



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) – 266

Recurring operating expenses: 20,891,166

General Fund Revenue: 41,895,089

Transportation Fund Revenue: 1,483,953

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 & Consumer Education 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 (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.

In FYE 2013, a significant effort undertaken by the Department was implementation of Public Act 12-55, *An Act Concerning the Palliative Use of Marijuana*. The law, passed by the Legislature and signed by the Governor in May 2012, contained many provisions and deadlines, including a requirement that the Department develop a temporary patient / caregiver registration system by October 1, 2012, which the Department did.

The law also required the Department to draft a comprehensive set of regulations to govern the industry. The Department's regulations, which were approved by the Regulations Review Committee at its August 27, 2013 meeting, set forth detailed rules for licensing producers and dispensaries to ensure a safe, secure and uninterrupted supply of medical marijuana for patients. The regulations also contain a number of significant requirements that are designed to protect against the loss, theft or diversion of marijuana. The premise of Public Act 12-55 is that, when followed, registered patients with certain qualifying debilitating illnesses, their physicians and caregivers, and approved marijuana producers and dispensaries will be protected from State prosecution for possessing marijuana for palliative use.

The Department also convened a Board of Physicians to advise the agency about implementing various provisions of the Public Act and regulations. The Board met six times between September 2012 and May 2013.

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 of Consumer Protection during Fiscal Year 2013 included the following activities:

License Services

- Efficiently and accurately processed more than 240,000 licenses, permits and registrations in 226 different categories, resulting in over 47 million dollars in revenue.
- Reduced postage and paper processing, decreased renewal time and improved information access through ongoing adjustment of the agency's web-based licensing system, which allows users to access on-line renewal service and up to-the minute information about all persons and businesses registered with, or licensed by, the Department.
- Continued to make available to its licensees, registrants and permittees, more online license and permit applications and forms. Improved service for license applicants by developing and implementing an automated workflow process providing the license applicant with an electronic notification upon approval.
- Became only 1 of 5 states in the country to offer an online renewal process for Public Charity registrations.

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 388 compliance meetings, 132 formal hearings/administrative complaints, 65 formal hearing decisions, 508 Settlement Agreements and Stipulations, 200 Assurances of Voluntary Compliance, 26 subpoenas/civil investigative demands and promulgation of 7 regulations.
- 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: 190 consumer claims were processed from the Home Improvement Guaranty Fund resulting in \$1,596,963 paid; 10 claims processed from the New Home Contractor Guaranty Fund with \$298,167 ordered paid; 3 consumer claims were processed from the Real Estate Guaranty Fund and \$75,000 was ordered paid; and 6 consumer claims to the Health Club Guaranty Fund were processed and \$813.97 ordered paid. In addition, in FY 2013, the Guaranty Funds collectively contributed a total of \$1,125,607.46 to the State's General Fund.

Technical Systems

- Upgraded the agency's printers to new Savin printers. This upgrade was the culmination of much research and effort, whereby the agency was able to get newer and additional printers at no additional cost.
- Upgraded the agency's network switches with those purchased by the former Division of Special Revenue. The upgrade increased the reliability of the Department's network at minimal cost.
- Replaced all desktop PC's with all-in-one units.

- Implemented an offsite backup strategy using BEST's Enterprise Backup Solution. This gives the agency added protection in case of a catastrophic event.
- Implemented the new Auditing System for Bingo regulation.

Communications and Consumer Education

- Informed and educated the public by issuing and posting online 81 press releases on numerous consumer-related issues, including the development of a temporary medical marijuana patient, caregiver and doctor registration system, advice on hiring contractors after a storm, travel and technical service scams, online shopping safety, unlawful sales of alcohol to minors, and food recalls, resulting in more than 415 different print news stories for the fiscal year and several dozen radio and television appearances by the agency.
- Maintained Facebook social media presence to enhance the Department's ability to provide important consumer information to the public at no cost, and increased external users by 20% over previous year.
- Launched **SmartConsumer.ct.gov**, a website focused exclusively on providing information to consumers on how to identify and protect against common frauds and scams.
- Organized and assisted other staff in preparing for more than 50 professional and community programs, conferences and seminars. Helped identify speakers and develop materials for 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.
- With leadership and other Divisions, participated in several roundtable discussions with social service organizations, among others, to identify currently "unreached" consumers in Connecticut and to develop strategies for engaging and educating them on how to be safer consumers. Efforts will continue in FY14.
- Began a systematic program to provide more information and resources to members of the Latino community. Developed a process and oversaw English-to-Spanish translation of news releases, websites, and agency brochures. Efforts will continue in FY14.
- Engaged state and local media in interviews to educate and disseminate news on consumer protection issues and efforts, resulting in hundreds of media placements in local, state and national media and professional journals.
- Continued monthly distribution of "Consumer Watch," an e-mail-based monthly newsletter containing timely topics of interest to consumers and licensees. Distribution via email to more than 1,200 self-selected subscribers.

