


PS COMMITTEE #3
April 12, 2019

Worksession

MEMORANDUM

April 10, 2019

TO: Public Safety Committee

FROM: Susan J. Farag, Legislative Analyst 

SUBJECT: **Worksession - FY20 Operating Budget: Office of Consumer Protection (OCP)**

PURPOSE: To review FY20 Operating Budget and make a recommendation to full Council.

Those expected to attend this worksession include:

Eric Friedman, Director, Office of Consumer Protection
Tracy Rezvani, Administrator (OCP)
Samuel Buo, Administrator (OCP)
Marsha Carter, Management and Budget Specialist, OCP
Crystal Brockington-Sallee, Office of Management and Budget

Budget Summary:

- Caseloads have decreased over the past year, potentially due to the office's temporary location, which is not easily accessible to the public.
- OCP continues to have one lapsed Administrative Specialist I position, which has been lapsed since FY15.

Overview

For FY20, the Executive recommends total expenditures of \$2,387,851 for the Office of Consumer Protection, a 2.17% increase from the FY19 Approved Budget.

	<i>FY18 Actual</i>	<i>FY19 Approved</i>	<i>FY20 Recommended</i>	<i>% Change FY19-FY20</i>
<i>Expenditures by fund</i>				
General Fund	\$2,157,669	\$2,337,140	\$2,387,851	2.2%
<i>Total Expenditures</i>	\$2,157,669	\$2,337,140	\$2,387,851	2.2%
<i>Positions</i>				
Full-Time	17	17	17	0.0%
Part-Time	1	1	1	0.0%
<i>FTEs</i>	16.6	16.6	16.6	0.0%

The FY20 County Executive recommendation is an increase of \$50,711, or 2.17%. This increase comes from the following identified same services adjustments:

<i>Identified Same Service Adjustments</i>	
Increase Cost: FY20 Compensation Adjustment	\$63,529
Increase Cost: Annualization of FY19 Personnel Costs	\$60,066
Increase Cost: Restore One-Time Lapse Increase and Professional Services	\$55,842
Increase Cost: Retirement Adjustment	\$1,876
<i>Total Increases:</i>	\$181,313
Decrease Cost: Lapse Part-time Vacant Admin. Spec. I Position	(\$51,524)
Decrease Cost: Operating Expenses	(\$79,078)
<i>Total Decreases:</i>	(\$130,602)
NET SAME SERVICES ADJUSTMENT TOTAL:	\$50,711

FY20 Expenditure Issues

STAFFING

After several years of significant recession-related staffing cuts, OCP staffing remains stable this year, maintaining 17 full-time positions and one part-time position. Current staffing reflects the addition of an Administrator position in 2018. OCP had functioned for several years without any supervisor or manager positions. It filled one manager position in 2016 and the other last year. Nevertheless, staffing has not returned to pre-recession levels, despite the addition of several new mandated functions. For comparison, in FY07, OCP had 23 full-time and one part-time position.

The FY20 Recommended Operating Budget includes lapsing a part-time Administrative Specialist I position. This position has been vacant since FY15. In prior budget discussions, OCP indicated that it would like to fill this position to help coordinate consumer education and outreach projects, enhance their social media platform, compile program measures, and coordinate technology needs. As discussed in more detail below, OCP is highly-dependent on consumer outreach and education in order to provide services to residents. The temporary office relocation has likely hindered walk-in consumer complaints. Council staff is also concerned that the reduced staff levels make it a challenge to engage in consumer outreach off-site. ***The Committee may wish to ask OCP to discuss its current outreach initiatives, and how the Administrative Specialist position may assist with those***

efforts. Depending on outreach needs identified at the Committee worksession, Council staff recommends that the Committee consider adding funding for this position, so that it can be filled in FY20.

OCP continues to function out of its temporary office location on Seven Locks Road. The most recent estimate for returning to the Council Office Building is July 2019.

