

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Contributing Agencies & Mission Statements

Department of Agriculture

Russell C. Redding, Secretary
www.agriculture.state.pa.us
Complement Level: 690
Total Budget: \$265.619 M

The mission of the Department of Agriculture is to encourage, protect and promote agriculture and related industries throughout the commonwealth while providing consumer protection through inspection services that impact the health and financial security of Pennsylvania's citizens.

Department of Banking

Steven Kaplan, Secretary
www.banking.state.pa.us
Complement Level: 204
Total Budget: \$21.917 M

The Department of Banking protects the public from financial abuse, promotes financial education, ensures the safety and soundness of depository institutions and fosters a strong economy for all Pennsylvanians.

Pennsylvania Human Relations Commission

Stephen A. Glassman, Chairperson
Homer C. Floyd, Executive Director
www.phrc.state.pa.us
Complement Level: 132
Total Budget: \$14.123 M

The mission of the Pennsylvania Human Relations Commission is to administer and enforce the Pennsylvania Human Relations Act and the Fair Educational Opportunities Act of the Commonwealth of Pennsylvania through the investigation, identification and elimination of unlawful discrimination and the promoting of equal educational opportunity for all persons.

Pennsylvania Insurance Department

Joel Ario, Commissioner
www.insurance.state.pa.us
Complement Level: 403
Total Budget: \$951.839 M

The mission of the Insurance Department is to protect and educate Pennsylvanians in order to safeguard consumer rights and ensure access to health and other vital insurance products.

Department of State

Pedro A. Cortés, Secretary
www.dos.state.pa.us
Complement Level: 532
Total Budget: \$36.670 M

The mission of the Department of State is to promote the integrity of the electoral process; to provide the initial infrastructure for economic development through corporate organizations and transactions; and to protect the health, safety, and welfare of the public. The department will encourage the highest standards of ethics and competence in the areas of elections, campaign finance, notarization, professional and occupational licensure, charitable solicitation, and professional boxing and wrestling. Through the implementation of the latest technology, the department will provide exceptional public service and will remain a leader in all regulatory and enforcement policies and practices aimed at protecting every resident of the Commonwealth of Pennsylvania.

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Consumer Education and Assistance

Key Objective: Increase efforts to protect and seek restitution for consumers in the financial marketplace.

Why this objective is important: Consumers can experience various forms of harm and loss in the financial marketplace, ranging from an inflated home appraisal to an unfairly assessed bounced check fee. The Department of Banking advocates and even litigates on behalf of consumers, seeking remedies, refunds or restitution.

How we are doing: In 2008-09, more than 6,300 consumers contacted the Department of Banking with inquiries and complaints through its toll-free consumer hotline, 1-800-PA-BANKS, and Web site, www.banking.state.pa.us, resulting in \$3.4 million in refunds to 125 consumers.

In June 2009, Pennsylvania announced its participation in a first-of-its-kind settlement between 14 state mortgage regulators and Taylor, Bean & Whitaker Mortgage

Corporation (TBW), in which the lender agreed to pay \$9 million in fines and modify loans for struggling homeowners. The settlement resulted from a department-led review of TBW loans.

The department continues to seek restitution for customers of Advance America, the nation’s largest payday lender, for illegal interest and fees. The department sued the company in 2006 over its “Choice Line of Credit,” which charges a \$149.95 monthly fee and 5.98 percent interest on a \$500 loan. The Pennsylvania Supreme Court ruled in favor of the department in May 2008.

The department scored a second important victory over the payday lending industry in July 2009 when the Commonwealth Court agreed with the department that the Consumer Discount Company Act (CDCA) applies to any company that makes consumer loans to Pennsylvania residents, not only to those with offices or employees physically in the state. The decision allows the department to enforce the CDCA interest and fee limits to lenders located out of state or on the Internet.

Banking Consumer Hotline Results		
Fiscal Year	Refunds	Inquiries & Complaints
2006-07	\$2.1 Million	6,922
2007-08	\$1.2 Million	7,572
2008-09	\$3.4 Million	6,351

Source: Department of Banking

Key Objective: Increase consumer knowledge in day-to-day financial transactions.

Why this objective is important: Many people lack the knowledge to navigate an increasingly complex financial marketplace. Provided with sound information about personal finance and money management, Pennsylvanians will be better equipped to make decisions and avoid scams and fraud.