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; improper pricing and labeling; violations of regulations regarding adult entertainment; and purchases of alcoholic liquor from prohibited entities. Particular attention was paid to deceptive or unfair trade practices within the liquor industry.
- 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. In 2012-2013, the Division conducted 562 such local liquor compliance checks in more than 45 towns and cities in the state. Of that total, 422 Connecticut liquor retailers passed by NOT selling alcoholic liquor to persons under the legal drinking age of 21.

- Provided training and education to 300 law enforcement officers, liquor retailers and community members in strategies to deter access of alcoholic liquor to underage persons.

Regulation of Drugs, Cosmetics & Medical Devices

- 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.
- Investigated alleged diversion of controlled substances by practitioners in both pharmacies and healthcare facilities. Conducts pharmacy inspections and responds 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.
- Assisted law enforcement, the FDA, HHS, FBI and the DEA in investigating and adjudicating cases of drug fraud in the state.
- 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.
- Established Memoranda of Understanding (MOUs) between Connecticut and several other states including Kentucky, Ohio, Massachusetts and Rhode Island to share prescription drug data. This will allow prescribers, pharmacists and law enforcement (with restrictions) to access a patient's controlled substance history report in any of those states.
- Monitored compliance agreements of pharmacists currently in a probationary program due to drug addiction. The Drug Control Division also oversaw the compliance of the various police departments' canine labs.
- The Division is responsible for the regulatory oversight of the Medical Marijuana Program. The Division is developing the registration procedures, compliance and investigative functions regarding the program.
- Conducted presentations to professional and community organizations and presented at state and national pharmacy 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 how to avoid prescription drug abuse, and educated residents about the environmental impact of improper drug disposal.
- The Division, along with the Prevention Partnership and local law enforcement agencies, established the Controlled Substance Medication Drop Box Program. Currently 38 drop box programs are operating in the state.
- 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 the Division's electronic list-serve.
- 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.
- The Division houses the Board Administrator for the Commission of Pharmacy.

Regulation of Food and Standards

- Conducted inspections of food-processing plants, warehouses, retail food stores, bakeries, nonalcoholic 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 30 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.
- Responded to 878 consumer complaints related to gasoline fuel oil, adulterated food, expired food and poor sanitation.
- Relocated the State Metrology Lab to 9 Windsor Avenue in Windsor and have received conditional recognition from the US Department of Commerce, National Institute of Standards and Technology.
- Received two grants from the US Food and Drug Administration totaling over \$225,000 per year related to recalled food and a quality improvement initiative for manufactured food. The first grant is for three years the second for five years.
- Initiated a new licensing program for wholesale manufactured foods.

Frauds Division

- Assumed enforcement activities related to public charities, in order to better align the function.
- Added examiners to perform financial reviews and increase anti-fraud efforts, including the initiation of several significant cases.
- Worked to ensure that organizations soliciting funds in the aftermath of Sandy Hook were in compliance with State laws to minimize the risk of consumers sending their money to fraudulent charities.
- Created a working group to collaborate with the Office of the Attorney General, Charities Unit in order to coordinate efforts.
- Responded to more than 19,900 consumer telephone calls and 2,400 written consumer complaints, involving problems with home improvement, retail sales, occupational trades, telemarketing, online shopping and numerous scams. The Division mediated settlements between buyers and sellers, and explained the rights and obligations of consumers and businesses alike under the Connecticut Unfair Trade Practices Act.
- Enhanced customer service by rerouting the Agency's Hotline and Home Improvement Contractor calls to the best source to allow callers to obtain specific information quickly, while still maintaining personalized service.
- Provided time sensitive and critical information to consumers and businesses alike in the wake of several winter storms and hurricanes. Followed up on complaints of price gouging, and identified a hotel's change of terms in the wake of a major storm as unconscionable.
- Engaged in numerous speaking engagements to educate consumers on issues relating to privacy, identity theft, home improvement contractors, homemaker companion aides, disaster recovery, and financial literacy.

- In conjunction with the Legal Division, concluded or resolved ever increasing numbers of broad-based cases including those involving a chimney company, a parole advocacy scheme, several travel related scams, issues related to violations of Connecticut's auto-renewal provisions, false advertising by home improvement contractors, and gift cards. All of these matters involved both field work and legal process.

Regulation of Gaming

- Regulated Connecticut's authorized forms of gambling, which include Tribal Casinos, Off-track betting, State Lottery and Charitable Games. Specifically, the Gaming Division completed 2,393 gambling regulation inspections and visits, managed 2,250 lottery drawings to ensure the integrity of the games, and conducted charitable games audits as required.
- 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.
- 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.
- Processed 13,496 active licensees in Connecticut's gaming industry. These included 6,582 Foxwoods Casino and 6,914 Mohegan Sun Casino active licenses.
- Conducted a total of 193 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 and participated in 24 arrests.
- Approved changes or modifications to wagering systems and related equipment to ensure the integrity of lottery games and operation of off-track betting.
- 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.

