

PS COMMITTEE #1
June 24, 2019

MEMORANDUM

June 20, 2019

TO: Public Safety Committee

FROM: Susan J. Farag, Legislative Analyst *SJF*

SUBJECT: Update: Office of Consumer Protection

PURPOSE: To be briefed on current OCP initiatives and cases.

Today, the Committee will receive an update from the Office of Consumer Protection (OCP) on its current initiatives and future plans. The following are expected to brief the Committee:

Eric Friedman, Director of the Office of Consumer Protection (OCP)
Tracy Rezvani, Administrator, OCP
Samuel K. Buo, Administrator, OCP
Marsha Carter, Management and Budget Specialist, OCP

OFFICE OF CONSUMER PROTECTION BACKGROUND

Established in 1971, OCP's primary mission is to prohibit unfair and deceptive trade practices in order to protect consumers and maintain a level playing field for merchants. 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 numerous County agencies. OCP also serves as the Patient Advocate Position for the Emergency Medical Services (EMS) Insurance Reimbursement Program. Until July 1, 2016, OCP had been responsible for staffing the Commission on Common Ownership Communities (CCOC). The CCOC is now staffed by the Department of Housing and Community Affairs (DHCA).

INVESTIGATIVE STAFF

OCP currently has nine investigators, including three bilingual Spanish-speaking investigators, one of whom is designated as the office's Hispanic Liaison. They are tasked with investigating and seeking to resolve all written complaints. Organizational charts are included on © 3-4.

Cases are generally assigned to investigators based on the type of business involved and a particular investigator's expertise. All investigators receive cross-training on different types of cases to ensure proper coverage, but certain investigators are more familiar with specific issues, such as working with auto lease documents or trespass towing laws or household moving statutes. OCP has several subject matter experts on their investigative staff, including a Master Certified Auto Technician as an Investigator III, a former Maryland Home Improvement Commission investigator as an Investigator III, and a former Better Business Bureau mediator from its Lemon Law program as an Investigator III.

Investigators are responsible for communicating with both the consumers and the merchants to obtain additional facts, reviewing documentation, obtaining evidence, issuing subpoenas to merchants and third-parties, visiting the business or the consumer's home to discuss the case, mediating disputes, drafting settlement agreements, conducting enforcement or educational "sweeps," engaging in education and outreach programs, serving on Boards or Committees, attending consumer conferences, initiating criminal charges, and testifying in court. More detailed information on these functions is attached at ©1-3.

VOLUNTEERS

OCP relies heavily on the assistance of volunteers:

- **Foreign Language Volunteers:** These volunteers first undergo training approved by the Language Access Coordinator. The office currently has volunteers who speak Chinese (Mandarin, Cantonese, and Shanghai dialects), Spanish, Korean, French, Vietnamese, Spanish, Amharic, Russian, and Polish. Volunteers translate complaint-related documents, interpret intake and fact-gathering with a consumer, merchant, or third party, translate outreach and educational materials, and interpret at outreach events.
- **Investigator Aides:** These volunteers assist with factual research, organizing the investigator's case files, making follow-up calls to parties, and third parties as needed.
- **Licensing Aide:** These volunteers assist with filing and calling merchants to complete applications. They also assist in scanning the hard copy licensing files and uploading them to ZYIMAGE to support the Complaint and License Management System (CALMS).
- **Interns/SSL:** These volunteers provide project-based support on outreach and research.

- **Mediators:** Experienced mediators provide their time to cases where a neutral third party is requested by the parties. This service is also provided to all business-to-business complaints where OCP lacks enforcement and investigative authority.

INVESTIGATIONS

OCP advises that most complaints it receives are automotive-related. These complaints are generally repair- or sales-related. This does not include towing complaints, which are categorized separately. Towing complaints are the 4th largest type of complaint that the office receives.

The second largest type of complaint is home improvement cases, and OCP expects this number to rise during the next several months. These types of cases involve repair, remodeling, landscaping, pest control, and other types of projects around the home. The third highest category of cases was for retail cases. This includes not only brick-and-mortar stores but e-tailers, including local, national, and international. A breakdown of case types is provided on ©6.

SIGNIFICANT CASES

Court Cases: One recent case involved an unlicensed merchant who obtained contracts from three senior citizens for driveway work, and then either failed to finish the work or provided a substandard work product. OCP investigators filed charges in 2009 and the merchant was finally arrested on a warrant in 2018. The investigator returned from retirement to testify at trial. Certain consumers obtained a restitution order.

In another case, a licensed electrician was charged with a theft scheme when he obtained deposit checks from 20 homeowners to replace electrical meter stack and never returned. The court order restitution, among other punitive remedies, and the Department of Permitting Services revoked his license.

OCP also has a case pending against a merchant that obtains payments for disability support equipment, but never delivers it. The merchant has already been charged in Virginia and was picked up in Spotsylvania County on a Montgomery County warrant. Trial is set for September 26, 2019.

Internet Scheme: OCP has recently reviewed a complaint that seems to be a multi-faceted internet fraud scheme. Scammers have cybersquatted on a business' website, spoofed numerous merchandise e-tailer businesses on the same page under various names, and is defrauding consumers nationwide through falls transactions (which are later charged back to the banks). In addition to defrauding credit card companies and banks, it is believed these actors are also operating other scam businesses from a local site where they are obtaining money under

false pretenses. OCP is working with the Montgomery County Police Department's Financial Crimes Division to track these schemes and suspects.

