

SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS



ANNUAL ACCOUNTABILITY REPORT
FISCAL YEAR 2012-2013

Accountability Report Transmittal Form

Agency Name: South Carolina Department of Consumer Affairs

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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 /Department/Agency) 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

- **Refunds, Credits and Adjustments-** The agency **recovered over \$30 million** in refunds, credits and adjustments for consumers nationally and internationally; but most importantly, those living in South Carolina. (Of that figure, \$1,466,437 is from Consumer Services, \$52,505 is from Legal, \$28,550,471 is from Advocacy). ***This amount exceeds the agency's FY13 appropriations by more than \$27,500,000.***
- **Department of Revenue Security Breach Response-** The poise, dedication and initiative displayed by DCA staff in the response to the Department of Revenue security breach was impeccable. Between November 2012 and March 2013, DCA received approximately **33,000 telephone calls** to its toll-free line with staff assisting those callers for nearly **84,000 minutes**. Prior to the Department of Revenue breach, the agency averaged 2,000 calls per month with a total call duration averaging 3,500 minutes. The agency also implemented various outreach initiatives highlighted on page six in the "Outreach, Partnerships and Customer Focus" section.

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

Complaint Mediation

- The Department mediated and **closed 85% of consumer complaints as “satisfied.”** Received **4,156** complaints during FY13, 522 of which are still pending.
- Provided services (walk-ins, referrals, general questions, etc.) to **13,852** persons.
- DCA consumer complaint involving vehicle repossession was highlighted in the *2011 Consumer Complaint Survey Report*, released by Consumer Federation of America and the North American Consumer Protection Investigators.

Compliance/Enforcement Activity

- Processed **13,860** licensing applications.
- Conducted **313** compliance reviews and inspections of regulated businesses.
- Conducted **147** special assignments and complaint investigations.
- **71,433** miles driven by DCA’s 3 field investigators across the state.

Advocacy Division Activity

- Reviewed **800** insurance notices.
- Processed **69** applications for Discount Medical Plan Organization, Continuing Care Retirement Community and Professional Employer Organization (PEO) licenses.
- Reviewed **over 600** PEO financial reports to ensure compliance with the statutory minimum net worth requirement.
- Reviewed and processed **182** continuing education compliance reports of PEO key management personnel.

Administration Division

- Posted over **1,214** revenue transactions, which included processing multiple checks per transaction, for deposit into the General Fund and agency earmarked accounts.
- Processed over **9,217** 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 timeshare resale, wage garnishment and various identity theft related bills.

- The agency saw passage of revisions to 18 of its regulations based on changes to the respective statutes underlying the regulations. The regulations were identified as needing amendments or deletion through a Regulatory Review process implemented by DCA in FY13.
- **Government Agencies-** DCA continued leveraging its resources by entering into joint investigations and otherwise assisting and collaborating with other agencies.
 - DCA investigators coordinated with the Cheraw Police Department and the Fourth Circuit Solicitor's Office to indict Craig Norton of Norton Funeral Home on 106 preneed law violations and breach of trust with fraudulent intent.
 - Investigators collaborated with Beaufort Sheriff's Office and the Bureau of Alcohol, Tobacco and Firearms to facilitate the return of pawned items to consumers when Big Money Pawn of Hilton Head closed.
 - Partnered with the State Library and the Department of Revenue to offer webinars on credit report monitoring service and identity theft.
 - Staff completed 23 Recall Effectiveness Checks throughout the state for lawnmowers, household furnishings and other consumer products in partnership with the Consumer Product Safety Commission. DCA also completed 10 undercover investigations in the sale of ATVs.
 - In FY13, 1,297 businesses utilized the South Carolina Business One Stop (SCBOS) system to file required documents with the Department, a 3% increase from FY12 when 1,258 businesses used the system.
- **Businesses-**
 - Offered 4, free continuing education webinars to 280 members of the credit counseling industry.

Outreach, Partnerships and Customer Focus

- **Presentations** - Conducted 40 presentations to more than 32,000 people in various consumer groups, trade associations, churches, the legal community and government organizations. Specific audiences included magistrates, senior center members, Mortician's Association and SC Bar members. In

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.

conjunction with AARP, reached nearly 30,000 of the 32,000 through two ‘Tele-Town Halls’ on identity theft. Also, participated in **10** webinars geared to library staff and the general public.

