

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER AFFAIRS BUSINESS LICENSING

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HELD AT: Committee Room - City Hall

B E F O R E: ANDREW COHEN
Chairperson

COUNCIL MEMBERS: Justin L. Brannan
Margaret S. Chin
Peter A. Koo
Karen Koslowitz
Brad S. Lander
Kalman Yeger

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

Lorelei Salas, Commissioner, NYC
Department of Consumer Affairs

Nicholas Rosa, Assistant Commissioner for
Finance and Administration,
NYC Department of Consumer Affairs

Kenny Minaya, Chief of Staff
NYC Department of Consumer Affairs

Shamir Lowe, Fast Food Worker at Chapotle

Andrea Bowen, Principal, Public Affairs
Consulting

(sound check) (pause)

CHAIRPERSON COHEN: Okay. (pause) (gavel)

Alright, alright, good morning as well. Good afternoon, and welcome to Fiscal 2021 Preliminary Budget hearing. My name is Andrew Cohen, and I am the new Chair of the Committee on Consumer Affairs and Business Licensing. I would like to note that we've been joined this morning by--this afternoon by Councilman Yeger and Council Member Koslowitz. We will be reviewing the projected budget of the Department of Consumer Affairs, DCA for FY 2021. Specifically, we will be assessing DCA's programs and activities to ensure that the agency is serving the public in a physically responsible way. FY 2021 Preliminary Budget for the Department of Consumer Affairs totals \$45.3 million, which includes \$29.9 million in personnel services funding to support 433 full-time positions. The funds in FY 2021 Preliminary Budget are primarily allocated to resolve consumer and worker complaints, issues numerous licenses, educate and protect consumers, and ensure that businesses comply with local and state laws. In a few minutes we will hear from the Administration on specific plans for these allocated funds. In our

1 hearing with DCA this morning it is my hope that we—
2 to explore different areas of its budget to gain
3 clarity and transparency on where and how funding is
4 spent to protect consumers, create financial
5 empowerment for New Yorkers and educate businesses on
6 their responsibilities to consumers and employees.
7 Specifically, I look forward to hearing more from DCA
8 regarding whether its citywide savings program will
9 limit the department's ability to carry out its work
10 and an analysis on whether its vacancies poses
11 significant risks to agency operations. Lastly, I
12 would like to examine DCA's reporting in the
13 Preliminary--Preliminary Mayor's Management Report to
14 gain a better perspective on how we align--how well it
15 aligns its budget with performance. We will first
16 hear testimony from the Department of Consumer
17 Affairs. Then members will have a chance to follow
18 up with questions for the Commissioner. After that,
19 members of the public will have an opportunity to
20 provide testimony. I hope that the Commissioner or
21 members of the staff will stay to hear testimony from
22 the public. I look forward to working with the
23 agency and other interested parties in order to
24 finalize the budget over the coming months. In
25

2 closing I'd like to thank my—the committee staff
3 Sebastian Bacchi, Bal Kise. I'm going to butcher
4 this, Mahared Maxobev (sp?) and Laya Skapezic (sp?)
5 for their work as well as I'd like to thank my Leg
6 Director Patty Vandenack Intrator for all their help
7 putting together this committee, and now I will ask
8 Counsel to swear in the panel.

9 Legal Counsel: Please raise your right
10 hand. Do you swear or affirm to tell the truth, the
11 whole truth and nothing but the truth before this
12 committee, and to answer Council Member questions
13 honestly?

14 MALE SPEAKER: I do.

15 COMMISSIONER SALAS: I do.

16 Legal Counsel: Thank you.

17 COMMISSIONER SALAS: Good morning or good
18 afternoon Chair Cohen and members of the Committee on
19 Consumer Affairs and Worker Protection. I'd like to
20 thank the committee for the opportunity to testify
21 today about the agency's budget for Fiscal Year 2021.
22 Before I begin, Mr. Chairman, I'd like to
23 congratulate you again on your appointment to lead
24 this committee, and I look forward to working with
25 you and your colleagues including new members of the

2 Committee, and I what I believe to be among some of
3 the most important policy and programmatic work
4 before the City Council. Since its founding in 1969
5 to today, DCWP has transformed from an agency
6 singularly focused on enforcing the city's consumer
7 protection laws to dynamic resources for consumers
8 and workers alike. DCWP licenses more than 75,000
9 businesses and individuals in more than 50
10 industries, and enforces the consumer protection,
11 licensing, and workplace laws that apply to countless
12 more. In my Preliminary Budget testimony last year,
13 I reflected on agency successes and previewed
14 strategic priorities heading into the 50th
15 Anniversary of our founding. Today, I will share
16 more on how the agency is building on its successes.
17 Equally as important I will highlight our legislative
18 priorities and why they are necessary for DCWP to
19 adapt to the modern marketplace and comprehensively
20 prepare its mission to protect and enhance the daily
21 economic lives of New Yorkers. Last year I briefed
22 the committee on the agency's strategic priority to
23 assess and help mitigate the student loan debt crisis
24 in the city. DCWP's Office of Financial Empowerment,
25 and first of its kind research to more accurately

1 identify and quantify outstanding debt owed by New
2 Yorkers and the factors that contributed to the
3 delinquency and default. Last spring DCWP utilized
4 that research to launch a multi-lingual public
5 awareness campaign entitled *Be Real About Student*
6 *Loans*. Because our research and outreach suggested a
7 need for reliable information about payment options
8 for prospective students, the campaign sought to
9 inform New Yorkers about their rights and
10 responsibilities. The campaign ran in the city's
11 subway cars, bus shelters as well as in print, radio
12 and online in targeted neighborhoods most affected by
13 delinquency and default. Today, our student loan
14 debt education efforts continue. Building on our
15 research and outreach DCWP held a training on student
16 loan debt relief resources for the counselors at our
17 Financial Empowerment Centers. The Counselors then
18 staff a series of student loan debt clinics in 2019.
19 We have a slide up right now that shows you in
20 numbers the results of our clinics, and we continue
21 to provide guidance to New Yorkers year-round. Of
22 course, we continue to evaluate other interventions
23 that would help us address the city's student loan
24 debt crisis including the expansion of key
25

2 initiatives to encourage child savings accounts, and
3 we look forward to partnering with the Council in
4 these potential solutions. Moreover, the agency is
5 overseeing an expansion of financial empowerment
6 centers citywide from 26 to 35 centers all of which
7 are open to anyone over the age of 18 who lives or
8 works in New York. In addition to student loan debt
9 relief, these centers will continue to offer New
10 Yorkers resources on budgeting, how to improve
11 credit, reduce debt and much more. Since their
12 creation in 20–2008, these centers have helped
13 clients reduce debt by over \$73 million, and increase
14 savings by nearly \$6 million. A priority of mine at
15 DCWP has been to reduce burdens on small business
16 owners. This mandate continues to be realized with an
17 increasing focus on business education and dedicating
18 resources to programs I have championed such as the
19 Visiting Inspector Program or VIP, which has provided
20 free educational inspections for more than 6,000 new
21 brick and mortar licensees. In Calendar Year 2019 the
22 agency partnered with elected officials to double the
23 number of business education days it held in 2018
24 from 14 to 28. These educational works and other
25 business focused roundtables accounted for

2 interactions with upwards of 1,500 business alone.

3 Since 2014, we have issued nearly 28,000 Cure

4 eligible violations, which potentially saves

5 businesses up to \$8.8 million in penalties.

6 Currently, there are more than 40 eligible DCW

7 violations, and recently at Mayor de Blasio's State

8 of the City the Administration announced an expansion

9 of cure eligible violations across multiple city

10 agencies including DCWP. We look forward to working

11 with Council to continue supporting small businesses

12 and reducing fines. Overall, DCWP reported another

13 consecutive year of decreased fines on businesses, a

14 decrease of over \$200,000 compared to Calendar Year

15 2018. Most recently, DCWP worked with Council to

16 successfully repeal the outdated Home Improvement

17 Salesperson License category. Established in 1969 an

18 internal review of the HIS license category had shown

19 that it was redundant of our Home Improvement

20 Contractor License. With a license set for repeal,

21 home improvement businesses will no longer be

22 subjected to two sets of fees and licenses for the

23 same area of work. Moreover, the agency will be able

24 to streamlines processes to ensure expedited service.

25 We hope to work with Council to continue to identify

1 further opportunities to streamline licenses,
2 compliance and regulations. Finally, the agency
3 recently conducted a penalty mitigation analysis, and
4 is in the process of promulgating rules to have
5 certain civil penalties waived if businesses make
6 their restrooms available to the public. When
7 finalized, this program will be another resource
8 available to small business owners in lieu of
9 financial penalty. With the implementation of the
10 Paid Sick Leave Law in 2014, DCWP took on the role of
11 implement and enforcing private sector municipal
12 workplace laws in the city. Today, DCWP is a focal
13 point for labor issues, and a dedicated voice in city
14 government for private sector workers across the five
15 boroughs. As such, complaints received by the agency
16 have steadily increased over the last three calendar
17 years totaling over 1,100 by 2019. The city is now
18 regularly leading or among national leaders in
19 protecting worker's rights. The city's expanded Paid
20 Safe and Sick Leave Law made New York the first city
21 in the nation to extend safe leave to survivors of
22 human trafficking and domestic violence. The city's
23 protections for its freelance workers are the first
24 of its kind in the country, and remain a unique
25

1 protection for freelance workers. Similarly, the
2 city was among the first to adopt Fair Workweek
3 legislation for fast food and retail workers, and has
4 been far out in front of enforcing its Fair
5 Scheduling laws. DCWP is continuing to build on its
6 successes enforcing these critical laws. In Calendar
7 Year 2019, DCWP obtained the solutions of
8 approximately 3.2 million on behalf of workers about
9 a half million more than what was obtained in 2018.
10 These numbers are in large part a result of our
11 Strategic Affirmative Enforcement. DCWP uses its
12 proactive enforcement authority to maximize worker
13 recoveries for past violations and future compliance
14 for entire workplaces. In 2019, for example, DCWP
15 obtained resolutions totaling \$571,000 in combined
16 restitution and penalties and future reporting and
17 compliance measures as a result of a proactive
18 investigation and litigation into 13 home healthcare
19 agencies employing more than 13,000 workers. These
20 settlements were part of a broader affirmative
21 enforcement initiative covering 42 homecare agencies
22 across the five boroughs that collectively employed
23 more than 50,000 workers. In addition, DCWP
24 regularly conducts largescale workplace rights
25

enforcement actions against major national brands.

In November, DCWP announced the settlement with a

McDonald's franchise operator in Queens for

violations of Fair Work Week and Paid Safe and Sick

Leave Laws. In total, \$155,000 in restitution was

awarded to 280 workers. Similarly, DCWP announced a

settlement with Starbucks stipulating that they

create \$150,000 restitution fund for current and

former employees for violations of the city's Paid

Safe and Sick Leave Law. Starbucks will also be

required to display an educational poster in a public

space about Paid Safe and Sick Leave in all of its

New York City businesses. DCWP is currently in

litigation with Chipotle over alleged violations of

Fair Work Week and Paid Safe and Sick Leave Laws.

DCWP also remains committed to ensuring integrity in

the marketplace. Deceptive and unfair trade practices

have no place in the city, and our agency remains

committed to exercising its authority to investigate

and prosecute instances of unlevel behavior. One

such instance includes our ongoing commitment to

combatting immigration service provider fraud.

