

Office of Consumer Protection (OCP) Annual Report
FY16 (July 1 2015 to June 30 2016)



Ensuring Integrity
in our Marketplace

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

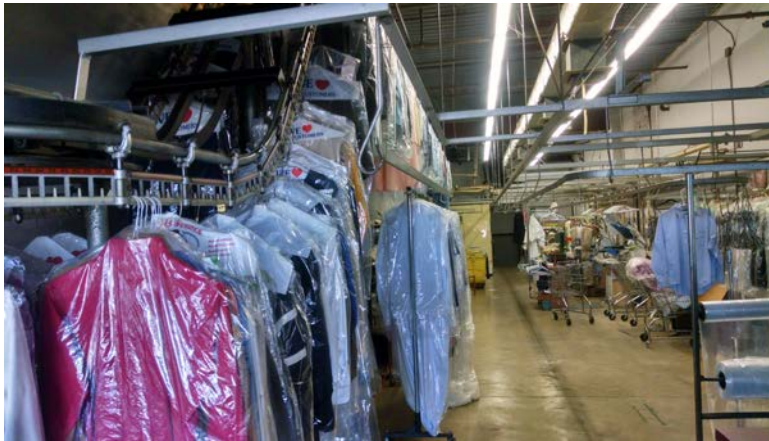
The total approved FY16 Operating Budget for the Office of Consumer Protection is \$2,388,730,236 (before implementing any budget saving plans), an increase of \$132,494 or 5.9 percent from the FY15 Approved Budget of \$2,256,236. Personnel Costs comprise 92.4 percent of the budget for 17 full-time positions 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 7.6 percent of the FY16 budget.

ACCOMPLISHMENTS AND INITIATIVES

- Business Eviction Response Team

The OCP's award winning program "**Business Eviction Response Team** (BERT)" continued to help protect consumers from losing their possessions from businesses when a court orders an eviction. Through BERT, consumers who had dropped off clothing at Super Cleaners and Sunny Cleaners, were able to reclaim their items even though the stores had closed and the owners had been evicted from the site. OCP arranged with the landlords to allow consumers to pick-up their clothing. OCP staff were on hand at the former Super Cleaners to allow consumers to retrieve their items. Unclaimed items were donated to charity.



- WSSC

OCP conducted a review of complaints involving the Washington Suburban Sanitary Commission (WSSC) and Montgomery County residents. Due to the nature and number of complaints related to incorrect and higher water bills, OCP investigated the complaints by reviewing information from residents and WSSC, conducting interviews, and observing the field work done by meter readers. OCP concluded that the lack of independent oversight with respect to WSSC and

WSSC complaints creates frustration; further review by an independent reviewer may be needed, as well as more sophisticated meter-reading technology.

- *Blue Sky Films*

OCP received over 35 complaints from newlyweds alleging that they paid a local wedding video business \$2,000 to \$14,000 for videography services and had waited between one to two years without receiving their wedding videos. The OCP managed to retrieve **raw wedding footage** from the company. Maryland Attorney General Brian Frosh's office filed charges against Blue Sky Media Corporation (and its principal) trading as "Blue Sky Films" for failing to deliver promised videos. The Statement of Charges was served upon the principal by OCP Investigators. Based upon documentation obtained by OCP, over 50 married couples appeared to have been victimized by this merchant. "Even if the merchant claims to be a defunct business, we believed that the raw video footage is an extremely valuable asset to these consumers," said OCP Director Eric Friedman. "We joined forces with the Maryland Attorney General's Office in an effort to obtain redress for all of the consumers." The Office of the Attorney General's Consumer Protection Division took the lead in filing these administrative charges.



- *Free mediation services for local businesses*

OCP began offering its existing free **formal mediation services** to the local business community to help resolve a variety of disputes without resort to costly litigation. In conjunction with County Executive Ike Leggett's "Culture of Solutions" initiative, formal mediation services currently used to resolve

consumer and common ownership community disputes are now being extended and made **available to businesses in Montgomery County**. Mediation serves as an alternative to expensive and protracted litigation in court and enables the parties to structure their own settlement agreements. The parties generally meet together and separately with OCP's volunteer expert mediator. Disputes between a business and a supplier, between a business and a landlord, or between two businesses, may be appropriate for these mediation services.



LEGAL ACTION

- *Maryland Household Goods Movers Act*

OCP successfully issued six civil citations against a local moving company. The citations stemmed from complaints alleging several violations of the County law and the Maryland Household Goods Movers Act. Violations included holding goods hostage, failure to state if a moving estimate is binding or non-binding, misrepresenting services included in estimates and charging extra for these services, and misrepresentation on the company's website that it was licensed and insured. Following a trial, the merchant was found guilty of all six violations.



- *Solar Energy Law*

In coordination with an amendment to the Maryland Real Property Code to prohibit land use covenants, typically by homeowners or condo associations, that impose *unreasonable* restrictions on the installation of solar energy systems outside of specifically designated historic districts, the Office of Consumer Protection issued a newsletter titled **Solar Energy: A Consumer's Guide**.



