



**Department  
of State**

**2014 ANNUAL REPORT:  
DIVISION OF CONSUMER PROTECTION ACTIVITIES**

*Pursuant to Paragraph (a) of Subdivision 5 of Section 94-a of the Executive Law*

**FOR SUBMISSION TO THE GOVERNOR, TEMPORARY PRESIDENT OF THE  
SENATE AND SPEAKER OF THE ASSEMBLY**

**November 5, 2015**

**Andrew M. Cuomo  
Governor**

**Cesar A. Perales  
Secretary of State**

## **INTRODUCTION**

In compliance with the requirements set forth in paragraph (a) of subdivision 5 of section 94-a of the Executive Law, the Department of State (the “Department”) respectfully submits this report regarding the activities of the Division of Consumer Protection (the “Division”). This report covers the period beginning on January 1, 2014 and ending December 31, 2014.

During the reporting period, the Division’s goals of educating and protecting the public were accomplished by: (1) providing direct assistance and mediation to resolve marketplace complaints; (2) delivering mitigation assistance for victims of identity theft; (3) conducting education campaigns related to scam prevention, identity theft prevention, financial literacy, and product safety; (4) advancing cost effective and quality electric, gas, telephone, and cable service by representing consumers at utility rate and policy proceedings before State and Federal regulators; and (5) enforcing the State’s Do Not Call Law (the “DNC Law”).

## **CONSUMER ASSISTANCE UNIT**

Executive Law §94-a(3)(a)(1) grants the Division the power and duty to: “receive complaints of consumers, attempt to mediate such complaints where appropriate and refer complaints to the appropriate unit of the department, or federal, state, or local agency authorized by law for appropriate action on such complaints.” This mandate is met through the Consumer Assistance Unit (the “CAU”). The CAU operates a Consumer Assistance Hotline five days a week, 8:30 a.m. to 4:30 p.m. Consumers also have the option of filing a consumer complaint electronically 24 hours a day, seven days a week, via the Department’s website. Among other issues, the CAU mediates and resolves complaints regarding product refunds and returns, credit card disputes, debt collection and consolidation practices, internet services, home improvement contractors, and identity theft.

In 2014, the CAU staff handled 19,346 complaints and inquiries. These activities saved New York consumers an estimated \$650,272.27 and facilitated \$137,196.16 in avoided costs. A chart of the top ten consumer concerns, addressed in 2014, is provided in Appendix A.

## **OUTREACH AND EDUCATION PROGRAM**

Executive Law §94-a(3)(a)(3) requires that the Division: “initiate and encourage consumer education programs.” In 2014, the Division provided presentations on Identity Theft Prevention and Mitigation, Scam Prevention, Financial Literacy, the DNC Law, and Product Safety. The Division delivered live seminars to community groups, organizations, and educational institutions across the State, a list of which is provided in Appendix B.

Of special note, during the reporting year, the Division collaborated with the U.S. Consumer Product Safety Commission to deliver live presentations on safety issues related to carbon monoxide poisoning to consumers and building code officials. The Division also utilized consumer alerts and related media coverage as an opportunity to educate New York consumers on emerging scams, senior scam prevention, product safety alerts, and military identity theft.

## **DO NOT CALL INVESTIGATION UNIT**

The New York State Do Not Call Law (the “DNC Law”), which became effective in 2001, allowed consumers to place their home landline and personal mobile telephone numbers on a central registry in order to reduce the number of unsolicited telemarketing calls they receive. In 2003, the Federal Trade

Commission and the Federal Communications Commission collaborated to create the National Do-Not-Call Program and Registry. Subsequently, New Yorkers were able to register their home and mobile phone numbers on the National Do Not Call Registry and file complaints using the FTC's website.

Using the National Registry to retrieve the complaints of aggrieved New Yorkers, the Department investigated alleged violations with the goal of ending the unlawful conduct. As of December 31, 2014, there were 14,010,327 New York telephone numbers on the National Registry, an increase of 300,828 telephone numbers over the previous year. In 2014, the Department investigated 5,198 complaints. In total, the Division collected \$213,958.48 in penalties in 2014.

## **UTILITY INTERVENTION UNIT**

Executive Law §94-a(4)(b) sets forth the powers and duties of the Utility Intervention Unit (the "UIU"). The UIU is generally charged with representing the interests of consumers before Federal, State, and local agencies engaged in the regulation of energy and telecommunication services. UIU staff participate in the deliberations of the Public Service Commission (the "PSC"), the New York Independent System Operator (the "NYISO"), and the Federal Energy Regulatory Commission (the "FERC") as well as more than a half dozen utility and energy-related interagency working groups, task forces, and committees.

