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6	COMMITTEE ON CONSUMER AFFAIRS AND		
7	BUSIINESS LICENSING		
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12	HELD AT: Comm	ittee Room - City Hall	
13	BEFORE: Rafa	el L. Espinal, Jr., rperson	
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15	COUNCIL MEMBERS: Just	in L. Brannan	
16		garet S. Chin er A. Koo	
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1	COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS LICENSING 2
2	APPEARANCES
3	Lorelei Salas
4	Commissioner for the Department of Consumer Affairs, Consumer and Worker Protection
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6	Michael Tiger Deputy General Counsel for the Department of
7	Consumer Affairs
8	Carlos Hernandez
9	A griller at Chipotle in Manhattan
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CHAIRPERSON ESPINAL: [GAVEL] Good afternoon, my name is Rafael Espinal; I am the Chair of the Committee on Consumer Affairs and Business Licensing. I am joined today by members of the public. So, you will be hearing feedback on two bills that have been introduced by the request of the Mayor, Intro. No. bill 1609 sponsored by Council Member Torres in relation to changing the name of the Department of Consumer Affairs to Department of Consumer and Worker Protection. And Intro. bill No. 1622 sponsored by myself in relation to remedying fraudulent, deceptive and unconscionable business practices.

The Department of Consumer Affairs was first codified as an agency by legislation passed in 1969. Since that time, the Department has acted as a vital advocate for New York City's consumers.

As Chair of the Committee, responsible for overseeing the Department, I have been pleased with the different initiatives that the Council and the Department have been able to implement together to strengthen protections for New Yorkers.

In this session for example, we have been able to tighten the regulations of the site seeing bus industry by imposing stricter requirements on the

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qualifications of bus drivers and limiting site seeing bus routes and stops. We have also enacted legislation to require clearer disclosures by bail bond agents who for far too long have been charging misleading and illegal fees of people in their moment of emotional stress.

Since the passage of Local Law 104 of 2015, which established the Office of Labor and Policy Standards, DCA has seen it's mandate broaden substantially. In addition to licensing and educating businesses under applications and protecting consumers, DCA is now also responsible for overseeing the city labor laws.

It is encouraging to see the success the department has already gained in securing restitution for workers who employers have violated laws, such as the Paid Safe and Sick Leave and the Freelance Isn't Free Act. Intro. 1609 which seeks to change the departments name to Department of Consumer and Worker Protection, reflects this new focus.

We are hopeful that with this recognition the newly named department will be able to dedicate its resources to protect the rights of New York City's workers, while of course still performing its role as the advocate for the city's consumers.

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Updating the Departments ability to remedy the accepted business practices is also an important and timely change, which is why we are seeking feedback today on Intro. 1622. The civil penalties of the consumer protection law have not been updated since 1969. So, it's vital that we bring DCA's enforcement powers into the 21st Century. If enacted, Intro. 1622 would increase fines from between \$50 and \$350 to between \$350 and \$2,500. This should help to prevent businesses from simply absorbing their fines or violations into their cost of doing business.

Finally, the bill also addresses changes in modern day trading by updating the deceptive trade practices provision to consider online practices, as well as penalizing a business if it fails to provide translations of documents for transactions not primarily negotiated in English.

We look forward to hearing feedback on these bills today and working with the administration to strengthen the rights of consumers and workers.

I would like to call up the first panel, which we have the Commissioner Lorelei Salas and we have Mike Tiger as well, from both from the Department of Consumer Affairs and Worker Protection.

2 COUNCIL CLERK: Please raise your right hands.

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?

PANEL: Yes, I do.

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COUNCIL CLERK: Thank you.

CHAIRPERSON ESPINAL: Thank you. Feel free to begin whenever you can.

Members of the Committee on Consumer Affairs and
Business Licensing. I am Lorelei Salas; Commissioner
for the Department of Consumer Affairs, Consumer and
Worker Protection and it's my pleasure to testify in
support of Introduction 1622 and Introduction 1609.
Legislation that will modernize the agency's landmark
Consumer Protection Law and officially rename the
agency to the Department of Consumer and Worker
Protection. And I would like to thank you Chair for
always being a champion for consumers and workers in
New York City.

In 1969, the City Council recognized a need for broad consumer protection against deceptive or unconscionable trade practices. It passed the New York City Consumer Protection Law or CPL, and in

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doing so, created the first municipal consumer protection agency in the United States, the Department of Consumer Affairs, an agency I am proud to lead.

Today, the CPL remains an indispensable instrument to fulfill our mission of protecting and enhancing the daily economic lives of New Yorkers. Since becoming Commissioner, I have prioritized prosecuting deceptive business practices under the CPL to hold accountable a range of individuals and businesses including bail bond agents; telecommunications companies; immigration service providers; and others that often prey on our city's most vulnerable communities.

The CPL protects New Yorkers from deceptive practices in the marketplace, provides redress to consumers, and stipulates penalties to deter future abuse. Like any decades old law, the CPL requires amendments to adapt to the modern marketplace and clarify any ambiguities in the law. Introduction 1622 amend the city's Administrative Code to address these issues.

In 2019, digital communication between businesses and consumers are everywhere in the marketplace.