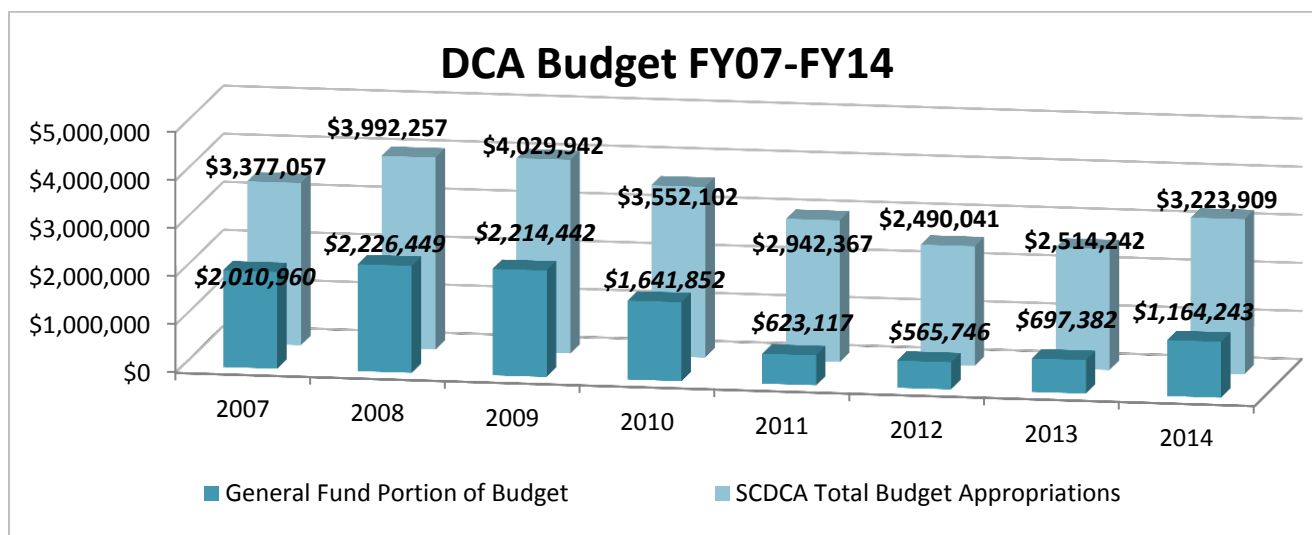
- **Social Media** – DCA debuted **2** new YouTube videos and currently has **over 100,000 views** for its 20 videos. Twitter followers are up to **2,278**, a nearly **18%** increase from last year.
- **Publications** - Released **11** consumer publications on topics such as identity theft, including smartphone safety, and a *Consumer Alert: Special Edition*. Disseminated **6** Scam Alerts and **34** press releases.
- **Colleges and Universities**- Initiated and implemented an educational campaign geared towards college age consumers. The goal is to educate this demographic on identity theft and financial literacy. The campaign included drop-in articles, DCA’s first Twitter chat and a YouTube video. DCA plans to roll out phase two of this campaign in the Fall of 2013.
- **Palmetto Affordable Housing Forum** - The Department provided several presentations at the Forum on topics such as debt collection, the Consumer Financial Protection Bureau and credit scores. More than **600** people attended the Forum.
- **National Consumer Protection Week** - In partnership with SHRED 360 and Cintas, held **4 FREE Shred Days** in 6 locations, resulting in over **20,000 pounds** of shredded paper. Organized an identity theft Seminar in conjunction with the SC Bar, Federal Trade Commission and the USC School of Law. Offered lawyers continuing legal education and gave consumers the opportunity to consult with the attorneys on identity theft issues.
- **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 20-23 in Atlanta, GA. The team placed 31 out of 39, an improvement from their 33 out of 35 ranking in the previous year.
- **Technology Updates** - Continued development of online complaint database and taking steps to update licensing systems. When implemented, these systems will increase the Department’s efficiency and simplify filing processes.



Key Strategic Challenges

Budget

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 decreased as well. The industries regulated by the Department were affected by the economic downturn; thus certain 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.