OCP CASELOAD

Case Volume/Closure

	FY16	FY17	FY18	FY19*
Cases Opened	1,348	1,563	1,388	896
Cases Closed	1,174	1,597	1,301	965
Customer Satisfaction	3.6/4.0	3.1/4.0	3.1/4.0	n/a

*As of 03/22/19

In the past, OCP has experienced reduced case volume. Low staffing rates after the recession have impacted the office’s ability to conduct consumer outreach and education. Without outreach, fewer people knew what assistance OCP could provide for consumer complaints. In FY14, the caseload was 1,272, and in FY15, it was 1,202. As shown above, these caseloads increased in FY16 and FY17. However, FY18 again shows a reduction of about 180 cases, and FY19 is also on track for a lower caseload.

OCP advises that the reduction in the number of cases opened from FY17 to FY18 (175 less cases) may be attributed to: 1) the nature of complaints filed in FY17 which involved multiple consumers being impacted by the same merchant; 2) challenges in OCP’s outreach efforts to ensure that residents are aware of the services provided by OCP; and 3) the reduction in the number of visitors to OCP due to the extended duration of OCP’s temporary relocation and loss of proximity to public transportation.

REDUCTIONS IN OPERATING EXPENSES

The FY20 Recommended Operating Budget includes a reduction of \$79,078 in operating expenses. Executive staff advises that these reductions have minimal operational impact, and provided the following breakdown of impacted expenses:

Operating Expenses	Reductions
Professional Services	(\$31,000)
Printing	(\$6,500)
Telephone Charges	(\$10,000)
Duplicating/Postage	(\$7,116)
Advertising/Marketing	(\$5,100)
Office Supplies	(\$7,062)
Computer Software	(\$5,000)
Miscellaneous Charges	(\$7,300)
Total Reductions	(\$79,078)

RECENT INITIATIVES

OCP began providing free formal mediation services to the local business community to assist the parties to formally or informally resolve disputes without recourse to the judicial process.

OCP has also begun working with the County's Business Navigator to provide outreach and education to the local business community, including participation in a continuing education conference that focuses on certified home inspectors. OCP provided a newsletter on "Choosing a Home Inspector, or How to Inspect the Inspector;" created a Home Buyer Resource page; and launched its Lunch and Learn program with a program titled, "Home Buying Tips," which streamed live on YouTube.

OCP also continues to participate in continuing education conferences and provide presentations that focus on common fraud and scams.

CALMS DATABASE UPDATE

The Complaint and Licensing Management System (CALMS) was updated last fall to address information security and performance concerns with the Commercial Parking registration application. These applications were administered by a third-party cloud storage database system, Wufoo, and this limited functionality through CALMS.

The Department of Technology Services' Web and Mobile Applications Team also rewrote the application to fully integrate within CALMS and the County's SharePoint system, removing any WuFoo functionality. In the future, DTS plans to use SharePoint and the SharePoint Document Libraries to replace ZYIMAGE (document management software).

Future updates will include integrating the New Home Building Contractors registration. DTS and OCP still need to address integrating the case management system and e-mail correspondence within CALMS.

SEVEN LOCKS ROAD LOCATION

In 2017, OCP was temporarily relocated to Seven Locks Road (former First District Police Station, currently being used by the County as flex space). Initially, the relocation was to last just six months. It is now likely to be almost two years before OCP returns to the Council Office Building (target date now July 2019). This relocation continues to hinder public access since it is approximately 7/10 of a mile from the nearest bus stop and does not have a sidewalk on the final stretch of Seven Locks Road. Volunteer access is also impeded, since many volunteers come from Richard Montgomery High School, and the temporary location is not within walking distance.

RECENT LEGISLATIVE INITIATIVES

New Home Warranty and Builder Licensing (Amendments): This change repeals Chapter 31C. The changes go into effect May 16. OCP will work with the Department of Permitting Services (DPS) updated business processes to address the changes in the law, including how OCP will review building permit applications for a property owner acting as the general contractor.

