

Department of Consumer Protection



At a Glance

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 - 23,801,143

General Fund Revenue - 41,150,337

Transportation Fund Revenue - 1,765,203

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; 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.

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 in 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 240,000 licenses in 226 different job categories.
- 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.
- The Department continued to make available to its licensees, registrants and permittees, more online license and permit applications and forms. Specifically, all applications and forms pertaining to Charitable Games, previously unattainable online, have been made available.

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 515 compliance meetings, 172 formal hearings/administrative complaints, 128 formal hearing decisions, 422 Settlement Agreements and Stipulations, 393 Assurances of Voluntary Compliance and promulgation of five regulations.
- Processed and provided monetary restitution to consumers who were financially damaged in the areas of home improvement, new home construction, and health club closings. Specifically: 240 consumer claims were processed from the Home Improvement Guaranty Fund resulting in \$1,793,670 paid; 46 claims processed from the New Home Contractor Guaranty Fund with \$797,836 ordered paid; and 98 consumer claims to the Health Club Guaranty Fund were processed and \$18,458 ordered paid. In addition, in FY

2012, the Guaranty Funds collectively contributed a total of \$867,764 to the State's General Fund.

Technical Systems

- Consolidated information technology equipment as a result of the merger between the Department and former Division of Special Revenue, and provided unneeded equipment to Connecticut State Surplus. As a result, Department equipment maintenance contracts were reduced and the surplus equipment was used to the benefit of other State agencies or non-profit entities that otherwise would not have serviceable hardware.
- Completed a near seamless hardware, software, and network move of former Special Revenue staff from Newington to Hartford. As a result, all staff had connectivity on day one in Hartford, with no down time.

Communications and Consumer Education

- Informed and educated the public by issuing and posting online 70 press releases on numerous toy and children's product recalls, advice on hiring contractors after a storm, online shopping safety, unlawful sales of alcohol to minors, food and beverage recalls, drug disposal programs and drop box availability, and current frauds and scams, resulting in more than 460 different media stories for the fiscal year.
- 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 15% over previous year.
- Maintained the Department's website to provide consistently updated news, forms, and information to licensees and members of the public and media.
- Helped organize staff, speakers, and/or materials for 79 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, 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; 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 Governor's Prevention Partnership. In 2011-2012, the

Division conducted 970 such local liquor compliance checks in more than 45 towns and cities in the state. Of that total, 790 Connecticut liquor retailers passed by NOT selling alcoholic liquor to persons under the legal drinking age of 21.

- Provided training and education to 400 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 diversions of controlled substances from healthcare professionals in both pharmacies and healthcare facilities. Conducts pharmacy inspections and responds to consumer complaints on prescription drug error. 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 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.
- 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.
- 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 materials 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, 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 25 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.
- Began relocation of the State of Connecticut Measurement Center to a new location in Windsor, part of a constructed laboratory complex with the Department of Energy and Environmental Protection. The Measurement Center has custody of the State's 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 1,175 consumer complaints related to gasoline fuel oil, adulterated food, expired food and poor sanitation.

Regulation of Gaming

- Regulated Connecticut's authorized forms of gambling, which include Tribal Casino gambling,
- Off-track betting wagering, State Lottery ticket sales and Charitable Games. Specifically, the Gaming Division completed 6,881 gambling regulation inspections and visits, managed 2,250 lottery drawings to ensure the integrity of the games, issued 2,816 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 17,131 active licensees in Connecticut’s gaming industry. These included 3,985 lottery and OTB enterprise, 1,048 occupational, 2,937 lottery, 6,421 Foxwoods Casino and 6,678 Mohegan Sun Casino active licenses and New Jersey exemptions 25 Mohegan Sun and 22 Foxwoods.
- 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 225 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 and participated in 27 arrests.
- Tested 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

- 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 through 146 bedding inspections and 160 toy inspections.
- Conducted product testing, and initiated and monitored product recalls
- Responded to more than 52,500 consumer telephone calls and 6,025 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 utilized the Connecticut Unfair Trade Practices Act where appropriate to combat unfair business practices in the Connecticut market place.
- Continued the LEAN process to enhance efficiency in processing claims to the home improvement, new home and real estate guaranty fund.
- 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 \$686,000.

