



Department of Consumer Protection

WILLIAM M. RUBENSTEIN, *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) – 293

Recurring operating expenses: 25,085,779

General Fund Revenue: 54,706,861

Transportation Fund Revenue: 2,229,833

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; License Services Division; Legal Services Office; Communications & Consumer Education Office; Administrative Services Office; Accounting & Gaming Auditing Unit; Information Technology Unit

MISSION

The mission of the Department of Consumer Protection is to ensure a fair and equitable marketplace as well as safe products and services for consumers in the industries that it regulates.

STATUTORY RESPONSIBILITY

The Department of Consumer Protection (the “Department”) 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 Connecticut Pure Food, Drug & Cosmetic Act, the Connecticut State Child Protection Act, the Liquor Control Act, and the Connecticut Weights & Measures Act. The agency remains vigilant against unexpected, as well as ongoing, health, safety and product-related problems. 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 citizens.

To achieve substantial savings in the cost of State government and enhance the efficient delivery of agency missions as recommended in the budget prepared by Governor Malloy and approved by the General Assembly, the Department and the Division of Special Revenue collaborated during the spring of 2011 to consolidate the former stand-alone Division of Special Revenue with the Department of Consumer Protection.

The consolidation became effective July 1, 2011, with the former agency becoming the Gaming Division of the Department of Consumer Protection. As such, all responsibilities and duties of the Division of Special Revenue were transferred by statute to the Department of Consumer Protection. Thus, as of July 1, 2011, through its Gaming Division, the Department of Consumer Protection regulates the State's legalized gaming activities, pursuant to Chapters 98, 226, 226b, 226c and 229a of the Connecticut General Statutes.

PUBLIC SERVICE

The Department of Consumer Protection continues to fulfill its mandate to protect Connecticut consumers, even as the State remains in financial straits and national and global economic struggles persist. Public service provided by the Department of Consumer Protection, including the Gaming Division (formerly the Division of Special Revenue) during Fiscal Year 2011 included the following activities:

License Services

- Efficiently and accurately processed more than 215,000 licenses in 200 different job categories.
- Reduced postage and paper processing, decreased renewal time and improved public information access through ongoing review and adjustment of the Department's web-based licensing system, which also allowed licensees, businesses and consumers to access on-line renewal service and up-to-the minute information about all persons and businesses registered with or licensed by the Department.
- Assisted the Department of Agriculture in the initial phases of utilizing the E-Licensing system to provide its licensees with on-line renewal service.
- Brought the Public Charities Unit under full authority of the Department of Consumer Protection in September 2010, and incorporated its work into the Connecticut E-licensing website. This Unit registers charities and paid soliciting firms that seek donations in Connecticut and responds to complaints and inquiries from the public, businesses and law enforcement agencies.

Legal Enforcement and Consumer Restitution

- Enhanced enforcement of all consumer protection laws by promoting effective resolutions with persons and establishments regulated by the Department. These initiatives included 780 compliance meetings, 123 formal hearings/administrative complaints, 71 formal hearing decisions, 402 Settlement Agreements and Stipulations, and 262 Assurances of Voluntary Compliance.
- Processed and provided monetary restitution to consumers who were financially damaged in the areas of home improvement, new home construction, health clubs and real estate. Specifically: 346 consumer claims were processed from the Home Improvement Guaranty Fund resulting in \$2,614,260 paid; 19 claims processed from the New Home Contractor Guaranty Fund with \$453,419 ordered paid; 73 consumer claims to the Health Club Guaranty Fund were processed and \$15,393 ordered paid; and two real estate claims to the Real Estate Guaranty Fund were processed with a total of \$50,000 ordered paid. In addition, in FY 2011, the Guaranty Funds collectively contributed a total of \$328,768 to the State's General Fund.

Communications and Consumer Education

- Informed and educated the public by issuing and posting online 54 press releases on numerous toy and children's product recalls, unregistered home improvement contractors, unlawful sales of alcohol to minors, food and beverage recalls, local scam warnings, home improvement contractor convictions, and reports of bad gasoline.
- Maintained a social media presence to enhance the Department's ability to provide important consumer information to the public at no cost.
- Maintained the Department's website to provide consistently updated news, forms, and information to licensees and members of the public and media.