Secondhand Personal Property – Dealers – License (Amendments): This change amends certain provisions of Chapter 44A, and also goes into effect on May 16. This amendment changes license renewal requirements from annually in July to annually from the date of issue. This will spread work out all year.

FY20 Revenue Issues

FY20 revenues for OCP are calculated based on new home builder’s licenses, other fines, and other business licenses. The information is summarized below.

FY20 Revenue Summary					
Category	Actual FY18	Approved FY19	Rec. FY20	\$ Change FY19-FY20	% Change FY19-20
New Home Builder Licenses	\$141,680	\$139,500	\$143,000	\$3,500	2.5%
Other Fines/Forfeitures	\$50	\$1,000	\$1,000	\$0	0.0%
Other Licenses/Permits	\$51,248	\$60,000	\$60,000	\$0	0.0%
Miscellaneous Revenues	\$640	\$0	\$0	\$0	0.0%
Total General Fund Revenues	\$193,618	\$200,500	\$204,000	\$3,500	1.7%

COUNCIL STAFF RECOMMENDATION

Council staff recommends adding funding for the lapsed Administrative Specialist position.

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Consumer Protection

RECOMMENDED FY20 BUDGET
\$2,387,851

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 FY20 Operating Budget for the Office of Consumer Protection is \$2,387,851, an increase of \$50,711 or 2.17 percent from the FY19 Approved Budget of \$2,337,140. Personnel Costs comprise 94.88 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 5.12 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 Recommended Budget and funding for comparable service levels in FY21.

Measure	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Program Measures					
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%

Measure	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
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
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

- ★ The Office of Consumer Protection (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.

- * 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

* **"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

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	Recommended FY20	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	1,392,532	1,574,368	1,553,127	1,648,756	4.7 %
Employee Benefits	593,304	567,188	561,994	616,814	8.8 %
County General Fund Personnel Costs	1,985,836	2,141,556	2,115,121	2,265,570	5.8 %
Operating Expenses	171,833	195,584	180,098	122,281	-37.5 %
County General Fund Expenditures	2,157,669	2,337,140	2,295,219	2,387,851	2.2 %
PERSONNEL					
Full-Time	17	17	17	17	—
Part-Time	1	1	1	1	—
FTEs	16.60	16.60	16.60	16.60	—
REVENUES					
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 %

BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Recommended FY20	%Chg Bud/Rec
Other Fines/Forfeitures	50	1,000	1,000	1,000	—
Other Licenses/Permits	51,248	60,000	60,000	60,000	—
County General Fund Revenues	198,356	200,500	200,500	204,000	1.7 %

FY20 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY19 ORIGINAL APPROPRIATION	2,337,140	16.60
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY20 Compensation Adjustment	63,529	0.00
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: 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
FY20 RECOMMENDED	2,387,851	16.60

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY19 Total\$	FY19 FTEs	FY20 Total\$	FY20 FTEs
COUNTY GENERAL FUND					
Fire and Rescue Service	Fire	74,750	1.00	79,732	1.00

FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000s)

Title	FY20	FY21	FY22	FY23	FY24	FY25
COUNTY GENERAL FUND						
EXPENDITURES						
FY20 Recommended	2,388	2,388	2,388	2,388	2,388	2,388
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	16	16	16	16	16
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	2,388	2,404	2,404	2,404	2,404	2,404

Office of Consumer Protection FY20 Budget Questions

1. Please provide a current organizational chart of the office, including titles. Please indicate what positions, if any, are vacant. See attached organizational chart.

a. Are there any scheduled retirements for the remainder of FY19 or projected retirements for FY20? If so, which position(s), and how will this impact caseload assignments?

The Office of Consumer Protection has not received notifications from the Office of Human Resources regarding any scheduled staff retirements for the remainder of FY19 or projected retirements for FY20.

b. Please describe the \$55,842 for restoring lapse and professional services (which professional services?).

As a part of the Office of Consumer Protection's FY19 target reduction goal, OCP lapsed a vacant part-time Administrative Specialist I (Grade 18) position in the amount of \$50,067 and reduced its professional services budget allocation by \$5,775 for a total of \$55,842.

c. Please describe the lapse of the vacant Admin. Spec I position. How long has this been vacant?

