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| AGENCY NAME: | Department of Consumer Affairs | | |
| AGENCY CODE: | R28 | SECTION: | 80 |

Fiscal Year 2016-2017 Accountability Report

SUBMISSION FORM

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| AGENCY MISSION | The Department of Consumer Affairs' mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education. |
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| AGENCY VISION | <p>To protect consumers while giving due regard to those businesses acting in a fair and honest manner. The Department will strive to be a CREDIT to our State by holding the following values as essential in our relationships and decision-making:</p> <ul style="list-style-type: none"> C- competence R- respect E- equality D-dedication I- integrity T-timeliness |
|----------------------|--|

Please select yes or no if the agency has any major or minor (internal or external) recommendations that would allow the agency to operate more effectively and efficiently.

| | | |
|---|--------------------------|-------------------------------------|
| RESTRUCTURING RECOMMENDATIONS: | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Please identify your agency's preferred contacts for this year's accountability report.

| | <i>Name</i> | <i>Phone</i> | <i>Email</i> |
|---------------------------|----------------------|--------------|--------------------------|
| PRIMARY CONTACT: | Carri Grube Lybarker | 803-734-4297 | CLybarker@scconsumer.gov |
| SECONDARY CONTACT: | Juliana Harris | 803-734-4296 | JHarris@scconsumer.gov |

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I have reviewed and approved the enclosed FY 2016-2017 Accountability Report, which is complete and accurate to the extent of my knowledge.

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| AGENCY DIRECTOR (SIGN AND DATE): | <i>Carri Grube Lybarker</i> <i>9.13.17</i> |
| | (TYPE OR PRINT NAME): Carri Grube Lybarker |

| | |
|---|---|
| BOARD/CMSN. CHAIR (SIGN AND DATE): | <i>D. Campbell</i> <i>9-13-17</i> |
| | (TYPE OR PRINT NAME): David Campbell, Chair, Commission on Consumer Affairs |

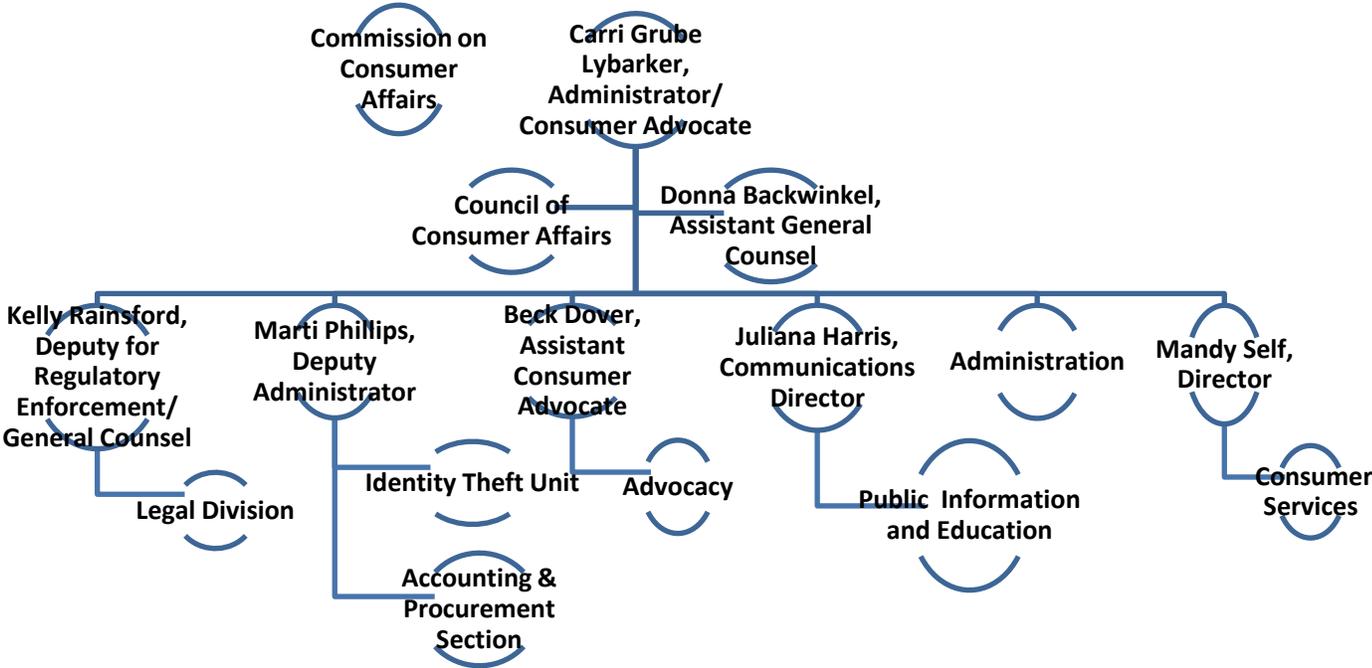
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AGENCY’S DISCUSSION AND ANALYSIS

I. DCA Background

The South Carolina Department of Consumer Affairs (“DCA”/ “Department”) is the state’s consumer protection agency. Established in 1974, DCA has over **forty years** of experience in protecting South Carolina consumers while recognizing those businesses that act honestly and fairly. The General Assembly has charged DCA with administering, interpreting and enforcing over sixty statutes, including the S.C. Consumer Protection Code. Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

The Department accomplishes its mission by: 1.) acting as an effective regulator, 2.) providing complaint mediation services that are unmatched at both state and federal levels, 3.) saving millions for both consumers and small businesses through insurance rate filing intervention, 4.) serving as an educational portal for consumers and businesses alike, and 5.) informing the public on effective ways of preventing and mitigating identity theft situations. Governed by the Commission on Consumer Affairs, DCA is organized into six divisions: Administration, Consumer Services, Consumer Advocacy, Public Information and Education, Legal Division and the Identity Theft Unit.



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The **Consumer Services Division** processes and mediates written consumer complaints, seeking to find equitable solutions for the consumer and the business, including refunds, adjustments and credits to consumer accounts. Staff takes consumer complaints against businesses regulated by DCA, refers complaints that fall within another agency’s jurisdiction, and mediates those complaints against businesses that are unregulated. The Division provides SC taxpayers with a readily available, experienced, and cost-effective mediation service.

The **Advocacy Division** provides legal representation for the consumer interest in matters involving property and casualty insurance and worker's compensation insurance. As the state agency designated to represent the insurance interests of consumers, the Advocacy Division aims to ensure that increases in homeowner's insurance and worker's compensation insurance rates are justified, working to avoid excessive, unwarranted rate increases. When needed, an action is filed and the Division submits evidence in hearings, demonstrating why the rate request is not justified. Intervention often results in adjudications or settlements that generate savings for consumers and businesses alike. The Division also reviews rules and regulations proposed by state and federal agencies pertaining to ratemaking, providing comments when appropriate.

