

**CONSUMER PROTECTION & GOVERNMENT OPERATIONS
of the
Suffolk County Legislature**

Minutes

A regular meeting of the Consumer Protection & Government Operations was held in the Rose Y. Caracappa Auditorium in the William H. Rogers Legislature Building, Veterans Memorial Highway, Hauppauge, New York on **April 25, 2002** at 11:30 a.m.

MEMBERS PRESENT:

Legislator Cameron Alden
Legislator Lynne Nowick, Vice Chair
Legislator Allan Binder
Legislator Martin Haley
Legislator Bill Lindsay

EXCUSED ABSENCE:

Legislator Martin Haley

ALSO IN ATTENDANCE:

Paul Sabatino, Legislative Counsel
Warren Greene, Aide to Legislator Cameron Alden
Charles Gardner, Director of Consumer Affairs
Bruce Dragonette, Assistant Director of Consumer Affairs
Joe Muncey, Budget Review Office
Russell J. Calemno
Bill Faulk, County Executive's Office
Ed Hogan, Aide to Legislator Lynn Nowick
William Quinn, Holbrook Florist
Tina Nardolillo, Ronkonkoma Florist
Terry Pearsall, Aide to Legislator Bill Lindsay
All Interested Parties

Minutes taken and transcribed by Irene Kulesa

(The meeting came to order at 11:50 a.m.)

CHAIRMAN ALDEN:

Good morning. I think we'll start the Consumer Protection Committee Meeting with the Pledge and we'll have Legislator Nowick lead that.

SALUTATION

CHAIRMAN ALDEN:

I would also ask that you'd just observe a moment of silence. And that's in remembrance of those 9/11 victims and also the people that are still fighting for us and to protect our freedom in different parts of the world right now.

MOMENT OF SILENCE

CHAIRMAN ALDEN:

Thank you very much. We have a couple cards. We'll start with those. William Quinn? Hi, come on up. Good morning and I would just ask that you grab the microphone. Some of

them you have to really pull real close to you, to actually get the recording going.

MR. QUINN:

Can you hear me?

CHAIRMAN ALDEN:

Good, okay.

MR. QUINN:

Did you want me to explain what's going on?

CHAIRMAN ALDEN:

Sure, go ahead.

MR. QUINN:

What's happening is a New Jersey based business is opening up local 631 phone lines to fictitious addresses. They are being call forwarded to an 800 line into Randolph, New Jersey, down into Missouri. They are taking florist orders there and calling them out to various florists in the areas. It's orders that would generally be called to us at a 100 percent order that he's taking from us and calling it back to FTD and Teleflora, which we're only getting about 50 percent of.

I spoke to Verizon. Verizon asked him to produce corporate papers or assumed name papers. He can't produce either. He sent them a threatening letter that they better not shut him down. They will do anything. Then they came back to me and told me he doesn't need any paperwork to open a phone line. Then they came back to me again, that says he does. They keep changing every day what the requirements are to get a business phone line. They told me that they do a search to make sure the address is a real address. It's not a real address. I spoke to the Town. I spoke to the Post Office and the Fire Department. The address does not exist in the Town of Holbrook. Besides doing this in Holbrook, he has throughout Brooklyn; Queens, Nassau and Suffolk a hundred and seventy one locations set up. Probably another seventy-five on Long Island.

Verizon stopped giving us information. They won't give us any more information as to what Towns he has. But they also will not stop him from opening up lines daily. They just keep opening up lines for him.

CHAIRMAN ALDEN:

Okay, are you licensed? Or does -- like our Consumer Protection or our Consumer Affairs Agency have any licensing agreements with florists in Suffolk County?

MR. QUINN:

Not that I know of. No.

CHAIRMAN ALDEN:

Are you inspected by the Suffolk County Department of Health or anything like that?

MR. QUINN:

No.

CHAIRMAN ALDEN:

Okay. Then your connection with Suffolk County basically is that you're required by New York State Law to collect sales tax?

MR. QUINN:

Exactly.

CHAIRMAN ALDEN:

Okay. Legislator Lindsay?

LEGISLATOR LINDSAY:

Yes, this gentleman is a constituent. His business is in my district and he came to us. And I asked him to come here because we're a little bit stumped by this problem. From what I understand is -- this somebody has found a scam here. They open up a local number. They don't have any business per se. They take FTD orders. Fill the orders through other florists and they beat the State, the County out of sales tax. Am I right?

MR. QUINN:

Right. They're not charging sales tax. They're charging him a convenience fee or an FTD fee. But the State doesn't get any sales tax.

LEGISLATOR LINDSAY:

So they found a -- like a niche in the law. We notified the DA's Office and the Attorney General's Office to see if they can find anything illegal about this process. There seems to be something wrong with this process. But to put our finger on what it is -- the only thing that I wanted to ask Charlie Gardner, our Consumer Affairs Commissioner, if he can add anything if you don't mind, Mr. Chairman?

CHAIRMAN ALDEN:

Fine.

MR. GARDNER:

Good morning, Mr. Chairman. This practice is new to the area maybe but it's not new to the country. 20/20 did a big story on it a couple years ago and it's pretty much how Mr. Quinn described it. They get listings in the local directories. The FTC is aware of it. There are no -- you know it's kind of one of those gray areas, you know, one of the cracks in our legal structure.

There are tips that the FTC and Consumer Organizations have put out about it. For instance, if you start asking them about all the fees, there are some fees that you don't with the consumer -- while they may not pay sales tax and they think they're getting a, you know, a little bit of a deal there. Then you wind up paying what's called like a processing fee. That would be something that would be a fee that would not be charged if you were doing business with a florist, who you thought you were doing business with, or one of our real local legitimate businesses in the County. So you might think that you're beating them with the sales tax and you're getting hit with this processing fee.

And then obviously, it's taking away business from our own local places, which is not good. We're not getting sales tax. And then sometimes to really add salt to the wound, it's the local florist who winds up making the delivery. And yet they're not getting as much money as they would normally get, sometimes as little as 50 percent because of this other outfit is quote unquote "doing all the work." You know then they wind up making the delivery and then just not making as much money, so --

CHAIRMAN ALDEN:

I don't know if it's, you know, appropriate to address this question to you or maybe to you as an operator. Is there some kind of a license agreement between you or some kind of an agreement between you and the people that are operating this phone line? In other words, when Mr. Gardner just stated that sometimes you only get a 50 percent fee. How is that? By contract or --?