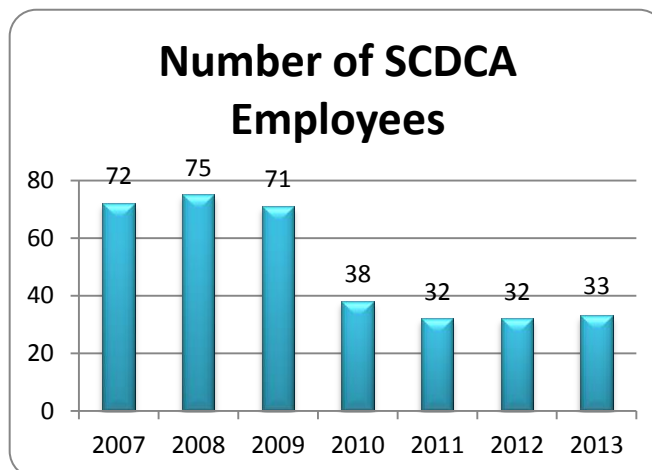


Hiring and Retaining Employees

The budgetary constraints previously described contributed to the agency's inability to hire needed staff, retain qualified personnel or appropriately compensate those whose job responsibilities have grown and who continue to provide superior service. DCA received increased budget appropriations for FY13, allowing the agency to begin addressing these staffing issues. Looking to the future, the agency deems workforce planning as a priority as several staff members are approaching retirement. Maintaining a qualified workforce is of the utmost importance to DCA.

Technology

It is important for DCA staff to have the tools necessary to enable them to provide efficient and effective services to stakeholders and customers. The agency is turning to technology for assistance in achieving this goal. Obtaining funding to implement the agency's IT plan in a timely manner as well as keeping up with the ever-evolving nature of technology is a priority.



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

Regulation and Enforcement

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 Title 37 of the *South Carolina Code of Laws*, 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), **Pawnbrokers** (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.

Insurance Rate Filing Intervention

As the state agency designated 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. The agency's intervention often results in adjudications or settlements that generate savings for consumers and businesses alike.

Complaint Mediation

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.

Public Information

DCA serves as the main consumer education portal for consumers, business and the media. To ensure a high degree of awareness of consumer rights and responsibilities, staff makes presentations and sponsors webinars on identity 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 educational brochures.

Administration

Provides the agency with information technology, human resource, accounting, budgeting and procurement services and otherwise supports the agency's regulatory functions. 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 millions of South Carolina consumers, law enforcement agencies, 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

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.

groups expect prompt, efficient service and for the agency to utilize a fair and balanced approach in carrying out its legal functions.

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. All 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.

"I thought the presentation was awesome and it gave us the tools and information we needed to protect ourselves as well as our businesses."

**-Ms. Morgan
Berkeley Chamber of Commerce
Berkeley County, SC**

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, <i>Chair</i> (2013) | Columbia |
| Johnny Sosebee, Vice Chair (2014) | Piedmont |
| Magaly Penn (2014) | Simpsonville |
| Clifford Ray Keasler (2014) | Myrtle Beach |
| Terrell Parrish (2014) | Greer |
| Mark Hammond, <i>ex officio</i> | Columbia |
| W. Fred Pennington (2015) | Taylors |

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 top priorities. Senior management is led by the Administrator and meets to discuss policies, procedures and customer expectations. The Department's senior managers are:

