

**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 2024 Preliminary Budget**

**March 22, 2023**

**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 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 2024.

Despite being one of the City's smaller agencies, DCWP has an outsized impact on New York City. In almost every aspect of their daily lives, New Yorkers are entitled to key protections and services provided by my agency. In the workplace, our laws ensure that workers have basic rights to work with dignity. In the marketplace, our consumer protections prevent predatory actors from taking advantage of New Yorkers. We work to educate and uplift our small businesses that play by the rules so they can thrive for the benefit of our entire city and focus our enforcement on actors that flout our city's laws. And, for our households, our financial empowerment programs allow individuals and families to optimize their financial health, whether by securing crucial tax refunds or learning how to manage their budgets and tackle their debt.

When I spoke to you at this time last year, I was only two weeks into my tenure as commissioner. I laid out a fundamental goal for you: to be a steadfast partner to New Yorkers by aligning this agency's efforts with the work it does best. One year later, under my leadership and that of Mayor Adams, I feel confident that this agency has been an effective champion for the residents of our great city, and our central mission remains strong: to protect consumers and workers.

**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 through enforcement of our consumer and workplace laws, through business education and relief efforts, and through free programming that supports New Yorkers' financial health.

To accomplish this, DCWP's preliminary budget for Fiscal Year 2024 is approximately \$64.2 million. Our authorized headcount stands at 449, with 416 active personnel. Our intrepid team has been able to accomplish a great deal in the past year. In 2022 we received almost 28,000

consumer complaints and carried out almost 60,000 inspections for predatory business activity. We initiated almost 700 worker cases and secured more than \$23 million in restitution, including the largest workplace settlement in New York City history. And, we provided financial counseling to more than 7,000 New Yorkers and prepared almost 80,000 tax returns, all for free.

In addition to this core work, DCWP has taken on a number of new mandates. Over the past year, we have implemented the delivery worker protections passed by the Council in 2021, and are moving as quickly as possible to set an equitable minimum pay rate for this essential workforce. We also expanded both of our flagship financial empowerment programs; Financial Empowerment Center counseling has been integrated into select Workforce1 Career Centers and select NYC Free Tax Prep sites began offering specialized tax preparation for self-employed New Yorkers, with more services to be offered in the coming year. Let me tell you more about each of these, as well as provide a general overview of my agency's work.

### **Protecting New York's Most Vulnerable Workers**

DCWP knows that stability is key for New York's workers; whether you are trying to put food on the table for your family or put money away for your education, knowing that you will have stable hours, stable income, and stable employment is crucial. In 2022, our work focused on promoting this stability through the implementation of new protections and the enforcement of existing ones.

New York's large and growing population of delivery workers is one of our city's most essential workforces. I am sure that we can all remember the vital role it played in the early days of the pandemic, bringing us food when many of us were hesitant to leave our homes. Despite the importance of what they do, these delivery workers are in a precarious situation, working difficult jobs for low pay. We applaud the Council for recognizing this and taking legislative action.

In 2022, we began to enforce rights allowing delivery workers to make informed decisions about the deliveries they take, including having an option to choose the maximum distance they want to travel and receiving upfront disclosures about the route, pay, and gratuities associated with a delivery. We are working closely with workers and apps to ensure compliance with the law.

At the end of 2022, we announced our initial proposal for a minimum pay rate for app-based delivery workers, based on a rigorous study of the industry, including pay and working conditions. We recently published an updated minimum pay rate proposal for an additional round of public comment, after incorporating feedback from workers, apps, and many Council Members, including members of this committee. The public comment period will end on April 7, and we welcome any testimony you can provide. The minimum pay rate represents groundbreaking progress for New York City's delivery workers, and we want to make sure that a final rule allows New Yorkers the opportunity to review and provide input.