Improvements/Achievements 2011 – 12

During Fiscal Year 2011 – 2012, the Department of Consumer Protection realized numerous improvements and achievements. These are outlined below. Through its July 1, 2011 merger with the former Division of Special Revenue (“DOSR”), the Department of Consumer Protection reduced the combined agencies’ costs by over \$1.5 million, enabling the agency to devote more resources to expenses that directly benefit consumers. A significant portion of the savings

resulted from the co-location of the merged agencies, which allowed the Department to more seamlessly merge divisions conducting similar functions and thereby better utilize shared resources. The Department is saving about \$25,000, for example, by consolidating car fleets and equipment. By merging and co-locating the agencies, the Department is able to adopt best-practices from each area and engage in a greater degree of cross-training so that personnel and resources can be allocated most efficiently. Long-term, this will mean a more efficient and flexible agency, to the ultimate benefit of Connecticut consumers.

- In this fiscal year, the Department privatized its sealed ticket function. In addition to the personnel savings that are being realized by enabling staff to focus on core mission of protecting consumers rather than selling sealed tickets, the agency is saving between \$75,000 and \$85,000 a year by eliminating the warehouse that stored sealed tickets.
- The Drug Control Division, through application of the LEAN Process, continues to implement electronic work flows, electronic inspections, and electronic report transfers, and began to adopt these processes with the Commission of Pharmacy. The result is more efficient processing for both the Division and public, increasing productivity, and a significant reduction in the use of paper.
- 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. The program is now open to statewide involvement. This program offers municipalities a viable, sustainable option for the proper removal of unused medications from homes, for environmental reasons and to prevent misuse or abuse. This initiative is of no cost to the State.
- The Drug Control Division was named to the Board of the State's Health Information Exchange.
- The Drug Control Division Director is on the Board of the Alliance of States with Prescription Monitoring Programs.
- The Food and Standards Division secured funding from the Federal Drug Administration (FDA) to facilitate accreditation for the Food Chemistry Lab at the Agriculture Experiment Station.
- The Director of the Food and Standards Division was elected Chairman of the Regional Affiliate of the National Conference of Weights and Measures.
- All Weights and Measures inspectors were accredited for retail fuel inspections by the National Conference of Weights and Measures.
- The Food and Standards Division initiated a new program under a grant from USDA on Country of Origin Labeling (COOL). Assigned inspections are being conducted to ensure that regulated products are properly labeled.
- Gaming Division staff tested and approved the migration of the Connecticut Off-Track Betting Hub to a regional data center.
- Total wagering revenue from all forms of legal gambling regulated by the Gaming Division in 2011-2012 was nearly \$ \$17.0 billion, with \$15.1 billion returned to the general public in prizes and more than \$658.7 million transferred to the General Fund.
- The Licensing Division expanded operation and implemented upgrades of the Connecticut E-Licensing website. All but 22 of the Department's 226 licensing categories were configured to allow licenses to be renewed through the E-Licensing system.
- The Department realized a 25% increase over FY 2011 in the number of online renewals and a 32% increase in the amount of revenue collected via online renewal.
- The Charitable Games Unit and all its permitting was converted into the DCP'S E-Licensing system. Also, the privatization of sealed tickets games sales was realized with the approval of each game being handled through the License Services Division.

- The licensing of all lottery agents was converted into the DCP'S E-Licensing system. Electronic licensing for casinos and off-track betting parlors are on track for spring 2013 implementation.
- The licensing of all amusement parks, rides, carnivals and circuses was converted into the Department's E-Licensing system.
- The Liquor Control Division improved the electronic price posting for wholesalers and suppliers, and implemented the Sale of Wine with Gift Basket Permit and the Farmers' Market Wine Permit.

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 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, 50.4 percent of the Department's employees were female and 49.6 percent were male, with the following composition: 73 percent white, 17.2 percent black, 8.1 percent Hispanic, and 2.1 percent Asian.