Quebec Terrace: OCP has been investigating numerous complaints from tenants living on the south side of Quebec Terrace in Silver Spring, alleging predatory towing practices. MCPD has also received complaints of theft by towing. This street is a public street that is publicly maintained. There is a "parking easement" on the south side of the street. Apparently, some of the multiple landlords on this street contracted to tow cars parked on the south side of the street. OCP has been working with MCPD, the Department of Transportation, and the Planning Department to determine the legal status of this portion of the street in order to determine which towing law applies. DOT has recommended a practical solution involving parking permits. Work is ongoing among several County departments.

Licensing: The Licensing Unit continues to integrate its workflow and operations into the CALMS database. Currently, Secondhand Personal Property; Radio, TV, and Electrical Appliance Installation and Repair; Motor Vehicle Repair and Towing Registration; and Commercial parking Lot Registration have all transitioned to CALMS.

OCP is currently in the process of hiring an Executive Administrative Aide position to provide high-level administrative support to licensing operations, office management services, and administrative support to OCP's Operations Administrator. The position will primarily perform licensing and registration-related duties. It will also assist in developing and testing OCP's SharePoint site and OCP's proposed Innovation Fund project – a centralized platform for consumers to search for information on a business and quickly allow consumers to file complaints with OCP.

CONSUMER EDUCATION AND OUTREACH

OCP is using a variety of social media platforms to conduct consumer outreach, including Facebook, Twitter, NextDoor, and Gov Delivery. It has also begun a "Lunch and Learn" program through its Advisory Committee and in conjunction with Montgomery County Public Libraries (MCPL).

OCP also collaborates with local county, city, state and federal agencies, and is invited to resource fairs, workshops, and roundtable discussions. In June, OCP participated in an FTC Roundtable to discuss scams facing the Latino/Latina community. OCP was also asked to partner with the Maryland Insurance Administration on a future Lunch and Learn program. It also staffed a table at the World Elder Abuse Awareness Day Senior Safety Forum. OCP is regularly invited to present workshops and seminars by nonprofits, business groups, civic associations, and schools, on topics ranging from car buying, cyber security, credit and debt, and scams.

OCP also collaborates with other public safety agencies to expand its reach. Through the Age Friendly Montgomery Advisory Group, the OCP created an omnibus outreach calendar where events are posted, to that agencies can "cross-pollinate" efforts.

FUTURE PLANS

The Department of General Services expects OCP to return to the Council Office Building by August 2019. This will mean almost a two-year absence from the building. OCP is marking its 50th Anniversary as Montgomery County's consumer protection office, and it looks forward to a "grand reopening" and restored proximity to public transportation, County Agencies, and elected officials.

OCP is focusing its efforts on big picture issues, such as the "sharing economy," "electronic payments & contracts," and the changing definition of "privacy," which is creating challenges related to the traditional concept of consumer protection.

OCP is also establishing key performance measures and developing strategies for improving performs. These enhancements will reflect OCP's performance regarding investigating and resolving consumer complaints, and regarding the issuance of business licenses and registrations.

POTENTIAL DISCUSSION QUESTIONS

1. What types of resources are necessary to investigate internet crimes and frauds against our residents?
2. The number of investigative staff has not returned to pre-recession levels. While several investigators have subject matter expertise in particular areas, and all investigators are cross-trained, is there a need to have additional investigators with specialized training? How do current staffing levels impact investigation timeframes for highly-complex cases?
3. The online complaint form is easily accessible and available in English and Spanish. It is Council staff's understanding that the current program, ZYIMAGE, that handles uploaded documents, is cumbersome and difficult for investigative staff to use. Are there plans to attempt to improve this part of the investigative file?
4. How is the CALMS system working overall?

This packet contains

OCP Responses to Questions	© 1-9
OCP Laws at a Glance	10
State Attorney General Letter that distinguishes State Consumer Protection and OCP	11-12
Police Department Letter delineating areas of cooperation among agencies	13-14
State's Attorney's Letter delineating areas of cooperation among agencies	15-17

1. Could you provide an overview of the current office structure, and give an idea of what investigators do each day.

Montgomery County's consumer protection office was established in 1971 as one of the first acts taken upon the installment of the Council / County Executive form of government. OCP is a law enforcement agency within the Montgomery County Public Safety sector. OCP's core mission is to enforce several consumer protection laws which prohibit unfair and deceptive businesses acts, to ensure a fair marketplace for consumers and businesses. This mission is expressed in five general categories: 1) Investigate & resolve complaints, 2) License & register certain businesses, 3) Enforcement, 4) Education & Outreach, and 5) Advocacy & Legislation. OCP's service mark is a "handshake" to demonstrate that "trust" is the underlying element of every transaction. OCP's tag line is "*Ensuring Integrity in our Marketplace*" because a level playing field promotes the interests of both consumers and businesses.

OCP's nine Investigators (including three bilingual Spanish speaking Investigators with one designated as an Hispanic Liaison) are tasked with investigating and seeking to resolve all written complaints. Cases are generally assigned to investigators based upon the nature of the merchant's business, and the specific expertise of each investigator. For example, one Investigator may be more familiar with auto lease documents, while another Investigator may be an expert regarding trespass towing laws, or household moving statutes. All investigators receive cross-training to ensure that OCP can always provide sufficient coverage. In addition to responding to daily telephone calls from the public, Investigators assigned to each complaint are responsible for communicating with the consumers and merchants to obtain additional facts or cross-check facts, review documentation, obtain evidence, issue subpoenas to merchants and third-parties, visit the merchants' business or the consumers' home to discuss the facts and issues with the parties in person, resolve and mediate disputes, draft settlement agreements, conduct enforcement or educational "sweeps," engage in education or outreach programs, serve on Boards or Committees, attend consumer conferences, meetings or continuing education courses on behalf of the agency, issue and serve civil citations, initiate and refer criminal charges, and testify in Court.