In 2014, the UIU analyzed documents, submitted testimony and briefs, and engaged in settlement discussions in both PSC and FERC regulatory proceedings. The UIU continues to serve as the designated consumer advocate at the NYISO, which oversees the wholesale electricity markets in New York, and is a voting member of the NYISO's decision-making committees. The UIU assists in crafting rules and procedures to help ensure an adequate supply of reasonably priced electricity exists in the State.

During 2014, the UIU participated in hearings and negotiations in 16 PSC proceedings as noted in Appendix C. Notably, the UIU was actively engaged in advocacy with regard to three United Water cases, which included a rate case, an assessment of the need for a \$150 million desalination plant, and an assessment of the proposed surcharge of \$60 million associated with the development of the desalination plant. The UIU advocated that: (1) the company's proposed rate increase was far greater than necessary; (2) the company should be relieved of the obligation to build a new water supply because the water demand had declined since the plant was first proposed; and (3) the ratepayers should not be obligated to pay a surcharge for the company's \$60 million expenditures. The final decisions resulted in a 50 percent decrease in the requested rate increase, a suspension of the company's plans to pursue the desalination plant, and a denial of the surcharge request.

## **CONSUMER MARKETPLACE SAFETY**

### ***CHILDREN'S PRODUCT TESTING***

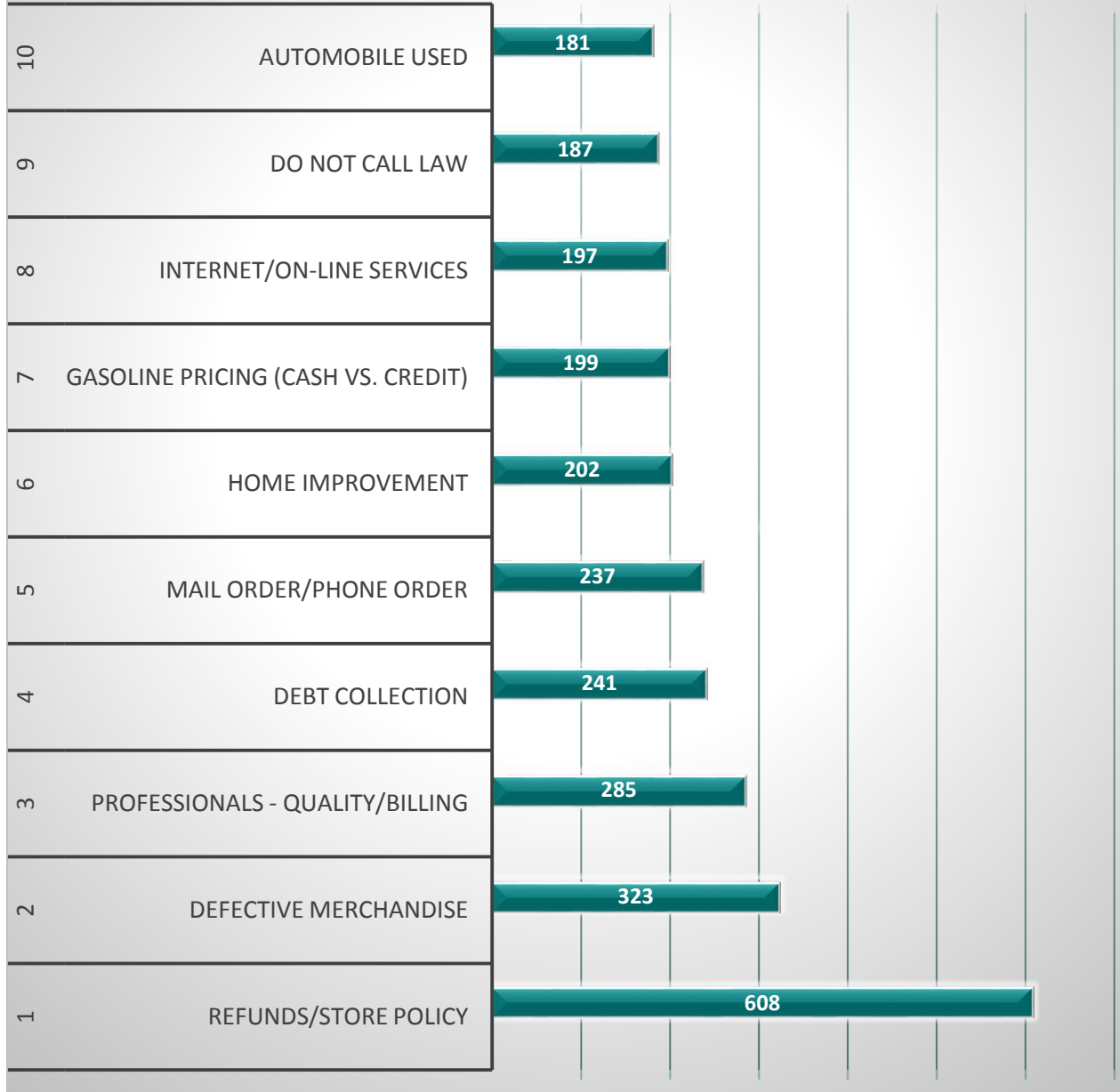
Executive Law §94-a(3)(a)(11) grants the Division the power and duty to: "conduct product research and testing and, where appropriate, contract with private agencies and firms for the performance of such services." In 2014, the Department conducted three children's product safety testing campaigns to ensure compliance with applicable State and Federal safety standards. All testing was conducted by third-party Consumer Product Safety Commission (the "CPSC") accredited laboratories. Relying upon laboratory findings of potentially hazardous children's product, the Division forwarded negative laboratory results to affected manufacturers, distributors, importers, and retailers as well as to the CPSC for investigation. The Division issued its findings to the public and called upon eight manufacturers/importers to voluntarily recall the hazardous products.