- Provided staff and speakers for 105 professional and community programs, conferences and seminars. Audiences reached included food sanitarians, home builders, home improvement professionals, homeowners, professional trades groups, business leaders, local community groups, senior citizens and students.
- Engaged state and local media in interviews and press events to educate and disseminate news on consumer protection issues and efforts.
- Launched “Consumer Watch,” an e-mail-based monthly newsletter containing timely topics of interest to consumers and licensees. The first issue was published in June 2011 and was distributed to nearly 1,000 consumers and licensees.

Regulation of Alcoholic Liquor

- 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, guaranteed product integrity and ensured that licensed premises were safe and sanitary.
- 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.
- 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; deceptive or unfair trade practices; improper pricing and labeling; violations of regulations regarding adult entertainment; and purchases of alcoholic liquor from prohibited entities.
- 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 Connecticut Coalition to Stop Underage Drinking. In 2010-2011, the Division conducted 363 such local liquor compliance checks in more than 30 towns and cities in the state. Of that total, 292 Connecticut liquor retailers passed by NOT selling alcoholic liquor to persons under the legal drinking age of 21.
- Provided training and education to 476 law enforcement officers, liquor retailers and community members in strategies to deter access of alcoholic liquor to underage persons.
- Participated in the national recall of several alcohol energy drinks statewide and the voluntary recall of a wine product alleged to have bottle failure issue, resulting in exploding bottles.

Regulation of Drugs, Cosmetics & Medical Devices

- Worked to protect the health and safety of Connecticut citizens by regulating all persons and firms involved in the distribution of drugs, cosmetics and medical devices in order to detect and prevent the diversion of drugs from those channels.
- Investigated alleged diversions of controlled substances from pharmacies and healthcare facilities by medical professionals and paramedical professionals, and prescription errors at the retail level. 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 nutritional food supplements suspected of containing prescription drugs, including controlled substances.
- Assisted law enforcement, the FDA and the DEA in investigating and adjudicating cases of drug fraud in the state.
- Completed compliance inspections of registrant locations to safeguard the occurrence of drug diversion from these locations.
- Continued operation and implemented upgrades of the Prescription Monitoring Program (PMP), which protects the health and safety of the public by allowing 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 educational and outreach activities to the general public on prescription drug abuse, safe storage and disposal of prescription medication and taking medications safely.
- Provided staff and speakers at professional and community programs, conferences and seminars.

- Collaborated with local health departments, water departments and health care facilities to offer free Drug Collection events in communities statewide to collect and dispose of outdated and unwanted medications. The events promoted drug safety in the home, including prescription drug abuse, and educated residents about the environmental impact of improper drug disposal.
- 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. It also continued to assist the FDA in dissemination of drug recall notices to prescribers, pharmacists and pharmacies via the Division's electronic list-serve.
- Monitored compliance agreements of pharmacists currently in a probation program due to drug addiction, oversaw compliance of various police departments' canine labs, and maintained the National Practitioner Data Bank and the Healthcare Integrity and Protection Data Bank.
- Trained more than 2,900 law enforcement officers, pharmacists and health care providers in identifying narcotic drugs and the signs of drug abuse, as well as in preventing prescription errors and using Connecticut's Prescription Monitoring Program. These programs were conducted at various law enforcement agencies and the Connecticut Police Academy.
- Through a federal grant, the Prescription Monitoring Program developed, printed and distributed 400,000 copies of educational material to educate the public about the dangers of prescription drug abuse and safe storage and disposal of prescription medication.

