

CONSUMER PROTECTION COMMITTEE

of the

SUFFOLK COUNTY LEGISLATURE

Minutes

A regular meeting of the Consumer Protection Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on Thursday, February 1, 2007.

MEMBERS PRESENT:

Legislator Cameron Alden - Chairman
Legislator Jack Eddington - Vice-Chair
Legislator Wayne Horsley
Legislator John Kennedy
Legislator Elie Mystal

ALSO PRESENT:

George Nolan - Counsel to the Legislature
Warren Greene - Aide to Legislator Alden
Charles Gardner - Director of Consumer Affairs
Richard Baker - Deputy Clerk of the Legislature
Joe Muncey - Budget Review Office
Kevin Rooney - Oil Heat Institute

MINUTES TAKEN BY:

Donna Catalano - Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 1:10 P.M.*)

CHAIRMAN ALDEN:

Good afternoon. Welcome to the Consumer Protection Meeting. We will get started with a Pledge.

SALUTATION

CHAIRMAN ALDEN:

I ask you to observe just a moment of silence for those Americans that have given their lives and those that continue to put themselves in harm's way for our freedom.

MOMENT OF SILENCE

CHAIRMAN ALDEN:

Thank you. Okay. We have two cards. You have the opportunity to come up and either sit down at the microphone and address us or stand at the podium, whichever is more convenient for you. And Joseph Bono filled out the first card.

MR. BONO:

If it's not an issue, can we reverse the cards?

CHAIRMAN ALDEN:

Sure. Albert Colao. Good afternoon, you have three minute.

MR. COLAO:

My name is Albert, I'm with Homestyle Remodeling. And I just have a request if possible if I can have an additional two minutes due to five months of waiting for hearings with the Department of Consumer Affairs. It has put my company out of business as of January 1st. I worked diligently to get this into three minutes, but I could not accomplish that. I would appreciate if I could just have the five minutes.

CHAIRMAN ALDEN:

Let's go on see how you are doing.

MR. COLAO:

I want to begin by stating that I'm elated to have a day front of an impartial government of body to speak of my issues. This isn't just about me, my company or my employees and customers. I will begin by saying the Homestyle Remodeling is a two year old remodeling company as of last month. We had two minute consumer complaints prior to all this starting, both of which were fully resolved.

As I speak today, the destruction of my company is complete. I am attempting to accomplish a strategy as gracefully as I can while making everyone whole on the way out. The livelihood and well-being of my employees has already been damaged. In an effort to be brief, I have summarized as much information. There are many significant facts, so I arranged for copies of most of those details to be printed and distributed for your perusal.

All statements are verifiable and much material evidence is in possession to be remitted should there be any interest in the matter. The issues begin with a small matter with a customer who had a complaint about her toilet and a job taking too long. We acknowledge their issues and proceeded to come to a resolution. It all ends with me, the customer walking from the Department of Consumer Affairs and making a tacit agreement to get to the next step of her work completed immediately. We were both satisfied.

I instructed the customer to call the office and schedule an appointment of that resolution for that day. I was told that I had to complete work by that day by the department of Consumer Affairs. In

this case, Department of Consumer Affairs interfered with the resolution of this customer complaint and aggravated the issue. In addition, a license revocation was constantly threatened. This customer was Erica Padgett.

Next, the complaint of a deposit by Alan Tischler. What was the role of the Department of Consumer Affairs? This was a matter before Small Claims Court with an attorney. Before we went to court, the Office of Consumer Affairs forced Sheila, my estranged partner, to a settlement by telling her -- telling my attorney she signed an agreement. To this day, she claims she never made any such commitment. Is their role to interfere with civil disputes? Or is there role to be an advocate for the consumer?

They're becoming a private advocate here instead of public advocate. Between this complaint and the Johnson complaint, which is the next discussed, this was the straw that broke the camel's back. They have the power to threaten our license again. They acted on that threat and took out license. They have destroyed my life by destroying this corporation. And they claim to be advocating for the consumer when this was obviously a private attack on my person. They have driven the corporation to a place we are officially out of business. People have been put out of work, families put in jeopardy, and I am in debt for years to come as a result, because I plan on making good on all my commitments.

