Accountability Report Transmittal Form

Agency Name: South Carolina Department of Consumer Affairs

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Executive Summary

The South Carolina Department of Consumer Affairs faced many extensive challenges during the past fiscal year that included a declining performance of the State and national economy and ‘across-the-board’ budget reductions. In the fall of 2008 through early 2009, the Department implemented a voluntary fifteen (15) day furlough with 100% employee participation; placed a freeze on all new hiring and expenditures for non-essential travel; and terminated eight temporary staff positions. In July 2009, the Department implemented a Reduction in Force which impacted twenty-four employees. Despite these financial challenges, the Department has continued its commitment to working for consumers and championing dialogue with businesses in a world characterized by dynamic change. To fulfill its consumer protection mission, staff continues to use all available resources, creativity, talent and determination to scrutinize market developments and trends, tailoring an agenda that meets the significant challenges of a quickly evolving marketplace. While understanding markets and trends is no easy feat, the Department has continued to study significant market issues to educate its staff and the general public. We believe, now, more than ever, that an educated consumer is an empowered one. In this age of information, where wealth and jobs are created by the discovery, processing and distribution of knowledge, the great challenge is to give everyone the benefit of the tools of learning.

The presentation of achievements and projects in this 2009 Accountability Report underscores the fact that this state government agency has an ongoing commitment to creating a modern agency capable of responding to 21st century challenges. To achieve its vision, the Department uses the following performance objectives in its daily work, both internally and externally.

Mission Statement and Values

To protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education. The Department strives to be a CREDIT to our State by holding the following values as essential in our relationships and decision-making: Competence, Respect, Equality, Dedication, Integrity and Timeliness.

Major Achievements Through Voluntary Complaint Mediation

The Department mediated and closed 83.2% of consumer complaints as “satisfied,” which in part is the result of the “open-view analysis” approach to processing, evaluating and mediating consumer complaints. This approach frequently identifies violations and/or businesses that are not mentioned in the consumer’s complaint and assists in determining the probable basis and merit of every complaint filed with the Department.

The agency demonstrated its “global customer base” by recovering nearly $2.1 million in refunds, credits and adjustments for consumers living in South Carolina, other parts of the United States, as well as foreign countries. (Of that figure, $1,445,105.10 is from Consumer Services, $635,328.35 is from Legal, and $6,036.00 is from Advocacy.)

- Handled more than 8,294 complaints during FY09, 2,152 of which are still pending
- Number of services provided (walk-ins, referrals, general questions, etc.): 20,202
- Held numerous training sessions for Services and other DCA staff
• Staff participated in a division retreat that resulted in improved performance and morale
• Division director was a lecturer at several continuing legal education programs for attorneys and other professionals, consumer clinics and consumer/housing fairs, as well as monthly speaker for SC National Guard pre-retirement seminars, and serving on the Coalition for the Unbanked of the Midlands and the Greater Columbia Area Community Relations Council
• Developed and strengthened partnerships with legal aid, USC School of Law Pro Bono Program, the governor's office, as well as legislators and state agencies, and other public and private agencies

**Major Achievements Through Compliance/Enforcement Activity**
• Processed 20,829 licensing applications and other filings for regulated businesses
• The Department oversight for preneed funeral contracts on July 1, 2006. At the time of this change, there were 284 funeral homes licensed to sell preneed contracts. There are now 313 funeral homes licensed to sell preneed contracts. The Department reviewed 7,123 preneed contracts during the year. The Department also revoked two preneed licenses.
• Conducted 931 compliance reviews and inspections of regulated businesses and an additional 41 advisory visits to help new businesses get off to a good start.
• Sent 139 advertising compliance letters, including one involving multiple issues of unfair and deceptive practices
• Conducted 110 complaint investigations with special emphasis on cases alleging mortgage fraud
• Involved in 20 administrative enforcement actions, mostly licensing related, but one involving unfair trade practices by a vacation club
• Conducted five criminal investigations, resulting in five indictments, four with guilty pleas and one awaiting trial
• Returned $635,328.35 in consumer refunds
• The Department was involved in a significant regulatory case in the fiscal year. An out-of-state law firm was providing credit counseling services and when questioned the firm alleged that it was exempt as attorneys at law. The Administrative Law Court agreed, and the case was appealed to the Supreme Court. The Court held that the Legislature delegated the responsibility for administering the Credit Counseling Act to the Department and that the Department has the authority to make the initial determination whether a credit counseling organization satisfies a statutory exemption. The Court further held that the out-of-state firm was not entitled to the attorneys at law exemption because none of its attorneys were licensed in South Carolina and that it was operating a credit counseling business and had to comply with the Credit Counseling Act.

**Major Achievements Through Advocacy Division Activity**
• Investigated complaints on and sent warning letters to seven establishments selling tinted contact lens without a valid prescription. Collected $5,000 in fines.
• Processed 21 new applications for Professional Employer Organization (PEO) licenses.
• Reviewed 873 insurance notices.
• Saved businesses that buy workers’ compensation insurance roughly $30.7 million per year as a result of involvement in the filings by workers’ compensation insurance carriers for approval of loss cost multipliers (LCMs).
• Processed 22 new applications for Discount Medical Plan Organization (DMPO) licenses.
• Processed 27 applications for Continuing Care Retirement Community (CCRC) licenses.

Major Achievement Through Cooperate Efforts With the General Assembly, Businesses, and the Community

South Carolina Business One-Stop
The Administrative Division entered in a partnership effort with South Carolina Business One–Stop (SCBOS), resulting in the Department of Consumer Affairs becoming one of five core state agencies participating in a user-friendly online business license/registration filing system, which will cut the red tape associated with opening and operating a business in South Carolina. SCBOS saves time and money by streamlining access to information, helping business owners determine exactly which documents they are required to have, and expediting registrations and fee payments in real time. Four of the agency’s business registration forms were developed in a web-based business application and merged into SCBOS in the fall of 2006.

Marketing and Administrative Programs
The Administration Division continues an outreach and marketing program to increase the regulatory awareness for businesses that extend consumer credit in the form of credit sales. Partnerships and networking initiatives have been established with other organizations working closely with the business community. These organizations include the State Chamber of Commerce, the Small Business Chamber of Commerce, the SC Municipal Association, the SC Association of Counties, Richland and Lexington County Business Licensing, City of Columbia Business Licensing, Department of Motor Vehicles–Dealer Licensing, the SC Automobile Dealers Association and the SC Department of Revenue. The Administration Division also processed over 26,000 revenue transactions, which resulted in $1,829,618 in revenue for the General Fund and agency earmarked accounts.

Major Achievement Through Outreach, Partnerships, and Customer Focus

Shred Day Events
The South Carolina Department of Consumer Affairs (SCDCA), in partnerships with several private sector vendors such as Carolina Records and Information Management and SHRED 360, held quarterly free “Shred Days” in 2008-2009 at convenient locations in the metro Columbia area and one each in Florence and Spartanburg. “Shred Day” provided consumers and businesses the opportunity to have their confidential documents shredded, free of charge. The events have proved so popular that consumer demand has led SCDCA to plan similar events statewide for 2009-2010.

Coalition Against Fraud
The Department continues to work with the Coalition Against Fraud – a joint venture of the Department, the FBI, U.S. Secret Service, US Attorney General’s Office, Sheriff’s Association and the US Attorney’s office. The group will work together to educate and inform the public on fraudulent and deceptive practices and how to protect
themselves. On behalf of the Coalition, SCDCA publishes a quarterly newsletter, *Fraud Alert* in addition to its popular and award-winning monthly *Consumer Alert*.

**Satellite Locations**
The Department continues its monthly visits to Gaffney, Laurens, Summerville, Spartanburg, Greenwood, Newberry, Boiling Springs, Landrum, Florence, and Pacolet. Despite budget restrictions, this is part of the Department’s commitment to outreach — to be visible in areas across the state where consumers are not familiar with our services and provide them with what they need most: help and information. This effort was made possible through a collaborative effort with county administrators and local public libraries in those areas. Satellite offices located at these locations have been very successful. Plans are being made to open additional locations.

**Webinars**
During FY09, the Department launches its webinar initiative, providing online support and education for industry leaders and consumers alike. The first webinar covered business requirements regarding the Financial Identity Fraud and Identity Theft Protection Act. Over 300 participants joined a conference call and followed an online power point during this workshop. The second webinar, hosted in a similar manner, dealt with mortgage fraud and foreclosure issues and was primarily attended by consumers and homeowners in need of assistance.

**Business Liaison**
During FY09, the business liaison, a designed position in the Services Division, identified South Carolina businesses that had numerous complaints against them. These businesses were then provided additional assistance in the form of communication consultation, clarification of policies and consumer law to support each business in resolving complaints with consumers to the satisfaction of all parties involved.

**Tele-Tips**
In its continued efforts to provide accessible service to the citizens of South Carolina, the Department continued **Tele-Tips**. This automated service allows consumers to telephone the Department and receive recorded information on a variety of consumer issues. The goal is to continue to make information and education easy, fast and accessible. The Tele-Tips line is available 24 hours a day, 7 days a week. Consumers can access the Tele-Tips information by dialing 803.734.4215 or 1.888.734.4215 (toll-free in SC) and following prompts.

**Ask Consumer Affairs (Live Chat)**
The Department of Consumer Affairs also provided another accessible avenue for consumers to communicate and receive information from the Department through **Ask Consumer Affairs**. This interactive forum provides consumers with the ability to ask important consumer related questions and receive a timely response. The goal is to make receiving helpful information easy and fast. We believe that too often consumers do not find consumer protection information until it is too late. Through **Ask Consumer Affairs**, the Department continues its commitment to educating and informing South Carolinians, so that they can make good and wise choices in the marketplace. Online services are available Monday through Friday, 8:30 a.m.– 5:00 p.m.
**Boards and Roundtables**

To improve dialogue with businesses regulated by the Department, the customer-focused advisory boards and roundtables were established for the Prepaid Legal, Mortgage Broker, Professional Employer Organization Services, Consumer Credit Counseling, Athlete Agents, Preneed Burial Contracts, Continuing Care Retirement Communities, and Pawnbroker Regulatory Programs. Discussion includes ways to enhance services the Department provides through drafting and amending legislation, licensing, training and education, on-line filing, outreach efforts and publications for the general public. These groups meet quarterly.

**Affordable Housing Coalition of South Carolina**

The primary mission of this organization is to promote safe, fair and affordable housing in South Carolina. Staff serves as an ex-officio member of the coalition. Director of Public Information served on the Executive Board and is Marketing Chair.

