



## Office of Consumer Protection (OCP) Annual Report

### FY21 (July 1, 2020 to June 30, 2021)

#### Who We Are

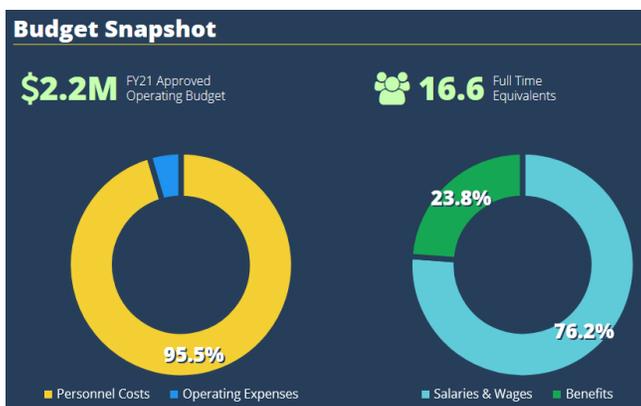
The Office of Consumer Protection (OCP) is a law enforcement agency responsible for administering nine statutes, licensing several types of businesses (new home builders, auto repair and towing, appliance repair, and secondhand personal property dealers), and collaborating with other County agencies.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

#### 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 FY21 Operating Budget for the Office of Consumer Protection is \$2,196,727 a decrease of \$181,990 or 7.65 percent from the FY20 Approved Budget of \$2,378,717 Personnel Costs comprise 94.04 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 5.96 percent of the FY21 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 FY21 recommended outreach efforts to help consumers obtain information they can use to protect themselves from potential financial crises. They have also identified topics based on the expertise of Committee members and OCP staff who can serve as presenters for webinars on consumer issues in the home-buying process; foreclosure prevention and consumer rights in foreclosure; issues related to landlord-tenant credit reporting; and consumer rights in debt collection and vehicle repossessions.



❖ *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.

❖ *Public Election Fund Liaison*

Montgomery County's program of providing the option of public financing for candidates in County elections is one of the first and foremost programs of its kind in Maryland and the Country. As the next County election looms in 2022, and with campaigns already underway, the OCP has been designated, by County Executive Marc Elrich, as the County's "Public Election Fund Liaison" which serves as the place for candidates or residents to direct their questions about the public campaign financing program.

**Outreach Initiatives**

OCP participated in numerous outreach programs and initiatives. In addition to newsletters on [Retail Policies During COVID-19](#), [Radon](#), [Holiday Scams](#), [Confessed Judgment Clauses](#), and [Choosing Landscapers](#), OCP engaged in numerous presentations and resource fairs. Of particular note are:

❖ *Outreach to the Business Community*

OCP continued providing educational programming to the local business community. Through Facebook and Twitter, OCP provided alerts to the local business community regarding COVID-19 pandemic and other scams directed at businesses and their employees.

❖ *Outreach to Non-English Speaking Communities*

OCP continued its educational efforts by focusing on non-English speaking communities. To that end, OCP appeared on Montgomery Al Dia and provided information in Spanish, attended the FTC's ¡Hablemos! Latino Roundtable Quarterly Call and recorded a webinar presentation on [romance scams](#) in Mandarin.

❖ *Webinar and Virtual Presentations*

Given the impact of the COVID-10 pandemic on outreach initiatives, OCP fully transitioned to virtual and 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. Webinar topics included mortgage forbearance agreements, choosing a home improvement contractor, COVID-19 and pandemic scams, debt collection, car buying and car care tips, holiday scams, and online safety, mortgage solutions, and understanding your credit report. OCP also was interviewed by What's Happening MoCo podcast and Seniors Today.

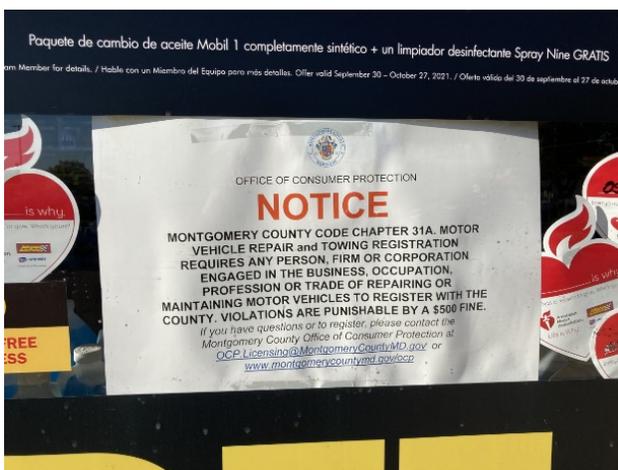
The Public Election Fund Liaison has participated in education activities through the sustained webform question submission platform where questions from candidates, the press and the public at large are submitted. The liaison researches the answers to questions through the use of existing regulations, County Finance and the State Board of Elections to provide topical responses within a 2-day window. Additional education/ outreach was provided over Zoom to both Common Cause Maryland and the Montgomery Women group.