## **CONSUMER PRODUCT SAFETY COMMISSION DESIGNEE ACTIVITIES**

The Division serves as the CPSC's New York State designee for product safety and, together, the Division and CPSC work to promote product safety programs throughout the State. In this role, the Division conducted 29 recall effectiveness checks in 2014. The Division also performed 12 marketplace surveillance assignments for durable juvenile products, which included documenting product labels for the CPSC to assess compliance with applicable Federal laws.

## APPENDIX A

### 2014 Top Ten Categories of Consumer Assistance



# **APPENDIX B**

## **Division of Consumer Protection 2014 Outreach Events and Presentations**

1. Bethlehem Children's School – Albany
2. Albany High School – Albany
3. Albany Community Action Partnership - Albany
4. Individual Development Account Program – Schenectady and Albany
5. Albany African American Clergy United for Empowerment – Albany
6. Mercy League of Women/United Hempstead League of Women – Rockville Centre
7. Federal Trade Commission – Manhattan
8. Faith Temple Church – Beacon
9. Somos El Futuro Conference – Albany
10. AARP Flushing Queens – Queens
11. NYS Community Action Association (Statewide) – Albany
12. AARP Throgs Neck – Bronx
13. CWA Retired Members Council Telecommunication Workers – Albany
14. Fort Hamilton High School – Brooklyn
15. Brooklyn Chinese American Assoc. – Brooklyn
16. West 129th Street Block Assoc. – Manhattan
17. NY Public Library – Manhattan
18. NYSCCC - NYS Citizens' Coalition for Children (Statewide) – Albany
19. Standinski Gardens Senior and Disabled Apartments – Buffalo
20. NYS Pollution Prevention Institute – Rochester
21. Watervliet Senior Center - Rensselaer
22. Low-Income Forum on Energy (Statewide) – Albany
23. Greene County Dept. of Emergency Services – Cairo
24. Orange County Fire Training Center – New Hampton
25. Vision Services for the Blind & Visually Impaired – Manhattan
26. AARP - Broadway Flushing Chapter – Queens
27. NYC - Dept. Of Design and Construction – Long Island City – Queens
28. Adult Learning Center of Great Neck - Great Neck
29. Senator Phil Boyle – Bohemia
30. Albany Stratton VA Medical Center – Albany
31. Computer Generated Solutions – Manhattan
32. Schenectady County Community College – Schenectady
33. NYS Department of Civil Service – Albany
34. Albany County Cash Coalition – Albany
35. Isabella Assisted Living- Summer Health and Info fair – Manhattan
36. Father Finian Senior Group – Yonkers
37. AARP - Narrows Chapter – Brooklyn
38. Hartley House – Manhattan
39. Valley Vista Apartments – Syracuse
40. Allen Memorial Church Community Health and Info. Fair – Mt. Vernon
41. Albany Community Action Partnership Head Start Program - Albany
42. Athenaeum Senior Living Facility – Cayuga

