

Department of Consumer Protection



At a Glance

JONATHAN A. HARRIS, *Commissioner*

Michelle H. Seagull, *Deputy Commissioner*

Established – 1959

Statutory authority - CGS Chap. 416, Section 21a-1

Central office - 165 Capitol Avenue, Hartford, CT 06106

Number of employees (All Funds) – 261

Recurring operating expenses - \$22,548,701

General Fund Revenue - \$45,516,205

Transportation Fund Revenue - \$1,405,737

Organizational structure -

Office of the Commissioner; Regulation of Food & Standards; Regulation of Drugs, Cosmetics & Medical Devices; Regulation of Alcoholic Liquor; Regulation of Occupational & Professional Licensing; Regulation of Trade Practices; Regulation of Public Charities; Regulation of Gaming; Frauds Division; License Services Division; Legal Services Office; Communications Office; Education and Outreach Office; Administrative Services Office; Accounting & Gaming Auditing Unit; Technical Systems Unit.

Mission

The mission of the Department of Consumer Protection is through compliance and enforcement efforts to protect the public health and safety and prevent significant economic harm to businesses and consumers.

Statutory Responsibility

The Department of Consumer Protection is a regulatory agency that protects citizens from physical injury and financial loss that may occur as the result of unsafe or fraudulent products and services marketed in Connecticut.

The extent of the department's regulatory oversight is unique in that its jurisdiction dovetails frequently with that of other Connecticut state agencies. The Department is responsible for enforcing numerous significant consumer protection laws, including the Connecticut Unfair Trade Practices Act, the Liquor Control Act, the Connecticut Pure Food, Drug & Cosmetic Act, the Connecticut Weights & Measures Act, and the Connecticut State Child Protection Act. The Agency protects consumers from unexpected, as well as ongoing, health, safety and product-related issues. The Department of Consumer Protection must be able to mobilize staff at any time in order to respond quickly and effectively to a food, drug, product safety, or economic crisis affecting Connecticut's marketplace or its residents.

FYE 2016 saw continued implementation of Connecticut General Statutes, Chapter 420f, Section 21a-408, The Palliative Use of Marijuana.

In FY 2016, the Agency awarded licenses to three new Medical Marijuana dispensaries.

As safe, legal products expanded, the number of program participants increased in significantly in FY 2016. Between July 2015 and June 30, 2016, the number of physicians that certified patients for medical marijuana increased from 314 to 475. Similarly, while 4,723 patients had registered with the program as of July 2015, 11,079 patients were registered by the end of June 2016.

Public Service

The Department of Consumer Protection continues to fulfill its mandate to protect Connecticut consumers through numerous enforcement and education channels. Public service provided by the Department during Fiscal Year 2016 included the following activities:

Regulating Alcoholic Liquor

- Through its Liquor Control Division, the Agency worked to protect the health and safety of Connecticut citizens by regulating all persons and firms involved in the distribution, sale, and dispensing of alcoholic liquor in order to prevent sales to minors and intoxicated persons, guarantee product integrity and ensure that licensed premises are safe and sanitary.
- Agency staff conducted inspections and investigations to ensure compliance with the provisions of state laws and regulations pertaining to the manufacture, importation, sale, and dispensing of alcoholic liquor.
- The Department investigated alleged violations of the State Liquor Control Act and consumer complaints involving alcoholic liquor that included: the sale of alcohol to minors and

intoxicated persons; improper pricing and labeling; violations of regulations regarding adult entertainment; and purchases of alcoholic liquor from prohibited entities.

- Agency staff collaborated with state and municipal police officers to conduct joint actions to enhance enforcement of underage drinking laws. These included alcohol compliance operations that utilized minors trained by the Governor's Prevention Partnership and local police agencies. In FY 2015-2016, the Division conducted more than 225 such local liquor compliance checks in more than 15 towns and cities in the state.
- The Agency provided training and education to law enforcement officers, liquor retailers and community members in strategies to deter access of alcoholic liquor to underage persons.