**Palmetto Affordable Housing Forum**

The Department is one of five partner agencies in this major annual conference. Other partners include: the SC State Housing Finance and Development Authority, the US Department of Housing and Urban Development, USDA-Rural Development, and the Affordable Housing Coalition of South Carolina.

**South Carolina Libraries**

The Department has an ongoing partnership with South Carolina libraries to maintain consumer information displays at branches throughout the state.

**SC Department of Education – Family Consumer Sciences**

Staff works closely with the Education Department, providing input on consumer issues – such as the dangerous and unlawful practice of dispensing cosmetic contact lenses without a prescription – and an ongoing financial literacy curriculum.

**US Consumer Product Safety Commission**

Staff made 30 Recall Effectiveness Checks throughout the state in fulfillment of a contract with the U.S. Consumer Product Safety Commission (CPSC). A staff member served as State Designee for CPSC to assist in relaying pertinent consumer recall information and partnering on product safety initiatives statewide.

**LifeSmarts: The Ultimate Consumer Challenge**

The Consumer Services and Education Division coordinates South Carolina’s LifeSmarts competition annually. This national program helps high school students develop and demonstrate an understanding of consumer and marketplace issues. The program focuses on five key areas of consumer knowledge: personal finance, health and safety, environment, technology and consumer rights/responsibilities. LifeSmarts is sponsored by the National Consumers League. The state competition was held February 27, 2009, at the Lutheran Theological Seminary in Columbia. Trinity Collegiate School of Darlington was the state winner and represented South Carolina at the national competition, April 2009, in St. Louis.
National Consumer Protection Week
During National Consumer Protection Week, the Department partnered with the US Postal Inspection Service for a major press conference announcing our joint work on the Fake Checks and Scams campaign.

CARE Program
The Department continued its partnership with the South Carolina District of the United States Bankruptcy Court and local bankruptcy and consumer law attorneys to implement the Credit Abuse Resistance Education (CARE) Program in South Carolina. CARE was established by John C. Ninio, II, Chief Judge of the US Bankruptcy Court for the Western District of New York, in an effort to bring financial literacy to high school and college students through the use of personal stories and basic education on consumer credit, avoiding debt and the consequences of not using credit wisely.

Consumer Sentinel Membership
To aid the Department in the enhancement of its enforcement efforts, SCDCA joined the Consumer Sentinel Network in FY08 and continued participation in FY09. Maintained by the Federal Trade Commission (FTC), the Network allows member agencies to view consumer complaints filed directly with the FTC as well as complaints shared by other agencies such as the Better Business Bureau and US Postal Inspection Service.

Strategic Goals and Challenges

Process and Mediate Consumer Complaints
- Closed 6,142 complaints by June 30 (an additional 2,152 complaints remain open); 83.2% were closed satisfied.
- The Department recovered nearly $2.1 million for South Carolina consumers in FY 2009.

Administer, Interpret, and Enforce the South Carolina Consumer Protection Code
- Conducted over 20,000 license reviews; 931 compliance reviews; 139 automobile advertising advisory letters sent; 4,579 business locations filed credit grantor notifications; and 4,214 locations filed maximum rates.

Serve South Carolina’s Insurance Customers By Providing Professional, Innovative, and Accountable Service
- Saved businesses that purchase workers’ compensation insurance roughly $30.7 million. This savings occurs on an annual basis as a result of the Consumer Advocate’s review of loss cost multiplier filings by insurance carriers that sell policies in the voluntary workers’ compensation insurance market. The Advocacy Division also reviewed 873 insurance notices.

Enhance Promotion of Pro-Consumer Legislations and Regulation
- The Department saw the passage of Senate bill S.673. The Department devoted significant energies and efforts to support this bill that regulates mortgage lenders and their loan originators. SCDCA has regulated mortgage brokers since 1988 and their loan originators since 2005.
• The Department also saw the passage of H.4058, which strengthened the penalties for violating the law regarding preneed burial contracts, moved related hearings to the Administrative Law Court, and gave the Department the authority to conduct its own hearings and levy fines.
• Staff provided testimony on many legislative issues during the 118th session of the South Carolina General Assembly including House bill H.3159 on payday lending, legislation regarding credit cards and college students, as well as a homeowner’s association bill.
• South Carolina now has one of the strongest Identity Theft laws in the country with the passage of the Financial Identity Fraud & Identity Theft Protection Act of 2008. The Department has oversight for education and enforcement of this law, which became effective on December 31, 2008, with the vital provision that allowed SC residents to place, thaw, and lift security freezes on their credit reports for free.

Increase Public Awareness of Services and Accomplishments
• SCDCA TV allows consumers to view 18 videos on consumer news and events!
• The Department partnered with other state agencies as part of the Palmetto Affordable Housing Coalition to sponsor the annual “Tent Event,” providing consumers relevant information during National Homeownership Month.
• The Department continued to host the Mortgage Fraud Hotline in cooperation with the SC Attorney General’s Office. The hotline assisted over 500 consumers in mortgage cases with suspected fraudulent and deceptive practices.
• The Department partnered with the US Postal Inspection Service during National Consumer Protection Week to educate South Carolinians about Fake Checks and other consumer scams. The Department hosted an all-day workshop in partnership with federal and state agencies as part of this initiative.
• In 2009, SCDCA began development on a partner webpage for SCBOS that allows businesses not only to continue filing online, but also will provide relevant news, forms, and updates in a one-stop shop.
• The Department received three 1st place and one 3rd place awards from the Associated Press for its Public Information events in public relations, marketing, and publications.
• SCDCA was one of five partner agencies presenting the 14th Annual Palmetto Affordable Housing Forum. Administrator Brandolyn Thomas Pinkston was the opening guest speaker for the event.
• Web Stats: Hits – Over 6 million; Page Views – Over 65,000
• Introduced “Lunch & Learn” workshops in cooperation with Richland and Lexington County Public Libraries.

• The Department hosted two webinars on FIFITPA and Mortgage Foreclosure. These pertinent consumer and business topics provided information on legislative requirements for business, economic trends, and consumer tips. The webinars were open to the public with special invitations provided to businesses and consumer representatives/advocates in the appropriate industries. The webinars were attended by hundreds of participants on each occasion and will be continued in FY10.

The Department exemplified true teamwork during FY09. As identified in the Executive Summary, the Department faced a number of challenges. Budget cuts and financial limitations provided challenges to the Department’s strategic goals and objectives; however, employees responded by voluntarily taking 15 days of furlough each. The Department was the first agency to take such voluntary action, and commended by many consumers and industry leaders for the commitment to providing the same level of service with fewer numbers in the office on any given days. The Department continued its regular satellite visits and all other operations with a “can-do” spirit that met each challenge with optimism and resulted in success.

**Business Overview and Organizational Profile**

**Number of Employees**

The Department of Consumer Affairs currently has sixty-five (65) full-time positions. Forty (40) of these positions are funded by state appropriations, and twenty-five (25) positions are funded by revenue generated from the licensing fees of mortgage loan brokers and loan originators, prepaid legal services, professional employer organizations, credit counseling organizations and from funeral homes that sell preneed funeral contracts. Due to budget cuts and revenue shortfalls in other funds, the Department implemented a reduction in force (RIF) plan on July 23, 2009, that eliminated 24 positions.

**Key Customers and Suppliers**

The Department’s key customers are the consuming public, ratepayers, regulated and indirectly regulated businesses, law enforcement agencies, schools, community groups, vendors, the media, consumer protection organizations, the Council of Advisors on Consumer Credit, the Commission on Consumer Affairs, the Governor’s Office, the General Assembly and the US Congress.

The Department’s key suppliers include the consuming public, the General Assembly’s constituency, the Board of Financial Institutions, SC Magistrate Court System, U.S. Congress, the Better Business Bureau, vendors, and the print and electronic media.
Base Budget Expenditures and Appropriations

<table>
<thead>
<tr>
<th>Major Budget Categories</th>
<th>07-08 Actual Expenditures</th>
<th>08-09 Actual Expenditures</th>
<th>09-10 Appropriations Act</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Funds</td>
<td>General Funds</td>
<td>Total Funds</td>
</tr>
<tr>
<td>Personal Service</td>
<td>$2,724,142</td>
<td>$1,626,341</td>
<td>$2,625,131</td>
</tr>
<tr>
<td>Other Operating</td>
<td>$791,278</td>
<td>$251,430</td>
<td>$593,194</td>
</tr>
<tr>
<td>“Increased enforcement” Special Items</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Permanent Improvements</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Case Services</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Distributions to Subdivisions</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>$761,804</td>
<td>$471,983</td>
<td>$792,736</td>
</tr>
<tr>
<td>Non-recurring</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,277,224</strong></td>
<td><strong>$2,349,209</strong></td>
<td><strong>$4,011,061</strong></td>
</tr>
</tbody>
</table>

Other Expenditures

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>FY 07-08 Actual Expenditures</th>
<th>FY 08-09 Actual Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Services and other operating expenses</td>
<td>9,142</td>
<td></td>
</tr>
<tr>
<td>Capital Reserve Funds</td>
<td>166,118</td>
<td>45,140</td>
</tr>
</tbody>
</table>

Description of Major Services
The Department of Consumer Affairs was established by Act 1241 of 1974, which is known as the Consumer Protection Code and is the State law governing consumer credit transactions in South Carolina. As the state agency designed to represent the interests of consumers, the Department attempts to resolve complaints and seeks to inform and educate consumers to create an atmosphere where consumers are more aware of their marketplace rights and responsibilities.

Operation Locations:
The Department of Consumer Affairs is located in Columbia at 3600 Forest Drive, which is the only office operated by the Department. However, the Department provides statewide programs and services to the citizens of South Carolina. The Department provides a statewide toll-free phone number (1-800-922-1594) for consumers to request information and services provided by the Department. The Department now has satellite locations in Gaffney, Laurens, Spartanburg, Summerville, Pacolet, Newberry, Greenwood, Landrum, Boiling Springs, and Florence. Visits are made to these locations on a monthly basis.
Act 644 of 1978 amended the Consumer Protection Code to create the Division of Consumer Advocacy as a part of the Department of Consumer Affairs. The Advocacy Division was originally established to represent consumers at large before state and federal regulatory agencies that set utility rates, but Act 166 of 1987 expanded the Division’s responsibilities to include the analysis of auto insurance rate and recoupment filings. The Consumer Advocate was granted the authority to intervene in auto insurance filings at the Department of Insurance by Act 148 of 1989, the Automobile Insurance Reform Act. In addition, Act 63 of 1991 requires the Consumer Advocate to serve on the Solid Waste Advisory Council. Act 195 of 2004 transferred the responsibility for intervention in utility rate cases to the Office of Regulatory Staff.

