

DEPARTMENT OF CONSUMER AND WORKER PROTECTION

Lorelei Salas, Commissioner



WHAT WE DO

The Department of Consumer and Worker Protection (DCWP) protects and enhances the daily economic lives of New Yorkers to help create thriving communities. DCWP licenses and regulates more than 59,000 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. DCWP 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, Fair Workweek, and protections for contract workers under the Freelance Isn't Free Law, by investigating complaints, conducting proactive investigations and recovering restitution for workers.

DCWP'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

DCWP's commitment to a fair and equitable marketplace begins with consumer advocacy, business education and transparency. As part of its consumer advocacy, DCWP 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, DCWP's Office of Financial Empowerment provides financial counseling and coaching, helps with debt reduction and offers free tax preparation. DCWP has also increased its outreach efforts to educate businesses about their obligations to workers in addition to consumers. Through DCWP's Office of Labor Policy & Standards, New York City workers and employers are informed about the workplace laws the Agency enforces, including Paid Safe and Sick Leave, Fair Workweek and freelance contract worker protections 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.
- Goal 4b Assist freelancers in exercising their rights under the Freelance Isn't Free Law.

HOW WE PERFORMED IN FISCAL 2020

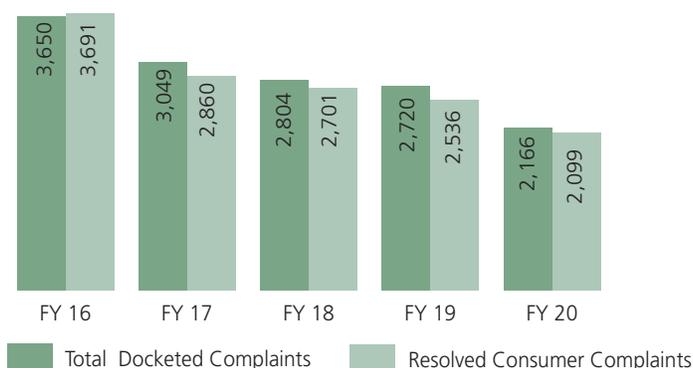
SERVICE 1 Protect and advocate for consumers.

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

The number of docketed complaints decreased for the fourth year in a row, by 20 percent to 2,166, while the number of resolved complaints decreased 17 percent, to 2,099. The percent of complaints processed within 28 days declined to 54 percent, a decrease of 12 percentage points from 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 22 to 27 days. This is largely due to DCWP's rapid, dedicated, agency-wide response to price gouging of items needed to treat, diagnose, or prevent the spread of coronavirus (COVID-19). As part of that response, DCWP prioritized the processing of more than 11,000 price gouging complaints received about businesses and individuals across the city. In order to respond to this demand, DCWP reallocated nearly all available staffing resources to process price gouging complaints from March 2020 until the end of Fiscal 2020. Because of this work, DCWP issued hundreds of price gouging summonses under its new emergency price gouging rule. This strategy worked: the number of price gouging complaints has gone from several hundred a day to under 10 a week. In late April 2020, DCWP began to address the complaints that were received prior to the state of emergency. In June 2020, DCWP fully resumed intake and mediation of all complaints in the usual course and began processing the significant backlog of complaints created by the COVID-19 crisis.

Consumer Complaints



The satisfaction rate on mediated consumer complaints remained at 61 percent for the year, below the performance target for the second consecutive year.