Consultation Each day, one investigator is assigned to handle all "information/consultation" requests. This allows a consumer (or a merchant) to call, fax, email, tag on social media, or walk-in, without an appointment, and communicate with a consumer law specialist about any topic governed by County Code Chapters 11, 30, 30C, 31A, 31C, 38A, 40 (Articles III and IV), 44A and their related Executive Regulations. Moreover, the OCP investigators are regularly called upon to analyze and apply State and Federal consumer protection laws when faced with these issues. Consumers regularly visit OCP and bring in file folders of paperwork and ask investigators for help, sometimes needing the assistance of foreign language volunteers, to understand the underlying transaction in question. These consultation calls, emails, faxes and meetings sometimes result in an answer

that solves the issue and other times requires the investigator to advise the consumer to file a written complaint with OCP, or to refer the consumer to another regulatory agency.

Investigation OCP Investigators handle matters ranging from customer service failures, to warranty disputes, to defective workmanship, to failure to provide a service, to outright fraud. The Investigators have access to various industry specific databases to research the background facts, the parties, repair history (where relevant), complaint history, etc. OCP Investigators typically have long tenure with the agency and thus have earned the respect of the businesses which they investigate and have developed expertise regarding certain types of consumer transactions. They also have developed close working relationships with County, State, and Federal regulatory agencies to coordinate collaborative enforcement and coordination as needed.

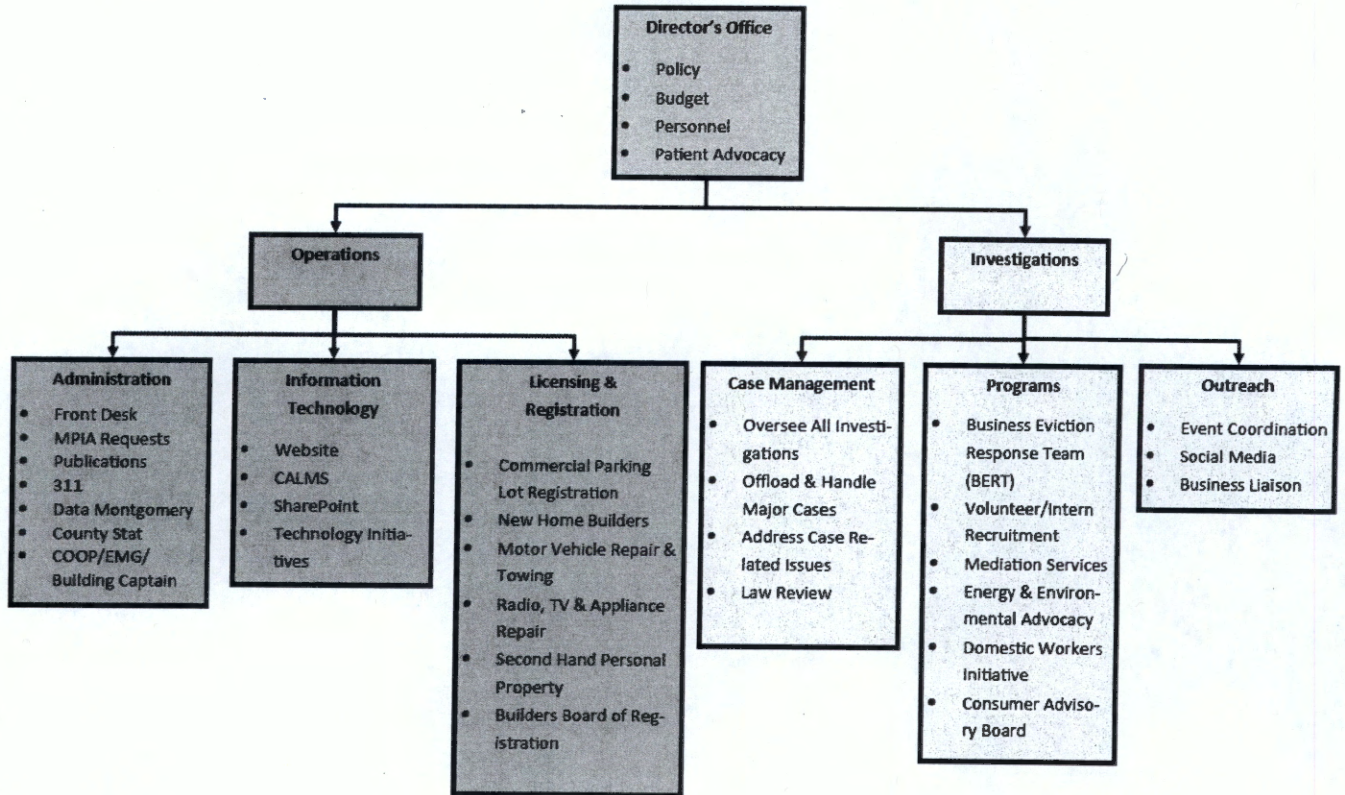
Enforcement Investigators engage in enforcement activity in one of four ways: (a) executing settlement agreements, (b) issuing and serving civil citations or Notices of Violation, c) initiating & referring criminal charges, and (d) conducting educational or enforcement "sweeps." Sweeps are conducted by teams of Investigators who go to merchants to educate on a specific area of the law, issue Notices of Violation to alert the merchant of any non-compliance, and if a record of a prior Notice exists, issue civil citations. Once these charges or citations are ready for a hearing and trial, the Investigators work with the prosecuting team at the States Attorneys' Office and the Office of the County Attorney to prepare the file and witnesses and appear in Court to testify as needed.

