
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 recommended FY11 Operating Budget for the Office of Consumer Protection is \$2,077,310, a decrease of \$364,700 or 14.9 percent from the FY10 Approved Budget of \$2,442,010. Personnel Costs comprise 88.9 percent of the budget for 16 full-time positions for 14.7 workyears. Operating Expenses account for the remaining 11.1 percent of the FY11 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 FY10 estimates incorporate the effect of the FY10 savings plan. The FY11 and FY12 targets assume the recommended FY11 budget and FY12 funding for comparable service levels.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ *Partnered with the Montgomery County Police Department to create a National Association of Counties (NACO) award winning on-line training program, enabling police officers to better respond to incidents involving consumer protection issues.*
- ❖ *Collaborated with the Department of Permitting Services and the Maryland State Department of Labor, Licensing and Regulation to initiate and promulgate a program to prohibit unlicensed home improvement contractors from obtaining building permits thereby protecting County residents from doing business with unlicensed contractors. This early point of contact can prevent significant losses to County homeowners by alerting them to a contractor's licensing status before work commences.*
- ❖ *Worked with the County Council to develop and produce a cable television program, Consumer Compass, in which the office's experienced staff discusses consumer issues to educate consumers and ensure integrity in the marketplace. The office educates consumers on a variety of topics ranging from foreclosure rescue scams to automotive maintenance and repair.*
- ❖ *Conducted a "sweep" with the Montgomery County Department of Fire and Rescue Service regarding the sale of illegal electrical items in Montgomery County stores to promote safety in stores and the sale of consumer goods.*
- ❖ *Collaborated with the Montgomery County Sheriff's Department to develop a NACO award winning commercial on eviction/loss prevention program. This program is designed to protect consumers' possessions, which may otherwise be lost or damaged during a commercial eviction.*
- ❖ *Issued an investigative report regarding limousine service firms in Montgomery County. In the report, the office analyzes several criteria and advises consumers on how to select a legitimate limousine firm. The office received national media attention for its report.*
- ❖ *Trained a group of dedicated English and Spanish speaking volunteers and interns. Volunteers contributed a total of approximately 2,500 hours in FY09, enabling OCP to "leverage" its ability to be productive. Volunteer hours are*

equivalent to over 1.0 full-time staff hours. This resource will continue to be utilized and will be expanded in FY10 and FY11. Expansion efforts are underway to target local law schools and colleges to recruit qualified legal assistants to complement OCP's staff.

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 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 FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Restitution received as a percent of restitution asked for by the consumer ¹	NA	72%	72%	73%	75%
Average Office of Consumer Protection (OCP) customer satisfaction rating - Manner in which the customer's case was handled (1-4 scale)	NA	2.9	3.0	3.2	3.5
Average OCP customer satisfaction rating - Outcome of the customer's case (1-4 scale)	NA	2.6	2.8	2.9	3.0
Average time in workdays to investigate and close a written complaint: (<\$100)	NA	40	40	40	40
Average time in workdays to investigate and close a written complaint: (\$101 - \$1,000)	NA	53	53	53	53
Average time in workdays to investigate and close a written complaint: (\$1,001 - \$5,000)	NA	55	55	55	55
Average time in workdays to investigate and close a written complaint: (\$NA)	NA	41	41	41	41
Media Coverage - Percent of news releases receiving media coverage, including print news, television and radio	NA	60%	65%	70%	75%
Media Coverage - Number of times media outlets, including print news, television and radio, seek out OCP's expertise	NA	10	20	24	24
Percent of OCP-initiated consumer protection cases closed that are resolved by OCP	NA	73%	72%	73%	75%

¹ All Actual FY2009 statistics are based on data from 1/1/09 to 6/30/09

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	2,198,350	16.6
Increase Cost: Retirement Adjustment	37,480	0.0
Increase Cost: Annualization of FY10 Personnel Costs	11,530	0.0
Increase Cost: Group Insurance Adjustment	11,080	0.0

	Expenditures	WYs
Increase Cost: Copiers and Fax Machines	6,360	0.0
Increase Cost: Promotion of Public Administration Intern to Investigator	5,510	0.0
Decrease Cost: Consumer Education Materials	-550	0.0
Decrease Cost: Dues and Memberships	-1,000	0.0
Decrease Cost: Travel Expenses	-1,540	0.0
Decrease Cost: Mailing Newsletters, Consumer Education Materials, and Annual Report	-1,950	0.0
Decrease Cost: Communication Services	-2,500	0.0
Decrease Cost: Printing Newsletters, Consumer Education Materials, and Annual Report	-2,910	0.0
Decrease Cost: Printing and Mail Adjustment	-3,520	0.0
Decrease Cost: Printing Services	-3,550	0.0
Decrease Cost: Lapse Principal Administrative Aide position	-11,210	-0.3
Decrease Cost: Turnover Savings for Vacant Principal Administrative Aide Position	-30,990	0.0
Decrease Cost: Furlough Days	-51,800	-0.5
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-334,910	-3.0
FY11 CE Recommended	1,823,880	12.8