MR. QUINN:

What it is is with FTD and Teleflora, we have contracts with them that state we cannot fill orders from a non-member florist or call them out for them. He has florists working with him in other States. We've done test orders. They come from Maryland. They come from Illinois. He's taking the order and then calling it to them. He's getting, from what I understand fifteen dollars to process it, then 20 percent. I wind up with about 50 percent of the order. I'm doing all the work. He's making a phone call.

CHAIRMAN ALDEN:

What's the normal procedure under FTD then?

MR. QUINN:

FTD is doing an investigation right now. Teleflora already threw the one florist out that we caught. But he's nationwide and we cannot, you know, find every florist he's working with. Their orders, their outgoing orders have gone up a thousand, two thousand percent to florists, we did find so far.

CHAIRMAN ALDEN:

Under FTD though, a normal florist, say somebody in California wants to send a whatever, some flowers or something like that to somebody in Suffolk County? Is there full sales tax collected on that?

MR. QUINN:

The sales tax is from where the order was generated. If I take the order in New York, I charge 8 1/2 percent. Send the order to California, they do not pay sales tax on it because the order originated in New York. We collect the sales tax and pay the sales tax in New York. So you know, it's costing the State the 8 and 1/2 percent on, you know, all the orders that are being forwarded to Jersey and Maryland and everything.

CHAIRMAN ALDEN:

Because technically, if he's got a number set up here, then that's where the business is generated from then.

MR. QUINN:

Right. He's supposed to collect 8 1/2 percent if it comes from Suffolk County, the order.

CHAIRMAN ALDEN:

Now on a normal FTD transaction, how much money would you be receiving for that?

MR. QUINN:

On normal transactions, we come out with about 73 percent. But the way he's doing it, if he's adding the delivery charge and everything in, we're coming out with about 50 percent on the order.

CHAIRMAN ALDEN:

Doesn't that violate the FTD contract?

MR. QUINN:

It does but they won't just shut a member down until they have, you know, direct proof that he is doing the orders. Teleflora did test orders, found that he was doing it and they shut him down on their end.

CHAIRMAN ALDEN:

Anybody else have any questions? Because we have one more speaker that wants to speak.

LEGISLATOR LINDSAY:

Well, yes just -- Charlie, can you think of anything we can do locally to regulate or prevent this practice in Suffolk County?

MR. GARDNER:

These types of practices, whether it's e-mail or telemarketing, we generally refer it to the New York State Attorney General's Office. Because they do have a unit that has been set up to deal with these companies that do business, e-mail, telephone wires, whatever but are from out of State. They have, you know, a much better operation and are better able to deal with these types of operators through their network of State's Attorney General. Obviously,

what we don't, you know, this is kind of one of those things that kind of stinks but we can't really put our finger on it. People think that they're doing business with a local florist and they're really not. I mean, some -- you have listings.

For instance, if you call information and you say, you know, whatever? You know, any Town, Smithtown, Kings Park, Holbrook Florist, they actually have a listing for that. You think you're doing business with them and that's important for a couple of reasons. A) A lot of people want to do business. They would rather do business with their local business people. And then also, if a problem arises, you really want to be able to get back to the person who, in this case, was delivering the flowers. And then you find out that you really can't, you know and the processing fee arrives on your statement next month. Because they take your credit card number.

The FTC has recommended that you ask specifically, for instance, where is the address located? You can get that when you call information and many times they don't have an address listed. Right away that's a red flag. It should go up. Or if you have -- sometimes they have a phony address. And yes -- well, could you give me directions there? You know, I used it the last time. I really liked the service. I'd really like to go there in person, check out -- oh and then they start hemming and hawing. That's another red flag that should go up. But it's tough to regulate from a County position because these people are -- could literally be anywhere in the United States, the actual operation. Unfortunately, this all comes back to here. People think they're doing business with a Suffolk County Merchant and they are not.

LEGISLATOR LINDSAY:

What I'm thinking about and you know it might take some new legislation, as some kind of truth in advertising legislation. That if you advertise yourself as a local business you, in fact, have to have a local business. A local address. A local storefront.

MR. GARDNER:

Um-um.

LEGISLATOR LINDSAY:

Do you think any of that is doable?

MR. GARDNER:

Well, there have been many initiatives at different consumer groups, consumer organizations addressing a variety of scams. The problem is the enforcement of it and I don't mean manpower or staff. It's just how do you get to, you know, somebody in California or Missouri or Florida. That's why the agency, such as Postal Service, the FTC, the New York State Attorney General's Office are a little bit better equipped. We can certainly help out but I don't know that a notice of violation issued by us through a company doing business in Missouri is going to have very much effect. We don't control the -- you know the FTC is really the nation's regulator of advertising and truth in advertising.

LEGISLATOR LINDSAY:

It's seems like --

MR. GARDNER:

It's not right. It's deceptive. Again, consumers --

LEGISLATOR LINDSAY:

But not only deceptive, it's costing us money. You know, with the sales tax revenue that we're losing and here's a gentlemen that has a legitimate business. He pays sales tax on everything he sells. How can he compete against something like that?

MR. GARDNER:

He can't. The marketplace is no longer level. The marketplace is not even for all of the players and it's not right. It's not right for the local business and it's not right for the consumers.

LEGISLATOR LINDSAY:

And even if we pass some local legislation, if they were advertising here as a local business, it would be pretty hard to enforce any fines? Maybe we could think about it and bring some --

MR. GARDNER:

Sure.

CHAIRMAN ALDEN:

Legislator Nowick has just a quick question.

LEGISLATOR NOWICK:

Just brainstorming a little bit. I'm trying to think. The Attorney General's Office. If this organization, company, whatever they are, have a Suffolk County telephone line and they're not paying taxes. There's an infraction right there. It sounds like the Attorney General's Office might be able to investigate. That could slow things down for them a little bit, maybe not. Charlie, you would know better but that would be worth pursuing, wouldn't it?

MR. GARDNER:

Well, we also have our own County Office, you know, in Audit and Control, taxation, finance, sales tax.

