

GIBSON DUNN



Consumer Protection | Labor & Employment Update

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New York City DCWP Adopts Aggressive Enforcement Posture Under New Leadership

Given the shift in the Department of Consumer and Worker Protection's posture, companies operating in New York City—or marketing products or services to NYC residents—should reassess their compliance strategies.

Following the election of New York City Mayor Zohran Mamdani, the Department of Consumer and Worker Protection (DCWP) has a new Commissioner, Sam Levine. Commissioner Levine previously served as Director of the Federal Trade Commission's Bureau of Consumer Protection during the Biden Administration, where he led initiatives on so-called consumer “junk fees,” aggressive enforcement against auto sales practices and subscription renewals, and novel issues such as purported AI-driven discrimination.^[1] Commissioner Levine has vowed to be a champion in city government for gig workers, small businesses, independent contractors, and consumers^[2]—a broad mandate reflecting both sides of DCWP's mission. Mayor Mamdani's selection of Commissioner Levine (and the involvement of former Federal Trade Commission Chair Lina Khan as a key adviser to the transition) underscores a commitment to aggressive consumer protection as a tool to advance the Mayor's affordability and pro-worker agenda.

Early Initiatives: Consumer Fees and Subscription “Traps”

Within days of taking office in January 2026, Mayor Mamdani and Commissioner Levine signaled sweeping new enforcement priorities through a pair of highly publicized Executive Orders. On his first day in office, the Mayor signed Executive Order No. 09, *Combating Hidden Junk Fees*, and Executive Order No. 10, *Fighting Subscription Tricks and Traps*, explicitly directing DCWP to take

action on these consumer issues.^[3] The orders established a Citywide “Junk Fee Task Force”—co-chaired by the Deputy Mayor for Economic Justice and the DCWP Commissioner—to coordinate rulemaking, enforcement, and public education efforts across agencies in order to eliminate hidden fees that inflate prices for New Yorkers. Likewise, DCWP was instructed to prioritize enforcement of laws against deceptive subscription practices (including auto-renewal programs, misleading pricing or renewal terms, and obstacles to cancellation) and to consider new rules or legislation to strengthen protections.^[4] Notably, the subscription Order calls for DCWP to coordinate with the New York City Law Department and the New York State Attorney General, signaling a coordinated enforcement posture.^[5]

In a January 5 statement responding to the Executive Orders, Commissioner Levine emphasized that New York City will use “every tool at our disposal” to combat purported junk fees and subscription traps.^[6] He noted that as prices rise and “the federal government retreats from protecting consumers,” the City is stepping up with “decisive action” to deliver on the promise of an affordable city. Levine vowed to target “predatory companies that pad prices with hidden fees” and “scammy” subscription tactics that trap consumers, backed by aggressive enforcement and close coordination with partner agencies. This assertive language—referencing “cracking down,” “banning” deceptive practices, and holding “corporate cheats” accountable—marks a departure from the more conciliatory tone often associated with past city consumer enforcement efforts and underscores DCWP’s intent to test the boundaries of its authority.

Concrete actions followed these pronouncements. For example, DCWP promulgated a rule prohibiting hotels from adding hidden “destination” or resort fees and banning the practice of placing undisclosed credit-card holds or deposits on guests.^[7] In announcing these efforts, Commissioner Levine stated: “DCWP has zero tolerance for businesses that prey on vulnerable people with junk fees, false promises, and hidden charges,” emphasizing that enforcement would extend across industries.

The parallel Executive Order on subscriptions has similarly spurred action. Commissioner Levine has signaled that rulemaking is under active consideration to require clearer disclosures and simpler cancellation processes.

Expanding Priorities Beyond the Traditional Scope

In just a few weeks under new leadership, DCWP has demonstrated an expanded view of its mandate, pushing into areas that traditionally might have been handled by state or federal authorities. One prominent focus is worker protection in the gig and service economy—an arena where DCWP’s activity has grown in recent years.

One of the first major enforcement actions of the new administration was a lawsuit filed in mid-January against a food delivery platform accused of systematically cheating its couriers.^[8] The City, through DCWP and the Law Department, sued Motoclick and its chief executive officer, seeking to shut down the company’s operations entirely for alleged wage theft and illegal fees charged to delivery workers.^[9] In announcing the suit, Commissioner Levine stated: “We are seeking to shut down this company, and other predatory apps should be on notice... Even if the company doesn’t have the money, we hope to prevail... to get a judgment against the CEO,” and questioned why “executives should have immunity when they break the law.”^[10] This approach—targeting individual corporate principals and seeking to put companies out of

business—goes beyond DCWP’s traditional playbook and illustrates Levine’s willingness to test the limits of the agency’s authority in court.