How we are doing: In 2008-09, the Department of Banking reached more than 1,700 financial education providers through events such as the Governor’s Institute for Financial Education and the Common Wealth Symposium, teacher in-service training, outreach to community organizations and presentations to businesses interested in offering financial education to their workers. Twenty-four businesses with nearly 11,000 employees now offer financial education in the workplace. More than 35,000 people visited the Office of Financial Education’s Web site, www.moneysbestfriend.com, in 2008-09.

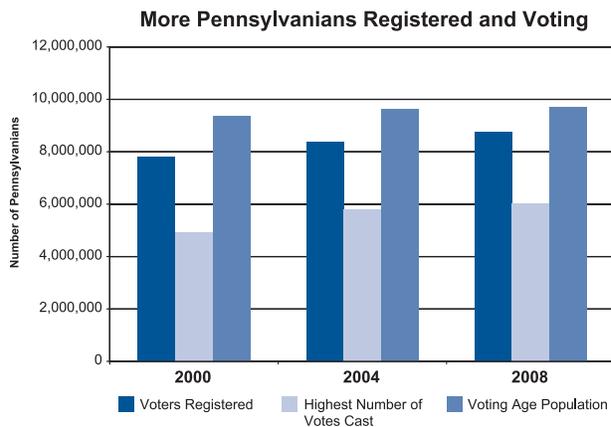
Key Objective: Increase participation of registered voters in presidential elections.

Why this objective is important: Voting affirms our right to elect our government and take part in democracy. Increasing participation helps ensure that every eligible citizen will have his or her voice heard.

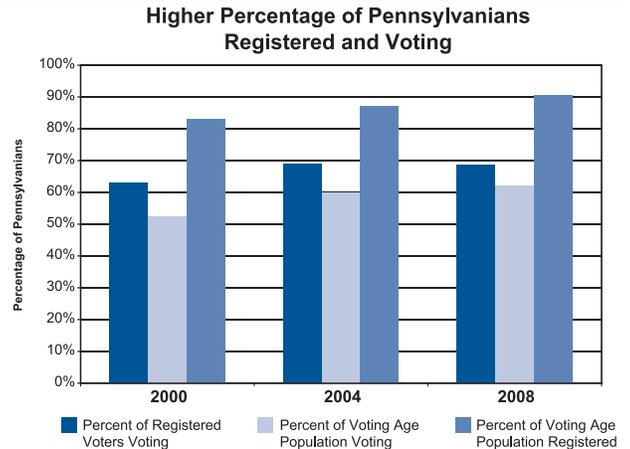
How we are doing: The Department of State is committed to eliminating barriers to voting and to conducting fair, accurate, accessible and secure elections. Since 2000, the number of registered voters and the percent of registered voters participating in presidential elections have increased.

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Consumer Education and Assistance (continued)



Source: Department of State



In 2008, the department implemented Ready.Set.Vote, an interactive voter education campaign, to ensure that Pennsylvania voters are familiar with voting processes, rights and technology. A key component is VotesPA.com, an online voting information and resource center where Pennsylvanians can find information about voting rights and procedures, watch voting systems videos, locate directions to their polling place and sign up to have election-related reminders sent to their mobile devices. The Pew Center on the States rated VotesPA.com one of the top five voting education sites in the country.

In conjunction with the Governor’s Cabinet and Advisory Committee for People with Disabilities, the department developed an Election Officials Training Program DVD to teach poll workers how to assist voters with different types of disabilities and help decrease election day barriers for people with disabilities.

To reduce barriers for military voters and overseas citizens, the department allowed and encouraged counties to use an innovative, secure online tool offered by the Federal Voting Assistance Program at the Department of Defense that provides military and overseas civilian voters the option of requesting and receiving absentee ballots electronically. Thirty-four counties participated in 2008.

Licensing, Registration and Oversight

Key Objective: Decrease the risk to Pennsylvania consumers when engaging in commercial transactions.

Why this objective is important: Protecting Pennsylvania consumers from inaccurate transactions keeps money in people’s pockets and consumer confidence high. By inspecting and certifying parking meters, fuel dispensers, retail scanners and commercial scales, the Department of Agriculture ensures the accuracy of commercial transactions.

How we are doing: Because of shrinking local government budgets, counties have increasingly relied upon the Department of Agriculture for Weights and Measures inspections. Assuming the duties of two additional counties, the department completed 13,591 more inspections during 2008-09 than during 2007-08. In 2009, the City of Philadelphia turned their Weights and Measures program over to the commonwealth, further stretching the department’s inspection team.