DCWP secured more than \$1.1 million in restitution for consumers during Fiscal 2020, a 28 percent decrease compared to the previous year. The substantial decrease from Fiscal 2019 can be largely attributed to the impact of COVID-19 on many New York City businesses, particularly the state-mandated closing of most businesses and the phased reopening from May 2020 until the end of Fiscal 2020. Many businesses did not respond to complaints or they were unable to provide consumer refunds during the mandatory shutdown. Additionally, this decrease can be attributed to DCWP shifting its resources to respond to price gouging complaints from March 2020 until the end of Fiscal 2020.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Total docketed complaints	3,650	3,049	2,804	2,720	2,166	*	*	Down	*
Resolved consumer complaints	3,691	2,860	2,701	2,536	2,099	*	*	Down	*
Complaints processed within 0-28 days (%)	51%	56%	71%	66%	54%	50%	50%	Up	Up
– Within 0-50 days (%)	85%	88%	96%	94%	91%	85%	85%	Neutral	Up
– Within 0-90 days (%)	100%	99%	100%	100%	99%	100%	100%	Neutral	Up
★ Median complaint processing time (days)	28	27	20	22	27	28	28	Down	Down
Consumer restitution awarded (\$000)	\$3,472	\$2,291	\$3,485	\$1,620	\$1,187	*	*	Down	*
★ Mediated complaints resolved to the satisfaction of the business and consumer (%)	64%	67%	64%	61%	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 2020, DCWP continued its education first approach and prioritized the inspection of businesses and industries known to engage in conduct causing public harm. However, the impact of COVID-19 resulted in many businesses in NYC being closed since mid-March and consequently, a 34 percent decline in the number of summonses issued compared to the previous fiscal year.

The overall licensing law compliance rate fell one percentage point from 93 percent in Fiscal 2019 to 92 percent in Fiscal 2020. While the compliance rate for gasoline pumps increased to close to 100 percent, there was an eight percentage point increase in the rate of compliance with tobacco regulations, a one percentage point drop in the compliance with consumer refund and receipt laws and a one percentage point drop in the rate of compliance with licensing laws. The compliance rate for fuel trucks under NYS weights and measures law decreased to 76 percent in Fiscal 2020.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Total inspections	76,996	75,951	65,673	62,971	41,251	*	*	Down	Up
Total summonses issued	14,291	15,971	15,152	16,338	11,020	*	*	Down	*
★ Licensing Law compliance rate (%)	95%	95%	95%	93%	92%	93%	93%	Neutral	Up
Consumer Protection Law - refund and receipt compliance rate (%)	91%	89%	90%	89%	88%	85%	85%	Neutral	Up
Weights and Measures Law compliance rate - gasoline pumps (%)	100%	99%	99%	99%	100%	98%	98%	Neutral	Up
Weights and Measures Law compliance rate - fuel trucks (%)	68%	71%	77%	80%	76%	72%	72%	Up	Up
★ Inspected stores complying with NY State regulations regarding the sale of tobacco to minors (%)	93%	89%	89%	86%	93%	90%	90%	Neutral	Up
★ Critical Indicator	“NA” Not Available		↑↓ Directional Target	* None					

Goal 1c Promptly negotiate settlements on violations issued to businesses.

DCWP’s Settlement Unit works with businesses to resolve violations prior to adjudication at the Office of Administrative Trials and Hearings (OATH). This is the second year of a newly implemented metric in which DCWP tracks the rate at which violations are settled before a case’s original scheduled hearing date. The pre-hearing settlement rate has remained relatively stable, dropping by two percentage points, from 65 percent to 63 percent, between Fiscal 2019 and Fiscal 2020. DCWP continues to look for opportunities to make the settlement process even more efficient for businesses.

The total dollar amount of settlements decreased by 32 percent, from \$6.4 million to \$4.4 million. This is largely due to the impacts of COVID-19, which greatly reduced the number of open businesses and inspections with violations: part of the City’s COVID-19 response was to redirect focus of DCWP enforcement activity to price gouging violations. This resulted in a substantial reduction in the total number of cases in which the Settlement Unit had the opportunity to engage with businesses. Price gouging is a new violation issued only during states of emergency, so many businesses chose to take the violations to OATH rather than settle, which also impacted settlement dollar amounts.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Total settlements (\$000)	\$8,324	\$6,530	\$5,725	\$6,393	\$4,357	*	*	Down	*
Cases settled prior to original hearing date (%)	53%	66%	62%	65%	63%	*	*	Up	*
★ 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.