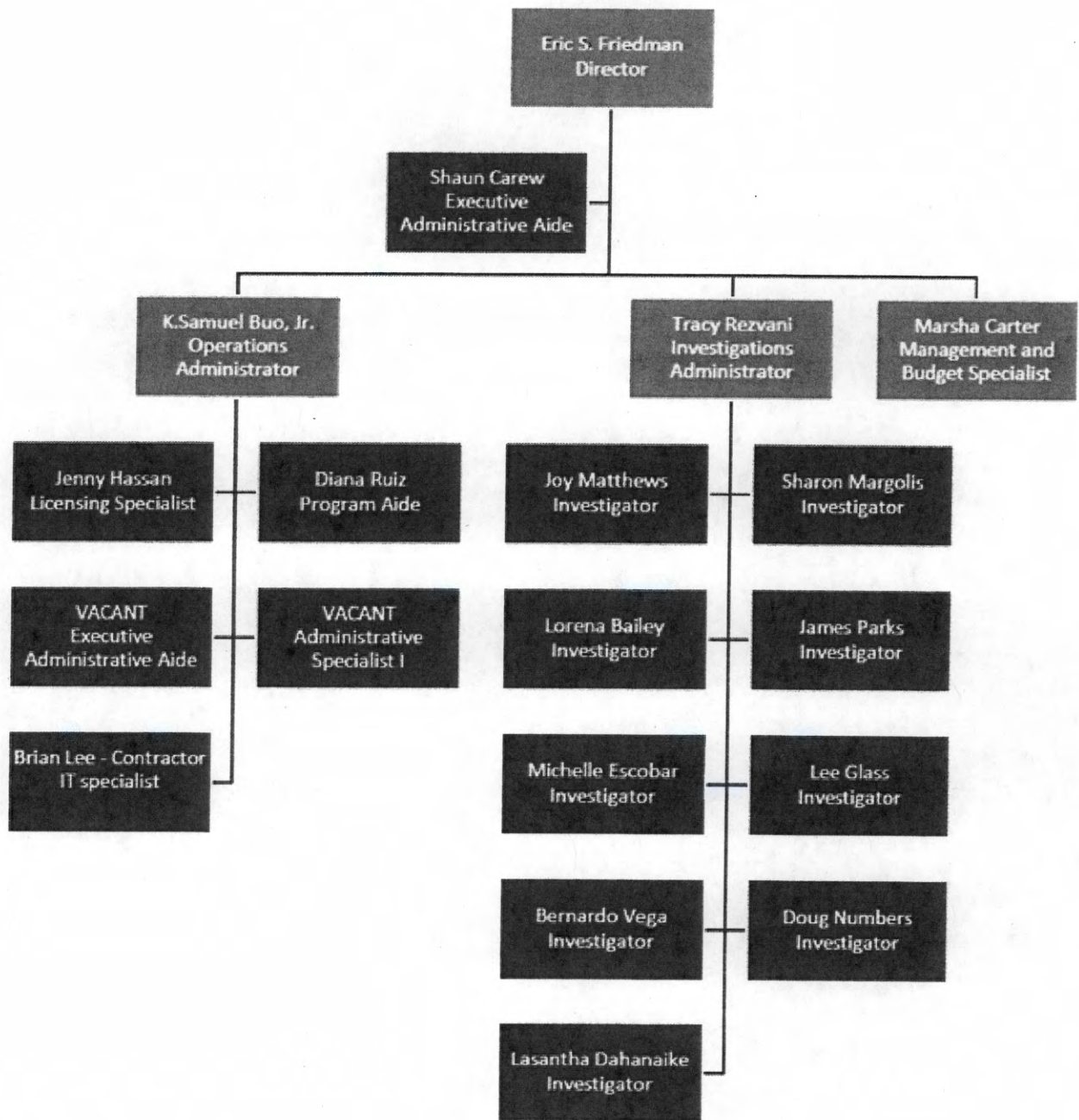
Licensing OCP Investigators work closely with OCP's Licensing and Registration unit to ensure that new home builders & sellers, auto repair & towing firms, secondhand personal property dealers, and small appliance repair firms are properly licensed or registered.

Education and Outreach OCP Investigators are required to assist with all education and outreach programming event. Each investigator handles at least one original programming where they have to design the program and make a presentation to a defined group, e.g., seniors, civic association, business groups, alumni groups, etc. Additionally, Investigators are required to staff and facilitate at least 3 resource fairs a year. These events allow consumers and merchants to meet them "in the field" and discuss any and all issues on the spot.