DEPARTMENTAL COLLABORATIONS

- *Home Improvement Scams*

OCP joined County Executive Isiah Leggett, Montgomery County Police, State's Attorney's Office, Maryland Home Improvement Commission, Department of Natural Resources, and DC and neighboring county police departments, in a crackdown on unlicensed home improvement contractors. These unlicensed contractors typically victimize consumers, especially seniors, by going door-to-door soliciting unconsciously high payments in exchange for making repairs. The law enforcement agencies agreed to share information and work cooperatively to file criminal charges against individuals who victimize local homeowners.



- *Woodchuck Scams*

OCP is a member of a Multi-Jurisdictional Task Force consisting of various law enforcement agencies including, Montgomery County Police, State's Attorney Office, Maryland Department of Natural Resources, FBI, and Howard County, Frederick County, District of Columbia, Fairfax County, Culpepper, and Arlington Police Departments. "Woodchucks" are a sub-species of the unlicensed contractors who go door-to-door. The Task Force was established to investigate crimes perpetrated by unlicensed and unscrupulous tree and landscaping contractors, who often take advantage of senior citizens by overcharging for services or charging for services which are never rendered.

- *IRS Scams*

County Executive Leggett and OCP collaborated with Montgomery County Police Financial Crimes Section in warning residents about a nationwide telephone scam that relies upon intimidation to steal millions of dollars from consumers. Telephone scammers contacted local residents and asserted that the Internal Revenue Service (IRS) had prepared a warrant for their arrest if they did not immediately send money in order to mitigate the criminal charges.



COMMUNITY OUTREACH

- *Auto Sales & Fraud*

OCP hosted a well-attended film screening with the Maryland Consumer Rights Coalition (MCRC). MCRC produced a documentary video, "**Driven to Defraud**" which documents scams used by some car dealers to abuse Maryland car purchasers and shows consumers how to protect themselves from yo-yo sales

(consumers getting called back in because of an alleged financing issue), interest rate mark-ups, rebuilt wrecks and other scams. OCP's auto expert and certified master automotive technician held a question-and-answer session.

- *CCOC*

The Commission on Common Ownership Communities program (CCOC) developed a seminar for members of community associations and boards titled "The Essentials of Community Association Volunteer Leadership", on how to properly run a common ownership community.

- *Mediation*

OCP successfully focused on "reality-testing" mediation sessions. Cases which involve misunderstandings and factual disputes, rather than violations of consumer protection laws, are identified and referred for in-depth mediation sessions. **Mediation sessions** have the parties meet together to resolve the issues, and at times to meet separately with the mediator "shuttling" back and forth between the rooms.

- *Affinity Fraud*

OCP has made translators available to assist immigrant communities who fall victim to unscrupulous merchants. These merchants often prey on immigrants due to language barriers, a lack of access to dependable legal services, and inexperience with local and federal law. Many such merchants engage in "affinity fraud" whereby they take advantage of a shared cultural or language connection. In fact, often-times the scammers are members of the immigrants' community and trade on that sense of trust. Unfortunately, these very communities also suffer from a lack of reporting when they are victimized. This lack of reporting is due to the same language barriers, as well as a general distrust of government agencies, or an unfamiliarity with how an agency like the Office of Consumer Protection can assist them.

Accomplishments

- Worked with elected officials and stakeholders to revise Montgomery County's trespass towing law (Chapter 30C). Overzealous towing complaints have a major economic impact on Montgomery County's business districts resulting in lost customers and revenue.
- Partnered with the Department of Permitting Services (DPS) to take enforcement action against unlicensed individuals who are in the business of building or renovating homes and selling them. When these homes are purchased, consumers do not receive the warranty protections that a licensed contractor is required to provide.
- Replaced its cable television program with fast-paced 2-minute “**Consumer Alerts**” program which provides quicker notification to consumers and are more effectively used with social media platforms.



- Met with the OCP Advisory Committee and all the community liaisons within the Office of Community Partnerships to better understand the consumer needs of social, cultural, or economically diverse communities and develop plans to address those needs and engage in effective outreach.

Productivity Improvements

- Working with the Department of Technology Services (DTS) to define and update its business rules in anticipation of DTS building and deploying an enhanced complaint tracking/case management system to combine digital and paper case files, maintain photos and documents, and efficiently search records. This improvement will increase staff productivity in case investigation, improve reporting capabilities, and provide OCP with additional management tools for compiling program measures, identifying trends, and allocating resources. Residents benefit from increased

productivity and improvements by having more efficient case handling and enhanced access to online complaint records.

- Updated procedures for investigating and addressing complaints against unlicensed home improvement contractors and participated in a multi-jurisdictional "Woodchuck Task Force" to share information and coordinate criminal prosecution of unlicensed contractors with the Police. Woodchucks are contractors, usually unlicensed, that engage in door-to-door sales, and typically scour neighborhoods offering tree and lawn services.

Sampling of OCP statistics

Program Performance Measures	Actual FY16
Restitution received as a % of asked	88%
Satisfaction with case handling	3.6*
Satisfaction with case outcome	3.4*
Time to investigate and close complaint	58 work days
News release covered by media	100%
Media requests for OCP expertise	22

- Scale of 1-4