As Pennsylvanians have become more vigilant about getting what they pay for and more proactive in reporting concerns, consumers have made more calls to the department’s Consumer Complaint Hotline.

State Device & System Inspections	
2007-08	85,388
2008-09	98,979

Consumer Complaint Hotline Activity (Calls)	
2006-07	94
2007-08	248
2008-09	501

Source: Department of Agriculture

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Licensing, Registration and Oversight (continued)

Key Objective: Enforce the commonwealth’s Dog Law through licensing, inspections and citations.

Why this objective is important: Many aspects of the Dog Law affect the health and well-being of the millions of dogs, kennel owners and dog breeders in Pennsylvania. From dog and kennel licensing to dangerous-dog monitoring, the Department of Agriculture protects Pennsylvanians through its regulatory actions.

How we are doing: In 2008-09:

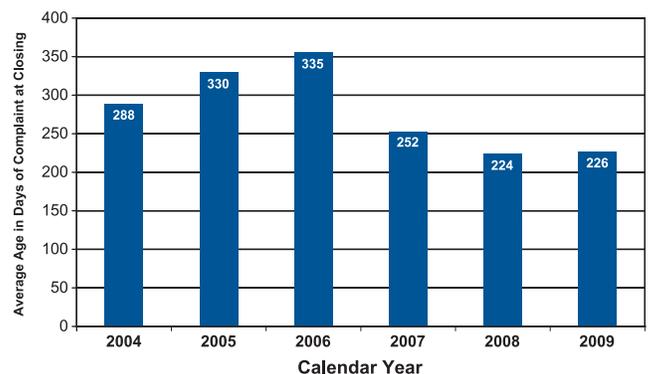
- 2,674 kennels licensed
- 3,798 citations issued
- 5,652 kennels inspected
- 829,847 dog licenses sold

Key Objective: Reduce the time it takes to resolve professional licensing complaints.

Why this objective is important: Timely resolution of complaints helps to protect Pennsylvanians from unethical or unlicensed conduct, predatory practices or unscrupulous licensees.

How we are doing: The Department of State created a charging unit in 2006 to expedite complaint handling and made other improvements to more quickly resolve disciplinary cases. The department has reduced complaint investigation time from six months to four months, despite temporary staff reductions due to the commonwealth hiring freeze. The average age of a complaint at closure in 2009 decreased 33 percent from the age in 2006.

Average Age in Days of Complaints Has Decreased



Source: Department of State

Key Objective: Increase the number of charitable organizations and professional fundraisers that register as required by law.

Why this objective is important: The Department of State maintains financial and other relevant information about organizations soliciting charitable contributions in Pennsylvania in order to help potential donors make informed giving decisions and to protect the public from solicitation fraud. Registration provides transparency and leads to greater awareness.

How we are doing: Registrations of charitable organizations and professional fundraisers increased from 2004 to 2008.

In 2008, the department created the Division of Registration and Compliance to improve efficiency and better assist the nonprofit community. The division engages in outreach efforts to inform organizations that may not be aware of the state requirements. The division also monitors professional solicitors and professional fundraising counsels who contract with charitable organizations that solicit contributions and requires them to provide documentation of their activities.

Charitable Organization and Professional Fundraiser Registrations Continue to Increase



Source: Department of State

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Licensing, Registration and Oversight *(continued)*

Key Objective: Reduce the number of Pennsylvania homeowners losing their homes.

Why this objective is important: Many Pennsylvanians are at risk of losing their homes through foreclosure caused, in large part, by relaxed lending standards and widespread use over the past decade of non-traditional products such as adjustable-rate and low- and no-documentation mortgages. As a result, many homebuyers received loans they could not afford or did not understand.

How we are doing: In July 2008, the Governor signed five bills designed to protect consumers and strengthen oversight of the mortgage industry by:

- Requiring, for the first time, all mortgage salespeople (originators) in Pennsylvania to be licensed. Since the law took effect in December 2008, the Department of Banking has granted licenses to nearly 7,000 originators.
- Requiring all mortgage companies and originators to register with the Nationwide Mortgage Licensing System, an online database used by regulators in most states to monitor mortgage industry members who operate across state lines.
- Banning prepayment penalties on mortgages of \$217,873 or less. These fees can make it prohibitively expensive for homeowners to refinance their loans.
- Allowing the department to notify the public of fines and other disciplinary actions against mortgage companies sooner, leading to more informed consumers.
- Requiring mortgage companies to notify the state when they intend to foreclose, making it easier for state agencies to monitor foreclosure activity.
- Forcing real estate appraisers to pay higher fines for professional misconduct such as inflating appraisals, which saddle borrowers with loans exceeding the property value.