DCWP averaged three days to approve more than 20,000 basic license applications and renewals during Fiscal 2020, an increase in processing time of one day from the previous year. The change can be attributed to logistical challenges presented by COVID-19 such as the inability to quickly process paperwork in a remote working environment. Despite those challenges and with the expanded use of the rapid renewal process, which allows for businesses with no violations to renew their licenses instantly, DCWP exceeded the performance target of four days.

Fiscal 2020 saw the average wait time for consumers visiting walk-in services drop by 37 percent to five minutes. This improvement in service is largely attributed to continued process improvements and streamlining of back office operations, as well as a decrease in overall volume at the licensing centers resulting from the statutory cap on new Tobacco Retail Dealer and Electronic Cigarette Dealer licenses that went into effect in 2019.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
★ Basic license application - Average processing time (days)	2	3	4	2	3	4	4	Neutral	Down
License applications received online (%)	18%	23%	22%	21%	23%	*	*	Up	Up
★ Licensing Centers wait time (minutes)	8	8	15	8	5	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.

DCWP continues to supplement patrol-based education efforts with intensive outreach to help businesses understand their legal responsibilities. In Fiscal 2020, DCWP educated more than 17,000 businesses through violation-free business education walks, special events and trainings and Live Chat for Businesses. While this represents a 12 percent decrease from the previous year, this is mostly attributable to the reduction of reactive one-on-one interactions with businesses through live chats (1,274 fewer), business education inspections (1,049 fewer), inspections resulting in warnings (789 fewer) and curable violations (1,307 fewer). However, affirmative direct outreach to businesses, in the form of special events and trainings, increased by 39 percent, from 5,579 in Fiscal 2019 to 7,793 in Fiscal 2020.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Businesses educated through direct outreach	13,450	13,305	18,031	19,348	17,089	*	*	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), DCWP continued to focus on initiatives that support New Yorkers and communities with low incomes in building assets and improving their financial health. Fiscal 2020 included several significant developments in OFE's programs and services. In December 2019, DCWP expanded the NYC Financial Empowerment Center program, its signature financial counseling and coaching program, to include new community service providers and locations. DCWP also continued to serve clients under EmpoweredNYC, an initiative to provide financial counseling to people with disabilities and their families in collaboration with the Mayor's Office for People with Disabilities. DCWP also launched the Driver Resource Center in May 2020 in collaboration with the NYC Taxi and Limousine Commission. In addition, DCWP kicked off the 2020 season of the New York City Annual Tax Season Initiative, which seeks to increase awareness of and access to free tax preparation services and valuable tax credits such as the Earned Income Tax Credit and the New York City Child Care Tax Credit, with 15 contractors. This was an increase of eight contractors from the previous tax season and services were provided in every borough.

However, these milestones were severely disrupted, and in turn modified, as activity in New York City came to a halt in mid-March 2020 due to COVID-19 and the New York State PAUSE Order. As a result, OFE’s financial counseling and coaching programs were transitioned to remote telephone-based services. In-person free tax preparation services through the New York City Annual Tax Season Initiative were suspended for several weeks while contractors transitioned to virtual services, where possible. The COVID-19 pandemic and the resulting changes to services had a significant impact on clients served. OFE’s financial counseling and coaching programs served nearly 6,900 clients during Fiscal 2020, an 18 percent decrease from Fiscal 2019, and the NYC Free Tax Prep saw 67,132 returns filed during the fiscal year, a 40 percent decrease from the previous year.

COVID-19 disrupted the number of financial counseling clients served as well as the scope of client interactions as many clients were dealing with job loss and food insecurity. This, in turn, impacted the number of standard program outcomes achieved with 21 percent of clients achieving measurable success during Fiscal 2020. Despite this, the cumulative amount of debt reduced increased by 11 percent, to \$79.8 million, and the cumulative amount of accumulated savings rose by 14 percent to \$7.9 million.