Regulating Drugs, Cosmetics & Medical Devices

- The Department's Drug Control Division worked to protect the health and safety of Connecticut residents by regulating all persons and firms involved in the distribution of drugs, cosmetics and medical devices.
- Through the Drug Control Division, the Agency investigated alleged diversion of controlled substances by practitioners in both pharmacies and healthcare facilities. Conducted pharmacy inspections and responded to consumer complaints regarding prescription errors. In collaboration with the federal Drug Enforcement Administration (DEA) and the Food and Drug Administration (FDA), the Drug Control Division investigated sales and distribution of controlled substances.
- Department staff assisted law enforcement, the FDA, the federal Department of Health and Human Services (HHS), the Federal Bureau of Investigation (FBI) and the DEA in investigating and adjudicating cases of drug fraud in the state.
- Staff performed compliance inspections of all Drug Control licensees and registrants -- either as opening inspections, routine inspections, special inspections, or closing inspections. The Agency continued operating and upgrading the Prescription Monitoring Program (PMP), which protects public health and safety by requiring prescribers and pharmacists to access a patient's prescription history to help identify patterns of misuse, diversion and/or abuse. Law enforcement and regulatory personnel also have access to the program to assist with investigations related to doctor shopping, pharmacy shopping and fraudulent activity. The program conducted education and outreach to the general public on prescription drug abuse, safe storage and disposal of prescription medication and taking medications safely.
- Staff monitored compliance agreements of pharmacists in a probationary program due to drug addiction. The Agency also oversaw the compliance of the various police departments' canine labs.
- In its regulatory and operational oversight of the Medical Marijuana Program, the Department implemented online registration procedures for patients, physicians and caregivers, and conducted all compliance and investigative functions of the program.
- The Department posted on its website the answers to frequently asked questions from students, applicants, registrants and members of the pharmacy industry. Sample inspection reports and email addresses were also added online, to improve and simplify interactions with registrants and consumers.
- The Agency conducted presentations to professional and community organizations and

presented at state and national pharmacy conferences and seminars.

- The Department expanded the Controlled Substance Medication Drop Box Program, which it has operated for several years. Currently, 83 drop box programs are operating in municipalities across the state. To date, more than 60,000 lbs of medication have been destroyed through this program.
- Agency staff continued to assist the Centers for Disease Control and Prevention (CDC) and Department of Public Health in managing the Chempak program for hospitals and first responders, and in the storage and dissemination of strategic medication. The Division also continued to assist the FDA in dissemination of drug recall notices to prescribers, pharmacists and pharmacies via an electronic list-serve.
- The Department continued to house the Board Administrator for the Commission of Pharmacy.

Regulating Food and Standards

- Through the Food and Standards Division, the Department enforced the Connecticut Uniform Food and Drug Act mandate to protect public health in the commerce of food. The Division also enforces weights and measures law in Connecticut to ensure a fair, honest and open marketplace for the commerce of commodities.
- Agency staff successfully completed a grant-funded quality improvement program on recalled food training. This grant required the development of a recall training program for small food processors and entrepreneurs to ensure their compliance with new federal food recall mandates under the Food Safety Modernization Act.
- The Department administered the grant funded quality improvement program related to food safety inspections – “Manufactured Foods Regulatory Program Standards” in collaboration with the Food and Drug Administration (FDA), with a particular focus on ensuring that food safety inspections done by State inspectors are equivalent to those completed by FDA inspectors ensuring that consumers in Connecticut as well as those consumers of food products produced in Connecticut are protected from food borne illness.
- Staff conducted inspections of food-processing plants, warehouses, retail food stores, bakeries, nonalcoholic beverage plants, frozen dessert plants, vending machine locations, apple juice and cider plants fulfilling the Department’s mandate under the State’s Uniform Food and Drug Act to protect the public health in the intra-state commerce of food.
- The Department responded to 34 traffic and highway accidents involving food and beverage products, a 25% increase over last year’s responses, in order to ensure that contaminated/adulterated foods were not distributed to the public, and responded to 1106 complaints from consumers related to food and weights and measures and 11% increase over last year.
- Staff inspected gasoline stations, heating oil dealers and all weighing and measuring devices used commercially, such as retail store scales, motor truck scales, petroleum meters and home delivery truck meters.
- The Department checked packaging, labeling, unit pricing, scanning and advertising of food products, produce sampling and non-food items, restaurant menus, advertisements and gasoline station price signs to ensure that the contents and their weights were represented

correctly.

