SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS

ANNUAL ACCOUNTABILITY REPORT

FISCAL YEAR 2011-2012

Accountability Report Transmittal Form

Agency Name: South Carolina Department of Consumer Affairs

Date of Submission: September 10, 2012

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EXECUTIVE SUMMARY

Established in 1974 by the Consumer Protection Code (Code), Sections 37-1-101 *et seq.*, the South Carolina Department of Consumer Affairs (DCA or Department) is the state consumer protection agency. DCA is the administrator and enforcer of the Code, as well as other regulatory statutes outside the Code. In this capacity, the Department helps to formulate and modify consumer laws, policies and regulations; regulates the consumer credit marketplace; resolves complaints arising out of the production, promotion or sale of consumer goods or services in South Carolina, whether or not credit is involved; and promotes a healthy competitive business climate with mutual confidence between buyers and sellers. Overall, the agency protects consumers while giving due regard to those businesses acting in a fair and honest manner.

Major Achievements

Agency-wide

- The agency **recovered over $2.66 million** in refunds, credits and adjustments for consumers nationally and internationally; but most importantly, those living in South Carolina. (Of that figure, $1,323,850 is from Consumer Services, $192,341 is from Legal, $1,145,240 is from Advocacy). ***This amount exceeds the agency's FY12 appropriations by more than $170,000.***

Complaint Mediation

- The Department mediated and **closed 83% 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.
- Received more than **4,837** complaints during FY12, 579 of which are still pending.
- Provided services (walk-ins, referrals, general questions, etc.) to **12,516** persons.

Mission Statement

Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

Values

The Department strives to be a CREDIT to our State by holding the following values as essential in our relationships and decision-making:

C ompetence

R espect

E quality

D edication

I ntegrity

T imeliness

Compliance/Enforcement Activity

- Processed **14,350** licensing applications.
- Conducted **297** compliance reviews and inspections of regulated businesses.
- Sent **54** advertising compliance letters.
- Conducted **182** special assignments and complaint investigations.
- Reviewed over **31,500** transactions logged in the South Carolina Mortgage Log System. The application launched in FY11.

Advocacy Division Activity

- Reviewed **691** insurance notices.
- Processed **138** applications for Discount Medical Plan Organization, Continuing Care Retirement Community and Professional Employer Organization (PEO) licenses.
- Reviewed over **500** PEO annual reports to ensure compliance with the statutory minimum net worth requirement.
- Reviewed and processed the continuing education compliance reports of over **210** PEO key management personnel.

Administration Division

- Posted over **1,017** revenue transactions, which included processing multiple checks per transaction, for deposit into the General Fund and agency earmarked accounts.
- Processed over **9,102** filings for regulated businesses.

Cooperative Efforts with the General Assembly, Government Agencies and Businesses

- ***General Assembly Efforts***- The Department continued its efforts in advising the Legislature on issues affecting consumers.
    - The agency provided testimony on several pieces of proposed legislation, including telemarketing, Athlete Agent Act amendments and a Consumer Protection Code amendment regarding finance charges.
    - The agency saw passage of amendments to the Preneed Funeral Contracts statute, requiring licensees to renew and adding felony penalties. A revised Physical Fitness regulation clarifying, among other issues, financial responsibility requirements also became effective.

- ***Government Agencies***- DCA continued leveraging its resources by entering into joint investigations and otherwise assisting and collaborating with other agencies.
    - Investigators compiled mortgage fraud and timeshare resale cases for FBI analysis.

- DCA continued its collaboration with the SC DMV Automobile Dealer's section to identify automobile dealers that are not complying with applicable laws.
- DCA brought enforcement actions in 10 pawnbroker cases referred to the agency by local law enforcement and the Bureau of Alcohol, Tobacco and Firearms.
- Investigators formed a training partnership with Batesburg-Leesville Police Department.
- Participated in several multi-state mortgage broker investigations.
- In FY12, **1,258** businesses utilized the South Carolina Business One Stop (SCBOS) system to file required documents with the Department, an increase from FY11 when 1,143 businesses used the system.

Outreach, Partnerships and Customer Focus

- ***Presentations*** - Conducted **41** presentations to more than **9,000 people** in various consumer groups, trade associations, churches, the legal community and government organizations. Specific audiences included magistrates, senior center members, USC Consumer Law class, Mortician's Association and SC Bar members. In conjunction with the Attorney General and AARP, reached over 7,000 people in a 'Tele-Town Hall' on Investment Scams. Also, offered **4 webinars** to the credit counseling industry on various applicable laws.
- ***Publications*** - Released **7** consumer publications on topics such as tax time scams and fraudulent vacation rental listings, and **3** Scam Alerts. Compiled a Guide for Auto Dealer's, addressing applicable laws, rules and regulations. Also, developed reports on Security Breaches and the Credit Counseling industry.
- ***Social Media*** - DCA currently has **over 85,000 views** (22,000 more than FY11) for its 18 YouTube videos. Twitter followers **(nearing 2,000)** are up **20%** from last year. Launched a new Facebook page.
- ***Technology Updates*** - Continued development of online complaint database and online licensing systems. When implemented, these systems will increase the Department's efficiency and simplify filing processes. Launched the new website on April 18, 2012, offering

Key Strategic Goals for Present and Future Years

1. Obtain the necessary funding and personnel to effectively administer and enforce the laws assigned to DCA.

2. Develop and enhance technology systems to increase DCA's efficiency and effectiveness.

3. Increase public awareness of DCA, its services and accomplishments.

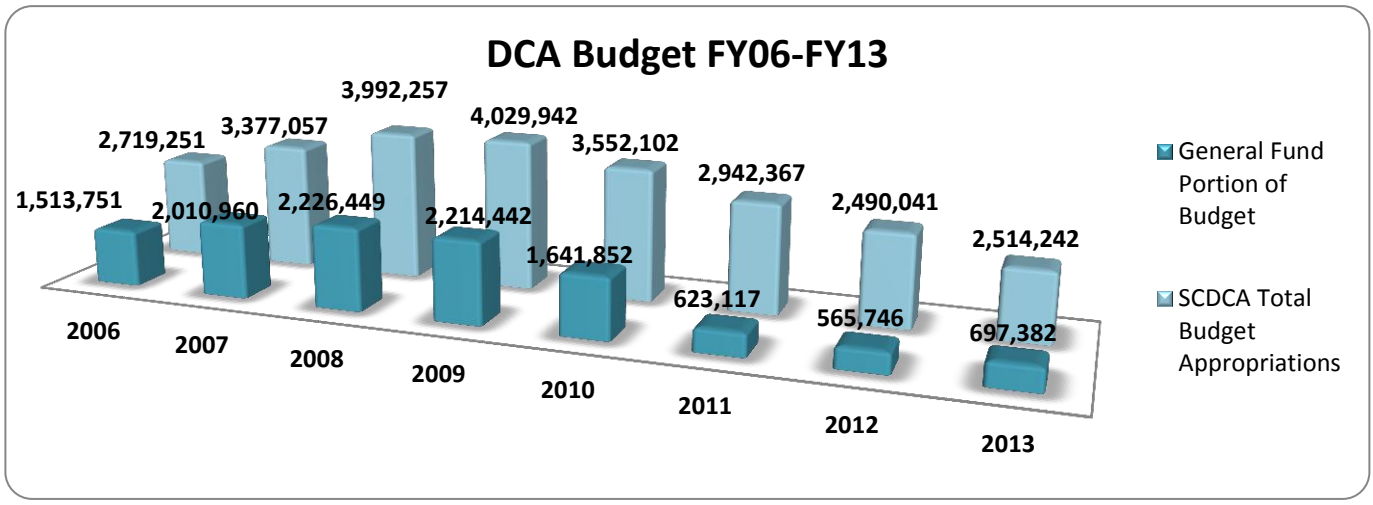
4. Enhance internal communications to build knowledge, bolster morale and enable staff to perform at the highest level.

consumers and businesses more easily accessible information.

- ***National Consumer Protection Week*** **-** In partnership with SHRED 360, held **3 FREE Shred Days** in 5 locations, resulting in over **35,000 pounds** of shredded paper. DCA partnered with the US Postal Inspection Service and Better Business Bureau to conduct telephone banks across the state and answered hundreds of consumer fraud questions.
- ***South Carolina Libraries*** - Continued partnership with the Friends of the Florence County Library with e-mail Fraud Alerts, a lunch and learn program on investment scams and a teen lock-in. The lock-in featured a game show style Q & A, with **over 150** children in attendance.
- ***Palmetto Affordable Housing Forum*** - The Department provided several presentations at the forum on topics such as debt collection, mortgage fraud, foreclosure and credit scores. More than **530** persons attended the Forum.
- ***US Consumer Product Safety Commission (CPSC)*** **-** Staff completed **29** Recall Effectiveness Checks throughout the state for recreational vehicles, household furnishings and other consumer products in partnership with the CPSC. DCA also entered into a contract with the CPSC to perform 10 undercover investigations in FY13.
- ***LifeSmarts*: *The Ultimate Consumer Challenge*** - DCA annually coordinates the State's *LifeSmarts* competition, a National Consumers League program. This national program helps high school students develop and demonstrate an understanding of personal finance, health and safety, environment, technology and consumer rights/responsibilities. Lower Richland High School from Hopkins, won the state competition again this year and represented South Carolina at the national competition held April 21-24 in Philadelphia, PA.

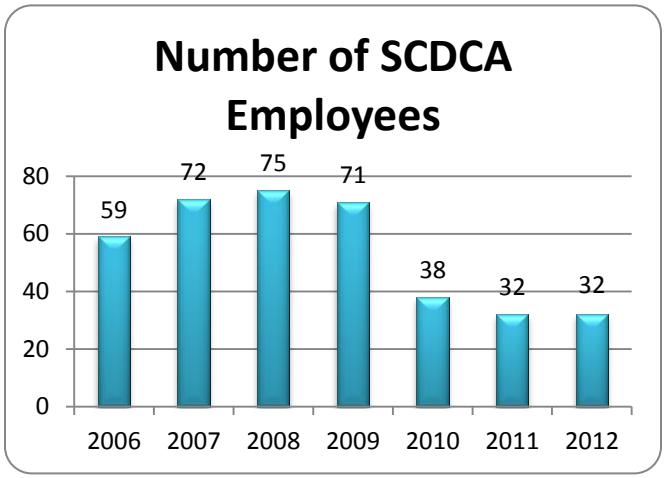
Key Strategic Challenges

DCA experienced severe budget cuts between FY09 and FY12. The budget reductions not only occurred at the General Fund level, with the agency receiving a more than $1.6 million base appropriations cut from FY09-FY12, but other funds have decreased as well. The industries regulated by the Department have been affected by the economic downturn; thus licensee numbers sharply declined. While the Legislature sets the amount of Other Funds the agency can maintain, there is no guarantee such funds will actually be received, leaving DCA vulnerable



when our mission has taken on even more importance as an unprecedented number of consumers have lost their jobs and/or are financially distressed.