South Carolina Consumer Protection Code

<table>
<thead>
<tr>
<th>The Consumer Protection Code authorizes the Department to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>✗ Analyze and mediate individual complaints,</td>
</tr>
<tr>
<td>✗ Investigate business practices if a pattern of fraud is suspected,</td>
</tr>
<tr>
<td>✗ Refer to the appropriate agency with the authority to assist individuals,</td>
</tr>
<tr>
<td>✗ Inform about complaints filed against a business,</td>
</tr>
<tr>
<td>✗ Monitor the filing of notification fees and maximum rate schedules,</td>
</tr>
<tr>
<td>✗ Educate consumers about unfair and deceptive practices, and</td>
</tr>
<tr>
<td>✗ Provide legal action to prevent persons from violating the Consumer Protection Code and to prohibit unconscionable conduct.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Consumer Protection Code does not allow the Department to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>✗ Advise whether or not a business is reputable,</td>
</tr>
<tr>
<td>✗ Provide information on the location or phone number of a business,</td>
</tr>
<tr>
<td>✗ Recommend a company with which an individual should do business, or</td>
</tr>
<tr>
<td>✗ Handle a complaint filed by a business against another business.</td>
</tr>
</tbody>
</table>


Organizational Structure

The Commission on Consumer Affairs

The leadership system at the Department of Consumer Affairs begins with the Commission on Consumer Affairs. The Commission is composed of nine members, one of whom is the Secretary of State. Of the remaining eight members, four are elected by the General Assembly, and four are appointed by the Governor. The Commission is the policymaking and governing authority for the Department and is responsible for the enforcement of the Consumer Protection
The Commission’s current membership is as follows:

**South Carolina Department of Consumer Affairs Senior Management**

The current management team strives to create an environment in which open communication, customer satisfaction and continuous improvement are a way of life for the organization. Senior management is led by the Administrator and meets weekly to discuss policies, procedures and customer expectations. The Department’s senior managers for FY09 were:

<table>
<thead>
<tr>
<th>Administrator</th>
<th>Brandolyn Thomas Pinkston</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Advocate/Deputy for Advocacy</td>
<td>Elliott Elam</td>
</tr>
<tr>
<td>Deputy for Administrative &amp; Regulatory Service</td>
<td>Herbert Walker</td>
</tr>
<tr>
<td>Deputy for Enforcement</td>
<td>Danny Collins</td>
</tr>
<tr>
<td>Director of Public Information</td>
<td>Alice J. Brooks</td>
</tr>
<tr>
<td>Director of Consumer Services &amp; Education</td>
<td>Donna DeMichael</td>
</tr>
<tr>
<td>Director of Media Services</td>
<td>Anna Albers</td>
</tr>
</tbody>
</table>

**The Council of Advisors on Consumer Credit**

The Council assists the Administrator in obtaining compliance with the Consumer Protection Code. The Council is composed of sixteen members appointed by the Governor, one of whom is designated by the Governor as the Chairperson. It meets on the third Tuesday in the first month of each quarter to discuss credit and compliance issues. The Council’s current membership is as follows:

<table>
<thead>
<tr>
<th>Sharon C. Bramlett, Chair (2010)</th>
<th>Columbia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wendy J. Culler, Vice Chair (2006)</td>
<td>Lancaster</td>
</tr>
<tr>
<td>Ruth Ellen Hardee (2007)</td>
<td>Columbia</td>
</tr>
<tr>
<td>Beatrice A. James (2003)</td>
<td>Florence</td>
</tr>
<tr>
<td>Richard A. Jones (2005)</td>
<td>Gaffney</td>
</tr>
<tr>
<td>Scott M. Malyerck (2007)</td>
<td>Irmo</td>
</tr>
<tr>
<td>C. Brian McLane, Sr. (2007)</td>
<td>Columbia</td>
</tr>
<tr>
<td>Victor C. McLeod, II (2003)</td>
<td>Greenville</td>
</tr>
</tbody>
</table>
Ulysses S. G. Sweeney, III (2004)  Marion
Brent A. Weaver  Lexington

Organizational Chart
## Major Program Areas

<table>
<thead>
<tr>
<th>Program Number and Title</th>
<th>Major Program Area (Brief)</th>
<th>FY 07-08 Budget Expenditures</th>
<th>FY 08-09 Budget Expenditures</th>
<th>Key Cross References for Financial Results*</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Administration</td>
<td>To provide budgeting and accounting, human resources, procurement &amp; supply, training and computer services for the agency. To administer the registered consumer credit grantor and maximum rate filing program.</td>
<td>State: 742,048.00</td>
<td>State: 820,889.00</td>
<td>Charts 7.3-1, 7.4-1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Federal: 0.00</td>
<td>Federal: 0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other: 196,872.00</td>
<td>Other: 279,580.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total: 938,920.00</td>
<td>Total: 800,469.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>21.13% of Total Budget:</td>
<td>19.54% of Total Budget:</td>
<td></td>
</tr>
<tr>
<td>II. Legal Division</td>
<td>To Administer, interpret, and 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.</td>
<td>State: 66,518.00</td>
<td>State: 71,818.00</td>
<td>Charts 7.1-2, 7.1-5, 7.1-6, 7.2-4, 7.2-7, 7.4-7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Federal: 21,728.00</td>
<td>Federal: 9,1319.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other: 1,283,647.00</td>
<td>Other: 1,280,204.00</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Total: 1,371,893.00</td>
<td>Total: 1,361,341.00</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>30.88% of Total Budget:</td>
<td>33.56% of Total Budget:</td>
<td></td>
</tr>
<tr>
<td>III. Consumer Services and Education</td>
<td>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.</td>
<td>State: 592,701.00</td>
<td>State: 520,889.00</td>
<td>Charts 7.1-1, 7.1-2, 7.1-5, 7.2-1, 7.2-2, 7.2-3, 7.2-6, 7.2-7, 7.3-2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Federal: 9,631.00</td>
<td>Other: 279,580.00</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Total: 602,332.00</td>
<td>Total: 800,469.00</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>13.56% of Total Budget:</td>
<td>19.73% of Total Budget:</td>
<td></td>
</tr>
<tr>
<td>IV. Advocacy Division</td>
<td>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 (PEO), the selling of cosmetic contact lens without a prescription, Discounted Medical Plan Organizations (DMPOs)and Continuing Care Retirement Communities (CCRCs).</td>
<td>State: 246,758.00</td>
<td>State: 213,099.00</td>
<td>Charts 7.1-3, 7.1-4, 7.2.4, 7.3-3, 7.4-3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Federal: 98,950.00</td>
<td>Federal: 213,423.00</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Other: 345,708.00</td>
<td>Total: 426,522.00</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>7.78% of Total Budget:</td>
<td>10.52% of Total Budget:</td>
<td></td>
</tr>
<tr>
<td>V. Public Information</td>
<td>To inform South Carolina Consumers of market practices that are illegal, deceptive or unfair, and inform them of their rights.</td>
<td>State: 174,281.00</td>
<td>State: 129,828.00</td>
<td>Charts 7.1-2, 7.1-5, 7.1-6, 7.2-4, 7.2-7, 7.4-4, 7.4-7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Federal: 17,678.00</td>
<td>Other: 8,641.00</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Other: 191,959.00</td>
<td>Total: 138,469.00</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>4.32% of Total Budget:</td>
<td>3.41% of Total Budget:</td>
<td></td>
</tr>
</tbody>
</table>

Below: List any programs not included above and show the remainder of expenditures by source of funds.

**Employer contributions**

| FY 07-08 Capital Reserve Fund – Media Center | $33,882 | .84% of Total Budget |
| FY 08-09 Satellite operations | $11,258 | .28% of Total Budget |
| FY 07-08 Misc. operating expenses – Computer Services | $55,466 | 1.25% of Total Budget |
| FY 07-08 Capital Reserve Fund – Media Center | $175,261 | 3.94% of Total Budget |

**Remainder of Expenditures:**

<table>
<thead>
<tr>
<th>FY 07-08</th>
<th>FY 08-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer contributions</td>
<td>471,438.00</td>
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<tr>
<td>Federal</td>
<td>0.00</td>
</tr>
<tr>
<td>Other</td>
<td>290,366.00</td>
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<tr>
<td>Total</td>
<td>761,804.00</td>
</tr>
</tbody>
</table>

17.14% of Total Budget: 19.54% of Total Budget

* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.
Elements of the Malcolm Baldrige Award Criteria

• Category 1 – Senior Leadership, Governance, and Social Responsibility

1. How do senior leaders set, deploy and ensure two-way communication for:
   Short- and long-term organizational direction and organizational priorities?
Senior leaders encourage and instill two-way communication by initiating regular communication with their respective staff members. Senior leaders regularly meet with the administrator to discuss any additional goals or changes in the Department’s activities. These changes are then relayed to staff members by senior leaders. Weekly division staff meetings as well as frequent one-on-one communications allow senior leaders to update, inform, and instruct staff members about the division’s direction, role, and responsibilities. Additionally, feedback from staff is always requested and accepted. Both formal and informal communication facilitates two-way communication in a way that best suits the individual staff member. Following the example of our administrator, senior leaders also maintain an “open door” policy, allowing staff not only to respond to communication but to initiate it as well. Furthermore, annual meetings initiated by our administrator with each staff member flatten the chain of command structure in such a manner and to such a degree that communication up and down the ladder is greatly improved. With regular communication between all levels of management and staff, two-way communication is not only encouraged but practiced. This communication is implemented daily, weekly, and annually to ensure staff members are kept abreast of short-term and long-term changes and goals. Consequently, staff members are able to make direct and significant contributions that not only enhance staff buy-in of the Department’s mission but also improve the Department’s performance.

Performance expectations?
Senior leaders in coordination with the administrator establish annual performance expectations. Communication with each employee annually and as needed details the agency and division expectations for the upcoming year. These expectations are an extension of the Department’s mission statement and values. Annual evaluations review the effectiveness of the employee’s performance based on the pre-defined goals and objectives. Satisfactory performance of expectations is required, but the Department expects employees to seek exemplary performance. To maintain satisfactory performance and understanding of goals, employees are provided verbal and written reprimands as warranted. Fortunately, the Department’s emphasis on optimistic, honest, team-oriented contributions has limited the need for such discipline. Similarly, praise is immediately given personally and publicly to employees who exceed expectations, which encourages a progressive and excelling workforce.