As a part of the Office of Consumer Protection's FY20 target reduction goal, OCP lapsed a vacant part-time Administrative Specialist I (Grade 18) position. This position has been vacant since January 2015 (FY15).

2. Please provide the most recent statistics you have regarding case volume, closure, and customer satisfaction. What has the trend been over the past three years?

	FY2016	FY2017	FY2018	FY2019 (as of 3/22/2019)
Cases Opened	1348	1563	1388	896
Cases Closed	1174	1597	1301	965
Customer Satisfaction (Case Handling)	3.6/4.0	3.1/4.0	3.1/4.0	N/A

3. Has OCP undertaken any new functions or duties in the past year?

As part of previous administration's Culture of Solutions initiative, OCP began providing free formal mediation services to the local business community to assist the parties to formally or informally resolve disputes without recourse to the judicial process.

After participation in the Business Excellence workgroup, OCP began working with the County's Business Navigator to provide outreach and education to the local business community including participation in a continuing education conference that focuses on certified home inspectors on the fallout for consumers from shoddy home inspections. In connection with this program, OCP prepared a Newsletter

(6)

on Choosing a Home Inspector...or How to Inspect the Inspector; created a Home Buyer Resource page on its website; and launched its Lunch & Learn program with a program titled, "Home Buying Tips" which was streamed on YouTube live.

OCP continues to participate in continuing education conferences and provide presentations that focus on common fraud and scams to avoid.

4. Has OCP had to stop providing any specific functions or duties?

OCP has not stopped providing any specific functions or duties.

5. Please provide a brief status update of the case management system.

OCP's Complaint and Licensing Management System ("CALMS") was updated in the Fall 2018 to address information security and performance concerns with the online Commercial Parking registration application. Previously, the Commercial Parking registrations were partially administered via Wufoo, a third-party Cloud storage database system; the data and information was stored on WuFoo's servers with limited Commercial Parking functionality through CALMS.

The Department of Technology Services' Web and Mobile Applications Team rewrote the application to fully integrate within CALMS and the County's SharePoint system, thus removing any WuFoo functionality. The update went live in December 2018 without issues or changes to the public facing portion of the Commercial Parking registration application. In the future, the DTS Web and Mobile Applications Team plans to use SharePoint and SharePoint Document Libraries to replace ZYIMAGE (a document management software) as CALMS' document management system.

Currently, CALMS administers Commercial Parking, Motor Vehicle Repair and Towing Registration, Secondhand Personal Property, and Small Appliance licensing/registration, in addition to complaints. Future updates include integrating New Home Building Contractors registration and improving other aspects of the license management system.

DTS and OCP still need to address concerns with the case management system and email correspondence system within CALMS.

6. Please provide an overview of how your office move has impacted operations, if at all. Please include information on ability for volunteers to get to the location, as well as continue to provide their services at the new location. What is the expected date of return to the COB?

In 2017, the Office of Consumer Protection was temporarily relocated to 1451 Seven Locks Road. The Department of General Services estimates that the Office will return to the Council Office Building in July 2019.

The greatest impact on services has been the lack of easy access to public transportation (approximately .70 miles from the nearest bus stop without a sidewalk on the final stretch of Seven Locks Road which requires pedestrians to walk in the road and compete with vehicle traffic); and on volunteer accessibility

(Student Service Learning volunteers from Richard Montgomery High School are not within walking distance).

7. Please include an annual report (if you have done one this year), and/or any updates on consumer protection initiatives, meetings, or other outreach you've done to the community.

The enclosed Annual Report summarizes the key points and highlights for OCP's FY 2018.

8. Please describe the \$79,078 reduction for operating expenses.

As a part of the Office of Consumer Protection's FY20 target reduction goal, OCP reduced its operating expenses with a minimal service impact.

9. Please describe any recent or pending legislation that may impact your operations (e.g. the Secondhand Property amendment).