DCWP has continued to enforce the other worker rights under our jurisdiction. In August, we announced a major settlement with Chipotle over violations of the Fair Workweek Law, which gives fast food workers scheduling stability and an opportunity to move into full-time work, and

the Paid Safe and Sick Leave Law, which gives workers the right to take time off to care for themselves or their family. The settlement has secured more than \$20 million in restitution to approximately 13,000 workers and required Chipotle to pay \$1 million in civil penalties.<sup>1</sup> This represents the biggest workplace settlement in New York City history, as well as the largest ever Fair Workweek settlement in the entire country.

Our Fair Workweek enforcement has also included cases centered on the law's newest component, "Just Cause," which ensures that fast food workers can no longer be arbitrarily fired from their jobs and have a right to reclaim their former jobs if they are illegally laid off or fired. Last month, we settled with Starbucks in a case in which a longtime worker was illegally terminated. Starbucks will pay more than \$21,000 in employee relief and penalties. This builds on a previous case, in late 2021, when we obtained restitution for two Brooklyn Subway workers who were illegally terminated, to demonstrate that DCWP is here to protect the City's fast-food workers.

In December, we also announced a free mediation program for domestic workers and their employers to resolve workplace issues in a respectful and confidential manner without needing to go to court. DCWP previously conducted a study of paid care workers, which found that at least half of the City's paid care workforce, the majority of whom are immigrants and women of color, have experienced exploitation, such as wage theft, paid safe and sick leave violations, harassment, discrimination, or retaliation. This mediation program will provide an accessible forum for domestic workers to assert their rights in a supportive environment and resolve issues with their employers without the expense and adversarial nature of litigation.<sup>2</sup>

### **Enhancing Marketplace Fairness**

Through our consumer protection work, we strive to create fairness in the marketplace. I am committed to ensuring that New Yorkers are free from exploitation when they are looking to purchase goods or services. At the same time, I also want to make sure that our city's small business owners have an opportunity to succeed. I believe that our efforts to protect New Yorkers from predatory activity should work hand in hand with supporting our small businesses and the contributions they make to their communities. It is a delicate balance, but we continue to endeavor to make progress on both fronts.

One way we try to foster an education-first approach is through our Visiting Inspector Program (VIP). We send senior inspectors to brick-and-mortar businesses that have recently received licenses from us to provide an educational inspection with the business owner. During the educational inspection, the inspector will identify any potential violations and explain how the business can correct them. Our VIP inspectors identify a potential violation at three out of every four businesses that they visit. I am proud to share that since the start of the program we have conducted more than 11,000 inspections.

---

<sup>1</sup> <https://www.nyc.gov/office-of-the-mayor/news/581-22/mayor-adams-department-consumer-worker-protection-settlement-chipotle-mexican#/0>

<sup>2</sup> <https://www.nyc.gov/office-of-the-mayor/news/883-22/mayor-adams-mediation-program-help-domestic-workers-employers-resolve-workplace>

We know that despite their best efforts at being compliant, many businesses may still receive violations. Because of that, we are committed to making sure that the penalties we charge for our violations match their gravity. Last year, Mayor Adams tasked City agencies with reviewing our most-issued violations and identifying opportunities to reduce or eliminate penalties. We went one step further, reviewing all our penalties, leading to 24 proposals, many of which lower civil penalties to zero dollars for first time violations. The bill to enact these proposals is currently before the Council as Introduction 845, carried by Council Member Menin, and is projected to save businesses almost \$1 million a year. I look forward to seeing it advance and provide substantive relief to New York City’s small businesses. I’d also like to highlight that this great work also builds on our reforms under Local Law 80 of 2021, which we also implemented last year to make business-friendly changes to 30 areas of our enforcement.<sup>3</sup>

In addition to reviewing our penalties, we have also been reviewing our procedures to reduce the burden on small businesses trying to operate in New York. This year, we are using our discretion to remove criminal background questions from our license applications unless City or State law requires a fingerprint for the license. This will ensure that justice-involved New Yorkers’ pasts do not limit their future. We welcome any suggestions from Council as to other ways we can increase the fairness of our license application process.

