

DEPARTMENT OF CONSUMER AFFAIRS

Lorelei Salas, Commissioner



WHAT WE DO

The Department of Consumer Affairs (DCA) protects and enhances the daily economic lives of New Yorkers to help create thriving communities. DCA licenses and regulates more than 75,000 businesses in more than 50 industries. The agency strives to create a culture of compliance in the marketplace by performing onsite inspections of businesses and enforcing license regulations, weights and measures regulations and the NYC Consumer Protection Law. DCA also provides mediation and restitution for consumer complaints. Through its Office of Labor Policy & Standards (OLPS), the Agency enforces various workplace laws, including Paid Safe and Sick Leave, by investigating complaints, conducting proactive investigations and recovering restitution for workers.

DCA's Office of Financial Empowerment (OFE) focuses on initiatives that educate, empower and protect residents and neighborhoods with low incomes so they can improve their financial health and build assets by providing free financial counseling and coaching at the NYC Financial Empowerment Centers, increasing access to safe and affordable financial products and services and encouraging the use of NYC Free Tax Prep, which helps eligible New Yorkers file their taxes for free and claim valuable tax credits.

FOCUS ON EQUITY

DCA's commitment to a fair and equitable marketplace begins with consumer advocacy, business education and transparency. As part of its consumer advocacy, DCA continues to coordinate work across the agency and use a multi-pronged approach, including enforcement, legislation and education for maximum impact. To help prevent consumer harm and improve the financial health of New Yorkers with low incomes, DCA's Office of Financial Empowerment provides financial counseling and coaching, helps with debt reduction and offers free tax preparation. DCA has also increased its outreach efforts to educate businesses about their obligations to workers in addition to consumers. Through DCA's Office of Labor Policy and Standards, New York City employees and employers are informed about various workplace laws the agency enforces, including Paid Safe and Sick Leave, to ensure workers get the protections to which they are entitled.

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 Promptly negotiate settlements on violations issued to businesses.

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 Safe and Sick Leave Law.

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

HOW WE PERFORMED IN FISCAL 2019

SERVICE 1 Protect and advocate for consumers.

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

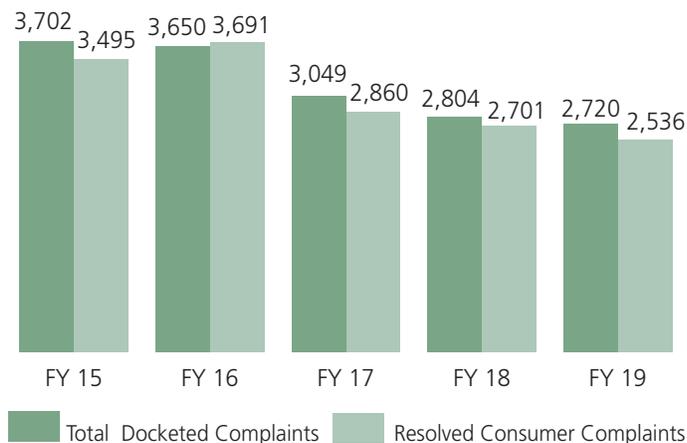
The number of docketed complaints decreased for the second year in a row, by three percent to 2,720, while the number of resolved complaints decreased six percent, to 2,536. The overall 5-year trend for both indicators is down. The percent of complaints processed within 28 days declined to 66 percent, a decrease of five percentage points over the previous year. More than 99 percent of complaints were processed within 90 days.

The drop in the percent of complaints resolved within 28 days has driven the median complaint processing time up, from 20 to 22 days. The increase is attributable in part to a general reluctance of some businesses and consumers to engage in the mediation process coupled with increasing complexity of some complaints and higher value restitution amounts being sought by consumers.

The satisfaction rate on mediated consumer complaints decreased by three percentage points, to 61 percent for the year, dropping below the performance target for the first time in five years. This decrease is attributable to increases in the number of businesses that did not respond to the complaint notice (only businesses with a DCA-issued license are required to respond to the complaint) and the number of complainants who were advised to sue the business after failing to reach an agreement in mediation.