Sometimes known as Mathia Fraud (sic). Following

non-compliance with a previous settlement agreement,

2 DCWP filed new charges against Button Offices and
3 associated defendants for using deceptive advertising
4 and marketing to lure immigrant New Yorker, and then
5 defraud them of tens of thousands of dollars, which
6 those deceptive acts included misrepresenting himself
7 as a lawyer, and lying to consumers about how they
8 could obtain citizenship. Another case involving our
9 Consumer Protection Law was filed in September
10 against T-Mobile and Metro PCS New York for alleged
11 violations that included selling used phones as new;
12 deceiving customers as it relates to refund policies
13 and overcharging customers. The charges brought
14 forward were the culmination of a lengthy
15 investigation spurred by over 100 consumer
16 complaints. As noted earlier, DCWP licenses over
17 75,000 businesses and individuals citywide. During
18 their review of the new applications for tow
19 companies, DCWP uncovered irregularities in insurance
20 documents they are required to submit to the agency.
21 Further investigation including subpoenas issued to
22 thousands of insurance companies in Brookhurst
23 confirmed that numerous licensees had submitted
24 insurance documents altered to appear as though the
25 company had the legally required insurance when it

1 did not. The agency will be making final
2 determinations on these licenses in the coming weeks.
3 As I mentioned earlier, DCWP celebrated DCS's Golden
4 Anniversary this past April. Our investigative
5 enforcement and programmatic work detailed tangible
6 successes for New Yorkers and responsible stewardship
7 of taxpayer resources. To be frank, however, these
8 successes are despite ambiguities in our laws that
9 require clarification to reflect the Council's
10 legislative intent. Without legislative updates, the
11 consequence may very well be an agency in its golden
12 year, but with silver standard tools at its disposal.
13 Our agency's founded-founding is rooted in the city's
14 Consumer Protection Law, a landmarked municipal
15 protection intended to deter businesses from engaging
16 in unfair trade practices, and to empower consumers
17 to seek recourse. We can all agree that the city has
18 changed a great deal over the past 50 years. For
19 example, business advertising and solicitation via
20 the Internet is an increasingly popular means of
21 consumer communication. However, the 1969 Consumer
22 Protection Law is silent on the scope of its
23 protections in this space since it did not envision a
24 marketplace in the digital age, and in a city of over
25

1
2 eight million people, including more than three
3 million immigrants, over 200 languages are spoken
4 every day. A modernized Consumer Protection Law
5 should enshrine the protections for New Yorkers who
6 negotiated to sanctioning one language, and have been
7 asked to sign a contract in English even if they do
8 not speak that language. The city's most vulnerable
9 communities including low-income, immigrant, veteran,
10 and aging New Yorkers benefit from DCWP's
11 protections. These protections, however, are only as
12 effective as the laws and rules behind them. For
13 example, further amendments to the city's Charter and
14 Administrative Code are needed to clarify that DCWP
15 can seek and secure restitution and equitable relief
16 across all of its laws and rules. In 2017, our
17 agency brought charges at the Office of
18 Administrative Trials and Hearings, OATH, against a
19 business for preying on immigrant New Yorkers and
20 falsely advertising identification cards to protect
21 these consumers from Immigration and Customs
22 Enforcement. While the Administrative Law Judge
23 ultimately ruled in our favor and awarded penalties,
24 the ruling also held that the agency did not have the
25 authority to secure restitution from businesses that

2 are not licensed by DCWP. Even if a business has had
3 a consumer or worker, restitution is a cornerstone
4 protection that further holds unscrupulous
5 individuals financially accountable, and importantly
6 provides victims with compensation to cover their
7 losses. Additionally, an amendment is necessary
8 clarify our authority to inspect businesses on site
9 for workplace violations, a common compliance tool
10 for labor enforcement agencies. I am graced-
11 immensely grateful to the committee for holding a
12 hearing on both Introduction 1609 and 1622, which
13 will address these concerns, and I hope that you will
14 join me in pushing for full consideration, and final
15 passage of these common sense bills as soon as
16 possible. Now, in my fourth year as DCWP's
17 Commissioner I am privileged to witness the hard work
18 of the dedicated public servants employed by the
19 agency. Perhaps even more so I am humbled by their
20 results given work that with the Council's support
21 has sought to address the most pressing challenges of
22 our time. As an immigrant New Yorker, I have
23 experienced many of these challenges first hand,
24 challenges such as student loan debt distress, unpaid
25 double scheduling, unpaid leave and others.

2 Legislation before the Council such as Paid Personal
3 Time will enact critical protections for New Yorkers
4 to address these issues, and I continue to be
5 thankful to work with my colleagues in government in
6 search of solutions. Thank you very much for
7 listening, and I am happy to answer any questions you
8 may have.

9 CHAIRPERSON COHEN: Thank you,
10 Commissioner. I just want to note I think that you
11 and I have already met twice. You've been very
12 welcoming and I really do look forward to working
13 closely together. So, I appreciate that. I also
14 want to note that we've been joined by Council Member
15 Lander, and before—I have prepared questions, but I
16 thought before we—we get to that, I'd like to ask you
17 to take a moment to talk a little bit about
18 incidences of price gouging related to the
19 Coronavirus in New York City and what the agency's
20 response is.

21 COMMISSIONER SALAS: Certainly, and thank
22 you for asking. We have received in the last 10 to
23 12 days a number of reports from Council Member
24 Offices and community-based organizations that they
25 were hearing from their constituents about price

1 gouging with regards to face masks, in particular
2 face masks, and so, just a few days ago we sent out
3 inspectors from our office to do a survey of a number
4 of businesses throughout New York City to check for
5 both price gouging and whether the product was for
6 actually—there was a shortage of these face masks.
7 So, under our Consumer Protection Law we have the
8 ability to issue a declaration during extraordinary
9 circumstances such as now for instance when there's a
10 shortage of a certain product we can prohibit price
11 gouging to protect consumers, right? And so, I
12 myself went out to—to a store last weekend. It was a
13 business reported by Council Member Chin, and I did
14 that just because my inspectors already have
15 instructions to go other businesses, and masks were
16 being sold for \$213.00 when the regular prices were
17 less than \$10.00, and we—we know already that the
18 health experts' guidance is not, you know, to go out
19 and buy your own mask, right. But people are afraid.
20 They're stressed out. So, our declaration was
21 effective yesterday, and for the next 30 days it
22 prohibits—it makes it illegal to—to—to be price
23 gouging consumers. It makes it so that we can go out
24 and assess fines if we find that a business is doing
25

1 so. We are ready to—to have our team today go out to
2 do some outreach. We want to make sure that
3 businesses that we have identified already are
4 perhaps doing this, are aware of the reparation
5 because there's a two-days great—two-day grace
6 period. So, we're doing that today, and then soon
7 after we'll be sending our inspectors to make sure
8 that they stop that practice.

10 CHAIRPERSON COHEN: I—I know sometimes
11 that you know gouging when you see it, but is there
12 like a statutory definition of what gouging is?

13 COMMISSIONER SALAS: It's—in—in some—
14 there's at least a New York State statute that says
15 over 10% of the price, the usual price could be
16 considered price gouging. I mean we have an
17 important provision in our Declaration that says:
18 If, you know—if you increase your price more than the
19 normal fluctuation, we will want to see
20 documentation—a justification for that, right. We do—
21 do not want to discourage businesses from trying to
22 secure these masks. If they have to pay a premium
23 for that, we want to see that, and if the premium
24 that you, you know, the documents you have justified
25 and you're charging more, that's fine, but you cannot

2 be charging these prices and trying to take advantage
3 of a time of fear in our communities to—to make quick
4 buck.

5 CHAIRPERSON COHEN: Do you know how much—
6 what the staffing levels are related to trying to go
7 out and serving of time?

8 COMMISSIONER SALAS: Well, we are—you
9 know we're having some of our outreach staff just go
10 out to—to hand out the—the information door-to-door.
11 We're translating the—the language into—we're making
12 the plain language and translate it into several
13 languages, right, and then we have just a few
14 inspectors who are going to be out looking at—at the
15 businesses we've had—where we had seen, the really
16 high prices. You know, I just want to say like we
17 did do a survey and not all businesses are doing
18 that, right? Some businesses are just running out of
19 the—the face masks and—but we can compare the prices
20 that they were charging when they had them, which
21 were normal prices between to like \$5 to \$30 maybe
22 per box, and not these prices. So, \$100, \$200.

23 CHAIRPERSON COHEN: So, what about other
24 products besides the—the masks?

2 COMMISSIONER SALAS: So, our—under our
3 law—our declaration, we need to find two things.
4 Both of them, there is a shortage, and—and, um, that
5 they are actually price gouging, right? And so we
6 did go out in the field about two days ago to check
7 for hand sanitizers, and at the time our survey
8 showed that they were still in stock. So, we
9 couldn't use that declaration then, but we will
10 continue to monitor to see what happens in the next
11 few days.

12 CHAIRPERSON COHEN: I think that makes
13 sense.

14 COMMISSIONER SALAS: All for the—for
15 paper bags, you know. Um, yeah. I mean so that's—
16 that's right now is being enforced by New York State.
17 So, yes. I mean I don't—we can obviously look at it,
18 too, but we can get back to you.

19 CHAIRPERSON COHEN: I do want to
20 acknowledge we've been joined by Council Member Koo.
21 As—as I was saying to you before the hearing started,
22 I do something crazy at budget hearings. I like to
23 ask about the budget. So, I do have some specific
24 questions just in terms of how the agency is funded
25 and the funding level. I think in—in the opening it

2 said the headcount at the agency is 433. Are there
3 vacancies? How many vacancies?

4 COMMISSIONER SALAS: Uh-hm, yes, our
5 headcount is 433. We have about 38 vacancies
6 currently, and then 10 staff members who are on
7 leave, right and we can get back with those 10
8 positions, but we are working on steadily on trying
9 to fill the 38 vacancies.

10 CHAIRPERSON COHEN: So how does that
11 compare to last year?

12 COMMISSIONER SALAS: Good. It has
13 increased, though. The vacancy rate has increased. I
14 can let Nick—I'm sorry. I don't think I introduced
15 them. This is Nick Rosa, my Assistant Commissioner
16 for Finance and Administration. To my left is Kenny
17 Minaya, Chief of Staff, but the vacancy rate has
18 increased. We have made some progress last year in
19 filling the vacancies, and we've been having a harder
20 time backfilling the positions.

21 ASSISTANT COMMISSIONER ROSA: Councilman
22 Cohen, that's—our overall headcount has been reduced
23 as part of the citywide PEG. We were at 450. We
24 dropped to 435 and then we lost another two
25

2 additional headcounts because of a grant that
3 expired.

4 CHAIRPERSON COHEN: The--the 38 vacancies,
5 can you tell us what the lines are, what kind of
6 people are we missing?

7 ASSISTANT COMMISSIONER ROSA: The
8 majority are in our Licensing and Enforcement units
9 of appropriation, which is how most of the are housed
10 in the OLPS Units, which is our office of Immigrant
11 and Policy changes. We are attempting to do our best
12 to recruit from--from private industries to get the
13 investigators. However, it becomes very difficult to
14 compete with private industry salaries when you're
15 looking for someone with experience in that field.

16 CHAIRPERSON COHEN: Can you tell--can you
17 tell me a little bit about in terms of experience
18 what--what the jobs pay? Like what are we--what are we
19 looking for out there?

20 COMMISSIONER SALAS: I think what--what I
21 can say about that I mean we are about I think at \$40
22 to \$50,000 salary range. What happens is that
23 pursuant to collective bargaining agreements we now
24 have to offer a reduced rate for new hires, and that
25 makes it more complicated to actually bring people on

2 board. But typically, I mean it's usually someone
3 with either—either with a Bachelor's Degree and some—
4 some investigative experience or someone with a high
5 school education and just equivalent number of years
6 in having some investigative experience. So, it's
7 not that there aren't people out there. We have
8 actually had people reject our offers of employment.

9 CHAIRPERSON COHEN: And what kind of
10 attrition rate do you have at the agency?

11 ASSISTANT COMMISSIONER ROSA: Currently
12 we're without the leave about 9%. To add leave it's
13 about 11%.

14 CHAIRPERSON COHEN: In terms—can you talk
15 a little bit about the specific vacancies at Labor
16 Policy and Standards?