DCA implemented several initiatives to cope with the drastic reduction in funds, including implementing a 40% reduction in force in FY10, and in FY11, moving into a state building, furloughing 14 days, turning in a majority of its leased vehicles and ceasing providing certain services.



DCA staff continues to be dedicated and have taken on additional duties in an attempt to continue carrying out the agency's mission and statutory duties. Budgetary constraints, however, contribute to the agency's inability to hire needed staff or appropriately compensate those whose job responsibilities have grown and who continue to provide superior service. The agency is turning to technology for assistance and employing internal reviews to shift with the current climate, but maintaining a qualified workforce is of utmost importance.

Accountability Report in Improving Organizational Performance

Preparation of the Accountability Report allows senior leaders the opportunity to take a full view of the accomplishments achieved during the prior year, assess areas needing improvement and set future goals. The report also provides the agency's big picture for all staff so they, too, can ascertain the agency's overall productivity.

BUSINESS OVERVIEW AND ORGANIZATIONAL PROFILE

Description of Major Services

The General Assembly has charged DCA with advising the Legislature and Governor on consumer issues and state of credit in this State. The Department is the administrator and enforcer of the law governing consumer credit transactions and also has responsibility over the following industries: **Motor Clubs** (Act 400 of 1984), **Rent-to-Own businesses** (Act 121 of 1985), **Physical Fitness Services** (Act 165 of 1985), **Pawnbroker**s (Act 491 of 1988), **Mortgage Loan Brokers** (Act 544 of 1988), **Telephone Solicitations** (Act 656 of 1988), **Continuing Care Retirement Communities** (Act 97 of 1989), **Express Warranties on Motor Vehicles** (Act 142 of 1989), **Athlete Agents** (Act 456 of 1990; Act No. 300 of 2004), **Motor Vehicle Subleasing** (Act 132 of 1991)**, Loan Brokers** (Act 452 of 1992), **Motor Fuel Pricing** (Act 161 of 1993), **Professional Employer Organizations** (Act 169 of 1993), **Prize Promotions** (Act 483 of 1994), **Prepaid Legal Services** (Act 328 of 2000), **Motor Vehicle Dealer Closing Fees** (Act 387 of 2000, Part II, § 82), **Discount Medical Plan Organizations**

(Act 377 of 2006), **Consumer Credit Counseling** (Act 111 of 2005), **Preneed Funeral Contracts**, transferred from the Board of Financial Institutions on July 1, 2006, and the regulation of the sale of **cosmetic contact lens without a prescription from an authorized dispenser,** effective July 1, 2005.

DCA also provides consumer law guidance to the financial industry, magistrates, attorneys, and law enforcement agencies, just to name a few, and serves as legal counsel for the Board of Financial Institutions' Consumer Finance Division.

As the state agency designed to represent the insurance interests of consumers, DCA reviews insurance rate requests filed with the Department of Insurance, predominantly involving homeowner's insurance and worker's compensation insurance rate filings. When needed, an action is filed and DCA submits evidence in hearings that demonstrate the rate request is not justified and often results in adjudications or settlements that generate savings for consumers and businesses alike.

DCA also processes and mediates written consumer complaints, seeking to find equitable solutions for the consumer and the business, including refunds, adjustments and credits to consumer accounts. The agency takes consumer complaints against businesses regulated by DCA, refers complaints that fall within another agency's jurisdiction, and handles those complaints against businesses that are unregulated. Given the thousands of complaints DCA fields each year (including hundreds which are referred by elected officials, the Better Business Bureau and other agencies) it is clear that the availability of DCA's mediation process takes a large load off the court system. This service saves consumers and businesses the often prohibitive cost of hiring a private attorney and going through the already congested court system. The Department provides SC taxpayers with a readily available, experienced, and cost-effective mediation service. The complaint mediation services offered and provided by DCA are unmatched by any state or federal agency as the Department serves as the sole agency engaging in the mediation of individual complaints against unregulated businesses.

DCA serves as the main consumer education portal for consumers, business and the media. To ensure a high degree

The Consumer Protection Code authorizes the Department to:

-Analyze and mediate individual complaints;

-Investigate business practices if a pattern of fraud is suspected;

-Inform about complaints filed against a business;

-Educate consumers about unfair and deceptive practices; and

-Provide legal action to prevent persons from violating the Code and to prohibit unconscionable conduct.

The Code does not allow the Department to:

-Advise whether or not a business is reputable;

-Recommend a company with which an individual should do business;

-Handle complaints against a state agency.

of awareness of consumer rights and responsibilities, staff makes presentations and sponsors webinars on ID Theft, debt collection, foreclosures, credit and other popular topics for SC businesses, government agencies, service providers and consumers, particularly those of modest means and the elderly. The agency also answers hundreds of calls per month pertaining to consumer scams and laws, disseminates press releases and creates consumer education brochures.

The above services are primarily delivered through one-on-one interaction, distribution of information, use of social media and the practice of law.

Key Customers, Suppliers and Stakeholders

Key Customers

The Department's key customers are the consuming public, ratepayers, regulated and indirectly regulated businesses, law enforcement agencies, schools, community groups, the legal community, operations vendors, the media, consumer protection organizations, other state and federal agencies, national consumer groups, the Council of Advisors on Consumer Credit, the Commission on Consumer Affairs, the Governor's Office, the General Assembly and the US Congress. These groups expect prompt, efficient service and for the agency to utilize a fair and balanced approach in carrying out its legal functions.

"The knowledge you shared with us was indeed an eye-opener to the latest scams."

-Ms. Alston,
South Carolina Education Association-Retired Group

Key Suppliers

The Department's key suppliers include the consuming public, the General Assembly, the Board of Financial Institutions, SC Magistrate Court System, Budget and Control Board, US Congress, the Better Business Bureau, Federal Trade Commission, US Consumer Product Safety Commission, and the media.

Key Stakeholders

DCA's mission is broad and diverse, affecting all South Carolinians on one level or another. Other states having a version of the Uniform Consumer Credit Code also have an interest in Department activities, specifically in the legal arena.

Operation Location and Number of Employees

Operation Location

The Department of Consumer Affairs is located in Columbia at 2221 Devine Street, Suite 200. However, the Department provides statewide programs and services to the citizens of South Carolina. The agency's statewide toll-free phone number is 1-800-922-1594.

Number of Employees

The Department of Consumer Affairs currently has 33 full-time positions. Thirty-two of these positions are filled, with 7 funded by state appropriations and 26 funded by revenue generated from the administration and enforcement of the code and other statutes under DCA's jurisdiction.

Regulatory Environment and Performance Improvement Systems

Regulatory Environment

DCA operates under the South Carolina Constitution, the South Carolina Code of Laws and South Carolina Code of Regulations.

Performance Improvement Systems

Performance measures are discussed monthly in Division and full staff meetings where idea exchanges take place regarding areas needing improvement. Senior management also presents performance benchmarks and updates to the Department's Commission on a monthly basis. The agency also utilizes the annual Employee Performance Management System as a catalyst for addressing performance on an individual level.

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 Commissioners serve four year terms. The Commission is the policymaking and governing authority for the Department, and is responsible for the enforcement of the Consumer Protection Code and appoints the Administrator. It meets on the second Tuesday of each month to discuss the Department's goals and objectives and to hear progress reports from the Administrator and staff. The Commission's current membership is as follows:

David Campbell, *Chair* (2013)	**Columbia**
Johnny Sosebee, Vice Chair (2014)	Piedmont
Magaly Penn (2014)	Simpsonville
Clifford Ray Keasler (2014)	Myrtle Beach
Terrell Parrish (2014)	Greer
Mark Hammond, *ex officio*	Columbia

The following Commissioners served until the time indicated: ***Carole C. Wells, (Sept. 2011).***

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 to discuss policies, procedures and customer expectations. The Department's senior managers are:

Administrator	**Carri Grube Lybarker**
Consumer Advocate/Deputy for Advocacy	Elliott Elam
Deputy for Administrative & Regulatory Services	Vacant
Deputy for Regulatory Enforcement	Danny Collins
Deputy of Public Information, Consumer Services & Education	Vacant
Director of Consumer Services & Education	Donna Backwinkel
Director of Human Resources	Sharon Jones

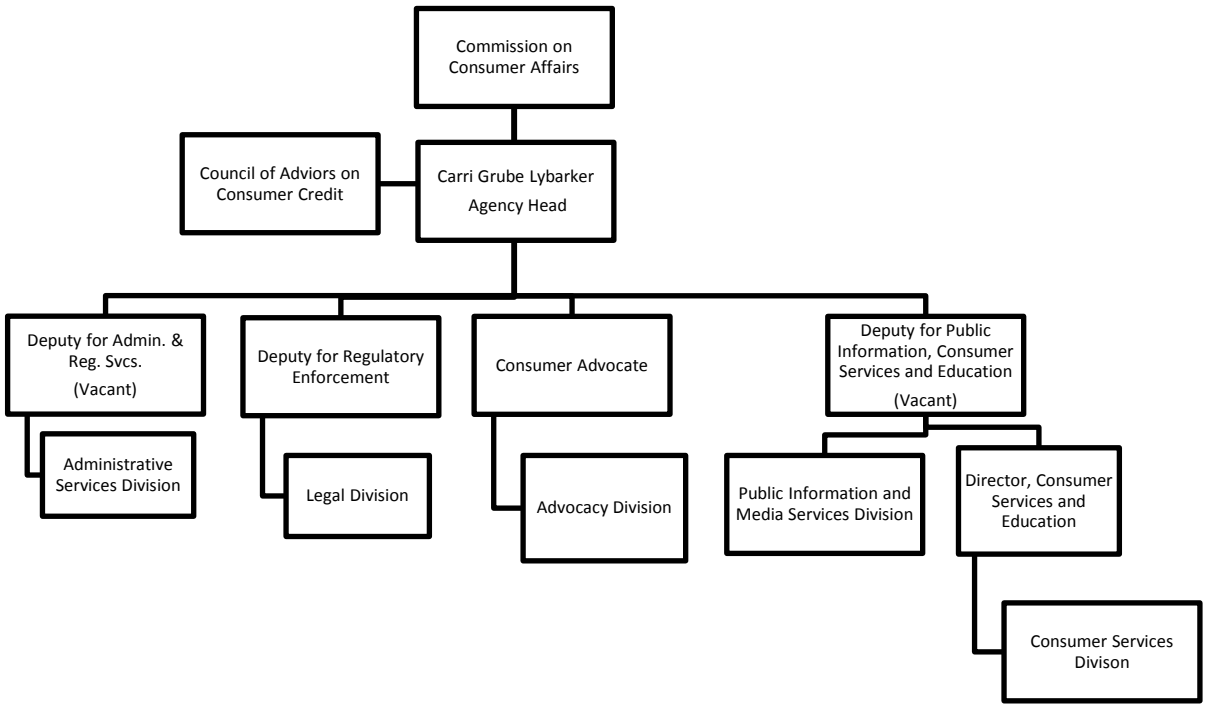
The Council of Advisors on Consumer Credit