Organizational values?
The Department believes a strong code of morality, teamwork, and integrity are central to maintaining a healthy, profitable, and productive workplace. As such, partnership, optimism, and “can-do” ideas are routinely reinforced. Furthermore, staff members are encouraged to suggest new ideas that better service South Carolina consumers and maximize efficiency. The end result of these key points of emphases is a positive, energetic workforce that is forward-thinking and improving services on a regular basis. These informal emphases are backed by the Department’s core mission and values. Competence, respect, equality, dedication, integrity, and timeliness
compose the Department values. Along with the mission statement, these qualities of a high moral code and work ethic are recited during every staff meeting.

Ethical behavior?

Two of the Department’s core values are respect and integrity. These values are not only recited but reinforced by conversation about how organizational duties can be carried out in a manner that is beneficial for the employee, co-workers, and consumers. Staff members are encouraged to think about the results that ethical behavior – with emphasis on respect and integrity – bring to the individual and the agency. Negative examples are rarely observed at the Department; however, hypothetical situations during staff meetings explore the consequences of unethical behavior. With this primary focus on the benefits of a high moral code towards each other and consumers, coupled with reminders about the consequence of negative behavior, the Department has been fortunate to have very few discipline issues or concerns regarding ethical violations. Senior staff seeks to reinforce these principles by hiring individuals with a strong code of morality. Specific behavior expectations are explained through human resource manuals, reprimands, and performance evaluations. Such violations, however, are immediately dealt with under the guidelines set by the State Office of Human Resources.

2. How do senior leaders establish and promote a focus on customers and other stakeholders?

The number one measure of accountability the Department has to its customers is its monthly report to the Commission on Consumer Affairs. This governor-appointed board monitors the Department’s activities and ensures South Carolina consumers are being served effectively and efficiently. Senior leaders report on division activity, consumer trends in the marketplace, enforcement of a number of consumer laws and protections, as well as other relevant ways to implement consumer-friendly legislation and initiatives. The Department takes a preventative stance on consumer issues, seeking to educate and warn prior to consumers falling victim. When the housing crisis first appeared on the scenes in 2008, the Department quickly partnered with the South Carolina Attorney General’s office to establish a Mortgage Fraud Hotline and sustained the hotline through the crisis to assist consumers facing foreclosure or mortgage fraud. In response to an increasing number of businesses filing for licenses and renewals, the Department partnered with South Carolina Business One Stop to provide real-time, online licensing. The Department continued to host Ask Consumer Affairs, a live, real-time chat line, allowing consumers to ask questions and get immediate answers. Furthermore, staff members are required to answer and return all calls within 24-hours, ensuring no customer is delayed in receiving the attention they deserve. The Department hosts countless workshops for consumers and continuing education classes for businesses each year, providing accessible, affordable information and training. Furthermore, nine satellite locations provide consumers face-to-face visits on a monthly basis.

The Department also seeks innovative ways to reach different consumer groups. While workshops and face-to-face visits service a number of middle- to senior- age customers, the Department recognized the importance of reaching America’s youth with consumer education. Thus, the Public Information Division launched its social media campaign, establishing itself on You Tube, Facebook, and Twitter. Combined with frequent press releases, media appearances, and community events, the Department’s priority of helping the good people of South Carolina is
not only self-evident but rewarded with countless “thank you” notes and pro-active reports of consumers spreading our word to their neighbors.

3. How does the organization address the current and potential impact on the public of its programs, services, facilities and operations, including associated risks?

The Department places a great deal of importance of individualized services. Each consumer complaint is assigned a complaint analyst with checks and balances among supervisors to make sure consumers and businesses receive timely communication and resolution. Complaint analysis is pursued from all angles, often identifying additional business involved in a consumer’s transaction that may not have been listed in the original complaint. Due to budget constraints, investigators and other enforcement employees at the Department must prioritize their workload and focus on industries where the greatest number of consumers are affected and/or the greatest amount of money is been lost. In the past fiscal year, these areas have included but are not limited to: the mortgage industry, pawn brokers, fiscal fitness clubs, credit counseling organizations and counselors. Weekly meetings between legal staff and other division representatives identify key objectives and priorities. The greater number of consumers and dollars involved, the greater the risk for large-scale consequences. These matters are handled immediately, but all publics are granted equal access and due diligence. Monthly legislative updates to the Commission discuss the impact of pending bills and proposed bills on business and consumers-alike. Frequent communication with industry leaders during the General Assembly’s session keep businesses informed about potential changes and provide them opportunity to offer feedback. Recently, the Financial Identity Theft and Identity Fraud Protection Act was passed and with the feedback from industry representatives, the Department identified the potential impact a security freeze could have on a business if difficult to remove. A provision was included in the bill to require a security freeze to be thawed in 15 minutes with a phone call. This is just one example of how the Department identified the impact on its external public and responded accordingly.

4. How do senior leaders maintain fiscal, legal, and regulatory accountability?

Budgets are developed by senior leaders and approved by the Budget and Control Board. All fiscal reports and any accounting discrepancies must be reconciled with the Comptroller General’s Office. Monthly fiscal reports on expenditures, revenue, and annual projections are given to the Commission. Members of the board verify the accuracy of all numbers, and senior leaders provide clarification, if needed. Furthermore, the Commission also receives monthly updates on regulatory and legal proceedings – those occurring in the past month and expected to occur in the new future. Board members are again given ample opportunity to provide feedback, recommendations, or ask questions. Projected budget expenditures are never exceeded without approval from the Budget and Control Board, and each employee is held accountable for agency spending pertaining to them or their division. Senior leaders frequently meet to discuss budget-saving methods as well as the decisions regarding legal cases or regulatory oversight and related legislation. This established leadership teams ensures multiple voices reach an agreement on pertinent fiscal, legal, and regulatory matters. Employees are accountable for any deficiencies noted in any fiscal, legal or regulatory responsibilities. SCDCA achieved a clean audit from the State Auditor’s Office with no management letter comments.
5. What performance measures do senior leaders regularly review to inform them on needed actions?
Senior leaders frequently review the following performance measures to inform day-to-day actions as well as to identify projections for necessary long-term actions:
- Expenditures, revenues, and projected fiscal data.
- Consumer complaint volume and satisfaction ratings on closed complaints
- Top categories of complaints and fastest growing categories
- Annual employee performance evaluations
- Dollars refunded for consumers
- Dollars saved for businesses
- National industry trends in comparison with South Carolina industry trends
- Costly scams or other fraudulent activity

6. How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness, the effectiveness of management throughout the organization including the head of the organization, and the governance board/policy making body? How do their personal actions reflect a commitment to organizational values?
In addition to maintaining and open-door policy and encouraging two-way communication, senior leaders also receive feedback from employees during annual performance reviews. Employees are given the opportunity to provide comment to their supervisors. Additionally, employees are able to provide suggestions directly to the Administrator during a 15-minute, one-on-one session each year. Furthermore, the agency engages in “staff reads,” an agency-wide book club of sorts, that provides new perspectives on teamwork and creative thinking. The agency’s Wellness Committee spearheads a number of internal, team-building activities and serves as an outlet for employees’ ideas and initiatives. Senior leaders participate on the same level as staff by volunteering during community outreach, organizing staff- and division-wide retreats, and weekly meetings in which all members are granted a voice. By eliminating all communication barriers, senior leaders make themselves available and accessible. By establishing key Department values such as respect and timeliness, they hold themselves accountable to respect the feedback that comes with open communication lines and responding to employees concerns and suggestion in an appropriate and timely manner. By demonstrating to employees a willingness to perform duties alongside their staff and maintain two-way communication regardless of positive or negative feedback, senior leaders show their commitment to the Department’s core competencies in word and action.

7. How do senior leaders promote and personally participate in succession planning and the development of future organization leaders?
Employees are frequently cross-trained in other division duties and task, should the need arise for them to assist with these functions or should opportunity for promotion best fit them in another division. Promotions are made internally, when possible, providing great motivation for individual achievement. The vast majority of responsibilities – in all areas where feasible – are designated to no less the two individuals. While one individual serves as the primary designee for a specific task, a second employee is designated as “back-up” and trained to fill in should the needs arise. This perspective and practice of cross-training naturally assists senior leaders in
succession planning and developing future leaders, which is then implemented with internal promotions.

8. How do senior leaders create an environment for performance improvement and the accomplishment of strategic objectives?
Senior leaders not only allow but encourage employees to develop new ways of efficiency and quality performances. Employees are given the freedom to exceed their performance expectation with appropriate methods that best suit their strengths. With recent financial limitations, employees were called during full staff and division meetings on to develop new cost-savings methods. Employees responded with creative ways to save on items as small as paper and pens to car mileage by carpooling. Knowing that their ideas will not only be heard, but often implemented gives employees greater incentive to continue to improve personal performance and think of beneficial changes for the Department. Once created, this environment tends to feed itself and is periodically reinforced by senior leaders.

9. How do senior leaders create an environment for organizational and workforce learning?
Senior leaders are open to opportunities that will teach their employees new skills, provide them new perspectives, or motivate them to greater performance. Employees are encouraged and allowed to find appropriate continuing education, seminars, and industry-appropriate networks with which to engage and attend. By integrating “systems thinking” in its operations, SCDCA employees are encouraged to consider the impact of individuals events on the whole. Consequently, staff is also encouraged to take advantage of alternative and new learning opportunities, particularly those at no cost such as State Library sponsored courses and seminars sponsored by the Budget and Control Board. All professionals on staff attend seminars to comply with their licensing requirements, and individual staff members attend conferences sponsored by national organizations of which they are members. Several staff members are alumni of the South Carolina Executive Institute. The Director of Computer Services continues to provide periodic computer training to staff. More cross training will ensure back-up coverage. Employee training requests are assessed for departmental needs, and the costs covered as funds are available. At least one percent of the Department’s budget will continue to be set aside for training purposes. Retreats and staff reading projects are also used to enhance employee and organizational learning as well as professional and personal development.

10. How do senior leaders communicate with, engage, empower, and motivate the entire workforce throughout the organization? How do senior leaders take an active role in reward and recognition processes to reinforce high performance throughout the organization?
Each year, the Administrator hosts “15 Minutes with Staff,” during a one-week period. Each employee uses this one-on-one time to talk about his/her work program, role in the agency’s mission and vision, and offer suggestions for improvement. This has resulted in some very creative innovations for the Department. Although the “15 Minutes” is an annual scheduled program, the Administrator has an open-door policy and expects the same from her senior leaders. To create an organization that will prosper and grow, the Department has facilitated “staff reads,” encouraging all employees to read select books that focus on opportunities in the organization rather than on problems. The annual staff retreat serves as a primary motivational
tool for employees. Guest speakers are brought. Entertaining activities involving all members of the staff are presented. Similarly, the annual staff appreciation day held in May each year is coordinate for the Human Resources division and solicits donations from area business that are then distributed to employees. These tokens of appreciation as well as verbal praise given from each senior leader reinforce each employee’s value and their contribution to the agency. Individual successes are praised immediately on a day-to-day basis through the Department internal newsletter, agency-wide emails, and verbal recognition during staff meetings. Through these tangible methods, senior leaders not only identify the importance of exemplary performance but make special note of those employees engaging in outstanding work.