In March 2009, the Department of Banking implemented a new regulation designed to protect consumers by:

- Requiring mortgage companies to document income, fixed expenses and other information relevant to determining a borrower's ability to repay and restricting low- and no-documentation loans, known as stated-income loans, in which borrowers do not have to provide proof of income, employment and other information.
- Requiring mortgage companies to provide borrowers with a simple, one-page form that discloses key features, such as a variable interest rate or prepayment penalty, which can increase monthly payments or make it difficult to refinance.

In June 2009, the Governor signed two bills designed to combat mortgage fraud by:

- Prohibiting a mortgage broker or originator from being the only recipient of communications from lenders. The borrower must also receive all communications from lenders.
- Protecting mortgage company employees who report illegal activity from retaliation by their employer.

Key Objective: Improve the quality of examinations of state-chartered banking institutions.

Why this objective is important: Public confidence is critical to the stability of the nation's banking system. Consumers trust that when they deposit their hard-earned money in a bank or credit union, that money will be safe and available when they need it.

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Licensing, Registration and Oversight *(continued)*

How we are doing: The Department of Banking regulates 234 banks, savings associations and credit unions. In 2008-09, the department conducted 199 examinations and visitations to review capital protection, asset quality, management competence, earnings strength, liquidity and market risk. The department works with institutions to correct negative trends.

The department also implemented modeling technology to analyze the impact of various scenarios, enabling the department to be forward-looking rather than reactive to industry trends. For example, the department analyzed how a dramatic drop in value of preferred shares of Fannie Mae and Freddie Mac would affect the capital levels of state-chartered institutions. This analysis prompted discussions with several institutions with large exposures to Fannie Mae and Freddie Mac, both of which were subsequently seized by the federal government.

Key Objective: Increase financial service licensee compliance with state statutes and regulations.

Why this objective is important: Consumers expect financial service providers to treat them fairly and comply with the law. Companies that fail to do this must be held accountable.

How we are doing: The Department of Banking licenses and regulates more than 14,000 financial companies and professionals, including mortgage lenders and brokers, check cashers, money transmitters, debt management companies and automobile dealers who make their own loans. In 2008-09, the department examined 906 companies, resulting in:

- 96 fines levied, totaling \$834,534.
- 1,091 compliance violations identified and corrected.
- \$330,699 refunded to Pennsylvania consumers.
- 10 licenses suspended or revoked and 23 prohibition orders issued.

The department implemented new examination standards in 2008-09, resulting in fewer, but more comprehensive, examinations that include greater scrutiny of corporate relationships, more in-depth questions and customer surveys. The department is also using new technology to analyze larger portions of companies' loan portfolios and other records.

The department is also working to protect consumers from unlicensed loan modifications by firms that offer to negotiate with lenders to modify loan terms or refinance with lower monthly payments. Most charge high up-front fees with no guarantee of success; others are scams. Since April 2009, the department has ordered more than 20 loan modification companies to end their unlicensed business with Pennsylvania consumers.

Examinations of Companies		
Fiscal Year	Number of Exams	Violations Corrected
2005-06	4,621	2,688
2006-07	4,117	3,433
2007-08	3,143	2,863
2008-09	906	1,091

Source: Department of Banking

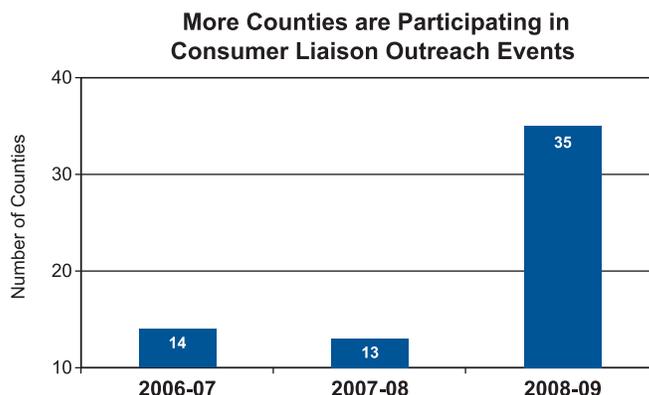
Key Objective: Increase the number of outreach events in order to provide consumers with timely and useful insurance information.