Beyond the gig economy, DCWP is broadening its scope in other areas historically overseen by other regulators. In February, DCWP publicized actions against several employment placement agencies accused of exploiting immigrant and non-English-speaking job-seekers by charging prohibited “placement” fees.^[11] DCWP obtained a judgment against one agency totaling more than \$2.2 million in civil penalties and nearly \$1 million in restitution and is litigating against two others, seeking to halt their operations and obtain redress for hundreds of affected workers.^[12]

Expanding Operational Mandates

Recent enforcement actions demonstrate that DCWP’s worker-protection efforts are not limited to litigation but reflect an ongoing and expanding regulatory role in the operations of covered businesses.

In January 2026, Mayor Mamdani and DCWP announced a more than \$5 million settlement with food delivery platforms resolving alleged violations of New York City’s minimum pay requirements.^[13] According to the City, the settlement provides restitution, civil penalties, and damages. In addition, one company agreed to reinstate as many as 10,000 delivery workers who were allegedly wrongfully deactivated during a specified period. DCWP emphasized that it has implemented “innovative compliance monitoring systems” and monthly reporting obligations designed to identify violations quickly and ensure ongoing compliance.

The settlement illustrates that DCWP is not only seeking monetary penalties but also structural remedies — including reinstatement and monitoring — that directly affect how companies manage workforce policies, pay practices, and platform operations.

More broadly, the City Council has enacted a series of workplace laws that impose detailed operational requirements on covered employers and that DCWP is charged with enforcing. For example, New York City’s Fair Workweek Law requires covered retail and fast-food employers to provide advance notice of schedules, pay premiums for certain schedule changes, and comply with strict posting and recordkeeping obligations. DCWP has historically enforced this law and, under the current administration, we expect continued and potentially heightened enforcement, particularly given the City’s emphasis on affordability and worker protections.

Similarly, the Grocery Worker Retention Act requires successor grocery store owners to retain incumbent employees for a defined transition period following a change in ownership and imposes notice and recordkeeping requirements. This reflects a broader pattern of City legislation prescribing detailed workforce management rules, with DCWP positioned as the enforcement authority.

In addition to these statutes, the City Council has passed laws establishing minimum pay rates and operational requirements for app-based delivery workers, including pay transparency rules, safety requirements, and other protections. These laws — and DCWP’s enforcement posture — increasingly place the agency in a role that goes beyond traditional consumer protection enforcement. In practice, DCWP is overseeing compliance with detailed wage formulas, scheduling rules, worker retention mandates, and platform practices that affect day-to-day

business operations.

This legislative trend suggests that DCWP's activity is not merely expanding in scope but also deepening in operational impact. Businesses in covered industries should expect continued enforcement of these laws, particularly where the City Council has enacted prescriptive compliance obligations and where enforcement aligns with the administration's stated policy priorities.

A Shift from Traditional DCWP Philosophy

Under Mayor Mamdani and Commissioner Levine, DCWP has adopted an enforcement-forward posture. City leadership has explicitly tied aggressive consumer and worker protection enforcement to addressing New York City's affordability crisis, and the administration has proposed increasing DCWP's budget to bolster enforcement capacity.

Another way to view this shift is that DCWP is increasingly functioning as a localized analogue to a state attorney general's office or the Federal Trade Commission. The agency is invoking the full breadth of the City's Consumer Protection Law, which broadly prohibits deceptive and unfair trade practices and authorizes civil penalties, injunctive relief, restitution, and litigation in court. By explicitly aligning many initiatives with recent FTC priorities—particularly regarding junk fees and subscription practices—DCWP is pushing its enforcement philosophy closer to that of a federal regulator than a traditional municipal agency. Coordination with the New York Attorney General further underscores this alignment.

Compliance Considerations for Businesses in NYC

Given this shift in DCWP's posture, companies operating in New York City—or marketing products or services to NYC residents—should reassess their compliance strategies. In particular, companies should consider whether the following steps are appropriate:

- **Ensure Transparent Pricing and Avoid Purported “Junk Fees.”** Mandatory fees or add-on charges that are not clearly disclosed upfront risk being characterized as illegal junk fees under the City's enforcement framework.
- **Audit Subscription and Cancellation Practices.** Subscription offerings should be reviewed to ensure clear disclosure of renewal terms and accessible cancellation pathways, in light of DCWP's stated enforcement priorities.
- **Strengthen Advertising and Disclosure Compliance.** Consumer-facing advertising should be reviewed with NYC-specific standards in mind, particularly where pricing, discounts, or “free” offers are involved.
- **Review Worker Classification and Wage Practices.** Businesses relying on gig workers or non-traditional worker relationships should ensure compliance with NYC pay and worker-protection laws, which DCWP has shown a willingness to enforce aggressively.
- **Monitor Regulatory Developments and Engage Proactively.** Companies should track DCWP rulemaking and task-force activity and consider participating in public processes where appropriate.

