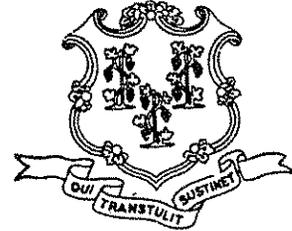


Department of Consumer Protection



Testimony of William Rubenstein General Law Committee Public Hearing March 8, 2011

Sen. Doyle, Rep. Taborsak, Sen. Witkos, Rep. Rebimbas and Honorable Members of the General Law Committee, I am William Rubenstein, Gov. Malloy's nominee as Commissioner of Consumer Protection. Thank you for providing me with the opportunity to appear before you today. I am here to speak in support of Governor's Bill HB 6389, "An Act Transferring the Responsibilities of the Division of Special Revenue, Consumer Counsel, Healthcare Advocate and Board of Accountancy to the Department of Consumer Protection."

Both at first blush and upon close inspection, I submit to you that this proposal is a well-conceived vehicle for achieving the Governor's mutual goals of attaining cost efficiencies and providing improved service to the public. 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 providing safe and fair services to consumers. 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 bears emphasis that the rationale behind the proposed consolidation is not simply directed at cost efficiencies, although the consolidations will create that. Importantly, the consolidations will create a platform from which various consumer protection missions -- now housed in disparate departments -- can be better delivered.

The proposed consolidations can deliver better service to consumers both on the front-end -- how consumers can seek assistance -- and on the back-end -- how the agencies can solve the consumer's concerns. And, both can ultimately be measured through the Results Based Accountability process.

On the front-end, the proposed consolidations will allow a single department to offer, essentially, one-stop shopping for consumers when seeking assistance. Currently, these important consumer missions are quite Balkanized. Consumers with concerns about health care coverage need to contact one agency, those with concerns about legal gambling another, those with concerns about the competency of accountants another and all other consumer concerns yet another. In that process, consumers sometimes experience the "state-agency shuffle", being referred from one agency to another, and sometimes to yet a third. This slows down the process considerably. The process for consumers is made even more complicated and cumbersome because their concerns do not always come neatly packaged into the single mission of each of these disparate agencies. Therefore, consumers may either have part of their problem ignored or are bumped yet again to another agency for resolution. Currently, each agency has its own consumer intake process, mission-specific triage system and separate tracking system. While I recognize that the Office of Consumer Counsel is not a frontline responder to individual consumer complaints, and that OCC refers individual consumer complaints to the DPUC, nonetheless, the OCC's advocacy positions in administrative and court proceedings could be even more consumer responsive if it was part of a Department with efficient technology to track the nature of consumer's utility concerns and generate empirical reports that could inform advocacy policy.

Consolidation will allow a central intake point for consumers across a broad range of mission. The consumer's concern can then be directed to the appropriate personnel within the Department or to different personnel within the Department depending on the expertise needed. Consumer inquiries can be tracked centrally within the Department's case-tracking system so we know at every given point the status of the consumer's issues

and we can monitor the time it takes to resolve them. Such information is very useful in detecting inefficiencies in systems that can be corrected so that the time it takes to resolve consumer concerns is reduced. Such information is also highly useful in understanding marketplace trends and developing proactive approaches to protecting and advocating for consumers. The Department of Consumer Protection is a state leader in automating not only licensing but also case and complaint tracking electronically.

On the back-end, the consolidation can also improve how we solve consumer concerns. Here are some thoughts on how that might happen. On the credentialing and licensing end, we can take advantage of scale economies by dissecting work-flow patterns and off-loading much of the administrative function to our existing licensing division. This will free-up personnel with subject area expertise to spend more focused time on investigation, enforcement and regulatory policy. Similarly, field investigators -- whether they are liquor control agents, drug control agents, gambling control agents, food inspectors or a number of other investigatory personnel -- can benefit from centralized training and oversight. Of course, I recognize that each of these investigators must have specialized knowledge and experience that is not readily transferable between positions. However, there are overlapping investigatory and enforcement skills and policies that are common across the industry-specific mission.

Also, the consumer advocacy functions of the current Department and proposed consolidated agencies, specifically the Health Care Advocate and Consumer Counsel functions, can benefit from consolidation. While it is essential that personnel advocating for consumer interests in the health care or utility arena retain the very high level of expertise that they currently have in their respective areas, consolidation can enhance bringing that expertise to bear in the advocacy function. For example, the streamlining of the consumer in-take function that I previously described can free up resource of existing personnel to actually engage in the advocacy function and, importantly, inform advocacy positions. Importantly, in areas where a high level of financial and statistical analytic ability is required, a consolidation can facilitate the sharing of analytic resources across missions. Of course, analytic expertise requires industry specific experience and consolidation in the same overarching agency of financial analysts supporting other missions together with utility financial analysts, for example, will not make one a substitute for the other. But, general skills in financial accounting or statistical analysis

can be useful to assist our industry-specific experts from time to time. Similarly, where courtroom skills and administrative advocacy are necessary, consolidation will allow greater flexibility in the commitment of resource by borrowing, from time to time, lawyers primarily engaged in other missions to undertake discrete tasks within their competency. For 11 of the past 13 years I managed a law firm that focused on litigation in three highly complex and different areas of the law. Despite the difference in substantive expertise of each practice group, the commonality in litigation skills allowed each group to draw upon the resource of the others for tasks that did not require depth of substantive knowledge. Clients were well served and productivity was optimized. I am certain that we can develop a structure that will allow a sharing of resources and expertise between missions on a given project so that we capture all available productivity from our highly skilled personnel.

While we have not come to definitive conclusions as to how the consolidation would be implemented on an organizational basis, I have outlined the touchstones of how we will develop that plan. We will create a structure that enhances both the front-end – how consumers can seek assistance – and the back-end – how the agencies can solve the consumer's concerns. We will keep essential high-level expertise concentrated within industry specific functions where necessary but leverage cross-over skills in order to add more capability to each mission that would not otherwise be available on a stand-alone basis.

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.

I look forward to working with the Legislature and interested stakeholders in achieving the critical goals of improved efficiency and service-delivery that this proposal sets in motion.

Thank you for the opportunity to provide my comments. I would be happy to take your questions at this time.