

**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  
Fiscal Year 2023 Preliminary Budget**

**March 15, 2022**

**Introduction**

Good afternoon, Chair Velazquez 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 members of my senior leadership team. It is our pleasure to be here today before this committee, to testify on the work of our agency and its budget for Fiscal Year 2023.

As you may be aware, this is my first hearing before the City Council, and I am excited for the work ahead that we will take on together on behalf of New Yorkers. Before joining DCWP, I served as Deputy Secretary for Economic Opportunity at the New York Department of State, overseeing the Division of Consumer Protection, the Division of Community Services, the Office for New Americans, and the Address Confidentiality Unit. With the State, I have also held several other positions, including Chair of the Industrial Board of Appeals, reviewing rules, regulations, and orders issued by the Commissioner of Labor, and as Deputy Commissioner for Worker Protection at the Department of Labor.

My goal in this work is to be a steadfast partner with you, with our city's communities and community-based organizations to ensure that we are holding ourselves true to the mission of protecting and enhancing the economic lives of New Yorkers. The beauty of this agency's work is that it serves all New Yorkers because we are all consumers, and we all work toward a brighter future for ourselves and our families. As this agency has proven over the years, DCWP is here to serve, whether it is our communities of color, our youth, our immigrants, our seniors, our small businesses, and more. And now, in this unique moment in time for New Yorkers, our ambition is to help drive forward our city's economic recovery.

This city has undergone its share of trials and sacrifices, especially these past two years. However, under Mayor Adams, we recognize that we have a once-in-a-generation opportunity to create real change for New Yorkers. We will build a strong and equitable economic recovery through our small businesses, supporting and promoting tools for their compliance with the law and success. We will endeavor to ensure more stable jobs and stable incomes for our workers, and restore dignity in their work, no matter what type of work or workplace. Lastly, we will return hard-earned money to our working families, by stepping in and holding corporations accountable for their illegal business practices and by leveraging free financial empowerment programming, such as financial counseling and NYC Free Tax Prep.

## **DCWP's Budget and New Mandates**

DCWP licenses more than 51,000 businesses and individuals in more than 40 industries. We serve countless New Yorkers by enforcing essential consumer rights, under the Consumer Protection Law, and workplace laws, such as the Paid Safe and Sick Law and the Fair Workweek Law and offering programming that increases access to high-quality financial services for New Yorkers.

To accomplish this work, our preliminary budget for Fiscal Year 2023 is approximately \$62.9 million. Our authorized headcount will stand at 447 and our active headcount is 401. Since our budget hearing last year, we have conducted 46,000 inspections, completed 73,000 tax returns, and opened more than 500 new worker protection cases.

On top of these successes, we have also assumed several new mandates and implemented new protections to support our city's businesses, workers, and consumers. This includes the Office of Street Vendor Enforcement (OSVE), designated by the prior Administration to be housed at our agency, and charged with certain general vendor and mobile food vendor enforcement. We have expanded rights for New Yorkers under the Paid Safe and Sick Leave Law and stood-up groundbreaking "Just Cause" protections for fast food workers to prevent them from being arbitrarily fired. More recently, third-party food delivery apps are now required to be licensed by DCWP, ensuring they do not overcharge our city's restaurants, and we have begun implementing new, key protections for third-party food delivery workers to reinforce dignity in their essential work.

## **Supporting Small Businesses**

DCWP prioritizes giving small businesses the tools they need to comply with various laws and regulations. This encompasses our commitment to language access, developing comprehensive and plain language guidance on our laws and rules, and streamlining our services, both in-person and online. We consistently leverage various methods of outreach and education to ensure businesses can meet with us, ask questions, and feel secure in their understanding of their responsibilities operating in New York City. This includes, but is not limited to, conducting business education walks, hosting webinars, and engaging in individual meetings.

Along these lines, we are proud to have worked closely with the Council to reduce regulatory burdens, eliminate unnecessary licensing, and afford businesses the opportunity to cure violations, rather than pay a fine. And, with respect to the interdisciplinary nature of the agency, we work to ensure that our other programs and protections, such as our worker protections, are accessible to our small businesses, including by liaising with trade and merchant associations to develop guidance and providing legal webinars for compliance.

