

DEPARTMENT OF CONSUMER AFFAIRS

Lorelei Salas, 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 settlement when possible and through enforcement 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.

SERVICE 4 Protect and advocate for workers under the Paid Sick Leave Law.

- Goal 4a Resolve complaints in a timely manner to ensure employers' compliance with the Paid Sick Leave Law.

HOW WE PERFORMED IN FISCAL 2016

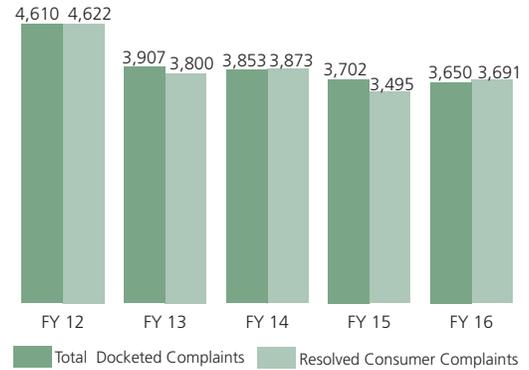
SERVICE 1 Protect and advocate for consumers.

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

At 3,650, the number of docketed complaints decreased by over one percent. At the same time, resolved complaints increased by over five percent to 3,691. The overall five-year trend for both indicators is down. Comparable to Fiscal 2015, 51 percent of complaints were processed within 28 days and all were processed within 90 days. At 28 days, the median complaint processing time increased by one day but continued to meet the performance target. The satisfaction rate on mediated consumer complaints increased by two percentage points to 64 percent for the year.

DCA secured \$3.5 million in restitution for consumers during Fiscal 2016, a 44 percent decrease compared to the previous year, as the majority of pending consumer cases were adjourned pending the disbandment of the DCA tribunal. In Fiscal 2017 DCA will file its enforcement and consumer cases for adjudication at the Office of Administrative Trials and Hearings.

Consumer Complaints



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
Total docketed complaints	4,610	3,907	3,853	3,702	3,650	*	*	Neutral	Down
Resolved consumer complaints	4,622	3,800	3,873	3,495	3,691	*	*	Neutral	Down
Complaints processed within 0-28 days (%)	NA	NA	NA	51%	51%	*	50%	Up	NA
- Within 0-50 days (%)	NA	NA	NA	83%	85%	*	85%	Up	NA
- Within 0-90 days (%)	NA	NA	NA	100%	100%	*	100%	Up	NA
★ Median complaint processing time (days)	17	21	20	27	28	28	28	Down	Up
Restitution awarded (\$000)	\$5,486	\$7,223	\$3,588	\$6,189	\$3,472	\$4,500	\$4,500	Neutral	Down
★ Mediated complaints resolved to the satisfaction of the business and consumer (%)	NA	62%	62%	62%	64%	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.

Since July 2014 DCA has been implementing 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. At the same time, the Department has been more efficient in planning and performing inspections. As a result of these efforts, the number of inspections rose by 18 percent to approximately 77,000 and violations increased by 20 percent from 11,923 to 14,291. However, the amount of fines assessed decreased by more 36 percent, from \$15.75 million to \$9.97 million. This decline resulted from a combination of factors, including a reduction in adjudication activity as referenced above, issuing warnings for violations that do not cause immediate consumer harm, decreasing the number of counts charged per violation and offering lower settlement amounts.

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 Tobacco 21 enforcement unit, which enforces the City's 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. For inspections related to the sale of tobacco to minors, the rate of compliance remained high at both the initial and follow-up inspection at 93 percent and 94 percent, respectively.

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 further decrease in fuel truck compliance from 70 to 68 percent. The agency expects that these continued efforts and increased scrutiny will compel the industry to improve compliance.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
Total inspections	76,848	74,029	73,035	65,506	76,996	*	*	Up	Neutral
Total violations issued	24,835	23,326	19,888	11,923	14,291	*	*	Neutral	Down
★Licensing Law compliance rate (%)	94%	93%	93%	95%	95%	93%	93%	Up	Neutral
Consumer Protection Law - refund and receipt compliance rate (%)	80%	80%	81%	91%	91%	80%	80%	Up	Up
Weights and Measures Law compliance rate - gasoline pumps (%)	95%	97%	99%	99%	100%	98%	98%	Up	Neutral
Weights and Measures Law compliance rate - fuel trucks (%)	73%	80%	78%	70%	68%	72%	72%	Up	Down
★Inspected stores complying with tobacco regulations (%)	91%	91%	92%	92%	93%	90%	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.

The number of fines collected within 45 days of assessment increased from 82 to 89 percent and the percent of fine amounts that were ultimately collected increased from 66 to 70 percent partly due to the agency's continued policy of not issuing prohibitively expensive fines for unlicensed activity. This policy is designed to ensure that businesses have the opportunity to come back into compliance and become licensed. Overall, settlements increased from \$7.5 million to \$8.3 million in Fiscal 2016.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
★Decisions issued in 30 days or less (%)	99%	94%	95%	89%	68%	90%	90%	Up	Down
Total settlements (\$000)	\$8,707	\$9,270	\$9,395	\$7,542	\$8,324	*	*	Neutral	Down
★Number of fines collected within 45 days of assessment (%)	82%	84%	81%	82%	89%	80%	80%	Up	Neutral

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

Goal 2a Ensure that business licensing is easy.