17 COMMISSIONER SALAS: As of right now we
18 have about 11 vacancies in the Office of Labor Policy
19 and Standards. Um, it is--

20 CHAIRPERSON COHEN: Out of a headcount of
21 what?

22 COMMISSIONER SALAS: About 40. So, it's—
23 it's, yes, it's a—it's yes, it's almost a third.

2 CHAIRPERSON COHEN: Are there particular
3 challenges related around finding people to staff
4 that office?

5 COMMISSIONER SALAS: You know, I mean the
6 cases that we handle in the Office of Labor Policy
7 and Standards do require investigations are very time
8 intensive. You have to review a lot of records.
9 They're not, you know, they're not your typical
10 patrol inspector job where you're going in looking
11 for posters and signs. You have to do a lot of
12 analyses of documents and payroll, and time cards,
13 and like I said, I think we are not competing well in
14 terms of salaries. There's you know, that's been a
15 difficulty for us. We're working really hard to try
16 to fill the vacancies. We do everything we can, but
17 there's also, you know, there's--there's a process now
18 for non-exempt positions that have to go through
19 several reviews within the administration. I think
20 it's DCAS and OMB and all ours and several agencies.
21 So, that slows down the process for getting someone
22 on board.

23 CHAIRPERSON COHEN: Well, in terms of
24 entry points are there fellowships, are there paid
25

1
2 internships? What are the other opportunities for
3 people to sort of--?

4 COMMISSIONER SALAS: Um, well we explore
5 everything. Every time there is a city fellowship or
6 something that--and our staff is very good at
7 researching what's out there in the world, and to try
8 to get people on board, but for a lot of the
9 positions for investigations you really need, you
10 know, people who are going to be able to-- Honestly I
11 haven't found many fellowships directly in the city
12 because a lot of them are more for attorneys. That's
13 what we've come across. We're open to everything,
14 but I think it's--it's just been very challenging
15 lately to--to get those positions filled and then the
16 workload has increased for investigator, and when
17 that happens, sometimes people feel tempted to go to
18 another position that is, you know, it's less time.

19 CHAIRPERSON COHEN: Do you have your
20 ability to design your own fellowships or
21 internships?

22 ASSISTANT COMMISSIONER ROSA: We haven't
23 looked into that, but we could explore that.

24 CHAIRPERSON COHEN: Okay. I'm--I'm
25 concerned a little bit also about your outreach

1 because the agents, if people don't know about the
2 services that your agency provides, it's off and on.
3 So, could you talk a little bit about the marketing
4 and what you do in terms of outreach?

6 COMMISSIONER SALAS: Certainly, and—and
7 yes, I mean we do outreach via a number of ways,
8 right. Marketing and advertisement is just one way
9 in which we can have a lot of impact and cover a good
10 number of workers and businesses so that they
11 understand their obligations and their rights under
12 the law, but we also do a lot of underground outreach
13 via just our connections and close working
14 relationships with community-based organizations in
15 all boroughs, but in terms of the spending that we
16 have on public awareness campaigns for Fiscal Year 19
17 we spent \$2.1 million on our public awareness
18 campaigns, and then another \$1.3. million. Sorry,
19 that's \$1.3 million in advertising and another
20 \$800,000 in costs related to translations, et cetera,
21 and our public awareness campaigns have most
22 recently, and you probably will see this very soon,
23 one of them is our pre-tax preparation work because
24 we're doing the tax season that's, you know, it's
25 very important for us to spread the word that people

1 can access these services for free so you will be
2 seeing them soon, and most recently, we have had
3 complaints around workers rights making sure that
4 individuals across the city and businesses know that
5 we are the central resource for workers issues in the
6 city. As well as student loan debt and also
7 advertising that we have the financial empowerment
8 centers, and we've expanded those services. In terms
9 of outreach events, we conducted 540 events in 2019
10 and those events cover everything from, you know,
11 every service that we provided the agency, but we
12 certainly include information with worker's issues,
13 which are super important. About 191 of those 540
14 events were just about workers for worker protections
15 and worker laws that we enforce.

17 CHAIRPERSON COHEN: Local events are
18 dated. I think that's great. In terms-how much of
19 that is done by the actual agency like do you-you
20 don't do your own advertising I assume, you-you--

21 COMMISSIONER SALAS: So, a lot of the-the
22 sign of the-the ads it happens in-house. So, for
23 instance right now. We just finished designing a
24 campaign for Fair Work Week Laws, but we didn't
25 finish yet, but we're in the middle of that. So, the

2 design is handled in house, but then we use contracts
3 through the Department of Health to just make
4 placements in subways and bus shelters and other
5 places, but it is—it is funding that is assigned to
6 us for the agency.

7 CHAIRPERSON COHEN: So, the—but even the
8 advertising you do through—through another agency
9 like do you—if you want to do it—I don't know if you
10 do TDL, or like what are the methods—methods I guess
11 you use for advertising?

12 COMMISSIONER SALAS: Yes. So, the—the
13 most I think where we spend the most money
14 advertising is really in subway ads and bus shelters
15 and that is—it's our money, but we have to leverage
16 their contracts the Department of Health has because
17 they have these very large contracts in place and we
18 just don't have our own separate contracts, and we
19 just don't spend as much money. So, we use those
20 contracts because it's just easier to get them
21 placed, but that's not the only way. Obviously, we
22 tried to use our media as much as we can. WE use a
23 lot of ethnic media, too. So, as part of, you know,
24 when we buy ads we're buying them not just in like
25 English language media, but about half of our funding

2 goes towards ethnic media because we know that a lot
3 of the workers are just going to be workers whose-
4 whose primary language is not English.

5 CHAIRPERSON COHEN: So, when your
6 contracting for like the subway ads that comes out of
7 your budget, but you give the money to the Department
8 of Health and the Department of Health?

9 COMMISSIONER SALAS: Exactly. Yes. We're
10 just using them as a vehicle for-for getting access
11 to those contracts that are in place, but it's our
12 funding.

13 CHAIRPERSON COHEN: So, could you--like
14 for print media do you--or for subway ads do you know
15 what the budget is for that?

16 ASSISTANT COMMISSIONER ROSA: For the
17 subway ads and transit about \$400 and some odd K to-
18 to the Department of Health for this placing. So,
19 like the Commissioner said, we-we do also print and
20 that-that won't be reflected in our advertising
21 budget. That's about \$2.1 million budget. So,
22 there's a lot of outreach and you are in the position
23 to just replace it.

24 CHAIRPERSON COHEN: In terms of
25 contracting in general, I guess really that's, you

1 know, the PS is obviously the—the largest chunk in
2 terms of contracts. How much money do you spend on
3 contracting?
4

5 COMMISSIONER SALAS: About \$5.8 million
6 just for—and most of that resides in our OFP, Office
7 of Financial Planning for the Annual Tax Season
8 Initiative, and the Financial Planning.

9 AIRPERSON COHEN: But you—you award by
10 grants for—for the taxpayer. Are they—who do you
11 give the grants to? Are they--

12 COMMISSIONER SALAS: Yes.

13 CHAIRPERSON COHEN: --for-profit
14 companies, are they not-for-profit?

15 COMMISSIONER SALAS: Yes. Just give me
16 one second.

17 CHAIRPERSON COHEN: Take your time.

18 (pause)

19 COMMISSIONER SALAS: So, for the
20 Financial Empowerment Centers we have, as we say, we
21 have 35 centers now, and 7 organizations that are
22 receiving the funding, right? And so, for that we
23 had about--

24 CHAIRPERSON COHEN: I'm sorry. Seven
25 organizations?

2 COMMISSIONER SALAS: Seven organizations
3 who receive contracts to manage their financial
4 empowerment centers of which we have 35 centers now,
5 and that's about \$2.6 million in—from the city, the
6 city budget that goes into that and an additional—
7 kind of they have such demand, but we have some
8 private funding, too, that goes into that, but from
9 the city budget, we're spending \$2.6 million in the
10 Financial Empowerment Centers. For the Pre-Tax
11 Preparation Centers we have close to 133 sites, which
12 include in-person, virtual, drop-off and non-public
13 sites, and we are right now in about 43 out of 51
14 Council districts, and I need to find where—how many
15 organizations are receiving the funding. Eleven. So,
16 eleven contracts for the Pre-Tax Preparation Centers.

17 CHAIRPERSON COHEN: That's great. Well,
18 I'm going to take a break for a second. Council
19 Member Koo, you had some questions?

20 COUNCIL MEMBER KOO: Thank you, Chair
21 Cohen and thank you Commissioner—Commissioner Salas,
22 yes. My question is related like the reason
23 Coronavirus right, many businesses are tremendously
24 down. Some like many restaurants, bakery stores,
25 almost every type of business especially in our area

1
2 in the Flushing Downtown Area has been down a lot,
3 but meanwhile, we saw more vendors selling stuff on
4 the streets so you create an ecopatron. While these
5 owners they have to pay rent, and pay salaries, pay
6 everything, and all these vendors they're popping out
7 on the street to sell like masks, sanitizers, and
8 there's nobody to enforce any laws there. Usually
9 police don't enforce the vendor laws. They say, oh,
10 it's up to the Consumer Affairs to do it. So, I'm
11 asking whether you—your agency has done anything to—
12 to get real business the legal way? I mean they
13 just—I see people just bring a box and put some
14 things on the—on the sidewalk and they sell, and it's
15 completely offline, you know--

16 COMMISSIONER SALAS: uh-hm.

17 COUNCIL MEMBER KOO: --and consumers say
18 no to pedestrians. Sometimes they buy these face
19 masks are really poor quality--

20 COMMISSIONER SALAS: uh-hm.

21 COUNCIL MEMBER KOO: --and—but they—they
22 have nowhere to complain, but the next they're gone.
23 So that's one question, and the second question is
24 about you mentioned Consumer Affairs going to enforce
25 price gouging, right? They're over-priced?

2 COMMISSIONER SALAS: Yes.

3 COUNCIL MEMBER KOO: I want to know like
4 if we won't wage this by tomorrow gouging because
5 this is a free market. When people buy stuff more
6 expensive they sell it more expensive, right? Even
7 you bought. When you go and get, you buy Uber at
8 different times they charge you a different price.
9 You know there are peak times and there are slow
10 times. So, it's very hard to-to say, Hey, you guys
11 are over-charging this. So, I want you to-I want to
12 listen to some guidelines. How much is overcharging?
13 If I buy this for one dollar, I sell it for two
14 dollars, is it over-priced or three dollars is over-
15 priced? It depends how much rent they pay, right?
16 How much they do.

17 COMMISSIONER SALAS: Uh-hm. Yes, sure.

18 COUNCIL MEMBER KOO: You understand which
19 I buy a cup of coffee in Flushing for \$1.05, but you
20 go and sometimes it's \$3.00. It all depends. So,
21 you can all say hey, you know, you're over-pricing,
22 you are tricking customers. So, I want to hear from
23 you like what are the guidelines.

24 COMMISSIONER SALAS: Uh-hm.

2 COUNCIL MEMBER KOO: So, this is almost,
3 you know, hey this is, you know, they don't want to
4 let you guys go here and give them a fine, you know,
5 for selling some stuff or you're over-priced. Can
6 you just answer those two questions?

7 COMMISSIONER SALAS: Yes, absolutely.
8 Yes, thank you for your questions, Council Member
9 Koo. So, to address the first question and so you're
10 absolutely right we do license general vendors and we
11 do not do the state enforcement, but I would like to
12 make sure that my team is looking out for this
13 specific situation because it is very much related to
14 the face mask issue, and so we're going to be having
15 our staff, having a little more presence in those
16 areas in which we're seeing price gouging of face
17 masks, but we would like to come in also and see
18 what's happening in your district with respect to
19 these vendors that are popping up now. So, we will
20 follow up with you today, and with respect to price
21 gouging and guidance so us at the moment we're
22 putting together our guidance for businesses, and
23 those are guidance for consumers. We're having it
24 translated right away. Today our team is going to be
25 going out to businesses to inform them of this

1
2 declaration because we know not everyone has heard
3 the announcement, and so one thing that I can tell
4 you that under state law they're looking at an
5 increase of 10% over normal price to be considered
6 price gouging. Now, for us what we're saying to
7 consumers and we're saying to businesses is this: As
8 a consumer do your price comparison, do your research
9 to see what, you know, what the regular price should
10 be. For businesses they are the ones who know what
11 they were selling at before the virus, right. So,
12 you as a business were selling this price-face masks
13 at \$50 before this Coronavirus situation happened.
14 Then that may be a normal price. But if you were
15 selling them at \$10 and like I said earlier I was in
16 Chinatown on Saturday last weekend and I bought a
17 face-a box of facemasks for \$213 when they usually go
18 for \$10. So, that's clearly price gouging.