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When the CPL was passed by the City Council in 1969, they intended the CPL to be a comprehensive substantive ban on all forms of consumer fraud but could not possibly foresee the prevalence and influence of online communications and advertisements. With that intent in mind, DCWP already brings cases under the CPL for deceptive online practices. To bring the text of the CPL into the 21st Century and reflect the work currently done by the agency, Intro. 1622 clarifies that the CPL covers digital mediums that businesses and individuals use to deceive consumers.

For context, it was in October 29, 1969 it was the date when the first communication ever is sent through the ARPANET which is the precursor to the internet. Back then, we had no idea how the internet was going to reshape and redefine consumer transactions.

Since the CPL's inception, the penalty amounts have remained unchanged. Penalties that may have been effective at deterring unlawful behavior in 1969 are less so in 2019. Introduction 1622 updates the penalty amounts to levels equivalent to where they were in 1969, after adjusting for inflation,

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increasing the penalty range from \$50 to \$350 per violation to \$350 to \$2,500 and from \$500 to \$3,500 for a knowing violation. Furthermore, Introduction 1622 clarifies that the agency may seek restitution on behalf of aggrieved consumers for violations of the CPL whenever we bring an action at OATH or in state Supreme Court.

As way of comparison, in 1969, a gallon of gas was \$0.35, a gallon of milk cost \$0.93, movie tickets cost \$1.86 and Broadway tickets were under \$10.00.

Our CPL finds the time made sense, not anymore.

Finally, changing our city is not just reflected in technology, but in our neighborhoods and in our communities. New York City is proudly, more diverse than it was half a century ago, when the CPL was passed. I have had the pleasure of walking with many of you in your districts busiest business corridors and utilizing multi-lingual resources to communicate with residents in their native tongue. The language of New York City's marketplace is not just English, but Spanish, Cantonese, Arabic and more.

To that end, Introduction 1622, makes clear that it is a deceptive business practice under the CPL for businesses to fail to provide consumers complete and

2 accurate translations of documents into the language
3 the transaction was negotiated in.

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Modernizing the CPL with these updates and clarifications will ensure that the agency can continue to perform its work and build on its legacy established so many years ago.

I will now turn my attention to Introduction

1609. In 2015, the City Council created the Office
of Labor Policy and Standards to enforce vital
workplace protection laws, such as Paid safe and Sick
Leave Law, the Fair workweek Laws and the Freelance
Isn't Free Act, to name a few.

To better reflect the expansion of our mission and send a strong message to everyday New Yorkers of our role in the City, the Mayor announced at his 2019 State of the City Address that our agency would be renamed the Department of Consumer and Worker Protection, DCWP. Introduction 1609 would formalize our renaming in the Charter and Administrative Code, all our public facing communications and legal documents.

This legislation also clarifies our agency's authority to order restitution, on behalf of consumers and workers, for any laws or rules that

DCWP enforces, providing a meaningful remedy for New Yorkers. It also clarifies our authority to inspect businesses onsite for workplace violations, a common compliance tool for labor enforcement agencies.

New York City is the fairest big city in America.

Modernizing the CPL and memorializing our expanded
mission to advocate for and protect workers, will
ensure that it remains that way.

We look forward to working with the Council on these critical bills and other progressive policies, like paid personal time, that will ensure New York remains in the words of our Mayor, a city where work is rewarded and prosperity shared. Once again, thank you Chair and Council Member Torres and Members of the Committee for the opportunity to testify today and I am happy to answer any questions you may have.

CHAIRPERSON ESPINAL: Thank you Commissioner. I just want to acknowledge that we've been joined by Margaret Chin from Lower Manhattan and Ritchie Torres of the Bronx. Ritchie is one of the prime sponsors of on of the bills, so I will have to give him an opportunity to say a few words and ask questions if necessary.

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2 COUNCIL MEMBER TORRES:

exploitation.

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Thank you Mr. Chair.

Thank you, Commissioner, for your testimony. longer will the City of New York leave it to the state and federal government alone to ensure the safety of workers. Intro. 1609 ensures that the City of New York will assume a central role in protecting the safety of workers and industries notorious for

Even before the Introduction of 1609, the Department of Worker and Consumer Protection, formally known as the Department of Consumer Affairs has established an exceptional record of advocating for worker protection, especially among low wage workers and businesses as various as car washes, fast food restaurants and industrial laundries.

DCWP has emerged as an advocate for exploited low wage workers who historically have been left behind by a chronic shortage of state and federal labor enforcement. By legally restructuring the Department of Consumer Affairs as the Department of Consumer and Worker Protection, not only with a new name but also with new enforcement powers, the City of New York is affirming the truth that we have long known that the safety of consumers and the safety of workers are

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inextricably bound together. You cannot have one without the other and it is emphatically the duty of our city to protect both.

At a time when working people face an unprecedented assault from the most anti-union presidency in American history, I'm proud that New York City is standing up for a protected workforce and that our city is putting both its dollars and its laws where its mouth is and I have to say the transformation of your agency would not have been possible, not only because of your work but without the really the grassroots organizing of our allies in the labor movement, foremost among them 32BJ and RWDSU, we're indebted to them for their leadership.

CHAIRPERSON ESPINAL: Thank you Council Member.
We've also been joined by Peter Koo and Karen
Koslowitz from Queens.

So, thank you for your great work Commissioner.

