

DEPARTMENT OF CONSUMER AFFAIRS

Julie Menin, Commissioner



WHAT WE DO

The Department of Consumer Affairs (DCA) empowers consumers and businesses to ensure a fair and vibrant marketplace. DCA licenses and regulates nearly 80,000 businesses in 55 different industries, and enforces the Consumer Protection Law and other related business laws in New York City. The agency educates the public and businesses through outreach and partnerships with stakeholders throughout the City. DCA performs onsite inspections of businesses to ensure compliance with license regulations, weights and measures regulations, and the New York City Consumer Protection Law, and also implements and enforces the new Paid Sick Leave Law by educating employers and employees on the rules and investigating complaints. In enforcing its laws, the agency provides mediation and restitution for consumer complaints.

DCA's Office of Financial Empowerment (OFE) assists low-income and immigrant New Yorkers to build assets and make the most of their financial resources by providing free financial counseling at more than 30 Financial Empowerment Centers, access to mainstream banking, and encouraging Earned Income Tax Credit utilization.

FOCUS ON EQUITY

DCA's commitment to a fair and equitable marketplace begins with consumer advocacy, business education and transparency. In order to meet the Mayor's goal of reducing small business fines, DCA projects a \$5 million reduction in Fiscal 2015 through its implementation of 24 reforms to ease onerous fines so businesses can reinvest money back into their communities. DCA now allows businesses to choose which language inspections are conducted in and has introduced mapping technology so enforcement efforts are distributed equitably. The agency informed 400,000 businesses and millions of residents of the City's Paid Sick Leave Law, which allows one million more people to take sick leave. By helping consumers with budgeting, debt collection and banking options, DCA's Office of Financial Empowerment is a key component in helping reduce inequality. Through new partnerships this year, DCA has expanded its efforts to promote economic opportunity.

OUR SERVICES AND GOALS

SERVICE 1 **Protect and advocate for consumers.**

- Goal 1a Mediate consumer complaints with businesses to achieve fair and timely outcomes.
- Goal 1b Ensure all businesses comply with NYC's Consumer Protection Law and related laws.
- Goal 1c Adjudicate violations in a timely manner and ensure compliance with penalties.

SERVICE 2 **Assist and educate businesses and promote a fair marketplace.**

- Goal 2a Ensure that business licensing is easy.
- Goal 2b Educate businesses to help them understand their responsibilities toward consumers and their employees.

SERVICE 3 **Educate and empower New Yorkers with low incomes.**

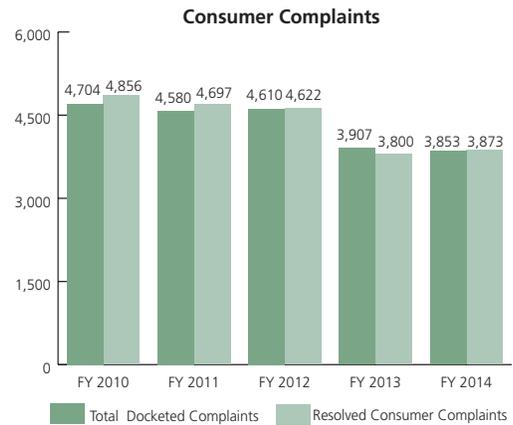
- Goal 3a Help residents with low incomes achieve financial stability.

HOW WE PERFORMED IN FISCAL 2014

SERVICE 1 Protect and advocate for consumers.

Goal 1a Mediate consumer complaints with businesses to achieve fair and timely outcomes.

DCA successfully mediated 55 percent of docketed complaints during Fiscal 2014, a two percentage point increase from the previous year. The Department docketed more complaints against home improvement contractors than any other industry. For those complaints, DCA secured awards to consumers totaling \$2.4 million in restitution; total restitution awarded during the year was nearly \$3.6 million.