Board, Committee, & Special Assignments OCP assigns an Investigator to staff the Board of Building Contractors, and the Advisory Committee on Consumer Protection each. Additionally, Investigators are assigned as Wellness Coordinator, Fleet Coordinator, Hispanic Liaison, and as the host of OCP's Consumer Alert Video productions. Two Investigators also staff a multi-agency/multi-jurisdictional "Woodchuck" taskforce which share data and enforcement initiatives on unlicensed contractors which engage in theft of deposit schemes. Finally, Investigators are

assigned to the HHS Work Assistance Grant for car repairs requests program, support the agency's Energy & Environmental Advocacy mandate by participating in PSC-Utility Rate discussions, support Intergovernmental Relations for legislation at the General Assembly, advocate and educate County employers and employees on the Domestic Worker Law, and execute OCP's Business Eviction Response Team (B.E.R.T.) program with the Sheriff's Office.





2. How the volunteers provide assistance?

- a. Foreign language volunteers: translate complaint-related documents (complaints, responses, correspondence) to facilitate an investigation; interpret intake and fact gathering with consumer, merchant or third parties; translate outreach and education materials; interpret at outreach events. These volunteers first undergo a training program approved by

the Language Access Coordinator. Currently, OCP has volunteers speaking Chinese (Mandarin, Cantonese and Shanghai dialects), Korean, French, Vietnamese, Spanish, Amharic, Russian and Polish.

- b. Investigator aid volunteers assist with factual research, organizing the investigator's case file, making follow-up calls to parties, and third parties, as needed.
- c. Licensing aid volunteers assist with filing and calling merchants to complete applications. As part of transitioning to the Complaint and License Management System (CALMS), these volunteers are also scan the hard copy licensing files and uploading them to ZYIMAGE.
- d. Interns/SSL: project-based support on outreach, research, etc.
- e. Mediators: experienced mediators provide their time to cases where a third-party neutral is requested by the parties. This service is also provided to all business-to-business complaints where OCP lacks enforcement and investigation authority.

3. What types of subject matter experts do you have, etc.

- a. One Master Certified Auto Technician as an Investigator III;
- b. A former Maryland Home Improvement Commission investigator as an Investigator III;
- c. A former Better Business Bureau mediator from its Lemon Law program as an Investigator III

4. An overview of the current work you are doing, including the types of significant cases you are dealing with right now.

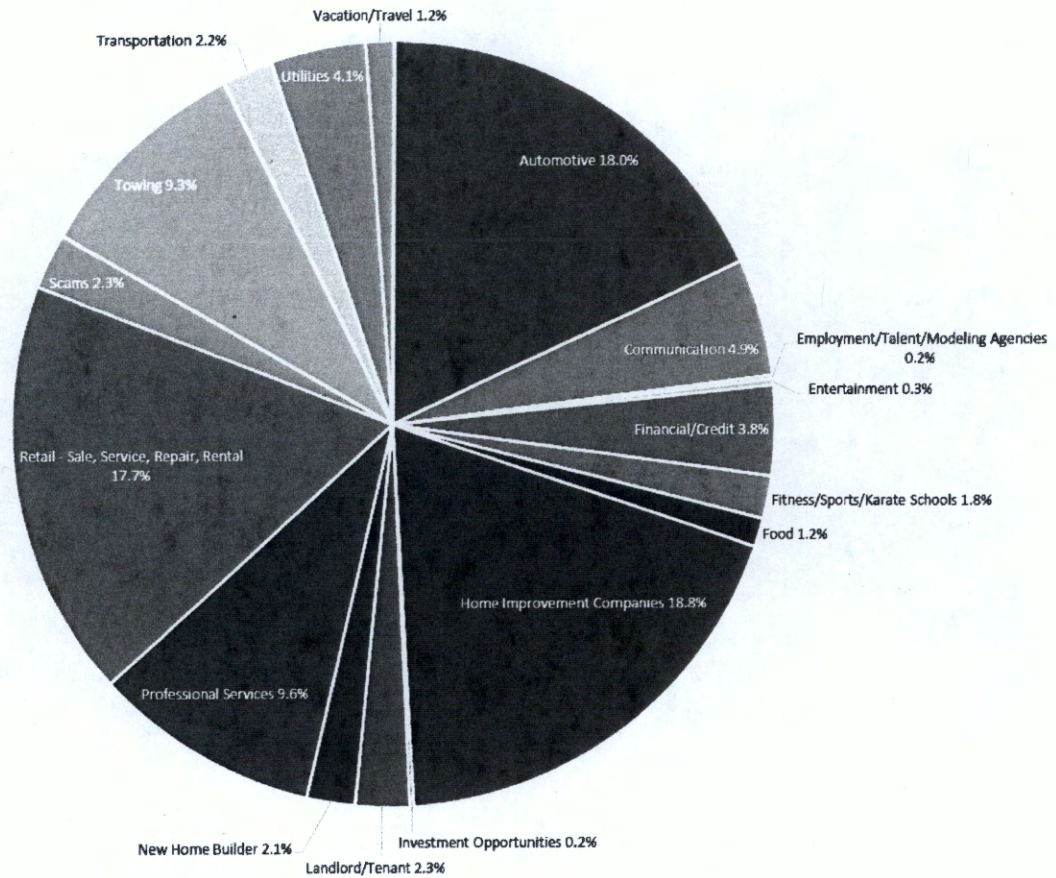
Investigations

Overview Based on the most recent statistics, May 2019, OCP's top source-industry for complaints is automotive. This could be complaints based on repair or sales but not towing (which came in fourth). A close second (and expected to rise during the next several months) were home improvement cases. These would be for repair, remodeling, landscaping, pest control, and other types of projects around the home. The third highest category of cases were retail cases. These would be cases against not only brick-and-mortar merchants but e-tailers local, national, and international.