- Pursuant to a Memorandum of Understanding with the U. S. Department of Agriculture, the Agency conducted 15 effectiveness checks on meat and poultry recalls that affected Connecticut.
- Staff worked cooperatively with the Department of Motor Vehicles and the Department of Public Safety on the Commercial Vehicle Safety and Inspection program, ensuring the accuracy of portable scales used in the State's highway safety programs, preventing overweight trucks from posing a threat to the driving public and damage to the State's roadways.
- The Agency regulated fuel retailers both home heating and motor fuel in the State and supervised inspection work performed by municipal sealers of weights and measures in Waterbury, Danbury, New Haven, Bridgeport, Norwalk and Stamford.
- The Department maintained unconditional recognition from the U.S. Department of Commerce, National Institute of Standards and Technology for the State Metrology Laboratory.

Protecting Against Fraud

- Through the work of the Frauds Division, the Agency investigated a variety of cases that resulted in criminal, civil and administrative actions, primarily under the Connecticut Unfair Trade Practices Act and the Home Improvement Act. This includes 27 referrals made through a specialized program with the Office of the Attorney General for criminal violations of the Home Improvement Act. This also included a joint investigation with the Danbury Police Department into a large scale paving scheme that resulted in charges under the Corrupt Organizations and Racketeering Act.
- Other matters referred for legal action included business invoice slamming and other fraudulent mailers, dating services, health club offers and pre-sales, and medical advertising.
- The Department's Complaint Center responded to over 400 calls per week and 3,599 written consumer complaints during the year involving problems with home improvement, telecommunications, retail sales, gift cards, telemarketing, online shopping, warranties, medical billing, homemaker-companion agencies, health clubs and variety of scams.

Regulating Gaming

- Through the Gaming Division, the Department regulated Connecticut's authorized forms of gambling, which include Tribal Casinos, Off-Track Betting, State Lottery and Charitable Games. Specifically, the Gaming Division completed 6,201 gambling regulation inspections and visits, managed 2,969 lottery drawings to ensure the integrity of the games, and conducted charitable games audits as required.
- Agency staff inspected lottery agents and licensees, and Off-Track Betting ("OTB") facilities on an unannounced and random basis to ensure compliance with all State statutes and regulations related to gaming, and to educate agents on State statutes and regulations related to Lottery.
- The Agency assured that only suitable individuals worked in Connecticut's gaming industry

by coordinating and conducting appropriate background checks before licensing, registering, or issuing permits to individuals, organizations, and vendors to be employed by, or contracted with, gaming licensees or permittees within the State, including those businesses authorized to sell lottery tickets. Through these efforts, the Department processed 12,319 active licenses in Connecticut's gaming industry. These included 5,196 Foxwoods Casino and 7,123 Mohegan Sun Casino active licenses.

- The Agency conducted a total of 289 investigations, including personal background investigations, and monitored gaming operations to assure that all gambling activities were consistently conducted in a fair and honest manner, and to detect and prevent fraudulent gaming activity. Staff also participated in 19 arrests.
- The Agency approved changes or modifications to wagering systems and related equipment to ensure the integrity of lottery games and operation of Off-Track Betting.
- The Agency supported treatment and rehabilitation for chronic gamblers through public awareness activities and by ensuring that funding for such programs is provided pursuant to Section 17a-713(b) of the Connecticut General Statutes.

Issuing Licenses, Permits and Registrations

- In FY 16, the Licensing Division efficiently and accurately processed more than 278,000 licenses, permits and registrations in 230 different categories, resulting in over 49 million dollars in revenue.
- In January 2016, the Agency implemented a full scale plan for e-mailing license, permit and registration renewal notices. By e-mailing all renewal notices first and subsequently sending printed notices to only those licensees who did not respond to the e-mail, the Department saved over \$29,500 in printing and mailing costs thus far. This plan also contributed to a 34% increase in licensees' online renewal for FY 2016.
- Continuing an effort begun in 2014, the Agency is making it possible for persons to apply online for many of its license types. More than 55 different license types are now available online for new applicants, resulting in over 6,490 new online applications for FY 2016. The online application process yields significant savings in staff time that was previously spent on data entry and payment processing. By requiring payments via credit card, license application funds are secure, overpayments and underpayments do not occur, and bad checks are eliminated. In turn, applicants benefit from round-the clock access to their application status, and quicker application processing time.
- Proactive communications and the use of technology has resulted in a significant decrease in telephone calls and walk in customers, allowing staff to be more efficient and productive.

