

Consumer Protection

MISSION STATEMENT

The mission of the Office of Consumer Protection is to enforce consumer protection laws prohibiting unfair and deceptive business acts or practices to ensure a fair marketplace for consumers and businesses. Activities include complaint resolution, law enforcement, education, legislation, advocacy, and outreach to vulnerable consumers.

BUDGET OVERVIEW

The total approved FY09 Operating Budget for the Office of Consumer Protection is \$2,708,490, a decrease of \$4,230 or 0.2 percent from the FY08 Approved Budget of \$2,712,720. Personnel Costs comprise 94.7 percent of the budget for 21 full-time positions and one part-time position for 21.3 workyears. Operating Expenses account for the remaining 5.3 percent of the FY09 budget.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ **A Responsive, Accountable County Government**
- ❖ **Strong and Vibrant Economy**
- ❖ **Vital Living for All of Our Residents**

PERFORMANCE MEASURES

This table presents the department's performance data estimates and projections from FY08 through FY10 if there are no changes in funding.

Measure	Actual FY06	Actual FY07	Estimated FY08	Approved FY09	Projected FY10
Number of consumer phone inquiries on the disclosures of merchant complaints ¹	3,929	3,236	3,398	3,568	3,746
Number of information calls answered ²	22,355	19,637	20,619	21,650	22,732
Number of consumer complaints closed ³	2,132	2,257	2,370	2,488	2,613
Number of volunteer hours contributed	3,282	3,307	3,472	3,645	3,828
Number of service units completed per workyear	1,457	1,079	1,183	1,189	1,249
Percentage of complainants satisfied with the outcome from complaints	80	77	80	80	80
Percentage of complainants satisfied with the handling of complaints	87	88	90	90	90
Estimated total restitution to consumers (\$000) ⁴	703	747	784	823	865

¹Disclosures are responses to calls from consumers asking if there have been any complaints about a given merchant. This number does not reflect disclosures obtained by consumers online.

²Jan-July 2006 information calls for the Housing Rental Licensing Program were reported under the Department of Housing and Community Affairs.

³Excludes large class type settlement, which could inflate and distort the number of cases.

⁴Estimated total value of refunds, service performed, or financial relief to the consumer for which OCP assistance contributed significantly to the outcome.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ **The office conducted a "Look, Learn & Listen Walking Tour" of the Takoma/Langley Crossroads area to better understand the needs and issues faced by residents and business owners in this community.**
- ❖ **The office gave consumers one million in refunds as the final step in a protracted legal process, resulting from a deceptive and unfair trade practice violation lawsuit filed in 1996 by Montgomery County against Warner Plumbing and related companies.**
- ❖ **The office plans to enhance its web page to enable County residents to complete and submit consumer complaints and business license applications. The web site will also provide merchant complaint history information.**
- ❖ **Productivity Improvements**
 - **The office added case summaries on the Commission on Common Ownership Communities' "Decision and Orders" web page to reduce the number of phone inquiries requesting case summary information.**

- *The office added video streaming to the website that features "News Clips" of staff educating the consumer.*
- *In FY07, the office initiated a "Consumer Tip of the Week" on its webpage. The webpage improvement is extremely effective, well received by the public, and duplicated by other consumer education agencies. The tip-of-the-week feature is a cost-effective way of disseminating timely consumer alerts.*

PROGRAM CONTACTS

Contact Marsha Carter of the Office of Consumer Protection at 240.777.3686 or Phil Weeda of the Office of Management and Budget at 240-777-2780 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Consumer Protection

The Office of Consumer Protection receives and investigates complaints and initiates its own investigations of deceptive or unfair trade practices against consumers. Staff resolves disputes between consumers and merchants, identifies violations of County, State, and Federal consumer protection laws, and makes referrals to other agencies when appropriate. Complaint categories include automotive sales/repairs, new home construction, home improvement repairs, predatory financial practices, credit and collection practices, telemarketing, and retail sales.

The Office of Consumer Protection issues subpoenas to compel the production of documents or compel the attendance of witnesses. The office is authorized to hold hearings, administer oaths, and issue civil citations for violations of consumer protection laws. Special investigations are conducted and may result in Settlement Agreements or abatement orders, or in transmitting cases to the Office of the County Attorney for appropriate legal action. Investigators initiate charges for criminal prosecutions by the Office of the State's Attorney, and investigators also testify in court as expert witnesses. In addition, the office engages in consumer advocacy by testifying before County, State, and Federal legislative bodies and by drafting new legislation to protect consumers.

The Office of Consumer Protection develops and conducts consumer education programs. The office issues press releases through the Office of Public Information, holds press conferences, and publishes consumer brochures, staff responds to requests for information regarding consumer protection rights and remedies. Staff makes presentations at schools; community, business and civic group meetings; and frequently appear on television and radio news programs. The office maintains a webpage containing consumer protection information, a record of the number of complaints received against merchants, and consumer alerts. Outreach efforts include initiatives to better address the needs of vulnerable consumers, underserved communities, and residents with limited English proficiency. The office also works with the Advisory Committee on Consumer Protection.