Below is a breakdown of the complaint categories, by industry for the current fiscal year to date:

Complaint Categories

7/1/2018-6/18/2019



Significant Cases

Legal Action: OCP recently issued a press release about three criminal charges brought to trial. One involved an unlicensed merchant who obtained contracts from three seniors for driveway work and then either failed to finish or provided a sub-standard work product. OCP investigator filed charges in 2009 and the merchant was finally arrested on a warrant in 2018. The investigator returned from retirement to testify at trial. The living consumers obtained a restitution order. Another unlicensed contractor left the consumer's yard filled with trenches and debris in connection with a basement remodel that was abandoned. The court ordered restitution, among other punitive remedies. A licensed electrician was charged with a theft scheme when he obtained deposit checks from 20 homeowners to replace electrical meterstack and never returned. The court ordered restitution, among other punitive remedies, and DPS revoked the electrician's license. Finally, currently pending is a case against a merchant which obtains monies for disability support equipment but never delivers. This merchant has already been charged in Virginia, and on a Montgomery County warrant,

(6)

was picked up in Spotsylvania County, and extradited to Montgomery County. Trial is set for September 26, 2019.

Internet Scheme: OCP has recently received a complaint which has all the hallmarks of a multi-faceted internet fraud scheme. Without divulging details of a pending investigation, the scammers have cybersquatted on a respectable business' website, spoofed numerous merchandise e-tailer businesses on the same page under various names, and is defrauding consumers nationwide through false transactions (which are later charged back to the banks). In addition to (ultimately) defrauding credit card companies and banks of this money, it is believed that these actors are also operating other scam businesses from a local site where they are obtaining money and PII under false pretenses. OCP is working with MCPD-Financial Crimes Division and members of the public who have relevant information in order to track the various schemes and actors.

Quebec Terrace: OCP has been investigating numerous complaints from tenants living on the south side of Quebec Terrace, Silver Spring, MD alleging predatory towing practices. The Police Department also received complaints alleging theft by towing. This street in New Hampshire Estates is a public street which is publicly maintained. However, there is a "parking easement" on the south (odd-numbered) side of the street. Apparently, some of the multiple landlords (property owners) on this street contracted with multiple towing companies to tow cars parked on the south/odd side of the street. OCP has been working with MCPD, DOT, and the Planning Department to determine the exact legal status of this street in order to determine which towing law applies. OCP has also been working with DHCA to identify all of the licensed landlords on this street. DOT has recommended a practical solution to the situation involving parking permits. Investigation and onsite visits regarding these towing/theft complaints appears to suggest the need for collaborative action by several Montgomery County departments to address this and other quality of life issues in this neighborhood.

Licensing

The Licensing Unit continues to integrate its workflow and operations in CALMS. At present, Secondhand Personal Property; Radio, Television and Electrical Appliance Installation and Repair; Motor Vehicle Repair & Towing Registration; and Commercial Parking Lot Registration have transitioned to CALMS.

OCP is currently in the process of hiring an Executive Administrative Aide to provide high-level administrative support to OCP's licensing operations, office management services, and administrative support to OCP's Operations Administrator. This position will primarily perform licensing / registration related duties, such as contacting applicants regarding their business licenses, conducting compliance reviews to ensure that businesses are meeting the County requirements, and drafting office policies for consideration by the Director. This position will also assist in developing and testing OCP's SharePoint site and OCP's proposed Innovation Fund project – a central

platform for consumers to search for information on a business and to quickly allow consumers to file complaints with OCP.

5. Please provide an overview of your consumer education and outreach efforts.

OCP puts all of its events on a Calendar shared on its home page. These events are then shared on social media through a Facebook "Event" and on Twitter, and Instagram. If the program is an "original" event—meaning that the OCP has created the program rather than having been invited to an existing program by another agency or third-party, the outreach event is also shared on NextDoor and through Gov Delivery. In 2019, the OCP has begun a "Lunch & Learn" program through its Advisory Committee and in conjunction with MCPL. These are one hour "brown bag" lunchtime programs hosted at area MCPL branches. In order to broaden reach, OCP is also livestreaming these workshops on YouTube. Whether in person, or online, consumers can ask questions and interact with the presenter. The workshop is then posted online for later viewing by consumers unavailable during this hour block.

Additionally, OCP collaborates with local (County and City), State, and Federal agencies and is invited to resource fairs, workshops and roundtable discussions. For example, in June the OCP was invited to an FTC Roundtable to discuss scams facing the Latino community, asked to partner with the Maryland Insurance Administration on a future Lunch & Learn program, and staffed a table at the World Elder Abuse Awareness Day Senior Safety Forum. Moreover, the OCP is regularly invited to present workshops and seminars by non-profits, business groups, civic associations, and schools on topics ranging from car buying, cybersecurity, credit & debt, and scams. Resources permitting, OCP endeavors to accept all such invitations.

Finally, OCP attempts to collaborate with other Public Safety agencies to expand its reach. Through the Age Friendly Montgomery Advisory Group, the OCP created an omnibus outreach calendar where events are posted so that agencies can "cross-pollinate" efforts. This allows agencies to either send staff or agency brochures to each other's resource fairs or outreach events.