Endnotes

1. **Mayor-Elect Mamdani Appoints Consumer Protection Champion Sam Levine as Commissioner of New York City Department of Consumer and Worker Protection**, Consumer Federation of America (Dec. 2025), available at https://consumerfed.org/press_release/mayor-elect-mamdani-appoints-consumer-protection-champion-sam-levine-as-commissioner-of-new-york-city-department-of-consumer-and-worker-protection/.
2. **Statement from DCWP on Mayor Mamdani's Executive Orders to Combat Hidden Junk Fees and Subscription Traps**, City of New York (Jan. 5, 2026), available at <https://www.nyc.gov/site/dca/news/003-26/statement-dcwp-mayor-mamdani-s-executive-orders-combatting-hidden-junk-fees-fighting>; see also <https://www.nyc.gov/mayors-office/news/2026/01/new-era-of-accountability--mamdani-administration-s-dcwp-sues-mo>
3. **Executive Order No. 09: Combating Hidden Junk Fees**, Mayor's Office of the City of New York (Jan. 5, 2026), available at <https://www.nyc.gov/mayors-office/news/2026/01/executive-order-09>.
4. **Executive Order No. 10: Fighting Subscription Tricks and Traps**, Mayor's Office of the City of New York (Jan. 5, 2026), available at <https://www.nyc.gov/mayors-office/news/2026/01/executive-order-10>.
5. **Mayor Mamdani Signs Executive Orders to Crack Down on Junk Fees and Subscription Traps**, Mayor's Office of the City of New York (Jan. 5, 2026), available at <https://www.nyc.gov/mayors-office/news/2026/01/mayor-mamdani-signs-executive-orders-to-crack-down-on-junk-fees->.
6. **Mamdani Administration Bans Hotel Hidden Fees and Unexpected Credit Card Holds**, Mayor's Office of the City of New York (Jan. 21, 2026), available at <https://www.nyc.gov/mayors-office/news/2026/01/mamdani-administration-bans-hotel-hidden-fees-and-unexpected-cre>; see also <https://www.nyc.gov/site/dca/news/014-26/dcwp-takes-action-protect-job-seekers-continues-fee-free-february-enforcement-blitz>
7. **DCWP Continues "Fee Free February" With Enforcement Blitz Against Predatory Employment Agencies**, City of New York (Feb. 5, 2026), available at <https://www.nyc.gov/site/dca/news/014-26/dcwp-takes-action-protect-job-seekers-continues-fee-free-february-enforcement-blitz>.
8. **New Era of Accountability: Mamdani Administration's DCWP Sues Motoclick for Delivery Worker Wage Theft**, Mayor's Office of the City of New York (Jan. 19, 2026), available at <https://www.nyc.gov/mayors-office/news/2026/01/new-era-of-accountability--mamdani-administration-s-dcwp-sues-mo>; see also <https://www.thenation.com/article/economy/zohran-mamdani-wage-theft-motoclick-delivery-app/>.
9. **Mayor Mamdani Secures \$5 Million Settlement and Reinstatement of Thousands of Delivery Workers**, City of New York (Jan. 30, 2026), available at <https://www.nyc.gov/site/dca/news/012-26/mayor-mamdani-5-million-settlement-reinstatement-as-many-10-000-wrongfully>.
10. **Statement from DCWP on Mayor Mamdani's Executive Order Establishing Citywide Rental Ripoff Hearings**, City of New York (Jan. 2026), available at <https://www.nyc.gov/site/dca/news/001-26/statement-dcwp-mayor-mamdani-s-executive-order-establish-citywide-rental-ripoff-hearings>.

11. **Mamdani Appoints Pro-Labor Lawyer to Run Worker Protection Agency**, *Streetsblog New York City* (Dec. 23, 2025), available at <https://nyc.streetsblog.org/2025/12/23/mamdani-appoints-pro-labor-lawyer-to-run-worker-protection-agency>.
12. Fair Workweek Law, N.Y.C. Admin. Code §§ 20-1201 et seq. (Retail and Fast Food Employee Scheduling), enforced by the NYC Department of Consumer and Worker Protection.
13. Grocery Worker Retention Act, N.Y.C. Admin. Code §§ 22-507 et seq.

The following Gibson Dunn lawyers prepared this update: Mylan Denerstein and Michael Holecek.

Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding the issues discussed in this update. Please contact the Gibson Dunn lawyer with whom you usually work, the authors, or the following leaders and members of the firm's Consumer Protection or Labor & Employment practice groups:

Mylan L. Denerstein – Co-Chair, Public Policy Practice Group, New York
(+1 212.351.3850, mdenerstein@gibsondunn.com)

Michael Holecek – Partner, Labor & Employment Group, Los Angeles
(+1 213-229-7018, mholecek@gibsondunn.com)

Jason C. Schwartz – Co-Chair, Labor & Employment Group, Washington, D.C.
(+1 202-955-8242, jschwartz@gibsondunn.com)

Katherine V.A. Smith – Co-Chair, Labor & Employment Group, Los Angeles
(+1 213-229-7107, ksmith@gibsondunn.com)

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