11. How do senior leaders actively support and strengthen the communities in which your organization operates? Include how senior leaders determine areas of emphasis for organizational involvement and support, and how senior leaders, the workforce, and the organization contribute to improving these communities.

Because consumer education is part of the Department’s mission, employees are encouraged to seek additional opportunities to serve and connect with communities. The Department stresses the importance of protecting the good people of South Carolina through proactive measures and initiatives. Community workshops, food drives, education classes at correction institutes, and school supply drives are just some of the ways that senior leaders with the support of their employees serve and unite communities. Grants are applied for based on the services the agency can provide to underserved and unserved communities. The Department identified one such unserved after-school recreational facility and partnered to provide youth consumer education, one-on-one mentoring, supplies, and activities. During the holidays, the Department reached out to underserved families by collecting food supplies and goods for Harvest Hope Food Bank. Annually, the Department sponsors a United Way campaign to allow employees to designate monies to the charitable organization of their choice and unite in giving towards an agency goal. In all these situations, senior leaders serve on the frontlines with their staff, communicating the priority of bolstering the community in which they work.

Category 2 – Strategic Planning

1. What is your Strategic Planning process, including key participants, and how does it address:
   a) Your organization’s strengths, weaknesses, opportunities, and threats;
   b) Financial, regulatory, societal and other potential risks;
   c) Shifts in technology and customer preferences;
   d) Workforce capabilities and needs;
   e. Organizational continuity in emergencies;
   f. Your ability to execute the strategic plan.
The Department has a trusted team of senior leaders that evaluate the strengths, weaknesses, opportunities, and threats surrounding the Department on a regular basis. Weekly division meetings and senior leaders’ meetings as well as monthly staff meetings help establish the proper framework of communication and checks and balances. As such, changes and adaptations are made in advance to avoid larger threats and maximize potential opportunities. This foresight has been and continues to be one of the Department’s strengths, despite difficult budget issues. Furthermore, the Department not only considers internal adjustments and factors within the control of the agency, but senior leaders regularly assess the economy and relevant consumer industries. While these external factors may be out of the control or purview of the Department’s authority, senior leaders foresee trends and adapt internal practices and consumer services as necessary to meet expected trends and changes. Where able, the Department supports consumer-friendly legislation, especially when such measures reflect industry changes and needs. Consumers are provided accessibility to all board meetings and encouraged to call the Department with questions. Staff members also accept walk-in visitors and meet personally with each one to address concerns and questions. Through open communication, foresight, adaptability, and preparedness, the Department is able to stay ahead of the curve in trends, whether it be technology (The Department implemented a social media campaign this year.), legislation (The Department support the much needed mortgage lending legislation in light of the housing crisis.), budget cuts (The Department staff volunteered to participate in a 15-day furlough to prevent a RIF in FY 08-09.).

2. How do your strategic objectives address the strategic challenges you identified in your Executive Summary? See Strategic Planning Chart attached.

<table>
<thead>
<tr>
<th>Program Number and Title</th>
<th>Supported Agency Strategic Planning Goal/Objective</th>
<th>Related FY 08-09 Key Agency Action Plan/Initiative’s)</th>
<th>Key Cross References for Performance Measures*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Wide</td>
<td>I. Obtain the necessary funding and personnel to effectively administer the laws assigned to the Department.</td>
<td>FY09-10 Budget request included one FTE for the Administrator's office to serve as an Executive Assistant to the Administrator. The budget request also includes $250,000 to cover a payroll shortfall and fringe benefits shortfall associated with an effort to retain mission critical employees, enhance moral, and provide upward salary adjustments and reclassifications. A highly skilled and well trained workforce is essential for the Department to accomplish it's mission of protecting and educating consumers. Due to budget cuts of $436,000 and revenue shortfalls in the mortgage loan broker area of nearly $425,000 of</td>
<td>Charts 7.1-1, 7.1-2, 7.1-3, 7.1-4, 7.2-1, 7.2-2, 7.2-3, 7.2-4, 7.2-5, 7.3-2, 7.3-3, 7.3-4, 7.4-5, 7.4-7</td>
</tr>
<tr>
<td>Agency Wide</td>
<td>II. Develop and enhance internal and external electronic capabilities to increase the Department’s efficiency.</td>
<td>Plans have been made to convert the agency's computer platform to WEB-Enabled applications using Microsoft's .Net application development program. Plans are in place through an agreement with SC.Gov to develop WEB Based applications for online licensing/regulatory systems and an online</td>
<td>Charts 7.1-1, 7.1-2, 7.1-3, 7.1-4, 7.2-1, 7.2-2, 7.2-3, 7.2-4, 7.2-5, 7.3-2, 7.3-3, 7.3-4, 7.4-5, 7.4-7</td>
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</tbody>
</table>
complaint system that will allow for public access of certain data based information. Additional technology enhancements include the development of a Call Center and online access for six satellite offices, including an interactive web site for consumer information. The FY07-08 budget request included $200,000 for the development of a Media Center. This will allow the agency to take advantage of cutting edge technology for the development and distribution of DVD’s and video tapes of consumer protection information. The strategic plan also includes the dissemination of Podcasts and Webcast along with the use of Real Simple Syndication (RSS) feeds. Due to budget cuts, further development of the Media Center has been put on hold. Through a joint venture with the Dept. of Revenue, the Agency added an online licensing/registration system for registered creditors as a new addition to South Carolina Business One Stop (SCBOS). This is the only live/real time system in State Government.

V. Public Information, I. Admin., III. Consumer Services

III. Amplify external communications to increase the public’s knowledge of the Department’s services and accomplishments.

A. Focus consumer and business education efforts on areas where fraud, deception, unfair practices, and information gaps cause the greatest injury. B. Extend the reach of consumer and business education through private and public partnerships and the use of new media such as the Internet.

C. Improve the timeliness of response to consumer and business inquiries. D. Increase public awareness of consumer protection problems and solutions by conducting and publishing studies on changes in the marketplace and the impact of business and government actions on consumers. We have increased our outreach efforts through the implementation of satellite offices in Gaffney, Laurens and Summerville. Plans have been made to add additional satellite offices in Florence and the Pee Dee area, along with locations in Spartanburg, Woodruff, Blacksburg, and Allendale/Hampton/Jasper counties. We have also developed a Buyers Beware List to expose unscrupulous businesses to the consuming public.

Agency wide IV. Refine internal communications to enable staff to perform at the highest level possible.

Started releasing the weekly newsletter to employees on a weekly basis. Agency wide staff meetings are held frequently to discuss goals and objectives for short and long term initiatives. In the past employees have shown resistance to change. SCDCA is meeting this challenge with employee involvement. Employees are encouraged to participate and provide input in the creation of new methods for providing and serving customers and meeting agency goals.

I. Legal V. Increase consumer services and protections by promoting and maintaining competence through ethical behavior by the professions.

Through the creation of Boards and having monthly meetings with the occupational professions licensed and regulated by the Department, more awareness of unethical behavior has been made and new ways of preventing and controlling unethical behavior has been discussed and implemented. Steps to provide additional oversight in the form of continuing education for some professions have been explored. New legislation was enacted to implement in FY07 a continuing education program for the PEO industry. Boards for the Pawn Broker industry and for the Funeral Homes that sell preneed funeral contracts are being implemented.

3. How do you develop and track action plans that address your key strategic objectives, and how do you allocate resources to ensure the accomplishment of your action plans?

A key measure of the Department’s strategic objectives is the budget analysis provided each month to the Commission. The analysis contains information about how the Department’s current levels within each Division and as an agency match annually determined goals. Reports within each division are required. The Consumer Services and Education Division records complaints handled, closed, and notes whether the Department is maintaining above a 75% satisfaction rating. Recall inspections, FOIA requests received and dispatched media and community outreach are all tracked by the Public Information Division. Reports on compliance reviews, hearings, and inspections must be turned in to the Director of Legal Services each month. The Administration division requires staff to submit information monthly regarding
current expenditures and collected revenue, projected expenses and income. The Advocacy Division staff members are required to provide information on pending insurance hearings and case updates, licensee information, and investigations. Consistent reports and accountability measures within divisions and as a whole allow allocation of resources and any modifications to be handled in a timely manner, preventing large quantities of resources from being moved on short notice. As such the Department is able to compensate without changing its action plan or strategic goals.

4. How do you communicate and deploy your strategic objectives, action plans and related performance measures?

As described, monthly reports to the commission provide a detailed analysis of the Department’s activity in financial, consumer, legal, and business matters. Commission members are not only presented the material orally on the day of the meeting, but they are also given electronic and print materials. Staff members are kept informed by staff meetings as needed, weekly e-mail updates, division meetings as needed.

5. How do you measure progress on your action plans?

Progress is tracked by the following measures:

- Number of complaints received, processed, and satisfactorily closed
- Number of community workshops and outreach activities performed
- Number of media inquiries and interviews performed
- Fiscal statements of expenditures and revenue
- Dollars refunded for consumers due to abuses in the marketplace
- Fines and penalties assessed for violations to the Consumer Protection Code and other Department-enforced legislation

6. How do you evaluate and improve your strategic planning process?

The Department’s communication practices help to improve strategic plans and processes by maintaining an open dialogue between staff, senior leaders, communities, and individuals. Regular feedback allows senior leaders to determine when adjustments and adaptations are necessary. Because the Department recognizes the ever-changing economy and the development of technology and businesses, senior leaders are acutely aware of the need to stay informed in marketplace activity and respond quickly to consumer concerns and industry trends. No case of fraud is considered insignificant. By prioritizing courses of action based on their potential return and benefit to consumers, the Department continues to progress and grow to best fulfill its mission and keep serving according to its values.

7. Provide the website link for your Strategic Plan. www.scconsumer.gov

- Category 3 – Customer Focus

Identify key customers and stakeholders.
The Department has a number of customers and stakeholders not the least of which is ever South Carolina consumers. Other internal and external publics include ratepayers, regulated and indirectly regulated businesses, law enforcement agencies, schools, community groups, vendors, the media, consumer protection organizations, the Council of Advisors on Consumer Credit, the Commission on Consumer Affairs, the Governor’s Office, the General Assembly and the U.S. Congress.