While we try to structure our enforcement to ensure that businesses acting in good faith are educated about our laws and rules and are not unduly punished for any minor violations they may incur, when we do become aware of egregious non-compliance, we take action. Let me tell you about some of our enforcement efforts to protect New Yorkers from bad-faith business actors.

Last summer, we announced two major settlements with used car dealerships. In May, we obtained \$225,000 in restitution from JF Motors, a Queens-based business that used deceptive advertising to lure in consumers before exploiting them with illegal contracts and fake fees, and in July, we obtained more than \$300,000 from two used car dealerships, Brooklyn Mitsubishi and Brooklyn Volkswagen, that used deceptive advertising and false promises of “guaranteed” financing approval to draw consumers in before selling them cars at prices well above what was advertised. Across both settlements, DCWP also secured \$650,000 in civil penalties.<sup>4</sup>

In October, we announced a settlement with ASA College, one of New York City’s largest for-profit colleges, for running deceptive and misleading advertising that targeted immigrants on the subway and on social media. For example, one advertisement claimed that non-citizen students could get specific types of visas that would allow them to stay in the United States; another falsely claimed that students could graduate from specific programs in 16 months. ASA agreed to pay \$112,500 in civil penalties for the violations and to comply with City laws going forward.<sup>5</sup>

---

<sup>3</sup> <https://www.nyc.gov/assets/home/downloads/pdf/press-releases/2022/Small-Business-Forward.pdf>;  
<https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=4805925&GUID=2C7D9F71-D49E-499E-A21F-F6A9D5C76B90&Options=ID|Text|&Search=2233>

<sup>4</sup> <https://www.nyc.gov/site/dca/media/pr050322-DCWP-375K-Settlement-With-Used-Car-Dealerships.page>;  
<https://www.nyc.gov/office-of-the-mayor/news/510-22/mayor-adams-nyc-has-secured-more-300-000-consumers-harmed-predatory-used-car#/0>

<sup>5</sup> <https://www.nyc.gov/site/dca/media/pr100322-DCWP-Settles-With-ASA-College-for-Deceptive-Advertising.page>

We also reached a settlement with Van Leeuwen Ice Cream for \$33,000 in civil penalties over repeat violations of the City’s cashless ban. Van Leeuwen’s 19 locations had repeatedly refused to take cash, sending a message to the more than 300,000 unbanked households in New York City that their business was not welcome there. Our settlement sends a message back that any New Yorker who wants to pay in cash will be able to, and that non-compliant businesses will be held accountable for repeatedly violating our laws.<sup>6</sup>

## **Helping New Yorkers Reach Their Financial Goals**

Moving on to our financial empowerment efforts, DCWP has some excellent programs that focus on uplifting the financial lives of tens of thousands of New Yorkers every year.

NYC Free Tax Prep offers New Yorkers access to free, professional tax filings. We work closely with the New York City Housing Authority, Department of Education, Administration for Children’s Services, houses of worship, and other community partners to ensure New Yorkers learn about and use this vital resource. Our tax preparers, working with non-profits in every corner of the five boroughs, are trained to help maximize tax refunds, which are the biggest annual cash infusion that many New Yorkers receive each year. Next year, thanks to support of Mayor Adams, the program will be expanding to process an additional 26,000 tax returns.

I am proud to say that many of the returns we process this tax season will likely result in a larger refund than last year’s, thanks to the leadership of Mayor Adams. Starting this year, the New York City Earned Income Tax Credit (EITC) is increasing from a flat 5% match of the federal credit to a 10-30% match, in a new equity-based structure that has a higher match for filers with the lowest income levels. This means a dramatic increase in the credit’s value. For example, a single parent with one child and an income of ~\$14,000 will see the EITC increase by 400%, to almost \$1,000 per month.<sup>7</sup> This will make an enormous difference to our working families.