DCA secured more than \$1.6 million in restitution for consumers during Fiscal 2019, a 54 percent decrease compared to the previous year. The substantial decrease from Fiscal 2018 can be largely attributed to DCA no longer having dedicated staff attorneys filing “Consumer Docket” cases in the Office of Administrative Trials and Hearings (OATH). These are cases against DCA licensees which seek restitution on behalf of consumers and contributed to a \$1.5 million reduction in the amount of restitution awarded. Of that amount, \$1.3 million was due to a 60 percent decrease in the number of cases filed against Home Improvement Contractors (HIC), from 100 in Fiscal 2018 to 42 in Fiscal 2019. Consumer restitution awards in cases brought against HICs by DCA attorneys averaged \$21,000 per case during Fiscal 2018 but dropped by 14 percent to an average of \$18,000 in Fiscal 2019.

Consumer Complaints



Performance Indicators	Actual					Target		Trend	
	FY15	FY16	FY17	FY18	FY19	FY19	FY20	5-Year	Desired Direction
Total docketed complaints	3,702	3,650	3,049	2,804	2,720	*	*	Down	*
Resolved consumer complaints	3,495	3,691	2,860	2,701	2,536	*	*	Down	*
Complaints processed within 0-28 days (%)	51%	51%	56%	71%	66%	50%	50%	Up	Up
– Within 0-50 days (%)	83%	85%	88%	96%	94%	85%	85%	Up	Up
– Within 0-90 days (%)	100%	100%	99%	100%	100%	100%	100%	Neutral	Up
★ Median complaint processing time (days)	27	28	27	20	22	28	28	Down	Down
Consumer restitution awarded (\$000)	\$6,189	\$3,472	\$2,291	\$3,485	\$1,620	*	*	Down	*
★ Mediated complaints resolved to the satisfaction of the business and consumer (%)	62%	64%	67%	64%	61%	62%	62%	Neutral	Up
★ Critical Indicator	“NA” Not Available	↑↓ Directional Target				* None			

Goal 1b

Ensure all businesses comply with NYC’s Consumer Protection Law and related laws.

During Fiscal 2019 DCA continued its “education first” approach and prioritized the inspection of businesses and industries known to engage in conduct causing public harm. These changes resulted in a small reduction in the total number of inspections and a 7.8 percent increase in the number of summonses issued compared to the previous fiscal year.

The overall licensing law compliance rate fell from 95 percent in Fiscal 2018 to 93 percent in Fiscal 2019, reflecting the changes made to the agency’s inspection priorities. While the compliance rate for gasoline pumps remained steady at 99 percent, there was a three percentage point drop in the rate of compliance with tobacco regulations, a one percentage point drop in the compliance rate with respect to consumer refund and receipt laws and a two percentage point drop in the rate of compliance with licensing laws. The compliance rate for fuel trucks under NYS weights and measures law increased to 80 percent in Fiscal 2019.

Performance Indicators	Actual					Target		Trend	
	FY15	FY16	FY17	FY18	FY19	FY19	FY20	5-Year	Desired Direction
Total inspections	65,506	76,996	75,951	65,673	62,971	*	*	Neutral	Up
Total summonses issued	11,923	14,291	15,971	15,152	16,338	*	*	Up	*
★ Licensing Law compliance rate (%)	95%	95%	95%	95%	93%	93%	93%	Neutral	Up
Consumer Protection Law - refund and receipt compliance rate (%)	91%	91%	89%	90%	89%	85%	85%	Neutral	Up
Weights and Measures Law compliance rate - gasoline pumps (%)	99%	100%	99%	99%	99%	98%	98%	Neutral	Up
Weights and Measures Law compliance rate - fuel trucks (%)	70%	68%	71%	77%	80%	72%	72%	Up	Up
★ Inspected stores complying with NY State regulations regarding the sale of tobacco to minors (%)	92%	93%	89%	89%	86%	90%	90%	Neutral	Up
★ Critical Indicator	“NA” Not Available		↑↓ Directional Target	* None					

Goal 1c

Promptly negotiate settlements on violations issued to businesses.