Regulation of Food and Standards

- Conducted inspections of food-processing plants, warehouses, retail food stores, bakeries, non-alcoholic beverage plants, frozen dessert plants, vending machine locations, apple juice & cider plants, gasoline stations, heating oil dealers and all weighing & measuring devices used commercially such as retail store scales, motor truck scales, petroleum meters and home delivery truck meters.
- Responded to 27 traffic and highway accidents involving food and beverage products in order to ensure that contaminated/adulterated foods were not distributed to the public.
- Checked packaging, labeling, unit pricing, scanning and advertising of food products, kosher foods and non-food items, restaurant menus, advertisements and gasoline station price signs to ensure that the contents and their weights were represented correctly.
- Conducted effectiveness checks on meat and poultry recalls that affected the State of Connecticut, pursuant to a Memorandum of Understanding with the U. S. Department of Agriculture.
- Worked cooperatively with the Department of Motor Vehicles and the Department of Public Safety on the Commercial Vehicle Safety and Inspection program, and the Calibration of Portable Scales program.
- Regulated fuel retailers in the state and supplemented the inspection work performed by municipal sealers of weights and measures.
- Enforced the requirements of the Stage II Vapor Recovery Program, pursuant to a Memorandum of Understanding with the State Department of Environmental Protection.
- Investigated and resolved a case in which a gasoline retailer was selling lower octane gasoline as higher octane product at two local gasoline stations. The investigation resulted in a halt to the problem and a \$20,000 settlement payment to the State.
- Reestablished the State of Connecticut Measurement Center, which has custody of the physical standards of mass, length, volume, and temperature (clinical thermometer standards). The Department maintains accreditation from the U. S. Department of Commerce National Institute of Standards and Technology (NIST) in order to ensure that the calibration services provided to public and private sector customers are certifiable. Connecticut businesses and industries must utilize NIST standards, which guarantee uniform measurement in order to compete successfully in the national and international marketplace. Calibration services were also performed on standards used by other state agencies, municipalities, registered dealers of weighing and measuring devices, institutions and, those carried by the Division's field inspectors.

- Responded to 1,650 complaints, a 65% increase over the prior year. Most complaints were related to gasoline and fuel oil, with 300 consumer complaints involving bad gasoline that was sold for a short period of time in stations across the state. The Division worked to isolate the source, halt the flow of the tainted gasoline into the marketplace, and assure restitution to consumers whose vehicles were affected by the gasoline. The division also responded to 323 consumer complaints related to misbranded food items, adulterated food, price scanner errors, expired food and poor sanitation.

Regulation of Occupational & Professional Licensing

- Administered professional licensing procedures that ensured that only qualified, competent individuals were licensed in the occupational trades and in several professional licensing categories.
- Enforced laws governing approximately 93,000 licensees in 33 areas and administered nationally standardized examinations as approved by the appropriate State licensing board.

Regulation of Trade Practices

- Worked to protect Connecticut citizens from unfair or deceptive practices in the marketplace through the enforcement of consumer protection laws and the mediation of disputes between buyers and sellers.
- Enforced the State Child Protection Act and conducted product testing, and initiated and monitored product recalls
- Inspected used furniture and bedding to ensure that cautionary labeling was accurate and complete and that proper sanitation procedures were followed.
- Conducted a tenth undercover home improvement sting operation in Waterford to review compliance with state home improvement laws. Forty-four unregistered individuals were found engaging in home improvement work, in violation of state law.
- Responded to more than 53,000 consumer telephone calls and 6,150 written consumer complaints, involving problems with home improvement, retail sales, telemarketing, online shopping and numerous scams. The Division mediated settlements between buyers and sellers, and utilized the Connecticut Unfair Trade Practices Act where appropriate to combat unfair business practices in the Connecticut market place.
- Processed 47 applications to the state's new automobile warranty arbitration "lemon law" program, and ordered restitution or replacement of consumer's vehicles in the amount of \$596,000.
- Processed and investigated 1,100 cases against real estate professionals, including consumer complaints and cases concerning non-compliance with state continuing education requirements.

Regulation of Gaming

- Regulated Connecticut's authorized forms of gambling, which include Tribal Casino gambling, pari-mutuel wagering, State Lottery ticket sales, and Charitable Games. Specifically, the Gaming Division completed 9,868 gambling regulation inspections and visits, managed 2,139 lottery drawings to ensure the integrity of the games, issued 2,999 charitable games registrations and permits, and conducted five charitable games audits.
- Visited lottery agents and licensees, and Off-Track Betting ("OTB") facilities on a random, unannounced basis to ensure compliance with all State statutes and regulations related to gaming, and to educate agents on use of the lottery reporting system.
- Assured that only suitable individuals worked in the Connecticut 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.
- Oversaw 17,050 active licensees in Connecticut's gaming industry. These included 3,675 lottery and OTB enterprise, 854 occupational, 2,821 lottery, 6,848 Foxwoods Casino and 6,519 Mohegan Sun Casino active licenses.

- Provided due process and an opportunity to be heard to those individuals or entities denied initial licensure, whose current license was in the process of being revoked, or who had regulatory issues, and held numerous compliance hearings.
- Conducted a total of 227 field investigations and central office investigations, and monitored operations to assure that all gambling activities were consistently conducted in a fair and honest manner, and to detect and prevent fraudulent gaming activity. Conducted 121 administrative hearings and participated in 18 arrests.
- Tested wagering systems and related equipment to ensure the integrity of casino games.
- Assisted in determining if a public safety emergency was imminent in any locale where lottery tickets are sold during large jackpot incidents, especially for Powerball.
- 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.