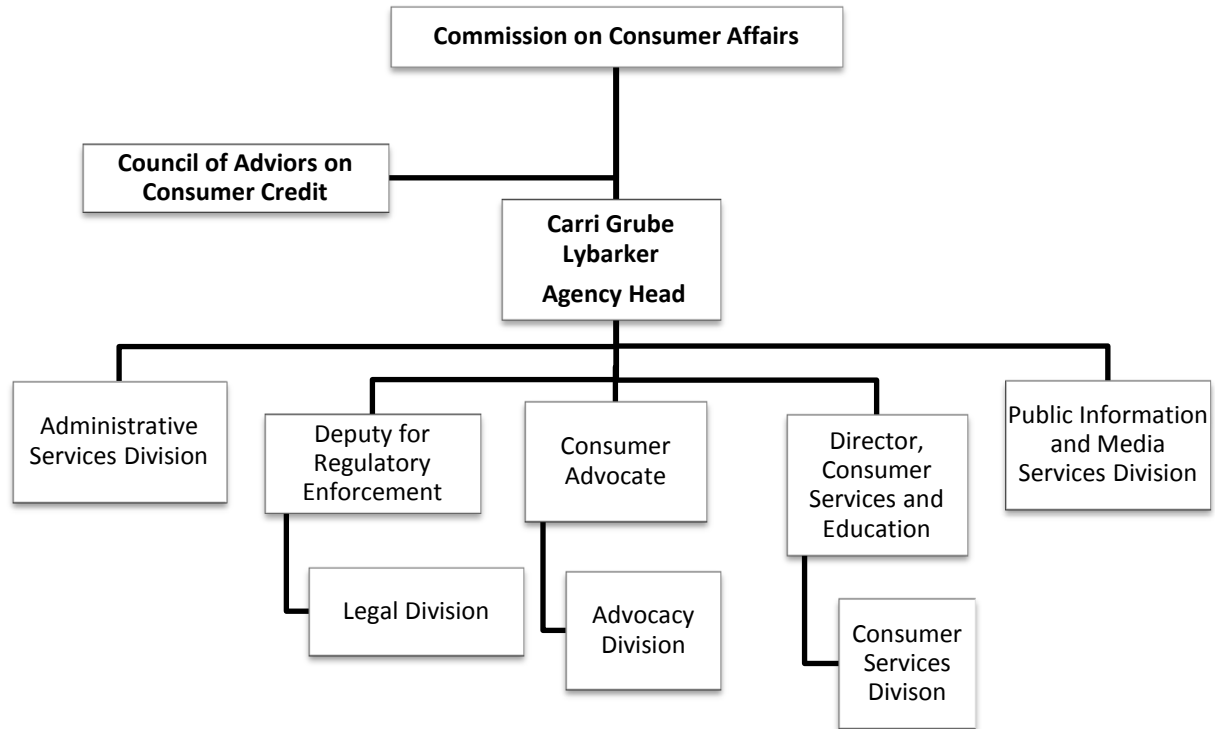
| | |
|---|-----------------------------|
| Administrator | Carri Grube Lybarker |
| Consumer Advocate/Deputy for Advocacy | Elliott Elam |
| Deputy for Regulatory Enforcement | Danny Collins |
| Director of Consumer Services & Education | Donna Backwinkel |
| Director of Human Resources | Sharon Jones |

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 second 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, III (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



Accountability Report Appropriations/Expenditures Chart

Base Budget Expenditures and Appropriations

| Major Budget Categories | FY 11-12 Actual Expenditures | | FY 12-13 Actual Expenditures | | FY 13-14 Appropriations Act | |
|-------------------------------|------------------------------|---------------|------------------------------|---------------|-----------------------------|---------------|
| | Total Funds | General Funds | Total Funds | General Funds | Total Funds | General Funds |
| Personal Service | \$ 1,451,622 | \$ 350,998 | \$ 1,592,641 | \$ 354,012 | \$ 1,924,880 | \$ 679,549 |
| Other Operating | \$ 464,596 | \$ 58,199 | \$ 361,444 | \$ 198,657 | \$ 759,366 | \$ 296,286 |
| Special Items | | | | | | |
| Permanent Improvements | \$ (2,841) | | \$ 14,950 | \$ 14,950 | | |
| Case Services | | | | | | |
| Distributions to SubDivisions | | | | | | |
| Fringe Benefits | \$ 476,230 | \$ 163,743 | \$ 518,787 | \$ 150,407 | \$ 539,663 | \$ 188,408 |
| Non-recurring | | | | | \$ 100,000 | \$ 100,000 |
| Total | \$ 2,389,607 | \$ 572,940 | \$ 2,487,822 | \$ 718,026 | \$ 3,323,909 | \$ 1,264,243 |

Other Expenditures

| Sources of Funds | FY 11-12 Actual Expenditures | FY 12-13 Actual Expenditures |
|-----------------------|------------------------------|------------------------------|
| Supplemental Bills | | |
| Capital Reserve Funds | | |
| Bonds | | |

