



# Consumer Protection

## RECOMMENDED FY19 BUDGET

\$2,337,140

## FULL TIME EQUIVALENTS

16.60

ERIC FRIEDMAN, DIRECTOR

## 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 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.

## 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 (where applicable). The FY18 estimates reflect funding based on the FY18 approved budget. The FY19 and FY20 figures are performance targets based on the FY19 recommended budget and funding for comparable service levels in FY20.

Measure	Actual FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
<b>Program Measures</b>					
Restitution received as a percent of restitution asked for by the consumer and validated by the assigned OCP case investigator	88%	83%	84%	85%	85%

Measure	Actual FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Average OCP customer satisfaction rating - Manner in which the customer's case was handled (1-4 scale) based on customer satisfaction survey	3.6	3.1	3.2	3.3	3.4
Average OCP customer satisfaction rating - Outcome of the customer's case (1-4 scale) based on customer satisfaction survey	3.4	2.9	3.0	3.1	3.2
Average time in workdays to investigate and close a written complaint (All complaints)	58	51	50	50	50
Average time in workdays to investigate and close a written complaint (> \$5,000)	75	78	77	76	75
Average time in workdays to investigate and close a written complaint (\$1,001 - \$5,000)	59	78	76	74	72
Average time in workdays to investigate and close a written complaint (\$101 - \$1,000)	56	52	52	51	50
Average time in workdays to investigate and close a written complaint (< \$100)	47	56	54	52	50
Percent of consumer protection cases closed that are resolved by OCP	66%	60%	61%	62%	63%
Media Coverage - Percent of news releases receiving media coverage, including print news, television and radio	100%	100%	100%	100%	100%
Media Coverage - Number of times media outlets, including print news, television and radio, seek out OCP's expertise	22	24	24	25	25

## INITIATIVES

- ★ OCP reached out to consumers and businesses in Montgomery County for whom English is not their primary language and launched a "*Language Friendly*" outreach program. This multiprong effort included: translating consumer protection information into several languages (Korean, Chinese, Amharic, French, Vietnamese, Russian, and Spanish); placing consumer education information and advertisements in Korean and Chinese language newspapers; and recruiting bilingual volunteers to be in the OCP office during specified days of the week.

## ACCOMPLISHMENTS

- ☑ OCP obtained refunds and other resolutions for consumers victimized by a longstanding "Theft of Deposit" scam in which a real estate merchant purported to sell and build new homes on properties in Montgomery County. Numerous consumers paid deposits ranging from \$40,000 to \$270,000 and waited several years for the land to be conveyed and for the houses to be built. The merchant is an unlicensed builder and sold the same properties to several different consumer victims. OCP collaborated with other regulatory agencies to pursue enforcement action.
- ☑ OCP issued two press releases based upon months of investigative research, which received substantial media attention. An alert and video was issued describing the systemic deception inherent in the coupon-based air duct cleaning industry and provided consumers with helpful information regarding licensing and regulation. A warning was also issued to consumers and merchants regarding fake donation boxes in Montgomery County that made misleading claims regarding charitable services for lost pets or children.

## INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ OCP worked with the Department of Technology Services (DTS) to bring business and licensing and registration platforms online to better serve consumers and businesses.
- ★ OCP enhanced outreach efforts by developing a series of two-minute video alerts regarding numerous scams and consumer protection topics. These videos have been distributed through social media and posted online.

## COLLABORATION AND PARTNERSHIPS

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### \* Shedding Light on Buying Solar Panels

In response to a spike in residential solar power marketing, OCP investigated and resolved numerous complaints regarding the sale and installation of solar panel systems. OCP collaborated with the Department of Permitting Services, the Maryland Home Improvement Commission, and the State's Attorney's Office to successfully bring criminal charges against an unlicensed solar panel installer. The Office prepared and distributed a newsletter to provide helpful information to consumers regarding how to purchase residential solar panels.

Partners

Department of Permitting Services, Office of the State's Attorney

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## PROGRAM CONTACTS

Contact Marsha Carter of the Office of Consumer Protection at 240.777.3686 or Crystal B. Sallee of the Office of Management and Budget at 240.777.2778 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### \* Consumer Protection

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.

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.

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.

## BUDGET SUMMARY

	Actual FY17	Budget FY18	Estimate FY18	Recommended FY19	%Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	1,409,294	1,524,584	1,412,159	1,574,368	3.3 %
Employee Benefits	584,855	635,621	609,704	567,188	-10.8 %
<b>County General Fund Personnel Costs</b>	<b>1,994,149</b>	<b>2,160,205</b>	<b>2,021,863</b>	<b>2,141,556</b>	<b>-0.9 %</b>
Operating Expenses	88,542	204,392	160,552	195,584	-4.3 %
<b>County General Fund Expenditures</b>	<b>2,082,691</b>	<b>2,364,597</b>	<b>2,182,415</b>	<b>2,337,140</b>	<b>-1.2 %</b>
<b>PERSONNEL</b>					
Full-Time	16	17	17	17	—
Part-Time	1	1	1	1	—
FTEs	15.60	16.60	16.60	16.60	—
<b>REVENUES</b>					
Miscellaneous Revenues	116	0	0	0	—
New Home Builder's License	153,800	134,500	134,500	139,500	3.7 %
Other Fines/Forfeitures	1,050	1,000	1,000	1,000	—
Other Licenses/Permits	49,916	60,000	60,000	60,000	—
<b>County General Fund Revenues</b>	<b>204,882</b>	<b>195,500</b>	<b>195,500</b>	<b>200,500</b>	<b>2.6 %</b>

## FY19 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
<b>FY18 ORIGINAL APPROPRIATION</b>	<b>2,364,597</b>	<b>16.60</b>
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: FY19 Compensation Adjustment	48,244	0.00
Increase Cost: Annualization of FY18 Lapsed Positions [Consumer Protection]	29,969	0.00
Increase Cost: Allocation for Multilingual Pay [Consumer Protection]	7,894	0.00
Increase Cost: Printing and Mail	120	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY18 [Consumer Protection]	(3,153)	0.00
Decrease Cost: Professional Services [Consumer Protection]	(5,775)	0.00
Decrease Cost: Retirement Adjustment	(20,118)	0.00
Decrease Cost: Annualization of FY18 Personnel Costs	(34,571)	0.00
Decrease Cost: Increase Lapse [Consumer Protection]	(50,067)	0.00
<b>FY19 RECOMMENDED</b>	<b>2,337,140</b>	<b>16.60</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY18 Total\$	FY18 FTES	FY19 Total\$	FY19 FTES
<b>COUNTY GENERAL FUND</b>					
Fire and Rescue Service	Fire	71,174	1.00	74,750	1.00

## FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY19	FY20	FY21	FY22	FY23	FY24
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY19 Recommended</b>	<b>2,337</b>	<b>2,337</b>	<b>2,337</b>	<b>2,337</b>	<b>2,337</b>	<b>2,337</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Items Recommended in FY19</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Items recommended for one-time funding in FY19, including operating expenses for professional services will be eliminated from the base in the outyears.						
<b>Restore One-Time Lapse Increase</b>	<b>0</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
Restoration of one-time lapse adjustment in the budget development year						
<b>Labor Contracts</b>	<b>0</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>2,337</b>	<b>2,413</b>	<b>2,413</b>	<b>2,413</b>	<b>2,413</b>	<b>2,413</b>

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