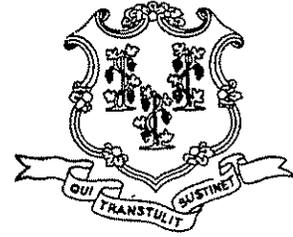


DEPARTMENT OF CONSUMER PROTECTION



Testimony of William M. Rubenstein Appropriations Committee February 23, 2011

Sen. Harp, Rep. Walker, Sen. Kane, Rep. Miner and Honorable Members of the Appropriations Committee, I am William Rubenstein, Gov. Malloy's nominee as Connecticut's Commissioner of Consumer Protection. It is a privilege for me to appear before you today to discuss the present state of the responsibilities and accomplishments of the Department of Consumer Protection, as well as the exciting challenges that lay ahead of us.

The Department of Consumer Protection is a regulatory agency responsible for protecting the citizens of Connecticut from injury or financial loss that could occur as the result of unsafe, unfair or fraudulent practices, regarding the products or services marketed in our state. Although just one week into my duties with the Department, I know much of its mission and work very well, having spent many years dealing with some of the same issues in federal enforcement, state enforcement and the private sector. Specifically, I have previously served as an attorney at the Federal Trade Commission in Washington, D.C, as an Assistant Attorney General here in Connecticut in the Attorney General's Antitrust and Consumer Protection Department, and most recently in private law practice focusing on antitrust, consumer protection and trade regulation law. I can tell you that the work of the Department is critical to both the well-being of our citizenry and to the economic-engine of our state—the thousands of legitimate businesses that

employ workers and serve our communities. I can tell you that the Department with its modest number of employees does a very fine job in carrying out its duties, and I agree with Gov. Malloy that it is the appropriate agency to assume additional functions through the efficiencies and coordination of mutual agency missions.

Today, DCP carries out its mission of protecting and serving the people of Connecticut through licensure, inspection, investigation, enforcement, and public advocacy and education activities conducted by staff in distinct divisions that serve the following broad missions: the regulation of food and standards—including weight & measures; the regulation of drugs & controlled substances; the regulation of alcoholic liquor; the regulation of occupation and professional licensing; and the regulation of trade practices. In addition to regulatory oversight, the Department receives and responds to general consumer complaints. The statutory tools that we employ in this mission include the Connecticut Unfair Trade Practices Act; the Connecticut Pure Food, Drug & Cosmetics Act; the Connecticut Liquor Control Act; the Child Protection Act; and the Connecticut Weights & Measures Act. In fact, the Department administers nearly 70 statutory schemes. We do this—and more—with a current budgeted staff of just 159 dedicated professional—131 (including 3 part-time) which are financed through the General Fund and 28 of whom are funded through various non-appropriated accounts with revenue received from license, registration and civil penalty dollars or federal grants.

This broad jurisdiction gives us significant interaction with a wide cross-section of Connecticut's citizens and businesses. Through our licensing function alone—which includes 190 different credential types---the Department has over 235,000 active credential holders on file which generated \$35,665,000 in General Fund revenue in FY 2010. The following numbers tell the story of an agency actively engaged in the mission of protecting our fellow citizens. In 2010, our enhanced enforcement actions led to the issuance of 385 legal settlement agreements, 433 Assurances of Voluntary Compliance, 98 formal administrative hearings and 879 compliance meetings. Our staff trained several thousand law enforcement officers, pharmacists and health care providers in the

identification of narcotic drugs & the signs of abuse as well as in preventing prescription errors. We conducted undercover sting operations to ensure business practice compliance with the Home Improvement Act, the Homemaker Companion laws and the Locksmith Act. We participated in 15 major food recall actions in coordination with the USDA. We processed over \$2,750,000 in checks payable to consumers under our Guarantee Funds. We ordered restitution of over \$1.3 Million to consumers under Connecticut's Lemon Law program. And we conducted over 800 alcohol compliance checks throughout the state in our efforts to ensure that our laws prohibiting the sale of alcohol to minors is enforced. Finally, our customer information representatives & licensing staff greeted nearly 17,000 walk-in visitors to our office and received over 37,000 telephone calls from the public. I am proud of these numbers and of the staff that serves the public so well.

In these lean times of fiscal constraint and with a steady reduction in staff over the years, the Department of Consumer Protection has learned to do more with less. We have undergone efficiency exercises that have resulted in both streamlining and identifying and eliminating unnecessary functions. Specifically, last year DCP participated in a LEAN program involving several of our more labor intensive internal procedures. The result of that exercise has led to quicker performance and improved customer satisfaction. We have also committed considerable resources to participating in the Results Based Accountability evaluations of several of our agency programs, and look forward to doing the same for programs throughout the agency.

As we look at the duties, responsibilities and, importantly, the results of the Department of Consumer Protection I believe you will find a lean yet dedicated team that carries out its mission well—especially so considering the rather diverse areas of the agency's jurisdiction. It is therefore understandable that as Gov. Malloy seeks additional synergies and efficiencies throughout state government, he would rightly consider the Department of Consumer Protection for such a role. As you know, included in the Governor's comprehensive budget proposal is a bill to consolidate a number of agencies. In that effort, the Governor has specifically proposed to transfer the current responsibilities of the Division of Special Revenue, the Office of Consumer Counsel, the

Office of the Healthcare Advocate, and the Board of Accountancy into the Department of Consumer Protection.

Both at first blush and upon further inspection, I submit to you that this makes a great deal of sense and I feel confident that the Governor's mutual goals of achieving taxpayer efficiencies and providing improved service to the public can be accomplished within this proposal. Each of these agencies proposed for consolidation have missions and functions similar to those currently being done within the Department of Consumer Protection. Each of these agencies is dedicated to protecting consumers and assuring that market participants are appropriately credentialed, competent and appropriately providing service. Each of these agencies delivers its mission through licensure, investigation, enforcement or consumer advocacy and education. The Department of Consumer Protection is experienced and dedicated in all of these same areas of mission and function. It is easy to see how the Governor came to the conclusion that the transfer of these responsibilities to DCP can succeed. That is not to say this will be an easy or painless task. Significant managerial work will be needed to fit these responsibilities into the agency as seamlessly as possible to ensure continuity of mission and service to our customers—the citizens of the state. And, some of the synergies I spoke of appear to allow for a reduction in the number of employees required to carry on the work. Neither I nor the Governor seek to minimize that aspect of agency consolidations.

In the days and weeks to come, as we further analyze the details of this proposal, and by working with the Legislature, I am confident that we will develop the blueprint to bring these needed efficiencies to state government. It is with a sincere belief in this proposal that I will commit my resources and my industry. I look forward to working with you in this undertaking.

Again, thank you for the opportunity to appear before you today. I would be happy to take your questions at this time.