As New York City continues to recover from the impact of COVID-19 and businesses reopen, OFE is taking steps to ensure that its critical services are available to help New Yorkers navigate their finances and City, state and federal resources.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Clients served by Office of Financial Empowerment financial counseling programs	10,290	9,412	10,171	8,405	6,899	*	*	Down	*
– Percent achieving measurable success (%)	40.0%	39.9%	38.0%	25.0%	21.0%	*	*	Down	Up
Total debt reduced by clients (\$000) (cumulative)	\$43,125	\$52,967	\$63,473	\$71,953	\$79,837	*	*	Up	Up
Total savings accumulated (\$) (cumulative)	\$4,094,324	\$4,326,485	\$5,321,956	\$6,877,862	\$7,860,236	*	*	Up	Up
Tax returns filed through citywide Tax Credit Campaign	162,583	112,946	124,778	112,616	67,132	*	*	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 & Standards (OLPS), which was established at DCWP in May 2016. Because of DCWP’s enforcement efforts, employees have become entitled to restitution totaling \$9.4 million.

In Fiscal 2020, the number of complaints received increased slightly, from 261 to 263. The number of cases closed decreased by 24 percent, from 289 to 220. The amount of employee restitution assessed increased by 14 percent, from \$1.54 million to \$1.76 million. The average number of days required to complete investigations declined by two percent, from 247 days in Fiscal 2019 to 241 days in Fiscal 2020. These trends are due, in part, to an increased focus on securing workplace-wide restitution for all affected workers and future compliance with the law. As a result, several lengthy investigations involving large numbers of workers remained open at the close of Fiscal 2020.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Paid Safe and Sick Leave (PSSL) complaints received	335	315	304	261	263	*	*	Down	*
PSSL complaints investigated	NA	252	392	289	220	*	*	NA	*
★ Average time to resolve PSSL complaint investigations (days)	NA	182	280	247	241	↓	↓	NA	Down
Number of employees entitled to restitution	13,675	3,552	8,166	6,691	3,768	*	*	Down	*
Total amount of employee restitution assessed (\$)	\$2,123,391	\$1,584,137	\$2,189,998	\$1,541,095	\$1,760,558	*	*	Down	*
Total amount of PSSL fines assessed (\$)	\$1,201,468	\$502,168	\$489,547	\$400,181	\$240,003	*	*	Down	*
★ Critical Indicator	"NA" Not Available	↑↓ Directional Target							* None

Goal 4b Assist freelancers in exercising their rights under the Freelance Isn't Free Law.

The Freelance Isn't Free Law guarantees freelancers' rights to written contracts and prompt payment in full and strengthens their ability to file claims in civil court. OLPS assists freelancers in exercising these rights through its Navigation Program. This includes assistance with specific complaints as well as provision of general information about freelancers' rights and the resources available to enforce them.

In Fiscal 2020, the number of inquiries received increased by seven percent, from 349 to 372. The increase in inquiries may be due in part to COVID-19 and its impact on businesses ability to fulfil their commitments, as DCWP experienced a 35 percent increase in the number of inquiries received between April and June 2020 compared to the same three months of Fiscal 2019. The number of complaints received and addressed increased by three percent, from 602 to 619, which may be attributable to an increase in the rate at which a violation of the Freelance Isn't Free Law results in a complaint being filed with DCWP, among other factors. The amount recovered by freelancers decreased from \$866,574 to \$519,210. This data is collected through self-reporting by freelance workers during follow-up after their case has closed and are not necessarily complete.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Freelance Isn't Free inquiries received	NA	NA	255	349	370	*	*	NA	Up
Freelance Isn't Free complaints received and addressed	NA	NA	258	602	619	*	*	NA	Up
Amount recovered for Freelance Isn't Free complainants (\$)	NA	NA	\$298,915	\$866,574	\$519,210	*	*	NA	Up
★ Critical Indicator	"NA" Not Available	↑↓ Directional Target							* None