Frontline DCWP staff, whether inspectors, outreach, or other customer service personnel have a wide range of native language capacity, including but not limited to Spanish, Bangla, Arabic, Hindi, Mandarin, Cantonese, Korean, French Creole, Polish, and Russian, to ensure that we are communicating with New Yorkers in their language of preference. In situations where a DCWP

employee does not have the complementary language skills, we use Language Line, which has the capacity to serve more than 180 languages. We work to continually update the languages in which we offer educational materials for businesses, working with industry stakeholders to identify the most prevalent language needs.

Examples of these educational materials include our plain language checklists for businesses. These serve as guides for businesses to review and utilize to make sure they can follow our applicable laws and rules. During the pandemic we also developed and distributed guidance for businesses to safely reopen, not only keeping themselves, their customers, and their workers healthy and safe, but ultimately creating a platform for a sustainable recovery. These materials are frequently distributed by our teams during business education days (BEDs), where we individually visit businesses in commercial corridors. They are also utilized by senior inspectors in our Visiting Inspector Program (VIP). These inspectors affirmatively schedule appointments with new brick and mortar business licensees and provide them an “educational inspection”, showing them our process for inspecting a business and answering any questions the business may have. VIP and BEDs are emblematic of our small business approach, and our commitment to a licensee’s first interaction with our being collaborative and not resulting in a violation.

Over the course of the pandemic, we have worked to streamline our services and increase the access points by which businesses can contact us. For example, we adjusted our staffing to take on a 50% greater volume of online submissions for new and renewal license applications. We handle more than 15,000 inquiries per month at our licensing centers. We created a new appointment-based system to prepare applicants in advance for their license submissions and facilitate quicker meeting times. We have also acknowledged customer feedback and adjusted our office hours at our licensing centers to cover 8AM to 4PM, which better accommodates the workday schedule for businesses

Last year we collaborated with the Council to implement reforms impacting our licensees and other regulated businesses. Affirmatively sharing with them a list of provisions of code we thought needed amendment. Together, we eliminated the license requirement for several categories, ranging from archaic “going out of business sales” licenses to licenses for retail laundries. Of course, these businesses are all still required to follow fundamental laws, such as New York City’s Consumer Protection Law (CPL). However, they no longer will be required to apply for licenses, pay additional fees, or pay professional expeditors to complete an application on their behalf because of their busy workdays.

We also expanded the number of cure-eligible violations offered by our agency, ensuring that a business that commits a less egregious mistake has an opportunity to fix that mistake before having to pay a fine. Since 2014, businesses have cured more than 18,000 DCWP-related violations, saving themselves \$6.4 million in fines. This is money that is essentially returned to the business, if they have certified that the violation no longer exists. And, hopefully, they are better placed to understand their requirements for compliance in the future. Expanding the universe of these violations is in line with our priority to create a more supportive environment for our city’s small businesses and a building block for future actions by Mayor Adams as announced in Executive Order 2.

Along those lines, this year DCWP will be implementing new programmatic and operational innovations to better serve our small businesses. These include expanding our VIP to educate, upon request, all brick-and-mortar businesses we would potentially inspect. In the fall, businesses can expect a more business-friendly online portal to process applications, settlements and review and respond to consumer complaints. Lastly, our hope this year is to continue to work closely with the City Council to review license categories that have not been modernized for some time. For example, redundant categories, such as the Electronic Store and the Electronic & Home Appliance Service Dealer License, or categories that have not kept up with the times, such as the Locksmith category. We would also appreciate exploring how to update categories that have convoluted and difficult provisions, such as the Stoop Line Stand license, to truly serve New York City businesses, and consumers.

### **Ensuring Stable Jobs and Incomes**

During the pandemic, we have continued to enforce the City's workplace laws, engaged in robust outreach and education, developed new materials tailored to the realities of the crisis, and have worked with the Council on new protections both for this specific moment and beyond. New York City's workplace laws, alongside protections at the federal and state levels, have been a critical resource for workers navigating COVID-19. Since 2020, we have received close to 25,000 intakes related to workers' rights, and have secured \$5.5 million in restitution on behalf of nearly 9,500 workers. Centering workers' rights not only uplifts those individuals, but their coworkers, and their families. It creates equitable and safe workplaces that also serve our consumers and ultimately sustains how we build a better recovery.

