Agency: R28 - Department of Consumer Affairs

Functional Group: Transportation & Regulatory

1349 Consumer Services

Legislative Mandate: The S. C. Consumer Protection Code (Section 37-6-117) authorizes the Administrator to: (a) Receive complaints of individuals pertaining to any consumer transaction arising out of the production, promotion or sale of consumer goods and services; endeavor to determine the probable basis and merit of such complaint and advise the complainant of such determination; (b) Subject to the provisions of 37-1-118, refer to the appropriate state or federal agency any complaint which is under the jurisdiction of such agency, for appropriate action; (c) Endeavor to bring about a voluntary adjustment of any such complaint not within the jurisdiction of any regulatory or enforcement agency.

Statewide Result Area: Improve the conditions for economic growth

Strategy: Provide for a reasonable and safe business regulatory environment.

FY 2009-10

<table>
<thead>
<tr>
<th>Total</th>
<th>General Funds</th>
<th>Federal Funds</th>
<th>Non-Recurring Provisos</th>
<th>Part III (ARRA Funds)</th>
<th>Other Funds</th>
<th>FTEs</th>
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<tbody>
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Other Fund - Subfund No. & Title: 3035, Operating revenue

Budgetary Program No.: III.

Expected Results:

Complaint Analyst will process and mediate written consumer complaints seeking to find equitable solutions for the consumer and the business, including refunds, adjustments and credits to consumer accounts. The Consumer Services Division typically recovers more money on behalf of consumers of the State of South Carolina than its cost of operations. Refunds, adjustments and credits totaled $1,707,000 for FY 08. The Division also takes on such nonlitigation matters which benefit consumers, such as fielding customer calls, providing advice to other state agencies, providing consumer education and outreach activities. The Division implemented a new consumer awareness program known as Buyer Beware in FY04. The Buyer Beware list is posted on the Agency's Web page for all businesses that do not respond to consumer complaints. The Division will continue its outreach efforts through visitation and consultation with consumers at satellite locations on a monthly basis. An after hour service program will be implemented to serve consumers and taxpayers that are unable to reach us during normal business hours. This program will provide after hour educational forums and individual consultation.

Outcome Measures:

Recovered $1,445,105 for consumers in refunds and adjustments; Processed 6,569 written complaints from consumers; Provided 20,202 services in the form of walk-ins, referrals, and general questions; Handled 17,430 telephone inquires; Closed 3,825 complaints as "satisfied"; Posted 698 businesses to a Buyer Beware WEB Listing (96 posted during FY09); Made over 100 presentations on topics such as identity theft, financial literacy, credit reporting, debt collections, and credit counseling.
Agency Activity Inventory by Agency

Appropriation Period: FY 2009-10

Agency: R28 - Department of Consumer Affairs

Functional Group: Transportation & Regulatory

1350 Legal Division

The Legal Division is mandated to administer, interpret, and enforce the South Carolina Consumer Protection Code (37-1-101 et seq.) South Carolina Motor Club Services Act, the Physical Fitness Services Act, the Athlete Agents Act, the Mortgage Loan Broker Act, the Pawnbroker Act, the Automobile Lemon law, the Consumer Credit Counseling Act; to promulgate regulations to implement the above acts; to protect consumers from unfair or deceptive market practices. To initiate and encourage educational programs that inform consumers of market practices and schemes which are fraudulent, deceptive or illegal. To encourage honest and fair business practices. On July 1, 2006 the Legal Division assumed the regulatory powers and duties relating to the sale of Preneed Funeral Contracts in the State of South Carolina.

Statewide Result Area: Improve the conditions for economic growth

Strategy: Provide for a reasonable and safe business regulatory environment.

FY 2009-10

<table>
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<tr>
<th>Total</th>
<th>General Funds</th>
<th>Federal Funds</th>
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Other Fund - Subfund No. & Title: 3035, Operating revenue

Budgetary Program No.: II.

