

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 NYC Consumer Protection Law, and also implements and enforces the new Paid Sick Leave Law by educating employers and employees about 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 New Yorkers with low incomes to build assets and make the most of their financial resources by providing free financial counseling at nearly 30 Financial Empowerment Centers, providing access to mainstream banking, and encouraging the use of free tax preparation services and 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 exceeded the Mayor's goal of reducing fine revenue by \$5 million in Fiscal 2015 through its implementation of nearly two-dozen reforms to ease onerous fines on businesses. DCA now allows businesses to choose which language inspections are conducted in and has introduced internal mapping technology so enforcement efforts are distributed equitably throughout the City. The agency continues to educate New York City employers and employees about the Paid Sick Leave Law through extensive outreach and has been resolving complaints—through mediation when possible and through settlement negotiations when needed—to ensure that New York City employees get time off to care for themselves and their families. Through OFE, DCA has expanded its efforts to promote economic opportunity and help reduce inequality by educating consumers about budgeting, debt reduction, safe banking options and free tax preparation.

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 2015

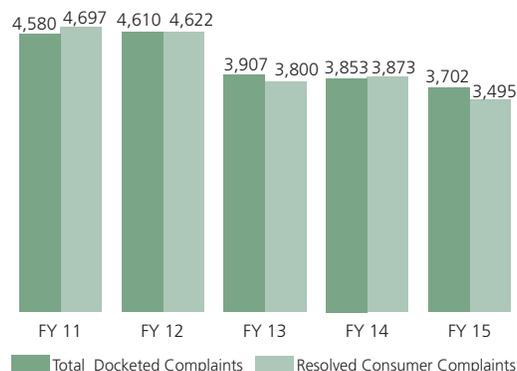
SERVICE 1 Protect and advocate for consumers.

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

At approximately 3,700, the number of docketed complaints decreased by close to four percent. At the same time, resolved complaints declined by almost 10 percent to 3,495. The five-year trend for both indicators is down. Due to several factors, including temporary staffing vacancies and a greater focus on keeping cases open longer to pursue additional mediation efforts and to maximize consumer restitution, the percent of complaints processed with 20 days fell by 16 percentage points to 36 percent and the median complaint processing time increased to 27 days, which was within DCA's new target of 28 days. The satisfaction rate on mediated consumer complaints remained at 62 percent for the year, but averaged 64 percent from December 2014 to June 2015 after the Department began pursuing additional mediation efforts on the more difficult cases.

The additional time spent mediating cases helped DCA secure \$6.2 million in restitution for consumers during Fiscal 2015, a 72.5 percent increase compared to the previous year. These efforts have particularly focused on unscrupulous practices in the debt collection and secondhand auto dealer industries, where restitution increased by \$1.1 million and \$508,000, respectively.

Consumer Complaints



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Total docketed complaints	4,580	4,610	3,907	3,853	3,702	*	*	Neutral	Down
Resolved consumer complaints	4,697	4,622	3,800	3,873	3,495	*	*	Neutral	Down
Complaints processed - Within 0-20 days (%)	64%	60%	50%	52%	36%	40%	40%	Up	Down
- Within 21-50 days (%)	32%	40%	50%	47%	48%	50%	50%	Down	Up
- Within 51-90 days (%)	3%	0%	0%	1%	16%	5%	5%	Down	Up
★ Median complaint processing time (days)	15	17	21	20	27	28	28	Down	Up
Restitution awarded (\$000)	\$5,424	\$5,486	\$7,223	\$3,588	\$6,189	\$4,500	\$4,500	Neutral	Neutral
★ Mediated complaints resolved to the satisfaction of the business and consumer (%)	NA	NA	62%	62%	62%	↑	62%	Up	NA

★ 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 July 2014 DCA implemented a small business relief package to reduce the number and cost of violations to businesses and achieve a better balance between enforcement and consumer protection. As a result of these efforts, violations decreased by 40 percent, from 19,888 to 11,923, and fines issued decreased by more than half, from \$32.5 million to \$15.75 million. This reduction was achieved by issuing warnings for violations that do not cause immediate consumer harm, decreasing the number of counts charged per violation, and offering lower settlement amounts. During the year, DCA also worked to minimize burdensome, repeat inspections of businesses by fully implementing enforcement mapping software, which contributed to a 10 percent decrease in inspections to 65,506.