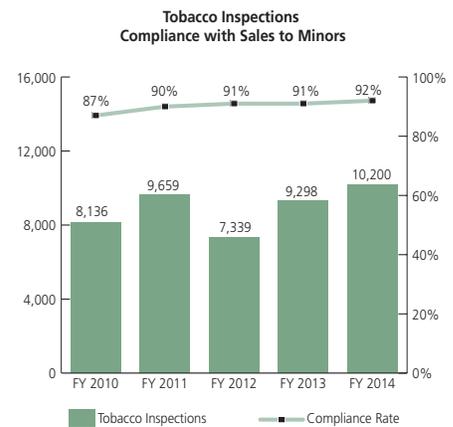
Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Total docketed complaints	4,704	4,580	4,610	3,907	3,853	*	*	Neutral	Down
Resolved consumer complaints	4,856	4,697	4,622	3,800	3,873	*	*	Neutral	Down
Complaints processed - Within 0-20 days (%)	48%	64%	60%	50%	52%	40%	40%	Up	Neutral
- Within 21-50 days (%)	46%	32%	40%	50%	47%	50%	50%	Down	Up
- Within 51-90 days (%)	4%	3%	0%	0%	1%	5%	5%	Down	Down
★ Median complaint processing time (days)	21	15	17	21	20	22	22	Down	Neutral
★ Mediated complaints resolved to the satisfaction of the business and consumer (%)	55%	56%	55%	53%	55%	55%	55%	Up	Neutral
Restitution awarded (\$000)	\$11,728	\$5,424	\$5,486	\$7,223	\$3,588	\$4,500	\$4,500	Neutral	Down

★ Critical Indicator "NA" - means Not Available in this report ↓↑ shows desired direction

Goal 1b Ensure all businesses comply with NYC's Consumer Protection Law and related laws.

In Fiscal 2014 the Department began implementing a package of two dozen reforms that will reduce the number and cost of violations, cut red tape and empower businesses through education. Beginning in March 2014 DCA issued warnings rather than violations for many signage-related infractions that businesses now have the opportunity to cure, by law, before paying civil penalties. Consequently, the number of violations issued by the agency fell by nearly 15 percent compared to Fiscal 2013 even though inspections decreased by only one percent. The Department also implemented new mapping technology for patrol-based consumer protection inspections that will help ensure DCA's enforcement work is distributed equitably and intelligently across NYC's neighborhoods.

While DCA is making every effort to create a sensible regulatory environment for NYC businesses, the Department remains resolute in its oversight of business practices, with a particular focus on businesses that regularly flout rules or engage in predatory behavior. As an example, DCA again stepped up enforcement of City and State tobacco regulations in Fiscal 2014. Undercover tobacco inspections increased 10 percent to 10,200, while follow-up inspections of businesses that previously sold cigarettes to minors increased more than 42 percent to 2,227. As



a result of DCA's robust enforcement, compliance on undercover tobacco inspections has risen from 87 percent in Fiscal 2010 to 92 percent in Fiscal 2014, the highest level ever.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Total inspections	52,642	87,610	76,848	74,029	73,035	*	*	Up	Up
Total violations issued	NA	NA	24,835	23,326	19,888	*	*	Neutral	NA
★Licensing Law compliance rate (%)	NA	NA	94%	93%	93%	90%	90%	Up	NA
★Consumer Protection Law - refund and receipt compliance rate (%)	NA	NA	80%	80%	81%	80%	80%	Up	NA
Weights and Measures Law compliance rate - gasoline pumps (%)	97%	96%	95%	97%	99%	98%	98%	Up	Neutral
Weights and Measures Law compliance rate - fuel trucks (%)	82%	70%	73%	80%	78%	80%	80%	Up	Neutral
★Inspected stores complying with tobacco regulations (%)	87%	90%	91%	91%	92%	86%	86%	Up	Neutral

★ Critical Indicator "NA" - means Not Available in this report ⇅ shows desired direction

Goal 1c Adjudicate violations in a timely manner and ensure compliance with penalties.

The number of hearing and default decisions issued by the Department's tribunal rose by almost 11 percent to 6,309 and, for the fourth consecutive year, more than 90 percent of hearing decisions were issued within 30 days of a final hearing.