The Office of Consumer Protection is responsible for licensing or registering automobile repair and towing businesses; new homebuilders; radio, television and electrical appliance repair shops; and secondhand personal property dealers.

FY09 Changes

	Expenditures	WYs
FY08 Approved	2,492,570	20.4
Increase Cost: General Wage and Service Increment Adjustments	112,310	0.0
Increase Cost: Group Insurance Adjustment	21,440	0.0
Increase Cost: Annualization of FY08 Service Increments	10,310	0.0
Increase Cost: Computer Office Equipment	3,500	0.0
Increase Cost: Annual Report	3,270	0.0
Increase Cost: Printing and Mail Adjustments	3,190	0.0
Increase Cost: Central Duplicating Deficit Recovery Charge	340	0.0
Decrease Cost: Lapse	-5,200	0.0
Decrease Cost: Retirement Adjustment	-13,130	0.0
Decrease Cost: Public Administration Intern	-23,730	0.0
Decrease Cost: Abolish one Investigator III position assigned to investigate consumer complaints and provide consumer outreach and education programs.	-137,740	-1.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-7,100	0.0
FY09 Approved	2,460,030	19.4

Commission on Common Ownership Communities

The Office of Consumer Protection serves as staff to the Commission on Common Ownership Communities. This Commission serves as an alternative dispute resolution mechanism to mediate and arbitrate certain disputes between the governing bodies of

homeowner associations, condominium associations, and cooperatives, and the individuals living within these common ownership communities. The Commission also provides education to governing bodies of common ownership communities and their residents and acts as an advocate for their interests.

FY09 Changes

	Expenditures	WYs
FY08 Approved	220,150	1.9
Increase Cost: Hosting Costs for CCOC Annual Forum	1,000	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	27,310	0.0
FY09 Approved	248,460	1.9

BUDGET SUMMARY

	Actual FY07	Budget FY08	Estimated FY08	Approved FY09	% Chg Bud/App
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	1,670,917	1,811,750	1,775,480	1,820,970	0.5%
Employee Benefits	711,242	769,220	755,020	743,240	-3.4%
County General Fund Personnel Costs	2,382,159	2,580,970	2,530,500	2,564,210	-0.6%
Operating Expenses	155,097	131,750	113,960	144,280	9.5%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	2,537,256	2,712,720	2,644,460	2,708,490	-0.2%
PERSONNEL					
Full-Time	23	22	22	21	-4.5%
Part-Time	1	1	1	1	—
Workyears	23.3	22.3	22.3	21.3	-4.5%
REVENUES					
Civil Citations	495	0	0	0	—
New Home Builder License	218,400	200,000	170,000	200,000	—
Consumer Affairs Business Licenses	53,980	69,200	58,900	69,200	—
County General Fund Revenues	272,875	269,200	228,900	269,200	—

FY09 APPROVED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY08 ORIGINAL APPROPRIATION	2,712,720	22.3
Other Adjustments (with no service impacts)		
Increase Cost: General Wage and Service Increment Adjustments [Consumer Protection]	112,310	0.0
Increase Cost: Group Insurance Adjustment [Consumer Protection]	21,440	0.0
Increase Cost: Senior Executive Administrative Aide Position	18,980	0.0
Increase Cost: Annualization of FY08 Service Increments [Consumer Protection]	10,310	0.0
Increase Cost: Computer Office Equipment [Consumer Protection]	3,500	0.0
Increase Cost: Annual Report [Consumer Protection]	3,270	0.0
Increase Cost: Printing and Mail Adjustments [Consumer Protection]	3,190	0.0
Increase Cost: Technical Adjustment to Other Mail Expense	1,230	0.0
Increase Cost: Hosting Costs for CCOC Annual Forum [Commission on Common Ownership Communities]	1,000	0.0
Increase Cost: Central Duplicating Deficit Recovery Charge [Consumer Protection]	340	0.0
Decrease Cost: Lapse [Consumer Protection]	-5,200	0.0
Decrease Cost: Retirement Adjustment [Consumer Protection]	-13,130	0.0
Decrease Cost: Public Administration Intern [Consumer Protection]	-23,730	0.0
Decrease Cost: Abolish one Investigator III position assigned to investigate consumer complaints and provide consumer outreach and education programs. [Consumer Protection]	-137,740	-1.0
FY09 APPROVED:	2,708,490	21.3

PROGRAM SUMMARY

	FY08 Approved		FY09 Approved	
	Expenditures	WYs	Expenditures	WYs
Consumer Protection	2,492,570	20.4	2,460,030	19.4
Commission on Common Ownership Communities	220,150	1.9	248,460	1.9
Totals	2,712,720	22.3	2,708,490	21.3