
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 FY15 Operating Budget for the Office of Consumer Protection is \$2,256,236, an increase of \$107,520 or 5.0 percent from the FY14 Approved Budget of \$2,148,716. Personnel Costs comprise 93.7 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 6.3 percent of the FY15 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 FY14 estimates reflect funding based on the FY14 approved budget. The FY15 and FY16 figures are performance targets based on the FY15 recommended budget and funding for comparable service levels in FY16.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***OCP embarked upon its new role as Patient Advocate regarding the Emergency Medical Services (EMS) Insurance Reimbursement program. OCP's critical role was to develop and implement a program of high level customer service to both County and non-County residents and to serve as liaison with Fire and Rescue Service's third party vendor to ensure that any billing issues are promptly resolved. OCP has made substantive recommendations regarding the implementation of this new program.***
- ❖ ***OCP is one of the only local government consumer protection offices to have a certified Master Automotive Technician on staff to handle complaints regarding auto repair. OCP's auto investigator served in the capacity of an independent expert regarding a multistate, hidden camera television report regarding transmission repair shops conducted by NBC affiliates. OCP's auto expert also collaborated with several County agencies that provide emergency funds to eligible residents who are in danger of losing their employment due to transportation problems because of emergency automotive repairs, and provided expertise, resources, and evaluation of proposed expenditures relating to automotive issues. This program was a FY13 NACo Award Winner.***
- ❖ ***OCP collaborated with the County Police, State's Attorney's Office, and the Motor Vehicle Administration to investigate and initiate criminal prosecution of illegal car sellers, commonly referred to as "curbstoners." OCP's investigators issued subpoenas to the major auto auction sellers in Maryland, engaged in extensive searches on internet sales sites, and conducted field investigations to document the illegal sale of used vehicles in the County. Local Television news covered this enforcement action to warn and educate consumers.***
- ❖ ***OCP's actions regarding trespass towing were referenced in a nationally televised program report on ABC's 20/20 show. In addition, OCP entered into a settlement agreement with a major property owner and obtained refunds for consumers who were improperly towed from a shopping center in Silver Spring.***

❖ **OCP hosted a National Consumer Protection Week Open House inviting consumers, merchants, and service providers to meet common ownership community, consumer and business licensing experts. OCP assisted consumers in obtaining and reviewing a copy of their free credit report. Assistance was available in English and Spanish. Home improvement, automotive repair, auto sales and leasing, towing, credit, common ownership community, and other experts answered questions throughout the event.**

❖ **Productivity Improvements**

- **OCP serves as staff to the Commission on Common Ownership Communities (CCOC). In an effort to help educate the residents and governing bodies of over 1,000 common ownership communities, OCP staff helped create a series of 15 educational videos. This video series provides information on various topics from how to hold an election to how to file a complaint. All of these individual videos have been posted to OCP’s webpage and YouTube. Approximately one third of Montgomery County residents live in these communities.**
- **CCOC released its “Guide to the Procedures and Decisions of the Commission on Common Ownership Communities” that provides valuable information to County residents on laws affecting homeowners, and condominium and cooperative living associations, helps residents navigate the texts of Commission decisions on common ownership disputes, and is available on the CCOC website.**
- **OCP expanded upon its online live chats as part of its Consumer Ed Café–Food for Thought consumer education campaign. These outreach communications provided detailed information regarding trespass towing, home improvement, and common ownership community issues.**
- **OCP has expanded its educational efforts by using Facebook and Twitter. Since launching in FY13, OCP has over 500 Twitter and Facebook followers enabling OCP to reach a wider audience with consumer news and alerts.**

PROGRAM CONTACTS

Contact Marsha Carter of the Office of Consumer Protection at 240.777.3686 or Helen P. Vallone of the Office of Management and Budget at 240.777.2755 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 FY12 | Actual FY13 | Estimated FY14 | Target FY15 | Target FY16 |
|--|--------------------|--------------------|-----------------------|--------------------|--------------------|
| 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) | 3.5 | 3.3 | 3.3 | 3.3 | 3.3 |

| | Actual FY12 | Actual FY13 | Estimated FY14 | Target FY15 | Target FY16 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Average OCP customer satisfaction rating - Outcome of the customer's case (1-4 scale) | 3.0 | 2.8 | 2.8 | 2.8 | 2.8 |
| Average time in workdays to investigate and close a written complaint: (<\$100) | 64 | 64 | 64 | 60 | 60 |
| 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 |
| 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 | 100% | 94% | 75% | 75% | 75% |
| Media Coverage - Number of times media outlets, including print news, television and radio, seek out OCP's expertise | 42 | 27 | 24 | 24 | 24 |
| Percent of OCP-initiated consumer protection cases closed that are resolved by OCP | 58% | 61% | 65% | 65% | 65% |

| FY15 Recommended Changes | Expenditures | FTEs |
|---|---------------------|--------------|
| FY14 Approved | 1,870,814 | 14.70 |
| Increase Cost: Annualization of FY14 Personnel Costs | 12,205 | 0.00 |
| Increase Cost: Printing and Mail | 705 | 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. | 59,774 | 0.00 |
| FY15 CE Recommended | 1,943,498 | 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 FY12 | Actual FY13 | Estimated FY14 | Target FY15 | Target FY16 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Percent of Commission on Common Ownership Communities (CCOC) cases resolved prior to a hearing | 61% | 56% | 60% | 60% | 60% |

| FY15 Recommended Changes | Expenditures | FTEs |
|---|---------------------|-------------|
| FY14 Approved | 277,902 | 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. | 34,836 | 0.00 |
| FY15 CE Recommended | 312,738 | 1.90 |

