

# 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 over 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 and 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 an effort to create a more sensible regulatory environment for New York's small businesses, DCA is on track for a \$5 million reduction in fines collected during Fiscal 2015 through its implementation of 24 reforms to ease onerous fines so businesses can reinvest money back into their businesses. 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 continues to educate New York City employers and employees about the Paid Sick Leave Law through extensive outreach, including mailings to more than 400,000 businesses, advertising, webinars and presentations at over 500 events throughout the City, and has been resolving complaints, through mediation when possible and by prosecution when needed, to ensure that New York City workers get time off to care for themselves and their families. Through new partnerships this year, DCA has expanded its efforts to promote economic opportunity. DCA's Office of Financial Empowerment is a key component in helping reduce inequality by helping consumers with budgeting, debt reduction and banking options.

## 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

- DCA successfully mediated 55 percent of all docketed complaints to the satisfaction of the consumer and business during the first four months of Fiscal 2015. Many of these cases resulted in restitution for consumers and, together with the consumer protection efforts of DCA's legal division, total restitution secured for New Yorkers is up 13 percent compared to last year, from \$1.32 million to \$1.49 million. In particular, the agency has focused on protecting consumers from the unscrupulous, predatory practices of some used car dealerships. Through these efforts, DCA has secured in excess of a half million dollars for consumers harmed by the industry. In addition, DCA is working to ensure bad actors in the employment agency industry do not take advantage of NYC's low wage workers in their search for employment, and has recently issued more than 100 subpoenas to agencies that have a history of predatory behaviors.
- DCA is committed to reducing onerous fines on small businesses for violations that do not adversely or egregiously affect consumers, while educating businesses on what they can expect during an inspection. As an example, rather than immediately issuing a violation to a business for missing a refund policy or providing an incomplete receipt, DCA instead issued an oral warning and informed the business how to become compliant with the law. To increase transparency, all 41 easy-to-read checklists that inspectors use to conduct patrol inspections are now posted online in multiple languages so that businesses can learn what inspectors look for during inspections. As a result of this focus on education, the total number of violations issued by the agency decreased by almost 60 percent, from 8,403 last year to 3,397 this year, and the compliance rate on refund and receipt inspections climbed from 78 percent to 91 percent as warnings replaced some violations. For businesses that do receive violations, as a result of legislative reforms enacted last fiscal year, many now have the opportunity to demonstrate compliance ("cure") and avoid paying penalties. During the first four months of Fiscal 2015, DCA issued more than 850 charges that can now be cured. The cure rate on those violations was approximately 80 percent.
- DCA's Licensing Center served nearly 30,000 customers during the first four months of Fiscal 2015, with average wait times of only 7 minutes compared to an atypically high 21 minute average wait during the first four months of Fiscal 2014, when the agency was transitioning to a new licensing system. DCA issued basic license applications within an average of 3 days of receipt, better than the target of 5 days. In December 2014 DCA opened its new, more accessible Licensing Center that will make applying for a license a faster, easier, and more pleasant experience for NYC businesses.

## SERVICE 1 Protect and advocate for consumers.

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

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Total docketed complaints	4,610	3,907	3,853	*	*	1,449	1,239
Resolved consumer complaints	4,622	3,800	3,873	*	*	1,458	1,134
Complaints processed - Within 0-20 days (%)	60%	50%	52%	40%	40%	47%	45%
- Within 21-50 days (%)	40%	50%	47%	50%	50%	53%	54%
- Within 51-90 days (%)	0%	0%	1%	5%	5%	0%	1%
★ Median complaint processing time (days)	17	21	20	28	28	21	22
★ Mediated complaints resolved to the satisfaction of the business and consumer (%)	55%	53%	55%	55%	55%	52%	55%
Restitution awarded (\$000)	\$5,486	\$7,223	\$3,588	\$4,500	\$4,500	\$1,319	\$1,485