Add the existing customers who will be damaged by our victimhood, who is advocating for them? I say us and only us. Because if the Department of Consumer Affairs had thought about them, they would have contemplated that before this time. We have been navigating these waters in wake of this destruction as gracefully as humanly possible by moving their jobs into safe hands while we have been dealing with all of this, all at a huge loss to us. This customer was Alan Tischler.

There is a third final complaint that realized the end of the company as we knew it. The detail and information you need is so vast that it cannot be spoken of in this window of time. Please, please, please read this appendix if you read anything. Any one of the complaints discussed is remarkable on its face. When you review the facts collectively as outlined in the appendices, you will see a pattern of unfair unjust activity.

In all phases of customer complaint resolution, we were always at the table and complied with all respect -- all requests. Never did we see fair and reasonable judgment exercised. We were threatened all along the way. In our continuous correspondences, we asked for guidance and provided status updates and never -- and never got one response. Steve Levy inquired as to Department of Consumer Affairs' response to our correspondences in a letter dated sometime in December, no one has yet responded.

The Department of Consumer Affairs overreached in the authority and incited customers when resolution was worked out between us. They ignored my plea to attend hearings or discussions or problems, resolution, instead accommodating my estranged partner. The very person intimately involved in all complaints was prohibited from participating in these formal hearings, the president of the company.

They used the Riverhead Building Department to exacerbate these issues. They used and misguided the customer and advised them to violate lawful contracts, used public time and resources to intercede in private litigation, the list goes on and on. We have evidence and witnesses that will sign affidavits.

At a minimum, their activities are unscrupulous. I suggest that they are criminal in many respects. I am asking that an audit be completed of this case at the minimum of Frank VanDyke's over case as well. I had taken and passed the general contractor's license, and it has been hanging in the wind through all of this activity. I want my license to be approved and granted in light of this information.

I cannot rest knowing a man can misuse his civic responsibilities to reek this kind of havoc with no

recourse on the part of an honest and hardworking constituent. The cascading affects of this malfeasance where beyond my understanding from the beginning of this quagmire. I will return to the chamber on March 1st with more complete and concise volume of information for your consideration. All requests before March 1st can be made within 72 hours of that day.

I'd like to thank you for your time. I've never been in this position before. I only can say the damage that this caused to my company, my clients and my employees has been very emotionally and stressful for me. And I would like someone to please take a look at what we have here. We will take the time to put the rest of the information together for you. And there's just a few people here that wanted to say something.

CHAIRMAN ALDEN:

So the appendix that you talked about, the index or whatever, the attachments, those are the things that you are referring to that you will get to us my March.

MR. COLAO:

We have put together nine packets today that can be distributed.

CHAIRMAN ALDEN:

you have packets that we can distribute today?

MR. COLAO:

Yes. And then what we're saying is that in 72 hours, we will put all of the evidence, paperwork, into place so these files are now complete.

CHAIRMAN ALDEN:

Okay. Do you have a lawsuit pending?

MR. COLAO:

Lawsuit against?

CHAIRMAN ALDEN:

Any individuals from Suffolk County.

MR. COLAO:

No. I worked diligently to try to resolve this. Unfortunately, that's why I'm sitting here today.

CHAIRMAN ALDEN:

Okay.

MR. COLAO:

No.

CHAIRMAN ALDEN:

Does anybody have any questions? Mr. Kennedy.

LEG. KENNEDY:

Hello, Mr. Chair. Again, I apologize for being late. I came in on the tail end of this gentleman's testimony. How many actual complaints are we talking about as far as actions by the County Consumer Affairs Department?

MR. COLAO:

Three complaints are the ones that -- were the once that actually took the company down. I was in a constant push to that place, I just didn't realize it was happening until later on, but it was three complaints. The company originally had two complaints, which we resolved immediately, and the other one was an issue with Small Claims Court, and it was held in the Department of Consumer

Affairs with the license being held in the balance and constantly being threatened of being revoked.

LEG. KENNEDY:

How long have you been in -- this is what, general home construction or home renovations?

MR. COLAO:

This is our second year.

LEG. KENNEDY:

Second year. And we have three complaints we're talking about over this 24 month time period.

MR. COLAO:

Over the 24 month period we had five complaints. And when those complaints are viewed, you will realize that three on the end that we're talking about, there was only one of those three that we felt was actually legit that we had to own up to responsibility. And that is written in the other stuff that we have. The other two just really had no bearing. They were being hung on to drag me to this place that has been never ending, and they resolved closing down this company and taking our license away. You will see it yourself when they're read.

