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# Consumer Protection

## 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 FY13 Operating Budget for the Office of Consumer Protection is \$2,182,612, an increase of \$234,292 or 12.0 percent from the FY12 Approved Budget of \$1,948,320. Personnel Costs comprise 91.3 percent of the budget for 17 full-time positions for 16.00 FTEs. Operating Expenses account for the remaining 8.7 percent of the FY13 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, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY12 estimates reflect funding based on the FY12 approved budget. The FY13 and FY14 figures are performance targets based on the FY13 approved budget and funding for comparable service levels in FY14.

## ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***Collaborated with the Washington Suburban Sanitary Commission (WSSC) in an investigation regarding compliance with permitting and inspection requirements for gas appliances installed in Montgomery County. The joint investigation followed a lawsuit filed by OCP against All State Plumbing, Heating & Cooling, Inc. for charging extra for permit fees, but failing to obtain permits and inspections. OCP and WSSC expanded its efforts to ensure inspection compliance by big box retailers potentially involving thousands of County households. Settlement agreements with several big box retailers are underway.***
- ❖ ***Initiated a towing task force to combat escalating towing incidents in the Silver Spring/Wheaton area. OCP is coordinating efforts with affected council member(s), local businesses, property owners, and the Montgomery County Police Department (MCPD). The office completed a Tow Rate Review & Recommendation wherein Montgomery County trespass towing rates were reviewed against 21 other jurisdictions. Based on OCP's findings, it recommended, and the County Executive proposed, an increase in the storage charges. County Council approved this change in late 2011.***
- ❖ ***Continues its Energy and Environmental Advocacy efforts on behalf of Montgomery County. OCP intervened in several major cases and rule making activity before the Public Service Commission. Most notably, the office provided assistance to the County Executive's Pepco Workgroup whose work culminated in a report summarizing 12,000 survey results from residential homeowners, businesses and Montgomery County residents.***
- ❖ ***Had volunteers coordinate with local colleges, graduate schools, and the business community to work on cases. In FY11, OCP added two (2) volunteers dedicated to its Office of Common Ownership Communities.***
- ❖ ***Coordinated with local colleges, graduate schools, and the business community to obtain the services of volunteers to assist with cases. In FY11, OCP volunteers contributed over 2,900 work hours. In FY11, OCP added two (2) volunteers dedicated to its Office of Common Ownership Communities.***

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- ❖ **Coordinated with the Department of Technology Services (DTS) to provide assistance to DTS' Cable Office in initiating a major investigation involving a Cable TV provider and thousands of County consumers.**
  - ❖ **Provided consumer education to a variety of county audiences. OCP's advisory board partnered with councilmembers in conducting several senior educational forums to provide information on issues affecting one of our most vulnerable populations. OCP also partnered with Congressman Christopher Van Hollen to host a financial education forum featuring Professor Elizabeth Warren. In addition, the office hosted a show entitled "Recovering from the Recession" to provide residents information on rebuilding credit and managing debt during these austere times.**
  - ❖ **Hosted and conducted a public forum with the Commission on Common Ownership Communities to address the financial challenges faced by our communities. Over 100 people attended sessions covering best practices for managing budgets, grants, rebates and refunds, foreclosures, and using solar energy.**
  - ❖ **Productivity Improvements**
    - **Enhanced its intake process to decrease processing time, minimize reliance on paper and to improve overall services to customers. The office's intake team identifies and requests any missing documents and coordinates with consumers generally within one (1) business day.**
    - **Improved its business licensing program by updating and enhancing its website. Applicants can obtain information regarding application forms or regarding consumer protection laws on the website.**
    - **Decreased its printing and mail expenditures from FY08 to FY11 (-84%). OCP streamlined its licensing application process and now provides licensing and renewal information to customers electronically. The office also reduced photocopying expenses related to cases heard before the Office of Common Ownership Communities (OCOC). These cases, often totaling 100-500 pages in length, are no longer provided in hard-copy form. Instead, case documents are scanned, password protected, and uploaded to the website. Hearing panelists are provided with electronic access and are also able to view the documents online during the hearing.**
    - **Instituted a new referral process to provide consumers with the best information available for complaints falling outside of the office's jurisdiction.**

## **PROGRAM CONTACTS**

Contact Marsha Carter of the Office of Consumer Protection at 240.777.3686 or Philip Weeda of the Office of Management and Budget at 240.777.2624 for more information regarding this department's operating budget.