While DCA has taken an "education first" approach to many less severe violations like refund and receipt infractions, the agency pursued even more aggressive enforcement against behaviors that cause public harm. As an example, the newly created Tobacco 21 enforcement unit, which enforces the City's new Sensible Tobacco Law (Local Law 97 of 2013)

regulations, issued more than 1,000 violations during the year, primarily targeting behaviors like selling cigars for less than \$3, selling flavored tobacco, or selling cigarettes to youth aged 18 to 20 years old. DCA also increased its cooperation with NYPD, the Business Integrity Commission, and the Manhattan District Attorney's Office to better target its fuel truck enforcement efforts. As a result of these operations, DCA enhanced its testing procedures, which led to a decrease in fuel truck compliance from 78 to 70 percent. We expect that these efforts will put the industry on notice that they will continue to face increased scrutiny until they improve their compliance.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Total inspections	87,610	76,848	74,029	73,035	65,506	*	*	Up	Down
Total violations issued	NA	24,835	23,326	19,888	11,923	*	*	Neutral	NA
★Licensing Law compliance rate (%)	NA	94%	93%	93%	95%	90%	93%	Up	NA
Consumer Protection Law - refund and receipt compliance rate (%)	NA	80%	80%	81%	91%	80%	80%	Up	NA
Weights and Measures Law compliance rate - gasoline pumps (%)	96%	95%	97%	99%	99%	98%	98%	Up	Neutral
Weights and Measures Law compliance rate - fuel trucks (%)	70%	73%	80%	78%	70%	80%	72%	Up	Neutral
★Inspected stores complying with tobacco regulations (%)	90%	91%	91%	92%	92%	86%	90%	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.

While the number of fines collected within 45 days of assessment increased marginally from 81 to 82 percent, the percent of fine amounts that were ultimately collected increased from 47 to 66 percent due to a policy change whereby the agency no longer issues prohibitively expensive fines for unlicensed activity. This policy is designed to ensure that businesses have the opportunity to come back into compliance with the law and become licensed.

Although overall settlements fell from \$9.4 million to \$7.5 million as a result of the small business relief package, settlements with certain industries that cause significant consumer harm increased. For example, the debt collection industry, which routinely ranks high on the list of industries with most complaints, paid more than \$1.4 million in settlements during Fiscal 2015, a more than \$800,000 increase from last year. The overall decrease in settlements reflects DCA's aim to create a less burdensome regulatory environment for small businesses, while the increase in settlements in select industries reflects DCA's commitment to ensuring truly bad behavior is penalized.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
★Decisions issued in 30 days or less (%)	96%	99%	94%	95%	89%	90%	90%	Up	Neutral
Total settlements (\$000)	\$7,336	\$8,707	\$9,270	\$9,395	\$7,542	*	*	Neutral	Neutral
★Number of fines collected within 45 days of assessment (%)	84%	82%	84%	81%	82%	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 December 2014 DCA opened its new, easy-to-use Licensing Center that is designed to streamline the licensing process and improve the quality of services provided by the agency. The Center features cameras for photo IDs at each customer service window (previously business owners had to wait to submit their initial application and also wait to have their photo taken), a testing room with brand new computers, and conveniently located kiosks to download inspection checklists, submit online applications, pay fees, and more. For the first time, the Licensing Center now also offers businesses free financial counseling through DCA's Office of Financial Empowerment.

The Licensing Center decreased its average customer wait times from 16 to 13 minutes, while processing basic applications in an average of only 2 days, matching the agency's previous best. In addition, for the first time ever, DCA instituted a concurrent renewal cycle for its two largest license categories, Home Improvement Contractors and Home Improvement Salespersons, which are often held jointly by the same individuals. By implementing the new cycle, DCA makes licensing easier for these businesses, as they now only have to renew their licenses every two years.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
★ Basic license application - Average processing time (days)	3	5	2	3	2	5	4	Down	Down
License applications received online (%)	23%	23%	27%	19%	20%	*	*	Up	Down
★ Licensing Center wait time (minutes)	11	13	11	16	13	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.

Through the newly implemented Cure Law, DCA offered more than 3,500 businesses the opportunity to correct first time signage infractions without paying a fine. In addition, DCA went above and beyond the requirements of the law and issued more than 1,000 warnings rather than violations for other, less serious infractions like the failure to provide a complete receipt.

Simultaneously, DCA has supplemented these patrol-based efforts with aggressive outreach to help businesses understand their legal responsibilities. In July 2014 more than 1,400 business owners, community organizations, City employees, and everyday New Yorkers helped remind more than one million New Yorkers about their right to use Paid Sick Leave starting on July 30, 2014 by distributing materials and answering questions at more than 150 subway stations throughout the City. Overall, DCA has distributed approximately two million pieces of literature to raise awareness of the Paid Sick Leave Law. In May 2015 DCA worked with other City agencies to visit approximately 1,000 nail salons to distribute educational materials to business owners about their responsibilities as employers on wage, labor, and health and safety issues. In total, DCA educated more than 22,600 businesses through live chat, inspection outreach and special events.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Businesses educated through direct outreach	NA	NA	11,217	34,865	22,659	*	*	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 invested more than \$3 million – a nearly twentyfold increase over prior years – in an unprecedented annual tax credit campaign that helped more than 153,000 New Yorkers with low incomes file their taxes for free and claim important tax credits through the Earned Income Tax Credit and NYC Child Care Tax Credit. This translates to approximately \$250 million in refunds and savings for New Yorkers during the tax season and represents a 50 percent increase from 96,000 filers last year.