Major Program Areas

| Program Number and Title | Major Program Area Purpose (Brief) | FY 11-12 Budget Expenditures | FY 12-13 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 and inform consumers, making them savvier in the marketplace. | State: 0.00 Federal: 0.00 Other: 337,367.00 Total: 337,367.00 % of Total Budget: 14.12% | State: 0.00 Federal: 0.00 Other: 358,948.00 Total: 358,948.00 % of Total Budget: 14.43% | 7.1-1 7.1-5 7.1-6 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: 35,514.00 Federal: 0.00 Other: 820,227.00 Total: 855,741.00 % of Total Budget: 35.81% | State: 68,126.00 Federal: 0.00 Other: 655,014.00 Total: 723,140.00 % of Total Budget: 29.07% | 7.1-2 7.1-6 7.3-1 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. Regulates professional employer organizations, discount medical plan organizations and continuing care retirement communities. | State: 275,491.00 Federal: 0.00 Other: 0.00 Total: 275,491.00 % of Total Budget: 11.53% | State: 327,221.00 Federal: 0.00 Other: 77,797.00 Total: 405,018.00 % of Total Budget: 16.28% | 7.1-2 7.1-3 7.1-4 7.2-4 7.3-1 | 7.6-1 |
| V. | Public Information – Inform consumers and businesses on their rights and responsibilities in the marketplace. | State: 34,586.00 Federal: 0.00 Other: 30.00 Total: 34,616.00 % of Total Budget: 1.45% | State: 48,924.00 Federal: 0.00 Other: 0.00 Total: 48,924.00 % of Total Budget: 1.97% | 7.1-1 7.2-2 7.1-6 7.6-1 7.6-4 | 7.6-5 |
| I. | Administration - Provides budgeting and accounting, human resources, procurement and supply, training and technology services for the agency. Administers the registered consumer credit grantor, maximum rate filing and motor vehicle disclosure programs. | State: 63,608.00 Federal: 0.00 Other: 346,554.00 Total: 410,162.00 % of Total Budget: 17.16% | State: 103,666.00 Federal: 0.00 Other: 328,822.00 Total: 432,488.00 % of Total Budget: 17.39% | 7.1-2 7.3-1 7.6-1 | |

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

| | | |
|-----------------------------------|----------------------------------|----------------------------------|
| Remainder of Expenditures: | State: 163,743.00 | State: 150,407.00 |
| Employer Contributions | Federal: 0.00 | Federal: 0.00 |
| | Other: 312,487.00 | Other: 368,380.00 |
| | Total: 476,230.00 | Total: 518,787.00 |
| | % of Total Budget: 19.93% | % of Total Budget: 20.86% |

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:

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. In FY13, DCA implemented a mandatory Mid-Year Review to provide an opportunity for staff to discuss accomplishments and needs arising within the first six months of a new EPMS cycle. Goals are adjusted as necessary to reflect changes in external and internal variables.

“You’re the best! The conclusion to my problem was perfect & I am more than happy!”

**-Ms. Chandler,
Consumer, Easley, SC**

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?

Senior leaders hold event/issue debriefs to gather positives and negatives to utilize in enhancing agency services. Whether during an impromptu discussion or within meetings, senior leaders also 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 based and adjusted on customer outcomes and

feedback. DCA also hosts industry roundtables to encourage open dialogue and an open door policy between the agency and industries regulated.

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

During the agency decision-making process, areas of need are identified and prioritized. DCA has a strong public interface. Feedback is received from all Divisions of the agency allowing the DCA to gauge the impact and areas needing attention.

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.

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 reviewed and 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



Lower Richland High School's LifeSmarts Team. For the third year in a row, they represented the State at the national competition. (February 2013)

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. All of these items are utilized as a guide to develop or revise internal processes and procedures.

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

When hiring, a diverse panel of staff is appointed to interview and select new personnel, including senior leaders. Internally, when appropriate, job opportunities are created to permit employees to tailor job duties to 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 DCA 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.



Staff participating in public speaking training at the State Library. (April 2013)

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?

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. In FY13, DCA hosted speakers, including one presentation on dealing with difficult people. The agency also belongs to associations of fellow state regulators and leadership encourages the formation of relationships with our counterparts to enhance learning and for staff to serve as officers within such associations. Staff is also encouraged to gain membership in associations directly related to their specific profession. The implementation of cross training and coordination of workshops/seminars further helps to foster learning throughout Divisions.

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?

Celebrations of agency accomplishments are made throughout the year. Senior leaders publicly praise excellence 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 participate 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 FY13 for the second year in a row) 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 FY13.



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 full staff meetings help establish the proper framework of communication and the assessment of current performance, 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.