The Council assists the Administrator in obtaining compliance with the Consumer Protection Code. The Council is composed of sixteen members appointed by the Governor for a four year term, 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:

Sharon C. Bramlett, Chair (2014)	**Columbia**
Wendy J. Culler, Vice Chair (2006)	Lancaster
Ruth Ellen Hardee (2007)	Columbia
Beatrice A. James (2003)	Florence
Richard A. Jones (2005)	Gaffney
Scott M. Malyerck (2007)	Irmo
C. Brian McLane, Sr. (2007)	Columbia
Victor C. McLeod, II (2003)	Greenville

Cassandra W. Rush (2005)	Columbia
Alethea (Lisa) Samuel (2006)	Columbia
Randall C. Cole (2008)	Florence
Ulysses S. G. Sweeney, III (2004)	Marion
Brent A. Weaver (2003)	Lexington

Organizational Chart



Base Budget Expenditures and Appropriations

Major Budget Categories	FY 10-11 Actual Expenditures		FY 11-12 Actual Expenditures		FY 12-13 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	$ 1,482,583	$ 319,548	$ 1,451,622	$ 350,998	$ 1,540,857	$ 358,288
Other Operating	$ 372,466	$ 111,916	$ 464,596	$ 58,199	$ 461,560	$ 170,000
Special Items	$ -	$ -	$ -	$ -	$ -	$ -
Permanent Improvements	$ 51,662	$ 41,001	$ (2,841)	$ -	$ -	$ -
Case Services	$ -	$ -	$ -	$ -	$ -	$ -
Distributions to Subdivisions	$ -	$ -	$ -	$ -	$ -	$ -
Fringe Benefits	$ 471,655	$ 156,142	$ 476,230	$ 163,743	$ 511,825	$ 189,349
Non-recurring	$ -	$ -				
Total	$ 2,378,366	$ 628,607	$ 2,389,607	$ 572,940	$ 2,514,242	$ 717,637

Other Expenditures

Sources of Funds	FY 10-11 Actual Expenditures	FY 11-12 Actual Expenditures
Supplemental Bills	$	$
Capital Reserve Funds	$	$
Bonds	$	$

Major Program Areas

Program Number and Title	Major Program Area Purpose (Brief)	FY 10-11 Budget Expenditures	FY 11-12 Budget Expenditures	Key Cross References for Financial Results*
III.	Consumer Services and Education - Receive and process consumer complaints filed against businesses and provide a voluntary mediation program to resolve the complaint. Educate consumers on current consumer issues to help them become savvy consumers.	**State:** 0.00 **Federal:** **Other:** 310,466.00 **Total:** 310,466.00 **% of Total Budget:** 13.05%	**State:** 0.00 **Federal:** **Other:** 337,367.00 **Total:** 337,367.00 **% of Total Budget:** 14.12%	7.1-1 7.1-5 7.2-1 7.2-2 7.2-3 7.2-5 7.2-6 7.3-2
II.	Legal Division - Administer, interpret, enforce the S.C. Consumer Protection Code. License, register, and regulate mortgage brokers, pawnbrokers, physical fitness centers, motor clubs, credit counseling organizations, prepaid legal services, athlete agents, and the sale of preneed funeral contracts.	**State:** 47,953.00 **Federal:** 1,143.00 **Other:** 680,475.00 **Total:** 729,571.00 **% of Total Budget:** 30.68%	**State:** 35,514.00 **Federal:** **Other:** 820,227.00 **Total:** 855,741.00 **% of Total Budget:** 35.81%	7.1-2 7.6-1 7.6-2 7.6-3 7.6-4 7.6-5
IV.	Advocacy Division - To provide legal representation for the consumer interest in matters involving property and casualty insurance and worker's compensation insurance. Advocacy Division regulates Professional Employer Organizations, Discount Medical Plan Organizations and Continuing Care Retirement Communities.	**State:** 354,244.00 **Federal:** **Other:** 8,885.00 **Total:** 363,129.00 **% of Total Budget:** 15.27%	**State:** 275,491.00 **Federal:** **Other:** 0.00 **Total:** 275,491.00 **% of Total Budget:** 11.53%	7.1-3 7.1-4 7.2-4 7.6-4
V.	Public Information - Inform businesses and South Carolina consumers of market practices that are illegal, deceptive or unfair, and inform them of their rights and responsibilities.	**State:** 70,268.00 **Federal:** **Other:** 315.00 **Total:** 70,583.00 **% of Total Budget:** 2.97%	**State:** 34,586.00 **Federal:** **Other:** 30.00 **Total:** 34,616.00 **% of Total Budget:** 1.45%	7.1-1 7.1-2 7.6-1 7.6-4 7.6-5
I.	Administration - Provide budgeting and accounting, human resources, procurement and supply, training and computer services for the agency. To administer the registered consumer credit grantor, maximum rate filing and motor vehicle disclosure programs.	**State:** **Federal:** **Other:** 432,963.00 **Total:** 432,963.00 **% of Total Budget:** 18.20%	**State:** 63,608.00 **Federal:** **Other:** 346,554.00 **Total:** 410,162.00 **% of Total Budget:** 17.16%	7.1-2 7.3-1

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

Remainder of Expenditures:	**State:** 156,142.00 **Federal:**	**State:** 163,743.00 **Federal:**
Employer Contributions	**Other:** 315,513.00 **Total:** 471,655.00 **% of Total Budget:** 19.83%	**Other:** 312,487.00 **Total:** 476,230.00 **% of Total Budget:** 19.93%

* 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 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:

DCA Staffer giving a helping hand at the Florence County Library "Money Madness" Teen Lock-in.

Short- and long-term organizational direction and organizational priorities?
Division staff meetings, agency-wide staff meetings, and deputy/directors meetings serve as the primary method for setting, deploying and ensuring two-way communication for short- and long-term priorities. The Administrator also holds one-on-one "15 minute" sessions with staff to discuss perspectives and ideas. Senior leaders also employ an open door policy so staff can feel comfortable discussing any topic at any time with leadership.

Performance expectations?
Employee Performance Management System (EPMS) provides performance expectations and evaluations for each employee. Conducted on an annual basis, these one-on-one reviews show employees the accomplishments of the previous year and outline short- and long-term goals for each staffer. These goals are then monitored through one-on-one reviews and follow-ups throughout the year. Goals are adjusted as necessary to reflect changes in the external and internal variables.

Organizational values?
Organizational values are evaluated based on the agency's stated mission statement and values. These tenets, posted in each employee's office, provide the over-arching philosophy, values and goals for the agency. Values are also transmitted via staff meetings and DCA's weekly in-house newsletter.

Ethical behavior?
Ethical behavior and expectations are outlined by Human Resource policies. These policies are created and adapted as needed by management to reflect changing technology, communication, legal provisions, and other behavioral patterns. Senior leaders also lead by example in this area.

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

Whether during an impromptu discussion or within meetings, senior leaders frequently remind employees of their responsibility to assist consumers and other persons seeking guidance from the Department. Activities and communication are centered on the Department's mission to protect consumers in the marketplace while enforcing the laws in a fair and balanced manner. Division goals are also based on customer outcomes and feedback.

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

DCA has a strong public interface. Our Services Division has the most consumer interaction in processing complaints while other areas also answer inquiries from the agency's varying customers and suppliers. Staff also makes presentations, distributes consumer educational materials and serves as contact for the media. Feedback is received from all areas allowing the agency to gauge the impact and areas needing attention. With the severe reduction in staff in FY10, the agency continues to take strides in using technology to assist the Department with its efficiency and administration of programs.

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

On a daily basis, accountability is maintained through supervision, by ensuring staff compliance with internal policies and procedures. Leadership also meets regularly with accounting staff to review the agency's financial status and any pending issues and also receives budget updates on a bi-weekly basis. Meetings also are held to discuss legislation, enforcement and any human resources issues. The primary method of fiscal, legal and regulatory accountability, however, is through monthly reports to the Commission on Consumer Affairs. This board, composed of members appointed by the General Assembly and Governor, is the policymaking authority of the Department. Senior leaders provide the current status of each division's activity, budget issues, and legislative updates.

DCA Administrator presenting Batesburg-Leesville PD with a plaque of appreciation.

5. What performance measures do senior leaders regularly review to inform them on needed actions?

Complaint closing ratings and processing times are trusted performance measures, as well as customer satisfaction. Consumer refund levels from all divisions, application processing times, administrative action taken and monthly progress report data also are analyzed.

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?

Senior leaders regularly receive feedback from employees by practicing an open door policy. This feedback is discussed during division and full staff meetings. Furthermore, on an annual basis, each employee is given a formal "15 minutes" with the agency administrator to discuss organizational findings, observations, and issues, and to provide solutions, suggestions, and improvements. Through these methods, senior leaders regularly receive informal and formal

agency appraisals. Staff also completes an annual employee survey covering topics such as communication and support/relationships. Results are communicated with management to address employee concerns. Leadership development and implementation of strategies meant to address concerns raised in staff feedback and performance reviews shows a commitment to the agency and its core values of competence, respect, equality, integrity, and timeliness.

7. How do senior leaders promote and personally participate in succession planning and the development of future organization leaders?

Through the formal evaluation process and informal communication, leadership becomes aware of staffs' goals for their future in the agency. Opportunities then are created to permit the employee to try job duties that correlate with their goals and allow the supervisor to evaluate the performance. Employees also attend training workshops and leadership seminars when the budget permits. Allowing staff members to choose the position they would like to learn more about during cross-training activities also helps to foster career paths. Several staff members began at lower levels in the agency and have moved upward through the agency, including one Deputy and the Administrator, who started as law clerks.

8. How do senior leaders create an environment for performance improvement and the accomplishment of strategic objectives?