## **PROGRAM DESCRIPTIONS**

### **Consumer Protection**

The 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.

The 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.

The 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.

The 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.

<b>Program Performance Measures</b>	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Estimated FY12</b>	<b>Target FY13</b>	<b>Target FY14</b>
Restitution received as a percent of restitution asked for by the consumer	73%	85%	85%	85%	85%
Average Office of Consumer Protection (OCP) customer satisfaction rating - Manner in which the customer's case was handled (1-4 scale)	3.0	3.2	3.5	3.5	3.5
Average OCP customer satisfaction rating - Outcome of the customer's case (1-4 scale)	2.8	2.9	3.0	3.0	3.0
Average time in workdays to investigate and close a written complaint: (<\$100)	64	64	64	64	64
Average time in workdays to investigate and close a written complaint: (\$101 - \$1,000)	64	64	64	64	64
Average time in workdays to investigate and close a written complaint: (\$1,001 - \$5,000)	64	64	64	64	64
Average time in work days to investigate and close a written complaint (>\$5,000)	64	64	64	64	64
Average time in workdays to investigate and close a written complaint: (\$NA)	64	64	64	64	64
Media Coverage - Percent of news releases receiving media coverage, including print news, television and radio	65%	65%	65%	65%	65%
Media Coverage - Number of times media outlets, including print news, television and radio, seek out OCP's expertise	20	24	24	24	24
Percent of OCP-initiated consumer protection cases closed that are resolved by OCP	72%	72%	72%	72%	72%

<b>FY13 Approved Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>1,705,940</b>	<b>12.60</b>
Increase Cost: Retirement Adjustment	46,323	0.00
Increase Cost: Lump Sum Wage Adjustment	35,262	0.00
Increase Cost: Group Insurance Adjustment	30,978	0.00
Increase Cost: Longevity Adjustment	1,905	0.00
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse	0	1.50
Shift: Help Desk - Desk Side Support to the Desktop Computer Modernization NDA	-60	0.00
Decrease Cost: Printing and Mail Adjustment	-1,880	0.00
Decrease Cost: Miscellaneous Operating Expenses	-8,000	0.00
Decrease Cost: Office Supplies	-8,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	91,044	0.00
<b>FY13 Approved</b>	<b>1,893,512</b>	<b>14.10</b>

Notes: In addition, the FY13 Approved budget includes a new Patient Advocate Administrative Specialist position charged to the Montgomery County Fire and Rescue Services budget for the Emergency Medical Services Reimbursement Program.

## Commission on Common Ownership Communities

The OCP serves as staff to the Commission on Common Ownership Communities. This Commission serves as an alternative dispute resolution mechanism to mediate and arbitrate certain disputes between the governing bodies of homeowner associations, condominium associations, and cooperatives, and the individuals living within these common ownership communities. The Commission also provides education to governing bodies of common ownership communities and their residents and acts as an advocate for their interests.

<b>Program Performance Measures</b>	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Estimated FY12</b>	<b>Target FY13</b>	<b>Target FY14</b>
Percent of Commission on Common Ownership Communities (CCOC) cases resolved prior to a hearing		65%	65%	65%	65%

<b>FY13 Approved Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>242,380</b>	<b>1.90</b>
Enhance: Education and Outreach	30,000	0.00
Decrease Cost: Professional Memberships/Dues	-3,000	0.00
Decrease Cost: Telecommunication Services Adjustment Based on Historical Actuals	-4,000	0.00
Decrease Cost: Travel Expenses	-4,500	0.00
Reduce: Professional Services Available for the Investigation of Complex Cases	-11,470	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	39,690	0.00
<b>FY13 Approved</b>	<b>289,100</b>	<b>1.90</b>

