

Office of Consumer Protection (OCP) Annual Report
FY19 (July 1 2018 to June 30 2019)



Who We Are

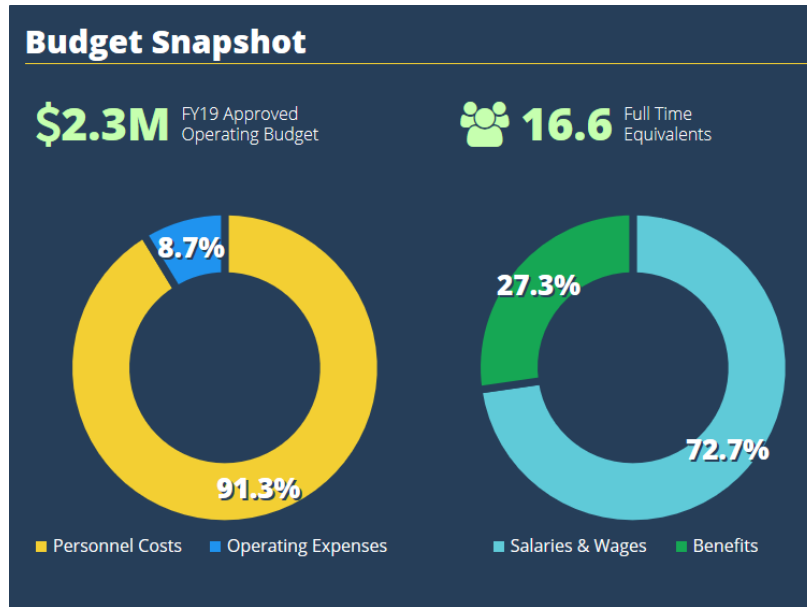
The Office of Consumer Protection (OCP) is a law enforcement agency responsible for administering nine statutes, licensing several types of businesses (new home builders, auto repair and towing, appliance repair and secondhand personal property dealers), and collaborating with other County agencies. OCP also staffs the Patient Advocate Position for the Emergency Medical Services Insurance Reimbursement Program.

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 FY19 Operating Budget for the Office of Consumer Protection is \$2,337,140 a decrease of \$27,457 or 1.16 percent from the FY18 Approved Budget of \$2,364,597 Personnel Costs comprise 91.63 percent of the budget for 17 full-time position(s) and one part-time position(s), 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 8.37 percent of the FY19 budget.



Program Descriptions

❖ *Investigations*

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.

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.

❖ *Outreach and Education*

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](#).



❖ *Business Registration, Licensing and Regulation*

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.

Outreach and Initiatives

OCP participated in numerous outreach programs and initiatives. In addition to newsletters on [Choosing a Home Inspector](#) and [Porch Pirates & Mail Marauders](#), OCP engaged in numerous presentations and resource fairs. Of particular note are:

❖ *Rep. Raskin's 1st Annual Consumer Fest*

OCP hosted Rep. Jamie Raskin, Attorney General Frosh and former Deputy Secretary of the Treasury, Sarah Bloom Raskin. These officials, and OCP Director Eric Friedman spoke on consumer issues and answered constituent questions.



❖ *Outreach to the Business Community*

OCP began a new program of providing educational programming to the local business community. This included attending the New Power Conference focusing on women entrepreneurs, providing a presentation to the Damascus Business Network Breakfast,

and presenting on notario and immigration fraud at a conference hosted by the Notary Training Network.

❖ *Maryland Commissioner of Financial Regulation Listening Tour*

Commissioner Salazar embarked on a Listening Tour in FY 19. OCP hosted Commissioner Salazar, Maryland’s Ombudsman for Student Loans, and other officials for a special opportunity for consumer advocates and nonprofit organizations to share their concerns on issues impacting consumers, such as mortgage and lenders and servicers, debt collection and settlement firms, money transmitter, credit reporting bureaus, check cashiers and other issues.



❖ *Outreach to Non-English Speaking Communities*

OCP expanded its educational efforts by focusing on non-English speaking communities. To that end, OCP engaged in 44 outreach events including programs hosted by Panafest (a pan-African festival), Fiesta Asia (a pan-Asian festival), the Latino Health Fair, and the KORUS Festival (a Korean-American festival).