Employees are given supervised freedom in which they are allowed to practice and incorporate new skills sets and test drive new ideas. While monitored, this flexibility encourages employees to take initiative and seek innovative ways to improve and reach set goals. Furthermore, regular staff meetings remind employees of benchmarks and long-term goals, keeping strategic objectives in the forefront of employees' minds. Open door policies lend themselves to informal, open communication.

9. How do senior leaders create an environment for organizational and workforce learning?

Staff presented DCA's Applications Analyst with a "Resolution" in recognition of his hard work.

Team learning is emphasized through staff committees and brainstorming sessions. Employees from all divisions are invited to legal-based internal seminars led by our Deputy for Regulatory Enforcement as well as training sessions featuring outside speakers. DCA hosted speakers on the unauthorized practice of law, retirement system and the employee evaluation system in FY12. The agency also belongs to associations of fellow state regulators and leadership encourages the formation of relationships with our counterparts to enhance learning. Information sharing among individuals and divisions keeps everyone learning and well-informed.

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?

Senior leaders operate under the philosophy that anything they ask staffers to accomplish, they should be willing to accomplish themselves. Senior leaders do not segregate duties based on position levels. Excellence is publicly praised during division meetings, staff meetings, in our weekly internal publication "The Week Ahead" and via e-mail. Commendation letters are included in the agency's monthly Progress Report to the Commission. The agency also hosts an annual "Employee Appreciation Day" to thank and motivate staff.

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.

Central to DCA's mission is education. Senior staff often participates in forums and presentations for the legal community, caregivers, service providers and consumers. Education materials and the agency website also provide a wealth of information to help consumers. Legislative recommendations and investigative support are utilized to address pertinent needs and address problem areas.

Leadership also encourages staff to support the community by engaging in charitable activities. Staff participates annually in the United Way campaign (DCA received the *Bronze Award* in FY12) and historically had one of the highest levels of participation for a small agency. Items for Harvest Hope Food Bank and the SC Bar's Cinderella Project were also donated by staff in FY12.

Category 2 – Strategic Planning

1. What is your Strategic Planning process, including key participants, and how does it address: a) Your organizations' 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. Division meetings, senior leader meetings and monthly staff meetings help establish the proper framework of communication for the assessment of current performance and goals and the development of action plans. Furthermore, DCA 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. 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 maintains a vigorous social media campaign, launched

a more easily navigable website in FY12, updated our computer and telephone systems and is developing an online complaint system), legislation and budget cuts.

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

Strategic Planning

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 11-12 Key Agency Action Plan/Initiative's	Key Cross References for Performance Measures*
Agency-wide	I. Obtain the necessary funding and personnel to effectively administer and enforce the laws assigned to the Department.	Assess current staffing levels and identify areas needing additional support. Request funding for those positions as well as for current staff salary adjustments in an effort to retain mission critical employees, provide compensation to those taking on additional job duties and enhance morale. DCA will also seek funding for training opportunities. A highly skilled and well-trained workforce is essential for the Department to accomplish its mission of protecting and educating consumers.	Charts 7.1-1~7.1-5 7.2-1~7.2-6 7.3-1 7.3-2 7.6-1~7.6-5
Agency-wide	II. Develop and enhance technology systems to increase the Department's efficiency and effectiveness.	DCA currently has four filing programs in production online and has been making strides in the development of a new online complaint system. DCA has continued discussions with SC.GOV to develop online licensing for the remaining programs. DCA also purchased updated e-mail software and transferred to a new phone system that is expected to save the agency approximately 1/3 off its previous monthly phone bill. The agency will continue the effort of making filing available online and will assess what other technological advances would serve to increase the agency's efficiency and effectiveness.	Charts 7.1-1 7.1-2 7.1-3 7.1-5 7.2-1 7.2-2 7.2-3 7.3-1 7.3-2 7.6-1~7.6-5
Agency-wide	III. Increase public awareness of DCA, its services, and accomplishments.	DCA will continue to look for innovative methods in getting its message to the public, including the use of social media and traditional outlets such as press releases and making presentations. New partnership opportunities will be explored. DCA will also begin issuing reports to the public on areas it regulates such as identity theft, credit counseling and mortgage brokering. An assessment on ways to increase outreach, including an internal review of each division's process when answering inquiries will be done.	Charts 7.1-1 7.1-2 7.1-3 7.1-5 7.2-1 7.2-2 7.2-3 7.3-1 7.3-2 7.6-1~7.6-5
Agency-wide	IV. Enhance internal communications to build knowledge, bolster morale and enable staff to perform at the highest level.	Continue the "15 minute" conversations with Administrator, Job Satisfaction Survey, and agency wide staff meetings. DCA revived its weekly newsletter to employees to inform them of agency and staff happenings. We implemented a social media policy and will continue the review of HR policies so updates can be made where needed. More internal trainings on agency policies will be held. Cross training will also become a priority. DCA implemented phase I of a three month cross-training event in FY12. Employees will continue to be encouraged to participate and provide input in the creation of new methods for providing and serving customers and meeting agency goals.	Charts 7.1-1~7.1-5 7.2-1~7.2-6 7.3-1 7.3-2 7.6-1~7.6-5

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?

Budgetary and financial progress is monitored on a monthly basis, if not more frequently. Adjustments are made as necessary to keep in line with strategic short- and long-term goals. Additional evaluations of programs, individuals, and Department goals are made on a periodic basis during the execution of the strategic goals. Post-mortem meetings are handled at the conclusion of each program, initiative, or fiscal mile marker to analyze success and the need for improvements. Resources are budgeted for each portion of the action plan in advance and shifted as needed throughout the execution phase.

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

The Administrator engages in communication on all levels through full staff meetings and division meetings to keep staff informed about new strategic directives as well as to provide feedback on various issues affecting agency programs and operations. A monthly progress report is presented to the Commission on Consumer Affairs. The Accountability Report is presented to the Commission as well as the Office of State Budget each year. Communication methods mentioned in the answer to 1(a) in Category 1 are also used to communicate strategies and results.

"…the work ethics and dedication that Ms. Rankin displayed should be held up as an example for others to emulate."

-Ms. Clark, Consumer
Orangeburg, SC

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

This is measured by the number of complaints we receive, the amount of outreach and Speaker's Bureau requests we receive and fulfill, tracking of our publicity and the amount of financial recoveries made for South Carolina consumers who were wronged in the marketplace. The monthly progress report captures additional measures for each Division. Customer feedback and performance evaluation are also reviewed. Regarding technology goals, the timeline and overall progress of implementing new, online programs are evaluated.

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

Senior management analyzes the trends and growth of regulated industries and issues affecting consumers and realigns priorities based on these needs and the Department's capabilities. Priorities for improvement are communicated to staff. Agency 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.

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

Category 3 – Customer Focus

Identify key customers and stakeholders.

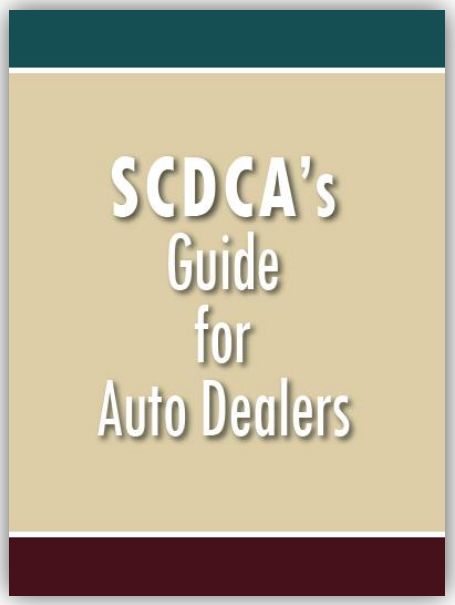
The Department has a number of customers and stakeholders, not the least of which is South Carolina consumers. Others include ratepayers, regulated and indirectly regulated businesses, law enforcement agencies, schools, community groups, the legal community, vendors, the media, consumer protection organizations, the Commission on Consumer Affairs, the Council of Advisors on Consumer Credit, the Governor's Office, the General Assembly and the US Congress.

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

A majority of the Department's customers and their key requirements are identified in the Code of Laws and accompanying regulations. Customers falling outside this purview are determined based on history and the establishment of partnerships with organizations or agencies providing services to a similar customer base as the Department or administering or enforcing consumer protection laws at the federal or state levels.

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

All divisions take a pro-active approach in adapting to an ever-changing economy and technology. For example, our Department 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. Furthermore, the Department leverages resources and collaborates with other organizations to identify changing customer/business needs. Customer and employee feedback are also considered when received to evaluate current methods and areas needing improvement.



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 receives a majority of its consumer or business communications via telephone, mail and e-mail. Unlike some agencies, the Department does not have an automated answering system when a customer calls; they get a live voice every time. Information is also readily available on our website, which contains business filing applications, complaint forms, consumer and business educational materials and other helpful information.

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

A hard measure of customer satisfaction utilized by the Department for 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. We maintain open lines of communication with the industries we regulate. DCA staff often holds meetings with individual businesses and/or industry associations. Staff also makes presentations to various associations.

The Department utilizes information gathered during meetings and comments received from licensees and consumers through other methods of communication in the review of current policies, procedures, statutes, etc.

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

Because customers 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. 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 trends or deceptive business practices, and cases can be built for legal or legislative action. Application forms and business educational materials are also updated based on customer feedback.

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. Meetings are often held with members of the industries we regulate and staff makes presentations to trade/business associations and consumers alike. We have even created "Roundtables" to increase communication between the agency and targeted regulated industries. DCA also tailors educational materials to the needs of our customers to ensure awareness of rights and responsibilities. Further, the agency serves as a resource for attorneys and other state and federal agencies and collaborates on topics of common interest, including legal actions.

> *"As always, when I have asked for your help, you came through with flying colors"*
>
> **-Mr. Sineath,**
> **Mortgage Broker Licensee,**
> **Boca Raton, FL**

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.

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 monthly progress reports contain key data needed for effective decision making. Supervisors in the division collect and verify the data submitted for each of the success measurements contained in the report. More detailed, analytical reports are also often requested from the appropriate division dependent on the topic at hand.

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 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 looks to trends nationwide and DCA's history to determine likely patterns. The agency looks to information from other Uniform Consumer Credit Code states and states having similar laws to those the Department administers and enforces. Data from the various Divisions is analyzed and compared to prior months and years for trends.