DCA introduced a new metric to track the rate at which violations are settled before a case’s original scheduled hearing at the Office of Administrative Trials and Hearings (OATH). DCA’s Settlement Unit works with businesses to resolve violations charged by DCA prior to adjudication at OATH. The overall ten percentage point reduction over the last five years captures the period before, during and after DCA’s transition from adjudicating cases internally at the DCA Tribunal to hearing cases at OATH. DCA is developing strategies to increase the number of cases that settle including allowing businesses to request a settlement online by using their email address or cell phone number. This service allows business owners to obtain the same result they would receive in office without losing a day of work to travel to Lower Manhattan. DCA will continue to look for other opportunities to make the settlement process even more efficient for businesses.

The total dollar amount of settlements increased for the first time in three years, by 12 percent, from \$5.7 million in Fiscal 2018 to \$6.4 million in Fiscal 2019.

Performance Indicators	Actual					Target		Trend	
	FY15	FY16	FY17	FY18	FY19	FY19	FY20	5-Year	Desired Direction
Total settlements (\$000)	\$7,542	\$8,324	\$6,530	\$5,725	\$6,393	*	*	Down	*
Cases settled prior to original hearing date (%)	58%	53%	52%	49%	48%	*	*	Down	*
★ Critical Indicator	“NA” Not Available		↑↓ Directional Target	* None					

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

Goal 2a Ensure that business licensing is easy.

DCA averaged two days to approve more than 46,000 basic license applications and renewals during Fiscal 2019, halving the average processing time from the previous year. The dramatic improvement can be attributed to expanding the use of the rapid renewal process, which allows for businesses with no violations to renew their licenses instantly.

Fiscal 2019 saw the average wait time for consumers visiting walk-in services drop by 47 percent to eight minutes, a return to the average over Fiscal 2016 and 2017.

Performance Indicators	Actual					Target		Trend	
	FY15	FY16	FY17	FY18	FY19	FY19	FY20	5-Year	Desired Direction
★ Basic license application - Average processing time (days)	2	2	3	4	2	4	4	Up	Down
License applications received online (%)	20%	18%	23%	22%	21%	*	*	Up	Up
★ Licensing Centers wait time (minutes)	13	8	8	15	8	15	15	Down	Down
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None					

Goal 2b Educate businesses to help them understand their responsibilities toward consumers and their employees.

DCA continues to supplement patrol-based efforts with intensive outreach to help businesses understand their legal responsibilities. In Fiscal 2019 DCA educated more than 19,000 businesses through violation-free business education walks, special events and trainings and Live Chat for Businesses. This was an increase of 7.3 percent from Fiscal 2018.

Performance Indicators	Actual					Target		Trend	
	FY15	FY16	FY17	FY18	FY19	FY19	FY20	5-Year	Desired Direction
Businesses educated through direct outreach	19,449	13,450	13,305	18,031	19,348	*	*	Up	Up
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None					

SERVICE 3 Educate and empower New Yorkers with low incomes.

Goal 3a Help residents with low incomes achieve financial stability.

Through its Office of Financial Empowerment (OFE), DCA continued to focus on initiatives that support New Yorkers and communities with low incomes in building assets and improving their financial health. OFE's financial counseling and coaching programs served more than 8,400 clients during Fiscal 2019, a 17 percent decrease from Fiscal 2018. In addition to a decline in the number of clients served, the percent of clients achieving measurable success decreased 13 percentage points, from 38.0% in Fiscal 2018 to 25.0% in Fiscal 2019. The two decreases are largely attributable to the successful spinoff of La Ventanilla Asesoria Financiera, a pilot program which provides financial counseling services at the Mexican Consulate. While the program is still ongoing and OFE remains involved as a key stakeholder, data for this program is no longer being reported in the MMR. Looking ahead, DCA will be expanding the Financial Empowerment Centers, its signature financial counseling and coaching program, which started in June 2008. With the expansion of this program, along with enhancements in technology and program design, OFE expects to see the number of clients served and the number of New Yorkers achieving measurable improvements in their financial health increase over the coming years.

In addition to its financial counseling programs, DCA OFE continued to support 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 provides free tax preparation services. This tax season DCA OFE again had

locations in every borough. The 2019 tax season saw 112,616 returns filed. This 10 percent decrease from the Fiscal 2018 can be attributed to a loss of private funding that has historically been awarded to free tax preparation providers alongside the City’s funding. This reduced the number of available service locations and hours. In addition, the Federal government shutdown at the beginning of the tax season and potential confusion caused by the new tax law may have led some tax filers to go to commercial tax preparers instead of taking advantage of the City’s free tax preparation services.