The **Public Information and Education Division** serves as the main consumer education portal for consumers, business and the media. The Division informs consumers and businesses on their rights and responsibilities in the marketplace through traditional and alternative media distribution, including social media, presentations, television, radio, newspaper and publications. Education is a central part of DCA’s mission. Fostering knowledge in consumers and businesses prevents deceptive and unfair business practices and results in the promotion of fair competition and a healthier economy.

The **Legal Division** performs the agency’s licensing, administration and enforcement duties related to approximately fifty of the sixty statutes under the agency’s jurisdiction. The General Assembly has charged DCA with advising the Legislature and Governor on consumer issues and the state of credit in SC. The Division addresses complaints, conducts investigations, and brings enforcement actions in various courts for violations of the laws subject to action by the Administrator. The Legal division also processes regulatory applications and filings for fifteen industries, including mortgage brokers, pawnbrokers, physical fitness centers, motor clubs, credit counseling organizations, prepaid legal services, athlete agents, the sale of preneed funeral contracts, registered consumer credit grantor, maximum rate filing and motor vehicle disclosure programs.

The Department’s newest division, the **Identity Theft Unit** provides education and outreach to South Carolina consumers across the state to increase public awareness and knowledge about what identity theft is, the steps consumers can take to protect themselves, and what consumers should do in the event of identity theft. For consumers who are identity theft victims, the Unit provides ongoing guidance throughout the process of mitigating and resolving their particular identity theft situation(s). The Unit also handles administration and enforcement of state identity theft-related consumer protection laws, including receipt of security breach notices to ensure reporting and notification requirements are met.

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All of DCA’s functions are supported by the agency’s **Administration Division**. All support and planning services critical to the operation of the agency are housed in Administration, including procurement, human resources, accounting and information technology. The Administrator position, appointed by the Commission on Consumer Affairs to administer Title 37 among other statutes and manage the day to day operations of the agency, is located in this Division.

DCA revised the agency’s goals for fiscal year 2016 in perspective of the SMART framework. These newly established goals remain unchanged for 2017; however, the Department revised corresponding strategies, objectives and measurements as our understanding of the SMART method has evolved. Most notably, we re-envisioned measurements to focus more on efficiency and outcome measures to form a more accurate reflection of DCA’s impact on its customers and deleted those which do not serve a meaningful purpose. As we continue to hone our understanding of the SMART method, we anticipate the report will continue to evolve and become an even more useful tool for the agency.

II. Challenges Affecting Performance

A. Employee Retention/ Knowledge Gaps

DCA is an agency with historically above par staff retention rates. However, due to hiring fluctuations over the years, several staffers became eligible for retirement in FY15 resulting in fifteen percent of agency staff retiring. A wealth of institutional knowledge exited the agency. In FY16, the challenge turned to retention of newly hired staff. During this time period, seven staff members who were with the agency for three years or less left DCA for higher paying jobs with other agencies or in the private sector. In FY17, an additional 9.8% of staff left the agency. Providing adequate compensation is an area DCA has struggled with for many years and what exit interviews show is a leading cause in our declining staff retention rate. With the 2016 Classification and Compensation Study as our guide, the Department secured monies for pay increases for the current fiscal year. While we hope the ability to more adequately pay staff will increase retention rates, the resulting vacancies, and time needed to fill the vacancies and train new staff can lead to underperformance. Further, the learning curve of newly hired staff can contribute to deficiencies as well.

B. Internal Restructuring Efforts

In FY15, the Department began an internal restructuring of regulatory programs placing the administration and enforcement responsibilities for all under the supervision of a single Deputy, as opposed to two. In FY16, DCA implemented Phase II of its restructuring plan and moved two complaint analysts from the Services Division to the Legal Division to ensure appropriate processing of complaints against businesses falling under DCA’s regulatory purview. As the Department’s new backend licensing database with online deployment capabilities is completed during FY18, Phase III will include a re-envisioning of job duties within the Legal Division to focus on compliance reviews.

FY17 is the first full fiscal year of the restructuring efforts implemented thus far. Similar to the hindrances felt by staff turnover, the restructuring created the need for new policies, procedures and

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training. As each phase is implemented, Deputies and Directors assess performance factors and adjust practices as necessary.

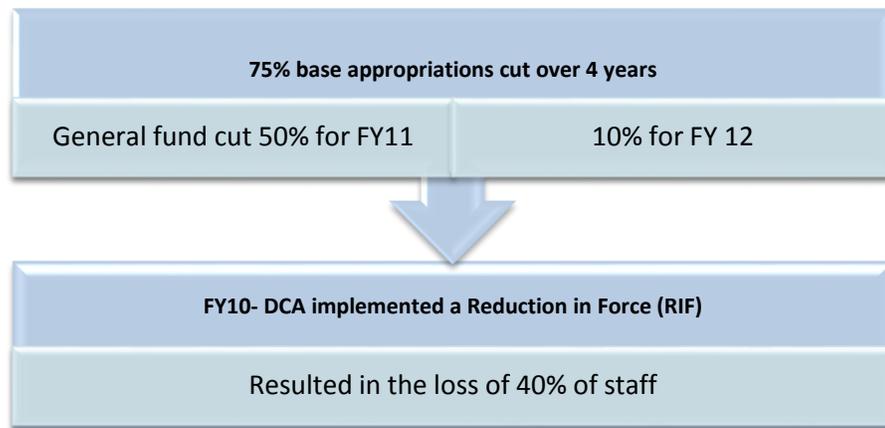
C. Public Awareness of DCA

DCA faces a continuing challenge of ensuring public awareness of the agency and its services/ role. Ensuring businesses are aware of the filings and legal requirements of the State can be a difficult task, especially as the core regulatory programs administered by the agency touch several different industry types. (ie: credit sales, consumer loans). General citizen knowledge can be limited as well as most consumers do not have the need to contact the agency on a recurring basis. Usually issues arise that are time sensitive and occur infrequently, such as purchasing a home or having a complaint against a business. Further, certain events, such as large security breaches and natural disasters, result in increased awareness of, and reliance on, DCA. These occurrences, however, are not predictable and can result in temporary inflation of communication/ engagement measures.

