

**Testimony of Lorelei Salas
New York City Department of Consumer Affairs**

**Before the
Committee on Consumer Affairs and Business Licensing**

**Hearing on
Int. 1622-2019 and Int. 1609-2019**

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Introduction

Good morning Chair Espinal and Members of the Committee on Consumer Affairs & Business Licensing. I am Commissioner Lorelei Salas, and it is my pleasure to testify in support of Introduction 1622 and Introduction 1609; legislation that will modernize the agency’s landmark Consumer Protection Law and officially rename the agency to the Department of Consumer and Worker Protection (DCWP).

Intro. 1622

In 1969, the City Council recognized a need for broad consumer protection against “deceptive or unconscionable trade practice[s].”¹ It passed the New York City Consumer Protection Law, or CPL, and, in doing so, created the first municipal consumer protection agency in the United States, the Department of Consumer Affairs – an agency I am proud to lead.

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

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

In 2019, digital communication between businesses and consumers are ubiquitous in the marketplace. When the CPL was passed by the City Council in 1969, they intended the CPL to be “a comprehensive substantive ban on all forms of consumer fraud,”² but could not possibly foresee the prevalence and influence of online communications and advertisements. With that

¹ NYC Ad. Code § 20-700

² Report of the City Council Comm. on Codification, Proceedings of the Council of the City of N.Y., Int. No. 873, Dec. 2, 1969

intent in mind, DCWP already brings cases under the CPL for deceptive online practices. To bring the text of the CPL into the 21st Century, and reflect the work currently done by the agency, Introduction 1622 clarifies that the CPL covers digital mediums that businesses and individuals use to deceive consumers.

Since the CPL's inception, the penalty amounts have remained unchanged. Penalties that may have been effective at deterring unlawful behavior in 1969 are less so in 2019. Introduction 1622 updates the penalty amounts to levels equivalent to where they were in 1969, after adjusting for inflation, increasing the penalty range from \$50 to \$350 per violation to \$350 to \$2500 and from \$500 to \$3500 for "knowing" violations. Furthermore, Introduction 1622 clarifies that the agency may seek restitution on behalf of aggrieved consumers for violations of the CPL whether we bring an action at OATH or in state Supreme Court.

Finally, change in our City is not just reflected in technology, but in our neighborhoods and in our communities. New York City is, proudly, more diverse than it was half a century ago when the CPL was passed. I have had the pleasure of walking with many of you in your districts' busiest business corridors and utilizing multi-lingual resources to communicate with residents in their native tongue. The language of New York City's marketplace is not just English, but Spanish, Cantonese, Arabic and more. To that end, Introduction 1622, makes clear that it is a deceptive trade practice under the CPL for businesses to fail to provide consumers complete and accurate translations of documents into the language the transaction was negotiated in.

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

Intro. 1609

I will now turn my attention to Introduction 1609. In 2015, the City Council created the Office of Labor Policy and Standards (OLPS) to enforce vital workplace protections, such as the Paid Safe and Sick Leave Law, the Fair Workweek Laws, and the Freelance Isn't Free Act, to name a few. To better reflect the expansion of our mission and send a strong message to everyday New Yorkers of our role in the City, the Mayor announced at his 2019 State of the City Address that our agency would be renamed the Department of Consumer and Worker Protection (DCWP). Introduction 1609 would formalize our renaming in the Charter and Administrative Code, all our public-facing communications, and legal documents.

This legislation also clarifies our agency's authority to order restitution, on behalf of consumers and workers, for any laws or rules that DCWP enforces, providing a meaningful remedy for New Yorkers. It also clarifies our authority to inspect businesses onsite for workplace violations, a common compliance tool for labor enforcement agencies.

Conclusion

New York City is the fairest big city in America. Modernizing the CPL and memorializing our expanded mission to advocate for, and protect, workers will ensure that it remains that way. We look forward to working with the Council on these critical bills and other progressive policies, like

paid personal time, that will ensure New York remains, in the words of our Mayor, “a City where work is rewarded, and prosperity shared.” Once again, thank you Chair and Members of the Committee for the opportunity to testify today and I am happy to answer any questions you may have.