So, I guess my first question Commissioner, you know, it's clear that the agency does more than just consumer protection. There's a lot of labor work that you do for protections. You also go out issue licenses to small businesses. Would you be able to breakdown how the agency currently prioritizes

various responsibilities. For example, like, what

percentage of staff focus on consumer protections

while the other percentage focuses on labor policy?

LORELEI SALAS: Thank you, thank you for the question. I'll try to answer to the best of my ability and obviously supplement later. I don't have percentages in mind but I would say that the Office of Labor Policy and Standards currently has approximately 40 staffers, which includes investigators, attorneys, intake personnel, and research staff.

There are about 15-20 staffers in the Office of
Financial Empowerment and as you know that office
very well, ensuring that we're working on issues that
will help improve the financial help of New Yorkers.
And then we have what I would say our enforcement
inspectors, our patrolling inspectors were in the
field regularly, walking the streets and making sure
that we're protecting consumers.

We have about 60 field inspectors and a few other more supervisory level personnel. Our general council office who you know, provides like general oversight to the agency but also litigates cases of

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2 consumer fraud, using our consumer protection law has

our consumer services.

about 80-90 staffers in total.

MIKE TIGER: Yeah, that's right and that includes

CHAIRPERSON ESPINAL: Can you state your name for the record?

MIKE TIGER: Oh, I apologize Council Member,
Michael Tiger; I'm the Deputy General Counsel of the
agency.

So, the General Counsel division has a consumer search unit within it which is the intaking mediation unit, non-lawyers where any consumer in New York can make a complaint whether it by mail, by 3-1-1, and so, that unit is within the General Counsel division which then separately had several dozen lawyers devoted to various licensing and consumer protection work.

LORELEI SALAS: And finally, our licensing division has about 90 staffers in total and then we have communications and outreach divisions that have probably 15 staffers in total.

CHAIRPERSON ESPINAL: Okay, I also want to recognize that we've been joined by Brad Lander from Brooklyn as well.

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In the most rent MMR, DCA noted that there was a 54 percent decrease from the previous year on the amount of restitutions accrued New York City consumers. The MMR also noted that this was likely due to the fact that DCA no longer was dedicating attorneys in filing cases on behalf of consumers against DCA licensees. Can you provide more information on that?

LORELEI SALAS: Yes, I would say that as you may remember recently, we have announced a number of big cases that we are currently pursuing in court at OATH and they are also just recently being resolved. our commitment to enforcing Consumer Protection Law is firm and is there and we will continue to do so. In this case, there's a consumer docket piece of the work that we do, which in many cases is treating individual cases for consumers. We have you know, had to actually have some budget reductions in the last couple of years as you know and so, that is one unit in which it was really difficult to hire for and it was a line that we sacrificed but it was only one single line dedicated to that particular work. However, what we continue to do is remediate those So, consumers who have a complaint can come

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to us, we'll help mediate and when we cannot reach a resolution, we don't always take those cases to OATH, but recommend other alternatives to the consumers.

Now, we do prioritize our resources, we know we have limited resources and we continue to look out for those cases in which we see numerous consumers that are being effected by serious violations and losing thousands of dollars. Like in cases, like Major World, in cases like, we recently filed lawsuits against Berkeley College and Metro PC's by T-Mobile where we see consumers getting the product by thousands of dollars.

CHAIRPERSON ESPINAL: Now, since the Mayor's announcement, as you mentioned there has been a decrease in your budget over the years, since the Mayor's announcement of restricting the agencies include the labor aspect of it. Has the agency been adequately funded to deal with the case work?

LORELEI SALAS: Our head count has not changed much since you know, for a number of years. So, as I said, we have definitely accommodated within our agency to expand on the work conducted by the Office of Labor or Policy and Standards and we continue to be as smart as we can to again use our resources in

3 the gravity of the violations.

> CHAIRPERSON ESPINAL: I know it's not budget time yet and we're going to get to that conversation in the months coming ahead but it's something I take very seriously. I want to make sure you have all the resources you need in order to protect our consumers but also you know, enforcing these new labor laws that have been passed. It's expected of you to take seriously.

LORELEI SALAS: Council Member we will never say no to additional resources and we could always do more if we had more of them.

CHAIRPERSON ESPINAL: Thank you. Any questions from my colleagues. Yeah, Ritchie.

COUNCIL MEMBER TORRES: How many industries do you license?

LORELEI SALAS: I'm sorry, how many -

COUNCIL MEMBER TORRES: Industries do you

license? 21

> LORELEI SALAS: Oh, we license close to 55 categories of businesses.

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COUNCIL MEMBER TORRES: And among those 55, I guess where have you found the most exploitation of workers?

LORELEI SALAS: Well, what I would say is that we see that not all of the businesses where we see a lot of the most serious violations that workers are facing are those in which we actually provide a license to the business to operate right. And so, for instance the home help aid industry, recently launched an initiative looking at the entire industries practices and compliance with labor laws that don't just include municipal work based laws, but also state labor laws and it's not an industry that we license.

So, a lot of the worse cases that we're seeing are not really for those categories of businesses that have to obtain a license from DCA to operate.

COUNCIL MEMBER TORRES: So, you're limited in areas where you have no licensing authority?