D. Budget

The financial condition of the industries regulated directly affects the number of filings received and processed, thus revenue collected. A decrease in this funding source and/or general fund budgetary restraints can result in decreased resources, including overall agency funding, human capital and technological

enhancements. Such a perfect storm of both funds being depleted occurred from FY09-12 with the Department receiving a \$1.6 million base appropriations cut and the industries regulated by the Department sharply declining.



These budgetary constraints contributed to the agency’s inability to hire needed staff, retain qualified personnel or appropriately compensate those whose job responsibilities had grown and who continued to provide superior service. After the implementation of a reduction in force in FY10, DCA went from 68 filled FTE positions to a low of 27 filled FTEs in 2011.

The Department has seen great improvement on budgetary fronts, however the impact of such devastating cuts results in the agency continuing on the path to stability.

III. Risk Assessment and Mitigation Strategies

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If DCA was unable to accomplish its mission, the *potential most negative impact* on the public is an unregulated credit marketplace, hindering competition and resulting in consumers who are uneducated, unable to protect themselves from unscrupulous businesses and unable to obtain credit at reasonable costs. At this point, the Department is pleased with the results in view of the multi-year term for many projects in process. Should the need for assistance arise, the General Assembly could prevent a crisis through provision of appropriate funding for DCA operations, provide appropriate FTE allocation and access to technology resources.

IV. Restructuring Recommendations

As stated in section IIB above, the Department initiated an internal restructuring in FY15. The completion of the restructuring is dependent on the completion of the agency’s online licensing database. DCA anticipates all regulatory programs being live on the system within FY19.

V. FY17 Overview

The Department met the majority of its goals for FY17. Consumers continued to file complaints via our online Complaint System in line with agency goals. For the third year in a row, DCA realized stabilized revenue collections from administration and enforcement. Enforcement actions increased 24% and the Department negotiated the largest regulatory settlement in DCA history securing \$9.65 million in credits, refunds and adjustments and removal of negative items from South Carolina consumer credit reports. **Overall, the agency’s outcome of credits, refunds and adjustments for FY17 through efforts in complaint mediation, enforcement and intervention in insurance rate filings exceeded \$11 million.** This number is three times more than DCA’s total budget for FY18.

On the agency outreach front, DCA established Project Planning Criteria for these initiatives to better identify timelines, need, partnerships and distribution channels. As a result, FY17 highlights include two successful campaigns: (1) Ditch the Pitch Outreach- printed and distributed nearly 15,000 brochures through partnership with Lt. Governor’s Office on Aging (distributed 9,000 brochures through their meal delivery program), libraries, and banks; (2) Partnered with DEW to release business W-2 scam infographic and tips to avoid the scam to over 43,000 businesses.

The Department has also employed new technologies to increase efficiencies and lessen business burden over the past few years. A review of the agency website is ongoing, however in FY17 agency administrative interpretations were added and a complete review of the backend portion was completed resulting in numerous obsolete items being archived, thus improving the user search function. We also continue to evaluate the online complaint and licensing (CALAS) systems, respectively, to ensure all capabilities are leveraged and benefits realized. To this end, in February, the agency received approval for next phase of changes for the online Complaint System. We also contracted with SC.GOV to provide online payment processing for those wishing to utilize CALAS, allowing DCA to quickly process applications.

DCA also launched Project Vector as a part of its technology and information security initiatives. The project encompasses an internal review of data collected to ascertain the consistency in collection,

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need and use of data collected by DCA in day to day operations and to aid other Divisions in vision fulfillment. We implemented Phase I of Project Vector to better utilize data within the agency to achieve goals and identify missing data points of need. The idea for the project stemmed from the agency’s Senate Legislative Oversight review.

With the influx of new staff and the internal restructuring, DCA has focused on staff training. In FY17, two staff members received Certified Information Privacy Professional accreditation, one graduated from the Certified Public Manager Program (now have 2 on staff), and one investigator became a Certified Mortgage Examiner. The agency also enrolled 2 staff members in Associate Public Manager Program.

As stated last year, several projects initiated are organized in phases, with completion not anticipated in a single fiscal year. During this process, DCA will continue to evaluate goals, objectives and measurements to ensure an accurate picture of agency performance of its statutory duties.

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Strategic Planning Template

| Type | Goal | Item # Strat | Object | Associated Enterprise Objective | Description |
|------|------|-----------------|--------|---------------------------------|--|
| G | 1 | | | Government and Citizens | EFFECTIVELY ADMINISTER & ENFORCE THE LAWS ASSIGNED TO THE DEPARTMENT TO PROTECT CONSUMERS FROM FRAUDULENT, UNFAIR AND DECEPTIVE PRACTICES. |
| S | | 1.1 | | | Examine regulated industries to determine compliance with applicable laws and regulations, conduct investigations upon receiving probable cause and implement enforcement actions against violators. |
| O | | | 1.1.1 | | <i>Bring necessary enforcement actions, working collaboratively with federal, state and local agencies where appropriate</i> |
| O | | | 1.1.2 | | <i>Perform compliance reviews of at least 25% of regulated entities at the company level</i> |
| S | | 1.2 | | | Receive and expeditiously resolve complaints of individuals pertaining to any consumer transaction arising out of the production, promotion or sale of consumer goods and services. |
| O | | | 1.2.1 | | <i>Track and analyze complaints and resolutions obtained</i> |
| O | | | 1.2.2 | | <i>Increase usage of online complaint system and decrease processing times</i> |
| O | | | 1.2.3 | | <i>Obtain credits, refunds and adjustments for consumers equal to amount of general funds received</i> |
| S | | 1.3 | | | Promote the interests of consumers before the Legislature, Governor and regulatory agencies |
| O | | | 1.3.1 | | <i>Timely represent the consumer interest in certain ratemaking and rulemaking matters</i> |

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Strategic Planning Template

| Type | Goal | Item # Strat | Object | Associated Enterprise Objective | Description |
|------|------|-----------------|--------|--|---|
| O | | | 1.3.2 | | Track pending legislation and testify before the Legislature on issues affecting consumers |
| O | | | 1.3.3 | | Perform annual internal regulatory review and propose legislation to effectuate needed changes to laws under the Agency's jurisdiction. |
| G | 2 | | | Public Infrastructure and Economic Development | PROVIDE A QUALITY, STREAMLINED PROGRAM OF LICENSING AND REGISTRATION TO PROMOTE HIGH STANDARDS FOR REGULATED BUSINESSES AND ENSURE SOUTH CAROLINIANS ARE EFFECTIVELY AND EFFICIENTLY SERVED |
| S | | 2.1 | | | Investigate and process applications for regulated entities |
| O | | | 2.1.1 | | Increase availability and usage of online regulatory filing systems |
| O | | | 2.1.2 | | Process business and employee license applications within an average time of 30 days of receipt of completed application |
| S | | 2.2 | | | Interpret and explain statutes under the agency's jurisdiction in a fair manner, balancing the interests of consumers with those businesses acting honestly and fairly |
| O | | | 2.2.1 | | Issue and update formal and informal interpretations and rules |
| G | 3 | | | Education, Training, and Human Development | EDUCATE CONSUMERS AND BUSINESSES ON THEIR RIGHTS AND RESPONSIBILITIES UNDER THE LAW |
| S | | 3.1 | | | Engage in traditional educational efforts to decrease consumer risks and increase industry compliance |