LEG. KENNEDY:

Again, the Chair has just spoken about the fact that we have information that's going to be distributed to us. It's not my purpose or intention to talk about a particular complaint here, I'm just trying to go ahead and get an understanding of the entity, maybe the number of -- over that 24 month time period, so there are five complaints the customers have filed. How much business did you do? How many jobs did you do? Did you do five, did you ten, did you a hundred?

MR. COLAO:

I would say it's fair to say in that two year period, 20, 25. I could get more accurate numbers on that.

LEG. KENNEDY:

That's enough. I'll yield, Mr. Chair.

CHAIRMAN ALDEN:

Any other questions? Thank you. And we have to look at -- you did distribute some information. So give us a chance to read this and the other information you're going to be providing us, because this is kind of -- you know, we are hit out of blue with this.

MR. COLAO:

Okay. I'd like to thank everybody for their time. It's wonderful to be able to have this voice after all this time. Thank you.

CHAIRMAN ALDEN:

Thank you. Joseph Bono.

MR. BONO:

Good afternoon. My name is Joseph Bono, I'm the project manager for Homestyle Remodeling. I don't need much time. I just wanted to bare witness -- that I was bared a witness to fact that every time we were called for a complaint that our objective was to take care of it as soon as possible, and also to let this panel know that I don't understand if we were hardworking family people -- we make mistakes. We're resolving issues and we're on top of it, and we want to resolve issues, why was this livelihood taken away from us?

And I've been without a pay check for 30 days. And my family is suffering, and we're about to lose a few things. I just don't understand how an official office -- how would I teach my son to respect an official office when the only thing that caused this was a personal vendetta between Mr. VanDyke

and Mr. Albert Colao, Because as far as professionalism, people, you can't make everybody happy, but we tried. People call Consumers for the drop of a hat. But we didn't run. We took care of every situation that arised. And this became a personal vendetta, and I lost my livelihood over it. And I just felt that I needed to say that. I don't have anything written. This came from my heart. And that's about it. If you have any questions for me, I am the project manager.

CHAIRMAN ALDEN:

Legislator Kennedy.

LEG. KENNEDY:

Thank you, sir. Just again, to have a general understanding of the firm itself. How many employees did you have or how many people --

MR. BONO:

Just to let you know, I have 32 years experience in the field. I'm with Homestyle Remodeling since they started for two years. The number of jobs, small and large, over two years is actually like 50 or 60, not 25. I handle more of the amount of jobs, because I break down the jobs and stuff, okay? Just to let you know that. Employees, we have been up to 11 employees that we had to disperse of, almost all of them at the same time when the license was taken away from us. We have family members out there, we have kids. Everybody was depending on their paycheck. And these are professional people, carpenters, that made decent salaries and they built their life around it.

You know, we all should have been prepared, of course. But you know 80% of society lives paycheck to paycheck, because we live on Long Island and the taxes are unbelievable. We are about to lose our homes. This is a serious matter. This is not -- yeah, I could go find a job, but that's not easy today. And I built my whole life into Homestyle Remodeling. And I don't understand if we -- I can understand if we were running, but we were doing the right thing. We made mistakes, but we ran every time -- and I was told by Mr. Colao, even before -- we didn't need Consumers to tell us, because we had Mr. Colao on top of us every minute, nine o'clock at night making sure that the next morning, I was where I was supposed to be. So this is not an issue of incompetence, people that didn't care. You know what I mean?

LEG. KENNEDY:

I appreciate that. Again, I guess I'm going to say the same comment that I said through the Chair to the previous speaker. My purpose is not go ahead and discuss any particular violation or matter. It's just to frame and get an understanding of the entity, the concern, the total number. You've given us more information on that. And as you are stating to us at this point, at one point, you had 11 craftsman that were employed associated with this entity.

MR. BONO:

I also want to add. I have a seven year old son that's pretty smart. He wants to know from me why would they stop me from working if I got together with Albert to actually change this industry, because our objective was to change the industry so a consumer can trust contractors again. And we were going to build a company with integrity. These mistakes, I'm telling you these are human mistakes, that were at the table every time. This is all a personal vendetta. And I'm a witness to that.