LORELEI SALAS: So, because the laws that we enforce in the Office of Labor Policy and Standards apply to most businesses that have you know, five in place or more. We did not require, you know, they don't have to have a license from the agency. So,

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our laws apply across the board to licensees and non-licensees. So, what I am saying is that in some of the industries that we placed a lot of focus recently; the fast food industry, right, where we enforce the Fair Workweek. In the homecare industry where we see a lot of workers who are not getting paid according to the law. Those are two industries in which we do not have to provide licenses to those businesses. They may get licenses from other agencies from the city or from the state or the federal government but not from us.

COUNCIL MEMBER TORRES: And I saw recently in an announcement relating to a McDonalds in Queens, can you speak about that a bit?

LORELEI SALAS: Yeah, so that is like a good illustration of the types of cases we continue to prioritize in the agency cases in which major corporations are failing to comply with the most basic pay sick and sick leave laws and on top of that are retaliating against workers who voice their concerns and file complaints against those businesses. So, McDonalds, Chipotle, is another case that we recently filed a lawsuit on. It's a major corporation, these are major businesses that should

have known about you know, the laws they need to comply with and had no letch of them and still refused to come into compliance.

COUNCIL MEMBER TORRES: Is litigation still ongoing or has there been a settlement?

LORELEI SALAS: For McDonalds, we solved that case and will obtain a settlement. This involved I believe three of four franchises owned by the same owner and for us, I mean, retaliation is something that we take very seriously. So, we publicized that case because we want to make workers get the message that if they come to our agency, we will not just look into the violations but we also make sure that employers don't take advantage of them and threaten their jobs when they actually are asserting their rights under the law.

COUNCIL MEMBER TORRES: And the workers who fell victim to retaliation, were those workers restored?

LORELEI SALAS: I can't remember specifically in that situation in McDonalds, but we often seek and often have obtained reinstatement for workers who have been retaliated against. We actually a fast track retaliation unit in our office.

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So, if we're in the middle of an investigation and a worker calls us with fear that they may — the employer may know who filed the complaint, we immediately act. If there is an allegation of retaliation, we open a separate track to move very quickly on that, because we don't want to chill workers voices. We want to make sure that they know they can come to us and not you know, lose their jobs.

So, reinstatement is something that is provided in some of our laws and it's a relief that is really important for workers.

COUNCIL MEMBER TORRES: And what's the you know, worker protection is a new area for the city, because typically that's been reserved for the federal and state government. What's the nature of your collaboration with OSHA at the federal level and the Department of Labor at the state level? Is there a close working relationship?

LORELEI SALAS: Absolutely, and we want to always make sure the workers in New York City can come to us with any question or any complaint that they have.

And what we do is for the issues that we can take care of as a city office, we will do so and we work

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very closely with the State Department of Labor and the State Attorney Generals Office. In some instances, we have to litigate together. For instance, we have two home healthcare agencies in which we found serious violations of paid sick and sick leave law and minimum wage and overtime laws, so we have jointly investigated and are prosecuting those two cases together.

So, a worker in New York City who has any question regarding their employment can call us and we make sure that they get to the right place. If we are not the right place for them.

COUNCIL MEMBER TORRES: I know that there have been interagency task forces between the state and local government around harassment, do you think we could see something comparable around worker protection?

LORELEI SALAS: Definitely, we would be happy to explore that and we think that could be a very effective way of making sure that we relay these are real for workers.

COUNCIL MEMBER TORRES: Now, typically your agency takes civil action against abusive employers, what happens when you discover something criminal

2 like wage theft? What's the nature of your
3 collaboration with criminal law enforcement agencies?

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LORELEI SALAS: Yeah, so we are always looking for collaborating with other agencies. There are some cases in which we have identified potential criminal violations to that are maybe not under our same law but a different law. And we have worked with DA offices, we have worked with Department of Investigations. We are not shy to call onto other sister agencies to work with us, especially if we feel that matter requires there is a serious threat.

As an example, we recently had a case in which an actual vendor from the city was under investigations for paid sick and sick leave law and some other workers were receiving — one worker was receiving threats against his life and worked quickly to work with the NYPD and with the Department of Investigations to make sure that that employer was stopped.

COUNCIL MEMBER TORRES: And I know and this will be my final question, I know the Chair brought up staffing resources, beyond resources is there anything that Council can do legislatively to strengthen your ability to protect workers?

2 LORELEI SALAS: We would love to see this 3 legislation become law as soon as possible.

COUNCIL MEMBER TORRES: 1609.

LORELEI SALAS: 1609 and 1622.

COUNCIL MEMBER TORRES: Okay, beyond that,

anything else?

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LORELEI SALAS: We are just really happy that this Council has really you know, put workers and consumers first. We want to continue to lead in the country as a city that can cultivate both having a strong economy and strong protections in the books. So, we would be happy to continue to work with you all.

COUNCIL MEMBER TORRES: Thank you Commissioner.

I'm excited, I think your agency has been a real
innovator in the field of worker protection. That's
something for which I'm grateful, so thank you.

LORELEI SALAS: Thank you so much.

CHAIRPERSON ESPINAL: Thank you Council Member.

Before I go to Peter Koo, just one question to follow up on something that Ritchie brought up around enforcement. Can you explain the current process that the department follows before conducting an onsite inspection?