1. How do you determine who your customers are and what are their key requirements?

The Department first looks to its statutory duties to identify customers and ways to best fulfill these duties (e.g., partnerships with organizations with similar goals and objectives). Specifically, each division has compiled a listing of their targeted customers. These lists are adjusted as necessary with additions or changes to legislation, regulatory authority, etc. Needs and requirements for each customer are assessed at the time they are added to the listing. Fundamental to all customers, however, is the Department’s insistence on fairness in consumer transactions. This key requirement can be found in the statutory authority given to the Department in the South Carolina Consumer Protection Code and other consumer-related legislation. However, customers’ key requirements are ascertained more specifically through complaint mediation, public speaking engagements, educational workshops, surveys, focus groups, online chats and legislative activities.

The most common key requirements are:

- Timely processing of complaint or compliance review;
- Informed of the mediation or compliance process;
- Freedom of information regarding regulated businesses and businesses in general;
- Notification of results of mediation or compliance review;
- Updated, accurate and written information on consumer-related issues and topics;
- Education regarding deceptive and unfair business practices

2. How do you keep your listening and learning methods current with changing customer/business needs?

Each month the Consumer Services & Education Division tracks complaints received, resolved, and satisfactorily closed. In conjunction with tracking customer satisfaction, the Department attempts to keep current with customer/business needs through a monthly review of the complaints filed and the information requested. This review identifies the top issues of the day, which become areas that staff can focus upon in their own professional development in workshops, conferences and continuing education courses. The Department maintains a statewide toll-free telephone number in order to provide help statewide at no cost to the consumer. It is also in the process of compiling the results of a recent survey of consumers whose complaints were recently mediated and closed by the Department. Similarly, the Public Information Division publishes information in partnership with area organization and media outlets that provides consumers greater opportunity of being informed and protecting themselves. The division also investigates scam reports, identifying their target area and potential influence, and responding accordingly with public alerts and media advisories. All divisions take a proactive approach in adapting to an ever-changing economy and electronic community. For example, the Public Information was one of the first state agencies to launch a social media campaign with YouTube postings on important events, scams, and consumer news, a Facebook page, and a Twitter account. Additionally, the Department began producing radio segments to
broadcast to nearby consumers. This foresight about the methods that younger generations of consumers receive and process information is an example of how the Department changes not only with customers, but also leads the way in improving communication and dialogue. Furthermore, the Department collaborates with other organizations and new technologies, such as online chats, to identify changing customer/business needs. In the future, the Department will attempt to obtain feedback from other groups of customers so that more specific customer/business needs may be identified. The Department has recently established advisory boards and roundtables for the four major regulatory programs. Discussion includes ways to enhance services the Department provides through drafting and amending legislation, licensing, training and education, on-line filing, outreach efforts and publications for the general public.

3. What are your key customer access mechanisms, and how do these mechanisms enable customers to seek information, conduct business, and make complaints?

The Department has established two major telephone hotlines: Senior Fraud and Mortgage Fraud, in cooperation with the Lt. Governor’s Office on Aging and the SC Attorney General, respectively. These new initiatives were in their beginning stages at the beginning of this fiscal year and continue to gain consumer attention and business throughout the year. Additionally, the continuing popularity of the Department’s monthly and quarterly publications, coupled with telephone “Tele-Tips,” the website and online complaint filing, as well as personal outreach visits, workshops, and other events provides a great forum for customers to access the Department.

4. How do you measure customer/stakeholder satisfaction and use this information to improve?

A “hard measure” of customer satisfaction utilized by the Department of years is the closing status of complaints. After analysis, each complaint is given a closing status based on the factors below:

- **Satisfied**: The business resolved the complaint to the consumer’s satisfaction or provided an explanation that the Department deemed acceptable.
- **Unsatisfied**: The business would not reply or would not make a good faith effort to resolve the complaint.
- **Undetermined**: The facts were disputed, and the Department could not make a determination of responsibility.
- **Abandoned**: The Department was unable to contact the consumer concerning clarification and/or additional information needed to complete the initial processing procedure.
- **Insufficient Merit**: The Department determined that there was insufficient validity to the complaint. (This designation is seldom used.)

Regarding licensees, the Department utilizes various means in an attempt to ascertain their satisfaction. One of the most successful methods is the establishment of Roundtables for Department-regulated industries. Each Roundtable is composed of members of the regulated industry as well as pertinent Department staff members. The frequency of meetings differs by industry, but most are quarterly. At the meetings, Department policies, current legislation and hot topics are often discussed. This allows the Department the opportunity to receive feedback from those on the front lines. The Department also participates in trade association meetings of the industries regulated. Comments and suggestions are often received and taken into account as
a result of the Department’s attendance. Overall, the Department has open lines of communication with the industries it regulates as the Roundtables and Department participation create a relationship ripe for the exchange of ideas.

The Department utilizes information gathered during meetings and comments received from licensees through other methods of communication in the review of current policies, procedures, statutes, etc. This process often attributes to the drafting of new legislation and amending of current laws and Department procedures and forms.

5. How do you use information and feedback from customers/stakeholders to keep services and programs relevant and provide for continuous improvement?

Because individual consumers provide feedback to individual staff members, the Department empowers staff to resolve complaints in the most relevant, targeted method for each customer without having to notify management. As long as actions are ethical and fall within the boundaries of the Department’s mission and authority, employees are encouraged to think outside the box and take each customer as an opportunity to provide personalized service and improve traditional methods. In the same vein, management attempts to pinpoint where the specific process broke down and fix the problem or implement a new procedure, if necessary. Action taken by management is communicated through supervisors to the affected staff. Complaint information is maintained in a database to bolster programs and services so that problem areas for the public can be identified, the public can be warned of alarming trends or deceptive business practices, and cases can be built for legal or legislative action. This database is vital for the Department to encourage fairness in consumer transactions whenever possible.

6. How do you build positive relationships with customers and stakeholders? Indicate any key distinctions between different customer groups.

The Department’s internal “open door policy” is extended to all customers and stakeholders. Dialogue with businesses that the Department regulates, businesses involved in consumer complaints, consumer groups and communities from all backgrounds, and each resident of South Carolina. The Department builds these coalitions and partnerships by aggressively seeking cooperation from different community groups and consumer-related groups. For businesses complained against by customers, the Department provides information to assist in bringing about a fair resolution to a complaint. The Enforcement Division provides advisory reviews to regulated businesses to bring them into compliance before violations occur and penalties are assessed. The Department provides continuing education to mortgage loan brokers at no charge to assist them in obtaining the required number of credits each year. Public speaking with civic and education groups and showing no bias in presentations and mediations are also helpful in building positive relationships. The Department attempts to be nonpartisan in its approach to legislative issues. The most important factor in building positive relationships, no matter who the customer is, has
been providing timely information or results. To improve dialogue with businesses regulated by the Department the customer-focused advisory boards and roundtables were established for the Prepaid Legal, Mortgage Broker, Professional Employer Organizations and Pawnbroker regulatory programs. Discussion includes ways to enhance services the Department provides through drafting and amending legislation, licensing, training and education, on-line filing, outreach efforts and publications for the general public. These groups meet quarterly. Additionally, the Department has held a forum for law enforcement officers, which focused on ways of working cooperatively to protect consumers against fraudulent and deceptive practices.

- Category 4 – Measurement, Analysis, and Knowledge Management

1. How do you decide which operations, processes and systems to measure for tracking financial and operational performance, including progress relative to strategic objectives and action plans?
The Department is guided primarily by the South Carolina Consumer Protection Code, which provides requirements for advocacy, complaint mediation, credit and regulatory enforcement, and education. All activities are viewed in terms of effectiveness and cost efficiency per the discernment of the Administrator and senior leaders. Complaints with an “unsatisfactory” closing status have been found to be key in discovering unfair trade practices, and stopping such practices has been an indicator of the Department’s success.

2. How do you select, collect, align, and integrate data/information for analysis to provide effective support for decision making and innovation throughout the organization?
The Department continues to seek cost- and time-efficient methods for data integration and is continuing to move towards electronic forms of collection and analysis. Information, however, is backed up through hard copies in paper form. There are standard electronic reports and ad hoc reports that can be and are created from the system. Bringing the electronic and the paper information together is a manual process. Decisions are made from this final compilation.

3. What are your key measures?
- Refunds, adjustments and credits achieved through complaint mediation
- Closing status for mediation of complaints
- Savings for consumers through intervention in utility and insurance cases
- Top categories for consumer complaints received
- Number complaints received annually
- Number of licensing and registration filings processed annually
- Cost to process a consumer complaint
- Cost to review a license application
- Number of onsite audits of regulated businesses

4. How do you select and use comparative data and information?
The Department compares trends nationwide, on the eastern coast, and more narrowly throughout southeastern states, depending on the issue, to determine trends and likely patterns. Decisions are based on what has happened historically. Data from the Consumer Services Division is analyzed monthly and compared to prior months and years for trends. Consumer needs are identified and made public through the media, public speaking engagements,
5. How do you ensure data integrity, timeliness, accuracy, security, and availability for decision-making?

Set standards and performance expectations provide a measuring stick for decision-making and data-processing. These pre-determined guidelines have been established for complaint analysts to determine the closing status of each complaint. These guidelines are followed, and the Director of Consumer Services and the Deputy for Enforcement assist in the determination when requested. Senior leaders not only do spot-checking of problem complaints, but also review the work product of employees and offer 360° feedback.

Trends, particularly top complaint categories, influence the Department’s priorities, focus and decisions. Utility and insurance filings are reviewed to determine if the Advocacy Division should intervene at the Public Service Commission or the Department of Insurance.

6. How do you translate organizational performance review findings into priorities for continuous improvement?

We use our agency-wide audit, monthly progress reports, and informal anecdotal evidence. When consumers and other stakeholders and customers call and ask why we do things a certain way – we are open to change.

7. How do you collect, transfer, and maintain organizational knowledge? How do you identify and share best practices?

Organizational knowledge is collected and maintained through agency-wide staff meetings. These meetings are documented, and any best practices are communicated to all employees through the agency’s internal newsletter, “The Week Ahead.” Every news release or major public communiqué is sent to staff first. Weekly meetings are held to provide computer training and information sharing.

• Category 5 – Workforce Focus

1. How does management organize and measure work to enable your workforce to: 1) develop to their full potential, aligned with the organization’s objectives, strategies, and action plans; and 2) promote cooperation, initiative, empowerment, teamwork, innovation, and your organizational culture?

