



Office of Consumer Protection (OCP) Annual Report
FY19 (July 1, 2019 to June 30, 2020)

Who We Are

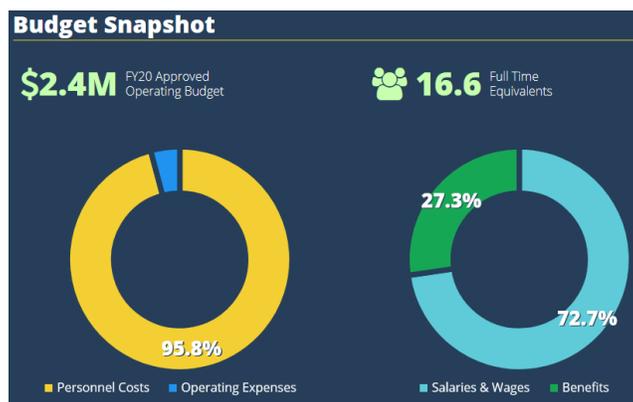
The Office of Consumer Protection (OCP) is a law enforcement agency responsible for administering nine statutes, licensing several types of businesses (new home builders, auto repair and towing, appliance repair, and secondhand personal property dealers), and collaborating with other County agencies. 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 FY20 Operating Budget for the Office of Consumer Protection is \$2,378,717, an increase of \$41,577 or 1.78 percent from the FY19 Approved Budget of \$2,337,140. Personnel Costs comprise 94.86 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 5.14 percent of the FY20 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](#). This Committee in FY20 recommended an update to the OCP's webpage to update information provided regarding its past and present efforts. This update was accomplished in FY20.



❖ *Business Registration, Licensing and Regulation*

OCP is responsible for licensing or registering automobile repair and towing businesses; commercial parking lots, new homebuilders; radio, television and appliance repair shops; and secondhand personal property dealers.

Outreach Initiatives

OCP participated in numerous outreach programs and initiatives. In addition to newsletters on [Greenwashing](#), the [Equifax breach](#) and settlement, [the Census](#) and related scams, [Coronavirus & Travel](#), [Choosing e-Payment Methods](#), [Emergency Assistance Relief Payment](#) scams, and common [utility scams](#), OCP engaged in numerous presentations and resource fairs. Of particular note are:

❖ *Senior Forum & Resource Fair*

Councilmembers Katz and Friedson hosted this program in which OCP met with residents to provide consumer education and answer constituent questions.

❖ *Outreach to the Business Community*

Last year, OCP began a new program of providing educational programming to the local business community. This year, OCP attended the New Power Conference focusing on women entrepreneurs, and the Damascus Harvest Festival. OCP also provided a presentation to the Damascus Lions Club.

• *Montgomery College and University of Maryland*

OCP provided a presentation on how to prepare for, and hire, home improvement contractors at the Single Parent Workshop hosted by Montgomery College. It also presented a program to graduate students at University of Maryland on car buying. Finally, OCP served as guest lecturer to Montgomery College's personal finance classes.

❖ *Outreach to Non-English Speaking Communities*

OCP expanded its educational efforts by focusing on non-English speaking communities. To that end, OCP appeared on Radio America and provided information in Spanish, attended the FTC's ¡Hablemos! Latino Roundtable Quarterly Call and gave a presentation in Vietnamese to the Vietnamese American Senior Association. OCP also met with constituents at the Health & Wellness Resource Fair held by the Washington-Spencerville Korean SDA Church, the Vietnamese American Lunar New Year Festival, and a Chinese New Year Celebration held at local libraries.



OCP also met with a delegation from China's State Administration for Market Regulation to discuss consumer protection issues common to U.S. and China.



❖ *Expanding Webinar Platform*

Given the impact of the pandemic on outreach initiatives, OCP transitioned to virtual webinar programming and interviews via Zoom, Skype, Facebook live and other videoconferencing platforms. When possible, these programs were recorded and uploaded to OCP's YouTube Channel ConsumerWise on its [Webinar](#) playlist.

Notable Cases

OCP fields thousands of complaints and consultation requests each year. The top five industries for filed complaints were Home Improvement, Retail, Automotive (sales and repair), Towing and Professional Services (e.g., salons, interior decorators, home inspectors, etc.). Complaints involving Communication (wireless, satellite, etc.) and Financial/Credit disputes were not far behind.

- *Action Taken Against Scam PAC Telemarketing Scheme*

In FY20, the OCP received a tip that Volunteer Firefighters Association, later identified as Heroes United PAC, was posing as a charity soliciting donations for the Rockville volunteer firefighters. [Approximately 90% of the donation received](#) by Heroes United went to telemarketing firms which likely are owned or funnel money back to the PAC owners. After an internal investigation, leading to multiple mail drop locations and out-of-state telemarketing companies, OCP located Matthew Greenlee and Zachary Bass — the director and treasurer, respectively, of Heroes United PAC. OCP, the officers, and the PAC entered into a civil settlement whereby the PAC agreed to no longer solicit at all in the County, paid the County \$1000 and offered consumers a refund of their donations.