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| Type | Goal | Item # Strat | Object | Associated Enterprise Objective | Description |
|------|------|-----------------|--------|--|--|
| O | | | 3.1.1 | | Increase overall presentations by 10% |
| O | | | 3.1.2 | | Produce and distribute consumer and business educational materials, always including agency toll free number and website |
| O | | | 3.1.3 | | Actively seek out media attention and cultivate relationships with media stakeholders |
| S | | 3.2 | | | Increase public awareness through digital media and alternative cost-effective methods |
| O | | | 3.2.1 | | Catalog and delete unnecessary items in the agency website document library, improving usability of the search function |
| O | | | 3.2.2 | | Increase agency visibility through social media platforms |
| O | | | 3.2.3 | | Increase overall website visits by 2.5% annually |
| G | 4 | | | Maintaining Safety, Integrity and Security | CONSTANTLY EVALUATE TECHNOLOGIES AND STRATEGIES AVAILABLE TO PROMOTE A CULTURE OF SECURITY, EFFICIENCY AND KNOWLEDGE BUILDING |
| S | | 4.1 | | | Implement and update technology and related policies to assist staff in performing job functions |
| O | | | 4.1.1 | | Work with DTO to ensure secure, updated computer systems and software are available |
| O | | | 4.1.2 | | Complete implementation of Information Security policies and procedures |

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| Type | Goal | Item # Strat | Object | Associated Enterprise Objective | Description |
|------|------|-----------------|--------|---|---|
| O | | | 4.1.3 | | Complete development of new licensing system by December 31, 2019 |
| O | | | 4.1.4 | | Evaluate/propose changes as necessary for the online complaint system |
| S | | 4.2 | | Provide an environment that supports staff development, retention and agency mission fulfillment | |
| O | | | 4.2.1 | | Complete 100% of InfoSec policy training annually |
| O | | | 4.2.2 | | Conduct evaluation of data management strategies and implement recommendations for improvements |
| O | | | 4.2.3 | | Retain 90% of staff while concurrently maintaining a 90% employee satisfaction rate |

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Performance Measurement Template

| Item | Performance Measure | Last Value | Current Target Value | Current Value | Future Target Value | Time Applicable | Data Source and Availability | Calculation Method | Associated Objective(s) | Meaningful Use of Measure |
|------|--|-------------|----------------------|---------------|---------------------|----------------------------|---|---|-------------------------|---|
| 1 | Number of enforcement actions | 188 | N/A | 183 | N/A | July 1- June 30 | Progress Reports & Attorney Logs, includes auto advertising letters | | 1.1.1 | Gauges marketplace abuses, compliance, subsequently informing Agency education and legislative activity |
| 2 | Amount of consumer credits, refunds and adjustments from enforcement actions | \$238,817 | N/A | \$9,893,963 | N/A | July 1- June 30 | Employee logs, updated as needed | | 1.2.1 | Protecting consumers and providing cost-effective remedy to violations. |
| 3 | Perform compliance reviews of at least 25% of licensees by FY19 | N/A | 100% | 50% | 100% | July 2015-June 2019 | Progress Reports, updated monthly | Investigator activities / number of licensees subject to enforcement activity | 1.1.2 | Ensuring compliance with laws and consumer protection. |
| 4 | Percentage of complaints closed | 89% | 100% | 93% | 100% | July 1- June 30 | Complaint Database, updated daily | Number of closed complaints/ number of complaints filed | 1.2.2 | Determines how efficiently analysts are processing complaints. |
| 5 | Percentage of complaints closed unsatisfied | 10.3% | <10% | 11% | <10% | July 1- June 30 | Complaint Database, updated daily | | 1.2.1 | Determines how efficiently analysts are processing complaints. |
| 6 | Percentage of complaints filed online | 58% | 64% | 64% | 67% | Jan 1-June 30 | SC.Gov system reports, updated daily | | 1.2.2 | Providing accessible, convenient services to customers. |
| 7 | Average days to resolve a complaint | 35 | 25 | 36 | 25 | July 1- June 30 | SC.Gov system reports, updated daily | | 1.2.2 | Helps DCA improve efficiency in complaint mediation |
| 8 | Acquire credits, refunds and adjustments for consumers greater than or equal to general fund allocation for the Consumer Services Division | \$1,645,373 | >\$336,444 | \$400,806.31 | >\$336,444 | July 1- June 30 | Progress Reports, updated monthly | | 1.2.3 | Providing cost-effective complaint mediation services. |
| 9 | Percentage of insurance filings intervened in | 6.30% | N/A | 5.50% | N/A | July 1- June 30 | Progress Reports, updated monthly | | 1.3.1 | Ensuring consumer perspective is adequately represented. |
| 10 | Amount saved resulting from DCA insurance rate filing intervention | \$7,169,000 | N/A | 0 | N/A | July 1- June 30 | Progress Reports, updated monthly | | 1.3.1 | Ensuring consumer perspective is adequately represented. |
| 11 | Achieved the desired outcome on legislation | 100% | 100% | 100% | 100% | 2-year Legislative Session | Progress Reports, updated monthly | | 1.3.2 | Ensuring consumer perspective is adequately represented. |
| 12 | Percentage of DCA proposed regulations that became law during two year legislative cycle | 0% | 100% | 100% | 100% | 2-year Legislative Session | Progress Reports, updated monthly | number of proposed regulations / number of final regulations that became law during the session | 1.3.2, 1.3.3 | Ensuring laws are relevant and consumer perspective is adequately represented. |
| 13 | Percentage of comments provided to regulatory agencies by the deadline | 100% | 100% | 100% | 100% | July 1- June 30 | Progress Reports | | 1.3.1 | Ensuring consumer perspective is adequately represented. |
| 14 | Total percentage of online filings through CALAS | N/A | 50% | N/A | 65% | July 1- June 30 | Licensing Database | Divide number of online filings by total number of paper and online filings. | 2.1.1 | Providing accessible, convenient services to customers. |
| 15 | Percentage of licenses issued within 30 days of receipt of complete application (95% by FY18) | N/A | 95% | N/A | 95% | By FY18 | New licensing system, when fully implemented | | 2.1.1, 2.1.2 | Providing efficient customer service while promoting fair marketplace. |
| 16 | Number of presentations requested | 104 | 114 | 109 | 105 | July 1- June 30 | Progress report, includes webinars | | 3.1.1 | Increasing public awareness of rights and responsibilities. |
| 17 | Attendees at consumer presentations | 3,577 | 3,934 | 2,808 | 3,000 | July 1- June 30 | Progress report, includes webinar attendees | | 3.1.1 | Increasing public awareness of rights and responsibilities. |
| 18 | Attendees at business presentations | N/A | 500 | 1,128 | 500 | July 1- June 31 | Progress report, includes webinar attendees | | 3.1.1 | Increasing public awareness of rights and responsibilities. |
| 19 | Number of educational publications created and released | 4 | 5 | 11 | 5 | July 1- June 30 | Progress report, updated monthly | | 3.1.2 | Increasing public awareness of rights and responsibilities. |
| 20 | Number of media requests received | 65 | 50 | 79 | 60 | July 1- June 30 | Progress report, updated monthly | | 3.1.3 | Increasing public awareness of rights and responsibilities. |
| 21 | Percentage of press releases picked up by media outlets | 80% | 75% | 78% | 75% | July 1- June 30 | Progress report, updated monthly | | 3.1.3 | Tells whether DCA press releases are compelling, relevant and in line with AP style guidelines |