6. Future plans for the next 6 months to a year; including how/when you are moving back to the COB.

At present, DGS expects the OCP to return to the COB by August 2019. We are eager to return to the COB after nearly a two-year temporary relocation. As we begin to prepare for the 50th Anniversary of Montgomery County's consumer protection office, we look forward to a "grand reopening" and restored proximity to public transportation, County Agencies, and elected officials. In addition to maintaining our exemplary reputation for being a "can-do" department with the highest level of customer service, OCP hopes to be able to focus some time and attention to complicated and challenging "big picture" issues affecting consumers and merchants in a quickly changing



marketplace. For example, the advent of a “sharing economy,” “electronic payments & contracts,” and the changing definition of “privacy” creates perplexing challenges related to the traditional concept of “consumer protection.”

Pursuant to the County Executive’s priority outcomes and the Chief Administrator Officer’s “Turning the Curve” approach to management, OCP is in the process of establishing key performance measures and developing strategies for improving performance. These enhancements will reflect OCP’s performance regarding investigating and resolving consumer complaints, and regarding the issuance of business licenses and registrations. OCP is working with the Office of Performance and Innovation (a/k/a) CountyStat.

7. Future needs

OCP is currently working to overhaul our Complaint and Licensing Management System (CALMS) to better secure messaging between internal and external users, reduce reliance on outdated technology such as ZYIMAGE, provide administrators with useful reports, provide a means for users to pay for licenses and services online, and other improvements for intuitive user interface to increase efficiency and productivity.

OCP LAWS AT A GLANCE

- | | |
|---------------------------------------------|-------------|
| 1. Consumer Protection Act | Chapter 11 |
| Energy & Environmental Advocacy | |
| Domestic Workers | |
| 2. Motor Vehicle Repair & Towing | Chapter 31A |
| 3. Towing and Immobilization | Chapter 30C |
| 4. Commission on Common Ownership | Chapter 10B |
| 5. Secondhand Personal Property (Pawn Shop) | Chapter 44A |
| 6. Real Estate Disclosures | Chapter 40 |
| Estimated Property Tax | |
| Energy Audits | |
| 7. Appliance Repair | Chapter 38A |
| 8. New Home Builder Licensing & Warranty | Chapter 31C |
| 9. Development Districts | Chapter 14 |

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STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

WRITER'S DIRECT DIAL NO.

(410) 576-6557

April 29, 2010

Eric S. Friedman, Director
Montgomery County
Office of Consumer Protection
100 Maryland Avenue, Room 330
Rockville, Maryland 20850-2367

CONSUMER PROTECTION

APR 30 2010

Dear Mr. Friedman:

RECEIVED

I am writing in response to your inquiry about the ability of the Consumer Protection Division of the Office of the Attorney General to provide the services that are currently provided by your Office.

In the past, we have been able to work together to help the citizens of Montgomery County by combating unfair and deceptive trade practices. For example, one of your bilingual investigators provided important assistance to this Office's investigation of a case against Financial Freedom International by assisting us in interviewing Spanish-speaking Montgomery County residents who were victimized by the company. In addition to cooperating in combating illegal practices, through coordinated efforts in Annapolis over the years, we have been able to obtain legislative fixes for problems facing consumers.

The Consumer Protection Division is happy to serve all of the citizens of Maryland, including the citizens of Montgomery County. However, the services that this Office is able to provide in addressing individual consumer complaints differ from those that your Office has traditionally provided. This Office mediates complaints using a cadre of volunteers. The volunteers, under the supervision of a Mediation Unit Supervisor, through correspondence and phone conversations, seek to resolve complaints in a manner that is acceptable to both the consumer and the business. Unlike the complaint handling services provided by your Office, this Office does not conduct face-to-face mediation. We do not have an A.S.E. certified automobile mechanic on staff to address automobile complaints. We do not mediate internal condominium or homeowner association disputes that do not involve potential violations of the Condominium

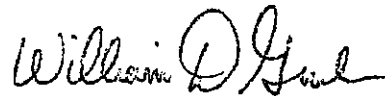


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April 29, 2010

Act or the Homeowners Association Act. We cannot visit a consumer's home to examine work performed by a home improvement contractor or look at a consumer's vehicle in connection with an automobile repair dispute. Thus, although we mediate complaints from Montgomery County consumers, we are unable to provide the same services in handling individual complaints that Montgomery County consumers have experienced in dealings with your Office.

I hope that we will be able to continue to work together in the future to assist the citizens of Montgomery County.

Very truly yours,



William D. Gruhn
Chief, Consumer Protection Division

WDG:



DEPARTMENT OF POLICE

Isiah Leggett
County Executive

J. Thomas Manger
Chief of Police

MEMORANDUM

April 26, 2011

TO: The Honorable Phil Andrews
Chair, Public Safety Committee
Montgomery County Council

The Honorable Roger Berliner
Council Vice President

The Honorable Marc Elrich
Councilmember

FROM: J. Thomas Manger
Chief of Police

SUBJECT: Office of Consumer Protection

This is to confirm and underscore the importance of the Office of Consumer Protection (OCP) as a valuable partner within the Public Safety cluster of County agencies.

The Police Department collaborates with and relies upon the expertise from the Office of Consumer Protection in several critical areas; their work is vital to our operations, for example:

- Our Financial Crimes Section receives the results of filed investigations by OCP staff regarding unlicensed and itinerant contractors who victimize homeowners by soliciting payments without providing services. These investigations are complete and filled with information necessary to obtain a conviction, many of these "contractors" are transient and involved in other criminal activity.
- Our Pawn Unit relies upon OCP staff to administer the licensing provisions of Chapter 44A, which accordingly enables our office to focus police resources on recovering stolen property and prohibiting the sale of stolen property by pawn shops. We are able to close out numerous burglary and theft reports through pawn-shop records, an impossible task without the licensing of these shops.