LEGISLATOR NOWICK:

It sounds like you could put his telephone number out of business and that would be working with the --

MR. GARDNER:

I'm concerned. I'm concerned about the bills. You know all of those several factors. The loss of sales tax revenue. The loss of business for a local merchant. The deceptive nature of a consumer not being able to really know whom they're dealing with, in case they do have a problem. Or they get back to -- none of it is right. None of it. They're just not there to the merchant, the consumer, or to Suffolk County.

LEGISLATOR NOWICK:

His telephone has to be shut down. That's what it is.

MR. QUINN:

The problem is Verizon is giving him new numbers every day. It's not that he's just getting a phone number. He's stealing our names. He took Holbrook Florist, Ronkonkoma Florist, Lake Ronkonkoma Florist, Bay Shore Florist. He's getting all different 631 numbers. I've spoken to legal at Verizon and they told me to do an investigation. I spoke to the Attorney General's Office. They said they were working with security at Verizon to stop them. But since they started their investigation, they gave them probably twenty new numbers and twenty new names. He's not producing no corporate papers, no assumed name papers, nothing. You're just calling up, getting the phone line into a fictitious address and they won't shut them down.

LEGISLATOR NOWICK:

I don't and I'm new, so I don't know. But as Suffolk County Legislators, can we go to the -- can we write letters and ask if they would please follow up on this and let us know what's happening? And maybe that would help a little?

LEGISLATOR LINDSAY:

What I was going to suggest is the Consumer Affairs Committee, as a group, if we could write a letter to the Attorney General's Office, asking them to look into this practice?

LEGISLATOR NOWICK:

It might make it a little more serious for them.

CHAIRMAN ALDEN:

I'll prepare the letter and put everybody's name on it, get it over there.

LEGISLATOR LINDSAY:

How about Charlie, Public Service Commission? Could they help in any way with -- I mean there's deceptive practice being that they regulate the phone systems?

MR. GARDNER:

In PSC, the FCC as well as the FTC, with the Attorney General's Office and our various County Agencies, there are a lot of people that could. A lot of offices that could help out.

LEGISLATOR LINDSAY:

Mr. Chairman, maybe we could make a broad approach, a shotgun approach and contact all these agencies? We're very disturbed by this practice.

CHAIRMAN ALDEN:

I'm thinking about the US Banking Commission because if they're using credit cards and that's pretty much what they have to do here. There might be some kind of fraud in that and then New York State's Banking Commission also on it. Because again, it's the use of credit cards. So we'll put together a document that would represent the sentiments of everybody on this panel. We'll send it off to a number of different agencies that we feel would be appropriate to try to get some enforcement on the proper levels. Again, we'll also look into -- and to see if we have any power on a local level because they are beating us out of sales tax. So we might be able to do something on that regard.

MR. QUINN:

The problem we have is since this started, our holidays have gotten -- with Valentines, Easter, Secretaries, we're going into a major holiday, Mother's Day. If this guy continues to take 50 percent of our business, you would probably lose close to a hundred florists in Suffolk County by going out of business by June.

CHAIRMAN ALDEN:

Is there any way that you can identify who it is that's actually sending you an order?

MR. QUINN:

If we called the person receiving the flowers and ask him where they are -- where the order came from? The person that sent it to them? Where they live? We could find out where it's coming from. Ninety nine percent of them are coming locally. Because there's no way, you know, if you go down to Missouri, there's no way forty people a month know forty people in Holbrook. It's almost impossible. Normally, you get one to two orders a month from each florist around the country. When somebody is calling you with forty orders a month, you know it's coming from your area.

CHAIRMAN ALDEN:

I was just thinking if you have an association or even the FTD or something along those lines? If through that association, you could just circulate locally and refuse that type of business that you think is fraudulent.

MR. QUINN:

It's hard to pick and choose which ones are fraudulent. Unless Verizon is working with us, I mean, who knows where they're coming from. You know if they shut him down where they can't get the orders to him, he can't call them back to us. And Verizon spoke -- the Attorney General spoke to them, the DA spoke to them, they all told me it could take months. The florist industry don't have months before you're going to lose probably three to five thousand jobs in Suffolk County.

CHAIRMAN ALDEN:

That's not a promise that we can make either. That we can get action before Mother's Day

because that's a very tight deadline. And again, as far as our powers, it doesn't appear that we have any direct power to go after this person and shut down the phone lines. So that's something that we're going to have work with either federal authorities or New York State Authorities to accomplish that. So we really can't make a promise that something is going to happen. We can make the promise that we will attempt to -- attempt to get something, you know, to happen by these regulatory authorities but -- and our action will take place very quickly. But as far as to get them to move and do something, we can't make that promise.

LEGISLATOR LINDSAY:

Mr. Chairman?

MR. QUINN:

Is there anybody at Verizon legal that we could speak to? That will say okay, pull the plug on him. Because they just keep faxing him letters. Unless he produces his corporate papers, they're going to stop him? And they just keep giving him extensions.

LEGISLATOR LINDSAY:

Just a suggestion, really that was brought up by our Aides. Maybe we could get someone from Verizon here at the next meeting to discuss that with them. I know we have a rapport with them.

CHAIRMAN ALDEN:

Unfortunately, that's about two and a half weeks, three weeks from now but --

LEGISLATOR LINDSAY:

I don't see how we can do anything any quicker.

CHAIRMAN ALDEN:

We will contact Verizon separately. But again, we can't make that promise. And I don't really have, you know, the knowledge of the way they work, as far as their legal department or other different departments. But we will contact people that we know in Verizon and see if there is some way to do exactly what you're asking. And that's maybe make these people verify that they have a local presence. Legislator Nowick?

LEGISLATOR NOWICK:

I just had another thought also. In your community, you might want to try and I don't know if you have your Chamber of Commerce, making people aware, your Rotary. Maybe getting the word out. I mean, even Channel 12, Shame on You. What is the other, somebody should --

MR. QUINN:

We've called them all; they haven't called us back.

LEGISLATOR NOWICK:

They won't call you back.

MR. QUINN:

It's not on a --

LEGISLATOR NOWICK:

Because it's not going to be only you.

MR. QUINN:

Right, it's not a big level yet. See what --

LEGISLATOR NOWICK:

There will be other people. Does the Florist Foundation, the Florist Association have an association where you can go to all your florists in Suffolk County and say hey, we need to -- they're going to do this to you as well?