DCA settlements increased from \$9.3 million to \$9.4 million, as DCA continued targeted enforcement of industries causing substantial consumer harm. The debt collection industry, which routinely ranks high on the list of industries with most complaints, agreed to settlements totaling more than a half million dollars in penalties during the fiscal year, a nearly threefold increase from Fiscal 2013. Through these settlements, debt collection agencies also agree to comply with specific consumer protection requirements such as rules that prohibit the collection of payday loans and best practices on compliance reporting and responding to consumer disputes.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
★Decisions issued in 30 days or less (%)	83%	96%	99%	94%	95%	90%	90%	Up	Neutral
Total settlements (\$000)	\$4,625	\$7,336	\$8,707	\$9,270	\$9,395	*	*	Neutral	Up
★Number of fines collected within 45 days of assessment (%)	82%	84%	82%	84%	81%	80%	80%	Up	Neutral

★ Critical Indicator "NA" - means Not Available in this report ⇅ shows desired direction

SERVICE 2 Assist and educate businesses and promote a fair marketplace.

Goal 2a Ensure that business licensing is easy.

In Fiscal 2014 DCA rolled out the City's new licensing system (Accela), which is designed to improve the agency's work through enhanced workflow management and to make licensing easier for businesses through expanded online services. As is common with many major technological enhancements, the Department experienced some growing pains during the system transition. In the Licensing Center, customer wait times surged to 21 minutes over the first half of the year as employees learned the system. However, after this initial period of adjustment, licensing staff served customers in an average of only 11 minutes, bringing the fiscal year average to 16 minutes. Likewise, DCA initially saw a sharp decline in the number of customers using online licensing services. The agency has subsequently worked to ease the online application process through simplified requirements and more straightforward language, and during the final quarter of Fiscal 2014 online usage more than doubled (19 percent of applications) compared to the quarter immediately following Accela introduction (nine percent of applications).

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
★Basic license application - Average processing time (days)	4	3	5	2	3	5	5	Down	Down
License applications received online (%)	17%	23%	23%	27%	19%	*	*	Up	Up
★Licensing Center wait time (minutes)	14	11	13	11	16	15	15	Down	Up

★ Critical Indicator "NA" - means Not Available in this report ↕↑ shows desired direction

Goal 2b Educate businesses to help them understand their responsibilities toward consumers and their employees.

DCA redoubled its efforts to educate businesses on Consumer Protection Law infractions. DCA's innovative live chat feature, which allows business owners to speak directly with DCA staff about licensing and regulatory requirements, served more than 11,500 customers during the year, up from 3,000 customers during Fiscal 2013. In total, DCA educated almost 35,000 businesses through live chat, inspection outreach and events.

In April 2014 DCA launched a multi-language outreach and education campaign to help both employers and employees understand their responsibilities and rights under NYC's new [Paid Sick Leave Law](#) in anticipation of the law's July 30th, 2014, effective date. The law requires certain employers to provide sick leave to eligible employees for their care or that of a family member. DCA attended nearly 150 town hall events throughout the five boroughs and sent informational mailings to over 400,000 businesses as well as advertised on subways and buses. In addition, DCA inspectors educated businesses about the new law during more than 14,000 routine patrol inspections and provided printed informational materials to both employees and employers in more than 25 languages.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Businesses educated through direct outreach	NA	NA	NA	11,217	34,865	*	*	Up	NA

★ Critical Indicator "NA" - means Not Available in this report ↕↑ shows desired direction

SERVICE 3 Educate and empower New Yorkers with low incomes.

Goal 3a Help residents with low incomes achieve financial stability.

DCA's Office of Financial Empowerment (OFE) served 8,302 clients through its financial counseling programs in Fiscal 2014, a 23 percent increase from last year. During this time, new initiatives through OFE's Financial Empowerment Centers included partnerships with the Mexican Consulate and the City's Department of Housing Preservation and Development. Financial counselors have served more than 31,000 clients since 2008, increasing client savings by more than \$3 million and reducing client debt by nearly \$19.5 million.