| Item | Performance Measure | Last Value | Current Target Value | Current Value | Future Target Value | Time Applicable | Data Source and Availability | Calculation Method | Associated Objective(s) | Meaningful Use of Measure |
|------|--|------------|----------------------|---------------|---------------------|--------------------------|--|--|-------------------------|--|
| 22 | Increase website visits by 2.5% annually | 2.39% | 2.50% | 3.10% | 2.50% | July 1- June 30 | Progress reports, updated monthly | | 3.2.3 | Gauges success of outreach containing web address and usefulness of DCA website |
| 23 | Percentage of retweets | 129% | 100% | 62% | 100% | July 1- June 30 | Twitter reports, updated daily | Total number of retweets divided by total number of tweets sent out by SCDC. | 3.2.2 | Gauges whether DCA content is relevant and compelling |
| 24 | Annual InfoSec training | Complete | Complete | Complete | Complete | July 1- June 30 | HR Reports, updated annually | | 4.2.3 | Ensures DCA management is fostering adoption of InfoSec policies and procedures, creating a culture of cybersecurity |
| 25 | Employee satisfaction rate of at least 90% | 93% | 90% | 92% | 90% | July 1 - June 30 | HR Reports, updated annually | | 4.2.3 | |
| 26 | Employee turnover rate (percentage) | 20% | <10% | 9.80% | <10% | July 1- June 30 | SCEIS reports, updated daily | | 4.2.3 | Ensuring DCA provides desirable work environment. |
| 27 | Equal Opportunity Employment Rating | 85.2% | 70% | 85.70% | 70% | July 1- June 30 | Human Affairs Commission reports, updated annually | | 4.2.3 | Ensuring compliance with laws and DCA provides desirable work environment. |
| 28 | Percentage of InfoSec policies and procedures implemented | 55% | 100% | 95% | 100% | July 1- June 30 | DCA Policies and Procedures | | 4.2.1 | Ensures DCA staff treats customer information appropriately and in compliance with policies and procedures. |
| 29 | Percentage of CALAS operational | 20% | 100% | 29% | 86% | Completion by 12/31/2019 | Thoughtspan, DCA Legal Division | | 4.1.3 | Enables DCA to provide a more accurate and timely regulatory experience for licensees. |
| 30 | Get approval from E-Gov on proposed complaint system changes | Complete | Complete | Complete | N/A | July 1- June 30 | E-gov | | 4.1.4 | Ensures DCA is providing the most user friendly complaint submission process. |
| 31 | Complete Project Vector Phase 1 | N/A | Complete | Complete | N/A | July 1 - June 30 | Internal | | 4.2.2 | Addresses areas for improvement in data and process management. |

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Agency Code:

R28

Section:

080

Program Template

| Program/Title | Purpose | FY 2016-17 Expenditures (Actual) | | | | FY 2017-18 Expenditures (Projected) | | | | Associated Objective(s) |
|-------------------------|--|----------------------------------|--------------|---------|--------------|-------------------------------------|--------------|---------|--------------|-------------------------|
| | | General | Other | Federal | TOTAL | General | Other | Federal | TOTAL | |
| I. Administration | Administration - To provide budgeting and accounting, human resources, procurement and supply, training and computer services for the agency. To administer the registered consumer credit grantor, maximum rate filing and motor vehicle disclosure programs. | \$ 311,534 | \$ 414,122 | | \$ 725,656 | \$ 355,480 | \$ 460,257 | | \$ 815,737 | |
| II. Legal | Legal Division- Administer, interpret, enforce the S.C. Consumer Protection Code. License, register, and regulate mortgage brokers, pawnbrokers, physical fitness centers, motor clubs, credit counseling organizations, prepaid legal services, athlete agents, and the sale of preneed funeral contracts. | \$ 231,259 | \$ 1,154,923 | | \$ 1,386,182 | \$ 284,970 | \$ 1,255,915 | | \$ 1,540,885 | |
| III. Consumer Services | Consumer Services and Education - Receive and process consumer complaints filed against businesses and provide a voluntary mediation program to resolve the complaint. Educate consumers on current consumer issues to help them become savvy consumers. | \$ 83,079 | \$ 311,940 | | \$ 395,019 | \$ 94,868 | \$ 333,494 | | \$ 428,362 | |
| IV. Consumer Advocacy | Advocacy Division - To provide legal representation for the consumer interest in matters involving property and casualty insurance and worker's compensation insurance. The Advocacy Division also regulates Professional Employer Organizations and Continuing Care Retirement Communities. | \$ 212,285 | | | \$ 212,285 | \$ 220,349 | | | \$ 220,349 | |
| V. Public Information | Public Information - To inform South Carolina consumers of market prices that are illegal, deceptive or unfair, and inform them of their rights. | \$ 138,180 | | | \$ 138,180 | \$ 256,993 | \$ 10,000 | | \$ 266,993 | |
| VI. Identity Theft Unit | Identity Theft Unit - Provide education and outreach to consumers on how to deter, detect, and defend against identity theft. Assist consumers in mitigating instances of identity theft. Provide education to businesses and agencies on complying with state identity theft laws and otherwise enforces such statutes. | \$ 261,065 | | | \$ 261,065 | \$ 303,401 | | | \$ 303,401 | |