MR. QUINN:

See FTD is basically the association. There is no local association. But FTD, in fact, is doing the same thing this gentlemen is doing but under one name. They're doing it under National Floral and they advertise in our local yellow page books and they are located in Medford, Oregon. But they're only advertising one phone number. This gentlemen is getting a separate phone line with the exchange for that particular Town, in each Town.

MR. GARDNER:

And calling it, you know, Holbrook Florist or Smithtown Florist or whatever.

MR. QUINN:

Exactly. I mean, all those names are taken and he's just retaking them -- you know, there's no red flags going up at Verizon, when you already have Holbrook Floral and you have another guy calling up the Holbrook Floral at another address. They're not questioning it. They're just doing it.

LEGISLATOR NOWICK:

That sounds like something maybe the Chamber of Commerce. I know, in my own community, if I go to a florist, I want to give the business to my community, to somebody in Smithtown. And I would want to know if I'm calling the correct number.

MR. QUINN:

Well, what he tells them is he tells them that he is located in that particular Town but he's not a walk-in florist no longer. So he's closing our doors to that particular customer.

LEGISLATOR NOWICK:

Local papers, maybe? Newspapers? I'm just trying to give you an immediate -- a little help immediately. And we're going to be writing a letter but I'm just trying to think of how to help you immediately. This is not going to be just your florist, eventually.

MR. QUINN:

You know, there's probably fifty to seventy-five Towns set up already. It's just that -- like I said, Verizon won't give us any more information.

LEGISLATOR NOWICK:

I'm thinking local papers and saying beware, you're not calling your local merchant. This is the number.

MR. QUINN:

We could try it. I mean, anything is helpful at this point.

LEGISLATOR LINDSAY:

It would be nice; we have Newsday in the back. Maybe they'd like to do a story about this.

CHAIRMAN ALDEN:

I actually have one more card too on this very subject. Tina Nardolillo? Is that correct? Hi, you can come over here.

MS. NARDOLILLO:

Hi. The thing is that when you call information and get Ronkonkoma Florist? They'll say to you that they have three numbers. When I called Verizon, they said that the number, his local number for my store --

LEGISLATOR LINDSAY:

Tina, what's your store? You didn't --

MS. NARDOLILLO:

Ronkonkoma Florist.

LEGISLATOR LINDSAY:

Ronkonkoma Florist.

MS. NARDOLILLO:

Rings to an 800 number. It rings into the 800 number, which is not by Verizon; just the local number is Verizon. So in other words, that central -- that 800 number is for me, for him, for everybody. But each individual Town has the local number. A different local number, okay! Now, yesterday I spoke to somebody in Verizon and they said to me fax over your corporate papers to me. And everybody you speak to tells you something else and they, you know, each person is going to take care of it. And nobody is taking care of anything. So I said to them, well who is this on the phone number that was for my store? Luster Garden Forty. Well, Luster Garden Forty, does that sound like Ronkonkoma Florist? And you're sending them a bill.

Now, they have another -- one other thing is they have besides that, they have a place called Preferred Florist in Randolph, New Jersey, which is where they base those orders out of. What happens is they'll -- somebody will call my shop and say oh, this is Preferred Florist. We have a wire, an order going to your Town. We don't have wire service. Would you be so kind as to give us a store charge? You know like take a shot of us. So a lot of the florists that are out there, okay fine, they need the business. They take the shot. So in turn, at the end of the month, they say here's your invoice number, just bill us and we'll give you 75 percent and we'll take 25. But they already took the 25 plus their delivery, their whatever --

MR. GARDNER:

Processing fee.

MS. NARDOLILLO:

Their processing fee, okay! And you're totally unaware of any of this. That it's what they're doing, the scam that they're doing, okay! So they are operating under Preferred Florist out of Randolph, New Jersey. And I've had people call in, they're not a walk-in florist and you know and yes, I'll give you an example. Yesterday, a gal calls me and says I ordered flowers this morning. How come they weren't delivered? And I go and check, I said you didn't order them from me. She said yes, you're Ronkonkoma Florist. I said I'm sorry but I don't have -- and I proceed to tell her, you know that there is a scam going on, blah, blah, blah. And I said, if you call them and cancel your order and call me back, I'll be glad to deliver the order for you. To make a long story short, I didn't hear from her.

Then, also during the day yesterday, here's the other one. I get a phone call from this Preferred Florist. I said no; I can't deliver your order. Three times with three people in the shop, they called to give the same order, because it was a funny name, so we recognized it. Later in the afternoon about 3 o'clock, we get a phone call. I have an FTD order for you. Okay, I take the order. It was for that person. Now they came based out of Illinois. They obviously, couldn't get their order through, so they called this place in Illinois, Enchanted Florist and they in turn called me as an FTD order to deliver. So that is quote, unquote "legal." You know what I'm saying? So that's how they're getting through on the other end. But there must be a lot of florists out there that are getting orders.

LEGISLATOR LINDSAY:

Tina, you have Ronkonkoma Florist?

MS. NARDOLILLO:

Right.

LEGISLATOR LINDSAY:

And you have a local number listed?

MS. NARDOLILLO:

Right.

LEGISLATOR LINDSAY:

This person, whoever it is also has a listing at Ronkonkoma Florist but lists an 800 number?

MS. NARDOLILLO:

Yes. Local plus an 800.

LEGISLATOR LINDSAY:

So your same name?

MS. NARDOLILLO:

My same name, yes.

LEGISLATOR LINDSAY:

How can they do that?

MS. NARDOLILLO:

And when I asked the Phone Company, they said oh, it's not illegal to get a phone line.

LEGISLATOR LINDSAY:

So if I check the yellow pages under Florist and I see Ronkonkoma Florist twice? One is an 800 number. One is a local. You know I'm cheap. I'm going to wind up using the 800 number, right?

MS. NARDOLILLO:

You're not going to see it in the yellow pages because you have to pay for --

LEGISLATOR LINDSAY:

So the white pages?

MS. NARDOLILLO:

No, in nothing. You'll just see mine, because it was Suffolk County. They won't be in that.

MR. QUINN:

What it is, is he's not established long enough to be in any of the phone books. But by law, from what I understand with Verizon, they're allowed to give out two listings per 411 call.

LEGISLATOR LINDSAY:

If I call up information?

