

**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 2025 Preliminary Budget**

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Introduction

Good afternoon, Chair Menin 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 Kenny Minaya, Michael Tiger, and Carlos Ortiz. 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 2025.

Chair Menin, as you well know through your work leading this agency, DCWP provides fundamental consumer and worker protections, and financial empowerment programming to New Yorkers. We strive to ensure that consumers who have been deceived or exploited have recourse, that workers have a passionate defender of their rights, and that all New Yorkers have the support they need to improve their financial health. I am immensely proud of the work this agency accomplishes, day in and day out, for our city.

Under Mayor Eric Adams leadership, DCWP has helped deliver \$319 million into the pockets of New Yorkers through restitution, debt relief, and financial empowerment programming. In my opinion, this is some of the most critical work happening in our city because it so directly impacts the lives of New Yorkers. Today, I'm excited to share some of our mission-focused successes from the past year with all of you. But, first, let me provide the committee with some important background information on the agency.

DCWP's Budget

DCWP's preliminary budget for Fiscal Year 2025 is approximately \$62 million. Our authorized headcount stands at 447, with an all-time high of 421 active personnel. Our agency licenses more than 46,000 businesses and individuals in more than 40 industries. Last year, we carried out almost 42,000 inspections and nearly 1,300 consumer and worker protection investigations on behalf of New Yorkers, securing more than \$14.5 million in restitution for New Yorkers. Our Financial Empowerment Centers and other services were utilized by nearly 10,000 New Yorkers and NYC Free Tax Prep also completed almost 85,000 tax returns.

Protecting New York's Essential Workers

One of the Administration's highlights of the past year has been our announcement of the nation's first minimum pay rate for app-based restaurant delivery workers, one of the most

significant advancements of workers' rights in New York City's history. Delivery workers brave snowstorms, rain, wildfire smoke and even the pandemic to make sure New York is fed. Yet, until the minimum pay rate, they received poverty-level compensation for their work. DCWP and this administration faced several challenges in delivering this monumental pay rate. We are incredibly grateful for this Council's support, the efforts of the City's Law Department, and most importantly, the outstanding advocacy of the delivery workers who fought hard to ensure that this dignified pay rate took effect. Delivery workers are now seeing their weekly pay double, and the impact this has had on the tens of thousands of delivery workers and their families is immeasurable. With the rate increasing to \$19.56 an hour on April 1st, we will continue to stand shoulder to shoulder with delivery workers, collaborate on compliance and ensure that apps pay them every cent they are entitled to under our laws.

Moving on to other workplace laws we enforce. Last year, we announced several victories on behalf of workers and secured \$12.5 million in worker restitution. In 2023, we resolved nearly 800 worker protection cases under our key workplace rights and laws, including our Fair Workweek Law, which provides fast food and retail workers the right to a predictable schedule. This law fosters stability and a healthy work-life balance for thousands in these industries. Under our Paid Safe and Sick Leave law, covered workers are entitled to use safe and sick leave for the care and treatment of themselves or a family member. We thank the Council for their work to enact Local Law 22 of 2024, which allows workers to file a private right of action for violations of the Paid Safe and Sick Leave law.

All of our worker protection cases demonstrate to the residents of our city that we are a dedicated resource for them in the workplace, and that we will fight to ensure that their rights are safeguarded. We proactively educate workers on their protections, the actions to take if their rights are violated, and provide relief for those whose rights are violated.

Protecting the Marketplace

Since the landmark Consumer Protection Law was enacted in 1969, we have been the nation's leading municipal consumer protection agency. We have consistently leveraged our authority to protect New Yorkers from deceptive business practices, securing restitution for consumers whose rights have been violated by debt collectors, furniture stores, and used car dealers, to name a few. Last year, we secured more than \$2 million for aggrieved consumers across the city. A major highlight of our work to make consumers whole was our case against a group of six used-car dealerships, 26 Motors. In April of last year, we charged more than 9,500 violations at the Office of Administrative Trials and Hearings related to the dealerships' deceptive business practices. We have zero tolerance for businesses that repeatedly display patterns of preying on hard-working New Yorkers.

Some of our most significant marketplace enforcement includes our work to stop the proliferation of unlicensed tobacco and electronic cigarette retail dealers. We work diligently on this issue, and have a team dedicated specifically to tobacco enforcement that conducted nearly 16,000 inspections of tobacco retail dealers and electronic cigarette retail dealers last year. In 2023, we issued over 7,600 summonses for illegal activity, collected \$9.5 million in fines and in the last year have shut down more than 100 illegal tobacco dealers. We look forward to working

with you, Chair Menin, on granting the agency authority to close unlicensed e-cigarette retailers as well.