From the onset, we understood how significant it was to ensure workers knew about their rights within the context of COVID-19. Since March 2020, we have held more than 450 events dedicated to workers' issues. We collaborated with our city and community-based partners to develop interagency materials and resources for workers to promote critical workplace protections. These educational materials provide, in at least 14 languages, essential guidance on all the types of protections – city, state, and federal – available to workers. DCWP partnered with the New York City Department of Health and Mental Hygiene and others to distribute Paid Safe and Sick Leave Law materials at COVID-19 testing locations and vaccine sites, citywide. We joined Test and Trace 'street teams' in the neighborhoods hardest hit by COVID, amplifying resources and rights available to residents. We also adapted our paid media campaigns to address the realities of the pandemic, with advertisements on digital platforms, in ethnic media and radio, targeted outdoor ads on bus shelters and LinkNYC kiosks, and at medical offices and pharmacies to promote our worker protections, as well as a direct email campaign targeting employers in industries with higher rates of non-compliance.

In partnership with the City Council, we enacted unprecedented protections to support hundreds of thousands of essential workers in the fast-food, hotel, and food delivery industries. These workers sacrificed every day, during the height of the pandemic and even now, to keep our city running. New 'Just Cause' protections for fast-food workers ensure that they can no longer be arbitrarily fired from their jobs and have a right to reclaim their former jobs if laid off or illegally fired. Recently, we resolved our first case under this new law, securing \$4,400 in back pay for two workers at a Subway in Brooklyn. In the words of the workers themselves, "It's 2021 and we're

in the middle of a pandemic, the least employers can do [is] respect our rights to a fair workweek. I [am] proud that New York has protections for employees like this in place and encourage workers that are being mistreated [to come forward].” Our settlement not only secured restitution for the workers but also requires the restaurant to implement new policies that comply with the law, distribute a new progressive discipline policy to its employees, and train its supervisors to ensure workplace wide compliance moving forward.

Long-time workers at hotels are now entitled to up to 30 weeks of severance pay if they were laid off during the pandemic, and hotel workers also have a right to be retained at their place of employment for 90 days if a hotel is transferred or sold. Third-party food delivery workers will have rights to better control their delivery routes, be able to receive timely payment for their work, and have minimum pay rates to be set by DCWP later this year. These are critical economic and job protections that we are proud to implement for our essential workers.

We have also continued to support our city’s care workers through our Paid Care Division. We collaborated with Council to update the City’s Paid Safe and Sick Leave Law to provide greater protections to domestic workers and home health aides, conducted outreach and developed new covid-specific guidance in collaboration with stakeholders, and continued to protect their rights through enforcement of the Paid Safe and Sick Leave Law. And these efforts show how the rights we support today can serve as a platform for greater rights, stability, and dignity for workers tomorrow.

### **Restoring and Returning New Yorkers’ Hard-Earned Money**

The agency’s foundational work is rooted in consumer protection and securing restitution and equitable relief for consumers who have been deceived and defrauded through illegal business practices. Over the years, this agency has secured millions of dollars on behalf of consumers, whether for the mother who used her paycheck to buy furniture for her family and it was never delivered; the immigrant worker who was illegally pressured and deceived into signing papers in a language they did not understand; or, a young person, excited to buy their first, new phone, but found out what they had was secondhand, and they were misled into an expensive financing agreement.

We continue to operate at the forefront of issues that matter most to New Yorkers, especially as consumers. Just last year, our staff recounted the work this agency did during the most acute phases of the pandemic to stop and prevent price gouging. This past December, we released a report on the life altering impact student loan debt has on New Yorkers. The weight of thousands of dollars of debt that seemingly never lessens, no matter how hard we work and how much we pay off. Imagine carrying that burden if you knew it was unjust, because a for-profit school lied to you about a grant they awarded that was really a private loan or pressured you constantly with illegal debt collection practices. These are examples of the kind of deception endured by dozens of students at Berkeley College.

As one student told us, recruiters communicated that they would receive a Berkeley scholarship to attend school part-time for only \$200 per semester. Over the next year, they received high grades and felt excited about their future. However, by the following year, the student was told

that the scholarship no longer existed for them, and that it had actually only covered a fourth of tuition costs and fees. In fact, the student was then told that they already owed \$13,000 in federal loans, of which they were not aware. When the student began looking over the financial aid documents in their file, many of the documents they had never even seen before. There was even a document they had never seen before that contained their signature. Whenever the student contacted Berkeley for assistance, the school administration was not responsive.