Office of the Chief of Police

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- Our Abandoned Vehicle Section relies upon OCP staff to administer the licensing provisions of Chapter 30C regarding towing firms. We work closely with OCP staff to address the multitude of problems caused by “predatory-towing practices” in Montgomery County. OCP was instrumental in the passage of new legislation in Annapolis to control predatory towing. My patrol officers also rely on OCP for their expertise in towing rules and regulations, saving our Department countless work hours and overtime.

The budgetary constraints facing Montgomery County require the County Executive and the County Council to make difficult decisions. With all of the investigations and calls for service that my officers handle each day, at times it requires expert assistance to both prevent and investigate many of these calls. Without the OCP we would be forced to make decisions about how we serve the community—with possible negative impacts on the community. Please know the extent to which Montgomery County’s Office of Consumer Protection plays such a vital role in protecting our county. Thank you.

JTM/mam

c: County Councilmembers
Eric Friedman, Director/OCP



STATE'S ATTORNEY
JOHN J. MCCARTHY

State's Attorney for Montgomery County

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Rockville, Maryland 20850

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DEPUTY STATE'S ATTORNEYS

LAURA CHASE

JOHN M. MALONEY

May 3, 2010

Mr. Eric Friedman
Director
Office of Consumer Protection
100 Maryland Avenue, Suite 330
Rockville, Maryland 20850

Dear Mr. Friedman:

This is to provide information which may be germane to the current budget deliberations.

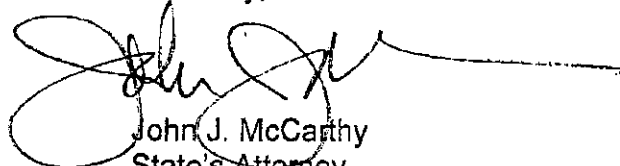
The Montgomery County Office of the State's Attorney works with Investigators from the Office of Consumer Protection (OCP) in prosecuting merchants who have engaged in criminal activity. These cases primarily have involved unlicensed home improvement contractors who have received thousands of dollars from senior citizens and other vulnerable consumers. In addition, these cases have involved travel agents and illegal car sellers.

The investigative efforts of OCP staff have been vitally important in the successful prosecution of these cases. We have been successful in obtaining jail time and restitution for these cases. This has resulted in our ability to help consumers and to send a message to those who might consider committing such crimes.

However, the ability of our office to continue to provide the same level of protection to consumers in Montgomery County would be undermined without the continued assistance from the Office of Consumer Protection. We consider OCP to be a vital resource in this regard.

Please let me know if you need any additional information.

Sincerely,



John J. McCarthy
State's Attorney

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Sheriff's Office

Business Eviction Response Team (BERT)*

OCP and the Sheriff's Office have developed a coordinated effort to protect consumers' possessions which would otherwise be lost or stolen as the unintended consequence of a court ordered eviction of a merchant's store. This collaboration consists of a 5 step process in order to safeguard and return valuable goods to consumers. This program received a NACo award.

http://montgomerycountymd.gov/apps/News/press/PR_details.asp?PrID=6638

Fire Rescue Service (FRS)

Sale of Illegal Electrical Products

OCP coordinated enforcement efforts to identify electrical products being sold in Montgomery County which were not certified by a testing laboratory (i.e. "UL"). The Fire Rescue Service and OCP conducted a joint press event to alert consumers to this danger after a fire in an apartment was caused by an electrical extension cord.

http://montgomerycountymd.gov/apps/News/press/PR_details.asp?PrID=4237

Chimney Fires

OCP issues press releases alerting consumers about the dangers of chimney fires and warning consumers about deceptive trade practices by chimney sweeps and repair firms. http://montgomerycountymd.gov/apps/News/press/PR_details.asp?PrID=698

Sprinkler System Maintenance & Charges

OCP is coordinating efforts with FRS and WSSC regarding misleading and unconscionable prices charged by plumbing firms in providing required inspections and maintenance on sprinkler systems in residential and commercial buildings.

Fire Extinguisher Service Companies

FRS staff consulted with OCP regarding the deceptive business practices of private fire extinguisher services firms that misrepresented themselves to be County employees in attempting to solicit business from restaurants in Montgomery County.

State's Attorney

Criminal Prosecution

OCP refers cases to the State's Attorney for criminal prosecution and provides assistance to the State's Attorney's Office in prosecuting these cases. These cases are primarily filed against unlicensed home improvement contractors, illegal car sellers, and sellers of travel services. OCP typically files an "Application for Statement of Charges" with the Court Commissioner to seek a bench or arrest warrant. OCP routinely interviews consumer victims, provides direct testimony, assists elderly victims with transportation to Court, and monitors Court Orders with the Parole and Probation Office. (See attached letter from John McCarthy.)

Financial Crimes

OCP is collaborating with the newly established "Senior Financial Exploitation Prevention Initiative" within the State's Attorney's Office to investigate financial exploitation of seniors and identify cases which appear appropriate for criminal prosecution.

Consumer Education & Outreach

OCP's director and staff participate in public forums with the State's Attorney and staff to provide alerts and information in an effort to help Montgomery County residents avoid financial crimes and scams. (See attached flyers from Holiday Park & Charter House.)