On February 14, 2019, the County Executive signed Bill 31-18, New Home Warranty and Builder Licensing – Amendments, into law which repealed Chapter 31C, New Home Warranty and Builder Licensing. The legislative changes will take effect on May 16, 2019.

As a result, OCP and the Department of Permitting Services (DPS) updated and coordinated their business processes to address the changes in the law (e.g., developing policies on how OCP will review any building permit application for a property owner acting as the general contractor).

On February 14, 2019, the County Executive signed Bill 40-18, Secondhand Personal Property – Dealers - License, into law which amended certain provisions of Chapter 44A, the Secondhand Personal Property Dealers. The changes to the law take effect on May 16, 2019.

This legislation changes to the expiration and renewal license requirement to one year from the date of issuance. As a result, OCP should no longer receive the majority of the renewal applications around June/July timeframe (previously the legislation stated each license issued under this Chapter expires on July 30 each year).

Farag, Susan

From: Sallee, Crystal Brockington
Sent: Tuesday, April 09, 2019 3:36 PM
To: Farag, Susan
Cc: Friedman, Eric; Rezvani, Tracy; Buo, K.Samuel; Carter, Marsha
Subject: RE: FY20 Operating Budget - PS Committee April 12th

Here's OCP's responses

Response to follow-up question # 2

The reduction in the number of cases opened from FY17 to FY18 (175 less cases) may be attributed to: 1) the nature of complaints filed in FY17 which involved multiple consumers being impacted by the same merchant; 2) challenges in OCP's outreach efforts to ensure that residents are aware of the services provided by OCP; and 3) the reduction in the number of visitors to OCP due to the extended duration of OCP's temporary relocation and loss of proximity to public transportation.