Expected Results:
Review and inspect business locations for proper filing, posting, and compliance. Participate in joint state and federal investigation of odometer fraud committed in this State. Enforce the Consumer Protection Code, Motor Club Act, Physical Fitness Services Act, the Athlete Agents Act, Mortgage Loan Broker Act, the Pawnbrokers Act, the Consumer Credit Counseling Act, the Automobile Lemon Law and the Preneed Funeral Contract Act. The Legal Division enforces state and federal laws prohibiting unfair and deceptive business practices in trade or commerce in accordance with the SC Consumer Protection Code. Current areas of enforcement focus on mortgage loan brokering, odometer rollbacks and predatory lending. These activities help to eliminate potential problems and to provide consumers with tools to educate themselves and make better decisions.

Outcome Measures:
Conducted 8 administrative hearings which resulted in fines of $6,662; Performed 6 Credit Counseling non-hearings which resulted in fines of $8,600; Provided 139 mortgage broker non-hearing resolutions resulting in fines of $37,546; Negotiated an Athlete Agent non-hearing resolution that resulted in a fine of $60,000; Arranged 165 consumer refunds from credit counseling businesses that totaled $100,791; Consumer refunds from Physical Fitness financial responsibility totaled $79,359; Provided 2 Preneed Loss Reimbursements totaling $9,382; Conducted 931 investigator compliance reviews; Conducted 13,796 license application reviews; Received $4,915 in refunds for 11 consumers through compliance reviews and $20,560 in refunds for 6 consumers through investigations of consumer complaints; Issued 139 automobile advertising letters involving violations of truth in lending laws and other regulations; Provided 85 educ. presentations.
Agency Activity Inventory
by Agency
Appropriation Period: FY 2009-10

Agency: R28 - Department of Consumer Affairs
Functional Group: Transportation & Regulatory

1351 Advocacy Division

Legislative mandate: (37-6-601-37-6-609) The principal purpose of the Division of Consumer Advocacy is to provide a legal representative for the consumer interest in matters concerning rates for property and casualty insurance, and workers compensation insurance. The Consumer Advocate has statutory standing to intervene as a party of record in these proceedings on behalf of the public at large, but not for individual consumers. The attorneys on staff are assisted by outside experts, who are retained using funds provided in the Department's budget. The Consumer Advocate also has the statutory right to appeal decisions in the cases in which he participates. The Advocacy Division also regulates the Continuing Care Retirement Community Act, Professional Employer Organizations, and effective January 1, 2007, Medical Discount Plans. The Division also investigates the sale of cosmetic contact lens that are dispensed without a prescription.

Statewide Result Area: Improve the conditions for economic growth
Strategy: Provide for a reasonable and safe business regulatory environment.

FY 2009-10

<table>
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Other Fund - Subfund No. & Title: 3035. Operating revenue

Budgetary Program No.: IV.

Expected Results:
Review insurance notices filed with the Department of Insurance. Participate and intervene into hearings involving insurance filings at the SC Department of Insurance. These filings involve automobile rate filings, home owner's policies and worker's compensation rate increase filings. Submit evidence in hearings that demonstrate that the rate increase request is not justified and seek adjudications or settlements that generate savings for consumers and rate payers.

Outcome Measures:
Provided $30,681,613 in savings for rate payers through intervention in insurance cases; assessed fines in the amount of $138,150 through Advocacy licensing programs; arranged consumer refunds in the amount of $6,036 from consumer complaints; Collected fines in the amount of $5,000 from contact lens investigations; Reviewed 873 insurance notices; Resolved 49 insurance cases; and reviewed and analyzed 37 new insurance cases; took enforcement actions on 4 contact lens investigations; Approved 65 license applications from PEO's, Discount Medical Plan Organizations and Continuing Care Retirement Communities.
Agency Activity Inventory
by Agency
Appropriation Period: FY 2009-10

Agency: R28 - Department of Consumer Affairs

Functional Group: Transportation & Regulatory

1352 Public Information

Legislative Mandate: SC Consumer Protection Code 37-6-117(e). Inform South Carolina consumers of market practices that are illegal, deceptive or unfair, and inform them of their rights and responsibilities as consumers. Educate South Carolina consumers regarding credit practices and problems through the use of various educational programs including fact sheets and pamphlets on consumer topics, educational material on the WEB page and class room presentations to school children.

Statewide Result Area: Improve the conditions for economic growth

Strategy: Provide for a reasonable and safe business regulatory environment.