MR. QUINN:

Right. They'll say, okay we have the number, two numbers. So they'll give his 631 number and his 800 number. We never even get a chance to get our number out there. So if he -- somebody else calls and says Ronkonkoma Florist, they should say okay, we have two Ronkonkoma Florists. These are the two numbers. They're not. They're giving his 631 number out and his 800 number. Then if it's the wrong number, you have to call back again. And unless you speak to somebody in Verizon, which 90 percent it's all computers, you're going to get -- continuously get the same numbers, which by law they are allowed to give out two and he has two lines listed in information.

MR. GARDNER:

Not all of the numbers in information are in the directory obviously, because the directory only comes out once a year or so. So the people that are in between, they are still listed in information though. And that's -- the lady indicated -- highlighted another one of the consumer concerns and one that was emphasized in the 20/20 piece is that when people have a problem or when people call and say I never got my flowers. I called you. No, you didn't. You didn't call me. But they're led to believe that they did business with this local florist with the name of the Town. And then that's who they call back because they didn't get the delivery. That's the consumer part that really upsets us besides the hidden fees. The processing fees that show up at the end of the month. But who did you do business with? You don't know that and that's not right.

LEGISLATOR LINDSAY:

Okay but maybe we're getting somewhere's now. Say if we could shut down Verizon listing

them under 411, we could stop this in our County?

MR. GARDNER:

As far as I know, if they were not in -- this whole thing starts, you know, the basis for the success of this scam operation is the fact that people can get this information through the telephone lines, through information. Obviously, if these lines or, you know, scam artists were not listed in 411, people wouldn't be able to get it. You're right.

LEGISLATOR BINDER:

That's yellow pages?

MS. NARDOLILLO:

I would venture to say no. That's what I would say. That's because when I called information this morning, because they said to me, oh do you want a physical address of 344 Portion Road and then the other one has no physical address.

MR. GARDNER:

That's right.

MS. NARDOLILLO:

And the other one is an 800 number. You see what I'm saying? So if people that are out of Town don't know that I'm at 344 Portion Road that isn't going to mean anything to them.

MR. GARDNER:

Right. Unfortunately that only helps the people who know enough to either ask say look, I want an address. That's another one of the tips given out by the FTC. Ask for a physical address and if people refuse to give it to you or start stuttering about the actual address, don't do business with them. But of course, if you don't ask or, you know, you just take the first number that's given to you.

MS. NARDOLILLO:

Yes but what about also the fact is that if you get -- I'm Ronkonkoma Florist. My bill comes Ronkonkoma Florist. His bill obviously is coming lower Luster Garden Forty. Where does that -- it doesn't mean -- you know it just doesn't make sense.

MR. GARDNER:

You're right.

MS. NARDOLILLO:

Verizon has to be stopped. They have to get rid of those numbers from us.

CHAIRMAN ALDEN:

I think that identifies the problem and who controls the regulations for -- and they are a Multi-State operation, Verizon is. Then --

LEGISLATOR LINDSAY:

But maybe a representative from Verizon, maybe they could help us if we talk to them?

CHAIRMAN ALDEN:

There's some other strange things that happened with telephone companies and things of that nature. Even when you get a death threat and the Police Department go to investigate that and you can identify the number? Sometimes Verizon will block that number from the Police Department to block their investigation of death threats and other types of things. So that's an FCC though -- that's in the FCC rates and that's really where we should start, I guess focusing on that aspect of it. The other, as far as the identify theft, that's definitely and clearly with the Attorney General of the State of New York. So that, I would imagine, should be prosecuted.

Again, we're going to send a letter as a committee, to a lot of different people and we're going to ask for their response and then we can focus in a little bit more. According to their responses, we'll focus in and see what type of regulatory authority we should take on

ourselves here and possibly even craft something. Good we'll try to schedule that in. We'll make the invite.

MR. GARDNER:

We don't know if the County Clerk's Office could help because, you know, if you're setting up a legitimate business and you need to file your business papers or your corporate papers or your DBA and, you know, be listed with the County Clerk's Office. This is kind of like somebody is setting up business but without a physical location. They're setting up a business simply with this phone number and yet they're setting up business in our County.

CHAIRMAN ALDEN:

Well, all of those or most of those laws are State type of laws with corporations and business registrations and things like that. So I think that, you know, it's probably more appropriate to start right with the Attorney General and work that way. Because obviously, they haven't filed with Suffolk County.

MR. GARDNER:

Right.

CHAIRMAN ALDEN:

Okay. Do you have any other comments? Any other questions? Okay, thank you very much for bringing it up.

LEGISLATOR LINDSAY:

Thank you for coming and explaining this to us.

MS. NARDOLILLO:

Thank you.

CHAIRMAN ALDEN:

Okay, I guess we'll have Charlie stay right up there. Maybe you could just give us a little overview of what's happening with -- the fuel oil is not so important now because we're going into seasons where we should be cutting down on our heating. I had to turn off our heating appliances at this point. Maybe you could just tell us how it wrapped up and whether there was a spiking up. But I know that there's a spike in the gasoline prices, so --

MR. GARDNER:

There was a commensurate -- not as much in fuel oil but it's been fairly stable. Obviously, the weather is the biggest contributing factor there. We had a very large spike in gasoline a couple weeks ago. It has leveled off now for the past two weeks. That spike was one of the highest two-week spikes that we've ever seen. But again, the last two weeks now it's in the, you know, the average is now in the high forties, when two months or so ago, it was the average was down around a buck twenty.

CHAIRMAN ALDEN:

What explanation has been put forward as far as anything that you've heard on the gasoline? Was it --?

MR. GARDNER:

The same old, same old --

CHAIRMAN ALDEN:

On Long Island though are the supplies here?

MR. GARDNER:

Oh yes. There aren't any problems with supplies that we have heard of. But it's, you know, it always goes back to the price of the thing. You know how those forty-two gallons in a barrel of crude, it always goes back to that? That's the genesis. And not only that but when you add the futures on.

CHAIRMAN ALDEN:

Legislator Binder?

LEGISLATOR BINDER:

Isn't it true that the price per barrel hasn't spiked? I mean it went up. It went into the twenties.

MR. GARDNER:

High twenties, yes.

LEGISLATOR BINDER:

Right. But it's still hanging in the twenties. Not to justify a dollar fifty, a dollar sixty for regular gas. It's absolutely amazing. It is beyond belief and you know what? It's so tiring. Because you can sit and you can scream at every level of government, all about the Congress.