Why this objective is important: Consumers can be better protected from financial loss through educational programs that help them understand what they are purchasing and give them a place to call with questions about policy coverage, complaints against insurance companies and requests for educational materials.

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Licensing, Registration and Oversight (continued)

How we are doing: The Insurance Department continues traditional educational events such as health fairs and senior citizen expos. The department recently developed new presentations and materials to help consumers understand the options available if they lose their job, including the federal COBRA stimulus plan and new laws regarding adult-child health insurance and the Mini-COBRA. The number of outreach events increased significantly in 2008-09 due to the unusual economic times. The department teamed up with the Department of Labor & Industry for a program called “Here to Help” aimed at consumers who have lost their jobs.

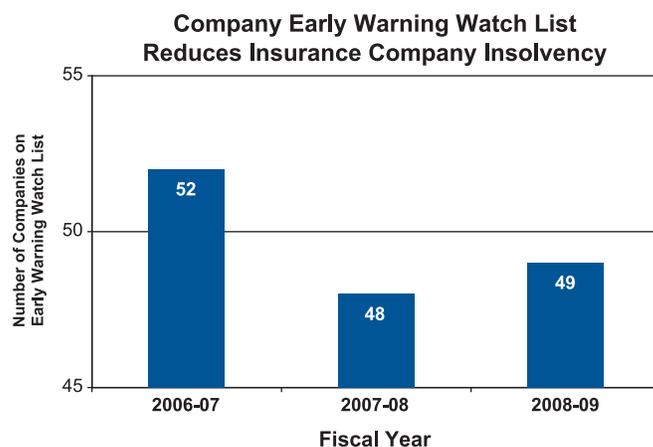


Source: Insurance Department

Key Objective: Reduce the number of insurance companies that become insolvent.

Why this objective is important: Entities that sell, solicit or negotiate insurance in Pennsylvania must be licensed by the Insurance Department and must be financially solvent in order to conduct business and pay claims to policyholders. Monitoring the insurance industry to minimize the number of insolvent insurance companies is an important regulatory task.

How we are doing: The department has been diligent and unrelenting in the financial monitoring process, using early detection methods to find insurance companies that could be in a hazardous financial condition and working with them to improve their financial condition and prevent insolvency.

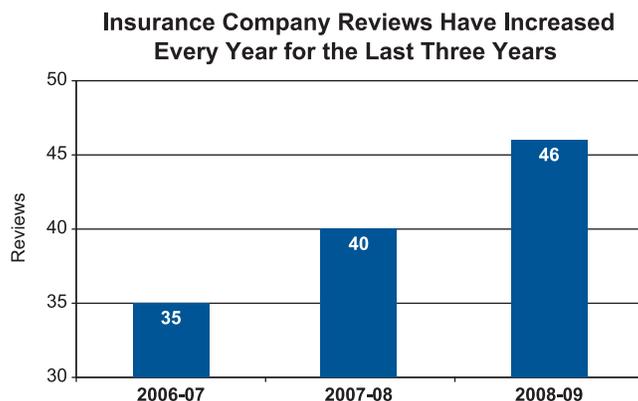


Source: Insurance Department

Key Objective: Reduce the number of insurance industry incidences of abuse.

Why this objective is important: The Insurance Department analyzes market trends to identify industry abuses and protect consumers against them. The department examines policy language to promote fairness in insurance contracts (market regulation), promotes compliance with laws and regulations (product regulation), and conducts on-site financial examinations of insurance companies (financial regulation).

How we are doing: The department recently restructured its Market Surveillance and Analysis and Market Conduct sections, making it possible to more quickly identify areas of concern and proactively review insurance companies in the marketplace for industry abuses.



Source: Insurance Department

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Civil Rights and Equal Opportunity

Key Objective: Increase case settlement rate in comparison to peer agencies at the state and federal level.

Why this objective is important: The Human Relations Commission has statutory authority to encourage settlements involving monetary compensation for illegal discrimination and non-monetary measures intended to end illegal discrimination and prevent it in the future. Non-monetary settlement terms sometimes include changes in policies or practices, employee and management training, and building modifications or other accommodations for people with disabilities.

How we are doing: The commission's settlement rate far exceeds all other state Fair Employment Practices Agencies and is more than twice that of the federal Equal Employment Opportunity Commission. More than 23,800 victims of illegal discrimination were awarded benefits in 2008-09, including monetary benefits of \$12.4 million, an increase of \$2 million since 2007-08.