19 COUNCIL MEMBER KOO: But you bought the
20 face masks. You bought it? You paid for it?

21 COMMISSIONER SALAS: I paid for it or
22 it's evidence. I'm now saving them

23 COUNCIL MEMBER KOO: You're saving them?

24 COMMISSIONER SALAS: Yes because it's not
25 something that we're recommending people to buy,

1 right. It's not what we're saying people should be
2 using their hand sanitizers so-so it is evidence to
3 justify our declaration, but that is a clear-to us a
4 clear case of price gouging. Now, the one thing-one-
5 I think our declaration is very sound because it also
6 allows for businesses who are incurring additional
7 costs to get those masks, right. If you show to us,
8 you know, yes, I was buying these masks before myself
9 from the manufacturer for \$5.00, but now I'm paying
10 \$100 to get them here, then that's a justification
11 for charging more money. We just want to see that,
12 right. If you can tell us yes here are--here are my
13 receipts, then that would be fine, and so we're
14 making sure that as far as our guidance is clear that
15 if you have the justification, we're going to, you
16 know, you're going to be fine, right. But we're
17 working on that. We'll make sure that you have in
18 your hands also our guidance so that you can also
19 make it available, but and if you have places where
20 you recommend that we go to provide this guidance,
21 we'll be happy to take that from you.

23 COUNCIL MEMBER KOO: How sure were you,
24 when those guidance come up?

2 COMMISSIONER SALAS: So, the guidance is
3 available today already, but we're translating it
4 into many languages. So, we're hoping by tomorrow it
5 will be ready or end of day. We're rushing.

6 COUNCIL MEMBER KOO: Because I also
7 received a complaint from a store. They showed me a
8 letter from the Attorney General that said that they
9 are over-charging the customers. This guy like he
10 said that he was paying them \$25 for 25 masks. To me
11 there's no over-pricing. You got a dollar mask.
12 You're paying, but it depends on the quality of the
13 mask, right? But the Attorney General sent letter.
14 We received his letter, you know, that said that
15 somebody paid for all of these things about. It
16 sounds like that this guy is cheating the customer.

17 COMMISSIONER SALAS: uh-hm.

18 COUNCIL MEMBER KOO: Well, wherever you
19 go outside to buy, buyer be aware, and like you said,
20 you compared three places to buy things. What would
21 it cost to buy these, right, and he but 25 masks for
22 \$25, and he sent a letter to the Attorney General
23 with that, and the Attorney General has to be
24 domesticated. This is a waste of taxpayer's money
25 for \$25. Yeah, It's not like he's charging him \$1,000

2 or \$125. So, sometimes it is over, you know, over-
3 when you're over-wait. Let me say it again: Over
4 dedicated so you are, you know.

5 COMMISSIONER SALAS: Yeah, I'm not aware
6 of the Attorney General's letter, but--

7 COUNCIL MEMBER KOO: Well, I do--I have a
8 copy up here. I don't know if you've seen it.

9 COMMISSIONER SALAS: Okay, yeah.

10 COUNCIL MEMBER KOO: So, to me this is
11 kind of like silly, you know. I mean you take
12 complaints from everyone who's saying that oh, this
13 guy is over-charging, and the store can't pay it and
14 so now I could do it, and so with their discretion,
15 you know. They have to make sure that he doesn't get
16 a fine, you know. So, it is--the government is good
17 to protect the customers right? But you don't want
18 to do on it over. Because they just scale up to the--
19 to the business owners who are. A lot of them sell
20 good stuff. I just want to keep it for myself, you
21 know.

22 COMMISSIONER SALAS: And I--I agree with
23 you and that's where we are making sure that our
24 staff will be out in the field first educating some
25 of these businesses so that they understand who we

1
2 are, what we're doing and what the guidance is, and
3 do an enforcement after.

4 COUNCIL MEMBER KOO: It was--if you want
5 to do a deli you can go to the airport, right? They
6 charge you \$5.00 for a bottle of water. I buy it for
7 50 cents. So, we can say that they're over-pricing,
8 right? It depends on the location, and the--the
9 timing, you know. Now is a critical time. Nobody has
10 the stuff. So, of course, when you have stuff--

11 COMMISSIONER SALAS: I would just also
12 add that, you know for our enforcement and even in
13 this case even if we do find price gouging, you know,
14 the businesses will still have the availability of--of
15 appealing that to the--to OATH, right.

16 COUNCIL MEMBER KOO: Uhm.

17 COMMISSIONER SALAS: And so there's
18 still a full administrative process here. It's not
19 just us, you know, being able to--without any
20 oversight being able to reach--

21 COUNCIL MEMBER KOO: (interposing) I know.
22 I know you can go to OATH, but, you know, time is
23 money. Nobody has time to go to OATH, you know
24 because in the days they have to open the store,
25 right. So, if they go to OATH to complain--to answer

1
2 a complaint, they have to hire somebody to watch
3 over. Sometimes they cannot hire anybody to watch
4 them.

5 COMMISSIONER SALAS: But we would love to
6 work with you to make sure that that particular
7 business whose-or the businesses that are reaching
8 out to you with those letters we would like to make
9 sure that they have our guidance in their hands.

10 COUNCIL MEMBER KOO: Yes.

11 COMMISSIONER SALAS: So, and that, you
12 know, obviously we would like to work with you on
13 that.

14 COUNCIL MEMBER KOO: Okay, thanks.

15 COMMISSIONER SALAS: Thank you.

16 CHAIRPERSON COHEN: Thank you, Council
17 Member. I just want to follow up on two points that
18 Council Member Koo raised. One, in terms of
19 languages that you're working on now, what languages
20 are we translating the information into and is that--
21 do you have a normal kind of--

22 COMMISSIONER SALAS: Yes, we're
23 translating them into ten--the ten designated
24 languages that we need to translate them into.

25 CHAIRPERSON COHEN: Which are?

2 COMMISSIONER SALAS: I don't remember off
3 the top of my head, but Spanish, (laughter) and some-

4 ASSISTANT COMMISSIONER ROSA: Whatever
5 was in Local Law 30 of 2017, Council Member, ten
6 designated languages. We can--

7 CHAIRPERSON COHEN: If I don't remember
8 voting for it, you don't have to remember which one,
9 but-but it's available, and then also in terms of do
10 you have strategic partnerships with other law
11 enforcement agencies where maybe sometimes you
12 encounter something and that it made sense to work
13 collaboratively. You struggled with that?

14 COMMISSIONER SALAS: Definitely. We do.
15 We work really closely with Commission of Human
16 Rights, with SBS, with MOIA, and we're working with
17 them on this particular outreach to make sure that
18 we're doing the best we can to cover all areas of the
19 city. So both for education but also to hear back
20 from them if they get any reports on price gouging.

21 CHAIRPERSON COHEN: What about law
22 enforcement, the DA's the-the Attorney General for
23 instance?

24 COMMISSIONER SALAS: So, we-we have been
25 in touch with the AGIS (sic) Office. We did not know

1 that they were sending out any letters on face masks,
2 but we have talked to them because they have—they
3 have—they have different authority from us. Their
4 state law has a different threshold for looking into
5 price gouging, and so, we understand that they—they
6 have—have more of an ability to go after price
7 gouging on—with respect to hand sanitizers because
8 that is considered to be a vital good that is needed
9 by the public right now where face masks are and
10 that's doing all the guidance. So, um, so we're
11 always talking to them because we don't want to be in
12 a situation where you have two or three agencies
13 standing up for one particular problem or issue,
14 right. So, we do that. In other situations we do
15 work with Manhattan—the Manhattan DA and other DA's
16 offices, but right now we have an ongoing
17 relationship really with the AG's office. In some
18 cases we've worked on paid sick leave cases that also
19 had allegations of minimum wage or overtime under-
20 payments, which are state laws or federal laws. We
21 work with them to investigate those cases. For
22 instance, Starbucks was an example of our
23 collaboration between the agency AG's Office—Labor
24 Bureau and my office. That's been a really great
25

2 resolution because it provides for—~~for~~ relief for—
3 provides for a restitution fund for workers who are
4 denied their paid sick leave, but it also requires
5 Starbucks to do something that we think is very
6 creative especially as you mentioned the fact that we
7 don't—you know, how much are we spending on outreach
8 and educating the—~~the~~ communities, right? So, the
9 poster that you see on screen right now is a poster
10 that Starbucks, all Starbucks' locations in New York
11 City are required to display in a public space. Now
12 this is important because this about the law, the
13 protections that workers have, but this is something
14 that as a customer of Starbucks you must see when you
15 walk in, right, and that's part of our settlement
16 agreement that they have to do this. We design the
17 poster with them, and that is part of how we tried to
18 make sure that the message is very present for our
19 communities, but paid sick leave is a right that they
20 need to enjoy especially today of all days now paid
21 sick leave could be life-saving. We want to make
22 sure that workers are taking the time, and are
23 getting paid under law, and that, you know, that's
24 something that's going to protect both workers, the
25 businesses and the consumers, right? We know that in

2 a lot of food establishments, workers have—don't have
3 as much access to paid sick leave, and that's a place
4 where you are putting consumers at risk. So, this is
5 just one way in which we're trying. I don't know the
6 number, total number of locations of Starbucks in New
7 York City, but there are many.

8 CHAIRPERSON COHEN: Infinite.

9 COMMISSIONER SALAS: About 300 of those,
10 and they—they—now we're using them to send a message
11 out there that paid sick leave is the law. So, if
12 you see a Starbucks location that—and you don't see
13 the poster let us know.

14 CHAIRPERSON COHEN: Council Member
15 Lander.

16 COUNCIL MEMBER LANDER: Thank you very
17 much, Chair, and welcome to the Chair. It's great to
18 have you in this. So, thanks very much.

19 Commissioner and thanks to you and your team for
20 being here and for all the good work that you're
21 doing. It was an honor to be out with you last week
22 at the Chapolte event helping Lisa get her job back,
23 and I just want to reflect as I shared with you there
24 that that reflects a very strategic approach to
25 enforcement. I'm going to ask a few questions about

1
2 it, you know, making sure we get those staff hired so
3 we can be responsive to all the cases, but obviously
4 in a situation like that where someone has lost their
5 job to be able to do that kind of strategic
6 enforcement and move quickly to make sure she gets it
7 back I think is—it's just great, and it was really
8 good to see the new Freelancers Isn't Free Act
9 reporting in the MMR, which we actually I think spoke
10 about last year at the budge hearings. So, I
11 appreciate your agreeing to do it and getting it
12 done, and, of course it was really exciting stuff a
13 few weeks ago to see the largest single case almost
14 57,000 hours that Revlon owed a freelancer that they
15 got paid as a result of the Freelancers Isn't Free at
16 Revlon, and your team's work to enforce it. So, all
17 those things are really extremely encouraging. I was
18 out last week in Seattle, and I got to meet with
19 their Office of Labor Standards. I will say they have
20 a little better swag. They have like bags and
21 stickers, and some nice stuff, but otherwise they
22 don't obviously yet have, you know, the, you know the
23 kind of enforcement reach that you guys have, and I
24 met with some folks from Minneapolis who are
25 considering becoming the second city to do the

1
2 freelance, the Freelance Law. So, anyway, it's
3 encouraging the work you're doing, and the way that
4 that work is also kind of growing and spreading
5 across the country. I guess I just want to ask about
6 and connect the dots between, you know, like growing—
7 a growing body of work with more and more people
8 coming in and reporting, and what other resources we
9 need. Maybe those 11 lines can get us there, but I—I
10 guess I noticed a couple of things. One is that
11 freelance isn't free. Complaints are up a lot, which
12 is great. That means people are learning about the
13 law, and coming in. They were up in '19 over '18 and
14 they're up in the first four months of '20 over '19.
15 So that is dynamite, but I mean more people coming
16 means more work that has to get done, and then I, you
17 know, I noticed that the—on the one hand the paid
18 sick days complaint waiting period came down a little
19 as you mentioned from 18 to 19, but it looks like
20 it's back up again. In the first four months of '20
21 there are 272 days. So, I guess I have two questions
22 here. One on—on that specifically--Well, there are
23 three questions here. One is the target for their
24 number of days on paid sick days. Like what do we
25 want to have it at? On Freelance Isn't Free there

1
2 isn't a target number of days. In the—in the MMR you
3 have the number of complaints and—and just in
4 general, you know, do you think that with those 11
5 positions if they got filled understanding the
6 challenges you mentioned to the Chair before, is that
7 enough to get us on the target, you know, to the
8 target we want? Is it something that we would need
9 to be pushing for additional headcount to be able to
10 achieve the targets like that?

