



# Consumer Protection

**APPROVED FY20 BUDGET**

**\$2,378,717**

**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 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.

## COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

- Thriving Youth and Families**
- Effective, Sustainable Government**
- A Growing Economy**

## DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable). The FY19 estimates reflect funding based on the FY19 Approved Budget. The FY20 and FY21 figures are performance targets based on the FY20 Approved Budget and funding for comparable service levels in FY21.

Measure	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
<b>Program Measures</b>					
Restitution received as a percent of restitution asked for by the consumer and validated by the assigned OCP case investigator	83%	94.7%	85%	85%	85%
Average OCP customer satisfaction rating - Manner in which the customer's case was handled (1-4 scale) based on customer satisfaction survey	3.1	3.1	4	4	4

Measure	Actual	Actual	Estimated	Target	Target
	FY17	FY18	FY19	FY20	FY21
Average OCP customer satisfaction rating - Outcome of the customer's case (1-4 scale) based on customer satisfaction survey	2.9	2.9	3.3	3.4	3.5
Average time in workdays to investigate and close a written complaint (All complaints)	51	76	75	70	65
Average time in workdays to investigate and close a written complaint (> \$5,000)	78	103	100	95	90
Average time in workdays to investigate and close a written complaint (\$1,001 - \$5,000)	78	90	88	85	80
Average time in workdays to investigate and close a written complaint (\$101 - \$1,000)	52	60	60	58	57
Average time in workdays to investigate and close a written complaint (< \$100)	56	102	80	70	60
Percent of consumer protection cases closed that are resolved by OCP	60%	54%	56%	58%	60%
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	24	19	19	20	22

## INITIATIVES

- ★ OCP co-hosted several multi-agency consumer protection forums with elected officials. OCP engaged in outreach enhancements by co-sponsoring a forum at Bethesda-Chevy Chase High School with U.S. Senator Chris Van Hollen and Maryland Attorney General Brian Frosh. In addition, OCP co-sponsored a "ConsumerFest" outreach event at the Silver Spring Civic Center with Congressman Jaime Raskin and Maryland Attorney General Brian Frosh.
- ★ OCP launched a new program to provide expert mediation services to Montgomery County businesses for free as an option to resolve disputes without the time and expense associated with litigation in court.
- ★ After nearly two years of investigation and research into the home improvement industry, OCP has prepared a report and press release regarding the dangers of relying on online referral services.

## ACCOMPLISHMENTS

- ☑ OCP conducted an in-depth investigation on new home builders and initiated a hearing process to take action against new home builders who were found to be in violation of County and State consumer protection laws and numerous building code violations.
- ☑ OCP successfully filed several Application for Statement of Charges to initiate criminal action against unlicensed home improvement contractors that have victimized consumers in Montgomery County.
- ☑ The Maryland Financial Consumer Protection Commission was established to monitor changes related to the Federal Consumer Financial Protection Bureau and in the marketplace, and to make recommendations to the Governor, Maryland General Assembly, and Maryland Congressional Delegation. Based in part upon sharing information provided by OCP, the Commission published an initial report which resulted in the introduction and passage of state legislation to protect consumers.

## INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ With assistance from the Department of Permitting Services (DPS), OCP conducted research regarding compliance with Montgomery County's new home building licensing and permitting laws and identified long-standing compliance issues in the industry. OCP assisted in drafting Bill 31-18, New Home Warranty and Builder Licensing - Amendments to revise Montgomery County's new home builder registration law and to better coordinate enforcement responsibility between DPS and OCP.

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- ✦ OCP continues to work with the Department of Technology Services (DTS) to onboard the licensing program into the Complaint and Licensing Management System (CALMS). To date, DTS has converted the Secondhand Personal Property Dealers License, the Motor Vehicle Repair & Towing Registration, and the Radio Television and Electrical Appliance Registration.
  - ✦ OCP and DTS continue to support the "forms automation" initiative by automating the OCP's speaker request form, volunteer application form, the Maryland Public Information Act (MPIA) request form, and the complaint form into Spanish.
  - ✦ OCP, with assistance from DTS, has installed a public computer for consumers to file complaints, and merchants to fill out applications for the licensing program.