## BUDGET SUMMARY

	Actual FY11	Budget FY12	Estimated FY12	Approved FY13	% Chg Bud/App
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	1,337,744	1,240,990	1,311,232	1,370,636	10.4%
Employee Benefits	561,961	506,070	590,787	621,626	22.8%
<b>County General Fund Personnel Costs</b>	<b>1,899,705</b>	<b>1,747,060</b>	<b>1,902,019</b>	<b>1,992,262</b>	<b>14.0%</b>
Operating Expenses	120,270	201,260	201,260	190,350	-5.4%
Capital Outlay	0	0	0	0	—
<b>County General Fund Expenditures</b>	<b>2,019,975</b>	<b>1,948,320</b>	<b>2,103,279</b>	<b>2,182,612</b>	<b>12.0%</b>
<b>PERSONNEL</b>					
Full-Time	16	16	16	17	6.3%
Part-Time	0	0	0	0	—
FTEs	14.70	14.50	14.50	16.00	10.3%
<b>REVENUES</b>					
Common Ownership Community Fees	0	405,500	405,500	405,500	—
Miscellaneous Revenues	-475	0	0	0	—
New Home Builder's License	182,825	134,000	134,000	134,000	—
Other Fines/Forfeitures	1,340	1,000	1,000	1,000	—
Other Licenses/Permits	49,633	55,000	55,000	55,000	—
<b>County General Fund Revenues</b>	<b>233,323</b>	<b>595,500</b>	<b>595,500</b>	<b>595,500</b>	—

## FY13 APPROVED CHANGES

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
<b>FY12 ORIGINAL APPROPRIATION</b>	<b>1,948,320</b>	<b>14.50</b>
<b>Changes (with service impacts)</b>		
Enhance: Education and Outreach [Commission on Common Ownership Communities]	30,000	0.00
Reduce: Professional Services Available for the Investigation of Complex Cases [Commission on Common Ownership Communities]	-11,470	0.00
<b>Other Adjustments (with no service impacts)</b>		
Increase Cost: Add Funding for Lapsed Investigator III Position	130,734	0.00
Increase Cost: Retirement Adjustment [Consumer Protection]	46,323	0.00
Increase Cost: Lump Sum Wage Adjustment [Consumer Protection]	35,262	0.00
Increase Cost: Group Insurance Adjustment [Consumer Protection]	30,978	0.00
Increase Cost: Longevity Adjustment [Consumer Protection]	1,905	0.00
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse [Consumer Protection]	0	1.50
Shift: Help Desk - Desk Side Support to the Desktop Computer Modernization NDA [Consumer Protection]	-60	0.00
Decrease Cost: Printing and Mail Adjustment [Consumer Protection]	-1,880	0.00
Decrease Cost: Professional Memberships/Dues [Commission on Common Ownership Communities]	-3,000	0.00
Decrease Cost: Telecommunication Services Adjustment Based on Historical Actuals [Commission on Common Ownership Communities]	-4,000	0.00
Decrease Cost: Travel Expenses [Commission on Common Ownership Communities]	-4,500	0.00
Decrease Cost: Miscellaneous Operating Expenses [Consumer Protection]	-8,000	0.00
Decrease Cost: Office Supplies [Consumer Protection]	-8,000	0.00
<b>FY13 APPROVED:</b>	<b>2,182,612</b>	<b>16.00</b>

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## PROGRAM SUMMARY

Program Name	FY12 Approved		FY13 Approved	
	Expenditures	FTEs	Expenditures	FTEs
Consumer Protection	1,705,940	12.60	1,893,512	14.10
Commission on Common Ownership Communities	242,380	1.90	289,100	1.90
<b>Total</b>	<b>1,948,320</b>	<b>14.50</b>	<b>2,182,612</b>	<b>16.00</b>