11 COMMISSIONER SALAS: Yes, and thank you
12 for your questions. I—so first I would just say that
13 with respect to paid safe and sick leave, we have
14 made some progress in trying to decrease the time
15 that it took to investigate complaints, right. We're—
16 we're on the way to reducing the number of days.
17 Because of the vacancy rate it has been—we haven't
18 been able to make more progress, right. We have
19 increasing workloads for investigator, but we—we're
20 committed to doing that. Internally, we try to—we
21 strive to—to get cases to under 180 days for
22 investigations, but it really is difficult to—to
23 stick to that for every case. As you might, you know,
24 I just spoke about Starbucks. It's a case that two
25 agencies investigate over several years. It's just

1 there are some cases that are going to drive our
2 average or it's not an average. It's like a medium?
3 It's an average number of days for investigation, but
4 we have some litigation like Jet Blue and Delta and
5 other cases that are on hold. So, the number of days
6 keep going up and up, but there's nothing we can do
7 about that, right. So, for the typical investigation
8 that's still within our office and it doesn't involve
9 the Law Department or any other agency, we—we would
10 love the State to—with like 180 days process. I
11 think that if we get back to full staffing on the 15
12 lines so that vacancies, the 11 vacancies we'll be
13 able to maintain a good level of service for—for the—
14 for the work that we're currently required to—to do,
15 right. So, for the laws that we are currently
16 mandated to enforce, those vacancies, filling those
17 vacancies will help us to be in a healthy place. If
18 we're in that with additional mandates like just
19 cause or pay for some time or other, as, you know,
20 legislation as I testified at the last hearing I was
21 at, that we require additional resources, and we'll
22 work with OMB to make sure that, you know, we can
23 address those needs.
24
25

2 COUNCIL MEMBER LANDER: Great. Yes, no,
3 you said that in the just cause hearing. Of course,
4 you know, I'm fighting for that, but I'll—I'll fight
5 for the resources for it, too, and, of course, these
6 questions are part of that. I, you know, the—I see
7 your work and your team working really hard to
8 implement these laws. You know, so I—but the goal of
9 like setting targets, and keeping to them is then we
10 can make sure we have the resources that we need in
11 there. So, I guess in that vein it's great to hear
12 that 180 days is the target. Would you be willing to
13 go ahead and put that into the MMR as the target?
14 Because the MMR doesn't currently have a target, and
15 again the goal is like not so that we can beat up on
16 you when you when you don't hit the target. The goal
17 is so we can pay attention to do we have the
18 resources that we need to, you know, achieve the
19 outcomes we want, and just will help us and future
20 Councils stay on track.

21 COMMISSIONER SALAS: Yes. So, we will
22 work with the Mayor's Office of Operations. I know
23 that you've been asking us to include more—more
24 metrics. So, we'll work with you and with them. It's
25

2 a process. You know, we have to have an agreement on
3 that.

4 COUNCIL MEMBER LANDER: It's that vein if
5 you could ask about putting a number of days on the
6 Freelancers Isn't Free Act as well. You know, again
7 my-my goal is not to gang up here. My goal is to make
8 future Councils see these things so they can help
9 make sure that the agency has the resources that-
10 that-that this could work in the end. (sic)

11 COMMISSIONER SALAS: You the Freelancers
12 Isn't Free Act-I've said this before very publicly. I
13 think it's a very super-super well-designed law
14 because it-it doesn't require as many resources from
15 the agency, but it has the right incentives for
16 compliance, and so we have a pretty successful story
17 of getting lot of the complaints filed with our
18 office resolved with 90 days.

19 COUNCIL MEMBER LANDER: Yes.

20 COMMISSIONER SALAS: With money back in
21 the pockets of the freelance workers. So that's
22 fantastic. We are down to one complaint a day (sic)
23 right now. It was two. So obviously this number may
24 change until we get the position filled.

25 COUNCIL MEMBER LANDER: Sure.

2 COMMISSIONER SALAS: But-but it's-it's
3 really a lot of—a lot of work has been done, which is
4 very, very limited staffing. So, I—I think it, you
5 know, could work.

6 COUNCIL MEMBER LANDER: No that, I mean I
7 hope we can—that model that if you're found to have
8 violated the law there's very severe consequences.
9 So, why don't you quickly come into compliance with
10 the law (laughs) is a—is a good one, and I—we kind of
11 stumbled on it together and really credit is due to
12 Freelancers Union and Sarah Horowitz who—who came up
13 with that. I mean I was happy to put it in the law
14 and that is working, but I think that's a good—a good
15 model. Okay, I know on paid sick days in particular
16 that, you know, that's in the law in the Governor's
17 Budget and proposal, and I understand there's a 30-
18 day amendment coming to make some changes to it. I
19 know he said that some of those will be about the
20 possibility of quarantine for Coronavirus. I know
21 conversation you and I have had is about our ability
22 to continue enforcing that law. It's wonderful that
23 there will be statewide paid sick days. It might
24 actually do some things in our law that we might
25 like. Like I know I'm hearing from this—this week

1
2 during the Coronavirus spread from physical
3 therapists and occupational therapist who were carved
4 out of our law and would like to be in it, and maybe
5 if the state law just includes them we don't have to
6 go back and re-open it up. Extending a private right
7 of action to—to workers would be wonderful. I'm not
8 sure if that's in the state law, but I hope it is but
9 I know one thing we've talked about specifically is
10 this question of making sure we can continue to do
11 enforcement. So, can you just give us an update on
12 what on what your understanding is of where we can
13 stand on the law, and what we should be paying
14 attention to as the State Budget comes to fruition.

15 COMMISSIONER SALAS: Yes, and we are
16 definitely in discussions very much aware of what the
17 state is looking into. We would love to preserve our
18 ability to enforce New York City laws if it's—if it's
19 equivalent to the state protections, right. We have
20 developed a lot of expertise in this area, four years
21 of enforcing this law. There's a lot of work to go
22 around. There's no need to, you know, we can, you
23 know obviously the more resources we put into this
24 issue especially talking about situations that are
25 coming up like Coronavirus. We need to make sure

2 that every worker who has this benefit really has
3 access to it, right. So, if this becomes the law
4 statewide, there's going to be a lot of resources
5 needed to do that work to enforce the law, and so we
6 would like to partner with the State and be able to
7 continue to do our work. One more thing I would say
8 about that is that is that there are other situations
9 in which we already have that happen. So, for
10 instance we enforce the tobacco laws for the state.
11 There's another delegation that—that we have in—in
12 the agency to enforce state laws. So, there's a way
13 to really work with each other to make sure that
14 we're covering the work across the state in a way
15 that's not. So, we're open to that.

16 COUNCIL MEMBER LANDER: I wish you were
17 enforcing the plastic bag law as well. That one
18 people likely self-comply with likely because the
19 retailers are not happy giving away things for free,
20 but they don't need to. So, we'll see how that goes,
21 but okay, I guess my last question then is just the
22 one thing I saw in Seattle last week that they're
23 doing that seems—seems like a smart idea is that they
24 in the new Office of Labor Standards have a—a
25 provision to give contracts both to some community

1
2 and worker organizations and actually just some
3 business organizations as well for outreach, for kind
4 of what they call co-enforcement to make sure that
5 there's more information and education, that people
6 know their rights, can come in and complain, and then
7 on the business side it's interesting, you know, they
8 give—they give contracts to some of the very business
9 organizations who have opposed the—the laws, but on
10 the other hand wasn't to help their businesses be
11 able to comply and know the rules carefully. So, you
12 know, I just—I wonder whether that's something that
13 we should be looking at in New York City providing
14 some resources to community organizations, worker
15 organizations and business organizations. You—your
16 team is doing a—a good job with the outreach, and
17 with the enforcement so this isn't, you know, but
18 it's a big city and there's so many businesses and so
19 many workers, and making sure they really know what
20 their rights are, have other workers that are
21 communicating with them about that, you know, do you
22 think for the future, obviously depending on—on
23 resources that would be something promising
24 leadership or something. (sic)

2 COMMISSIONER SALAS: Uh-hm. So, I will
3 just say that yes. I mean we have really great
4 partnerships with a lot of community-based
5 organizations, unions and business improvement
6 districts, and industry associations, and obviously
7 there's ways to-to resolve them better so that they
8 can do their jobs better and we can benefit from
9 that. That's fantastic. We already have a model
10 similar to that without financial empowerment. The
11 Office of Financial Empowerment because all of the
12 funding that we get there is to provide services in
13 the community, but it's on the vendors, right. So,
14 for instance the Financial Empowerment Centers we
15 have seven organizations that have contracts to do
16 the financial coaching. One-on-one. So, while we
17 maintain the quality control of it, all the money is
18 going into those communities and those centers to
19 provide the services. Similarly, with pre-tax prep
20 we do that. The money goes to us. We manage it, but
21 those organizations, so, you know, those offices in
22 those communities are really providing the services
23 to consumers. So, yes. I mean there's cases in which
24 outreach by a community-based organization is super-
25 super key and important to our enforcement work, and

1
2 it helps us to spread the word. Paid sick leave is a
3 situation where we need all hands-on-deck to make
4 sure that people know about this benefit. So, I
5 think it's a good model.

6 COUNCIL MEMBER LANDER: That's great, and
7 I'll—I asked them for like the model contract that
8 they use both for community work organizations, and
9 with business organizations, and when I get it I'll
10 share it with you guys as well, and in that vein of
11 just the value of good partners, I'll just give a
12 shout out to the folks from Fast Food Justice, and
13 32BJ who are here because, you know, we're going to
14 have a contract with them, and in many cases they
15 don't represent the workers in fast food restaurants.
16 You know, and they're not—they're not collecting
17 dues, but the role they're playing helping spread the
18 word and making sure workers know their rights has
19 obviously been a big asset to the city in addition to
20 the outreach that—that you guys are doing, that we
21 are doing to make sure people know their rights and
22 have the opportunity and partnership to be able to
23 come forward. Freelancers Union does that obviously
24 strongly on the Freelancers and Free Act. So, I
25 agree we're lucky for those partners even though we

2 can't resource them, but I thought this model in
3 Seattle was interesting, and I'll share the materials
4 if you want to--want to get them. Thank you for all
5 the good work, and thank you. Chair Cohen.

6 CHAIRPERSON COHEN: Thank you. Just a
7 follow-up. On paid sick leave, according to the
8 Mayor's Management Report the number of complaints
9 your office is receiving is declining. I find that
10 very concerning. I mean it could be that we live in
11 a city where everybody is complying with this law,
12 and there's no complaints, but I--I find that hard to
13 believe.

14 COMMISSIONER SALAS: Yes.

15 CHAIRPERSON COHEN: What do you attribute
16 the drop in complaints to?

17 COMMISSIONER SALAS: So, yes, thank you
18 for your question. I--in my experience I have worked
19 with several labor enforcement agencies at the state
20 level and then in the federal government. Now at this
21 agency, and there may be a number of reasons why we
22 don't get complaints. In some cases, there may be
23 fear from some communities to come forward and file a
24 complaint with the government. They might make
25 assumptions about things that we don't do, right.