By monitoring trends, growth, and practices of regulated businesses, senior management is able to realign priorities as necessary based on industry need and Department capability. Communication methods mentioned in category 1.a) above (leadership communication) are also used to communicate priorities for improvement. Agency-wide staff meetings are used frequently to communicate key priorities to staff. Senior leaders are generally notified of key issues and priorities in group and individual discussions and meetings with the Administrator. As indicated throughout this report, the Department has processes in place for evaluating these areas and for promoting cooperation, innovation and teamwork, but a more formalized strategic planning process is the lynchpin. The communication methods employed, the goals and objectives set annually, and the forward-thinking and innovation of senior leadership create a
culture of progress improvement and teamwork that readily elicits staff cooperation, optimism and buy-in.

2. How do you achieve effective communication and knowledge/skill/best practice sharing across departments, jobs, and locations? Give examples.
Not only does the Department regularly reinforce two-way communication, but also communication across division and job lines. During division meetings, employees from Public Information and other divisions are encouraged to attend, so that important information can be communicated agency-wide and made available. Employees provide regular feedback to supervisors within their division and across division lines as observations are made. Every major project has a team leader and cross-divisional team. Immediately following a project, a “post-mortem” roundtable is held to assess the success of the project, and how it could have been better. The best example of this is the Department’s Homebuying 101 conference. The conference was sponsored entirely by public and private sector organizations so that it could be offered free to the consumers of South Carolina. The YouTube video project has encouraged participation from all divisions and has become a best practice among consumer agencies nationally.

3. How does management recruit, hire, place, and retain new employees? Describe any barriers that you may encounter.
The Department recruits and hires new employees in the traditional manner as espoused by the Office of Human Resource in the State’s Budget and Control Board. Employees are placed in the division most suiting their skill set, but further professional and personal development is encouraged and rewarded. Promotional opportunities that become available are most often made internally. Staff members who acquire new skills often have their position descriptions rewritten to accommodate a greater degree of performance and responsibility. The only barrier encountered at the Department is a lack of funding to fully compensate professional employees, reward extraordinary efforts of others, and fill more FTEs in critical divisions.

4. How do you assess your workforce capability and capacity needs, including skills, competencies, and staffing levels?
As stated in question 1 (above), senior management analyzes the trends and growth of regulated industries and realigns priorities based on industry needs and the Department’s capabilities.

5. How does your workforce performance management system, including feedback to and from individual members of the workforce, support high performance work and contribute to the achievement of your action plans?
The Department embraces the EPMS system and requires all supervisors to use this method. Some divisions even employ the 360º feedback system. And, as stated above, staff members who acquire new skills often have their position descriptions rewritten to accommodate a greater degree of performance and responsibility.

6. How does your development and learning system for leaders address the following:
a. development of personal leadership attributes?
b. development of organizational knowledge?
c. ethical practices?
d. your core competencies, strategic challenges, and accomplishment of action plans?
The Department attempts to hire employees who have a “burning desire” and other intangibles that make them self-motivated. Specific objectives are at times placed in employees’ planning documents. Training opportunities are made available for those employees whose talents or needs justify the training. Employees are encouraged to offer recommendations to improve operations and may submit thoughts or concerns via a suggestion box for review at senior management meetings. Other incentives currently under consideration include leave time or bonuses for employees who contribute valuable cost saving ideas. The Department’s core competencies (competence, respect, equality, education, dedication, integrity, and timeliness) are literally cheered at each all-staff meeting. It’s a great motivational tool!

7. How do you identify and address key developmental training needs for your workforce, including job skills training, performance excellence training, diversity training, management/leadership development, new employee orientation, and safety training?
As division directors identify customer needs, they address the division’s capabilities to meet those needs and address necessary skill training with supervisors and individual employees as needed. As an agency member of the State’s Government Improvement Network, the Department is able to take advantage of many inexpensive, but highly effective performance excellence training workshops and leadership development opportunities. Diversity training, new employee orientation and safety training are all components of the Department’s Human Resource Management staff and are ongoing.

8. How do you encourage on the job use of new knowledge and skills?
As stated above, staff members who acquire new skills often have their position descriptions rewritten to accommodate a greater degree of performance and responsibility. Other incentives currently under consideration include leave time or bonuses for employees who contribute valuable cost-saving ideas as well as promotional consideration as opportunities become available.

9. How does employee training contribute to the achievement of your action plans?
Success is achieved through teamwork. A successful team must be motivated, well-trained, and positive. These principles are not only believed, but exemplified at the Department. Action plans are evaluated and adjusted as necessary to fit the current consumer climate. Our staff is able to adjust and work smarter as a result of the cross-training and teambuilding work the Department has espoused over the years.

10. How do you evaluate the effectiveness of your workforce and leader training and development systems?
Each employee is asked to assess his/her training needs. Supervisors meet with their division directors, and training is requested as needed.

11. How do you motivate your workforce to develop and utilize their full potential?
Forward-thinking and progressive implementation of action plans requires forward-thinking and progressive-minded employees. Consequently, SCDCA makes employee development an ongoing, high-priority, conscious and concerted effort. Despite significant budget limitations, SCDCA allocated funds for employee development to assist in learning higher-level skills and
new ways of viewing the world. Additionally, many opportunities for two-way communication are provided to promote information sharing, motivate people and boost productivity. The methods include: input on program changes; divisional meetings; internal communication products and venues, one-on-one communication with management, group reads and staff retreats. All of these are vital methods for training staff and gaining their buy-in towards breaking down barriers to communication. Employees are asked to help design position descriptions, and duties/success criteria are signed off on. The Consumer Services and Enforcement Divisions have used a weighted system that motivates the employee to focus on priorities. Promotions, merit increases and bonuses are based on ratings.

12. What formal and/or informal assessment methods and measures do you use to determine employee wellbeing, satisfaction, and motivation?

The Department relies on its communication practices and open-door policies as an informal, though key measure of assessment. Well-being is assessed through daily contact and by engaging staff in many opportunities for communication. The Administrator has an “open-door” policy and annually implements the Administrator’s “15-minutes with Staff” for ALL staff, which allows them one-on-one conversation. The discussion focuses on ways to improve/enhance the overall program at the Department. The Department’s turnover rate has traditionally been low, and retention has been high. The lack of absenteeism has always been a good indicator of individual satisfaction. The Director of Consumer Services examines each complaint analyst’s number of pending, closed and newly-assigned complaints to get a sense for time management and staff motivation. Staff meetings are held, and the monthly progress report summarizes each Division’s activities. An exit interview is held when employment is terminated to discover reasons for dissatisfaction, if any.

13. How do you manage effective career progression and effective succession planning for your entire workforce throughout the organization?

As able, the Department provides career progression opportunities for staff and skill training, depending on budgetary constraints. Within the ideal structure there are two defined types of career progression. The first type is “progression within a title.” Most state employee titles are designed to reflect greater levels of proficiency within the title, e.g., specialist, coordinator, director. The second type of career progression is “progression across titles” which encompasses movement through a series of titles reflecting greater levels of supervisory, budgetary, and decision-making control and impact. The Department is always looking for people who are motivated, eager to help consumers who have been wronged in the marketplace, and who can develop rapidly as professionals and assume constantly increasing levels of responsibility. Strong performers are promoted and compensated as the budget allows.

14. How do you maintain a safe, secure, and healthy work environment?

Safety and accessibility were important factors in selecting the Department’s current location and subsequent floor plan. The Department sponsors a wellness program, and experts have been brought in to present tips on stress reduction, injury prevention, exercise, diet and nutrition. This past year, the Department was able to place blood pressure cuffs in the office to allow employees opportunities to monitor physical health and well-being. The Department has a Coordinator for the State’s Prevention Partner’s Program who keeps staff informed of all Prevention Partner opportunities and educational materials. Employees have participated in stroke screening, stress
management, aerobic exercise classes, wellness walks, blood pressure screening and the National “Wear Red Day,” which included the purchase of Red Dress pins to bring awareness to heart disease as the number one killer of women. These programs have made our workforce stronger and healthier, therefore reducing the amount of absenteeism and sick leave while promoting a healthy lifestyle. Employees are immediately notified of danger in the workplace via signs, email and the intercom system. Additionally, locks requiring security codes where installed at all entry points. These security codes are periodically changed on all doors to ensure the utmost safety for employees.

- **Category 6 – Process Management**

1. **How do you determine, and what are your organization’s core competencies, and how do they relate to your mission, competitive environment, and action plans?**

Core competencies emerge through an organizational process of accumulating and learning how to deploy different resources and capabilities and are demonstrated through new practices, achievements, and results. At the Department, we look no further than the Values we include in our mission statement: **Competence, Respect, Equality, Dedication, Integrity, and Timeliness.** Through its mission: To protect consumers from inequities in the marketplace through advocacy, mediation, enforcement, and education, the Department strives to be a CREDIT to South Carolina.

Our core competencies are determined through our mission statement and the expectations of customers and stakeholders. They include our consumer complaint mediation program, our credit expertise, the taxpayer insurance advocacy intervention program, and our licensing and regulatory competencies. These core competencies coupled with an assertive Public Information and Educational Outreach effort have allowed the organization to be recognized by taxpayers/ratepayers, stakeholders, the media, and peer organizations as an industry leader in government and consumer protection agencies.

2. **How do you determine and what are your key work processes that produce, create, or add value for your customers and your organization and how do they relate to your core competencies? How do you ensure these processes are used?**

Senior leadership has a mandate to continuously improve the organization's capacity to handle its internal and external functioning and relationships. This would include such things as improved interpersonal and group processes, more effective communication, enhanced ability to cope with organizational problems of all kinds, more effective decision processes, more appropriate leadership style, improved skill in dealing with destructive conflict, and higher levels of trust and cooperation among organizational members.

These objectives stem from a value system based on an optimistic view of community and network — that individuals in a supportive environment are capable of achieving higher levels of development and accomplishment

3. **How do you incorporate organizational knowledge, new technology, cost controls, and other efficiency and effectiveness factors, such as cycle time, into process design and delivery?**
The Department employs the Plan, Do, Check, Act process deployment.

4. How does your day-to-day operation of these processes ensure meeting key performance requirements?
Regular feedback internally and externally including our stakeholders and customers, as well as policy-making boards and commissions, and from senior leadership to front line employees ensures that our key performance requirements are met.

5. How do you systematically evaluate and improve your key product and service related work processes?
The Department’s key product – consumer awareness, education, and protection – is continuously improved by adding methods to reach consumers and regulated businesses, such as embracing new methods of communication: producing Consumer Minutes and Consumer Tips on YouTube and staff blogging. Partnership with SCBOS allows more convenient and accessible online licensing and registration for regulated business. Work processes are evaluated annually and improvements are made as technology allows.

6. What are your key support processes and how do you improve and update these processes to achieve better performance?
Key support processes include accounting, human resources, procurement, mail distribution and computer services. The Deputy for Administration monitors the response time for these processes and takes corrective action, such as prioritizing, if necessary.