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Other Fund - Subfund No. & Title:
3035, Operating Revenue

Budgetary Program No.: V.

Expected Results:
To develop in South Carolina a high degree of awareness of consumer rights and responsibilities through the media, direct access to churches and civic groups, cooperative efforts with business, and other government agencies.

Outcome Measures:
SCDCA was awarded the 2008 Ace by the National Association of Consumer Agency Administrators for having an outstanding comprehensive program of consumer education, legislation and enforcement. Co-sponsored the 13th Annual Palmetto Affordable Housing conference. Staffed consumer phone banks at Columbia, Aiken, Myrtle beach, Charleston and Spartanburg. Uploaded 18 consumer educational videos to You Tube and logged 100 fans on Facebook. Expanded Shred events to Charleston, Aiken & Spartanburg.

1353 Administration

The SC Consumer Protection Code (SCCPC) Administrator’s Office (37-6-101 et. seq.) is a part of the Administration Division. The administrative powers granted by the SCCPC to the Administrator are extensive and include not only the licensing and investigative powers, but also broad administrative powers, including injunctions and the authority to adopt substantive rules and to issue Declaratory Opinions and Administrative Interpretations for all types of transactions covered by the Code. The Division of Administration is also responsible for providing budget, supply, personnel, training, data processing,
Agency Activity Inventory
by Agency
Appropriation Period: FY 2009-10

news releases and consumer protection education and other administrative support to the S.C. Department of Consumer Affairs. In addition, the Division is responsible for maintaining files and accounting for revenue generated from the agencies licensing programs. The Administrative Division is also responsible for administering the Consumer Credit Grantor Notification filing program, the Maximum Rate Schedule filing program and the Motor Vehicle Dealer Closing Cost Disclosure program.

Statewide Result Area: Improve the conditions for economic growth
Strategy: Administration

<table>
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<tr>
<th>FY 2009-10</th>
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Other Fund - Subfund No. & Title: 3035. Operating revenue

Budgetary Program No.: I.

Expected Results:
Administrative hearings will be scheduled to adjudicate and penalize violators of the SCCPC and other laws regulated by the Department. Restitution to injured consumers will be sought from violators of the laws through the use of settlements, fines and other penalties. All funds will be expended in accord with state laws and regulations issued by the Comptroller General. Licensing fees will be collected and deposited to the State Treasurer's account on a timely basis. Employees will be paid in accordance with pay bands established by the B & C Board and OHRS. GAAP closing packages will be submitted to the CG's office before scheduled deadlines. The SC Procurement Code will be adhered to for all procurements. Clean financial audits are expected from the State Auditor's Office. Programs will be administered is the most cost effective method.

Outcome Measures:
Through the Administrator's Office and the Public Info. Division the agency won four awards from the SC Press Association. Best overall Public Relations Program; Best Event Marketing (Identity Theft and Shred Days) and Best Electronic Newsletter. Received a clean opinion and little or no management letter comments from the State Auditor. All GAAP closing packages completed accurately and on time. Collected over two million dollars in revenue for the State's General Fund and the agency's earmarked accounts. Processed over 1,000 electronic registration through SC Business One Stop (SCBOS) program.

Agency: R28 - Department of Consumer Affairs
Functional Group: Transportation & Regulatory

9998 4.04% Mid-Year Reduction

4.04% Mid-Year Reduction

Statewide Result Area: Improve the conditions for economic growth
Agency Activity Inventory  
by Agency  
Appropriation Period: FY 2009-10

Strategy: FY 2009-10 4.04% Mid-Year Reduction

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|                | ($66,286) |
| General Funds  | ($66,286) |
| Federal Funds  | $0        |
| Non-Recurring Provisos | $0 |
| Part III (ARRA Funds) | $0 |
| Other Funds    | $0        |

Other Fund - Subfund No. & Title: NA

Budgetary Program No.: NA

Expected Results: NA

Outcome Measures: NA

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AGENCY TOTALS  
Department of Consumer Affairs

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<th>TOTAL AGENCY FUNDS</th>
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<th>TOTAL FEDERAL FUNDS</th>
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