1
2 They might think that we're going to reveal their
3 status if they happen to not have a status to work in
4 the-in the city. Labor laws protect the workers
5 regardless of status. So, we try to make sure we
6 make—we communicate that clearly. It could also mean
7 that there's a higher level of compliance, right.
8 It's—it's really hard to tell--

9 CHAIRPERSON COHEN: It could mean that.

10 COMMISSIONER SALAS: --which factor, but
11 I—I have to say that we make the assumption always
12 that there are going to be workers who don't come
13 forward for their fear of—of identifying themselves
14 or fear of retaliation, right. The example that
15 Council Member Lander just mentioned the case of
16 Chipotle where Alisa got fired. She got fired
17 because she took sick leave, and she got fired for
18 that reason, and that's totally illegal, and so we
19 literally walked her back to her job, and she, you
20 know, with—obviously with the help of 32BJ that
21 actually educated her on her rights. She didn't know
22 that was a violation of her rights, and so sending a
23 strong message that we will tackle retaliation
24 complaints quickly, and aggressively that helps to—
25 to—to reassure communities that we'll be doing the

1
2 work, but I have to say that the numbers are—the
3 numbers of complaints don't really reflect the number
4 of workers who are impacted by our enforcement,
5 right? We may have a complaint from one worker, but
6 when we go in and do a workplace rights investigation
7 or an employer that has 50, 100, 200 workers in it,
8 our law is benefitting all of those workers, right,
9 not just that one complaint. One thing that we do
10 for routinely is that we're looking at industries
11 proactively to think about in which industries do we
12 know there's a history of violations, and maybe
13 workers are not coming forward? So, just recently we
14 announced that settlement of a—a proactive
15 investigation, and I mentioned it in my testimony of
16 over 40 homecare agencies. That's a case in which
17 workers got half a million dollars back in sick leave
18 pay that they hadn't received, and it's—it was a
19 proactive case. It wasn't a case where we had a lot
20 of complaints, but we know that it's an industry
21 that's primarily made up of women, immigrants, and
22 people of color, right. So, proactively work by our
23 agencies always top of mind for us, and I would just
24 say that—what day on this? So, our numbers in terms
25 of restitution for workers with paid sick leave is

1
2 going up. So, even though we have less complaints,
3 the impact of our enforcement is-is-is just-it has
4 grown.

5 CHAIRPERSON COHEN: I don't want to let
6 this point go, though because I-I-I guess I don't
7 know if I'm not convinced or it just-I don't feel
8 that there's enough data. I don't-do you know how
9 many people are covered by the law would you say?

10 COMMISSIONER SALAS: Um, I think it's
11 about-no-I think it's about a million New Yorkers. I
12 mean I-I actually am-right now I'm not remembering.
13 I don't think I have the number here with me, but I
14 will get back to you on that.

15 CHAIRPERSON COHEN: The number of
16 complaints is your testimony small in relation-in
17 relation to the number of workers covered, and I just
18 am very concerned that-that there really-that New
19 Yorkers don't know about the law. Are not and
20 therefore, unable to make a complaint because they
21 don't know about it, and I would like to believe that
22 we live in world where the 261 reflects yeah
23 everybody is in compliance and all is great, but one
24 way or the other I think that we should try to find
25

1
2 out what's going on because that number seems to me
3 to be really out of proportion.

4 COMMISSIONER SALAS: Absolutely. I-I
5 agree with you. I mean our goal is at least to make
6 sure that his benefit is available to workers, right,
7 and if we can do things differently, better, we're
8 open to that. I know that the Community Service
9 Society is-is always monitoring how much workers know
10 about this law, and I know that in their last report
11 it may be already a year ago, but they stated that
12 they believe part-time workers and workers employed
13 in very small businesses may not be aware of the law.
14 So, we tried to then come back with a public
15 awareness campaign that was more targeted at those
16 workers, but there are always ways in which we can do
17 this better. You know, strategies like using the
18 Starbucks model for each resolution that we get to
19 with a big corporation getting them to do more
20 proactive work for us is a way in which we can
21 multiply the dollars we have right? But I'm very
22 open to having a discussion to what other creative
23 ways we can make sure that this law really is top of
24 mind for New Yorkers.

2 CHAIRPERSON COHEN: Yeah, I'm not telling
3 you anything you don't know, but of course small
4 business plays such a huge part in our—the city's
5 employment and I suspect that they are hard to reach.
6 I expect that their employees are hard to reach. So,
7 we need figure ways that we're going to try to, you
8 know, cover—get access in information with many
9 employees.

10 COMMISSIONER SALAS: One thing I would
11 just say about that because we are very sensitive to—
12 to the needs to educate small business owners. We
13 have conducted 28 business education days in 2019.
14 We're mandated to do 10. We did 28, right, because
15 we actually believe that that is the right way to—to
16 go about educating people on the law, and so that
17 means that I would go out to any district, Council
18 District, and think about with the elected official
19 and—and the business groups in that area which
20 commercial corridors are in most need of outreach and
21 education, and what we've done is we've put teams of
22 our inspectors and from my agency and often times
23 from Sanitation and SBS to go out there and do purely
24 educational business, right. So, it's just about
25 education. We don't issue fines, and it's about

2 making sure that that small business owner that
3 cannot leave his laundromat or his restaurant has an
4 opportunity to ask us questions, and I'm open there,
5 too, myself because we get a lot of good feedback
6 from these business owners on what things we could do
7 better.

8 CHAIRPERSON COHEN: Maybe I have business
9 in the Dromm GOHO (sic) BID I might suggest.
10 Council Member Yeger, do you have some questions?

11 COUNCIL MEMBER YEGER: Good afternoon
12 Commissioner. I want to follow up if it's okay with
13 some of what Councilman Koo spoke about earlier today
14 specifically with regards to price gouging, and you
15 had mentioned that there is a 10% or that's what you
16 look for and you see if there's 10% increase on what
17 the price had been previously. Where do you get that
18 from?

19 COMMISSIONER SALAS: No, I--so we don't--we
20 do not look at 10%. What I mentioned was that New
21 York State Law is--they have a 10% range more or less
22 for looking at price gouging. So, we've read that,
23 but we don't, use that number.

24 COUNCIL MEMBER YEGER: New York State,
25 okay New York State laws as best as I understand it

2 general business law does not provide a definition of
3 10%. General Business Law provides a definition of
4 unconscionably excessive price, which is a gross
5 disparity with the normal price.

6 COMMISSIONER SALAS: Yes.

7 COUNCIL MEMBER YEGER: Unconscionably
8 excessive pricing, gross disparity are both close to
9 the statute. Where do you get 10% from?

10 COMMISSIONER SALAS: So, I--so one that is
11 an introduction. A bill was introduced just
12 recently. I can't remember the senator's name Hoylman
13 mentioned 10% but I actually was referring to a
14 conversation my office had with the Attorney
15 General's office. Someone in Consumer Protection
16 Bureau there who mentioned to my General Counsel that
17 they were looking at more or less 10%.

18 COUNCIL MEMBER YEGER: Okay, so I want
19 to--I do want to follow up a little bit on that
20 because some of the points that Councilman Koo brough
21 up are in my estimation quite significant. You know
22 if a--if a store normally sells something for \$2.00
23 and we're starting to sell something for \$2.30 it's
24 more than 10% disparity, and I wouldn't necessarily
25 call that price gouging, but you also mentioned

2 airports, and then we've been talking about Starbucks
3 as it relates to paid sick leave, and I find that
4 ironic because Starbucks charges like \$3.00 for a cup
5 of coffee that I could buy anywhere else for a
6 dollar. Have you ever investigated Starbucks
7 Starbucks for price gouging?

8 COMMISSIONER SALAS: No, and I mean that
9 is I think what the regular price of coffee is that
10 they, you know, they usually post.

11 COUNCIL MEMBER YEGER: That's who then?
12 That's who. I can get a cup of coffee for a dollar.
13 IT's the same cup of coffee that Starbucks charges me
14 \$3.00 for, but they don't charge me because I don't
15 go there, but they charge all the other folks \$3.00
16 for it.

17 COMMISSIONER SALAS: Yes, and so-so one
18 thing that I would say this declaration we issued
19 yesterday cannot be issued under just any
20 circumstance, right. First, it has to be an
21 extraordinary circumstance. So we couldn't just--for
22 the most part if a business was to charge whatever
23 amount they want to charge for a particular good, we
24 cannot limit that. We do get complaints about that
25 point because why is this blanket so expensive? We

2 can't do anything about it. It's really about
3 disclosure of the consumers of your prices. That's
4 what we enforce. You must understand this.

5 COUNCIL MEMBER YEGER: And-and-and I'm-
6 I'm okay with you promulgating any propaganda you
7 wish to the consumers of New York true or not true.
8 I'm fine with that, but my concern is a bunch of
9 folks with ticket books descending on the small
10 businesses in our neighborhoods, and particularly in
11 the neighborhoods where-where the-the taxpaying
12 businesses are competing with non-tax paying business
13 that open up right outside their store for free rent
14 on the sidewalks that we pay for, not paying any
15 taxes on that, and undercutting the businesses as
16 Councilman Koo mentioned happens in his neighborhoods
17 quite frequently, and I know there are other members
18 here who have similar issues and maybe not
19 necessarily in my neighborhood, but that doesn't mean
20 that I shouldn't care about it because those
21 businesses are not paying taxes, and they're
22 competing and undercutting the businesses that are,
23 and there's no enforcement, zero enforcement by DCA.
24 You see I recognize that DCA says it's not their job
25 to enforce it, but my concern is that small

2 businesses in the city are-are constantly pummeled by
3 this government by-by the other side of the building
4 and by the unfortunate souls who work here. We treat
5 them terribly for purposes of funding our overboard
6 of \$95 billion budget that we're about to do, and I
7 don't want to see that a notion that in the time of
8 fear, chaos and confusion we turn once again with our
9 ticket books to the small businesses of New York and
10 start throwing out summonses at them because they can
11 pay them and why not? You mentioned that a business
12 can always go appeal to OATH, but I think we all know
13 that that's really not a solution, if they get a
14 summons go to OATH because (a) as Councilman Koo
15 said, time is money, and that's true, but more
16 importantly, the deck is stacked against them.
17 They're going to lose at OATH. Everybody know that
18 OATH is OATH is part of the collection process of the
19 summons. The summons gets issued. You go to OATH.
20 They say yes you have to pay. Then we have to pay.
21 That's the way it works. OATH is just a stepping step
22 int the process until the check gets written. So,
23 the notion that, you know, OATH somehow is a due
24 process, a portion of issuing-issuing, receiving,
25 getting and challenging and adjudicating a summons is

1 to me a joke notwithstanding that I believe OATH is
2 fair, but OATH is fair in—in relation to the statute
3 as it's written, which is that a summons in and of
4 itself is prima facie evidence of the charge, and
5 then the burden essentially shifts to the business to
6 prove otherwise that it didn't violate the law. So,
7 I'm concerned and—and I would urge you to be—to be
8 cautious about how we do this, sending out folks from
9 your agency with ticket books to assault the small
10 businesses in our city. I would also like to ask
11 because Councilman Koo brought up as I mentioned
12 before airports, and prices at the stores in the
13 airports. Have you ever engaged in an investigation
14 of price gouging at airports? Because the notion that
15 somebody should have to pay \$4.00 for a bottle of
16 soda that I can buy downstairs for \$1.50, offends me
17 enormously, and I think that we can all agree that
18 any place you walk into in an airport is engaging in
19 price gouging.
20

21 COMMISSIONER SALAS: So, so, I go back
22 to—I have begun to say that the two things that need
23 to happen for us to be able to use a declaration
24 where price gouging becomes illegal and is—there has
25 to be an extraordinary circumstance, and there has to

2 be—the item has to be in short supply. So, in this
3 case, you know, we don't go around regulating pricing
4 for anything. In this particular situation we found
5 that just the buy for each declaration—

6 COUNCIL MEMBER YEGER: Who makes that
7 declaration?

8 COMMISSIONER SALAS: The declaration was
9 issued pursuant to my powers of Commissioner under
10 the Consumer Protection Law.