**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.

❖ *Unregistered Mobile Auto Repair*

OCP received complaints regarding unlicensed mobile automotive repair work being solicited and performed in parking lots. These repairs are often shoddy, performed by individuals using false or stolen identities, making it difficult to track for follow-up. Over the course of the investigation, it was discovered that this issue is becoming more rampant across the County in shopping centers with auto parts stores. Investigators worked with local merchants and other law enforcement agencies to help educate consumers in order to avoid falling prey to these scammers. Investigators subsequently met with many auto part stores located within Montgomery County and requested that they post signage (provided by OCP) in both English and Spanish warning consumers about such solicitations in the parking lots and the requirement for registration by the mobile repair businesses.



### ❖ *Brokered Licenses*

OCP has discovered a recent rash of licensed master plumbers, electricians and HVAC repair firms which “broker” or rent out their credentials to unlicensed businesses. The unlicensed business pays the master license for the use of the credential and thereby falsely advertises credentials to consumers. This also violates State and County laws for the master renting his license out. In one case, a home service contract company dispatched Plumber A who falsified his credentials by providing a copy of a third-party master plumber (3P Plumber). The 3P Plumber claimed identity theft and would not admit he had brokered his license. When Plumber A could not repair the hot water heater in question, it referred the consumer to another unlicensed plumber, G&G Service Group which performed the work—albeit incorrectly. OCP worked with WSSC to bring the brokering [situation to light](#), worked with the home service contract company to remove Plumber A from its roster, and cited the owner of G&G Service Group. The Court ordered fines, restitution to the consumer, and an abatement order against G&G Service Group whereby neither it, nor its owner Gary Russell, can advertise as a plumber and neither he nor his business(es) can perform plumbing services, until the necessary license has been obtained.

### ❖ *Rotten Repairs*

OCP receives many complaints regarding claims handling 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 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 obtained a refund of almost \$2,000 for the malfunctioning refrigerator so the consumer could replace the appliance herself.

Similarly, another consumer experiencing cooling and freezing problems with his refrigerator and had been without continuous use for several months. The manufacturer delayed in dispatching repair technicians through its third-party warranty company. The service technician, when finally dispatched, failed to resolve the problem. The investigator determined that the dispatched repair company was not registered with the Office of Consumer Protection to perform repairs in Montgomery County, Maryland. The investigator was able to challenge the qualifications of the repair company, negotiated under the warranty document, and the consumer received a replacement refrigerator valued over \$1,000. OCP is also working with service contract companies to ensure they only dispatch vendors in Montgomery County which have the proper credentials.

- *COVID-19 Impacted Consumer Complaints*

During this period, OCP fielded 84 complaints and 96 consumer consultations where consumer issues were directly impacted by COVID-19. These matters touched on varied subjects such as cancelled travel, concerts or other events; billing by closed businesses; cars towed due to expired registrations or permits; utilities cut offs; construction delays; and businesses not complying with state or county safety guidelines (the latter which were referred to the Department of Health & Human Services).

### **Departmental Collaborations**

- *Montgomery County Public Libraries (MCPL)*

During the Fall of 2020, OCP was invited by MCPL to present for a multi-webinar series on COVID-19 scams, safely using peer-to-peer payment apps, and debt collection. Moreover, MCPL was a valued partner during National Consumer Protection Week hosting OCP for 3 weekday virtual presentations on cybersecurity, credit and debt, how to safely use payment apps.

- *Department of Environmental Protection (DEP)*

OCP continued its collaboration with the County's (DEP) by focusing on climate and energy issues. It contributed as a subject matter expert on the bill introducing community choice, designated a climate ambassador for the agency, and attended the Energy Summit.

- *Department of Permitting Services (DPS)*

Montgomery County has unwittingly created a "loophole" regarding the definition of a "new home" in the building code definition. The definition requires that only the tear down of an "entire" building require a new home build permit and license. By leaving up one wall, builders were avoiding the permitting, review, and licensing requirements by the County. Below is one example of a "renovation" which evaded the County's new home builder regulatory scheme.





Moreover, the ultimate consumer, who receives a brand-new home (but for one wall) did not benefit from the new home build warranty standards or the State’s Guaranty Fund. OCP and DPS are collaboratively reviewing this issue to close the loophole where unlicensed new home builders are evading County protections.

**FY20 Statistical Measures**

<i>Measures</i>	<i>Achievement</i>
Time to Investigate and Close Complaint	38 work days
% Cases Resolved by OCP	63%
Average days to issue business license	10
Number of filed complaints	1,040
Number of consultations	1987

