



**DCA REPORT FINDS INCONSISTENT PRICES, NO DISCLOSURE,  
AND UNCLEAR REGULATION OF MONEY TRANSFER INDUSTRY**

*NYS Assembly Committees and DCA Hold Public Hearing to Explore Issues and Regulations*

FOR IMMEDIATE RELEASE  
October 20, 2003

Contact:

Contact: Dina Improta (DCA) [press@dca.nyc.gov](mailto:press@dca.nyc.gov)

Ann Baumann, Assemblywoman Nolan's office, 718.456.9492

The New York City Department of Consumer Affairs (DCA) today released a report on the billion-dollar money transfer industry, illustrating a snapshot of its impact on City businesses and immigrant communities. DCA studied three City neighborhoods - Washington Heights in Manhattan, Sunset Park in Brooklyn, and Jackson Heights, Queens. The report was released at an exploratory public forum held by both the DCA and several New York State Assembly Committees, including the Committee on Banking, Consumer Affairs, and the Hispanic Task Force at Hostos Community College in the Bronx. Banking experts, international development specialists, industry representatives, immigrant groups, and communities testified.

"Hardworking New Yorkers send \$3 billion a year to their families back home in their native countries. We want to insure that these funds are protected. It is important that we examine whether better state legislation is needed to protect the public," said Assemblywoman Catherine Nolan, the Assembly's newly appointed Banks Committee Chairwoman. "Legislation may need to be developed to promote a fairer playing field."

"The vast majority of money transfers sent from New York State 'back home' every year are from New York City residents," said DCA Commissioner Gretchen Dykstra. "In the last ten years, the City's foreign-born population has grown by 38%. Thousands of transactions are made every day that are unclearly regulated and could be potential ripoffs. Consumers need to know what they are paying for, and know that hard-earned money will get to its destination timely and safely. Today's public forum is the second step in identifying successes and problems. We look forward to more dialogue with industry representatives, local officials, immigrant groups and communities."

According to Assemblyman Peter M. Rivera, chairman of the New York State Assembly Puerto Rican/Hispanic Task Force, "The Task Force believes that allowing the use of foreign issued identification, such as the matricula consular, for opening banking accounts is essential to both immigrants and financial institutions serving minority communities." He added, "In general, bank accounts help customers build assets and avoid high cost financial services, such as check cashiers, payday lenders, couriers, and money transmitters."

DCA's report found the proliferation of local money transfer agents - often neighborhood restaurants, travel agencies, and stationary stores - are linked to a small group of licensed agents, permitting remittance companies to charge inconsistent rates while not disclosing either the cost of exchange rates or any other hidden fees. It also found that regulation of these agencies was ambiguous. While New York State regulates money transmitters such as Western Union and MoneyGram, it is unclear whether local affiliate agencies are regulated with as much scrutiny.

The DCA field team visited nearly 90 locations in three New York City communities - Washington Heights, Sunset Park, and Jackson Heights. The varied cost of sending \$500 to the Dominican Republic were documented with prices ranging from \$5 - \$38 and transmission time ranging from "a couple of hours" to "not more than 24 hours." Further, the report shows that many local agents often develop prices "on the spot."

DCA enforces the City's Consumer Protection Law and other related laws at thousands of businesses throughout New York City. Fostering a marketplace where consumers are protected and businesses can thrive, DCA licenses more than 60,000 businesses in 55 different categories citywide. Through free community seminars, licensing forums, and other informational materials, DCA educates consumers and businesses alike about their rights and responsibilities. To file a complaint, check on a vendor's complaint history, check if a business is licensed, call 311 or go online to [www.nyc.gov](http://www.nyc.gov).

Copies of the DCA report on money transfers are available at [www.nyc.gov](http://www.nyc.gov).