Analysis of Suggestions for Improvement as part of the FY 2010 County's Line of Business & Schools Program Review Processes Fall 2008

Request By: Public

Suggestion: Eliminate or reduce funding for the Consumer Affairs Branch.

Response By: Department of Cable Communications and Consumer Protection

Background: The Consumer Affairs Branch (CAB) mediated 2,446 complaints, responded to 4,518 advice inquiries, and recovered savings of $1.2 million for Fairfax County consumers in FY 2008.

Fairfax County's Consumer Affairs Branch is authorized by the Code of Virginia, Section 15.2-963, to attempt to resolve consumer complaints by means of voluntary mediation or arbitration under the Virginia Consumer Protection Act. This is accomplished with a General Fund budget of $625,438 and staff of 11 full time positions: 8 Consumer Specialists, 1 Management Analyst, and 2 Administrative Assistants. There are also an additional Consumer Specialist and Administrative Assistant that are funded by the County's Cable Fund as these positions support cable-related complaints and investigations.

In FY 2008, the Consumer Affairs Branch also conducted the following public outreach initiatives:

- Participated in 120 community outreach events, including topics on *Foreclosure Rescue Scams*, *Identity Theft*, *What's in Your Credit Report*, and *When Debt Collectors Call*;
- Provided staff support to the Consumer Protection Commission and Tenant Landlord Commission, produced *Consumer Focus* and *Your Community Your Call* consumer television programs for Fairfax County Government Channel 16; and
- Administered a volunteer program to assist with complaint mediation.

In lieu of the Fairfax County Consumer Affairs Branch, alternatives available to County residents would be the Virginia Office of Consumer Affairs and/or litigation.

The Virginia Department of Agriculture and Consumer Services, Office of Consumer Affairs (OCA) closed 4,164 complaints which resulted in $1.9 million worth of consumer recoveries in 2007. OCA serves as the clearinghouse for the collection, investigation, or referral of consumer complaints and addresses specific issues for state residents not residing in jurisdictions with local consumer affairs offices. The OCA currently has 25 total positions (22 full time and 3 part-time), offering the following services:

- Counseling, Intake and Referral Program - addresses complaints related to the advertisement, sale, or lease of goods and services that are intended for personal, family, or home use;
- Dispute Resolution & Investigations and Regulatory Program – addresses consumer complaints that may contain violations of the Virginia Consumer Protection Act; and
- Regulatory Program - oversees all registrations, investigations, and related surety management for certain types of businesses such as health spas, extended service contact providers, credit repair facilities, travel clubs, membership campgrounds, and organizations that solicit contributions for charitable purposes in Virginia.

With the exception of the OCA Regulatory Program (a required state function), Fairfax County's Consumer Affairs Branch performs all services carried out by the state Office of Consumer Affairs. However, the state Office of Consumer Affairs does not mediate tenant-landlord and home improvement contractor complaints. These complaints are addressed by Fairfax County's Consumer Affairs Branch and represent two of the higher volume complaint categories filed by consumers in Fairfax County. Further, the Fairfax County Consumer Affairs Branch is located in Fairfax County and has the ability to conduct necessary site visits while the state office is located in Richmond, and rarely if ever performs this function.

Recommendation:

While this suggestion could be implemented, elimination or significant reductions in the Consumer Affairs Branch is projected to increase the Virginia Office of Consumer Affairs' complaint workload by over 58 percent based on Fairfax County Consumer Affairs Branch activity, while diminishing the level of services and recovery for Fairfax County consumers.