
Consumer Protection

MISSION STATEMENT

The mission of the Office of Consumer Protection (OCP) 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 FY14 Operating Budget for the Office of Consumer Protection is \$2,148,716, a decrease of \$33,896 or 1.6 percent from the FY13 Approved Budget of \$2,182,612. Personnel Costs comprise 93.4 percent of the budget for 17 full-time positions and one part-time position, and a total of 16.60 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 6.6 percent of the FY14 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***

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY13 estimates reflect funding based on the FY13 approved budget. The FY14 and FY15 figures are performance targets based on the FY14 approved budget and funding for comparable service levels in FY15.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***After a lengthy investigation in collaboration with DTS' Cable Office involving Comcast, OCP successfully negotiated a settlement agreement with Comcast requiring them to change their service fee notification procedures, and reimburse consumers for improperly charged service fees.***
- ❖ ***OCP continued to serve as the lead department in coordinating Montgomery County's intervention regarding electric utility cases before the Maryland Public Service Commission. OCP collaborated with Montgomery County's Special Counsel, Office of the County Attorney, and Department of Transportation (DOT) regarding the successful intervention on several major cases involving consumer rates, services, and Montgomery County street light tariff provisions preventing Pepco from raising rates worth millions of dollars.***
- ❖ ***OCP collaborated with Montgomery County Police Department, Office of the County Attorney, Intergovernmental Relations Office, and elected officials regarding trespass towing issues and complaints. OCP issued a comprehensive set of guidelines to assist towing firms in complying with new trespass towing restrictions and coordinated efforts to address potential federal preemption issues regarding state and local trespass towing laws.***
- ❖ ***In FY12, OCP began an interactive consumer education series that utilized an online forum to discuss consumer issues with the public. This interactive program was developed to address the latest topics affecting County residents. During the first 2-hour event, Director Eric Friedman fielded twenty-five inquiries with topics ranging from cell phone throttling to Pepco Smart Meters. Additional series topics include home improvement, towing, and common ownership community issues.***
- ❖ ***In partnership with Councilmember Nancy Floreen, the Office of Consumer Protection held a forum titled, "Improve Your Home Improvement Experience" to provide information from industry experts on how to select a home improvement contractor, permitting requirements for homeowners, and to address common scams.***

❖ Productivity Improvements

- **OCP continues to improve its business licensing program by initiating the first of a multi-step database enhancement. Currently, OCP's business licensing unit utilizes four distinct databases. In FY12, OCP finished the first of a three stage process to consolidate databases. OCP's Second Hand Personal Property Licenses have been transitioned with an improvement in productivity while minimizing user error with built-in business rule validation.**
- **OCP has maximized its consumer education outreach initiatives by utilizing a new interactive Live Discussion platform. OCP is able to reach a limitless audience, maximize resources, and address hot topics in real time.**
- **OCP continues to leverage its resources with the contribution of over 2,500 hours from its volunteer staff. OCP expanded its use of this valuable resource by providing training to volunteers allowing them to participate in off-site consumer education outreach events. OCP received a NACo Award for creating an electronic data base for its volunteer recruitment program.**
- **OCP continues to decrease its reliance on paper while maintaining efficient delivery of services. OCP's latest enhancement resulted in a paperless facsimile system whereby all OCP staff have immediate online access to incoming facsimiles.**

PROGRAM CONTACTS

Contact Marsha Carter of the Office of Consumer Protection at 240.777.3686 or Amy Wilson of the Office of Management and Budget at 240.777.2775 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Consumer Protection

The OCP 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 OCP 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 OCP 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 OCP 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.

| Program Performance Measures | Actual FY11 | Actual FY12 | Estimated FY13 | Target FY14 | Target FY15 |
|--|--------------------|--------------------|-----------------------|--------------------|--------------------|
| Restitution received as a percent of restitution asked for by the consumer | 85% | 85% | 85% | 85% | 85% |
| Average Office of Consumer Protection (OCP) customer satisfaction rating - Manner in which the customer's case was handled (1-4 scale) | 3.2 | 3.5 | 3.5 | 3.5 | 3.5 |
| Average OCP customer satisfaction rating - Outcome of the customer's case (1-4 scale) | 2.9 | 3.0 | 3.0 | 3.0 | 3.0 |
| Average time in workdays to investigate and close a written complaint: (<\$100) | 64 | 64 | 64 | 64 | 64 |
| Average time in workdays to investigate and close a written complaint: (\$101 - \$1,000) | 64 | 64 | 64 | 64 | 64 |
| Average time in workdays to investigate and close a written complaint: (\$1,001 - \$5,000) | 64 | 64 | 64 | 64 | 64 |

| | Actual FY11 | Actual FY12 | Estimated FY13 | Target FY14 | Target FY15 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Average time in work days to investigate and close a written complaint (>\$5,000) | 64 | 64 | 64 | 64 | 64 |
| Average time in workdays to investigate and close a written complaint: (\$NA) | 64 | 64 | 64 | 64 | 64 |
| Media Coverage - Percent of news releases receiving media coverage, including print news, television and radio | 65% | 65% | 65% | 65% | 65% |
| Media Coverage - Number of times media outlets, including print news, television and radio, seek out OCP's expertise | 24 | 24 | 24 | 24 | 24 |
| Percent of OCP-initiated consumer protection cases closed that are resolved by OCP | 72% | 72% | 72% | 72% | 72% |