11 COUNCIL MEMBER YEGER: So, you make the
12 declaration. Have you made such a declaration that
13 their items are in short supply?

14 COMMISSIONER SALAS: For face masks.

15 COUNCIL MEMBER YEGER: Okay, face masks—

16 COMMISSIONER SALAS: Yes.

17 COUNCIL MEMBER YEGER: --specifically.
18 You haven't. We haven't gotten yet to hand
19 cleansers, peril and things like that?

20 COMMISSIONER SALAS: For face masks alone
21 and it was issued--

22 COUNCIL MEMBER YEGER: We're hearing that
23 anecdotally, though Commissioner. You—you—you're
24 probably hearing that it's only a matter of time
25 before, you know, as chaos and—and uncertainty and

1 then I—I heard somebody tell me that there was a
2 shortage on Amazon and buying diapers. I don't know
3 why that would necessarily be something that—an item
4 that was picked up in bulk in a situation like this,
5 but the parent then told me since that would always
6 be the first thing whenever anything happened they
7 buy diapers. Because they are always afraid of
8 running out diapers. I mean I'm—I—at some point
9 there are going to be other things that fall on your
10 desk and you come to the determination that there's a
11 shortage, but at the end, it's your pen that makes
12 the declaration. So, it's not—it's not a question
13 that it is academic in the sense that well I don't
14 know if they're going to make a declaration, and then
15 it comes to me to enforce. You're making the
16 declaration. By the time you make the declaration we
17 have already decided whether or not to enforce.

19 COMMISSIONER SALAS: So, um, we did issue
20 the declaration after we did our own survey, our own
21 underground research, online research. We received
22 complaints from a number of offices. So, it's not
23 something that we use often. In fact, we haven't
24 used that during this entire administration. I would
25 just say yes, we'll continue to monitor to see what

1
2 is happening in our communities. With respect to the
3 general vendors issues, yes, I have concerns about
4 that, and would like to talk to not just Council
5 Member Koo's Office, but your office, too if you are
6 seeing that general vendors are popping up in front
7 of businesses and selling these products, we want to
8 know about that.

9 COUNCIL MEMBER YEGER: Can I—can I ask
10 that you commit that over the next say—let's two
11 weeks, 30 days, 60 days if you are seeing in your
12 agency and uptick in summonses of unfair business
13 practices related either to gouging per se or other
14 things of that nature to our small businesses that
15 you proactively notify the Chair of the Committee
16 instead of waiting until we see you again in a couple
17 of months and then we ask you about it. The reason I
18 asked that is because Councilman Koo wisely pointed
19 out, and again, this is something that I think—I
20 think those members who represent those areas know
21 this better than—than someone like myself that some
22 businesses of—of Asian ownership immediately saw a
23 drop in business unfairly, unwisely and—and in my
24 estimation very racially targeted by uneducated
25 stupid people, but not withstanding businesses are

1 suffering and parts of our community, and all of
2 those business whether they're in my neighborhood or
3 Council Member Chin's neighborhood or Councilman
4 Koo's neighborhood, they're of our economic engine,
5 and if they're hurting, we will hurt because we're
6 relying on their taxes to pay for this \$95 billion
7 boondoggle we're doing. I—I would urge you to be
8 reluctant to whip out that ticket book over the next
9 couple of months for things that you could just look
10 away from and let these businesses try to breathe.

12 COMMISSIONER SALAS: So, we definitely
13 can commit to reporting on any fines or, you know,
14 violations issued in the next 20 or 30, whatever
15 period of time we work.

16 COUNCIL MEMBER YEGER: Proactively—
17 proactively give us an indication, give the Chair an
18 indication if you see that the numbers are growing in
19 ways that they had not previously grown.

20 COMMISSIONER SALAS: Certainly. Yeah,
21 we're happy to do that. We—we also, you know we
22 obviously have all that information unopened there,
23 too. So, it's available to the public, but we're
24 happy to work with the—the Chair. With whatever

1 frequency he needs the information, we can provide
2 it.
3

4 COUNCIL MEMBER YEGER: Okay, lastly and
5 this is a--this doesn't need an answer because I felt
6 like you can answer it, but to the extent that you've
7 been encouraged to be anything like Seattle, please
8 don't. Seattle is projecting a 3% budget deficit.
9 Their--their expenses are growing faster than the tax
10 revenues are growing, and I very much would not like
11 to see our city grow like that. Okay. So don't take
12 any advice from anybody who says be more like
13 Seattle. With that, Mr. Chairman, I'm very grateful
14 for your time today.

15 CHAIRPERSON COHEN: Excellent. Council
16 Member Chin.

17 COUNCIL MEMBER CHIN: Thank you, Chair.
18 I was just chairing the meeting next door for-
19 fighting for resources for our senior and we did talk
20 to about, you know, preparing for the Coronavirus.
21 How do we make sure that our seniors all know the
22 correct protocol and--and having in the centers I
23 think we're also looking at making sure that they
24 have supplies you know for cleaning and--and all that
25 sufficient. So, my question is that in terms of part

1
2 of the population, I know all the city agencies are
3 leading and stuff. How are you doing in terms of
4 going out to the small businesses, and make sure that
5 they are complying with the paid sick leave because
6 we're telling people if you feel like you're sick,
7 you should stay home, and they should know that they
8 have this protection, right and then also getting
9 businesses to close up, you know, the protocol, you
10 know wash your hands, and--and all the--the healthy
11 protocol that everybody should be practicing, you
12 know in different languages because, you know we see
13 those at healthcare facilities, we see them at senior
14 centers. So I think for the small business for them
15 to be able to also participate and I--the other thing
16 is I also wanted to really, you know thank you and
17 your department for, you know, working with us to
18 sort of like kind of--there was an investigation. I
19 know we got a complaint about price gouging on masks
20 and stuff, and we did go out to the small business
21 and investigate, and then we really appreciate that
22 because we also want to make sure that the correct
23 information gets out to the public so people are not
24 freaking out and like, you know, we heard that they
25 were like, you know, people going--going to the

2 supermarket and stocking up on rice, you know because
3 they hear all these rumors, and so we want to make
4 sure that correct information is out there, people
5 know their rights especially when there are laws out
6 there that are protecting them. So, I just want to
7 make sure that the—that your department is also
8 coordinating with—with the other—what other agencies
9 are doing.

10 COMMISSIONER SALAS: Yes and you—you
11 probably have heard from other agencies already that
12 the Administration as a whole is making sure that the
13 correct guidance on Coronavirus best practices is
14 going out to the community. So, we're using every
15 way we can like notifying all our licensees, making
16 sure that all our outreach of personnel are out there
17 with this information handing it out to—to businesses
18 to consumers, to workers who are using as—as my
19 agency is just part of the group of agencies that are
20 doing this on a regular basis now, and making sure
21 that everyone who's ever been in contact with us gets
22 this information. We are also very committed to
23 again reminding people about Paid Safe and Sick
24 Leave, which as you said, it's—it's vital right now.
25 It's super important that people know this benefit

1 exists, and people take advantage of that, and-and
2 businesses are allowing their workers to take their
3 leave. So--so we're doing that, and we're using
4 every possible outreach method we have in our hands
5 from--from our media to just on the ground and emails
6 and just--and--and just--and obviously if you have any
7 suggestions for us or on particular neighborhoods you
8 would like us to make sure we are--have a presence in,
9 we'll do that. I was saying earlier that post
10 operation we're also very invested in making sure
11 that our guidance, and we could see the first
12 gouging, and what isn't. It's out there with the
13 businesses so that they also feel they're not, you
14 know, struck by lightning, but they have the
15 information ahead of time. So, you know, the city is
16 very committed to--to making sure that the right
17 information is getting into--into the hands of our New
18 Yorkers.

20 COUNCIL MEMBER CHIN: And also I think we
21 need to make sure that those information are in the
22 very various languages and I know, you know, that it
23 happen, you know, the discriminating activities going
24 around, people telling people not to patronize, you
25 know, Asian stores and stuff, and those are really

2 incorrect information, and we want to make sure that,
3 you know, that the businesses feel like the city is
4 supporting them.

5 COMMISSIONER SALAS: Yes.

6 COUNCIL MEMBER CHIN: And so, I think
7 like sending them information that they could post
8 up, but they're working together with the--the city
9 agencies. I know that from my hearing with a senior
10 with the Commissioner they are actually going to be
11 visiting 600, you know all the congregate senior area
12 including organization--I mean or centers that are not
13 contracted with the city to really make sure that
14 they have right information, the right protocol, and
15 so they're going to be doing that. So are--is your
16 agency also really going to be proactively visiting
17 all the small businesses to make sure that they have
18 the right information and--

19 COMMISSIONER SALAS: So, I--I would say
20 that right now we are very focused on the outreach
21 on--on the declaration and making sure that the
22 businesses--again, I understand what the consequences
23 are for price gouging. At the same time we're
24 bringing with us information on Paid Safe and Sick
25 Leave. We have--we have limited staffing so I don't

1 know that we can scale up to-to-to be able to cover
2 like 600, 800 locations, but we're doing everything
3 we can. So, in addition to sending mailers and emails
4 to the businesses that are part of our database
5 everyone is going to be receiving that, and then door
6 to do we're going to do the best we can to go to
7 communities from where we're seeing most of the
8 problems. So, we'd like to work with your office and
9 with other Council Members Offices to see if there
10 are particular neighborhoods where we're seeing a
11 more this information or more instances of-of-of
12 racism or anything that is hurting businesses, and
13 we'll make sure to have a presence there.

15 COUNCIL MEMBER CHIN: Well, I think that
16 from what I heard from the DFTA Commissioner, they
17 also have to ask for additional resources, personnel,
18 too. So that they can go around to visit all these
19 sites. So I urge you that if you need additional
20 staffing whatever this is the time to ask the Mayor
21 because you need to really get the correct
22 information out, and make sure that our small
23 businesses are getting the support so it's not just
24 your staff that they should also provide, you know,
25 extra support at this critical time just like, you

2 know, other agencies are doing. So, I think that's,
3 you know, that is important. It's not that you have
4 to do it all yourself.

5 COMMISSIONER SALAS: Yes.

6 COUNCIL MEMBER CHIN: That's what I hear,
7 you know, from the Administration that they're
8 providing the resources.

9 COMMISSIONER SALAS: Yes, and the team is
10 working with—the agencies are working with OMB right
11 now to think about what they need to prioritize and
12 what additional resources are needed. So, I'm sure
13 you'll hear more in the next few days.

14 COUNCIL MEMBER CHIN: And one—one last
15 questions, Chair, is that I know there is like short
16 supply because I'm hearing it from providers and
17 centers. You know, now like every place you go like
18 everybody has a bottle of hand sanitizers and-- So,
19 I think that the city really needs to look at how to
20 get more supplies, and to make sure that our senior
21 centers, the small businesses that—that people have
22 the supply that they need to wipe things down, and—
23 and to make sure that we don't run out. I mean like
24 as a city we need to figure out how do we provide,
25 you know, these supplies and resources rather than

1 just leave it up to a provider or a-so, I think that-
2 that was one of the critical issues that was raised
3 earlier because the Department of-Department of
4 Education they're getting extra resources to do the
5 cleaning, and-and all that. So, I think that is
6 something that we really need to have similar
7 coordination to make sure that we can get the supply
8 that's needed especially from our senior centers and
9 youth programs or whatever.
10

11 COMMISSIONER SALAS: Absolutely, and-and I
12 believe there's a high level of coordination
13 happening right now. We're on daily phone calls and
14 the agencies are being asked, you know, what are-what
15 results are needed to do the essential work. So, I
16 think that we have a-we're really working together.
17 So, I-I think you should be very sure that these
18 conversations are happening.

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

21 CHAIRPERSON COHEN: Thank you Council
22 Member Chin. Well, I just have a few more just so you
23 know. On the Office of Financial Empowerment I guess
24 we're planning to take the reporting out of that out
25

2 of the Mayor's Management Report this summer. Is that
3 correct?