Performance Indicators	Actual					Target		Trend	
	FY15	FY16	FY17	FY18	FY19	FY19	FY20	5-Year	Desired Direction
Clients served by Office of Financial Empowerment financial counseling programs	10,479	10,290	9,412	10,171	8,405	*	*	Down	*
– Percent achieving measurable success (%)	34.0%	40.0%	39.9%	38.0%	25.0%	*	*	Down	Up
Total debt reduced by clients (\$000) (cumulative)	\$33,088	\$43,125	\$52,967	\$63,473	\$71,953	*	*	Up	Up
Total savings accumulated (\$) (cumulative)	\$3,596,836	\$4,094,324	\$4,326,485	\$5,321,956	\$6,877,862	*	*	Up	Up
Tax returns filed through citywide Tax Credit Campaign	153,365	162,583	112,946	124,778	112,616	*	*	Down	Up
★ Critical Indicator	“NA” Not Available	↕↔ Directional Target				* None			

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

Goal 4a Investigate complaints in a timely manner to ensure employers’ compliance with the Paid Safe and Sick Leave Law.

The Paid Safe and Sick Leave Law is enforced by the Office of Labor Policy and Standards (OLPS), which was established at DCA in May 2016. Because of OLPS’s enforcement efforts, employees have become entitled to restitution totaling nearly \$7.5 million, more than \$1.5 million of which was assessed in Fiscal 2019.

The number of cases closed by OLPS decreased by 26 percent, from 392 in Fiscal 2018 to 289 in Fiscal 2019. This is in part due to the substantial efforts of investigators and attorneys to prioritize the completion of several significant Paid Safe and Sick Leave cases that had been ongoing for several years. OLPS is also responsible for enforcing a growing portfolio of employee protection laws, such as the Fair Work Week laws which represent a growing source of complaints and administering the Freelance Isn’t Free Act.

Also contributing to the decrease in the number of completed investigations is the decrease in the number of new Paid Safe and Sick Leave complaints received, from 304 in Fiscal 2018 to 261 in Fiscal 2019. The overall decline is attributed in large part to the Paid Safe and Sick Leave laws having been in effect for several years now and DCA’s coordination with other City agencies to educate businesses about their obligations under the law as well as successful DCA enforcement.

The average number of days required to complete investigations declined by 12 percent, from 280 days in Fiscal 2018 to 247 days in Fiscal 2019.

Performance Indicators	Actual					Target		Trend	
	FY15	FY16	FY17	FY18	FY19	FY19	FY20	5-Year	Desired Direction
Paid Safe and Sick Leave (PSSL) complaints received	583	335	315	304	261	*	*	Down	*
PSSL complaints investigated	NA	NA	252	392	289	*	*	NA	*
★ Average time to resolve PSSL complaint investigations (days)	NA	NA	182	280	247	↓	↓	NA	Down
Number of employees entitled to restitution	97	13,675	3,552	8,166	6,691	*	*	Up	*
Total amount of employee restitution assessed (\$)	\$54,961	\$2,123,391	\$1,584,137	\$2,189,998	\$1,541,095	*	*	Up	*
Total amount of PSSL fines assessed (\$)	\$50,050	\$1,201,468	\$502,168	\$489,547	\$400,181	*	*	Neutral	*
★ Critical Indicator	“NA” Not Available	↕↔ Directional Target				* None			

AGENCY CUSTOMER SERVICE

Performance Indicators	Actual					Target		Trend	
	FY15	FY16	FY17	FY18	FY19	FY19	FY20	5-Year	Desired Direction
Customer Experience									
Average customer in-person wait time (minutes)	13	9	9	16	8	17	17	Down	Down
Completed customer requests for interpretation	3,377	3,861	3,695	3,480	3,454	*	*	Neutral	*
CORE customer experience rating (0-100)	95	98	99	100	NA	87	87	NA	Up
★ Critical Indicator "NA" Not Available ⬆️⬆️ Directional Target * None									