In Spring 2014 DCA opened its new financial counseling window at the Mexican Consulate that helps Mexican nationals and their families living in New York City achieve financial security. In Fiscal 2015 the counseling window served over 1,500 clients, and as a result, the number of clients served by financial empowerment programs increased from 8,302 last year to 10,479 this year.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Financial Empowerment Center clients - Percent achieving measurable success (%)	NA	NA	37.0%	39.0%	45.0%	*	*	Up	NA
- Total debt reduced (\$000) (cumulative)	NA	\$7,049	\$14,497	\$23,893	\$33,088	*	*	Up	NA
- Total savings accumulated (\$) (cumulative)	NA	\$870,297	\$1,995,846	\$2,987,936	\$3,596,836	*	*	Up	NA
Tax returns filed through citywide Tax Credit Campaign	NA	NA	NA	96,611	153,365	*	*	Up	NA

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

AGENCY CUSTOMER SERVICE

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Customer Experience									
Average customer in-person wait time (minutes)	12	14	12	16	13	17	17	Down	Up
Completed customer requests for interpretation	1,697	2,022	1,611	2,536	3,377	*	*	Neutral	Up
CORE customer experience rating (0-100)	83	83	86	94	95	83	83	Up	Up

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16		
Response to 311 Service Requests (SRs)									
Percent meeting time to first action - Consumer Complaint - Exchange/Refund/Return (4 days)	100%	100%	97%	70%	83%	98%	85%	Neutral	Down
Percent meeting time to first action - Consumer Complaint - False Advertising (4 days)	99%	99%	97%	69%	84%	98%	85%	Neutral	Down
Percent meeting time to first action - Consumer Complaint - Non-Delivery Goods/Services (4 days)	100%	99%	96%	71%	82%	98%	85%	Neutral	Down
Percent meeting time to first action - Consumer Complaint - Overcharge (4 days)	99%	98%	96%	71%	82%	98%	85%	Neutral	Down
Percent meeting time to first action - DCA / DOHMH New License Application Request - General Street Vendor License (7 days)	100%	100%	92%	92%	65%	98%	85%	Neutral	Down

AGENCY RESOURCES

Resource Indicators	Actual					Plan ¹		5yr Trend
	FY11	FY12	FY13	FY14	FY15	FY15	FY16	
Expenditures (\$000,000) ²	\$21.8	\$26.3	\$27.3	\$32.5	\$40.4	\$41.4	\$41.3	Up
Revenues (\$000,000)	\$29.8	\$36.4	\$37.1	\$38.5	\$32.9	\$28.3	\$28.0	Neutral
Personnel	286	327	331	384	367	435	435	Up
Overtime paid (\$000)	\$426	\$607	\$724	\$866	\$179	\$179	\$158	Down

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

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- DCA revised the calculation methodology for the indicator 'Mediated Complaints resolved to the satisfaction of the business and consumer (%)' to include only complaints for which a satisfactory resolution is possible. As a result, cases against businesses that are no longer operating and cases that are referred to other entities with jurisdiction to resolve those matters are now excluded from the calculation. Data going back to Fiscal 2013 was updated to reflect this new calculation. Data prior to Fiscal 2013 is not comparable and has been removed. Similarly, the previously stated Fiscal 2015 target of 55 percent is not relevant and has also been removed. The Fiscal 2016 target has been updated to reflect the change.
- Due to difficulties in getting banks to regularly provide data, the indicator 'Bank accounts opened' will no longer be reported.
- DCA set more aggressive targets for the following indicators: 'Licensing Law compliance rate (%)', 'Inspected stores complying with tobacco regulations (%)', 'Compliance on follow-up inspections after a previous tobacco violation (%)', and 'Basic license application - Average processing time (days)'. The fuel truck compliance target was revised downward to reflect newly instituted, more stringent testing procedures. Targets for the response time to 311 customer service metrics were revised downward to reflect recent performance following the introduction of DCA's new data system that requires more extensive data entry and validation.
- The 'Consumer Protection Law – refund and receipt compliance (%)' metric is no longer considered to be a critical indicator. The agency is now focusing on business education and outreach to correct many of the law's infractions.

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.