MR. GARDNER:

That's why I said same old saying. I wasn't being flip. It's just the same old story.

LEGISLATOR BINDER:

No, I know that. They said they cut refining. For what reason? Why did they cut refining? There was no reason to cut refining. There's a glut of fuel oil, I mean heating oil. So now they could have turned early especially when they saw the warm winter. They could have done a lot more refining of gas. They were caught short. Yes, these brilliant people have been doing this for years and years and years, had no idea how much to refine to look for the future to see what's going to happen in the summer. Then they said the summer demand is high. Who cares? I mean you know the summer demand is coming. This is not oh guys, it's summer coming. Your boat could use more gas. This is such a joke. It is beyond belief that we have to scream about this constantly. But we're being hosed by the oil companies and you know, it's --

MR. GARDNER:

An x number of refineries.

LEGISLATOR BINDER:

And all you can do is scream.

MR. GARDNER:

For maintenance.

LEGISLATOR BINDER:

And no one does anything. I just don't know where the federal government is not screaming about it. We go after Microsoft but not Exxon and I just don't understand it.

CHAIRMAN ALDEN:

Legislator Nowick?

LEGISLATOR NOWICK:

I was just curious. Two questions. Where along the Jericho, in the Smithtown area, in case people ask me. Where are the fairest prices for the gasoline stations? Or are they all about the same?

MR. GARDNER:

That is one of the most competitive areas and lowest priced areas in Suffolk County. The stretch from western, kind of like the Elwood border, Western Commack into the top of the hill in Smithtown, several years now.

LEGISLATOR NOWICK:

Where is that? The top of the hill?

MR. GARDNER:

You know by Hill Top?

LEGISLATOR NOWICK:

Hill Top Diner, okay.

MR. GARDNER:

Right.

LEGISLATOR NOWICK:

And the second question is fuel oil. I'm still cold, so I still use mine.

CHAIRMAN ALDEN:

For the last month and a half, almost two months.

LEGISLATOR NOWICK:

What would you say a fair price per gallon is on fuel oil for the average homeowner?

MR. GARDNER:

It depends on whether it's service or not.

LEGISLATOR NOWICK:

Without service?

MR. GARDNER:

Without service --

LEGISLATOR NOWICK:

Without the service contract?

MR. GARDNER:

I mean, you know, you can still get fuel oil for a dollar a gallon, ninety-five cents a gallon. You can also pay a dollar fifty a gallon.

LEGISLATOR NOWICK:

Depending on what your service contract is.

MR. GARDNER:

Yes. The range in fuel oil prices is tremendous. It depends on the local retailer and service or not. But strict COD, no service, no anything, pay me right now, not net ten, not thirty, no billing. You know there are no billing, you just pay right now. You know the price is fifty or sixty cents less per gallon. But that's a little bit of apples and oranges since you're comparing it to people, who if the burner goes out a three o'clock in the morning, is their oil company is the one that comes and services them within. There are two hours or five-hour guarantee.

LEGISLATOR NOWICK:

Right, okay. Thank you Charlie.

CHAIRMAN ALDEN:

A broader question? Any other problems or type of scams that you're aware of in Suffolk County that we should be focusing on?

MR. GARDNER:

Well, I don't -- I forget if the -- from the last committee meeting, we were asked about Active Appliance. That was the -- that's the retailer in the County.

CHAIRMAN ALDEN:

I don't think we got to the last one that was two committees ago but if you give us a --

MR. GARDNER:

The criminal trial had started. The a -- I think the good news for us is that on the fifth day of the trial, it was halted and they plead guilty. And sentencing is ready for, I think June 5th.

So the trial did not go -- the District Attorney's Office was terrific on this. It really hung in there for several years and did a lot of hard work and I think it showed in that, as I said, the fifth day of the trial, it came to a deal.

CHAIRMAN ALDEN:

And your department did a lot too. Now, as part of their guilty plea? Were they required to cease and desist or --

MR. GARDNER:

Sentencing is set for June 5th. They are in the, you know, what's going to happen stage right now.

CHAIRMAN ALDEN:

Okay, good.

MR. GARDNER:

I wouldn't comment on that.

CHAIRMAN ALDEN:

All right, thanks. Any other questions of the Commissioner? Okay. Mr. Lindsay?

LEGISLATOR LINDSAY:

Yes, I don't know whether it belongs with the Commissioner but a couple meetings back, we talked about adjusting the fees, so we wouldn't have to deal with so many different fees. What happened with that?

CHAIRMAN ALDEN:

I think we have a -- drafted out. I sent it over to Charlie just to look at it and --

MR. GARNER:

I sent that back; yes we were comfortable with those fees.

CHAIRMAN ALDEN:

Okay, if we can get to that at the next meeting then? Thanks. All right, we'll go to the agenda then? Charlie, you might as well stay there because there might be some questions. First tabled resolution is 1187. This was on Local Law to ensure scanner item pricing accuracy within Suffolk County. Legislator Lindsay?

CHAIRMAN ALDEN:

It's closed, so it's back there?

LEGISLATOR LINDSAY:

The only thing I'd like to point out about this legislation. The title of it really isn't -- it's actually an amendment to the scanner legislation that there is now. It really doesn't have anything to do with scanners. What it simply does is predominantly in department stores, when you buy an item now, the purchaser does not see the price on a scanner. You'll get the receipt but the new cash registers are underneath the counter. This came about at Christmas time when shopping. You buy all these items. I mean you go to a supermarket, you know how much you pay for each item. There's a visible display right there. Department stores, this doesn't happen. And the resolution, the existing law mandates it that be done in everything but department stores. We're looking to expand it in the department stores as well.

CHAIRMAN ALDEN:

Originally when this came up? Charlie, you indicated as far as you had some questions on enforcement and things like that? Can you address this bill?