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LORELEI SALAS: Yes, so and as you probably know already, for our consumer protection law, you know, we routinely conduct onsite business inspections, right, to look for compliance with posting requirements, pricing requirements. That language is not explicit in our Charter with regards to workplace investigations.

So, we want to make sure that we have the same tools that other labor enforcement agencies do, like the state and the federal Department of Labor, having the ability to walk into a business and ask for records and documents that are already required by the law. It's a critical tool because it helps build with making sure that we're not just responding to complaints but we also have the ability to proactively investigate industries in which we know there are violations and maybe workers could be fearful of coming forward to our office.

CHAIRPERSON ESPINAL: Thank you. Council Member Koo. I also want to recognize we've been joined by our friend Keith Powers from Manhattan.

COUNCIL MEMBER KOO: Thank you Chair and thank you Commissioner. I want to congratulate you on taking on workers protection as part of your agency

but how do we classify workers because everyone is a worker, we are workers too you know and the guys working in Washington are workers, there are hospital workers and construction site workers. I don't think you have the capacity to handle all of these workers, you know.

So, how do you respond to my question now, are you limited to certain workers to help or just you can help everyone?

LORELEI SALAS: So, yes, thank you for the question Council Member Koo and yes, we are all workers, I am a worker too. We obviously do not have unlimited resources and like I said earlier, if we had additional resources, we could do more, but what we do is we try to focus our energies on the biggest problems that we see in our communities right.

So, where consumers and workers are getting harmed or hurt the most, that is where we put our attention and our resources.

Our laws apply; to give an example, paid sick and sick leave law applies to cases in which airport workers are denied sick leave. It also applies to cases in which an attorney may have not been given

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2 sick leave by his law firm and we had a case just 3 like that recently.

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So, the law applies to all workers in New York
City. We do try to prioritize our work into
industries where we see the greatest harm for the
most vulnerable workers. So, in that spirit, we
prioritize doing work in the homecare industry. We
prioritize doing work in the fast food industry, but
we have an obligation to respond to complaints. So,
if a worker from any other type of business has a
complaint with us, we look into that, we investigate
that.

So, I think that's the best answer I can give you. We will not turn anyone away but we do when we can try to think about proactively looking into industries where we see a lot of low income or individuals who are paid low wages, people of color, we will focus our energies there.

COUNCIL MEMBER KOO: So, a worker at a construction site, they should complain to the building department right or they should call you?

LORELEI SALAS: A worker from a construction

site, well, I mean, it depends on which law we're talking about right. So, if a worker calls us and

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it's not a paid safe and sick leave complaint for instance or it's not a minimum wage or overtime and other things that we could help partner with other agencies, we will have to talk to other sister agencies if it's a law that the enforce but we want to make sure that the message is strong and clear. If a worker has an issue in the workplace, they should call us, they can call 3-1-1, they will get to us and we will help them navigate when it is not our agency but a different agency that will take care of their problem.

COUNCIL MEMBER KOO: Yeah, because I worry you know, other agencies may say hey, how come you guys come to take my jobs, my turf. We cover all these areas now Consumer Affairs wants to take away our jobs.

So, and at the same, I don't think you have enough staff to do all these things to.

LORELEI SALAS: Yeah, and I would say sadly, there's too much work to go around and no one's going to be taking anyone's work away. Again, our goal really is to help people navigate the system. We have different levels of government, local, state and federal agencies that look into these workplaces and

we don't have the expertise to enforce all of those laws, only the laws that are in our code and our Charter.

COUNCIL MEMBER KOO: And before the Mayor renamed your agency, how do workers complain here? They complain to the Department of Labor, right, if they have problems?

LORELEI SALAS: Right, but for instance, the

Department of Labor whether it's the state or federal

Department of Labor, they do not enforce the paid

safe and Sick Leave Law. That is a law that is

unique to our city. We are one of the few

municipalities that has that law in place. They

don't enforce the Freelance Isn't Free Act, which is

a law that protects Freelancers in New York City. We

are to date, the only city in the country that

enforces, that has those protections in the books.

They don't enforce the Fair Workweek Laws, right, and

so, there are many laws that are just unique to us

that we only have, only us, as an agency have the

authority to enforce to protect New Yorkers.

COUNCIL MEMBER KOO: Okay, thank you.

LORELEI SALAS: Thank you.

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CHAIRERSON ESPINAL: Thank you Council Member.

Council Member Chin has a question.

COUNCIL MEMBER CHIN: Thank you Chair. Thank you, Commissioner, always great to see you.

So, my question is focused on, how do you get the word out to the communities so that the worker who could benefit from what you're doing to help them know about it? In terms of you know, in different languages, utilizing local media, so that now they know that Department of Consumer Affairs, also Department of Consumer Affair and Worker Protection. So, they know that you are the agency to go to if they don't get paid sick leave or if they don't have flexible work time. How do we get that word out to make sure people know what their rights are?

LORELEI SALAS: Thank you for the question

Council Member Chin and it's good to see you to. We take every opportunity we can to make sure that workers know about our existence and the message is really simple. In reality, for any service that the city provides to our communities it's call 3-1-1 and the people who answer those calls will know how to route people to us.