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

- Enforced the State Child Protection Act through bedding inspections and toy inspections.
- Continued its contract with the United States Consumer Product Safety Commission's Recall Effectiveness program, ensuring that recalled products stay off the shelves in Connecticut.
- In conjunction with the Office of State Fire Marshal, the Office of the State Building Inspector, and the Department of Administrative Services, worked to develop a free five-hour training program, "Connecticut Liquefied Petroleum Gas: Properties and Potential Hazards," for plumbing contractors, pipe fitters, propane installers, heating and cooling professionals, propane gas workers, building officials, fire marshals and mechanical inspectors. The training stems from an improper piping installation at a 30,000 gallon propane facility in North Canaan, CT that resulted in a January 2011 evacuation of the facility area because a leak was found with the potential to cause an explosion. The contractor, a Massachusetts plumber, was convicted in Connecticut of reckless endangerment and working without the proper State credentials. He was ordered to pay \$10,000 in fines, was barred from doing plumbing or gas fitting work in Connecticut for a probationary period and was ordered to pay \$10,000 for training and education of plumbers and gas fitters on license and regulatory requirements for gas piping work. Five free training sessions are scheduled for September 2013.

- Investigated more than 200 applications to the Department's five Guaranty Funds in the areas of home improvement, new home construction, real estate and health club closings.
- Reviewed and processed 40 applications to the state's New Automobile Warranty Arbitration (Lemon Law) program and prepared 34 cases for arbitration, resulting in restitution or replacement of consumers' vehicles in the amount of \$859,750.

IMPROVEMENTS / ACHIEVEMENTS, 2012 – 2013

During Fiscal Year 2013, the Department of Consumer Protection realized numerous improvements and achievements.

- A new Frauds Division was created from a portion of the Trade Practices Division. The focus of the Frauds Division is on broad-based economic and business issues that harm consumers such as frauds and scams. It also investigates complaints related to home improvement contractors and new home construction contractors. The Trade Practices Division continues to focus on concerns related to the professional and occupational businesses that the Department licenses. By creating separate Trade Practices and Frauds divisions, the Department is better able to focus on both of these important missions.
- Realized a 5% increase over FY 2012 in the number of online renewals and a 12% increase in the amount of revenue collected via online renewal.
- All gaming licenses and permits not associated with the State's casinos are now available for public viewing through the agency's online licensing system.
- The Frauds Division examined its investigatory tools and resources, as well as some processes, and developed a centralized source of information and equipment for investigators, which reduces the amount of staff time spent on administrative tasks.
- The Frauds Division implemented a process in which private attorneys can complete their mandatory CUTPA filings via e-mail to a centralized e-mail box for both DCP and the Attorney General's Office.
- In October, the agency observed the 30th anniversary of the enactment of the Connecticut Lemon Law, the first- in-the-nation consumer protection that has returned more than \$60 million in refunds and replacement automobiles to thousands of Connecticut consumers. Its 1982 passage in Connecticut was followed by similar laws in every state in the country and in several foreign countries. Commissioner Rubenstein spoke at the 30th Anniversary Commemoration hosted by the Central Connecticut State University Center for Public Policy and Social Research, joining the bill's original sponsor, former State Representative John Woodcock, and one of the first consumers who benefited from the law.
- Transitioned the licensing of all off-track betting companies and the CT Lottery Corporation, including their management and employees, into the Department's E-Licensing system. Licensing for all vendors servicing the CT Lottery Corporation and off-track betting were also converted into the E-Licensing system.
- The Food and Standards Division received two grants from the US Food and Drug Administration totaling more than \$225,000 per year, related to recalled food and a quality improvement initiative for manufactured food. The first grant is for three years the second for five years.
- The Department's real estate appraiser regulatory program was found by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council to be in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.
- The Liquor Control Division implemented and now monitors the Monthly Discounted Items for Retailers webpage.
- Completed a major organizational update of the Department's main website to improve access to applications, news, and information to licensees and members of the public and media.
- Created a new "SmartConsumer" website at www.smartconsumer.ct.gov to provide easy-to-read, easy-to use information to consumers to help them avoid fraud and protect themselves in the marketplace.

- The Food and Standards Division initiated a new licensing program for wholesale manufactured foods.
- Developed an online registration system for medical marijuana patients and drafted a comprehensive set of regulations to govern the medical marijuana industry.

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 Equal Employment Opportunity Manager Alicia Nuñez 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 2012-2013, 53.8 percent of the Department's employees were female and 46.2 percent were male, with the following composition: 74.5 percent white, 15.1 percent black, 7.5 percent Hispanic, and 2.8 percent Asian.