AGENCY CUSTOMER SERVICE

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Customer Experience									
Average customer in-person wait time (minutes)	9	9	16	8	5	17	17	Down	Down
Completed customer requests for interpretation	3,861	3,695	3,480	3,454	2,429	*	*	Down	*
CORE customer experience rating (0-100)	98	99	100	NA	99	87	87	NA	Up
★ Critical Indicator	"NA" Not Available	↑↓ Directional Target							* None

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Response to 311 Service Requests (SRs)									
Percent meeting time to first action - Consumer Complaint - Exchange/Refund/Return (4 days)	93%	98%	98%	94%	100%	85%	85%	Neutral	*
Percent meeting time to first action - Consumer Complaint - False Advertising (4 days)	91%	97%	98%	92%	100%	85%	85%	Neutral	*
Percent meeting time to first action - Consumer Complaint - Non-Delivery Goods/Services (4 days)	92%	98%	97%	95%	100%	85%	85%	Neutral	*
Percent meeting time to first action - Consumer Complaint - Overcharge (4 days)	93%	98%	97%	93%	100%	85%	85%	Neutral	*
Percent meeting time to first action - DCA / DOHMH New License Application Request - General Street Vendor License (7 days)	78%	84%	58%	81%	100%	85%	85%	Up	*
★ Critical Indicator "NA" Not Available ⬆️⬆️ Directional Target * None									

AGENCY RESOURCES

Resource Indicators	Actual ¹					Plan ²		5yr Trend
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	
Expenditures (\$000,000) ³	\$36.2	\$36.1	\$39.6	\$42.3	\$42.0	\$43.4	\$43.5	Up
Revenues (\$000,000)	\$32.0	\$32.7	\$34.5	\$33.6	\$22.1	\$32.0	\$25.6	Down
Personnel	360	391	393	405	390	435	410	Neutral
Overtime paid (\$000)	\$285	\$267	\$377	\$293	\$154	\$154	\$114	Down
¹ Adopted 2021 Financial Plan ² Expenditures include all funds "NA" - Not Available								

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 FY19 ¹ (\$000,000)	Modified Budget FY20 ² (\$000,000)	Applicable MMR Goals ³
Personal Services - Total	\$27.5	\$28.2	
001 - Administration	\$9.2	\$13.8	All
002 - Licensing and Enforcement	\$17.7	\$14.4	1b, 1c, 2a, 2b, 4a
004 - Adjudication	\$0.6	\$0.0	1a, 1c, 4a
Other Than Personal Services - Total	\$14.7	\$13.8	
003 - Other than Personal Services	\$14.7	\$13.8	All
Agency Total	\$42.3	\$42.0	
¹ Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2019. Includes all funds. ² City of New York Adopted Budget for Fiscal 2020, as of June 2020. Includes all funds. ³ Refer to agency goals listed at front of chapter. "NA" Not Available *None			

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- On August 28, 2020 the Department of Consumer Affairs (DCA) was legally renamed as the Department of Consumer and Worker Protection (DCWP), which is more reflective of the Agency's broadened scope of enforcement of, and advocacy for, new local laws and regulations that protect the rights of workers.
- Effective August 9, 2020, the licensing requirement for Home Improvement Salespersons was phased out. While this change did not affect the indicators reported in this year's report, it is reflected in the total number of businesses that are required to maintain a DCWP-issued license.
- The Office of Labor Policy & Standards advocates for worker protections and rights under many laws in addition to Paid Safe and Sick Leave, laws such as Freelance Isn't Free, Fair Workweek and Commuter Benefits. To reflect its broader mandate, the description of Service Area 4 has been revised to read "Protect and advocate for workers."
- Concurrent with expanding the description for Service Area 4, DCWP has introduced Goal 4b, with three new indicators to track efforts advocating for contract workers under the Freelance Isn't Free law.
- The numbers reported under Goal 3a, for tax returns filed through the citywide Tax Credit Campaign, are through June 30, 2020, the end of the fiscal year. The 2020 tax season was extended by the Internal Revenue Service through July 15, 2020. The total number of returns filed during the entire tax season was 69,193.

ADDITIONAL RESOURCES

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

- Office of Labor Policy & 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/dcwp