5. How do you ensure data integrity, timeliness, accuracy, security, and availability for decision-making?

Technology is relied upon to provide a tailored snapshot of DCA progress/results in our various divisions or subsets therein. The data produced, however, is only as accurate as what is entered by staff. Trainings and updating of policies and procedures aid in ensuring the integrity of the information. Access to the data is also limited to those employees working in a particular area/ on a specified program.

"…thank you for assisting me throughout the years."

-Ms. White,
Physical Fitness Licensee,
Myrtle Beach, SC

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

DCA understands that the processes utilized internally are ever-evolving. There is always room for improvement, thus performance review findings are discussed by leadership and action plans formed to appropriately address any issues and build upon successes.

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. Every news release or major public communiqué is sent to staff first. Cross-divisional meetings are also held to vet ideas and openly discuss pending issues or topics. Post-mortem meetings are also held after major events to evaluate and discuss strengths and weaknesses. Cross-training of staff between divisions also helps spread knowledge and fosters creation of new/more efficient processes. The Department also reaches out to other organizations having a consumer focus and participates in task force's coalitions and holds collaborative meetings.

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. Cross-training and joint division meetings assist with idea sharing. As an example, the Legal Division and Consumer Services Division meet monthly to discuss a legal topic of interest. The two divisions also collaborate on enforcement efforts stemming from consumer complaints. Further, the agency's communications coordinator sits in on division meetings on a monthly basis. Employees provide regular feedback to supervisors within their division and across division lines as observations are made. Creating internal "task forces" within the agency to tackle a new issues, policy update, etc. with members from the various divisions also enhances communication and knowledge sharing. In FY12 a task force to address updates to the agency's Freedom of Information Act policy was created.

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. As discussed in the "Key Strategic Challenges" section, however, the Department lacks funding to fully compensate professional employees, allow for outside training opportunities, 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 customer volume and realigns priorities based on needs/gaps 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 self-motivated employees. 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. DCA also encourages employees to participate in organizations of which the agency is a member and professional associations. The agency also pays for continuing education courses for its attorneys, which includes ethics credits. Employees are encouraged to offer recommendations to improve operations.

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?

"There is no way on earth I could have obtained this refund alone…you have done a great service to me."

-Mr. Clem, Consumer,
Mt. Pleasant, SC

As division directors identify customer needs and changing regulatory framework, they address the division's capabilities to meet those needs and address necessary skill training with supervisors and individual employees as needed. The Department's Human Resource Director schedules quarterly trainings for staff to ensure staff is knowledgeable of agency policies, issues affecting performance, etc. Internal trainings presented by staff are also held to increase knowledge of statutes administered and enforced by the agency.

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. Our staff is able to adjust, brainstorm and implement new ideas and reach successful outcomes as a result of the cross-training and teambuilding work the Department has espoused over the years.

Lower Richland High School's LifeSmarts Team. For the second year in a row, they represented the State at the national competition.

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. EPMS employee evaluations also assist in identifying strong and weak points in the Department's training systems. DCA also employed a "Job Satisfaction Survey" in FY12 to ascertain staff perspectives in this area and others.

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. Keeping employees aware of agency goals and giving everyone a seat at the table to discuss goal-setting and progress updates lays the groundwork for an invested staff. Despite significant budget limitations, DCA 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. Praise and recognition for a job well done, promotions, merit increases and bonuses are also tools used to motivate staff.

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 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. 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. The annual employee survey also gauges employee's concerns, level of work stress, support and overall satisfaction with their positions and DCA.

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. Employee titles are reviewed to ensure they encompass staff's current skill set and experience. Strong performers are also promoted and compensated as the budget allows.

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

The Department has a Wellness Committee that coordinates bulletin boards on healthy living and a "DCA Celebrates" board recognizing employee birthdays and notable events. The committee has also brought in experts to present tips on stress reduction, injury prevention, exercise, diet and nutrition. The Department also has a blood pressure cuff 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 are installed at all entry points. These security codes are periodically changed on all doors to ensure the utmost safety for employees.

"You did a great job and the talk was helpful and informative."

Mr. Taylor, Consumer, Columbia, SC

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: **C**ompetence, **R**espect, **E**quality, **D**edication, **I**ntegrity, and **T**imeliness. 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. The agency has also put a focus on the utilization of new technology to increase efficiency and overall effectiveness, with a focus on our Complaint System database and licensing programs. DCA currently has 4 of its filing programs online through SCBOS and the Nationwide Mortgage Licensing System. The Public Information Division has also heavily relied on social media in an effort to keep the public informed in a cost effective manner. In FY12 we launched a new website and updated our computer and telephone systems. With the economic downturn, staff is always looking for innovative methods to achieve a task in a more efficient and cost effective way.

"...I thought this would be a long process; however, your office has taken care of this very quickly."

Ms. McCray, Consumer
Columbia, SC

4. How does your day-to-day operation of these processes ensure meeting key performance requirements?

Regular feedback internally and externally including from our stakeholders and customers, as well as policy-making boards and commissions, 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 and making licensing and registration more convenient and accessible for regulated business. Work processes and procedures are evaluated at least annually and improvements are made as permitted/required.

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. Staff within these areas is constantly reviewing policies, researching the newest technologies and responding to agency demands. Leadership monitors these areas to assess any need to revise current processes or takes corrective action.

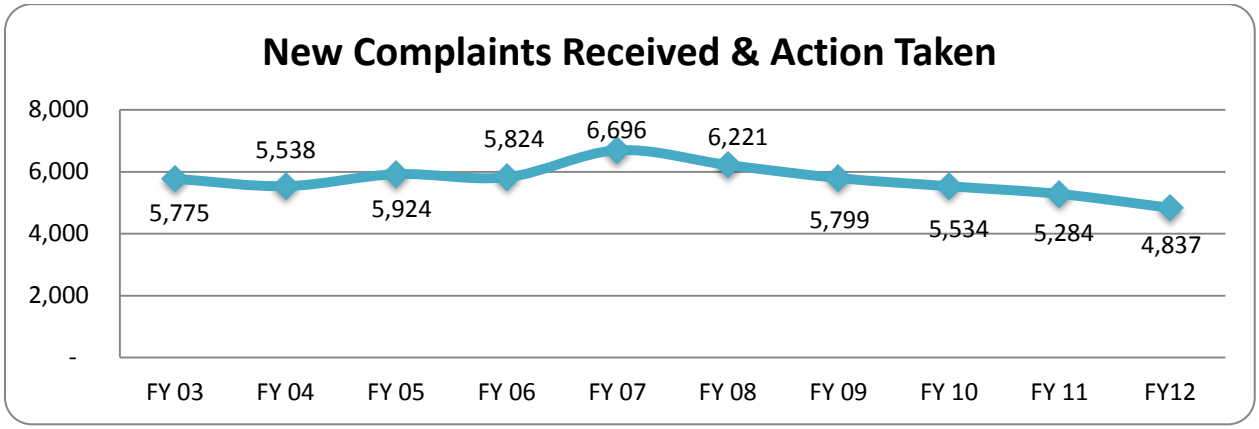
7. How does your organization determine the resources needed to meet current and projected budget and financial obligations?

Budget authorizations and actual expenditures are reviewed and compared between fiscal years. Budget forecasts are also reviewed bi-monthly to determine cash flow and needs. Employees are encouraged to use available resources to perform duties, but also 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

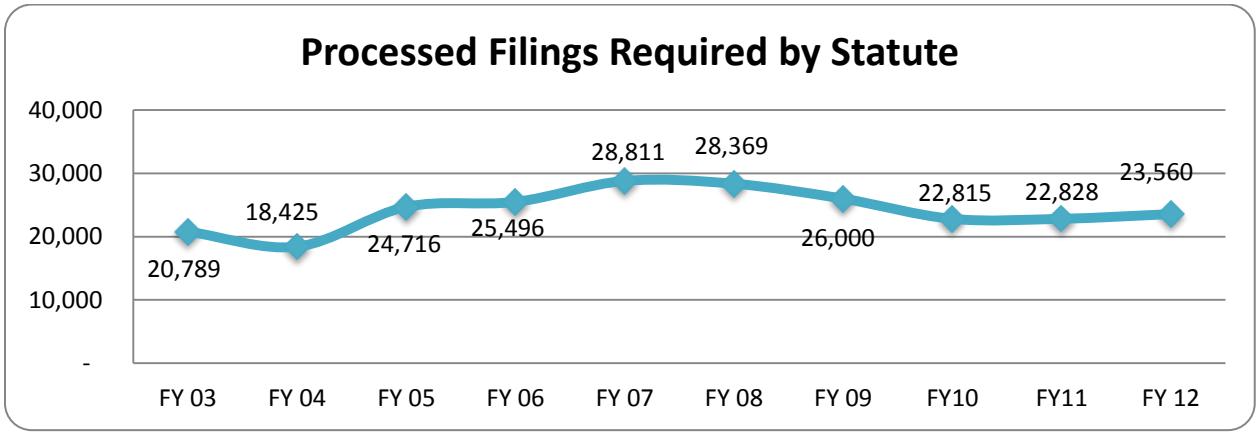
7.1 What are your performance levels and trends for your key measure of mission accomplishment/product and service performance that are important to your customers?

Chart 7.1-1



Complaint totals are down for FY12, however calls and inquiries handled by the Consumer Services Division have increased. DCA attributes the complaint decrease to new policies and procedures of performing a more detailed telephone analysis so the consumer can be directed to the most appropriate avenue as opposed to the consumer first filing a complaint, then being referred to a different resource. Also, scam issues are forwarded to our Public Information Division for intake.

Chart 7.1-2



FY05 includes the first-time licensing of 3,125 mortgage loan originators. FY07 includes 7,533 Preneed Funeral Contracts received for regulatory review and filing for the first full fiscal year DCA administered the program. FY09 and FY10 saw the decline of licenses for mortgage brokers and loan originators due to the mortgage/housing crisis nationwide.