MR. GARDNER:

Well, you know, there are other Counties who have similar legislation and it is one of the topics that we get questions about throughout the year. People, many times are not satisfied with just getting the receipt at the conclusion of the sale after it's over. You know they would like to see the prices being rung up. I agree with Legislator Lindsay, in that the title might be a little -- it's really not scanner or item pricing accuracy. It's really -- this legislation really requires merchants that are -- whether they're using up look-ups or scanners, they require them to have cash registers, machines, devices etc., whatever you want to call them that will show the individual price as it is being run up. Many of the registers today, they are either low as the Legislator pointed out or they might be high but they are one sided, there is no customer display. Other Counties, they'll have a remote. It will be, you know, they have a remote on the cash register and turned out, so that you can see that it's being run up at thirty-nine dollars. And it's not that until you get home, you say wait a minute, thirty-nine dollars, I thought it was twenty-nine dollars. That's really what it's calling for, is the ability for the consumer to observe each item. The price of each item being run up at the time of sale.

CHAIRMAN ALDEN:

Legislator Binder?

LEGISLATOR BINDER:

Yes, thanks. Do we have an idea of how -- first off, how long is the implementation part of the legislation? How long do we give for implementation for everyone, for the stores to get them? Maybe you haven't Charlie?

MR. GARDNER:

Not yet. That should be there -- I mean sometimes legislation does get passed without that and we just kind of do an educational --

LEGISLATOR BINDER:

That's not part of this legislation?

LEGISLATOR LINDSAY:

I don't see it.

MR. GARDNER:

No.

LEGISLATOR BINDER:

Okay, so --

MR. GARDNER:

Obviously, from one day to the next, people are not being in compliance. You're right.

LEGISLATOR BINDER:

Okay. My concern is this. You know we pass a law and then the question is when do we start enforcing it? And everyone's worried. So I think that you might -- to the author, you think it's a good idea, number one. Number two, I would just say before we pass it, we should probably know an implementation date or phase in or something. We should think about how long it should take to phase in and -- or to be enforced?

LEGISLATOR LINDSAY:

It says twelve months.

LEGISLATOR BINDER:

You have twelve months in there. Is twelve months and then the question is that if there is twelve months, is that a reasonable time? Because I don't know how much work is involved with changing overall the cash registers in all of the stores. And then my other question I would put out there also is, do you include the Cosco, Price Club?

LEGISLATOR LINDSAY:

I think they do display the item pricing as it's rung up now.

LEGISLATOR BINDER:

Well, I would just say that maybe they do and maybe another one opens that won't. So the question is whether you want to make sure that all retails of certain type, I don't know that you need your Mom and Pop local hardware stores.

LEGISLATOR LINDSAY:

There's an exclusion here for Mom and Pop.

MR. GARDNER:

It would actually cover all retail stores. That was one of the initial questions. People thought it was only going to be for supermarkets.

LEGISLATOR BINDER:

That's what I want to know. Does this cover all the large retail stores?

MR. GARDNER:

But with the typical exclusions of the million gross or Mom and Pop or family operator with --

LEGISLATOR BINDER:

That has to be excluded. Okay, so then the only question I would have is is twelve months enough of a time for stores to change? It could be whole department stores. And I don't know because it might -- they might literally have to change the system in the store. That might take downloading. Changing of data. I just don't know. So I would -- I think it's exactly what we should do. In fact, I'll get on it, so I think it's a good idea. The only question would be the timeframe and --

MR. GARDNER:

I don't see the twelve months. What section is that Legislator Lindsay? Maybe I have it.

LEGISLATOR LINDSAY:

I just looked it up, looking through it quickly.

MR. GARDNER:

Because I'm -- the version that I have -- the applicability says the law shall apply to all sales occurring on or after the effective date of the law.

LEGISLATOR LINDSAY:

I just saw -- maybe Counsel can help us out.

LEGISLATOR BINDER:

It's always good to have Counsel.

LEGISLATOR LINDSAY:

Yes.

MR. GARDNER:

Because we haven't spoken about the --

LEGISLATOR LINDSAY:

We're talking about 1187, Paul?

LEGISLATOR BINDER:

The timeframe for --

LEGISLATOR LINDSAY:

The timeframe for implementation. Right, for any additional --

MR. SABATINO:

Let me just find the corrected copy.

LEGISLATOR LINDSAY:

The twelve months I was looking at is under 3292C but I misread it. What it says is for any additional violations during a subsequent inspection in a twelve-month period.

MR. GARDNER:

Yes, it involves a penalty.

LEGISLATOR LINDSAY:

The penalties shall be doubled, okay. I picked up twelve months quickly.

LEGISLATOR BINDER:

Okay.

MR. GARDNER:

And maybe in the corrected copy, it has already addressed it. There are a couple, just some technical corrections where the copy that I have, I don't know if this is the latest. But the copy that I have still refers to director and office as the Office of Citizens Affairs, you know, it's obviously --

LEGISLATOR BINDER:

Who is that?

MR. GARDNER:

We are now the Office of Consumer Affairs.

LEGISLATOR BINDER:

So I guess then that will probably be my --

MR. GARDNER:

Part of the Statue.

LEGISLATOR BINDER:

My one question in hanging up, you know, my thought on this is only that anyone that's going to now come under the new law should know the timeframe they have before enforcement commences. And I would ask that in crafting that particular timeframe that the author see if there's any associations or someone out there to talk to, to get a little feedback as to how long -- we're going to do this, so don't ask me not to, while I can ask you but I think it will happen. The question really is how long would be reasonable for you and maybe they can go back and figure out what it takes to put -- because they might have to -- maybe they can just plug in displays, I don't know.

LEGISLATOR LINDSAY:

From my understanding, most of the new cash registers, the date of transfer cash registers that the department stores have. They're all computerized. They tie into their inventory programs and whatever. But there is a remote indicator that can be attached to the register that can be displayed quite readily. But we'll take your suggestion and do that.

LEGISLATOR BINDER:

Great.

MR. GARDNER:

Our recommendation -- the office's recommendation was for a one-year implementation period. The one-year break in period, allowing time for educational programs and changes.

LEGISLATOR BINDER:

Right and my point would just be, just to communicate with some of the larger retailers. You know those associated. Some of these larger retail chains.

MR. GARDNER:

Definitely.

LEGISLATOR BINDER:

Because those are the ones that are going to have a hard time when you've got a Macys that is filled with cash registers. If it just takes plugging in displayers, as Legislator Lindsay said, the implementation in twelve months is easy, if it actually takes a significant percentage updating actual physical hardware that might take more. So that kind of interplay, you know, that kind of discussion probably should happen before you put the actual number down.