4 COMMISSIONER SALAS: I'm sorry. Can you
5 repeat the question? Taking them out of the--

6 CHAIRPERSON COHEN: For the Office of
7 Financial Empowerment I'm going to read you the
8 questions I have, you know, it shows—it shows the
9 number of client served, the-the report the Mayor's
10 Management Report shows the number of clients served,
11 and the percentage of those clients achieving
12 measurable success both—well they both decreased in—
13 in FY2019, but really my concern is that we're taking
14 the reporting that we're not going to continue to
15 report on that in the MMR. Is that correct?

16 COMMISSIONER SALAS: Yeah, I'm not—I'm
17 not—I'm not aware of that. I don't have an answer
18 for you right now, but I'm happy to come back with a
19 response.

20 CHAIRPERSON COHEN: I think it's to the—
21 to the vendors that you're contracting with. I think
22 that we're not going to report on that. Does that
23 make sense?

24 COMMISSIONER SALAS: I don't—I don't
25 believe that. I mean there may be some changes in the

1 reporting, but I—I can't speak right now with
2 confidence on what, you know, the answer, but if you,
3 you know, we'll be happy to follow up with and
4 answer.
5

6 CHAIRPERSON COHEN: Okay, and also in
7 your testimony you talked about various violations
8 you find that are cure eligible for penalty
9 mitigation. I know that we're talking about
10 legislation that might increase your ability to-to
11 implement those policies. What is the status now?
12 If you find a violation do you have flexibility in
13 terms of not issuing a summons and—and also, I'd like
14 for you to expand a little bit on that kind of thing
15 in addition.

16 COMMISSIONER SALAS: So, for-for up to 40
17 violations we can issue a curable violation. Right,
18 so just ask the business to fix the problem, give us
19 your proof that you fixed the problem, and you will
20 not be fined for that. The city is—the Mayor did
21 announce at the State of the City that he wants to
22 expand the number of curable violations, and not just
23 for DCWP, for a number of other agencies. So, I'm
24 sure we'll be working with the Council to figure out
25 what's—what are appropriate curable violations. The—

1 the—the one thing that I would say is that those
2 business education days in our VIP program have
3 really helped us to be able to have a peer
4 educational visit with an employer, a business where
5 it's—it's almost like having a curable violation
6 because it is an opportunity to just ask questions,
7 fix the problem, and the base there really is no—no
8 enforcement happening. It's really about just giving
9 you the tools you need to—to fix the—whatever issues
10 we identify. So, I mean those are counted in
11 different ways, but we touched 11,000 businesses one-
12 on-one in that way, which is, again it's—it's—it's a
13 program that has been very well received by the
14 business community. They appreciate that the first
15 thing they see from the CWP is not just a fine, but a
16 business to stay. So, we are rough counting and
17 helping. (sic)

19 CHAIRPERSON COHEN: Well, first let me
20 just say I think that really does go to the point of
21 Council Member Koo and Yeger, giving people the
22 opportunity, but if they're not aware of the law or
23 they, you know, you don't have to fight it
24 vociferously if it's—if it's curable anyway, and you
25 can just get into compliance and you don't have to

2 kind of hash it out. So, I think that that that makes
3 a lot of sense. Could you just talk a little bit,
4 expand a little bit more, too, about penalty
5 mitigation?

6 ASSISTANT COMMISSIONER ROSA: So, the
7 Penalty Mitigation Program is pursuant to legislation
8 passed by the Council. So, we in January submitted a
9 report to Council informing the body that penalty
10 mitigation is feasible for some of our signage
11 violations. We identified 40 of those, and the way
12 it works operationally is with the curable program as
13 well is that an inspector will go out in the field
14 and our inspectors issues charges. They don't issue
15 actual fine amounts. Those fine amounts are attached
16 to the charges one the violation is adjudicated.
17 When the inspector comes back to the agency, the
18 business will receive what's called a pleading
19 letter, and that's where the business has the
20 opportunity to certify that they had cured, and for
21 the Penalty Mitigation Program they would—they would
22 certify that they are participating in the Penalty
23 Mitigation Program, and that they are making the
24 bathroom accessible to—to the public.

25 COMMISSIONER SALAS: that's

2 CHAIRPERSON COHEN: That's great. I
3 think that is all for now. I want to say I do
4 appreciate again I think that we're off to a good
5 start. One thing I did learn from this hearing is
6 that you apparently issue a lot of reports, and I
7 should probably go look at some. That will keep me
8 busy, but I do--unless you have any more questions,
9 thank you very much for your testimony

10 COMMISSIONER SALAS: Thank you so much
11 for your time.

12 CHAIRPERSON COHEN: We're going to call
13 the next panel Shamir Lowe. I hope I pronounced that
14 right; Autumn Winetraub. We're going to get them all
15 in one? Hope Gozo and Andrea Bowen. Okay. (pause)
16 Please.

17 SHAMIR LOWE: Good afternoon everybody.

18 CHAIRPERSON COHEN: Just let everybody
19 have a seat and we're going to put you on a clock
20 because it's getting late in the afternoon on Friday.
21 So, we're asking for you to try to limit your
22 testimony to three minutes. So, if you're ready,
23 we're ready.

24 SHAMIR LOWE: Alright.

25 CHAIRPERSON COHEN: Please.

2 SHAMIR LOWE: Good afternoon, everyone.

3 My name is Shamir Lowe. I used to work for
4 McDonald's. I'd like to thank the New York Council
5 for the—for your leadership and expanding Fair and
6 expanding Fair Scheduling and Paid Sick Leave right
7 to low-income workers such as those in the fast food
8 industry many of whom never enjoyed these benefits
9 before. A Fair Work Week Paid Sick and Safe Leave
10 Laws have already made a difference in my life, and
11 the lives of my--of my co-workers. For example:

12 Many fast food workers now we see payments for last
13 minute—last minute changes to their work schedules.

14 Unfortunately, yes our—yes, after both of these roles
15 have comments of effect, many employers are still in
16 compliance with 2019 orders that they —orders that
17 they three additional Chipotle restaurants filed
18 complaints with the DCWP documenting—documenting
19 ongoing violations of the Far Work Week Laws at
20 their—and their compliance in think at their stores,
21 and our workers at 11 Chipotle restaurants have filed
22 complaints claiming chipotle violated the Paid Safe
23 Sick Leave law by forcing them to work sick and
24 fining them for taking sick leaves. Among other
25 violations these are troubling cure accusations

1 especially at a time when the city is grappling with
2 public concerns over the spread of Coronavirus. The
3 Department of Consumer and Working-Worker Protection
4 has delivered incredible results for the working
5 people of the city, and its cases it has—and the
6 cases it has been able to pursue so far, but in order
7 to truly effect change across the entire fast food
8 industry, we need the appropriate level of funding.
9 My co-workers and I in the fast food working-fast
10 food worker movement fully endorse the departments
11 which apply for increased funding so that together we
12 can finish what we started and truly come from the
13 fast food jobs and to family and communities such as
14 sustaining one. Thank you.

16 FEMALE SPEAKER. I'm reading Testimony.

17 I'm a 32-BJ new member. I'm reading the statement on
18 behalf of President, Kyle Bragg. (sic) Thank you for
19 the opportunity to testify here today on behalf of
20 the Union's 8,500 members in New York City. The
21 Department of Consumer Affairs and Worker Protections
22 plays a crucial role protecting consumers and workers
23 in New York City, and we strongly believe that its
24 funded should be reflecting—should reflect that role.
25 In 2015, the city created the Office of Labor Policy

1 and Standards which had—which was housed in the
2 Department of Consumer Affairs. In 2017, the
3 department was put in charge of enforcing the
4 Freelance Isn't Free Act, the Earn Safe and Sick Time
5 Act and the Fair Work Week Law. In 2019, to reflect
6 this increased role as a protector of the workers on
7 behalf of the department was renamed as the
8 Department of Consumer Affairs and Worker Protection.
9 We know from-for-from first-hand experience how the
10 department protects workers' rights. For example,
11 the department has filed a lawsuit alleging
12 widespread violations for the city Fair Work Week Law
13 by Chapotle, and just last week secured owed—owed
14 sick pay and \$2,500 for a worker who had their rights
15 regard-their rights regarding sick pay violated. The
16 department has also worked assiduously to protect
17 subcontractors, workers' rights to safeguard their
18 health out at the city's airport. We have faith in
19 the ability of the department's ability to protect to
20 protect workers. However, we are also concerned that
21 without sufficient resources the department cannot
22 ensure that all employees—employers comply with the
23 protections that have been recently extended to
24 workers. For Fiscal 2017, the department's

2 Preliminary Budget was \$40.8 million. While in
3 Fiscal 2020, the department's Preliminary Budget was
4 \$43.4 million. Despite a sufficient increase in
5 duties, the department has not received a
6 commensurate increase in funding. For these reasons
7 we ask you to double the allocation for the Office of
8 Labor Policy Standards. Thank you to the Committee
9 in Consumer-on Consumer Affairs and Business
10 Licensing for the opportunity to testify.

11 ANDREA BOWEN: My name is Andrea Bowen,
12 Principal from Public Affairs Consulting. I am
13 speaking today on behalf of the New York City Network
14 of Business Cooperatives, the trade association for
15 cooperative businesses, in the NYC Metropolitan area.
16 Thank you, Chair Cohen, Council Member Yeger, staff
17 of the committee on Consumer Affairs and Business
18 Licensing for this hearing and the opportunity to
19 speak. So, New York City Network of Business
20 Cooperatives, which we lovingly call NYCNOCK, is one
21 of the organizations that participates in and
22 advocates for the Worker Cooperative Business
23 Development Initiative, which I'll call the WCBDI, an
24 initiative the first of its kind in the nation the
25 Council has invested more that \$10 million in over

1 the last six fiscal cycles. Over the past five years
2 WCBDI has created 132 new worker cooperatives,
3 reached nearly 8,000 current or prospective
4 entrepreneurs, created more than 631 new high paying
5 jobs with over 2,000 worker-owners in New York City.
6 This budget cycle we seek an increase in WCBDI From
7 \$3.69 million to \$5.04 with the intent of using these
8 extended funds to expand our financial assistance to
9 business skills development services, do more
10 business with business networking, strengthen sector-
11 strengthen sector specific work, and while this
12 initiative is funded through SBS, there are several
13 reasons I wanted to highlight it for this committee.
14 Given your oversight over DCWP, it's germane to
15 discuss WCBDI's workers protection issue. Worker
16 cooperatives allow workers to benefits from the value
17 create—they create, and there's a typical pay ratio
18 of 2 to 1 from the highest paid to the lowest paid,
19 which is significantly lower than what you see in
20 large businesses. Also, the models of built wealth
21 in four communities and communities of color
22 resulting in higher wages nationally and also
23 creating an opportunity for small business owners
24 upon retirement to pass their businesses onto
25

2 workers. NYCNOCK and WCBDI participants are
3 interested in talking further with the your committee
4 as well as DCWP in the coming months about ways that
5 we can use worker cooperatives to further the aims of
6 the worker protection, creation of cooperatives and
7 thus worker ownership of business has been remarkable
8 over the life of this initiative and I have many more
9 materials attached to the testimony for you, and
10 we're interested in discussing with our partners in
11 government the ways that increased investment could
12 have even more dramatic scaling effects. I really
13 appreciate the opportunity to speak before and now on
14 this issue, and I'm happy to take any questions.

15 CHAIRPERSON COHEN: I would say that I am
16 happy to discuss these issues with you any time, and
17 you can just reach out to my office. I will also say
18 I think I do agree that the testimony of President
19 Bragg that I would really like to figure out why the
20 role and the services of DCA are expanding and the
21 budget is contracting. I think that really doesn't
22 make a lot of sense, and unless anybody has any
23 questions. Anybody else wants to testify? I'm going
24 to conclude this hearing. Alright. Thank you very
25 much everyone. (gavel) (background comments

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C E R T I F I C A T E

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



Date March 25, 2020