

**Testimony of Commissioner Vilda Vera Mayuga
New York City Department of Consumer and Worker Protection**

**Before the Committee on
Consumer and Worker Protection**

**Hearing on
Consumer Protections during COVID-19**

March 28, 2022

Introduction

Good afternoon, Chair Velázquez and members of the Committee on Consumer and Worker Protection. I am Vilda Vera Mayuga, Commissioner of the Department of Consumer and Worker Protection (DCWP), and I am joined by Steven Ettannani, our Executive Director for External Affairs and Michael Tiger, our Deputy General Counsel. Thank you for the opportunity to testify before the committee today on our consumer protection efforts related to COVID-19.

The pandemic has had an immeasurable impact on the health, wellbeing, and economic lives of New Yorkers. All of us have felt its effects, but New Yorkers have sustained these burdens courageously, and our city will continue to do its utmost to support them through this pandemic and beyond.

Protecting Consumers at the Height of the Pandemic

From the start of the COVID-19 pandemic, DCWP recognized the economic impact that New Yorkers were facing as consumers. On March 5, 2020, under the authority of the Consumer Protection Law (CPL), we declared several essential items, such as face masks, hand sanitizer, and disinfectant wipes, as goods in short supply, which meant that retailers could not overcharge consumers for these items. Later that month, we promulgated an emergency rule that prohibited price gouging on products that diagnosed, treated, or prevented the spread of COVID-19. We have since made that rule permanent to prohibit price gouging of goods and services that are essential to the health, safety, and welfare of New Yorkers during any future state of emergency.

It will always be hard to put into words what those early months of the pandemic were like for New Yorkers. From the perspective of our consumer protections, in the first two months, DCWP received more than 9,200 price-gouging complaints. For context, that means price gouging complaints in March and April of 2020, alone, represented a 220% increase over the total complaints we received in the same time period of 2019. Price gouging during the state of emergency was an egregious exploitation of a situation of fear and uncertainty that consumers found themselves in. Our research indicates that price gouging was most prevalent in the neighborhoods hardest hit by the pandemic, which also tended to be our city's communities of color.¹

¹ <https://www1.nyc.gov/assets/dca/downloads/pdf/partners/PriceGougingAnalysis.pdf>

Some examples of items that saw their prices exponentially increased during the early months of the pandemic include Lysol disinfectant spray for \$12, hand sanitizer charged at \$30 per 8-ounce bottle, or a box of face masks for \$200. Prices like these had real impacts on the lives of our seniors, our essential workers, and our vulnerable families. We rapidly stood up intake processes for price gouging complaints, and shifted vital enforcement resources to conduct 3,000 inspections, and issue 14,000 charges for price gouged items. Since that time, due to our enforcement, consumer education, and our partnerships with elected officials, price gouging decreased considerably, creating a fairer marketplace for New Yorkers seeking a just recovery.

Promoting New Yorkers' Financial Health

Based on research conducted by DCWP, we know that the pandemic had a disproportionate impact on certain communities in New York City. New Yorkers who were younger, women, had lower educational attainment, or Black or Hispanic were more likely to face unemployment due to the pandemic, which had considerable repercussions on their financial health.² Our Financial Empowerment Centers have historically been a key resource for New Yorkers. We recently announced that since 2008 our financial counseling and coaching has helped clients reduce their debt by \$85 million and built savings by \$10 million. In response to the pandemic, DCWP rapidly adjusted its financial empowerment resources to support our communities' financial needs.

Our Financial Empowerment Centers implemented telephonic counseling when providers were not allowed to have in-person meetings. And, while our financial counselors have traditionally worked with clients on issues such as debt reduction and credit improvement, during the pandemic counselors pivoted to provide assistance with benefit eligibility, such as the New York State Department of Labor's Excluded Workers Fund and other emergency resources for housing or food insecurity. NYC Free Tax Prep also quickly expanded its remote offerings when many in-person sites had to close due to health and safety concerns. In the past two years, NYC Free Tax Prep has completed 140,000 tax returns, saving New Yorkers \$17.5 million in fees. NYC Free Tax Prep also became a vital resource for New Yorkers looking to claim their Economic Impact Payments.

Looking toward the future, in the next week, it will be essential for all of us to support Mayor Adams' priorities regarding the Earned Income Tax Credit (EITC). The EITC is one of the most effective poverty reduction programs in history, and Mayor Adams' call to increase the City's matching rate to up to 30% and have the State also increase its investment, can have a transformative outcome on the financial wellbeing of hundreds of thousands of New Yorkers. Expanding the EITC will get more money back to our hardworking families and help us build the foundation for a recovery that uplifts us all. I, once again, ask each of you to work with us and our State elected colleagues to get this over the finish line for New Yorkers.

Legislative Improvements to DCWP's Authority

As I mentioned at the beginning of my testimony, our ability to protect New Yorkers from exploitative and deceptive price gouging is grounded in our authority under our foundational

² https://www1.nyc.gov/assets/dca/downloads/pdf/partners/Uneven_Impact.pdf

law, New York City's Consumer Protection Law (CPL). Last summer, DCWP worked with the Council to modernize the CPL and strengthen its essential role in protecting New Yorkers from deception and other unconscionable practices. Improvements to the CPL stood up stronger rights for consumers who complete their transactions in languages other than English and boosted protections for consumers engaging in online transactions.

Conclusion

Lastly, I must highlight other significant work done by this agency over the past two years as it relates to worker protections during COVID-19 and consumer protection investigations that were not directly tied to the COVID-19 pandemic. These efforts, concurrent to our price gouging enforcement and financial empowerment, were also of great priority for the agency during the pandemic and bore substantial outcomes for New Yorkers. Since 2020, we have secured close to \$6 million in restitution in our worker protection cases and tens of millions of dollars in debt relief for New Yorkers.

Throughout the pandemic, we have remained steadfast in our mission to protect and enhance the economic lives of New Yorkers across a range of activities. And, as always, we are eager to work closely with the Council on additional ways to support New Yorkers.

Thank you again for the opportunity to testify today, and I look forward to your questions and our discussions.