This Free Tax Prep season will also be different in that, for the first time, self-employed New Yorkers like gig workers, freelancers, and small business owners can come to us for specialized help with their taxes. Our tax preparers are currently available for annual tax filing at select sites, and will be offering estimated quarterly filing, one-on-one consultations, and presenting workshops and compiling resources on topics like best practices for recordkeeping starting later this summer. This service will be provided year-round, so we encourage New Yorkers to come to us for help with their annual tax filings this spring as well as their quarterly estimated tax filings later this year.<sup>8</sup>

Outside of taxes, New Yorkers can take advantage of our Financial Empowerment Centers, where they can meet with trained financial counselors to talk through any and all aspects of their financial health. I am particularly proud of this program because I personally use it. I have been seeing one of our counselors in Manhattan since last year and have really appreciated having a

---

<sup>6</sup> <https://www.nyc.gov/site/dca/media/pr102022-DCWP-Settles-with-Van-Leeuwen-Ice-Cream.page>

<sup>7</sup> <https://www.nyc.gov/office-of-the-mayor/news/075-23/nyc-kicks-off-tax-season-free-tax-preparation-services-now-tailored-self-employed-new>

<sup>8</sup> Ibid.

safe space to talk about my finances and get professional advice. My counselor and I have talked about everything from budgeting to the Public Service Loan Forgiveness program.

Looking back at my childhood, I wish my mother had the same opportunity to see a financial counselor as I do now. Growing up, I watched her work multiple jobs to raise my sister and me. Being young, I did not realize there was anything more to this than my mother being a hard worker. Now as an adult, I wonder how she could have benefitted from financial counseling during those years. Did she know how to budget and find savings? Was she always struggling to stay above water? I remember distinctly how often she had to borrow to pay off debt, and I cannot help but think that some guidance from a financial counselor could have set her on an easier path.

We want to ensure that as many New Yorkers as possible can take advantage of our Financial Empowerment Centers. We talk about them in all of our outreach, when our community affairs team travels across the City to meet with communities where they are. That outreach helped us reach a milestone last March, when we surpassed \$10 million in total savings, along with \$93 million in debt reduction facilitated by our financial counselors since the program's inception in 2008. Since then, the savings have continued, with more than \$1 million in additional savings by New Yorkers last year.<sup>9</sup>

This year, we have taken an additional step to make financial counseling more available to New Yorkers, by bringing it to some of the Department of Small Business Services' Workforce1 Career Centers.<sup>10</sup> Now, New Yorkers receiving job readiness services will also be able to meet with a financial counselor, to ensure that when they get that first paycheck, they know how to maximize it. I think this is a wonderful example of how DCWP, and this administration, are taking smart steps to serve New Yorkers efficiently and effectively.

## **Conclusion**

2022 was an exceptional year for DCWP, as we continued to effectively champion New Yorkers in every phase of their daily lives. Now, as we look toward the new fiscal year, I want to reassure you that our commitment to our mission remains undiminished, and we plan to use our resources strategically to ensure that we can continue to do our core work protecting and empowering New Yorkers in all phases of their lives.

Before I conclude, I want to take a moment to thank all of you, as well as your other colleagues in the Council, for your interest in and support of the work we do at DCWP. We are fortunate that New Yorkers have such staunch consumer and worker advocates representing them. Lastly, I want to shoutout the dedicated members of the DCWP family, who strive every day to fulfill the essential work of our agency. Without the committed and passionate efforts of these public servants, our work could not succeed. Thank you for the opportunity to testify today. I look forward to answering your questions.

---

<sup>9</sup><https://www.nyc.gov/site/dca/media/pr032322-FEC-Savings-Ten-Million-Dollars-Milestone.page>

<sup>10</sup><https://www.nyc.gov/office-of-the-mayor/news/046-23/mayor-adams-expansion-financial-counseling-services-new-yorkers-visiting-workforce1>