Chart 7.1-3

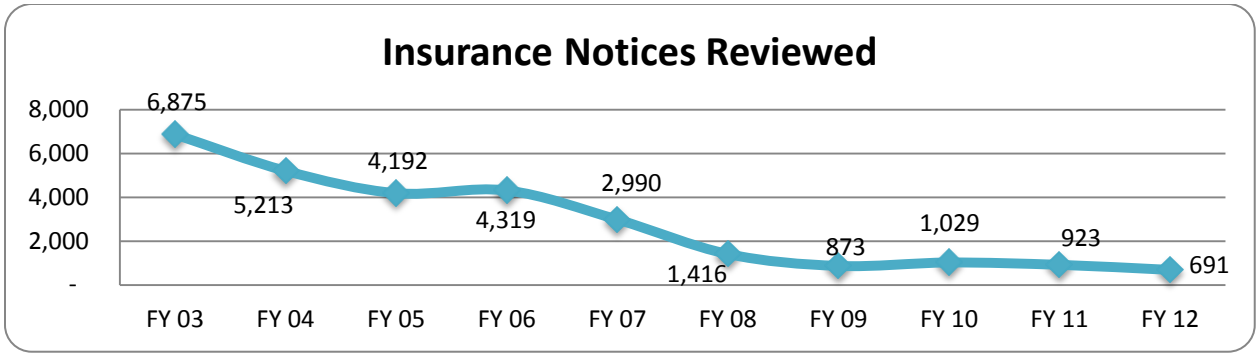
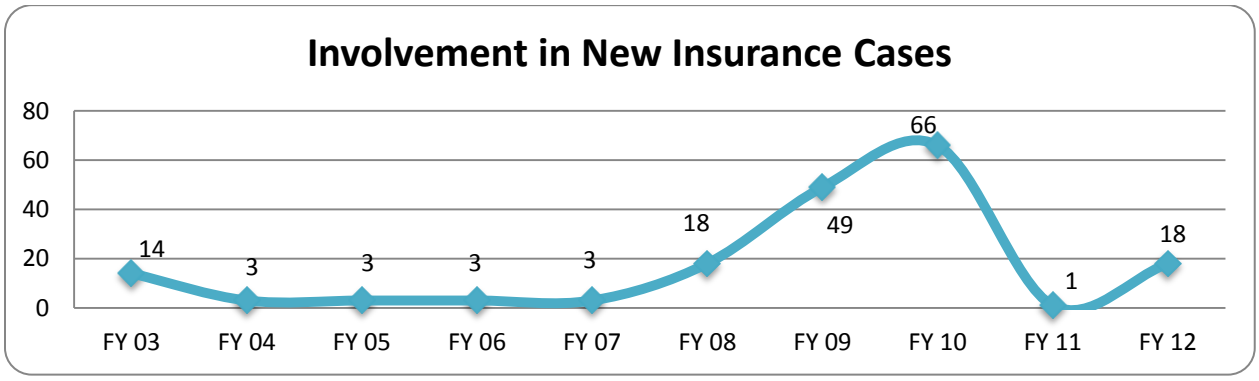
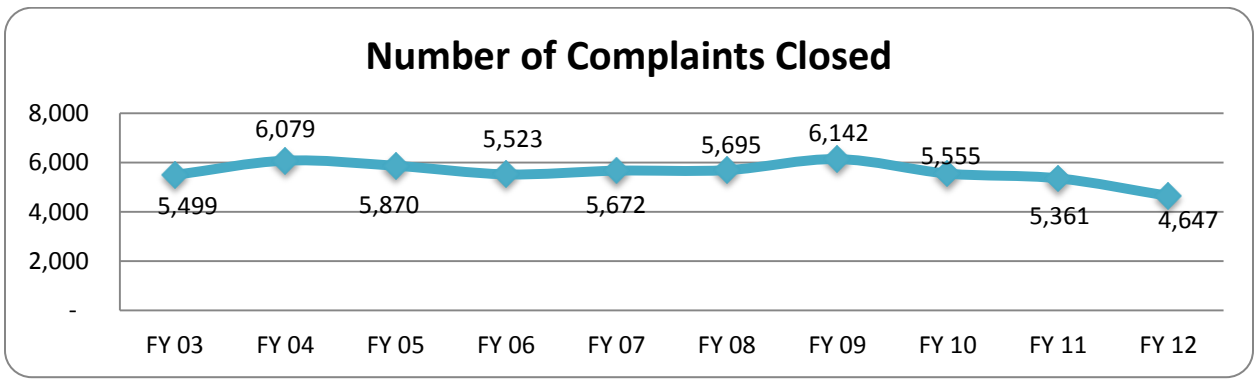


Chart 7.1-4



The FY11 decrease number of agency involvement in new insurance rate cases was due to pending, legal challenges to the Department's authority to intervene in certain insurance rate filings. The challenges continued into FY12.

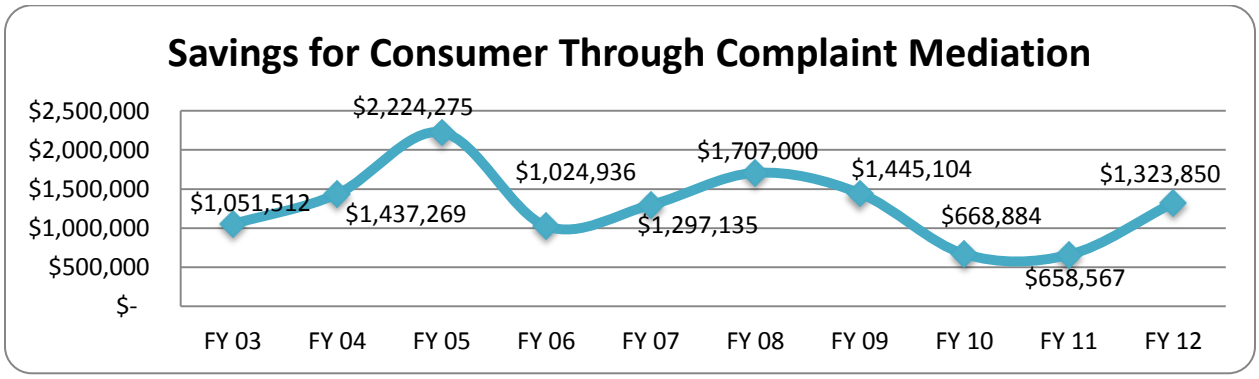
Chart 7.1-5



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. Following a significant reduction in force in FY10, the Department closed 5,361 complaints in FY11 and 4,647 in FY12.

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

Chart 7.2-1



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. After two fiscal years of below average refund numbers, refunds, credits and adjustments to consumers totaled $1,323,850 in FY12.

Chart 7.2-2

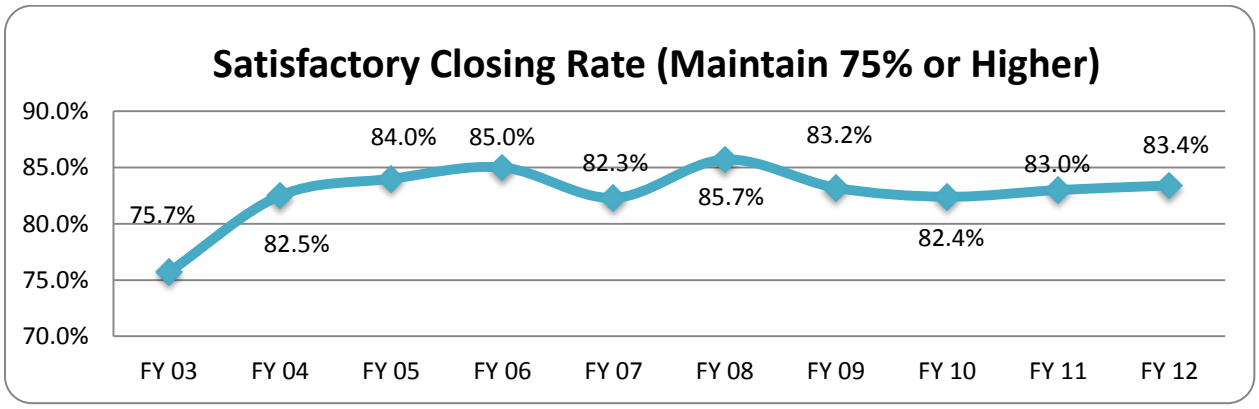


Chart 7.2-3

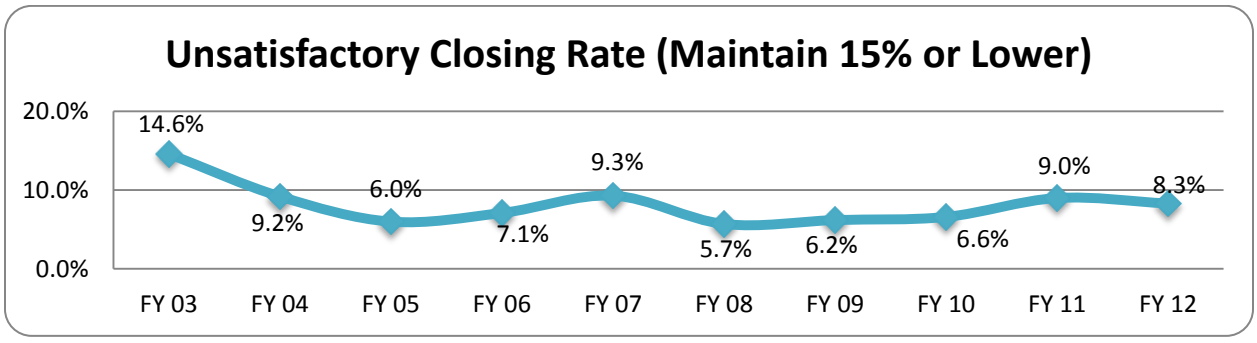
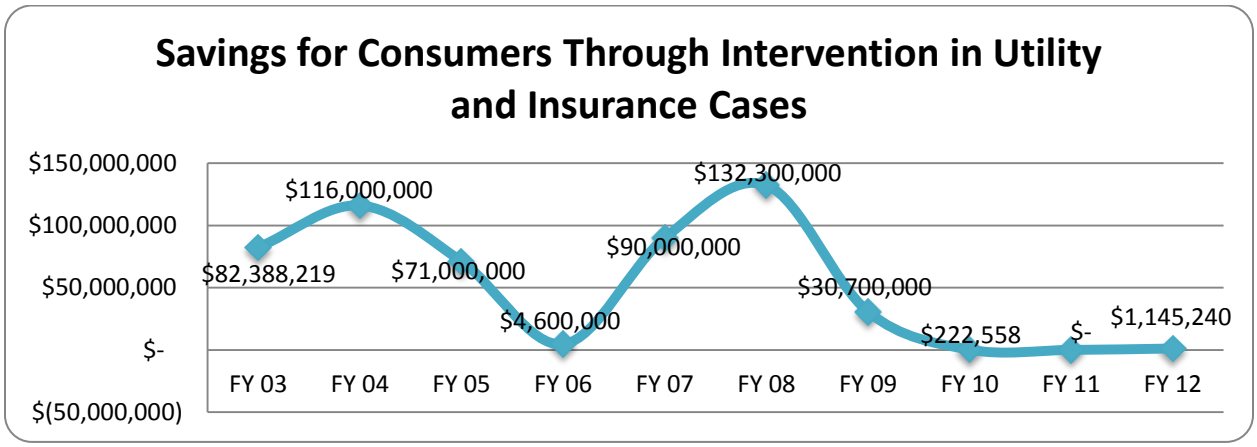
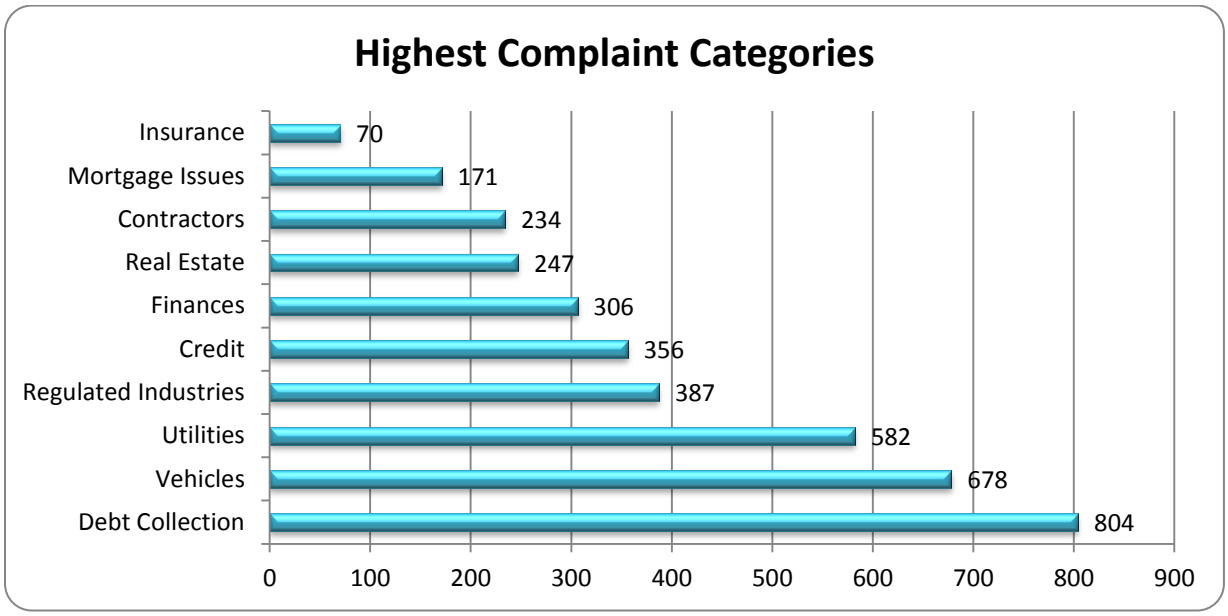