Last year, we started our collaboration with our partners at the Fire Department to address the issue of e-bike and lithium-ion battery fires. Our implementation of Local Law 39 led the City's efforts to target unsafe mobility devices and get them out of our retail shops. Since Local Law 39 took effect, we have conducted approximately 500 inspections of businesses and issued summonses to 114 brick-and-mortar and 19 online retailers. We look forward to the strengthened enforcement tools in this law thanks to Councilmember Brewer's legislation.

I'd also like thank you, Chair Menin, for your legislation, Local Law 151 of 2023, which allows businesses to cure violations instead of being penalized, and also rightsized fines for other violations they might incur. From our agency's reforms alone, we project business savings to be almost \$1 million each year, providing substantive relief to New York City's small businesses. We're excited to work with you and your office on moving forward important legislation to reform and modernize many of our license categories to reduce the burdens on small businesses.

We are dedicated to providing protections to New Yorkers, while working to facilitate compliance amongst businesses with the laws that we enforce. Our Visiting Inspector Program, or VIP, provides new licensees the opportunity to receive an educational visit from one of our inspectors. At this visit, the inspector will share information about the regulations the business needs to follow, and will identify any potential violations, offering businesses a chance to go into compliance and avoid future penalties. Just yesterday, we announced an expansion of this program to all brick-and-mortar retail businesses that are required to be in compliance with our laws, regardless of whether we license their business category. We're excited to be expanding our education-first approach to enforcement.

Helping New Yorkers Reach Their Financial Goals

Lastly, as many of you know, we offer free financial empowerment programs to support individuals and help households improve their financial health. The NYC Financial Empowerment Centers provide opportunities for New Yorkers to meet with trained counselors for one-on-one, confidential financial counseling at no cost. These counselors coach individuals in reaching financial goals by establishing budgets, creating spending plans, opening affordable bank accounts, and navigating loan repayment, including student loan debt. Our Financial Empowerment Centers hit a major milestone last year, helping New Yorkers to reduce their overall debt by more than \$100 million since the program's inception.

My family and I have benefitted from our agency's free financial counseling. I was so excited last year to discuss how our dedicated financial counselors coached me through navigating my finances and the federal Public Service Loan Forgiveness program. Since then, I have sought ways to help encourage participation in the Public Service Loan Forgiveness program amongst our colleagues in City government. Our team has begun rigorous and targeted outreach to the 300,000 City employees who are eligible for Public Service Loan Forgiveness. We strive to be a leader in supporting the city government workforce to enroll in the program to aid in relieving a projected \$3.4 billion in student loan debt.

Another incredible program that we offer to New Yorkers is our NYC Free Tax Prep program which offers city residents access to free, professional tax preparation support and filing. Our tax preparers are trained to help New Yorkers with low to moderate incomes maximize their tax refunds by optimizing the use of various tax credits, including the NYC Earned Income Tax Credit that Mayor Adams expanded last tax season. Last year we expanded our NYC Free Tax Prep services, offering specialized support for freelancers, gig workers, small business owners, and other self-employed New Yorkers filing their taxes. NYC Free Tax prep has saved clients a total of nearly \$24 million in fees and helped secure \$220 million in refunds for New Yorkers since the start of this administration.¹

And finally, something that we are especially excited about is our Financial Empowerment Center expansion that Mayor Adams announced at the State of the City. Under this expansion, we plan to add seven new Financial Empowerment Centers for New Yorkers at NYC Health + Hospitals locations. Individuals, families, and parents will be able to learn about these services while going for regular check-ups or even in times of need. We believe these centers will have a major impact on our communities and will help this city's residents take on negative contributors to financial health like concerns over medical debt that may keep New Yorkers from completing vaccines or attending follow-up appointments. This is just one of the many ways that our agency, and this Administration, continues to deliver for the working people of this great city.

Coming from a household where my mother worked incredibly hard to raise myself and my sister, I realize how much my family and even myself would have benefitted from financial education and counseling. I am incredibly proud of the profound impact that our financial empowerment programs have had on New Yorkers and recognize the benefits that this has on their families and children. We look forward to continuing our impact and programming work, supporting New Yorkers in their efforts to improve their financial health.

Conclusion

I hope this testimony has helped provide you with a snapshot of our past year, and the great successes for DCWP, and the people of this city, as we continued to uplift New Yorkers. As we look forward to the upcoming fiscal year, I want to reaffirm my commitment on behalf of this agency to continue delivering on our essential work, providing core protections and rights to the residents of this city. Under Mayor Adams, our mission to protect and enhance the daily economic lives of New Yorkers, remains steadfast.

Before concluding, I would like to take the time to express my gratitude to all of you for your support in this work. Our agency and the New Yorkers in each of your districts are fortunate to have such ardent advocates representing them. And finally, I want to personally thank my DCWP family. I am so grateful to lead a team that works every day for the people of our city. Their committed and passionate efforts as public servants really do make it all come together for New Yorkers. Thank you for the opportunity to testify today. I look forward to answering your questions.

¹ Based on estimates of available Internal Revenue Service data