| FY14 Approved Changes | Expenditures | FTEs |
|---|---------------------|--------------|
| FY13 Approved | 1,893,512 | 14.10 |
| Increase Cost: FY14 Compensation Adjustment | 59,310 | 0.00 |
| Increase Cost: Administrative Specialist to coordinate key programs and functions | 49,445 | 0.60 |
| Increase Cost: Retirement Adjustment | 29,270 | 0.00 |
| Increase Cost: Other Labor Contract Costs | 3,736 | 0.00 |
| Increase Cost: Printing and Mail Adjustment | 857 | 0.00 |
| Decrease Cost: Elimination of FY13 \$2,000 Lump Sum | -35,262 | 0.00 |
| Decrease Cost: Group Insurance Adjustment | -36,545 | 0.00 |
| Decrease Cost: Elimination of Energy Consultant Services | -50,000 | 0.00 |
| Decrease Cost: Annualization of FY13 Personnel Costs | -54,707 | 0.00 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 11,198 | 0.00 |
| FY14 Approved | 1,870,814 | 14.70 |

Commission on Common Ownership Communities

The OCP 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.

| Program Performance Measures | Actual FY11 | Actual FY12 | Estimated FY13 | Target FY14 | Target FY15 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Percent of Commission on Common Ownership Communities (CCOC) cases resolved prior to a hearing | 65% | 65% | 65% | 65% | 65% |

| FY14 Approved Changes | Expenditures | FTEs |
|---|---------------------|-------------|
| FY13 Approved | 289,100 | 1.90 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | -11,198 | 0.00 |
| FY14 Approved | 277,902 | 1.90 |

BUDGET SUMMARY

| | Actual FY12 | Budget FY13 | Estimated FY13 | Approved FY14 | % Chg Bud/App |
|--|------------------|------------------|-------------------|------------------|------------------|
| COUNTY GENERAL FUND | | | | | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 1,324,429 | 1,370,636 | 1,349,369 | 1,371,964 | 0.1% |
| Employee Benefits | 590,833 | 621,626 | 648,319 | 635,545 | 2.2% |
| County General Fund Personnel Costs | 1,915,262 | 1,992,262 | 1,997,688 | 2,007,509 | 0.8% |
| Operating Expenses | 92,319 | 190,350 | 155,763 | 141,207 | -25.8% |
| Capital Outlay | 0 | 0 | 0 | 0 | — |
| County General Fund Expenditures | 2,007,581 | 2,182,612 | 2,153,451 | 2,148,716 | -1.6% |
| PERSONNEL | | | | | |
| Full-Time | 16 | 17 | 17 | 17 | — |
| Part-Time | 0 | 0 | 0 | 1 | — |
| FTEs | 14.50 | 16.00 | 16.00 | 16.60 | 3.8% |
| REVENUES | | | | | |
| Common Ownership Community Fees | 0 | 405,500 | 405,500 | 405,500 | — |
| Miscellaneous Revenues | 1,066 | 0 | 0 | 0 | — |
| New Home Builder's License | 127,185 | 134,000 | 134,000 | 134,000 | — |
| Other Charges/Fees | 105 | 0 | 0 | 0 | — |
| Other Fines/Forfeitures | 4,245 | 1,000 | 1,000 | 1,000 | — |
| Other Licenses/Permits | 62,388 | 55,000 | 55,000 | 55,000 | — |
| County General Fund Revenues | 194,989 | 595,500 | 595,500 | 595,500 | — |

FY14 APPROVED CHANGES

| | Expenditures | FTEs |
|---|------------------|--------------|
| COUNTY GENERAL FUND | | |
| FY13 ORIGINAL APPROPRIATION | 2,182,612 | 16.00 |
| Other Adjustments (with no service impacts) | | |
| Increase Cost: FY14 Compensation Adjustment [Consumer Protection] | 59,310 | 0.00 |
| Increase Cost: Administrative Specialist to coordinate key programs and functions [Consumer Protection] | 49,445 | 0.60 |
| Increase Cost: Retirement Adjustment [Consumer Protection] | 29,270 | 0.00 |
| Increase Cost: Other Labor Contract Costs [Consumer Protection] | 3,736 | 0.00 |
| Increase Cost: Printing and Mail Adjustment [Consumer Protection] | 857 | 0.00 |
| Decrease Cost: Elimination of FY13 \$2,000 Lump Sum [Consumer Protection] | -35,262 | 0.00 |
| Decrease Cost: Group Insurance Adjustment [Consumer Protection] | -36,545 | 0.00 |
| Decrease Cost: Elimination of Energy Consultant Services [Consumer Protection] | -50,000 | 0.00 |
| Decrease Cost: Annualization of FY13 Personnel Costs [Consumer Protection] | -54,707 | 0.00 |
| FY14 APPROVED: | 2,148,716 | 16.60 |

PROGRAM SUMMARY

| Program Name | FY13 Approved | | FY14 Approved | |
|--|------------------|--------------|------------------|--------------|
| | Expenditures | FTEs | Expenditures | FTEs |
| Consumer Protection | 1,893,512 | 14.10 | 1,870,814 | 14.70 |
| Commission on Common Ownership Communities | 289,100 | 1.90 | 277,902 | 1.90 |
| Total | 2,182,612 | 16.00 | 2,148,716 | 16.60 |

CHARGES TO OTHER DEPARTMENTS

| Charged Department | Charged Fund | FY13 | | FY14 | |
|----------------------------|--------------|---------|------|---------|------|
| | | Total\$ | FTEs | Total\$ | FTEs |
| COUNTY GENERAL FUND | | | | | |
| Fire and Rescue Service | Fire | 76,420 | 1.00 | 77,874 | 1.00 |