Chart 7.2-4



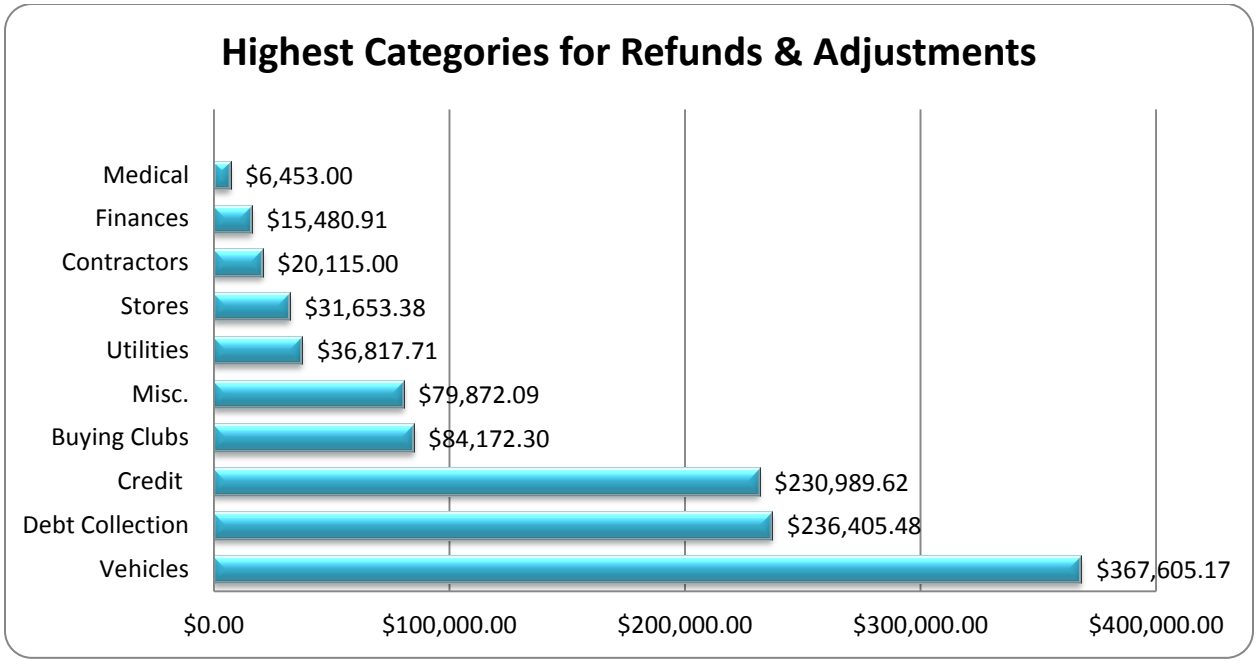
The Department anticipates continued savings for insurance consumers in addition to the amounts reported above. The savings from past fiscal years will continue to benefit consumers until companies come back to the regulators to change rates. Effective January 1, 2005, the Advocacy regulatory review program for utilities was transferred to the Office of Regulatory Staff. The inability to obtain savings for consumers in FY11 was due to pending, legal challenges to the Department's authority to intervene in certain insurance rate filings. FY12 savings of $1,145,240 stemmed from DCA review of homeowner's insurance filings.

Chart 7.2-5



Debt Collection, vehicle, and utility complaints round out the top three categories. A continuing concern is mortgage fraud and housing-related complaints, following the collapse of the housing market nationwide.

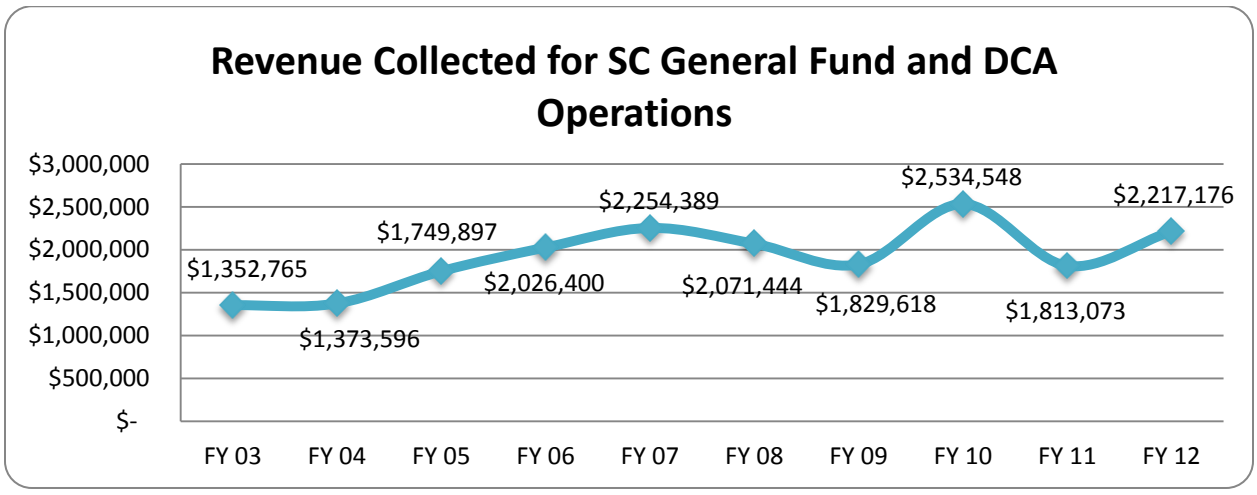
Chart 7.2-6



The Consumer Services Division achieved refunds, credits and adjustments nearing $1.4 million for consumers in FY12, with the highest amount involving vehicles. This marks the first year since FY09 that the Department has reached the $1 million amount.

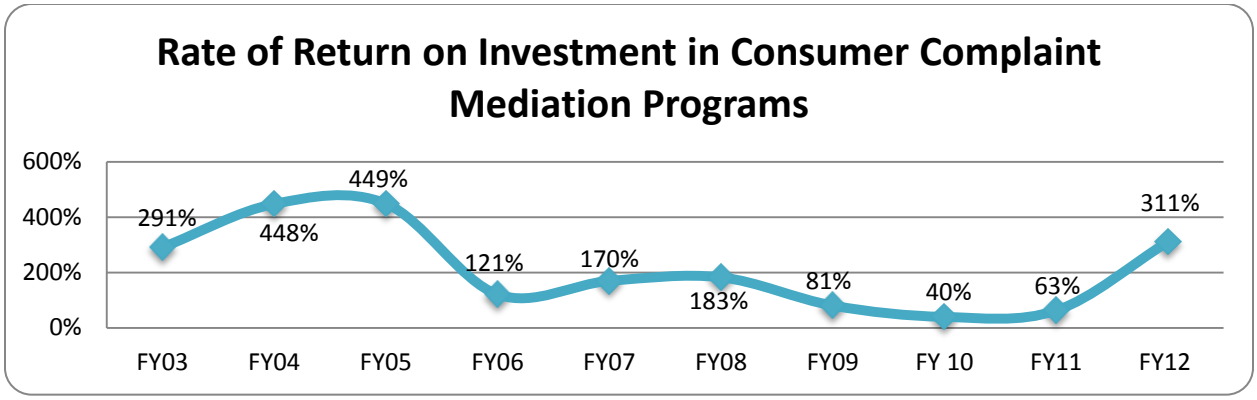
7.3 What are your current performance levels for your key measure on financial performance, including measure of cost containment, as appropriate?

Chart 7.3-1



Despite budgets cuts and fiscal limitations, the Department maintained its high level of revenue performance in FY12, collecting $2,217,176 for the SC general fund and DCA operations.

Chart 7.3-2



The statistics represent the amount of refunds, credits and adjustments the Services Division obtained from consumers as compared to the monies appropriated by the General Assembly to operate the Division. (ROI=return-capital/capital x 100%).

7.4 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, and workforce climate, including workplace health, safety, and security?

DCA's performance levels for key measures of workforce engagement, satisfaction and development are as discussed previously including through meetings, 15 minutes with the Administrator, completion of the "Job Satisfaction Survey," EPMS process, meetings, and training opportunities and through informal communication between staff. DCA 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.