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Agency Code: R28 Section: 080

Legal Standards Template

| Item # | Law Number | Jurisdiction | Type of Law | Statutory Requirement and/or Authority Granted | Does this law specify who (customer) the agency must or may serve? (Y/N) | Does the law specify a deliverable (product or service) the agency must or may provide? (Y/N) |
|--------|-------------------|--------------|-------------|--|--|---|
| 1 | 37-1-101 et seq. | State | Statute | Establishes the general purposes and definitions of the South Carolina Consumer Protection Code. | Yes | Yes |
| 2 | 37-2-101 et seq. | State | Statute | Establishes regulation of consumer credit sales, home solicitation sales and rental-purchase agreements in this state. | Yes | Yes |
| 3 | 37-2-307 | State | Statute | Allows charging of closing fees for motor vehicle dealers. | Yes | Yes |
| 4 | 37-2-308 | State | Statute | Requirements for motor vehicle advertising. | Yes | Yes |
| 5 | 37-2-309 | State | Statute | Requirements for manufactured housing credit disclosures, material terms. | Yes | Yes |
| 6 | 37-3-101 et seq. | State | Statute | Establishes regulation of consumer loans in this state. | Yes | Yes |
| 7 | 37-3-308 | State | Statute | Requirements for manufactured housing credit disclosures, material terms. | Yes | Yes |
| 8 | 37-3-413 | State | Statute | Limitations on short term motor vehicle secured loans. | Yes | Yes |
| 9 | 37-4-101 et seq. | State | Statute | Establishes regulation of insurance sold in connection with a consumer credit transaction. | Yes | Yes |
| 10 | 37-5-101 et seq. | State | Statute | Establishes basic remedies and penalties for Consumer Protection Code violations. | Yes | Yes |
| 11 | 37-6-101 et seq. | State | Statute | Establishes the Department of Consumer Affairs its jurisdiction and enforcement mechanisms. | Yes | Yes |
| 12 | 37-7-101 et seq. | State | Statute | Establishes regulation of Consumer Credit Counseling industry. | Yes | Yes |
| 13 | 37-9-101 et seq. | State | Statute | Establishes the effective date and repealer of the Consumer Protection Code. | Yes | Yes |
| 14 | 37-10-101 et seq. | State | Statute | Establishes miscellaneous loan provisions, including attorney and insurance preference. | Yes | Yes |
| 15 | 37-11-10 et seq. | State | Statute | Establishes regulation of Continuing Care Retirement Communities. | Yes | Yes |
| 16 | 37-13-10 et seq. | State | Statute | Establishes regulation of subleasing and loan assumption of motor vehicles. | Yes | Yes |
| 17 | 37-15-10 et seq. | State | Statute | Establishes parameters for offering of prizes and gifts. | Yes | Yes |
| 18 | 37-16-10 et seq. | State | Statute | Establishes regulation of Prepaid Legal Services. | Yes | Yes |
| 19 | 37-17-10 et seq. | State | Statute | Establishes regulation of Discount Medical Plan Organizations. | Yes | Yes |
| 20 | 37-20-110 et seq. | State | Statute | Establishes the Consumer Identity Theft Protection Act. | Yes | Yes |
| 21 | 37-22-110 et seq. | State | Statute | Establishes regulation of mortgage lending industry. | Yes | Yes |
| 22 | 37-23-10 et seq. | State | Statute | Establishes limitations on High Cost Home Loans. | Yes | Yes |
| 23 | 37-25-10 et seq. | State | Statute | Establishes limitations on Dispensing of an Ophthalmic Contact Lens or Lenses. | Yes | Yes |
| 24 | 37-30-100 et seq. | State | Statute | Provides Framework for offering and sale of guaranteed asset protection waiver. | Yes | Yes |
| 25 | 16-17-445 | State | Statute | Establishes limitations on Telephone Solicitations. | Yes | Yes |
| 26 | 16-17-446 | State | Statute | Establishes limitations on Telephone Calls Made with Automatically Dialed Announcing Devices. | Yes | Yes |

| Item # | Law Number | Jurisdiction | Type of Law | Statutory Requirement and/or Authority Granted | Does this law specify who (customer) the agency must or may serve? (Y/N) | Does the law specify a deliverable (product or service) the agency must or may provide? (Y/N) |
|--------|----------------------|--------------|-------------|---|--|---|
| 27 | 32-7-10 et seq. | State | Statute | Establishes regulation of Preened Funeral Contracts. | Yes | Yes |
| 28 | 34-36-10 et seq. | State | Statute | Establishes limitations on Loan Brokers. | Yes | Yes |
| 29 | 38-73-220 -38-73-260 | State | Statute | Provides for Consumer Advocate review of certain insurance rate filings. | Yes | Yes |
| 30 | 38-73-490 | State | Statute | Provides for Consumer Advocate review of workers compensation insurance rate filings. | Yes | Yes |
| 31 | 38-73-915 | State | Statute | Permits Consumer Advocate to intervene in insurance proceedings. | Yes | Yes |
| 32 | 34-41-100 | State | Statute | Permits DCA to assist in enforcing check cashing services law. | Yes | Yes |
| 33 | 39-61-10 et seq. | State | Statute | Establishes regulation of Motor Club Services. | Yes | Yes |
| 34 | 40-39-10 et seq. | State | Statute | Establishes regulation of Pawnbrokers. | Yes | Yes |
| 35 | 40-58-10 et seq. | State | Statute | Establishes regulation of Mortgage Brokers. | Yes | Yes |
| 36 | 40-68-10 et seq. | State | Statute | Establishes regulation of Professional Employer Organizations. | Yes | Yes |
| 37 | 44-79-10 et seq. | State | Statute | Establishes regulation of Physical Fitness Services. | Yes | Yes |
| 38 | 56-28-10 et seq. | State | Statute | Establishes enforcement of Motor Vehicle Express Warranties. | Yes | Yes |
| 39 | 58-12-360 | State | Statute | Requires DCA's telephone number on cable bills, mediate cable complaints. | Yes | Yes |
| 40 | 59-102-10 et seq. | State | Statute | Establishes regulation of Athlete Agents. | Yes | Yes |
| 41 | 1-11-490 | State | Statute | Establishes requirements pertaining to agency security breaches. | Yes | Yes |
| 42 | 39-1-90 | State | Statute | Establishes requirements pertaining to business security breaches. | Yes | Yes |
| 43 | 12-36-210 | State | Statute | Requires manufactured home dealers make energy efficiency records available to DCA. | Yes | Yes |
| 44 | 29-4-30 | State | Statute | Establishes regulation of reverse mortgages, giving DCA complaint intake and enforcement authority. | Yes | Yes |
| 45 | 34-39-220 | State | Statute | Gives Board of Financial Institutions authority to request enforcement assistance from DCA regarding deferred presentment services. | Yes | Yes |
| 46 | 38-13-30 | State | Statute | Permits the Department of Insurance to share exam/investigation findings with the consumer advocate. | Yes | Yes |
| 47 | 38-55-530 | State | Statute | Requires DCA to notify and cooperate with the Department of Insurance Fraud Division. | Yes | Yes |
| 48 | 38-77-110 | State | Statute | Requires DCA to notify and cooperate with the Department of Insurance Motor Vehicle Fraud Division and other authorized agencies. | Yes | Yes |
| 49 | 40-59-210 | State | Statute | Permits Residential Builders Commission to seek assistance from DCA in securing restraining order or injunctive relief in courts against violators. | Yes | Yes |
| 50 | 44-7-180 | State | Statute | Creates State Health Planning Committee, designating the Consumer Advocate as a member. | Yes | Yes |

