process, our goal is to increase wages, hold employers accountable, reduce the likelihood of employer abuse and increased safety. Through and against enhancement to 3.6 millions in the Fiscal Year 20 a total of six Day Labor centers will operate in New York—in New York City by the end of the Fiscal Year 20. We will engage services to provide more construction safety and skilled trainings, immigrations and Know Your Rights workshops and referrals to other organizations free legal services. The Initiative will also train and equip day laborers to safety, and strategically respond to when a natural disaster strikes the city by aiding the city and its residents in the cleanup and reconstruction. We are poised to take major steps in addressing the needs to the-day labor in Fiscal Year 20, and we need to continue supporting of the City Council to make these plans a reality. We thank the City Council for this opportunity to testify. We hope that you will consider our budget priorities and recommendations

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during this year's budget negotiation process, look forward to continue working closely with you to ensure that hard working individuals and families have opportunities to achieve economic advancement can create shared prosperity for all New Yorkers.

[pause]

MARGARITA ARANA: [off mic] Buenos dias Rafael Espinal. [on mic] [Speaking Spanish] Margarita Arana. [Speaking Spanish]

TRANSLATOR: The testimony is in English and Spanish if you--is it okay to that she's doing it in Spanish or do you want me to translate into English?

CHAIRPERSON ESPINAL: [off mic] We're fine with that. (sic)

TRANSLATOR: In Spanish is okay.

MARGARITA ARANA: [Speaking Spanish] Muchas gracias.

CHAIRPERSON ESPINAL: Gracias. Are you going to translate that and do you mind giving us a two-minute summary just for the interest of time.

TRANSLATOR: Sure.

CHAIRPERSON ESPINAL: Thank you.

TRANSLATOR: Do you have the full translation--

CHAIRPERSON ESPINAL: Yeah, we do.

TRANSLATOR: --and coalition fee (sic) and--?

CHAIRPERSON ESPINAL: Yeah.

TRANSLATOR: But I'm going to just take some of the more important points. My name is Margarita Arana. I'm the mother of a beautiful one-year-old baby name Zoey and a construction worker and a member of Worker Justice Project. Thank you for the opportunity to testify. I want to share with my experience in this country. I thought I had to accept the bad conditions on the job, unjust salaries and let people take advantage of me. I've done different kinds of jobs removing snow, cleaning houses, working in a bakery, and I entered the construction industry to be able to make ends meet. Sometimes my boss would not provide me with personal protective equipment for unsafe jobs, but I argued for better conditions. I began to look for information or a place that could advise on my rights, and that's when I found out about the Workers Justice Project. At the Workers Justice Project I got

1 answers to many questions, and that I had asked
2 myself since I arrived in this country. I'm here to
3 request your support to invest \$3.6 million in the
4 Day Labor Centers and to support immigrant workers
5 and day laborers. It's my second home. It is here
6 that I found the support I need to take care of my
7 family and learned to defend labor rights. I was
8 able to learn new skills, know how to negotiate fair
9 wages like \$20 an hour, and know that my immigration
10 status does not matter when it comes to reclaiming
11 respect and rights as human beings. We've had
12 workshops on preventing wage theft, improving health
13 and safety conditions and construction. We need our
14 centers more than ever, and we see the opportunity to
15 collaborate with your committee and the Consumer
16 Affairs Agency to make contractors comply. Those
17 businesses that do not comply with labor laws should
18 not be allowed to operate in the city. Business
19 licenses should be revoked if a business is violating
20 workers rights or stealing wages from workers. I
21 request your support so we can continue to provide
22 free OSHA 30 trainings in Spanish. In the last seven
23 months we've trained 811 workers, and we have waiting
24 list of 400 workers that are waiting for a class, but
25

we don't have resources. We hope you will continue to consider the Day Labor Centers and support during this budget negotiation season.

CHAIRPERSON ESPINAL: Thank you. Are there any questions? [off mic] And Margaret has one.

COUNCIL MEMBER CHIN: And thank you so much for testifying because I remember the start of fighting for the Day Labor Center, and to really see the success that's happening is really gratifying, and I think the City Council we will continue our support because you're doing such great work. Thank you.

CHAIRPERSON ESPINAL: Yeah, it's great to hear about all the great work that the centers are doing. I guess my-my-just my one question is what-what was the funding the previous year?

MALE SPEAKER: \$1.9 million.

CHAIRPERSON ESPINAL: \$1.9. So, you're asking an increase of \$3.6 to-to expand your work around the five boroughs. [background comments] Okay. Alright. Great. Well thank you for enlightening me and-and showing me all the great work you do. This is-it's good hear how the program is working, and I appreciate all of you being here to testify. Thank

you. [background comments] With that said, This
meeting, the budget meeting hearing has been
adjourned, and we expect to be back in May or June
for the Executive in May. So, we'll be back then to-
to see any of the updates from the agency. That
said, this meeting is adjourned. [gavel]

C E R T I F I C A T E

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



Date April 16, 2019