Departmental Collaborations

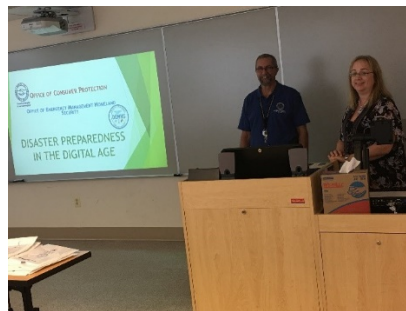
❖ *Permitting and Inspection Requirements*

The OCP in conjunction, with the County’s Department of Permitting Services (DPS), investigated a licensed master electrician who pitched his employer’s company to replace a residential block of outside meter banks. However, he instructed all the homeowners to write the check out to him personally. He obtained an estimated \$20,000 from these

unsuspecting consumers and never returned. Over the course of the investigation it was discovered that the electrician collected an average of \$731 from each homeowner. Consumers were then filing complaints against the employer who, unbeknownst to the consumers, had a falling out with the electrician. After multiple efforts to contact the electrician went unanswered homeowners turned to the OCP for help. The OCP met with DPS as well as went door-to-door to talk with each household. Ultimately, without a refund issued by the electrician, criminal charges of a “theft scheme” were filed and action was taken against the electrician’s license by DPS.

❖ *Age-Friendly Montgomery Advisory Group-Public Safety*

OCP collaborated with the County Police, Fire Rescue, and Office of Emergency Management/Homeland Security (OEMHS) to provide collaborate outreach to the senior community. OCP developed a shared calendar by which the Public Safety Taskforce could co-op outreach programming together. One such joint program was “Disaster Preparedness in the Digital Age” a joint program provided by OCP and OEMHS at Montgomery College for its A.S.K. (Adults Seeking Knowledge) program.



❖ *Sherriff’s Office*

OCP, in conjunction with the Sherriff’s Office, formed the Business Eviction Response Team (BERT). If the Sherriff’s Office serves a notice of eviction on a business, and they note consumer goods existing on site, they contact the OCP so that we can assist in connecting the consumer with the goods. BERT received an eviction involving a consignment shop; a new business type for BERT. This required coordination with the Office of the County Attorney to determine the impact of the underlying consignment contract on BERT’s work. OCP staffed the consignment store for 3 days to try and return as much of the unsold goods as possible before resorting to complaints as a means of tracking and returning goods. After the 3 days of steady returns to consumers, 123 additional consumers complained to obtain their goods or monies.

Notable Cases

❖ *Action Taken Against New Home Builder*

In 2018, the OCP brought an action to revoke the license of a new home builder. This builder had significant complaints by 50% of its consumers, not to mention citations and stop work orders by county inspectors. This required significant efforts not only by the OCP to prepare the case for revocation, but by the County's DPS who issued various citations and stop work orders, the Office of the County Attorney who litigated this matter, and the Office of Zoning and Administrative Hearings which served as the neutral tribunal via designation by the County's Board of Registration for Building Contractors. After hearing the matter, OZAH recommended the revocation of the license. The Board adopted the recommendation. The builder has filed three separate appeals through the administrative and judicial process which are pending *sub judice*.

❖ *Cross-Jurisdictional Home Improvement*

A consumer hired a District of Columbia business to remodel her basement. The Merchant is a licensed home improvement contractor; but only in the District of Columbia. Its salesperson led the Consumer to believe the business was also licensed to perform home improvement in Maryland. The total contract price was \$40,000.00; of which the Merchant received a total of \$28,500.00. When the contractor walked off the job, and the homeowners filed a complaint, the OCP filed criminal charges for selling home improvement and acting as a contractor without a license, and failure to perform a contract.

FY19 Statistical Measures

OCP Performance

<i>Performance Measures</i>	<i>Achievement</i>
Restitution Received as % of Asked	94%
Satisfaction with Case Handling	3.1*
Satisfaction with Case Outcome	2.9*
Time to Investigate and Close Complaint	76 work days
OCP-Initiated Cases Resolved by OCP	54%
News Releases Covered by Media	100%
Media Requests for OCP Expertise	19

*Scale of 1-4 (4=best)