It is because of stories like these that we had to act and launch a full investigation of Berkeley College. And just last week, I announced an historic settlement with the for-profit school for its violations of the law, primarily targeting people of color and first-generation college students. We secured \$20 million in debt relief, and up to 75 students will receive restitution from a \$350,000 fund.

Our work promoting and facilitating financial counseling is incredibly vital to the financial health of our communities, our households, and individual New Yorkers. Since the start of our financial empowerment center program, we have helped New Yorkers reduce their debt by \$84 million and increase their savings by \$10 million. Our counselors are not only trained to help individuals and families improve their credit, or access safe and affordable banking products, but are also able to assist eligible clients access public service loan forgiveness programs, prepare to fill out the FAFSA or address the specific financial needs of folks with disabilities and their family members. To meet with a financial counselor, New Yorkers can visit our in-person sites, or they can utilize over-the-phone counseling that can fit their schedule and address their specific needs.

In July 2021, DCWP and our NYC Free Tax Prep providers, along with NYC Opportunity and the Children’s Cabinet, launched a campaign to boost uptake and help families file their tax return for the advanced federal Child Tax Credit (CTC). To raise awareness, DCWP armed agencies across the City, and more than 5,000 community-based organizations, with communication tools in 10 languages. We reached more than 1 million New Yorkers through a combination of email campaigns to 500,000 SNAP and cash assistance clients, 403,000 City employee emails, text messages to 185,000 households with children in targeted ZIP codes, a paid digital advertising campaign, and direct in-person and virtual outreach.

In January, DCWP launched its 20th annual tax campaign to encourage New Yorkers to file their taxes for free with NYC Free Tax Prep and claim the advanced CTC, the Child and Dependent Care Credit (CDCC) and the expanded Earned Income Tax Credit (EITC). The American Rescue Plan made significant changes to these credits, making this year a unique opportunity for New Yorkers to access funds. For many of our working families and individuals, a tax return can serve as the single largest “paycheck” for the year. This is money that has already been earned and that is coming back to households so that it can be reinvested in their future. Too often it is left on the table because folks might not understand that they are eligible for tax credits, or they use a paid tax preparer who charges them for services that would otherwise be free through NYC Free Tax Prep.

Outreach for our tax campaign this year includes \$685,000 in paid media, with direct mailers to 250,000 households, as well as targeted outdoor, radio, digital, community and ethnic media, and

neighborhood business ads. DCWP is working with 18 city agencies and offices and the 3 library systems to distribute NYC Free Tax Prep brochures and leverage their channels for direct outreach and referrals. Throughout the tax season, New Yorkers have been able to file tax returns at more than 120 in-person or drop-off sites or get help through a virtual service.

In this ongoing tax season alone, we have heard so many empowering stories from filers using our programming. For example, a recent filer who learned about CTC through their pastor was able to receive more than \$30,000 in their tax refund after filing. For that family that outcome, through DCWP's programming, is transformative. And, while that amount is extraordinary, for many more families in our city, thousands of dollars could be available through their tax return, after filing their taxes for free with NYC Free Tax Prep.

Lastly, the Earned Income Tax Credit (EITC) is one of the most effective poverty reduction programs in history. Just a few weeks ago, and again this past weekend, Mayor Adams reiterated his call for the State to authorize an increase in the City's matching contribution for the EITC from 5% to 30%, depending on income level. This would be the first increase in nearly 20 years. The cost of living is up, and the dollars New Yorkers earn do not go as far as they once did. Expanding the EITC will allow New York State and New York City to get money to hardworking families and build a stronger foundation to address ongoing economic inequality. We call upon you to ask your State elected colleagues to authorize this critical increase.

## **Conclusion**

I would like to conclude today by reiterating how excited I am to be a part of this team at DCWP, this administration under Mayor Adams, and to work with you Chair Velazquez, and members of the committee on behalf of New Yorkers.

Our work to support our city's small businesses, our workers, and our consumers requires deep and close partnership with the Council. We are always available and willing to work on policies that support the economic lives of New Yorkers, and in this unique moment create a sustainable and equitable recovery for all.

Thank you for the invitation to testify today, and I look forward to your questions and our discussion.