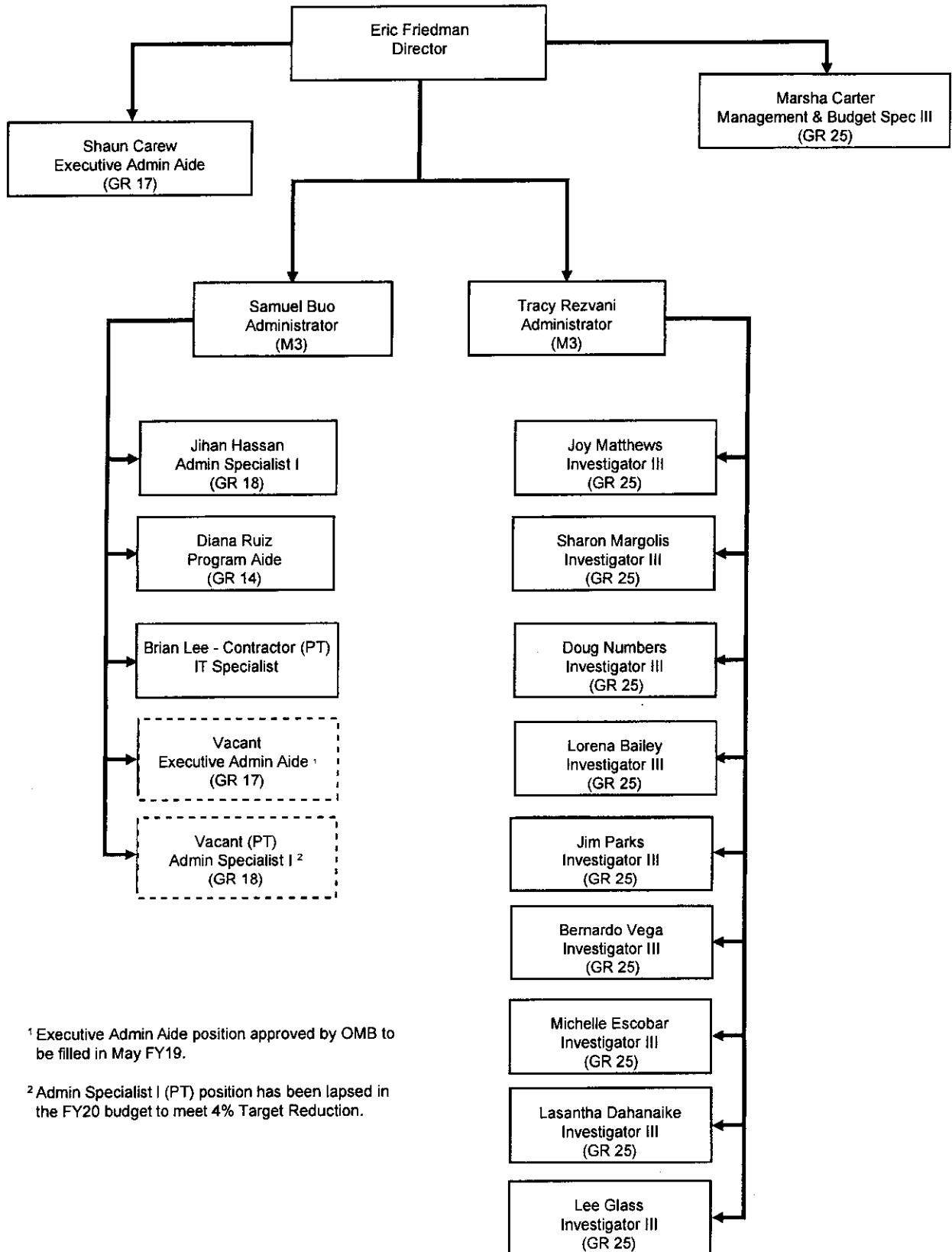
Response to follow-up question #8

Operating Expenses	Reductions
Professional Services	(\$31,000)
Printing	(\$6,500)
Telephone Charges	(\$10,000)
Duplicating/Postage	(\$7,116)
Advertising/Marketing	(\$5,100)
Office Supplies	(\$7,062)
Computer Software	(\$5,000)
Miscellaneous Charges	(\$7,300)
Total Reductions	(\$79,078)

Crystal B. Sallee
Fiscal and Policy Analyst
Office of Management and Budget
101 Monroe Street, Room 1413
Rockville, MD 20850

[Redacted signature block]

OFFICE OF CONSUMER PROTECTION



¹ Executive Admin Aide position approved by OMB to be filled in May FY19.

² Admin Specialist I (PT) position has been lapsed in the FY20 budget to meet 4% Target Reduction.

Office of Consumer Protection (OCP) Annual Report
FY17 (July 1 2017 to June 30 2018)



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 FY18 Operating Budget for the Office of Consumer Protection is \$2,364,597 an increase of \$255,527 or 12.12 percent from the FY17 Approved Budget of \$2,109,070. Personnel Costs comprise 91.36 percent of the budget for 17 full-time position(s) and one part-time position(s). Operating Expenses account for the remaining 8.64 percent of the FY18 budget

Examples of Complaint Resolution in FY 2018

The OCP fielded nearly fifty (50) complaints from two newer developments where the builder's roofing sub-contractor had failed to correctly install specialty shingles. Without following the very specific instructions, these shingles would simply wave in the breeze and fly off in every storm. This resulted in not only

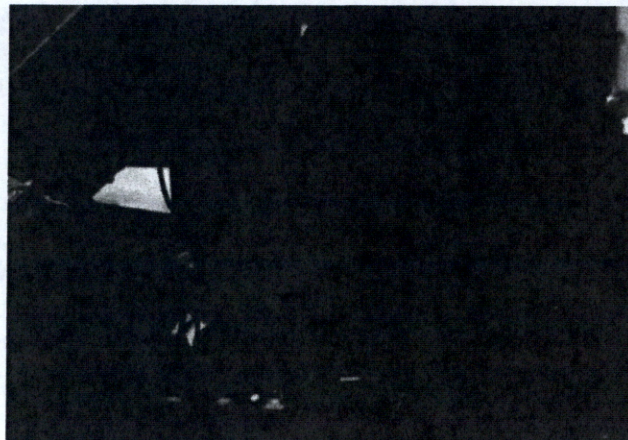
roofing damage, but water damage to the interior of the homes. OCP's investigator negotiated the inspection of every roof the builder's subcontractor installed in these two developments (whether or not a complaint had been filed), replacement of all missing shingles now and into the future, an extended (10 year) warranty on the roofs. OCP is continuing to oversee the inspection process while also negotiating over the remaining water damage complaints.