43. Jewish Community Center – Buffalo
44. Van Dyke housing Community Center – Syracuse
45. Ridgewood Adult Center – Ridgewood
46. Computer Generated Solutions – Manhattan
47. Brookdale Center for Healthy Aging – Rockland
48. Holocaust Survivors of Buffalo – Amherst
49. NYS Office of Children and Family Services – Adult Abuse Training Institute (Statewide) - Albany
50. NYS Higher Education Services Corporation – Albany
51. Meals on Wheels – Syracuse and Rochester
52. Bright Horizons Day Program – Albany
53. Beltrone Senior Living Facility – Albany
54. National Association of Federal Retired Employees – Albany and Buffalo
55. Morgan Stanley Murray Hill Group – Manhattan
56. SUNY Oneonta – Oneonta
57. Herkimer County District Attorney – Herkimer
58. Mohawk Valley Community College – Utica
59. Morgan Stanley - 1585 Broadway Headquarters – Manhattan
60. Capital District Child Care Conference – Albany
61. Senior Action Council – Saratoga
62. Albany Law School Veterans Day – Albany
63. NYS Office of the Comptroller – Albany
64. Glen Eddy Senior Housing – Schenectady
65. Albany Law School Senior Event – Albany
66. Queens Center for Progress – Queens
67. Lifetime Assistance Program – Rochester
68. Classified Shredding Services – Rochester
69. NYS Department of Transportation – Rochester
70. NYS School Counselors Association (Statewide) – Albany
71. Westside Federation for Senior and Supportive Housing – Manhattan
72. SUNY Oswego – Oswego
73. Westside Federation for senior and supportive Housing – Manhattan
74. Ridgewood Adult Center – Queens
75. Parent Teacher Association Conference - Saratoga
76. Senator Seward – Cortland
77. Cobleskill Community Library – Schoharie
78. Ohav Shalom Senior Apartments – Albany
79. AARP Woodside – Queens
80. Jubilee Women's Club – Manhattan
81. Vera House – Syracuse
82. NYS Elder Abuse Conference – Syracuse
83. Penn South Development/ Senior Center – Manhattan
84. Sydney Memorial Library – Chenango
85. NYS Assemblyman Keith Wright's District – Manhattan

## APPENDIX C

### List of 2014 Utility Rate Cases & PSC Proceedings

<b>Case #</b>	<b>Company</b>	<b>Case Description</b>	<b>Category</b>
14-E-0318 14-G-0319	Central Hudson	Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Central Hudson Gas & Electric Corporation for Electric and Gas Service	Rate Case
14-M-0094	NYSERDA	Proceeding on Motion of the Commission to Consider a Clean Energy Fund	Policy Case
14-M-0101	PSC	Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision	Policy Case
13-M-0412	NYSERDA	Petition of New York State Energy Research and Development Authority (NYSERDA) to Provide Initial Capitalization for the New York Green Bank.	Policy Case
14-E-0493 14-G-0494	O&R	Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Orange and Rockland Utilities, Inc. for Electric and Gas Service	Rate Case
14-E-0302	Con Edison	Petition of Consolidated Edison Company of New York, Inc. for Approval of Brooklyn/Queens Demand Management Program.	Policy Case
14-M-0183	Time Warner /Comcast	Joint Petition of Time Warner Cable Inc. and Comcast Corporation for Approval of a Holding Company Level Transfer of Control	Merger Case
13-W-0303	United Water New York	Proceeding on Motion of the Commission to Examine United Water New York, Inc.'s Development of a New Long-Term Water Supply Source.	Policy Case
13-W-0246	United Water New York	Verified Petition of United Water New York Inc. for Implementation of a Long-Term Water Supply Surcharge, And Related Tariff Amendment.	Rate Case
13-W-0295	United Water New York	Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations for United Water New York Inc.	Rate Case
13-E-0030 13-G-0031	Con Edison - Electric & Gas	Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service.	Rate Case
13-G-0136	National Fuel - Gas	Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of the National Fuel Gas Distribution Corporation for Gas Service	Rate Case
09-M-0527	All communication providers	Proceeding to Examine Issues Related to a Universal Service Fund.	Policy Case