| Item # | Law Number | Jurisdiction | Type of Law | Statutory Requirement and/or Authority Granted | Does this law specify who (customer) the agency must or may serve? (Y/N) | Does the law specify a deliverable (product or service) the agency must or may provide? (Y/N) |
|--------|---------------------|--------------|-------------|---|--|---|
| 51 | 44-96-60 | State | Statute | Creates Solid Waste Advisory Council, designating the Consumer Advocate as a member. | Yes | Yes |
| 52 | 46-13-150 | State | Statute | Creates Pesticide Advisory Committee, requiring DCA recommend two citizen members to the Governor for appointment. | Yes | Yes |
| 53 | 47-4-150 | State | Statute | Requires State Livestock-Poultry Health Commission to consult with DCA, among others, when establishing advisory committees. | Yes | Yes |
| 54 | Regs. 28 | State | Regulation | Supplements DCA general provision and regulatory statutes. | Yes | Yes |
| 55 | Proviso 80.1 | State | Proviso | Authorizes DCA to retain all funds paid in the settlement of cases involving statutes enforced by the department and to use the retained funds to offset enforcement costs. | Yes | Yes |
| 56 | Proviso 80.2 | State | Proviso | Authorizes DCA to retain funds paid under Chapter 102, Title 59 (Uniform Athlete Agents Act) for enforcement of the chapter. | Yes | Yes |
| 57 | Proviso 80.3 | State | Proviso | Authorizes DCA to carry forward unexpended funds appropriated for the expert witness/assistance program. | Yes | Yes |
| 58 | Proviso 80.4 | State | Proviso | Authorizes DCA to retain funds collected under Chapters 2, 3 and 6 of Title 37 (Registered Credit Grantor Notification and Maximum Rate Filing) to cover operational costs and to carry forward such funds. | Yes | Yes |
| 59 | Proviso 80.5 | State | Proviso | Authorizes DCA to retain funds collected under Chapter 61, Title 39 (Motor Clubs); Chapter 39, Title 40 (Pawnbrokers) and Chapter 79, Title 44 (Physical Fitness Facilities) for program implementation. | Yes | Yes |
| 60 | Proviso 117.110 | State | Proviso | Pertains to state agency data breach notification requirements. | Yes | Yes |
| 61 | 15 USC 1601 et seq. | Federal | Statute | Truth in Lending Act, establishes requirements for credit disclosures. | No | No |
| 62 | 16 CFR 1026 | Federal | Regulation | Regulation Z, implements requirements for Truth in Lending Act. | No | No |
| 63 | 38-71-315 | State | Statute | Requires notification of Consumer Advocate prior to certain insurance premium changes being made. | Yes | Yes |
| 64 | 38-75-490 | State | Statute | Requires DCA and DOI, among other, consult on coastal property rating system. | Yes | Yes |

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| Agency Name: | Department of Consumer Affairs |
|---------------------|---------------------------------------|

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|---------------------|------------|-----------------|-----------|
| Agency Code: | R28 | Section: | 80 |
|---------------------|------------|-----------------|-----------|

Customer Template

| Divisions or Major Programs | Description | Service/Product Provided to Customers | Customer Segments | <i>Specify only for the following Segments: (1) Industry; Name; (2) Professional Organization; Name; (3) Public; Demographics.</i> |
|--|--|---|---------------------------------|---|
| All | Millions of South Carolina consumers and those who visit our state | Protection of the marketplace while giving due regard to those businesses acting fairly; representation of the consumer interest before the Legislature and Governor. | General Public | All South Carolinians |
| Legal | Law enforcement agencies | Partnership opportunities and availability of our expertise to assist in performance of their job functions. | Local Govts. | |
| Legal | Law enforcement agencies | Partnership opportunities and availability of our expertise to assist in performance of their job functions. | Executive Branch/State Agencies | |
| Advocacy | Ratepayers | Thorough review of insurance rate filings to ensure the marketplace is fair and balanced. | General Public | Consumers of insurance products |
| Legal | Regulated and indirectly regulated businesses | Prompt, efficient service and for the agency to utilize a fair and balanced approach in carrying out its legal functions. | Industry | Credit Grantors, Athlete Agents, Continuing Care Retirement Communities, Credit Counseling Discount Medical Plan Organizations, Mortgage Brokers, Motor Vehicle Dealers, Motor Clubs, Pawnbrokers, Physical Fitness Services, Preneed Funeral Providers, Prepaid Legal, Professional Employer Organizations |
| Public Information & Consumer Services & Education | Schools | Sharing knowledge of consumer rights and responsibilities to create savvy consumers. | School Districts | |
| Public information & Identity Theft Unit | Community groups | Sharing knowledge of consumer rights and responsibilities to create savvy consumers. | General Public | All South Carolinians |
| Legal & Administration/Consumer Advocate | The legal community | Provide consumer law guidance; act professionally in representing the consumer interest. | General Public | Lawyers litigating matters/ representing consumers related to laws under the Department's jurisdiction |
| Legal & Administration/Consumer Advocate | Judges | Provide consumer law guidance; act professionally in representing the consumer interest. | Judicial Branch | Judges litigating or hearing matters related to laws under the Department's jurisdiction |
| Public Information | The media | Prompt, efficient service; compelling content. | Industry | Newspapers, television stations, radio broadcasters, etc. |
| All | Other state and federal agencies | Partnership opportunities to leverage resources in the administration and enforcement of like laws; education partnerships; referral of complaints. | Executive Branch/State Agencies | |
| Legal, Public Information & Administration | National consumer groups | Data sharing to track national trends; educational partnership opportunities. | General Public | Consumer Federation of America, AARP, etc. |
| Legal & Administration/Consumer Advocate | Governor's Office | Constituent services; advise regarding legislation affecting the consumer interest. | Executive Branch/State Agencies | |
| Legal, Advocacy & Administration/Consumer Advocate | General Assembly | Constituent services; advise regarding legislation affecting the consumer interest. | Legislative Branch | |
| Legal, Advocacy & Administration/Consumer Advocate | US Congress | Professional, prompt constituent services. | General Public | All South Carolinians |