## COLLABORATION AND PARTNERSHIPS

### ✦ Business Eviction and Response Team Program (B.E.R.T.)

OCP collaborated with the Montgomery County's Sheriff's Office regarding the award-winning Business Eviction Response Team (B.E.R.T.) program to safeguard and return personal property to consumers after the eviction process concluded.

Partners  
Sheriff's Office

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### ✦ "Scambuster" Videos and Alerts

OCP's consumers participated in the "Scambuster" videos and alerts that are created by County Cable Montgomery. In these videos, the consumers explain how they were faced with a scam, how they recognized the scam, and how they were able to "bust" the scam and not become a victim.

Partners  
Office of Broadband Programs

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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 FY18	Budget FY19	Estimate FY19	Approved FY20	%Chg Bud/App
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	1,392,532	1,574,368	1,561,356	1,640,200	4.2 %
Employee Benefits	593,304	567,188	569,002	616,236	8.7 %
<b>County General Fund Personnel Costs</b>	<b>1,985,836</b>	<b>2,141,556</b>	<b>2,130,358</b>	<b>2,256,436</b>	<b>5.4 %</b>
Operating Expenses	171,833	195,584	172,496	122,281	-37.5 %
<b>County General Fund Expenditures</b>	<b>2,157,669</b>	<b>2,337,140</b>	<b>2,302,854</b>	<b>2,378,717</b>	<b>1.8 %</b>
<b>PERSONNEL</b>					
Full-Time	17	17	17	17	—
Part-Time	1	1	1	1	—
FTEs	16.60	16.60	16.60	16.60	—
<b>REVENUES</b>					
Common Ownership Community Fees	4,738	0	0	0	—
Miscellaneous Revenues	640	0	0	0	—
New Home Builder's License	141,680	139,500	139,500	143,000	2.5 %
Other Fines/Forfeitures	50	1,000	1,000	1,000	—

## BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Approved FY20	%Chg Bud/App
Other Licenses/Permits	51,248	60,000	60,000	60,000	—
<b>County General Fund Revenues</b>	<b>198,356</b>	<b>200,500</b>	<b>200,500</b>	<b>204,000</b>	<b>1.7 %</b>

## FY20 APPROVED CHANGES

		Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>			
<b>FY19 ORIGINAL APPROPRIATION</b>		<b>2,337,140</b>	<b>16.60</b>
<b><u>Other Adjustments (with no service impacts)</u></b>			
Increase Cost: Annualization of FY19 Personnel Costs		60,066	0.00
Increase Cost: Restore One-Time Lapse Increase and Professional Services		55,842	0.00
Increase Cost: FY20 Compensation Adjustment		54,395	0.00
Increase Cost: Retirement Adjustment		1,876	0.00
Decrease Cost: Lapse Part-time, Vacant Administrative Specialist I Position [Consumer Protection]		(51,524)	0.00
Decrease Cost: Operating Expenses [Consumer Protection]		(79,078)	0.00
<b>FY20 APPROVED</b>		<b>2,378,717</b>	<b>16.60</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY19 Total\$	FY19 FTEs	FY20 Total\$	FY20 FTEs
<b>COUNTY GENERAL FUND</b>					
Fire and Rescue Service	Fire	74,750	1.00	79,276	1.00

## FUTURE FISCAL IMPACTS

CC APPROVED (\$000S)

Title	FY20	FY21	FY22	FY23	FY24	FY25
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY20 Approved</b>	<b>2,379</b>	<b>2,379</b>	<b>2,379</b>	<b>2,379</b>	<b>2,379</b>	<b>2,379</b>
No inflation or compensation change is included in outyear projections.						
<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>2,379</b>	<b>2,399</b>	<b>2,399</b>	<b>2,399</b>	<b>2,399</b>	<b>2,399</b>

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