In January 2016 DCA expanded access to its services with the opening of a new tri-agency Small Business Support Center in Queens. This customer-friendly location, which is part of the SB1 Initiative, is designed to improve the quality of services. The Center has served 2,849 customers with an average post-testing period wait time of about two minutes.

On the whole, more than 100,300 customers visited the Department's licensing facilities in Fiscal 2016. DCA decreased its average customer wait times from 13 to 8 minutes, while processing basic applications in an average of only 2 days, matching the agency's previous best.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
★ Basic license application - Average processing time (days)	5	2	3	2	2	4	4	Down	Down
License applications received online (%)	23%	27%	19%	20%	18%	*	*	Up	Down
★ Licensing Center wait time (minutes)	13	11	16	13	8	15	15	Down	Down

★ 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.

DCA continues to supplement patrol-based efforts with aggressive outreach to help businesses understand their legal responsibilities. Compared to the prior two fiscal years, when the agency engaged in robust outreach campaigns around the implementation of Paid Sick Leave and the Cure Law, outreach activity leveled off in Fiscal 2016. In total, DCA educated more than 17,000 businesses through live chat, inspection outreach and special events.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
Businesses educated through direct outreach	NA	11,217	34,865	22,659	17,072	*	*	Up	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.

DCA again invested more than \$3 million in the New York City Annual Tax Season Initiative which seeks to increase awareness of and access to valuable tax credits, such as the Earned Income Tax Credit and the New York City Child Care Tax Credit and free tax preparation services. During tax season 2016 this initiative coordinated a network of more than a dozen partners who delivered Volunteer Income Tax Assistance/Tax Counseling for the Elderly and AARP Tax-Aide programs at more than 200 sites throughout the City, as well as online self-preparation at nyc.gov/taxprep. A total of 162,583 tax returns were completed, an increase of six percent over Fiscal 2015.

The Office of Financial Empowerment (OFE) updated its standard for reporting a client's success by applying the more rigorous definition of 'outcome' currently used by OFE in other reports. In practice, this means that a client's credit score, debt amount, or savings amount must show significant improvement within a consecutive 15-month period to be measured a 'success,' rather than simply since the start of the program as previously reported. Under this revised reporting standard, 40 percent of clients achieved measurable success in Fiscal 2016 compared to 34 percent in Fiscal 2015. Using the older method, the Fiscal 2016 value would be 44 percent and Fiscal 2015 would be 45 percent.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
Financial Empowerment Center clients - Percent achieving measurable success (%)	NA	NA	NA	34.0%	40.0%	*	*	Up	NA
- Total debt reduced (\$000) (cumulative)	\$7,049	\$14,497	\$23,893	\$33,088	\$43,125	*	*	Up	Up
- Total savings accumulated (\$) (cumulative)	\$870,297	\$1,995,846	\$2,987,936	\$3,596,836	\$4,094,324	*	*	Up	Up
Tax returns filed through citywide Tax Credit Campaign	NA	NA	96,611	153,365	162,583	*	*	Up	NA

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SERVICE 4 Protect and advocate for workers under the Paid Sick Leave Law.

Goal 4a

Resolve complaints in a timely manner to ensure employers' compliance with the Paid Sick Leave Law.

After focusing on outreach and education during the first year of the [Paid Sick Leave Law's](#) enactment, participating in more than 1,000 outreach events and distributing more than two million pieces of informational materials, the Department increased its focus on enforcement during year two and also implemented a compliance review process to ensure that businesses who previously entered into a settlement agreement have corrected the violations. In Fiscal 2016 DCA was able to achieve a high impact relative to the number of complaints—i.e., closing more than 400 paid sick leave cases and securing more than \$3 million in fines and restitution for more than 13,600 employees—because almost all investigations of a complaint were expanded to the entire workplace, based on experience that a single complaint frequently evidences a workplace-wide compliance issue. Additionally, through settlement agreements, DCA has ensured that thousands more—many of whom are in low-wage professions such as security guards, home health aides, restaurant workers, and retail workers—will receive sick leave benefits as required by the law. The Department's expanded approach to workplace compliance along with its focus on resolving investigations during Fiscal 2016—which included many older cases that remained open since Fiscal 2015—led to a considerably longer turnaround time to resolve complaints, an average of 101 days.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
Customer Experience	FY12	FY13	FY14	FY15	FY16	FY16	FY17	Desired Direction	5yr Trend
Paid Sick Leave (PSL) complaints received	NA	NA	NA	583	335	*	*	Neutral	NA
PSL complaints closed	NA	NA	NA	369	403	*	*	Neutral	NA
★ Average time to resolve all PSL complaints (calendar days)	NA	NA	NA	33	101	↓	↓	Down	NA
Employees receiving restitution	NA	NA	NA	97	13,675	*	*	Neutral	NA
Total amount of employee restitution (\$)	NA	NA	NA	\$54,961	\$2,123,391	*	*	Neutral	NA
Total amount of PSL fines (\$)	NA	NA	NA	\$50,050	\$1,201,468	*	*	Neutral	NA