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However, we recently put together a public awareness campaign. It was in the subways and the bus shelters, making sure that people knew about this agency, our new name and making sure that they knew that we could touch them in different ways whether through employed out of McDonalds or employed as a nanny or employed in construction.

We have also worked and work regularly with groups such as 32BJ, who is here today. Other community based organizations and unions to make sure that the workers that they help organize are aware of our protections in the city and we do have most of our materials translated into as many as 13 languages I believe. And most recently, actually also decided to translate some of our materials into five indigenous languages.

So, we're doing everything we can to get the word out there. Whether it's using radio or other types of media to communicate important milestones, important successes and solutions, so that both workers know where we are but we also help to create a cultural compliance because that is the purpose right. It's to make sure that these rights are available to people and that's our goal.

COUNCIL MEMBER CHIN: So, you do publicize the cases? You know, when you have a victory, do you get that out there, so that at least people know wow, all of this happened. If I have a similar situation, I can go there and file a complaint and also, for the employers to know, oh, somebody got punished for not doing the right thing and this is you know, something that they need to be careful about.

LORELEI SALAS: Absolutely, we do that regularly and I was just looking for my outreach numbers, which I have somewhere here but we do that. We definitely, we use newspaper articles, we do press releases, press conferences, there's a lot of value in making sure that again, workers see that — they come to us and find a solution to their issues. But also, the business community understands that we are present and that we want to you know, be again, cultivating a cultural compliance.

And you know, I don't want to forget the businesses that are doing the right thing, right, there are many businesses out there that are working really hard. Not just to comply with the laws, but to do even more and they suffer when they are

COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS LICENSING

2 competing with businesses that are disregarding all

3 | the requirements of the law.

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We have done a number of outreach events. I think and I still don't see them here, but just to give you a little bit of a picture of the numbers of cases that we are handling right now. We just — with Paid Safe and Sick Leave alone, we've obtained resolutions that total more than \$11 million in restitution for 35,000 workers.

COUNCIL MEMBER CHIN: Wow.

LORELEI SALAS: For Fair Workweek Laws, which is a law that has been in the books only since 2017, we have received over 300 complaints and we've closed more than 120 investigations requiring over \$1 million in combined fines and restitutions for close to 3,000 workers.

So, for outreach, we have conducted close to 2,000 events for workers since 2014. Last year alone in 2019, we conducted more than 180 events seeing close to 14,000 workers.

So, our outreach team, so we don't just use advertisements but our outreach team are on the ground. Again, working with groups in the

communities and making sure that we are every day educating New Yorkers about their rights.

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about all the workers that you were able to help and to be able to help them get back the wages that they lost. I think that needs to be publicized more and then especially during budget time, so that we can help advocate for more staff, because if you don't have enough people to do the outreach, to do the advocacy and to help the worker, we're not going to get the good result that we want.

So, let's work together on this next budget and make sure that you have enough staff to do the work.

LORELEI SALAS: I will work on that, thank you so much.

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

CHAIRPERSON ESPINAL: Thank you. To focus on the language aspects of the job, I know in 1622, there's language around translation requirements. There has been some concerns from small businesses about what this actually means for them. I think there's a fear this will require them to translate every single transaction, every single receipt that they give to

consumers. For example, a coffee shop would have to give a receipt in Spanish or Arabic, depending on the consumer that comes in speaking that language.

So, is this a misreading of the bill that the small business community has? Can you expand on how you would envision enforcing that aspect of the law?

LORELEI SALAS: Yeah, absolutely and a simple answer, it would not apply to consumer receipts. A perfect illustration of why we need this in place, is a case like Major World, a case in which we have a company targeting communities who speak other languages, targeting them in their advertisement in Spanish then bringing them into their premises and negotiating heavily in Spanish and then putting in front of them a stack of documents, only in English.

So, a business that chooses to target communities, our immigrant communities in their languages and then negotiates primarily in those languages should be accommodating those consumers in the language that they are trying to lure them into, right. We think that that's just fair to the consumers and it wouldn't apply in situations where a store has to just give someone a receipt.

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CHAIRPERSON ESPINAL: Alright, so, I guess maybe there is room for us to figure out language to ensure that those small transactions are not somehow misread into the current language of the bill.

LORELEI SALAS: We would be happy to.

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CHAIRPERSON ESPINAL: I know Council Member Brad Lander has a few questions.

COUNCIL MEMBER LANDER: Thank you very much Mr. Chair and congratulations on your good bill today which I will be signing on as a co-sponsor for and I'll also be signing on as a co-sponsor to Council Member Torres's bill and I don't need to speak long. You know that I'm along time fan of the work that you have built out of the Office of Labor and Policy Standards and that you have reflected that change already in your informal use of Department of Consumer and Worker Protection and I'm glad that we will be changing the Charter to make that something that we really work on and agree on together as we've done such good work to build out the practice of worker protection through LLPS and we've had a lot of back and forth and a lot of hearing. We've been out with a lot of workers in the streets that you've been backing up and helping and we'll need to keep doing

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the budget advocacy to make sure that you have the resources to enforce and enact the laws.

I'm actually over in the next room trying to give you even another one to protect a utility safety workers from unfair scheduling practices. So, thank you for all that work.