LEG. KENNEDY:

Thank you for your comments, sir. Again, I'll yield to the Chair.

CHAIRMAN ALDEN:

Any other questions or comments? Thank you. Thanks for coming down.

MR. BONO:

Thank you very much.

CHAIRMAN ALDEN:

Shiela Catalanotto.

MS. CATALANOTTO:

Hi. My name is Shiela Catalanotto. I'm vice-president of Homestyle Remodeling. Okay. I'm not much of a speaker, but I do know that this company started -- it was rough. We've been through a lot, but we stuck by with everything that we wanted to do.

The Department of Consumer Affairs used me to go against my partner. And at one point, I almost did. And I realized that my partner wasn't making this up, there was something that was going on. And they used me to try to go against them to close Homestyle Remodeling and to open up my own license myself to go with somebody else. And with everything, which you'll read in my testimony, I couldn't -- I couldn't do it. Because I know what Albert stands for. And I know he's there. He's there for his customers, he's there for the company. And they use what me an Albert went through, which was our own personal thing to get to me. And unfortunately, it didn't work, because I caught on before.

CHAIRMAN ALDEN:

When you refer to your testimony, you mean --

MS. CATALANOTTO:

Yes.

CHAIRMAN ALDEN:

-- it's contained in this pamphlet or these documents that were provided?

MS. CATALANOTTO:

Yes. And it's going to be very hard for Albert get back what he lost in this company and try to regrow it again, because he's talking about he doesn't want to do it anymore. We're trying to build his morale back up, and that's a hard thing to do, because this man came from way up on top and now he's down below. And for us to get him back up there is going to be a hard thing to do.

CHAIRMAN ALDEN:

Any questions? Thank you very much for coming down.

MS. CATALANOTTO:

Thank you for listening to me.

CHAIRMAN ALDEN:

That's all the cards that I have. Is there anyone else who wants to address us -- address the committee?

MR. COLAO:

No, that's it.

CHAIRMAN ALDEN:

I just want to put one thing on the record too, and this comes from the OCC, and that's the Office of the Comptroller of the Currency. And we took this up last year in this committee, they are warning banks about a scam, and it's mainly targeted towards senior citizens, but it takes in other people. And it's about a cashier's check. And it's pretty much the same type of flavor, like, you've won a lottery outside the country and here's a cashier's check, send us -- you know, the cashier's check is for 5000, send us a check for two or \$3000. And the cashier's checks turn out to be bogus also.

I've provided the Clerk's Office with a copy of this. I'd like this to be part of the record. And I've

provided the members of the committee with a copy of this communication. And it was forwarded to us by Mr. Gardner. So, Charlie, with that as an opening point, would you like to come out and maybe even enumerate a little more on this?

DIRECTOR GARDNER:

Yes, Mr. Chairman. That was -- if you remember our previous discussions at the committee, there was some talk about publicizing it or getting some public information out on the County's website, etcetera. So when we received that information from the OCC, that's why I forwarded it to you for -- first of all, to better understand that it's not just a Suffolk County problem, number one. Number two, it is a real problem, because it is, as you mentioned, exactly the same thing that some of our complainants have brought to the attention of the Legislature. And whatever information we can glean from that or however we want to use it, because that is public information too, I thought that, you know, the comments about putting on the website or the individual Legislators had mentioned in their newsletters, they might want to put it out. You know, so that's why I forwarded the information to you.

CHAIRMAN ALDEN:

Thank you. Now, in regard to the testimony that we just heard, I'm going to ask you to confer at some point in time with in the near future with Lynne Bizzarro, the County Attorney's Office. And, Lynne, if you can get it touch with our Counsel, because there's some issues that we might be prohibited from going into on the record, and there's others that, you know, we would want to develop the record more on. And I think for the educational value to the committee before we take any action, we really should find what the -- you know, the legal issues are and have them a little bit more flushed out.

DIRECTOR GARDNER:

Definitely.

CHAIRMAN ALDEN:

And to the people that testified before, this is the start of a process that this committee will take. And we'll investigate. And if it's appropriate, we'll take action. But you've also been talking to a representative of the County Executive's Office -- right, you just went over and talked to them? So you've got a couple of avenues now that will probably progress. And maybe parallel and maybe one side or the other will take the lead, but your concerns will be addressed either by this committee or the County Executive, whichever is deemed to be the appropriate -- or possibly the County Attorney. And we have a Deputy County Attorney with us today. So she heard your testimony too.