Performance Indicators	Actual					Target		Trend	
	FY15	FY16	FY17	FY18	FY19	FY19	FY20	5-Year	Desired Direction
Response to 311 Service Requests (SRs)									
Percent meeting time to first action - Consumer Complaint - Exchange/Refund/Return (4 days)	83%	93%	98%	98%	94%	85%	85%	Up	*
Percent meeting time to first action - Consumer Complaint - False Advertising (4 days)	84%	91%	97%	98%	92%	85%	85%	Up	*
Percent meeting time to first action - Consumer Complaint - Non-Delivery Goods/Services (4 days)	82%	92%	98%	97%	95%	85%	85%	Up	*
Percent meeting time to first action - Consumer Complaint - Overcharge (4 days)	82%	93%	98%	97%	93%	85%	85%	Up	*
Percent meeting time to first action - DCA / DOHMH New License Application Request - General Street Vendor License (7 days)	65%	78%	84%	58%	81%	85%	85%	Neutral	*
★ Critical Indicator "NA" Not Available ⬆️⬆️ Directional Target * None									

AGENCY RESOURCES

Resource Indicators	Actual ¹					Plan ²		5yr Trend
	FY15	FY16	FY17	FY18	FY19	FY19	FY20	
Expenditures (\$000,000) ³	\$37.4	\$36.2	\$36.1	\$39.6	\$42.7	\$43.5	\$43.3	Up
Revenues (\$000,000)	\$32.9	\$32.0	\$32.7	\$34.5	\$33.6	\$30.4	\$31.7	Neutral
Personnel	367	360	391	393	405	450	435	Up
Overtime paid (\$000)	\$197	\$285	\$267	\$377	\$142	\$142	\$113	Neutral

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 * None

SPENDING AND BUDGET INFORMATION

Where possible, the relationship between an agency's goals and its expenditures and planned resources, by budgetary unit of appropriation (UA), is shown in the 'Applicable MMR Goals' column. Each relationship is not necessarily exhaustive or exclusive. Any one goal may be connected to multiple UAs, and any UA may be connected to multiple goals.

Unit of Appropriation	Expenditures FY18 ¹ (\$000,000)	Modified Budget FY19 ² (\$000,000)	Applicable MMR Goals ³
Personal Services - Total	\$25.5	\$27.6	
001 - Administration	\$8.9	\$9.0	All
002 - Licensing and Enforcement	\$16.5	\$18.0	1b, 1c, 2a, 2b, 4a
004 - Adjudication	\$0.1	\$0.7	1a, 1c, 4a
Other Than Personal Services - Total	\$14.1	\$15.0	
003 - Other than Personal Services	\$14.1	\$15.0	All
Agency Total	\$39.6	\$42.7	

¹Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2018. Includes all funds. ² City of New York Adopted Budget for Fiscal 2019, as of June 2019. Includes all funds.
³Refer to agency goals listed at front of chapter. "NA" Not Available * None

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- In order to better describe agency priorities, Goal 1c has been renamed to ‘Promptly negotiate settlements on violations issued to businesses.’
- The Department no longer tracks the indicators ‘Summonses where fine was assessed but not fully paid within 120 days (%)’ and ‘Summonses where fine was assessed and fully paid within 120 days (%)’, as they are not indicative of agency priorities. These indicators have been replaced with an indicator that tracks the percentage of summonses where the business entered into a settlement or pleading agreement before their original scheduled hearing date.
- The ‘Total Number of Inspections’ metric has been revised to exclude Business Education inspections conducted under the Visiting Inspector Program (VIP). Under this program inspectors visit new licensees and conduct an educational tour of their business, pointing out things that would result in charges and fines during a routine inspection. This change impacted the total inspection count for Fiscal 2018. Business Education inspections are counted under Service Goal 2b: ‘Educate businesses to help them understand their responsibilities toward consumers and their employees.’
- Fiscal 2019 data for CORE (Customers Observing and Reporting Experiences) facility ratings are not available. CORE inspections will be conducted in the fall and winter of Calendar 2019 and the results will appear in the Fiscal 2020 Mayor’s Management Report.

ADDITIONAL RESOURCES

For additional information on items referenced in the narrative, go to:

- Office of Labor Policy and Standards
<https://www1.nyc.gov/site/dca/about/office-of-labor-policy-standards.page>
- Paid Safe and 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.