As part the County's Business Eviction Response Team, the OCP assisted the owner of a consignment shop, and its consumers, after the business was evicted. In this process, the OCP facilitated the return of hundreds of items of clothing and furniture to the consumers, worked with the landlord for access to facilitate this return, and is continuing in FY2019 to work with the evicted owner to return thousands of dollars owed to over seventy (70) consumers.



OCP is believed to have the only ASE Certified Master Auto Technician on staff as an investigator. This investigator has been requested for undercover stings of car repair shops by sister agencies and news programs. OCP handled over 100 car repair cases and consumer inquiries during FY2018. These cases often required a review of not only the documentation, but an under-the-hood review by the investigators.



Legislative Action

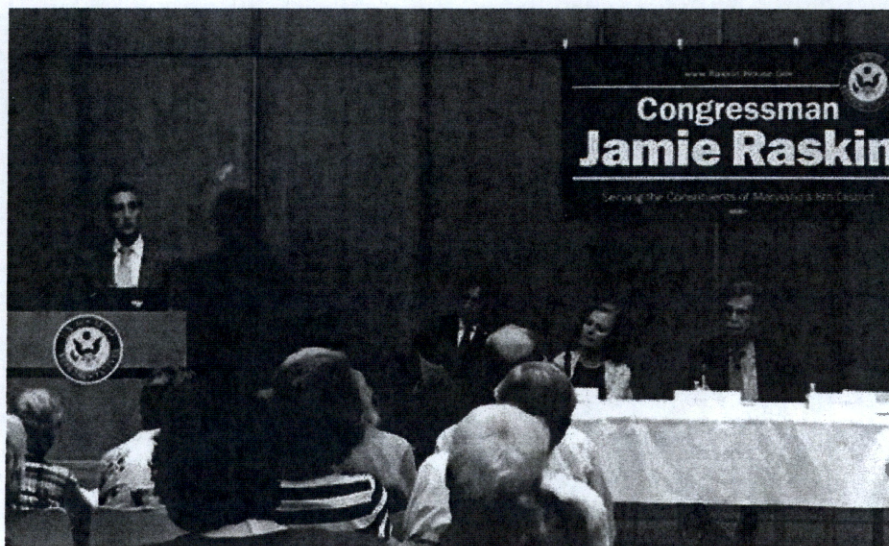
The OCP provided written testimony in opposition to SB1198/HB916/HB674 (Business Regulation – Home Improvement Contracts) which each sought to increase the maximum deposit amount permitted by law. OCP also testified in opposition to to HB1253 (Business Regulation -Collection Agencies – Exemptions from Licensure) which sought to exempt law firms from registering

as a debt collector. OCP testified in favor of HB937 (Business Regulation – Household Goods Movers – Registration), and HB648 (Maryland Consumer Rights), as improvements in consumer protection. The former mandated registration by intrastate movers while the latter sought to add statutory damages to the State’s main consumer protection statute. OCP also testified in support of SB236 (State Board of Education – Financial Literacy and Entrepreneurship Curriculum-Development and Implementation) as a useful tool in developing smarter consumers for the future. Finally, OCP took the unprecedented step to provide testimony in support of *In the Matter of Advanced Methods to Target and Eliminate Unlawful Robocalls* (CG Docket No. 17-59), FCC’s proposed regulations to curb robocalls and call spoofing.

