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# 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 FY12 Operating Budget for the Office of Consumer Protection is \$1,948,320, a decrease of \$130,880 or 6.3 percent from the FY11 Approved Budget of \$2,079,200. Personnel Costs comprise 89.7 percent of the budget for 15 full-time positions for 14.5 workyears. Operating Expenses account for the remaining 10.3 percent of the FY12 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 FY11 estimates incorporate the effect of the FY11 savings plan. FY12 and FY13 targets assume the recommended FY12 budget and FY13 funding for comparable service levels.

## ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***OCP collaborated with the State Motor Vehicles Administration to take legal action against a used car seller who sold vehicles to which the seller did not have title. Many consumers paid thousands of dollars to purchase used vehicles without receiving title to these vehicles. Civil and criminal charges were filed in Court.***
- ❖ ***OCP investigated the home air-duct cleaning industry and participated in a hidden-camera TV exposé into the deceptive practices occurring in this industry. OCP collaborated with the office of the State Comptroller regarding possible sales tax violations and entered into a Settlement Agreement with a local company which agreed to change its business practices and provided thousands of dollars in refunds to Montgomery County consumers. An industry-wide investigation was conducted into the direct mail marketing of numerous air-duct cleaning firms.***
- ❖ ***OCP continues to collaborate with local law schools, colleges, and universities to recruit qualified volunteers to assist OCP's various programs. In FY10, OCP volunteers contributed over 2,600 work hours 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 in FY11 and FY12.***
- ❖ ***OCP reached an agreement with a local electricity provider regarding misleading advertisements following an investigation of the marketing of electricity by third-party sellers.***
- ❖ ***OCP's Advisory Committee hosted and conducted a public forum to address car buying and car ownership issues in a changing economy. County Executive Isiah Leggett and Maryland Attorney General Doug Gansler participated in this event, which was moderated by a Washington Post columnist, and presentations were made by state and federal agency representatives.***
- ❖ ***OCP revised its model automotive invoice to comply with updates in the law and to keep abreast of current industry practice.***
- ❖ ***OCP's Director was appointed by the Governor to the State's Collection Agency Licensing Board, joining industry representatives and other consumer advocates.***

❖ **Productivity Improvements**

- **OCP retained the services of an energy expert to serve as a consultant in promoting the County's energy and environmental advocacy position at the state level. As a result, OCP has intervened and filed comments with Maryland Public Service Commission regarding cases directly related to electricity issues affecting consumers in Montgomery County.**
- **OCP has changed its way of doing business by relying on electronic communication for correspondence, licensing, board-related business, and consumer outreach thereby reducing its paper usage by 50%, decreasing response time, and increasing its target audience.**
- **OCP enhanced its case management and complaint tracking system by improving "Case Notes," "Documentation" and reporting features. This enabled investigators and supervisors to avoid duplication of effort, be better able to respond to inquiries, and improve management of investigative benchmarks.**

**PROGRAM CONTACTS**

Contact Marsha Carter of the Office of Consumer Protection at 240.777.3686 or Melissa King of the Office of Management and Budget at 240.777.2624 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.

<b>Program Performance Measures</b>	<b>Actual FY09</b>	<b>Actual FY10</b>	<b>Estimated FY11</b>	<b>Target FY12</b>	<b>Target FY13</b>
Restitution received as a percent of restitution asked for by the consumer <sup>1</sup>	72%	73%	85%	85%	85%
Average Office of Consumer Protection (OCP) customer satisfaction rating - Manner in which the customer's case was handled (1-4 scale)	2.9	3.0	3.2	3.5	3.5
Average OCP customer satisfaction rating - Outcome of the customer's case (1-4 scale)	2.6	2.8	2.9	3.0	3.0
Average time in workdays to investigate and close a written complaint: (<\$100)	40	64	64	64	64
Average time in workdays to investigate and close a written complaint: (\$101 - \$1,000)	53	64	64	64	64
Average time in workdays to investigate and close a written complaint: (\$1,001 - \$5,000)	55	64	64	64	64
Average time in work days to investigate and close a written complaint (>\$5,000)	68	64	64	64	64
Average time in workdays to investigate and close a written complaint: (\$NA)	41	64	64	64	64

	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Media Coverage - Percent of news releases receiving media coverage, including print news, television and radio	60%	65%	65%	65%	65%
Media Coverage - Number of times media outlets, including print news, television and radio, seek out OCP's expertise	10	20	24	24	24
Percent of OCP-initiated consumer protection cases closed that are resolved by OCP	73%	72%	72%	72%	72%