Regulating Occupational & Professional Licensing

- Through the Occupational & Professional Licensing Division, the Department administered professional licensing procedures that ensured that only qualified, competent individuals were licensed in the occupational trades and in several professional licensing categories.
- The enforcement unit receives complaints and conduct reviews and investigations to determine if violations of applicable laws exist. It also provides financial relief to consumers from fraudulent activities through restitution by the Department or Boards and Commissions,

and the administration of the Home Improvement Guaranty Fund, the New Home Construction Guaranty Fund and the Real Estate Guaranty Fund.

- The Agency enforced laws governing approximately 95,000 licensees in 146 credential types and administered nationally standardized examinations.

Regulating Public Charities

- The Agency investigated, examined and helped resolve alleged violations of the Solicitation of Charitable Funds Act.
- Additionally the Agency initiated process improvements relating to charities enforcement, specifically relating to paid solicitors, campaign reporting, and entities that were newly granted tax exempt status by the Internal Revenue Service.
- The Agency has also provided information and warning relating to payment aggregators and crowdsourcing.

Regulating Trade Practices

- Through the New Automobile Warranty Act (commonly referred to as the Lemon Law), fifty five applications were receiving, resulting in \$1,272,000 in restitution to consumers
- The Home Improvement Guaranty Fund provided \$986,658.04 in restitution to 130 consumers.
- The New Home Construction Guaranty Fund paid \$183,816.50 in restitution to 8 consumers.
- The enforcement of occupational trades unit received three hundred consumer complaints resulting in one hundred and sixty three actions involving compliance education and civil penalties of over one hundred eighty two thousand dollars for non-compliance.
- The product safety unit conducted: fifty recall inspections in cooperation with the United State Consumer Product Safety Commission; sixty five sanitation inspections ensuring the reselling of used furniture is safe; and two hundred and sixty toy inspections.

Legal, information technology, communications and outreach/education functions likewise supported the mission of the Department during FY 2016:

- Through its Legal Division, the Department enhanced enforcement of consumer protection laws by effectively resolving issues of concern with persons and establishments it regulates. These initiatives included 311 compliance meetings, 184 formal hearings/administrative complaints, 135 formal hearing decisions, 107 Settlement Agreements, Consent Decrees and Stipulations, 298 Assurances of Voluntary Compliance, 5 subpoenas/civil investigative demands, and no Declaratory Ruling were issued.
- The Department's Education and Outreach unit developed and hosted the State's second symposium on Cross-Cultural Communication with over 250 attendees, representing the state's business, nonprofit and direct service communities, in addition to members of law enforcement and of other state agencies.
- Staff continued to write a bi-monthly consumer column for the state's only newspaper translated into both Spanish and Portuguese. In addition, we now contribute a monthly consumer awareness column in the state's only Polish language newspaper.

