

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) –	262
Recurring operating expenses -	\$22,134,433
General Fund Revenue -	\$41,800,716
Transportation Fund Revenue -	\$ 1,866,361

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 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 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 2015 saw continued implementation of Connecticut General Statutes, Chapter 420f, Section 21a-408, *The Palliative Use of Marijuana*.

In early FY 2015, the Agency worked with the four licensed medical marijuana producers and six licensed dispensary facilities as they made available to Connecticut-registered patients the first State-authorized medical marijuana products in September 2014.

As safe, legal products became available for patients, the number of program participants increased significantly in FY 2015. Between July 2014 and June 30, 2015, the number of physicians that certified patients for medical marijuana increased from 76 to 187. Similarly, while 1,515 patients had registered with the program as of July 2014, 4,644 patients were registered by the end of June 2015.

To meet the growing demand for medical marijuana products, in June 2015 the Department issued a Request for Proposals (RFP), to potentially add up to three more medical marijuana dispensary facilities to serve the state. The application deadline is September 18, 2015.

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 2015 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 2014-2015, the Division conducted more than 200 such local liquor compliance checks in more than 25 towns and cities in the state.

- The Agency provided training and education to 200 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 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 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, 58 drop box programs are operating in municipalities across the state.
- 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 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, the Connecticut Police Academy, and through the Department's website.

- 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 to protect public health in the commerce of food. It also enforced 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.
- The Department administered the grant funded quality improvement program – “Manufactured Foods Regulatory Program Standards” in collaboration with the Food and Drug Administration (FDA), with a particular focus on ensuring that inspections done by State inspectors are equivalent to those completed by FDA inspectors.
- The Agency developed and conducted a recall training program for small food processors and entrepreneurs to ensure their compliance with new federal food recall mandates.
- 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.
- The Department 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, and responded to 995 complaints from consumers related to food and weights and measures.
- 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, 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.
- Pursuant to a Memorandum of Understanding with the U. S. Department of Agriculture, the Agency conducted 24 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 program.
- The Agency regulated fuel retailers in the state and supervised inspection work performed by municipal sealers of weights and measures.
- 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. Thirty-nine referrals were made to Office of the Attorney General for criminal violations of the Home Improvement Act. Other matters referred for legal action included business representations about “permanent” paint, health club offers, weight loss offers, and legal services advertising.

In addition, the Agency addressed matters involving business closures with unredeemed gift cards, online sales of sheds, invoice slamming, and a business with consumer deposits stolen by an employee.

- The Department responded to more than 21,360 telephone calls and 3,970 written consumer complaints involving problems with home improvement, retail sales, gift cards, telemarketing, online shopping, warranties and a variety of scams.
- The Department also served as the State's primary collection point for consumer complaints against Frontier Communications during that company's switchover from AT&T. For a 90-day period between October 2014 and January 2015, the Agency established and maintained an expedited complaint handling process for more than 1,300 additional consumer complaints involving the change-over. Intake processing time was reduced from nine minutes to one and a half minutes.

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 6,417 gambling regulation inspections and visits, managed 2,735 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 11,217 active licenses in Connecticut's gaming industry. These included 5,333 Foxwoods Casino and 5,884 Mohegan Sun Casino active licenses.
- The Agency conducted a total of 272 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 14 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 15, the Licensing Division efficiently and accurately processed more than 240,000 licenses, permits and registrations in 226 different categories, resulting in over 47 million dollars in revenue.
- In January 2015, 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 \$16,000 in printing and mailing costs thus far. This plan also contributed to a 37% increase in licensees' online renewal for FY 2015.

- 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 40 different license types are now available online for new applicants, resulting in over 3,500 new online applications for FY 2015. 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.

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 Agency enforced laws governing approximately 93,000 licensees in 33 areas and administered nationally standardized examinations as approved by the appropriate State licensing board.

Regulating Public Charities

- The Agency investigated, examined and helped resolve alleged violations of the Solicitation of Charitable Funds Act. Through these efforts, the Agency negotiated a settlement of charitable funds held in trust for an individual, advised a conglomerate of animal rescue groups on acceptable use of social media, and audited the financial records of charities with significant accounting controls or board governance issues, which included allegations of the misuse of funds by an executive director. Additionally, an aggregator of contributions made through obituaries agreed to halt doing business in Connecticut.

Regulating Trade Practices

- The Division of Trade Practices reviewed and validated hundreds of consumer applications for reimbursement from five guaranty funds, resulting in direct restitution to consumers totaling nearly \$3 million.
- The Department completed a full 100% audit of continuing education requirements for real estate sales persons. Three hundred nineteen salespeople who had failed to complete their required continuing education were brought back into compliance with State requirements, paying to the State nearly \$80,000 in civil penalties.
- The Agency's new vehicle arbitration ("Lemon Law") program ordered \$1,354,000 in restitution to twenty- eight consumers.
- The Department inspected more than 50 second-hand dealers in FY15. Product safety inspectors removed cribs, hair dryers, blinds and dangerous children's clothing that contained drawstrings, a choking hazard. The Agency levied civil penalties in the amount of \$88,000 against seven second-hand dealers of bedding and upholstered furniture for failure to sanitize items to be resold.
- Department staff conducted 25 product recall effectiveness checks to ensure compliance with United States Consumer Product Safety Commission recalls, and conducted an educational product safety seminar with large retailers.