In addition to financial counseling, OFE works to expand asset building opportunities and increase access to and usage of safe and affordable financial products. OFE helped New Yorkers open 2,745 safe and affordable bank accounts during the fiscal year. OFE also oversees the Tax Credit Campaign, a citywide promotional effort to inform New Yorkers about the Earned Income Tax Credit and free and low-cost tax preparation services, which in Fiscal 2014 facilitated the completion of 96,661 tax returns.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Financial Empowerment Center clients - Percent achieving measurable success (%)	NA	NA	NA	37.0%	39.0%	*	*	Up	NA
- Total debt reduced (\$000) (cumulative)	NA	NA	\$7,049	\$12,409	\$19,457	*	*	Up	NA
- Total savings accumulated (\$) (cumulative)	NA	NA	\$870,297	\$2,217,807	\$3,022,463	*	*	Up	NA
Bank accounts opened	NA	NA	NA	NA	2,745	*	*	Up	NA
Tax returns filed through citywide Tax Credit Campaign	NA	NA	NA	NA	96,611	*	*	Up	NA

★ Critical Indicator "NA" - means Not Available in this report ↕ shows desired direction

AGENCY CUSTOMER SERVICE

Technical issues following the launch of Accela prevented the Department from responding to many 311 service requests within established targets. DCA has now resolved these issues and, during the fourth quarter of Fiscal 2014, the agency responded to 97 percent of requests within service level agreement time frames.

In late Fiscal 2014 DCA began offering all businesses the opportunity to request that agency inspections be conducted in a language of their choice using the language hotline. Over the year, the number of completed customer requests for interpretation increased by nearly 60 percent to 2,536. Consumers also have increased access to vital information in multiple languages.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Customer Experience	FY10	FY11	FY12	FY13	FY14	FY14	FY15	Desired Direction	5yr Trend
Emails responded to in 14 days (%)	83%	93%	93%	93%	95%	87%	*	Up	Up
Average customer in-person wait time (minutes)	14	12	14	12	16	17	17	Down	Up
Completed customer requests for interpretation	1,622	1,697	2,022	1,611	2,536	*	*	Neutral	Up
CORE customer experience rating (0-100)	88	83	83	86	94	83	83	Up	Neutral

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Response to 311 Service Requests (SRs)	FY10	FY11	FY12	FY13	FY14	FY14	FY15	Desired Direction	5yr Trend
Percent meeting time to first action - Consumer Complaint - Exchange/Refund/Return (4 days)	99	100	100	97	70	98	98	Neutral	Down
Percent meeting time to first action - Consumer Complaint - False Advertising (4 days)	99	99	99	97	69	98	98	Neutral	Down
Percent meeting time to first action - Consumer Complaint - Non-Delivery Goods/Services (4 days)	99	100	99	96	71	98	98	Neutral	Down
Percent meeting time to first action - Consumer Complaint - Overcharge (4 days)	99	99	98	96	71	98	98	Neutral	Down
Percent meeting time to first action - DCA / DOHMH New License Application Request - General Street Vendor License (7 days)	51	100	100	92	92	98	98	Neutral	Up

AGENCY RESOURCES

Resource Indicators	Actual					Plan ¹		5-year Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	
Expenditures (\$000,000) ²	\$22.3	\$21.8	\$26.3	\$27.3	\$34.0	\$37.6	\$35.5	Up
Revenues (\$000,000)	\$27.4	\$29.8	\$36.4	\$37.1	\$38.5	\$32.6	\$29.3	Up
Personnel	288	286	327	331	384	410	414	Up
Overtime paid (\$000)	\$676	\$426	\$607	\$724	\$525	\$525	\$184	Neutral

¹Authorized Budget Level "NA" - Not Available in this report ²Expenditures include all funds.

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- The Department added the following indicators: 'Total inspections,' 'Total violations issued,' 'Bank accounts opened,' and 'Tax returns filed through citywide Tax Credit Campaign.'
- The Department adjusted the 'Businesses educated through direct outreach' metric to include the efforts of inspectors to educate businesses during routine patrol inspections.

ADDITIONAL RESOURCES

For additional information on items referenced in the narrative, go to:

- Paid Sick Leave Law:
<http://www.nyc.gov/html/dca/html/law/PaidSickLeave.shtml>

For more information on the agency, please visit: www.nyc.gov/dca.