Agency Name:

Department of Consumer Affairs

Fiscal Year 2016-2017

Accountability Report

Agency Code:

R28

Section:

080

Partner Template

| Name of Partner Entity | Type of Partner Entity | Description of Partnership | Associated Objective(s) |
|--|-------------------------------|---|---|
| Budget and Control Board/DOA | State Government | Provide training for agency accounting, procurement and human resources staff; assist in troubleshooting within these same areas. | 4.2.1, 4.2.3, 4.3.1, 4.3.2 |
| Board of Financial Institutions- Consumer Finance Division | State Government | Work together to ensure compliance with the Consumer Protection Code and other laws. | 1.1.1,1.1.2, 1.2.1,2.2.1, 3.1.1-3.1.3 |
| Administrative Law Court | State Government | Hear contested case hearings arising out of laws administered and enforced by DCA. | 1.1.1, 1.1.2, 1.3.1 |
| Division of Technology Operations | State Government | Provide network services, desktop support, server management, security services to DCA. | All |
| Law Enforcement (state & local) | Local Government | Assists in investigation of regulated businesses. | 1.1.1-1.2.3, 3.1.1 |
| SCDMV/DPS | State Government | Assists in investigation of regulated businesses | 1.1.1-1.2.3, 3.1.1 |
| SC Automobile Dealers Association | Professional Association | Receives reports of violations, disseminates industry specific information, education, legislative collaborations. | 1.1.1-1.2.3, 3.1.1, 2.2.1, 1.3.3 |
| Carolinas Independent Automobile Dealers Association | Professional Association | Receives reports of violations, disseminates industry specific information, education, legislative collaborations. | 1.1.1-1.2.3, 3.1.1, 2.2.1, 1.3.3 |
| SC.GOV | Private Business Organization | Maintains DCA's online Complaint Database, agency website. | 1.2.1-3, 1.3.2, 2.2.1, 3.1.1-3 |
| Department of Insurance | State Government | Providing notices and full filings of insurance companies. | 1.1.1, 1.1.2, 1.3.1, 3.1.1 |
| Actuarial Consultants | Non-Governmental Organization | Review insurance filings for DCA. | 1.1.1, 1.1.2, 1.3.1 |
| ThoughtSpan | Private Business Organization | Licensing database contractor. | 1.1.1-3, 2.1.1-2, 4.1.1-3 |
| Various industries regulated | Private Business Organization | Provide feedback on regulatory structure, joint educational partnerships/ outreach. | 1.1.1-1.2.3, 3.1.1, 2.2.1, 1.3.3 |
| AARP | Non-Governmental Organization | Provide joint educational partnerships/ outreach. | 3.1.1-3, 3.2.1-2, 1.3.3 |
| Other state agencies | State Government | Provide joint educational partnerships/ outreach; referrals of consumers and businesses to DCA. | All |
| Print & Media Outlets | Non-Governmental Organization | Fulfilling media requests/ disseminating information. | 3.1.1-3, 3.2.1-2 |
| American Conference of Uniform Consumer Credit Code States | Professional Association | Sharing of information amongst state regulators having similar consumer protection laws. | 1.1.1-3, 1.2.1, 1.3.2, 1.3.3, 2.2.1, 4.2.2 |
| National Association of Consumer Credit Administrators | Professional Association | State regulator association: provides trainings and information sharing. | 1.1.1-3, 1.2.1, 1.3.2, 1.3.3, 2.2.1, 4.2.1, 4.2.2 |

Agency Name: Department of Consumer Affairs

Fiscal Year 2016-2017
Accountability Report

Agency Code: R28 Section: 080

Report Template

| Item | Report Name | Name of Entity Requesting the Report | Type of Entity | Reporting Frequency | Submission Date (MM/DD/YYYY) | Summary of Information Requested in the Report | Method to Access the Report |
|------|------------------------|--------------------------------------|----------------|---------------------|------------------------------|---|---|
| 1 | Fines & Fees Report | Legislature | State | Annually | 09/01/2016 | Transparency in revenue | http://www.consumer.sc.gov/Pages/AgencyReports.aspx |
| 2 | Mortgage Log Report | Legislature | State | Annually | 06/30/2016 | Inform the public on mortgage transactions | http://www.consumer.sc.gov/Pages/AgencyReports.aspx |
| 3 | Accountability Report | Legislature | State | Annually | 09/15/2016 | Inform the public and Legislature on Agency operations over the past year. | http://www.consumer.sc.gov/Pages/AgencyReports.aspx |
| 4 | CAFR | Comptroller General | State | Annually | End of Fiscal Year | Closing Packages | www.cg.sc.gov |
| 5 | MBE Reports | SMBCC | State | Quarterly | Throughout FY17 | Purchases relating to minority business utilization | Contact SMBCC at 803-734-5010 |
| 6 | State of Credit Report | Governor & Legislature | State | Annually | 01/01/2016 | Data related to access to credit in South Carolina and DCA enforcement actions. | http://www.consumer.sc.gov/Pages/AgencyReports.aspx |

Agency Name: Department of Consumer Affairs

Fiscal Year 2016-2017
Accountability Report

Agency Code: R28 **Section:** 080

External Review Template

| Item | Name of Entity Conducted External Review | Type of Entity | External Review Timeline (MM/DD/YYYY to MM/DD/YYYY) | Method to Access the External Review Report |
|------|--|----------------|---|---|
| 1 | Senate Oversight | State | 03/08/2017 | http://www.scstatehouse.gov/CommitteeInfo/senatebanking.php |
| 2 | State Auditor | State | 09/22/2016 | http://osa.sc.gov/Reports/Pages/default.aspx |
| 3 | SLED | State | 03/10/2017 | Contact SLED at 803-896-7532 |