Examples of Community Outreach

The OCP provided speakers, staff, and educational materials to forty-one (41) programs hosted by numerous organizations including the Boy Scouts of America, University of Maryland Graduate Legal Aid, OASIS, Shir Mangal Mandir, Public Libraries, Department of Recreation, A.S.K. Technology at Montgomery College’s Business Training Center, Salvadoran Festival, Single Parent Conference at Montgomery College, Nuclear Regulatory Commission, Ingleside and Homecrest Retirement Communities, various Villages and several Senior Forums organized by Councilmembers.

Notably, OCP hosted two separate events featuring members of Congress. First was a program at B-CC High School featuring Senator Chris Van Hollen and Maryland Attorney General Brian Frosh. The second program was an event at the Silver Spring Civic Building featuring Representative Jamie Raskin, fmr. Deputy Treasury Secretary Sarah Bloom Raskin, and Maryland Attorney General Brian Frosh.



The OCP used social media to begin its “Scambuster Awards” program to recognize consumers spotting scams and routing them. These Awards resulted in multi-lingual videos produced by Department of Technology Service’s Cable Office and are found on OCP’s YouTube channel, ConsumerWise.



OCP otherwise provided alerts and warnings to the public about seasonal scams, romance scams, cybersecurity alerts, and other areas of general consumer interest.

OCP also issued three Newsletters including “Advertising Fraud: The Role of Bots in Shaping Consumer Choice” and “Facebook and Privacy: A Step-by-Step Guide.” The former was featured by a guest speaker to County staff during Cybersecurity Awareness Week and the latter was featured in a WDVM news report.

The OCP added a section to its website highlighting “Scams Targeting Businesses.”

Work product measures capturing the breadth of work performed by the Outreach Program is not captured by CountyStat and is hoped to be added to a separate dashboard in FY19.

Departmental Collaborations

The OCP, is seated as a member of the Public Safety Workgroup on the Age-Friendly Montgomery Task Force. In collaboration with other Public Safety Workgroup members, the OCP created an outreach calendar for the workgroup’s use. Such cross-use of outreach opportunity increases the reach of the agencies’ various campaigns. Moreover, this outreach calendar was expanded to include any other member of the Age-Friendly Montgomery Task Force.

OCP, in collaboration with the Office of Permitting Services, investigated a new home builder which prompted complaints of workmanship from 50% of its customers. DPS issued numerous citations and OCP (through the Board of Building Contractors) began proceedings at the Office of Zoning & Administrative Hearings to revoke the builder's license.

The OCP continued its active role advocating in two workgroups before the Public Service Commission regarding the PC 44 Rate Design & Competitive Markets and Customer Choice Work Groups.

Special Projects

The OCP began a multi-year research project into incidences of unlicensed contractors using online referral e-businesses to reach consumers. The findings of this research report is expected in the next fiscal year.

Business Licensing

The DTS added the Radio, Television and Electrical Appliance Installation and Repair Registration to CALMS. Work product measures capturing the breadth of work performed by the Licensing Program is not captured by CountyStat and continued to be added to a separate dashboard.

The OCP's home page, <http://montgomerycountymd.gov/OCP>, has information on licensing and registration for home builders; commercial parking lot registration; motor vehicle repair and towing; radio, television and small appliance installation and repair; and second-hand personal property dealers. It also has a Business Services page that can link to the OCP's Business Liaison.

Some statistics (# of complaints, licenses, phone call consultations, etc.)

The OCP received over 1388 written complaints from the public and closed over 1301 investigations. The following chart includes some performance measures with results in FY 2018:

Performance Measures	Achievement
Restitution received as of % asked	95
Satisfaction with case handling*	3.1
Satisfaction with case outcome*	2.9
Time to investigate and close complaint	76 work days
OCP initiated cases resolved by OCP	54%
News releases covered by media	100%
Media requests for OCP expertise	19

*scale of 1-4



The OCP responded (by telephone, email, or walk-in) to over 2568 "Consultation Requests" from the public in which OCP staff provided information and advice to consumers, merchants and non-profits.

New Employee Hired / Retired

In Fiscal Year 2018, the Office of Consumer Protection added two new investigators.