★ 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Total inspections	76,848	74,029	73,035	*	*	NA	20,951
Total violations issued	24,835	23,326	19,888	*	*	8,403	3,397
★ Licensing Law compliance rate (%)	94%	93%	93%	90%	90%	92%	95%
★ Consumer Protection Law - refund and receipt compliance rate (%)	80%	80%	81%	80%	80%	78%	91%
Weights and Measures Law compliance rate - gasoline pumps (%)	95%	97%	99%	98%	98%	99%	99%
Weights and Measures Law compliance rate - fuel trucks (%)	73%	80%	78%	80%	80%	81%	74%
★ Inspected stores complying with tobacco regulations (%)	91%	91%	92%	86%	86%	93%	93%

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## Goal 1c

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

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
★ Decisions issued in 30 days or less (%)	99%	94%	95%	90%	90%	97%	97%
Total settlements (\$000)	\$8,707	\$9,270	\$9,395	*	*	\$3,199	\$2,007
★ Number of fines collected within 45 days of assessment (%)	82%	84%	81%	80%	80%	80%	82%

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

## Goal 2a

Ensure that business licensing is easy.

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
★ Basic license application - Average processing time (days)	5	2	3	5	5	2	3
License applications received online (%)	23%	27%	19%	*	*	26%	18%
★ Licensing Center wait time (minutes)	13	11	16	15	15	21	7

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## Goal 2b

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

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Businesses educated through direct outreach	NA	11,217	34,865	*	*	NA	NA

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

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

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Financial Empowerment Center clients - Percent achieving measurable success (%)	NA	37.0%	39.0%	*	*	NA	NA
- Total debt reduced (\$000) (cumulative)	\$7,049	\$12,409	\$19,457	*	*	\$14,713	\$21,234
- Total savings accumulated (\$) (cumulative)	\$870,297	\$2,217,807	\$3,022,463	*	*	\$2,409,094	\$3,132,633
Bank accounts opened	NA	NA	2,745	*	*	NA	NA
Tax returns filed through citywide Tax Credit Campaign	NA	NA	96,611	*	*	NA	NA

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## AGENCY CUSTOMER SERVICE

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Average customer in-person wait time (minutes)	14	12	16	17	17	NA	NA
Completed customer requests for interpretation	2,022	1,611	2,536	*	*	NA	NA
CORE customer experience rating (0-100)	83	86	94	83	83	NA	NA

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Response to 311 Service Requests (SRs)	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Percent meeting time to first action - Consumer Complaint - Exchange/ Refund/Return (4 days)	100%	97%	70%	98%	98%	95%	83%
Percent meeting time to first action - Consumer Complaint - False Advertising (4 days)	99%	97%	69%	98%	98%	92%	87%
Percent meeting time to first action - Consumer Complaint - Non-Delivery Goods/Services (4 days)	99%	96%	71%	98%	98%	94%	84%
Percent meeting time to first action - Consumer Complaint - Overcharge (4 days)	98%	96%	71%	98%	98%	95%	86%
Percent meeting time to first action - DCA / DOHMH New License Application Request - General Street Vendor License (7 days)	100%	92%	92%	98%	98%	91%	95%

## AGENCY RESOURCES

Resource Statistics	Actual			Sept. 2014 MMR Plan	Updated Plan	Plan	4-Month Actual	
	FY12	FY13	FY14	FY15	FY15 <sup>1</sup>	FY16 <sup>1</sup>	FY14	FY15
Expenditures (\$000,000) <sup>2</sup>	\$26.3	\$27.3	\$32.5	\$35.5	\$41.4	\$39.9	\$10.4	\$12.2
Revenues (\$000,000)	\$36.4	\$37.1	\$38.5	\$29.3	\$28.3	\$27.9	\$11.7	\$8.1
Personnel	327	331	384	414	435	435	339	385
Overtime paid (\$000)	\$607	\$724	\$866	\$184	\$179	\$158	\$256	\$78
<sup>1</sup> February 2015 Financial Plan <sup>2</sup> Expenditures include all funds.      "NA" - Not Available in this report								

## NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- Due to several factors, including temporary staffing vacancies and a stronger emphasis on increasing the percent of complaints that are successfully mediated by investing more time in negotiations with consumers and businesses, the Department expects the median complaint processing time to increase. Consequently, DCA revised the Fiscal 2015 target for this indicator from 22 days to 28 days.
- The Department will no longer report customer service data for the number of emails it receives and the percent responded to in 14 days as the system used to track this information is no longer available.

## 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](http://www.nyc.gov/dca).