I guess one question I just wanted to ask. As you are doing this, I know that's it's been important to you to do that work in partnership with workers organizations and to build a practice of worker protection in which people can go to the city, get protected from city laws. If there is a state law or federal law being violated, get information but also work with the kinds of organizations if workers aren't in a union that might help them know their rights, have access to them.

I just wonder if you could talk a little about that model of collaboration and partnership with those organizations, which I think is still an area that we can strengthen even further in the city.

LORELEI SALAS: Yes, thank you. Thank you for the question and thank you also for always being a champion for workers in New York City and supporting the work that we do at the agency. Absolutely

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working with community based organizations, labor organizations is part in parcel of what we do every day. We recognize that in order to be impactful, we need to make sure we are reaching as many workers as we can and these are the kinds of groups like 32BJ behind me, who are able to really you know, work with numbers, a good numbers of workers.

An example of how we work in partnership with other groups is you know, Fair Workweek Law which is a law that obviously you champion. Having a law that really addresses issues that workers are facing and being the law informed by the group that supports them is critical.

So, in our enforcement work, we have often talked about how we're thinking of prioritizing our investigations. We obviously rely on some of these groups to bring complaints forward to us, right, we, as I mentioned earlier, filed a lawsuit against Chipotle covering six locations I believe and another ten are under investigation and we wouldn't be able to do that without having a group like BJ, be so present in that industry, keeping us updated and facilitating our communication with workers. We think that is a very valuable collaborative approach

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and we try to do that with respect to the other enforcement that we do, even when there are no organized groups, we're always seeking out input from people who are in the community. Our paid care division is another example of that, where we have an advisory group that includes representatives of worker advocates but also of — I will say with the industry but really employers, right. Of household workers and workers and together thinking about what are the strategies that we need to put in place so our workers have access to the services they will need as they age into their jobs and hopefully retire in dignity and respect.

COUNCIL MEMBER LANDER: That's great and you know, I'll flag you've done the same with the Freelancers union on the Freelance Isn't Free Act and with a range of other organizations as well and obviously with 32BJ and for a while with Fast Food Justice.

I guess one question I just want to, my last, you know kind of question here, is about the resources for that work. You know, I think we have to stand up and keep pushing so you have the resources for all the new laws that are put in place but if we want to

enable work organizations of these sorts to be able to do this work, we have to think about how they get the resources as well. I think we're lucky that 32BJ has seen fit to use what are essentially the do's of building service workers and airport workers and their members to help in advance workers in places like Chipotle and other fast food workers have their rights protected and that's wonderful and generous of BJ but it's probably not a sustainable model.

LORELEI SALAS: Right.

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COUNCIL MEMBER LANDER: And you know, I wonder if we could be using you know, the Council provides some resources for different kinds of worker organizations and day labor. You know, could we — you know, do you have thoughts or could we think together about how we might team up the administration and the Council and some of these organizations. Obviously, they're developing their own models as well, so that we can resource appropriately the kind of co-enforcement that I think really is the model that you are building out.

LORELEI SALAS: Yes, absolutely and I know that in other municipalities in other states, there's been some successful collaborations on enforcement right,

2 which requires some resources dedicated to that.

Obviously, as you well said in this case, our priorities at the agency align with the priorities for certain groups and when that happens, you know, it compliments each other but our agencies are always going to be depending on the groups that are in the communities and if we want them to help us with outreach, we cannot be asking people to do something

So, we would be happy to have a discussion about what a good model would look like. Certainly, I do think that the outreach work is better done by the groups that are present in those communities. try to maintain a smaller outreach team in our office but try to be bigger than we are, but I do think that there is a lot of value that comes from properly resourcing community based organizations and other groups who can help with the enforcement.

COUNCIL MEMBER LANDER: Wonderful. Thank you, thanks for your work here. I will be signing on to both of these bills and thank you Mr. Chair.

CHAIRPERSON ESPINAL: Okay, great, thank you Council Member Lander. Just to dig in back on the

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business.

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What legal authorities do you have to be able to come in and do an inspection or investigation in regards to labor standards or what sort of constitutional limitations do you have?

LORELEI SALAS: Well, what I would say is that and we have you know, obviously depending — each individual set of laws has its own record keeping requirements. And so, for different laws, you would have employers who are required to maintain certain proof of payment or make sure that accruals for Paid Safe and Sick Leave are being kept, right.

And so, the laws are already very specific about the kinds of things employers need to do and how long they need to keep that information for our review.

And so, what happens right now, is that what is not clear in the language, especially for workplace investigations, it is not explicit there that we have the authority to walk into a business and ask to see those records that the law already requires them to keep.

And so, we want to clarify that that is an important enforcement tool that needs to be in place.

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Now, obviously, it wouldn't provide for like a general search of an entire business, but it's limited to us being able to look at information that the law already tells them they have to have in place.

CHAIRPERSON ESPINAL: Okay, thank you. Do you feel if OATH is equipped to handle DCA cases seeking restitution and other forms of relief allowed by Intro. 1622?

LORELEI SALAS: So, these are clearly a new set of laws that had not been before OATH, right. new body of work that they have to now adjudicate and so, we have had a decision that questioned our authority. In 2017, OATH issued a decision questioning our authority to seek consumer restitution in cases before OATH when the business at issue was not licensed by the city.