Case Settlement Rate Comparison			
	2006-07	2007-08	2008-09
Settlement Rate – PA Human Relations Commission	28%	36%	41%
Settlement Rate – Other (48) State Fair Employment Practice Agencies	Not Available	21% (Five-Year Average)	24% (Five-Year Average)
Settlement Rate – Federal Equal Employment Opportunity Commission	Not Available	17% (Five-Year Average)	18% (Five-Year Average)
Monetary Settlements – Pennsylvania Human Relations Commission	\$9,326,208	\$10,300,000	\$12,400,000

Source: Human Relations Commission

Key Objective: Improve quality control standards for investigations in order to reduce the percentage of cases returned by the commission for further investigation.

Why this objective is important: The Human Relations Commission seeks to investigate cases thoroughly and close cases in a timely fashion. Returning cases for further investigation lengthens the life of a case, increasing administrative costs and delaying relief to both complainants who have suffered illegal discrimination and respondents not liable for claims made against them.

How we are doing:

Total Number of Cases Closed by Regional Office Investigators		
2006-07	2007-08	2008-09
3,047*	4,328	4,148

*Data not available prior to October 1, 2006

Number of Cases Returned at Closing for Further Review or Investigation			
	2006-07	2007-08	2008-09
Pittsburgh Region	56 (7.6%)	26 (2.7%)	38 (3.9%)
Harrisburg Region	34 (2.4%)	25 (1.3%)	29 (1.7%)
Philadelphia Region	44 (5.0%)	28 (2.1%)	23 (1.5%)
Agency Total	134 (4.4%)	79 (1.9%)	90 (2.2%)

Source: Human Relations Commission

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Civil Rights and Equal Opportunity (continued)

Key Objective: Reduce the number of Human Relations Commission cases under investigation for more than two years.

Why this objective is important: The commission believes that “justice delayed is justice denied.”

Discrimination Cases by Fiscal Year			
	2006-07	2007-08	2008-09
Beginning Case Inventory July 1	4,489	4,624	4,370
Received and Docketed Complaints	4,300	3,956	3,922

Source: Human Relations Commission

How we are doing: The commission closed 50 percent of its cases this year, including resolutions, settlements, and cases withdrawn or filed in court (closed for administrative reasons).

Cases Under Investigation			
	2006-07	2007-08	2008-09
Number of Cases Closed	4,225	4,339	4,148
Number of Cases Closed within One Year	2,667	2,365	2,132
Percent of Cases Closed within One Year	63%*	55%	52%

*The large percentage of cases closed within one year in 2006-07 was due to a significant number of cases closed for administrative reasons by one of the regional offices. Number of cases closed is directly tied to the number of trained investigators on staff.

Average Case Age in Days			
	2006-07	2007-08	2008-09
Pittsburgh Region	372	362	436
Harrisburg Region	424	405	385
Philadelphia Region	277	315	321
Pending Number of Cases more than 2 Years Old	677 cases	587 cases	604 cases

Source: Human Relations Commission

Consumer Protection – Ensure the Consumer Protection of Our Citizens

Civil Rights and Equal Opportunity *(continued)*

Key Objective: Increase public awareness of civil rights and equal opportunity laws through educational outreach.

Why this objective is important: The commission's job is not only to enforce the laws that prohibit discrimination but to educate people on their rights and responsibilities under the law. If our businesses, schools and communities are prepared to welcome a more diverse population, Pennsylvania will be positioned to grow and succeed economically. By the same token, if we do not prepare for conflicts that come with change and work to resolve them or avoid them, Pennsylvania will not attract new residents, students and businesses.

How we are doing: The commission organizes monthly meetings of the Pennsylvania Interagency Task Force on Civil Tension, a partnership with the State Police, Attorney General's office and other civil rights, law enforcement and advocacy groups. The commission notifies the group when incidents are reported in the state that might create civil tension. The group uses grassroots organizational strategies to equip communities to deal appropriately with each situation as it arises.

The commission's Disability Stakeholders' Task Force meets quarterly and recommends ways to help people with disabilities enjoy their right to live, work and learn free from illegal discrimination.

Educational outreach staff made 49 presentations around the state, reaching 2,300 attendees. Commission attorneys, fair housing specialists, regional directors and other staff offered their civil rights expertise to attorneys, housing lenders, home buyers, educators, law enforcement officers and others. Staff also offered training and presentations on topics including predatory lending, cyber bullying, hate crimes, accessible buildings and diversifying the workforce.