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

<b>FY12 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY11 Approved</b>	<b>1,825,770</b>	<b>12.8</b>
Increase Cost: Restore Personnel Costs - Furloughs	30,360	0.5
Increase Cost: Restore lapse of Principal Administrative Aide position	11,430	0.3
Technical Adj: Additional personnel costs due to staff reclassification/promotions	9,400	0.0
Increase Cost: Annualization of FY11 Personnel Costs	3,270	0.0
Reduce: Cental Duplication	-1,000	0.0
Reduce: Other Miscellaneous Office Expenses	-2,500	0.0
Decrease Cost: Cellular phone line charges	-3,040	0.0
Reduce: Computer Equipment	-4,000	0.0
Decrease Cost: Professional services	-21,060	0.0
Reduce: Abolish Investigator III position	-128,420	-1.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-14,270	0.0
<b>FY12 CE Recommended</b>	<b>1,705,940</b>	<b>12.6</b>

### 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.

<b>Program Performance Measures</b>	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Percent of Commission on Common Ownership Communities (CCOC) cases resolved prior to a hearing			65%	65%	65%

<b>FY12 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY11 Approved</b>	<b>253,430</b>	<b>1.9</b>
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-11,050	0.0
<b>FY12 CE Recommended</b>	<b>242,380</b>	<b>1.9</b>

## BUDGET SUMMARY

	Actual FY10	Budget FY11	Estimated FY11	Recommended FY12	% Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	1,636,999	1,287,520	1,311,570	1,240,990	-3.6%
Employee Benefits	650,180	560,570	544,990	506,070	-9.7%
<b>County General Fund Personnel Costs</b>	<b>2,287,179</b>	<b>1,848,090</b>	<b>1,856,560</b>	<b>1,747,060</b>	<b>-5.5%</b>
Operating Expenses	89,290	231,110	133,270	201,260	-12.9%
Capital Outlay	0	0	0	0	—
<b>County General Fund Expenditures</b>	<b>2,376,469</b>	<b>2,079,200</b>	<b>1,989,830</b>	<b>1,948,320</b>	<b>-6.3%</b>
<b>PERSONNEL</b>					
Full-Time	19	16	16	15	-6.2%
Part-Time	0	0	0	0	—
Workyears	18.5	14.7	14.7	14.5	-1.4%
<b>REVENUES</b>					
Common Ownership Comm. Fees	0	0	0	405,500	—
Civil Citations	886	1,000	1,000	1,000	—
New Home Builder License	133,198	200,000	134,000	134,000	-33.0%
Consumer Affairs Business Licenses	54,647	69,200	55,000	55,000	-20.5%
<b>County General Fund Revenues</b>	<b>188,731</b>	<b>270,200</b>	<b>190,000</b>	<b>595,500</b>	<b>120.4%</b>

## FY12 RECOMMENDED CHANGES

	Expenditures	WYs
<b>COUNTY GENERAL FUND</b>		
<b>FY11 ORIGINAL APPROPRIATION</b>	<b>2,079,200</b>	<b>14.7</b>
<b>Changes (with service impacts)</b>		
Reduce: Cental Duplication [Consumer Protection]	-1,000	0.0
Reduce: Other Miscellaneous Office Expenses [Consumer Protection]	-2,500	0.0
Reduce: Computer Equipment [Consumer Protection]	-4,000	0.0
Reduce: Abolish Investigator III position [Consumer Protection]	-128,420	-1.0
<b>Other Adjustments (with no service impacts)</b>		
Increase Cost: Restore Personnel Costs - Furloughs [Consumer Protection]	30,360	0.5
Increase Cost: Restore lapse of Principal Administrative Aide position [Consumer Protection]	11,430	0.3
Technical Adj: Additional personnel costs due to staff reclassification/promotions [Consumer Protection]	9,400	0.0
Increase Cost: Annualization of FY11 Personnel Costs [Consumer Protection]	3,270	0.0
Increase Cost: Printing and Mail Adjustment	1,690	0.0
Increase Cost: Retirement Adjustment	1,170	0.0
Increase Cost: Help Desk - Desk Side Support	60	0.0
Decrease Cost: Cellular phone line charges [Consumer Protection]	-3,040	0.0
Decrease Cost: Professional services [Consumer Protection]	-21,060	0.0
Decrease Cost: Group Insurance Adjustment	-28,240	0.0
<b>FY12 RECOMMENDED:</b>	<b>1,948,320</b>	<b>14.5</b>

## PROGRAM SUMMARY

Program Name	FY11 Approved		FY12 Recommended	
	Expenditures	WYs	Expenditures	WYs
Consumer Protection	1,825,770	12.8	1,705,940	12.6
Commission on Common Ownership Communities	253,430	1.9	242,380	1.9
<b>Total</b>	<b>2,079,200</b>	<b>14.7</b>	<b>1,948,320</b>	<b>14.5</b>

# FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY12	FY13	FY14	(\$000's)		
	FY15	FY16	FY17			
This table is intended to present significant future fiscal impacts of the department's programs.						
<b>COUNTY GENERAL FUND</b>						
<b>Expenditures</b>						
FY12 Recommended	1,948	1,948	1,948	1,948	1,948	1,948
No inflation or compensation change is included in outyear projections.						
<b>Subtotal Expenditures</b>	<b>1,948</b>	<b>1,948</b>	<b>1,948</b>	<b>1,948</b>	<b>1,948</b>	<b>1,948</b>