Now, we don't agree that that's the correct interpretation and we obviously want to make clear that we can pursue consumer restitution in both state court and at OATH for all consumers. Whether they are deceived by a business that has a license or not. Because the law is very broad as it is. So, we're seeking clarification so that it provides - it's

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transparent, the language is transparent and clear.

So, OATH as a tribunal can go to something that is
just very clear, has very clear language.

We don't have I would say, as some other enforcement agencies have for cases for very important cases, like cases that deal with a lot of consumer deception and consumers are you know losing out on money, or workers, when other workers cases they all go to the trial part at OATH. And for that trial part, we do not have an avenue to appeal those decisions. It would believe the judged aired, so there are some agencies like CCHR and TLC and other city agencies that have the ability to get report and recommendation instead of a final decision from OATH, which is something that we would love to explore.

CHAIRPERSON ESPINAL: Thank you, any other questions from my colleagues. Thank you, alright, thank you Commissioner, thank you for your testimony and the answers to your questions. I appreciate it.

LORELEI SALAS: Thank you so much. Happy Holidays to everyone.

CHAIRPERSON ESPINAL: Happy Holidays. Can I call up Lawrence Ben and Carlos Hernandez. Lawrence Ben from RWDSU and Carlos Hernandez at 32BJ.

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You guys can have a seat, press the button on the mic. When you see a red light, you can testify and feel free to testify when you are ready. Just make sure you state your name for the record.

CARLOS HERNANDEZ: Good afternoon Chair Espinal and Members of the Committee. Thank you for the opportunity to testify today. My name is Carlos Hernandez and I work at Chipotle in Manhattan and I am a griller.

My co-workers and I are here to support Intro.

1609. Under the lead of 32BJ fast food workers are organizing to make fast food jobs good jobs and join a union.

We deliver petitions, go on strike and workers from over 33 stores including mine have filed complaints with the Department of Consumer and Worker Protection all to demand Chipotle start following the Fair Workweek Laws, which the City Council passed in 2017 to mandate scheduling and premium pay for late notice scheduling changes.

As a result, many workers are starting to see changes in their stores. At my store, since we filed complaints with DCWP, we have started to get our schedules two weeks in advance. Not only that DCWP

recently announced that they are filing a lawsuit for over \$1 million in restitution for workers against Chipotle for Fair Workweek violation in five Brooklyn stores. They also announced that they would be launching investigations into more Chipotle stores including mine where Fair Workweek complaints have been filed more recently.

Seeing the victories that DCWP is winning for workers gives me hope that conditions at work will continue to improve. My job is demanding and not easy but I work hard to support myself and my family. I have bills to pay, I help pay rent for my grandmother and Christmas is coming up.

I also want to go back to school but I struggle to find the time to apply. Having a stable schedule and receiving the premium pay I am owed is important to me to be able to accomplish these goals and DCWP is helping me to make that happen.

The departments name should be officially changed to Department of Consumer and Worker Protection in recognition of its crucial work.

Thank you again for the opportunity to testify and I hope the City Council will pass the bill.

CHAIRPERSON ESPINAL: Thank you.

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LAWRENCE BEN: Good afternoon, my name is

Lawrence Ben; I'm the Political Coordinator at the

RWDSU.

The RWDSU represents 100,000 workers across the United States in desperate industries including retail, grocery stores, food processing, car washes healthcare, warehousing, building services, manufacturing and the public sector. We have approximately 25,000 members in New York City.

I want to thank Council Member Torres who was here before for introducing Intro. 1609. I'd also like to thank the Chair of the Committee for introducing Intro. 1622 and for holding today's hearing.

The RWDSU is supportive of Intro. 1609 and the positive impact it will have to strengthen workers rights and the enforcement of these rights in New York City. The Department of Consumer Affairs has a strong record for undertaking this important work. For the RWDSU, the licensing of car wash businesses by the Department has directly benefited our members who have historically experienced rampant levels of wage theft and exploitation. So, to the licensing of ticket sellers and tour guides by the Department has

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also directly impacted RWDSU members by providing a regulatory framework to uphold industry standards. Furthermore, the enforcement of paid leave entitlements by the Department has benefited all

workers throughout New York City.

Changing the Departments name to the Department of Consumer and Worker Protection, as well as designating that the Office of Labor Policy and Standards and Paid Care Division be housed within the Department, accurately reflects the Departments important role in upholding workers rights and ensuring it will be an ongoing priority in years going forward.

In addition, the changes to clarify onsite inspection authority and the ability to secure restitution will also serve as important shop floor protections and enforcement mechanisms for workers throughout the city.

The RWDSU is fully supportive of these changes.

The RWDSU is also support of Intro. 1622 to update
the city's Consumer Protection Law. It is critical
that vulnerable populations, such as low income
workers and immigrants, are protected from unfair and
deceptive consumer practices. Updating the Consumer

COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS LICENSING Protection Law to increase penalties and to cover modern communication businesses, particularly in the digital sphere, are positive changes that the RWDSU supports. Thank you for you time and consideration today. CHAIRPERSON ESPINAL: Thank you both and thank you Carlos for sharing your story, it really gives us insight of how the law has been benefiting workers. So, I appreciate you taking your time in coming here and my regards to the union. Thank you, guys, I appreciate it. Okay, with that said, this hearing is adjourned. Thank you all. [GAVEL]

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 1, 2018