- *COVID-19 Impacted Consumer Complaints*

The pandemic greatly impacted consumer complaints starting in FY20. During this period, OCP fielded 63 complaints and 142 consumer inquiries where consumer issues were directly impacted

by COVID-19. These matters touched on varied subjects such as cancelled travel (tours, air, train or cruise), concerts or weddings, billing by closed businesses (child care, schools, gyms), cars towed due to expired registrations or permits, utilities cut offs, construction delays, and businesses not complying with state or county safety guidelines. Examples of such cases include:

- *Viking River Cruises*: A senior complained that after the trip was postponed twice due, he cancelled it due to declining health. Despite the purchase of “cancel for any reason” travel insurance, neither the cruise line nor the insurer (Trip Mate) would issue a refund. OCP was able to obtain a full refund of \$8,986.64.
- *Instacart*: OCP received a complaint from an Instacart shopper who complained that bots were used to retrieve the lucrative consumer orders and freezing out the individual shoppers. OCP contacted Instacart and worked with the business which discovered the bot was being used to defraud a referral promotion program. Instacart put in place technical measures and addressed the referral promotion fraud.
- *Amazon Marketplace*: A consumer complained of Amazon returns being shipped to his home (and forcing him to handle boxes during the pandemic). Six Continents Tech, Inc., used residential homes to process returns, asking these individuals to then forward the shipments elsewhere. This process masked the merchant’s true location which violated Amazon’s agreement with Marketplace sellers. After contact from OCP, Amazon blocked the seller from Marketplace and removed the consumer’s address from the seller’s return database.
- *Catering*: With the pandemic’s cancellation of mass gatherings, consumers had to postpone weddings, bar/bat mitzvah’s and other family events. Consumers and caterers often had terms regarding cancellation *by a party* but rarely cancellation by the government or venue (force majeure clauses). OCP reviewed the contracts, negotiated with the parties towards a fair resolution over earned versus unearned monies.
- *Home Service Contracts* OCP receives many complaints regarding claims handling on home “warranty” repairs. In one case, a senior citizen caring for her 99-year-old mother, had been without an operational refrigerator for over two months. The refrigerator stopped cooling and caused food spoilage and several hundred dollars of food loss. The home warranty company and the retailer dispatched several repair technicians who could not resolve the problem. After several months the company approved a replacement refrigerator but after considerable delay in obtaining the replacement, the consumer filed a complaint with OCP. The investigator contacted the warranty company and was successful in obtaining a refund of almost \$2,000 for the malfunctioning refrigerator so the consumer could replace the appliance herself.

Departmental Collaborations

- *Department of Environmental Protection*



In FY20, OCP collaborated on several projects with the County's Department of Environmental Protection (DEP). One, it provided content for the new website, Montgomery Energy Connection, focusing on energy scams. Two, it provided content for rack cards on energy scams such as [utility cut-off](#), [slamming](#), [home energy audit](#) and [water filter](#) scams. With the assistance of OCP volunteers, these rack cards were [translated](#) into Amharic, Chinese, French, Korean, Spanish and Vietnamese. OCP staff and a volunteer outreach team attended the Energy Roadshow at its numerous stops throughout the County. Finally, OCP presented at a [webinar](#) on unique issues with solar panel installation and financing with DEP and other stakeholders.

- *Department of Permitting Services*

OCP received a complaint of an unregistered auto repair business operating from a home zoned as agricultural. An OCP Investigator worked closely with a DPS investigator in making a field visit to the property. DPS issued a warning notice to the property owner which led to a second field visit by the investigators with the landlord. The landlord ordered the business to vacate the property and take down the advertisement using the address. OCP issued a citation to the business and criminal charges were filed in Howard County by the consumer.

- *Department of Health and Human Services*

This year, OCP and DHHS collaborated in a few areas. One, OCP was [interviewed](#) for [Engage@Home](#), a new YouTube Channel from the County's Caregiver Support program. Two, OCP referred consumers raising issues of COVID-19 safety protocol noncompliance to HHSMail@montgomerycountymd.gov. Finally, OCP collaborated on resolving a case against Chipotle where a metal clip was found in the food. DHHS provided the food safety review and OCP was able to obtain a coupon worth \$100 as a refund (plus bonus) which the consumer donated to a local food bank.

FY20 Statistical Measures

<i>Measures</i>	<i>Achievement</i>
Time to Investigate and Close Complaint	42.6 work days
% Cases Resolved by OCP	61.73%
Average days to issue business license	14.10
Number of filed complaints	1,087