- The Department continued to inform and educate the public by developing print and web materials on numerous consumer-related issues, including advice on hiring contractors, avoiding scams, shopping safely online, accessing the State's new medical marijuana program, signing a contract for home heating fuel, unlawful sales of alcohol to minors, and product recalls.
- The Department developed a Solar Panel Buying Guide.
- The Department processed and provided monetary restitution to consumers who were financially damaged in the areas of home improvement, new home construction, real estate and health club closings. Specifically: 130 consumer claims were processed from the Home Improvement Guaranty Fund resulting in \$986,658 paid; 8 claims processed from the New Home Contractor Guaranty Fund with \$183,817 ordered paid; 2 consumer claims were processed from the Real Estate Guaranty Fund and \$5,213 was ordered paid; and 6 consumer claims were processed from the Health Club Guaranty Fund and \$656 was ordered paid. In addition, in FY 2016, the Guaranty Funds collectively contributed a total of \$2,265,093 to the State's General Fund.
- Agency news releases and announcements about Department initiatives, investigations, findings and consumer issues resulted in more than 500 unique print and broadcast news stories in local, statewide and national publications. Most of the news stories simultaneously appeared online, on local, state or national news media websites, thus remaining accessible to the public. More 100 Commissioner and staff interviews with local, state and national media added to the dissemination of Agency news and perspectives.
- The Department created a pilot program in collaboration with the Connecticut Science Center that offered financial literacy education to students enrolled in the Science Center's STEM (Science/Technology/Engineering/Math) programs. This collaboration is slated to continue into the 2016/2017 academic year.
- The Agency offered a statewide webinar on how to more effectively reach audiences with limited English literacy.
- The Department collaborated with the AARP to host a free document-shredding events in April 2016 for consumers, at which tons of consumers' unwanted documents were collected and safely shredded.
- The Agency continued to enhance its ability to provide important consumer information via social media and increased public Facebook users by 362% over the previous year reaching nearly 4,000 fans; Twitter usage exploded even further, garnering more than 700 followers.
- The Department presented at several meetings of the statewide immigrant coalition to address specific consumer scams directed at immigrants and refugees in the state. In addition, the department worked on a regular basis with the FTC to bring federal programs to the state level.
- Department staff presented and distributed print information at conferences, seminars, and professional and community programs, and engaged in speaking engagements to educate the public on issues relating to privacy, identity theft, fraud, food safety, home improvement, homemaker companion aides, real estate, and financial literacy. Audiences reached included food sanitarians, home builders, home improvement professionals, homeowners, home buyers, professional trades groups, business leaders, senior citizens and students.

- As a member of the Coalition for Elder Justice in Connecticut, the Department collaborated with other public and private stakeholders to address issues of financial fraud and other abuses affecting older residents in the State.

Improvements/Achievements 2015 – 2016

During Fiscal Year 2016, the Department of Consumer Protection realized numerous improvements and achievements.

- The agency coordinated an investigation into the issue surrounding crumbling foundations in Northeastern Connecticut, and has been working toward solutions to provide assistance to affected consumers.
- The agency began to integrate Lean management practices into its daily work, continually looking for opportunities to streamline work processes. One of the most impactful over this period was the restructuring of the charitable Bingo reporting; the process was moved online, and reduced from a weekly report to quarterly, saving both the organizations' volunteers and the state staff valuable time.
- In preparations for the agency's move to a new facility in 2017, existing paper files were greatly reduced through recycling, shredding and storage – following Department retention policies – and creation of new paper files were reduced through improved processes.
- A monthly internal newsletter was created, increasing staff knowledge across the many divisions within the agency.
- The department created a new summer intern program, bringing in six students to learn from and contribute to the agency's mission and goals.

Information Reported as Required by State Statute

The Department of Consumer Protection is firmly committed to the principles and objectives of equal employment opportunity for all individuals. The Department's Equal Employment Opportunity Specialist 1, Dorian Lord, coordinates and monitors the Agency's programs and ensures compliance with the Americans with Disabilities Act, Title II and Title VII of the Civil Rights Act, the Fair Employment Practices Act, state Affirmative Action regulations and Contract Compliance laws, and other applicable laws. The Department is an Affirmative Action/Equal Employment Opportunity employer, and has undertaken numerous steps this past year to effectuate equal opportunity in its hiring, promotions, trainings and other employment-related duties, as well as in the provision of the programs and services that fall under the Department's authority. These activities are too voluminous to relate here, but are detailed in the Department's recent Affirmative Action Plan, approved by the Commission on Human Rights and Opportunities on May 11, 2016. The Agency did not knowingly do business with any bidder, contractor, sub-contractor, supplier of materials, or licensee who discriminates against members of any class protected under C.G.S. Sec. 4a-60 or 4a-60a.

- In Fiscal Year 2015-2016, 55.7 percent of the Department's employees were female and 44.3 percent were male, with the following composition: 73.8 percent white, 14.5 percent black, 7.7 percent Hispanic, and 4.0 percent Others.