7. How does your organization determine the resources needed to meet current and projected budget and financial obligations?
Employees are encouraged to use available resources to perform duties, but are encouraged to think of new resources that would result in long-term savings, cost efficiencies, and enhanced performance. Resource purchases and acquisitions are submitted through supervisors, directors, and receive approval from the Administrator and purchasing supervisor to ensure projected budget expenditures are not exceeded. The Department strives to maintain the same level of consumer refunds and business savings, despite budget constraints and limited resources.

- Category 7 – Business Results

7.1. What are your performance levels and trends for your key measure of mission accomplishment/product and service performance that are important to your customers?
FY01 included 8,313 filings for prepaid legal services, which was a new responsibility as of Act 328 of 2000. FY02 includes 7,939 filings for prepaid legal services registrations and FY03 includes 7,450 filings for prepaid legal services. Due to a saturation of the industry market in South Carolina, FY04 registrations for prepaid legal representatives declined to 4,380. FY05 includes the first time licensing of 3,125 mortgage loan originators. FY06 includes the licensing of 3,791 mortgage loan originators. FY07 includes 7,533 Preneed Funeral Contracts received for regulatory review and filing. FY08 includes 7,263 Preneed Funeral Contracts. There were 3,093 mortgage loan originators licensed in FY08. FY09 saw the decline of licenses for mortgage brokers and loan originators due to the mortgage/housing crisis nationwide.
The Department closed a record-high 6,142 complaints during FY09, despite a 15-day voluntary staff furlough taken by each employee during that time.

What are the performance levels and trends for the key measures on customer satisfaction and dissatisfaction?

Chart 7.2-1

Savings for Consumer Through Complaint Mediation
The Department required a large automobile dealer operating in South Carolina to refund $1.3 million in excess finance charges to consumers in FY05 and continued in FY06 for failure to file a Maximum Rate Schedule in 2002 and 2003. Over $94,000 was forwarded to the State Treasurer’s Office as unclaimed property during FY06-07 (cash refunds) from this regulatory compliance action. Refunds and adjustments to consumers totaled $1,707,000 for FY09.

**Chart 7.2-2**

<table>
<thead>
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<th></th>
<th>FY 00</th>
<th>FY 01</th>
<th>FY 02</th>
<th>FY 03</th>
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<th>FY 06</th>
<th>FY 07</th>
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<th>FY 09</th>
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<tr>
<td>Satisfactory Closing Rate</td>
<td>77.3%</td>
<td>78.9%</td>
<td>75.4%</td>
<td>75.7%</td>
<td>82.5%</td>
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<td>85.0%</td>
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**Chart 7.2-3**

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<tbody>
<tr>
<td>Unsatisfactory Closing Rate</td>
<td>13.5%</td>
<td>11.5%</td>
<td>14.7%</td>
<td>14.6%</td>
<td>9.2%</td>
<td>6.0%</td>
<td>7.1%</td>
<td>9.3%</td>
<td>5.7%</td>
<td>6.2%</td>
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**Chart 7.2-4**

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<th>FY 02</th>
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<tr>
<td>Savings for Consumers Through Intervention in Utility and Insurance Cases</td>
<td>$38,698,943</td>
<td>$43,174,140</td>
<td>$73,146,900</td>
<td>$82,388,219</td>
<td>$116,000,000</td>
<td>$132,300,000</td>
<td>$4,600,000</td>
<td>$30,700,000</td>
<td>$90,000,000</td>
<td>$71,000,000</td>
<td>$73,100,000</td>
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The Department anticipates continued savings for insurance consumers in addition to the amounts reported above. The savings from past fiscal years will continue to benefit consumers until companies come back to the regulators to change rates. Effective January 1, 2005, the Advocacy regulatory review program for utilities was transferred to the Office of Regulatory Staff.
In FY09, an additional $4,915 was refunded to consumers as a result of on-site compliance reviews of mortgage loan brokers, pawnbrokers and physical fitness centers.

Vehicles lead the way again in categories with complaints received during FY09. One of the fastest growing areas of concern is mortgage fraud and housing-related complaints, following the collapse of the housing market nationwide. Debt collection complaints remains high on the list as it did in FY08. Also, internet-based complaints are on the rise as consumers increasingly turn to web-based services for affordability and convenience.
Chart 7.2-7

The Consumer Services Division achieved totaled refunds, credits and adjustments in the amount of $1,448,097.72 for FY09. A total of $181,129 in refunds involved Manufactured Homes. Refunds for the vehicle category totaled $443,930 during the FY09.

What are your current performance levels for your key measure on financial performance, including measure of cost containment, as appropriate?

Chart 7.3-1

Despite a 15-day voluntary furlough taken by each staff member and additional budgets cuts and fiscal limitations, the Department maintained its high level of revenue performance in FY09, collecting $1,826,941 for the SC general fund and SCDCA operations. The Department did this by cost containment per complaint and per investigation in addition to bringing in record amounts of savings in the Consumer Services and Advocacy Divisions.
What are your performance levels and trends for your key measures of workforce engagement, workforce satisfaction, the development of your workforce, including leaders, workforce retention, workforce climate including workplace health, safety, and security?

It is important that the SCDCA is able to identify, develop and sustain leadership at all levels -- "Control your destiny . . . or somebody else will!" To better serve South Carolina consumers, SCDCA aggressively monitors national, state, and local trends and issues in the marketplace and delivery methods that can provide information rapidly.

As mentioned, without leaders at every level of SCDCA, the agency may well under-perform. It may miss strategic opportunities, stifle innovation, underutilize employees, and fall short of its goals in customer service, quality, and productivity. SCDCA believes that leadership at every level of an organization makes the difference as to whether or not it will flourish and thrive or become a mediocre survivor.

SCDCA’s strategic plan has found many ways to engage staff in participating fully.
1. Placement of the Department's Mission Statement in all offices. This serves as a daily reminder of “who we are.” Understanding the vision, mission, values, objectives, strategies goals, and programs serve as a framework for decisions or for securing support/approval.
2. Periodic cross-training between divisions. This helps staff gain a clear understanding of all Department areas’ strengths and areas for improvement. This method assists in benchmarking
and performance monitoring. This also assists staff in understanding the nuances of cultural and
custom differences that exist in the workplace.
3. A once-a-year mandatory group read. Books are selected that motivate staff on success and
achievement. Cross-sectional staff dialogue is held when the book is completed. There is also a
non-mandatory mid-winter read of books recommended by staff.
4. Hosting a series of meetings to facilitate discussions from a cross section of staff from
throughout the organization on specific issues. Strategies are developed for addressing areas for
improvement that incorporate employee suggestions and responsibility.
5. Maintain communication with staff through monthly full-staff meetings, facilitated bi-monthly
division meetings and continuous inter-departmental communication.
6. An annual full-staff retreat is held to further solidify the Department's Mission and goals.

Additionally, well-being can be assessed through daily contact. The Department’s turnover rate
has traditionally been low, and retention has been high. Absenteeism has always been a good
indicator of individual dissatisfaction. The Director of Consumer Services examines each
complaint analyst’s number of pending, closed and newly-assigned complaints to get a sense for
staff motivation. An exit interview is held when employment is terminated to discover reasons
for dissatisfaction, if any. A recent employee incentive program asked employees to develop a
logo and a slogan for the Agency. Approximately 82% of all employees participated in the
program. This is a good example of a key measure of employee involvement and development.
There were over 75 slogans submitted and over 20 logo designs.

What are your performance levels and trends for your key measures of organizational
effectiveness/operational efficiency, and work system performance (these could include
measures related to the following: product, service, and work system innovation rates and
improvement results; improvements to cycle time; supplier and partner performance; and
results related to emergency drills or exercises)?

To meet the challenges of 2008-2009, the Department was decisive in setting priorities on
actions that raised its effectiveness in protecting consumers, focused on improving business
processes (SC Business One Stop, webinars, internal advisory boards and roundtables for
business feedback) and providing efficient processes and participating in an accounting system
(SC Enterprise Information System-SCEIS) that tracks activity-level costs, aligned for the
organization as a whole. Organizational-level analysis and review likely would emphasize
productivity growth, cost control, and quality.

What are your performance levels and trends for the key measures of regulatory/legal
compliance and community support?
In FY99 and FY00, the Department analyzed a higher number of applications for motor club representatives than normal. In FY05 the Department reviewed 3,536 loan originators and 1,248 mortgage loan broker license applications. This was the first year for mortgage loan originator licensing. In FY07, 4,402 loan originators were licensed and a total of 3,093 were licensed in FY08. Due to the reduction in the sub-prime mortgage financing industry, there has been a decline in the number of mortgage loan brokers and loan originators licensed. The Department, however, analyzed an agency-high 20,829 applications in FY09 due to an increase in preneed contract licensing, prepaid legal services, and credit counselors and organizations, and athlete agents among others.

The Department again posts record numbers, conducting 931 compliance reviews and inspections for regulated businesses during FY09.
The Department licensed 51 continuing care retirement communities in FY09 as it did in FY06, FY07, and FY08.

Through staff restructuring, the Legal Division was able to reinstate the automobile advertising advisory letter effort in FY08. The increase volume of advertising compliance letters issued continued in FY09 with 139.
The Department doubled its initiated enforcement actions in FY09 compared to FY08.

### Licensing Activity FY 2008-2009

<table>
<thead>
<tr>
<th>Licensee</th>
<th>Reviewed</th>
<th>Approved</th>
<th>Pending</th>
<th>Denied</th>
<th>Returned</th>
<th>Inactive</th>
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<tbody>
<tr>
<td>Athlete Agents</td>
<td>39</td>
<td>12</td>
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<td>Credit Counseling Organizations</td>
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<td>Credit Counselors</td>
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<td>500</td>
<td>429</td>
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<td>Loan Originators</td>
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<td>780</td>
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<td>Motor Clubs</td>
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<td>Motor Club Representatives</td>
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<td>Pawnbrokers</td>
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<td>Preneed Funeral Companies</td>
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<td>Preneed Contracts</td>
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<td>Prepaid Legal Companies</td>
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<td>2890</td>
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<td>8</td>
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<td>7</td>
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<tr>
<td>TOTAL</td>
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<td>15301</td>
<td>1416</td>
<td>25</td>
<td>10</td>
<td>4167</td>
</tr>
</tbody>
</table>

### Refunds from Legal and Enforcement Actions

- Consumer refunds from closed health spas: $79,359.43
- Consumer refunds from unlicensed credit counselors: $100,792.75 (to 165 consumers)
• Consumer refunds from compliance reviews & inspections: $4,915.00

• Consumer refunds from criminal cases: $404,261.00
  (including odometer tampering)