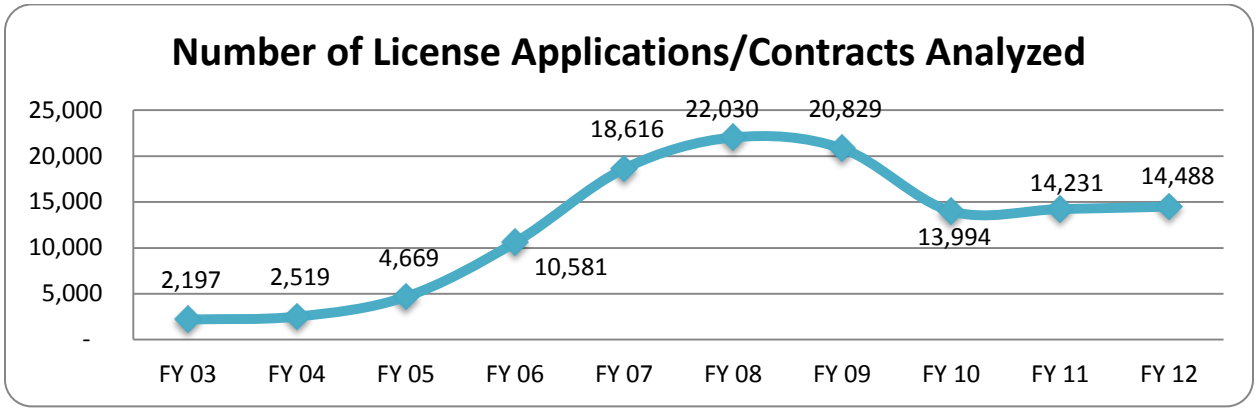
Additionally, well-being can be assessed through daily contact. The Department's turnover rate has traditionally been low, and retention has been high. The agency also has a "Wellness Committee" which sponsors event meant to benefit employee health. Regarding security, the Department has a sign-in policy and code locks on all entrances to the office.

7.5 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 FY12, the Department was decisive in setting priorities on actions that raised its effectiveness in protecting consumers, focused on improving business processes (especially through the use of technology) 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.

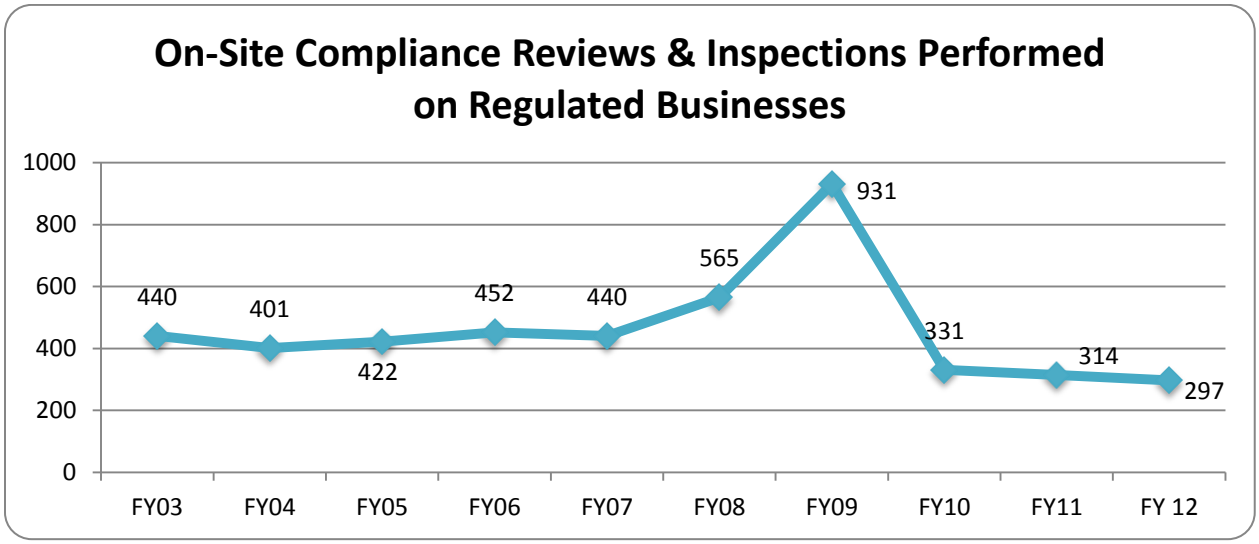
7.6 What are your performance levels and trends for the key measures of regulatory/legal compliance and community support?

Chart 7.6-1



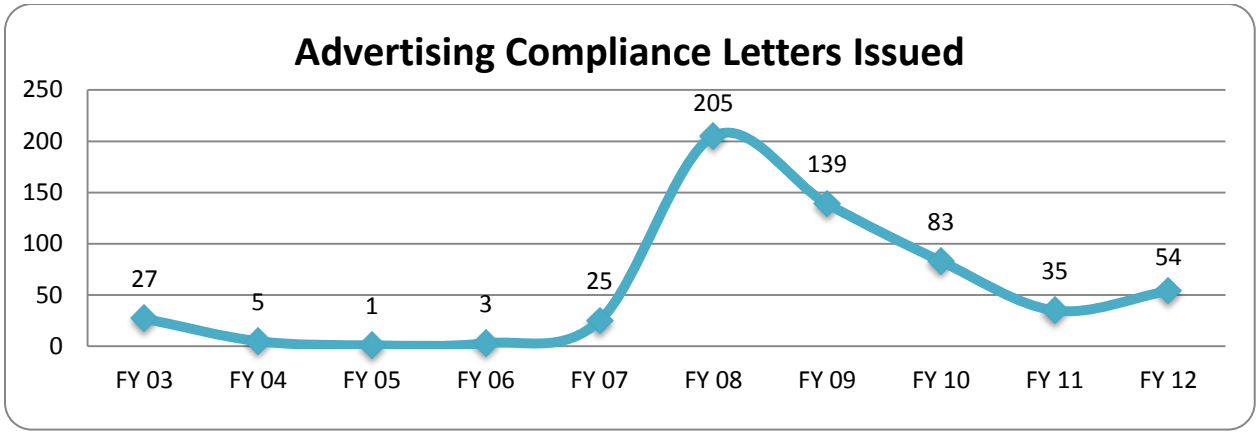
In FY05 the Department reviewed 3,536 loan originators and 1,248 mortgage loan broker license applications. This was the first year for mortgage loan originator licensing. The Department analyzed an agency-high 20,829 applications in FY09 due to an increase in preneed contract licensing, prepaid legal services, and credit counselors and organizations, and athlete agents among others. In FY10 and FY11, however, due to the housing crisis, there has been a large decline in the number of mortgage loan brokers and loan originators processed.

Chart 7.6-2



The Department conducted a record 931 compliance reviews and inspections for regulated businesses during FY09. After a reduction in force, the Department conducted 331 in FY10, 314 in FY11 and 297 in FY12.

Chart 7.6-3



Through staff restructuring, the Legal Division was able to reinstate the automobile advertising advisory letter effort in FY 08. Thirty-five letters were issued in FY11 and 54 were issued in FY12.

Chart 7.6-4

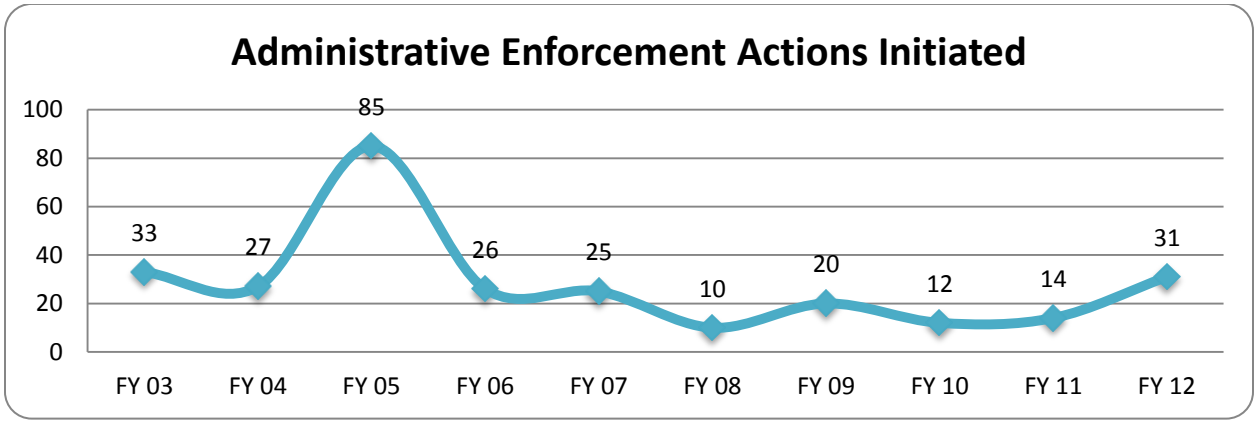


Chart 7.6-5:

Licensing Activity FY 2011-2012

Licensee	Reviewed	Approved	Pending	Denied	Returned	Inactive
Athlete Agents	37	22	11	0	0	2
Credit Counseling Organizations	170	50	112	0	0	8
Credit Counselors	905	685	62	3	0	161
Mortgage Brokers	238	132	27	0	0	78

Licensee	Reviewed	Approved	Pending	Denied	Returned	Inactive
Loan Originators	523	157	76	3	0	287
Motor Clubs	31	31	0	0	0	14
Motor Club Representatives	1,367	1,087	0	0	0	280
Pawnbrokers	200	165	16	0	0	19
Physical Fitness	234	191	19	0	0	24
Preneed Funeral Companies	30	20	5	5	0	0
Preneed Contracts	7,452	7,452	0	0	0	0
Prepaid Legal Companies	6	5	1	0	0	0
Prepaid Legal Representatives	3,157	2,242	3	0	14	898
TOTAL	**14,350**	**12,239**	**332**	**11**	**14**	**1,771**

Refunds from Legal and Enforcement Actions

- Consumer refunds from physical fitness: $ 1,350.00
- Consumer refunds from preneed funeral contracts: $ 14,995.63
- Consumer refunds from unlicensed credit counselors: $ 334.00
- Consumer refunds from compliance reviews & inspections:
  - Maximum Rate $ 1,224.01
  - Pawnbroker $ 24,244.00
  - Preneed $ 32,343.66
- Consumer refunds from mortgage broker: $ 117,850.00

TOTAL Refunds to Consumers **$ 192,341.30**