IMPROVEMENTS / ACHIEVEMENTS, 2010 – 2011

During Fiscal Year 2010 – 2011, the Department of Consumer Protection realized numerous improvements and achievements. These are outlined below.

- The Food and Standards Division sponsored a Federal Drug Administration (FDA) workshop, “Special Processes at Retail,” to educate staff and local health departments about the process of producing in the retail environment food items that are typically manufactured.
- The agency was co-sponsor of the North East Food and Drug Officials annual meeting at the Mystic Hilton in Mystic, Connecticut. This was the 100th anniversary of the founding of the Northeastern branch of the Association of Food & Drug Officials.
- Through the Food and Standards Division, the agency participated in the FDA’s food establishment plan review.
- The Licensing Division expanded operation and implemented upgrades of the Connecticut E-Licensing website. All but 12 of the Department’s 200 licensing categories were configured to allow licenses to be renewed through the E-Licensing system.
- The new automobile warranty surcharge billing through the Lemon Law program was extended from quarterly to six months to be more efficient and cost effective. Automobile dealerships are now afforded the ability to pay their bill online through the E-Licensing system.
- The Department realized a 41% increase over FY 2010 in the number of online renewals and a 44% increase in the amount of revenue collected via online renewal.
- The agency assisted the Board of Accountancy and the Division of Special Revenue (now the DCP Gaming Division) in their initial configuration of license types for the E-Licensing system, with the goal that each would be fully operational by the Fall of 2011.
- The Public Charities Unit was brought under full authority of the Department of Consumer Protection in September 2010, significant changes to its initial registration and renewal processes has brought about efficiency and a quicker response time for applicants.
- The Department continued to make available to its licensees, registrants and permittees, more online license and permit applications and forms.
- Through participation in the LEAN process, the Liquor Control Division dramatically reduced the time period between accepting a permit application to issuing a provisional permit (reduced from an average of six weeks to ten days).
- Following a LEAN value-mapping of the Home Improvement Guaranty Fund approval process, the Trade Practices Division eliminated unnecessary steps and adopted an electronic file approval process. The resulting system reduced paperwork, staff time and consumer wait time for restitution from the fund.
- Results of the Trade Practices Division’s tenth undercover home improvement sting operation found that contractor compliance with state registration requirements increased to 79% of the targeted contractor population – up from 40% in 2000 -- indicating that the Department’s ongoing education, outreach and enforcement efforts have been effective.

- The Drug Control Division, through application of the LEAN Process, implemented electronic work flows, electronic inspections, and electronic transfer of reports and began to transfer these processes to the Commission of Pharmacy. As a result, processes are more efficient for both the Division and public, increasing productivity. There is also a subsequent reduction in the use of paper products.
- The Division partnered with the Partnership Prevention Network, local community organizations and municipal police departments to develop and implement a statewide Drug Drop Box program. A pilot program is nearing the end of its trial and will be open to statewide involvement. This will allow municipalities a viable, sustainable option for the proper removal of unused medications from homes, for environmental reasons and to prevent misuse or abuse.
- The Drug Control Division was named to the Board of the State's Health Information Exchange.
- The Gaming Division implemented a delinquent lottery agent amnesty program to recover back fees due from certain lottery agents and to pursue license revocations when necessary.
- Gaming Division staff regulated and helped to ensure that new OTB facilities were operated successfully.
- Total wagering revenue from all forms of legal gambling regulated by the Division in 2010-2011 was nearly \$18.1 billion, with \$16.1 billion returned to the general public in prizes and more than \$653 million transferred to the General Fund.

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 full-time Affirmative Action Officer Alicia Nunez coordinates and monitors the agency's programs and ensures compliance with the Americans with Disabilities Act, the Fair Employment Practices Act, state Affirmative Action regulations and Contract Compliance laws. The Department operated under a plan approved by the Commission on Human Rights and Opportunities and is an Affirmative Action/Equal Opportunity Employer. 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.

In Fiscal Year 2010-2011, 49.6 percent of the Department's employees were female and 50.4 percent were male, with the following composition: 72.7 percent white, 17.2 percent black, 8 percent Hispanic, and 2.1 percent Asian.