BUDGET SUMMARY

| | Actual FY13 | Budget FY14 | Estimated FY14 | Recommended FY15 | % Chg Bud/Rec |
|--|------------------|------------------|-------------------|---------------------|------------------|
| COUNTY GENERAL FUND | | | | | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 1,349,986 | 1,371,964 | 1,385,902 | 1,444,397 | 5.3% |
| Employee Benefits | 645,874 | 635,545 | 673,172 | 669,927 | 5.4% |
| County General Fund Personnel Costs | 1,995,860 | 2,007,509 | 2,059,074 | 2,114,324 | 5.3% |
| Operating Expenses | 126,272 | 141,207 | 109,204 | 141,912 | 0.5% |
| Capital Outlay | 0 | 0 | 0 | 0 | — |
| County General Fund Expenditures | 2,122,132 | 2,148,716 | 2,168,278 | 2,256,236 | 5.0% |
| PERSONNEL | | | | | |
| Full-Time | 17 | 17 | 17 | 17 | — |
| Part-Time | 0 | 1 | 1 | 1 | — |
| FTEs | 16.00 | 16.60 | 16.60 | 16.60 | — |
| REVENUES | | | | | |
| Common Ownership Community Fees | 401,291 | 405,500 | 405,500 | 405,500 | — |
| Miscellaneous Revenues | 731 | 0 | 0 | 0 | — |
| New Home Builder's License | 163,415 | 134,000 | 134,000 | 134,000 | — |
| Other Fines/Forfeitures | 3,615 | 1,000 | 1,000 | 1,000 | — |
| Other Licenses/Permits | 63,338 | 55,000 | 55,000 | 55,000 | — |
| County General Fund Revenues | 632,390 | 595,500 | 595,500 | 595,500 | — |

FY15 RECOMMENDED CHANGES

| | Expenditures | FTEs |
|--|------------------|--------------|
| COUNTY GENERAL FUND | | |
| FY14 ORIGINAL APPROPRIATION | 2,148,716 | 16.60 |
| Other Adjustments (with no service impacts) | | |
| Increase Cost: FY15 Compensation Adjustment | 78,831 | 0.00 |
| Increase Cost: Retirement Adjustment | 12,549 | 0.00 |
| Increase Cost: Annualization of FY14 Personnel Costs [Consumer Protection] | 12,205 | 0.00 |
| Increase Cost: Group Insurance Adjustment | 3,230 | 0.00 |
| Increase Cost: Printing and Mail [Consumer Protection] | 705 | 0.00 |
| FY15 RECOMMENDED: | 2,256,236 | 16.60 |

PROGRAM SUMMARY

| Program Name | FY14 Approved | | FY15 Recommended | |
|--|------------------|--------------|------------------|--------------|
| | Expenditures | FTEs | Expenditures | FTEs |
| Consumer Protection | 1,870,814 | 14.70 | 1,943,498 | 14.70 |
| Commission on Common Ownership Communities | 277,902 | 1.90 | 312,738 | 1.90 |
| Total | 2,148,716 | 16.60 | 2,256,236 | 16.60 |

CHARGES TO OTHER DEPARTMENTS

| Charged Department | Charged Fund | FY14 | | FY15 | |
|----------------------------|--------------|---------|------|---------|------|
| | | Total\$ | FTEs | Total\$ | FTEs |
| COUNTY GENERAL FUND | | | | | |
| Fire and Rescue Service | Fire | 77,874 | 1.00 | 61,599 | 1.00 |

FUTURE FISCAL IMPACTS

| Title | CE REC. FY15 | FY16 | FY17 | (\$000's) FY18 | FY19 | FY20 |
|---|-----------------|--------------|--------------|-------------------|--------------|--------------|
| This table is intended to present significant future fiscal impacts of the department's programs. | | | | | | |
| COUNTY GENERAL FUND | | | | | | |
| Expenditures | | | | | | |
| FY15 Recommended No inflation or compensation change is included in outyear projections. | 2,256 | 2,256 | 2,256 | 2,256 | 2,256 | 2,256 |
| Labor Contracts These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits. | 0 | 19 | 19 | 19 | 19 | 19 |
| Labor Contracts - Other These figures represent other negotiated items included in the labor agreements. | 0 | -4 | -4 | -4 | -4 | -4 |
| Subtotal Expenditures | 2,256 | 2,272 | 2,272 | 2,272 | 2,272 | 2,272 |