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AGENCY CUSTOMER SERVICE

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
Customer Experience	FY12	FY13	FY14	FY15	FY16	FY16	FY17	Desired Direction	5yr Trend
Average customer in-person wait time (minutes)	14	12	16	13	9	17	17	Down	Down
Completed customer requests for interpretation	2,022	1,611	2,536	3,377	3,861	*	*	Neutral	Up
CORE customer experience rating (0-100)	83	86	94	95	98	83	83	Up	Up

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
Customer Experience	FY12	FY13	FY14	FY15	FY16	FY16	FY17	Desired Direction	5yr Trend
Percent meeting time to first action - Consumer Complaint - Exchange/Refund/Return (4 days)	100%	97%	70%	83%	93%	85%	85%	Neutral	Down
Percent meeting time to first action - Consumer Complaint - False Advertising (4 days)	99%	97%	69%	84%	91%	85%	85%	Neutral	Down
Percent meeting time to first action - Consumer Complaint - Non-Delivery Goods/Services (4 days)	99%	96%	71%	82%	92%	85%	85%	Neutral	Down
Percent meeting time to first action - Consumer Complaint - Overcharge (4 days)	98%	96%	71%	82%	93%	85%	85%	Neutral	Down
Percent meeting time to first action - DCA / DOHMH New License Application Request - General Street Vendor License (7 days)	100%	92%	92%	65%	78%	85%	85%	Neutral	Down

AGENCY RESOURCES

Resource Indicators	Actual ¹					Plan ²		5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17	
Expenditures (\$000,000) ³	\$26.3	\$27.3	\$32.5	\$37.4	\$40.2	\$41.0	\$40.6	Up
Revenues (\$000,000)	\$36.4	\$37.1	\$38.5	\$32.9	\$32.0	\$28.0	\$27.3	Down
Personnel	327	331	384	367	360	440	441	Up
Overtime paid (\$000)	\$607	\$724	\$866	\$197	\$191	\$201	\$59	Down

¹Actual financial amounts for the most current fiscal year are not yet final. Final fiscal year actuals, from the Comptroller's Comprehensive Annual Financial Report, will be reported in the next PMMR. Refer to the "Indicator Definitions" at nyc.gov/mmr for details. ²Authorized Budget Level ³Expenditures include all funds
 "NA" - Not Available in this report

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- Lorelei Salas was appointed commissioner of the Department of Consumer Affairs in May 2016.
- DCA replaced the three indicators that reported on the percent of complaints processed within specific time frames (0 – 20 days, 21 – 50 days and 51 – 90 days) with similar type indicators. With the new set of metrics, the agency is moving to cumulative processing time buckets so that all complaints processed by a certain period are counted and not just those processed within the specific time frame. The agency also adjusted the time frames of the "buckets," establishing a time frame of 0 – 28 days for the first one, in line with the 28 day median processing time metric, and a Fiscal 2017 performance target of 50%. Targets for the other two metrics were set at 85% for complaints processed by 50 days and 100% for those processed by 90 days.
- The indicators that report on DCA's administrative tribunal—"Decisions issued in 30 days or less (%)" as well as "Total decisions rendered," which appears in the web-based version of the Mayor's Management Report—will no longer be reported after Fiscal 2016. DCA is now filing its enforcement and consumer cases for adjudication at the Office of Administrative Trials and Hearings; the DCA tribunal was disbanded in Fiscal 2017. This will also result in other changes to DCA's MMR which will be reflected in the Fiscal 2017 Preliminary MMR.
- The Department updated its standard for reporting the success of clients of its Office of Financial Empowerment as discussed in the narrative. As a result, Fiscal 2015 data for the indicator that reports on the percent of clients achieving measurable success was revised from 45% to 34%. Data for fiscal years 2013 and 2014 was removed pending further review.
- The indicator that reported on the average time to resolve Paid Sick Leave (PSL) complaints through settlement, which was a sub-indicator of the metric that reports on the average time to resolve all PSL complaints, has been discontinued. The metric actually tracked the average time to close cases by means of an "expedited settlement process," which is no longer used.
- Fiscal 2016 data for Customers Observing and Reporting Experiences (CORE) ratings represents a change in methodology. For agencies with multiple service centers, inspectors focused on sites that had historically lower scores, specifically sites that received an average overall site score of 85 or lower over the last three years and sites that received a score of 85 or lower in Fiscal 2015. If all agency service centers scored above 85 last year, the service center with the lowest overall score was inspected.

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.