Legal, information technology, communications and outreach/education functions likewise supported the mission of the Department during FY 2015:

- 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 275 compliance meetings, 168 formal hearings/administrative complaints, 118 formal hearing decisions, 225 Settlement Agreements, Consent Decrees and Stipulations, 301 Assurances of Voluntary Compliance, and 32 subpoenas/civil investigative demands.

- The Department's Education and Outreach unit developed and hosted the State's first 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.
- In the wake of the massive Anthem data breach in February 2015, the Department's Communication Office managed the State's informational response to consumers by establishing and managing an up-to-date webpage with information aggregated from Anthem, the Governor's office, the Office of the Attorney General, and several executive branch agencies.
- Staff continued to write a bi-monthly consumer column for the state's only newspaper translated into both Spanish and Portuguese.
- 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 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: 145 consumer claims were processed from the Home Improvement Guaranty Fund resulting in \$1,183,368 paid; ten claims processed from the New Home Contractor Guaranty Fund with \$265,667 ordered paid; one consumer claim was processed from the Real Estate Guaranty Fund and \$7,234 was ordered paid; and ten consumer claims were processed from the Health Club Guaranty Fund and \$3,512 was ordered paid. In addition, in FY 2015, these four Guaranty Funds collectively contributed a total of \$1,429,535 to the State's General Fund.
- Agency news releases and announcements about Department initiatives, investigations, findings and consumer issues resulted in more than 300 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. Nearly 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 continued to produce and distribute *Consumer Watch*, a free, e-mail-based newsletter containing topics of consumer interest. The *Consumer Watch* recipient list was greatly expanded and the newsletter is now sent to more than 11,000 Connecticut consumers via email each month.
- The Agency offered a statewide webinar on how to more effectively reach audiences with limited English literacy.
- The Department led a multi-agency collaboration to host two free document-shredding events in May 2015 for consumers in western and eastern areas of the state, at which four tons of consumers' unwanted documents were collected and safely shredded.
- Staff participated on the Governor's Task Force on Emergency Communications, and contributed to the formulation of the Task Force's outreach to underserved communities.

- The Agency continued to enhance its ability to provide important consumer information via social media and increased public Facebook users by 16% over previous year; in early 2015, staff launched an official Agency Twitter account that continues to expand.
- The Department presented at several meetings of the statewide immigrant coalition to address specific consumer scams directed at immigrants and refugees in the state.
- 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 2014 – 2015

During Fiscal Year 2015, the Department of Consumer Protection realized numerous improvements and achievements.

- Several areas of the Department utilized LEAN management practices to significantly streamline specific processes, including approving real estate courses, conducting food establishment inspections, reviewing contractor applications, issuing and renewing casino licenses, and enforcing provisions of the Charitable Solicitation Act. These changes are yielding sustainable improvements to program efficiency and increased value for the public user.
- In support of new legislation, the Agency established a pharmacy-based naloxone distribution model, which includes prescriptive authority for pharmacists and information for referrals to support programs.
- The configuration of new servers increased the reliability and efficiency of the Agency's document storage system. Specifically, the new configuration allows the Department to switch to a backup server in the event of a hardware failure, reducing employees' down time. In addition, newly-created virtual servers run simultaneously on a single server, allowing the Agency to maximize its information technology hardware purchases.
- The Department implemented a new automated workflow process in its e-Licensing system for many license types with high applicant volume. The workflow process standardizes and documents the requirements for each license type and provides an automated email notification to the applicant upon approval. This process is significantly reducing the number of application status inquiries to the Agency.
- The Agency initiated a change to the application process for local bazaars and raffles, authorizing local municipalities to the final permit, following the Department's application review and approval. The new process is resulting in greater efficiency for the applicant, quicker and more efficient processing for staff, and a streamlined, effective permit-issuing process for the municipality.
- In response to suggestions and input from online users, the Agency significantly improved instructions for online renewal, application and credential verification features of the E-Licensing program. The changes reduced the number of telephone and email inquiries from applicants and licensees, while providing a more useful tool for the general public.

- The Department obtained participation from the Connecticut Veteran's Administration in a prescription drug data sharing agreement with Connecticut and 17 other state drug control entities. Sharing prescription drug information allows prescribers, pharmacists and, with restrictions, law enforcement to access a patient's controlled substance history report in any participating state.
- The Agency is using grant funds to implement and evaluate the use of mobile technology by field-based Drug Control personnel, in conjunction with LEAN techniques toward a goal of becoming paperless.
- Together with the Department of Administrative Services BEST Division, the Agency created a mobile-optimized website to distribute information to consumers about pharmacies, oxygen distributors, gas stations, grocery stores and dialysis during emergencies.
- All Liquor permitting forms are now available online, reducing postage and copying costs.
- The provisional liquor permit process was streamlined in FY 15, significantly reducing the amount of time between the review of a permit application to final approval.

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 Director, Alicia Nuñez, 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 14, 2014. 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 2014-2015, 55.5 percent of the Department's employees were female and 44.5 percent were male, with the following composition: 74.5 percent white, 14.6 percent black, 7.7 percent Hispanic, and 3.2 percent Asian.