We're not banging off on the issue, it's just we want to develop the appropriate amount of information so that we also don't go off in the dark on it. Now having said that, Charlie, just if you can bring us up to date a little bit on oil resources -- reserves and gasoline and gasoline prices and oil prices.

DIRECTOR GARDNER:

Home heating oil went up a little bit, again, not much, two, three cents. The gasoline as of today is down. The lowest -- we actually had a little price was out east on the North Fork, it was down last week and it held for about week, about 2.21 gallon, there were four or five stations out there. Today on the Expressway, you can get it for 2.22 and 2.23. That was about the lowest out here. But again, the average has leveled off, you know, in the low 2.30's. Supplies are plentiful in both --

CHAIRMAN ALDEN:

Supplies of gasoline are good?

DIRECTOR GARDNER:

Yes. Gasoline and home heating oil, both.

CHAIRMAN ALDEN:

Good. We've got that storm coming in, is that expected to, like, disrupt anything?

DIRECTOR GARDNER:

No indications so far. All right. Any questions of the Commissioner?

LEG. HORSLEY:

Commissioner, what is the price of -- - I'm, sorry, through the Chair.

DIRECTOR GARDNER:

The home heating oil?

CHAIRMAN ALDEN:

Just use your mike so that we can make a record of your comments.

LEG. HORSLEY:

Thank you. They're going to be great. Thank you, Mr. Chair.

DIRECTOR GARDNER:

There's a big range. You know, again, depending on whether you COD or full service, you know, naturally full service has the paperwork involved, the billing, net ten, net 20, net 30, balance billing, etcetera, as opposed to COD, which is, you know, delivered today, you pay today. There's about a dollar range. But it's in two and a half dollar range now.

LEG. HORSLEY:

Two and a half dollars?

DIRECTOR GARDNER:

Yes. The average. As low, you know, 2.09, 2.10, but as high as, you know. 80, 2.85. The average is around 2.50, 2.52.

LEG. HORSLEY:

Okay. Thank you.

CHAIRMAN ALDEN:

See, you definitely wanted that to be recorded. Any other questions? No? We'll go into the agenda then.

2336, Adopting a Local Law to require posting of video game ratings at retail establishments.

I know that last time you put on the record some concerns that you had as far as the manpower to be able to go out and the thousands of retail establishments that deal in these things. And I was talking to Legislator Cooper's aide, and I believe that there's still some dialog going on between your department and Legislator Cooper. So I'm going to make a suggestion then and make the motion to table.

LEG. HORSLEY:

Second.

CHAIRMAN ALDEN:

Seconded by Legislator Horsley. All in favor? Opposed? **TABLED (VOTE:5-0-0-0).**

2596, Adopting a Local Law to increase fines for violations of the Suffolk County Consumer Protection Law.

This has to be tabled for a public hearing, so I'll make the motion to table for a public hearing, seconded by Legislator Eddington. All in favor? Opposed? **TABLED (VOTE:5-0-0-0)**.

2597, Adopting a Local Law to strengthen and improve enforcement of Occupational License Laws.

That has to be tabled for a public hearing, and that public hearing -- both of these public hearings were set for 2/6, so that's February 6th at our General Session next Tuesday. So I'll make a motion to table, seconded by Legislator Eddington. All in favor? Opposed? 2596 is also **TABLED (VOTE:5-0-0-0)**.

M-62, Memorializing resolution requesting the New York State Public Service Commission to review the proposed LIPA/KeySpan agreement.

We have a memorializing resolution that a former member, Legislator Cooper, said doesn't meet the retirements. He said it's more like Sense Resolution. So that's M062. It's my resolution, and even though I still think it's a great idea, it's requesting the New York State Public Service Commission to review the proposed LIPA/KeySpan agreement, I'll make a motion to table, seconded by Legislator Eddington. All those in favor? Opposed? M-062 stands **TABLED (VOTE:5-0-0-0)**.

Is there anything else that anyone wants to bring before this committee? If not, we stand adjourned. Thank you.

(*THE MEETING WAS ADJOURNED AT 1:40 P.M. *)

{ } DENOTES BEING SPELLED PHONETICALLY