LEGISLATOR LINDSAY:

Well, on that note, what I'll do is I'll make a motion to table until we can correct it and add the implementation.

CHAIRMAN ALDEN:

Are you going to fix this very deceptive title for this also?

LEGISLATOR LINDSAY:

I don't know whether we can do that because it's really an amendment to an existing legislation.

LEGISLATOR BINDER:

You can ask Counsel. My guess is that you can change the title as long as you have the number.

MR. GARDNER:

I think Counsel --

MR. SABATINO:

Why change it?

MR. GARDNER:

But I just beg to differ. I think we -- I think you already addressed that. This adds a new one. Remember we got away from amending the item pricing? Well this adds a new -- a whole new chapter 329.

LEGISLATOR BINDER:

Okay. I have to get time to look at that.

MR. SABATINO:

Why change it?

LEGISLATOR BINDER:

It shouldn't be a problem. I would just ask -- put on the record; I'd like to be listed as a co-sponsor on the bill.

CHAIRMAN ALDEN:

We have a motion to table by Legislator Lindsay. I'll second it. All those in favor? Opposed? Any abstentions. Okay 1187 is tabled.

TABLED RESOLUTIONS:

-
I.R. NO9. 1187-2002 (P) Adopting Local Law No. -2002, A Local Law to ensure scanner item pricing accuracy within Suffolk County. ASSIGNED TO CONSUMER

**PROTECTION & GOVERNMENT OPERATIONS (Legislator Bill Lindsay) Co-Sponsor
Legislator Allan Binder**

VOTE: 4-0-0-1 TABLED

CHAIRMAN ALDEN:

Introductory Resolutions 1413 requiring child product recall notification at Child Care Facilities. That's Legislator Crecca. Did he stay or --?

MR. SABATINO:

That's been withdrawn and re-filed.

CHAIRMAN ALDEN:

Okay, so I stand corrected on that. That's withdrawn. 1487 approving the reappointment of Russell Calemmo as a member of the Suffolk County Electrical Licensing Board. He's here? Good, come on up and I apologize for butchering your name but when you come up, you can correct it, thanks. What's the correct pronunciation of your name?

MR. CALEMMO:

Good afternoon, my name is Russell J. Calemmo.

CHAIRMAN ALDEN:

I was pretty close.

MR. CALEMMO:

And I'm here to basically, justify my integrity and credentials for the Suffolk County Electrical Licensing Board and to answer any questions that you might have.

LEGISLATOR LINDSAY:

Mr. Chairman, if I might? I would just like to point out that it really should read Doctor Calemmo. Doctor Calemmo operates the Lamp Hospital in East Hampton. If you have a lamp that's sick, bring it in. Doctor Calemmo will fix it right up for you.

LEGISLATOR BINDER:

Lindsay, do you know anything about electrical work?

LEGISLATOR LINDSAY:

Yes, I do.

LEGISLATOR BINDER:

Oh, okay.

LEGISLATOR LINDSAY:

And I had the pleasure of serving with Mr. Calemmo on the Occupational Licensing Board for a number of years. And I just can't reiterate enough the amount of time that this guy puts in as a private citizen to help out the Consumer Affairs. He really does a great job.

CHAIRMAN ALDEN:

So Doc, why do you want to do it?

MR. CALEMMO:

Well actually for several reasons. But more importantly, my job as a team is to sort of guarantee to the consumer the highest integrity for the applicant who is seeking a master electrician's license. We are the people, as a team effort again, to take those credentials and to justify those credentials for each and every applicant. The Consumer Affairs people do a preliminary investigation and it is our job to make sure that the integrity of that investigation is proper and they fill all the rules and regulations.

CHAIRMAN ALDEN:

Do you have time to -- are you going to have the time to put in on the board?

MR. CALEMMO:

Pardon me?

CHAIRMAN ALDEN:

Are you going to have the time to put in on the board?

MR. CALEMMO:

Well, actually I do. A funny thing, my wife -- we were talking about this the other day and she said to me, you know, how many hours do you contribute to the County? So I figured well, disregarding travel time, which is about three hours a day and then we figured about oh, maybe three hours to three and a half hours a month. So in all essence, it comes out to about seventy-five hours a year of which is -- it's okay. It's not too bad.

CHAIRMAN ALDEN:

My cousin had a lamp shop out in Colorado. Seven days a week, it was a lot of time that was required running his shop and doing the repairs and things like that so I just --

MR. CALEMMO:

Well interestingly, our shop is -- it's located where my business is and we are only opened from eight in the morning until ten and on Saturdays and Sundays, twelve to four. So those other ideas give me a job to do my electrical work and other things as well.

CHAIRMAN ALDEN:

My cousin wasn't a doctor, so I guess that's the difference. It's the doctor's hours. All right, so we've got a motion by Legislator Lindsay, second by Legislator Binder. All those in favor? Opposed? That's approved.

MR. CALEMMO:

Thank you.

CHAIRMAN ALDEN:

Thank you.

I.R. NO. 1487-2002 Approving the reappointment of Russell J. Calemмо, as a member of the Suffolk County Electrical Licensing Board. ASSIGNED TO CONSUMER PROTECTION & GOVERNMENT OPERATIONS (County Executive)

VOTE: 4-0-0-1 APPROVED

CHAIRMAN ALDEN:

All right, now we come to Sense Resolutions. We have 33-2002. We have a motion by Legislator Binder to table, seconded by Legislator Nowick. All those in favor? Opposed? Sense Resolution 33-2002 stands tabled.

SENSE RESOLUTIONS:

No. 33-2002 Memorializing resolution requesting the Federal Communications Commission (FCC) to step up to the plate and protect Long Island baseball fans by bringing New York Yankee games to Cablevision's basic service package. ASSIGNED TO CONSUMER PROTECTION & GOVERNMENT OPERATIONS (County Executive)

VOTE: 4-0-0-1 TABLED

CHAIRMAN ALDEN:

Do we have anybody else that wanted to address the committee? Seeing no one rushing to the microphones or rushing at us, motion to adjourn by myself, second by Legislator

Nowick. All those in favor? Opposed? And just before we say adieu to everybody, Legislator Haley had called and asked for an excused absence, so I want to put that on the record that he has an excused absence. We stand adjourned. Thank you very much.

(The meeting was adjourned at 12:45 P.M.)