

# CONSUMER COUNSELING AND CONSUMER PROTECTION INVESTIGATIONS AND WAGE ENFORCEMENT PROGRAM RESPONSE TO COVID 19

## WAGE HIGHLIGHTS

On December 05, 2019, the County renewed and signed two Memorandums of Understanding with Department of Labor (DOL) and the Department of Labor Standards Enforcement (DLSE) to conduct joint investigations, provide outreach and education for workers and employers, share data and to cross train County, State, and Federal staff on cross jurisdictional issues. The County's Wage Enforcement team recognizes the value of conducting thorough investigation, safeguarding the Employees' wages and benefits that the Employees are entitled to, so there is constant need to gain access to knowledge cross jurisdictional issues involving labor laws.

The Wage Enforcement Team provided a comprehensive training on the County's Minimum Wage Ordinance and the City of Santa Monica's Minimum Wage Ordinance to staff of the Department of Labor and received several trainings from Department of Labor on their Investigative process and the new laws enacted for the Families First Coronavirus Response Act

- During the Covid-19 pandemic, the Department of Labor has shared an extensive amount of information regarding the Families First Corona Response Act and has provided multiple trainings on the laws

## INVESTIGATIONS HIGHLIGHTS

Our Department is the centralized reporting agency for price gouging complaints in Los Angeles County. On March 4, 2020 a state of emergency was declared in response to the coronavirus pandemic. When a state or local emergency is declared, it may be illegal for businesses to increase the cost of vital and necessary goods and services more than 10%.

On March 31, 2020 the BOS approved a motion to strengthen consumer protections against price gouging. The approved motion gives DCBA subpoena power which will enhance the investigations of price gouging complaints.

### **In response to this we formed a PRICE GOUGING TASK FORCE**

- DCBA Investigations Unit is part of the Los Angeles Price Gouging Task Force with local and state prosecuting agencies that include:

Los Angeles County Counsel  
Los Angeles City Attorney's Office  
District Attorney's Office  
California Attorney General's Office  
Santa Monica City Attorney's Office

The Task Force is a joint effort by these agencies to investigate and prosecute complaints involving price gouging allegations.

**Additionally - Coming soon to everyone - A PRICE GOUGING APP that is being developed**

Due to the large number of calls and complaints received DCBA has been working with an outside vendor to create an app for reporting price gouging. The app would be another way for consumers to report price gouging and for DCBA to track and follow up on the reports.

- The app will be ready hopefully in the next few days and going live.
- An email box has been created specifically to support the app. The email will be used for consumers to submit documents and report price gouging outside of the app.

What can this APP do for consumers?

- This app will allow consumers to easily and seamlessly report and upload documentation of price gouging.
- Consumers can create a profile and track the status of their case.
- This all comes together to allow DCBA's investigators to be more responsive and with better information.

Our Department has received a total of 618 complaints of alleged price gouging. Investigators are reviewing complaints, contacting consumers and investigating allegations against businesses accused of price gouging violations, fraud and scams associated with the Covid-19 crisis.

**Currently the Investigations Unit has received:**

- 377- price gouging complaints that have been filed with the department
- 238-complaints referred to DCBA by other agencies
- 233- social media reports regarding price gouging

Our Department has referred 44 cases involving businesses that have violated price gouging laws. These cases are all different business and may include several complaints.

17-of those cases were accepted by the following prosecuting agencies:

- County Counsel – 5 cases
- California Attorney General – 6 cases
- LA District Attorney's Office – 2 cases
- LA City Attorney's Office – 10 cases

## COUNSELING AND MEDIATION HIGHLIGHTS

After the declared Emergency by both County and the State On March 4, 2020, in response to the COVID-19 pandemic. Our Counseling program has received an influx of calls concerning issues of price gouging and various other related scams. DCBA's counseling center is designated to receive the calls, counsel, and when appropriate refer the issues for investigation whether internally or to an agency of jurisdiction. This includes referring cases to the Disaster Assistance Center, who provides comprehensive resources available to workers and employers affected by the pandemic.

In an effort to capture issues of price gouging and other related scams, DCBA's counseling center is working closely with the Consumer Protection Unit to document reports of alleged price gouging .

- As of May 11, 2020, the counseling team has received a total of 1181 inquiries related to COVID-19; 730 which are related to price gouging.
- Additionally, counseling and investigations are working closely together to identify alleged cases of scams related to COVID-19.

On April 15, 2020, our Director, Joseph M. Nicchitta, announced that based on the temporary eviction moratorium that went into effect on March 4<sup>th</sup> the our Department would be expanding our current mediation program to meet the needs of landlords who are unable to collect rent during the moratorium period. Our Mediation Program along with the Rent Stabilization Unit have come up with a creative way to help assist Landlords and Tenant to work with each other to discuss options available during these difficult times. While RSU will be educating the public on the eviction moratorium, the Mediation Unit will provide a platform that can benefit both parties.

The goal of the **COVID-19 Landlord-Tenant Rent Resolution Program** is to help the parties work out issues to keep people housed and Landlords afloat.