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 FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Percent of Commission on Common Ownership Communities (CCOC) cases resolved through mediation	NA	69%	69%	70%	70%

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	243,660	1.9
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	9,770	0.0
FY11 CE Recommended	253,430	1.9

BUDGET SUMMARY

	Actual FY09	Budget FY10	Estimated FY10	Recommended FY11	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	1,785,800	1,597,670	1,594,860	1,252,370	-21.6%
Employee Benefits	706,487	682,650	647,530	593,830	-13.0%
County General Fund Personnel Costs	2,492,287	2,280,320	2,242,390	1,846,200	-19.0%
Operating Expenses	74,761	161,690	105,930	231,110	42.9%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	2,567,048	2,442,010	2,348,320	2,077,310	-14.9%
PERSONNEL					
Full-Time	21	19	19	16	-15.8%
Part-Time	1	0	0	0	—
Workyears	21.3	18.5	18.5	14.7	-20.5%
REVENUES					
Civil Citations	0	1,000	1,000	1,000	—
New Home Builder License	178,115	200,000	200,000	200,000	—
Consumer Affairs Business Licenses	67,155	69,200	69,200	69,200	—
County General Fund Revenues	245,270	270,200	270,200	270,200	—

FY11 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY10 ORIGINAL APPROPRIATION	2,442,010	18.5
Changes (with service impacts)		
Reduce: Abolish Investigator III Position - redistribute law enforcement cases and duties among remaining investigators and manager	-135,930	-1.0
Other Adjustments (with no service impacts)		
Shift: Climate Change Advocacy and Assistance to the Office of Consumer Protection from the Climate Change NDA	50,000	0.0
Increase Cost: Professional Services contract to support investigative caseload of Manager III abolished in D2 and other administrative duties	38,500	0.0
Increase Cost: Retirement Adjustment [Consumer Protection]	37,480	0.0
Increase Cost: General Office/Computer Supplies/Miscellaneous Office expenses	17,000	0.0
Increase Cost: Annualization of FY10 Personnel Costs [Consumer Protection]	11,530	0.0
Increase Cost: Group Insurance Adjustment [Consumer Protection]	11,080	0.0
Increase Cost: Copiers and Fax Machines [Consumer Protection]	6,360	0.0
Increase Cost: Promotion of Public Administration Intern to Investigator [Consumer Protection]	5,510	0.0
Increase Cost: Operating Expenses	3,520	0.0
Decrease Cost: Consumer Education Materials [Consumer Protection]	-550	0.0
Decrease Cost: Dues and Memberships [Consumer Protection]	-1,000	0.0
Decrease Cost: Travel Expenses [Consumer Protection]	-1,540	0.0
Decrease Cost: Mailing Newsletters, Consumer Education Materials, and Annual Report [Consumer Protection]	-1,950	0.0
Decrease Cost: Communication Services [Consumer Protection]	-2,500	0.0
Decrease Cost: Printing Newsletters, Consumer Education Materials, and Annual Report [Consumer Protection]	-2,910	0.0
Decrease Cost: Printing and Mail Adjustment [Consumer Protection]	-3,520	0.0
Decrease Cost: Printing Services [Consumer Protection]	-3,550	0.0
Decrease Cost: General Office and Computer Supplies and Equipment	-7,930	0.0
Decrease Cost: Miscellaneous Office Expenses	-9,010	0.0
Decrease Cost: Lapse Principal Administrative Aide position [Consumer Protection]	-11,210	-0.3
Decrease Cost: Other Professional Services and Contracts	-11,500	0.0
Decrease Cost: Turnover Savings for Vacant Principal Administrative Aide Position [Consumer Protection]	-30,990	0.0
Decrease Cost: Furlough Days [Consumer Protection]	-51,800	-0.5
Decrease Cost: Abolish Program Specialist - reassign licensing program duties	-112,920	-1.0
Decrease Cost: Abolish Manager III - reassign supervision of investigators and caseload to senior investigator and professional services contract	-156,870	-1.0
FY11 RECOMMENDED:	2,077,310	14.7

PROGRAM SUMMARY

Program Name	FY10 Approved		FY11 Recommended	
	Expenditures	WYs	Expenditures	WYs
Consumer Protection	2,198,350	16.6	1,823,880	12.8
Commission on Common Ownership Communities	243,660	1.9	253,430	1.9
Total	2,442,010	18.5	2,077,310	14.7

FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY11	FY12	FY13	(\$000's)		
	FY14	FY15	FY16			
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY11 Recommended	2,077	2,077	2,077	2,077	2,077	2,077
No inflation or compensation change is included in outyear projections.						
Restore Personnel Costs	0	52	52	52	52	52
This represents restoration of funding to remove FY11 furloughs.						
Subtotal Expenditures	2,077	2,129	2,129	2,129	2,129	2,129