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 12-13 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 sufficient 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 training opportunities for staff. A highly skilled and well-trained workforce is essential for the Department to accomplish its mission of protecting and educating consumers. | <u>Charts</u> 7.1-1~7.1-6 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. The agency will continue the effort of making strides in updating licensing systems that are severely outdated. Seek out other tools staff can utilize to become more efficient. Continue to explore cost-effective manner of providing online licensing for more DCA programs. | <u>Charts</u> 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. | <u>Charts</u> 7.1-1~7.1-6 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. Maintain weekly newsletter to employees to inform them of agency and staff happenings. 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 be held annually. 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. A mid-year review allows employees to gauge their progress and make changes before annual EMPS reviews are conducted. | <u>Charts</u> 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 at least 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 implementation.

"...[the form] has been an enormous help to me as well as for our examiners in the field."

**-Mr. Copeland
Board of Financial Institutions
Columbia, SC**

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.

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

This is measured primarily through data captured in the monthly agency Progress Report and data reported in Section 7. Staff EPMS ratings are also utilized. Customer feedback and performance evaluation are reviewed. Regarding technology goals, the timeline and overall progress of implementing new, or updating, 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 are the millions of 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 *South Carolina 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 proactive 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. In FY13, DCA held its first Twitter chats. 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.



DCA participated in a Foreclosure Prevention event in conjunction with the US Treasury Department and US Department of Housing and Urban Development. (June 2013)

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.

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.
- Phone calls received through DCA's toll-free number.



Staffers from DCA, Federal Trade Commission, and US Postal Inspector Service participate in a Tele-Town Hall meeting for AARP members. (January 2013)

- Miles driven by DCA investigators.

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. In FY13, DCA took measures to obtain funding to update licensing systems and continued work with DSIT to streamline backend servers.

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 forces, coalitions and holds collaborative meetings.

"We appreciate all of the help and direction we have received from your office."

**-Mr. Cundiff
Pawn Broker Licensee
Myrtle Beach, SC**

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 FY13, DCA implemented its second phase of employee cross-training.

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 manner set forth by the Office of Human Resources in the State's Budget and Control Board. When hiring, a diverse panel of staff is appointed to interview and select new personnel. Potential employees are informed of state benefits and advantages of working at DCA. 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 made internally when qualified candidates exist. Staff members who acquire new skills often have their position descriptions rewritten to accommodate a greater degree of performance and responsibility. In FY13, DCA took steps to increase staff participation in outside training opportunities, reward extraordinary efforts of others, and fill more FTEs in critical areas.



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 360° 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. The mandatory Mid-Year Reviews implemented in FY13 also provide a continued forum for benchmark reviews and discussion.

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. As budget concerns have been relieved, additional training opportunities were made available. 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?

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.

"Thank you so much for all your help and for your patience."

**-Ms. Weiner
Continuing Care Retirement
Community Licensee
Upstate, SC**

8. How do you encourage on the job use of new knowledge and skills?

As stated above, staff members who acquire new skills may have their job duties appropriately realigned and their position descriptions rewritten to accommodate a greater degree of performance and responsibility. Their input in area of concentrations is sought out and staff members are appointed to internal committees based on their skill sets.

9. How does employee training contribute to the achievement of your action plans?

Success is achieved through teamwork and staff holding the requisite knowledge and skills necessary to perform job duties. 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.

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 and the Mid-Year Reviews also assist in identifying strong and weak points in the Department's training systems. DCA also employs a "Job Satisfaction Survey" in to ascertain staff perspectives in this area and others.

11. How do you motivate your workforce to develop and utilize their full potential?

By creating an environment of accountability and recognition; 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. In FY13, DCA allocated funds for employee development to assist in learning higher-level skills.

Additionally, many opportunities for two-way communication are provided to promote information sharing, motivate people and boost productivity. Praise and recognition for a job well done, promotions, staff retreats, participation in conferences and workshops, merit increases and bonuses are also tools used to motivate staff. Employee Appreciation Week, recognitions in full staff meetings and receipt of a "Shout Out" from a co-worker in the agency's weekly newsletter (implemented in FY13) also help to motivate staff.

***"YOU ARE THE BEST!!!!
Is there any way we can
clone you...?"***

**-Mr. McCabe
Mortgage Licensee
Charlotte, NC**

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. The Mid-Year Review also provides a method for gauging these elements.

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, including leadership training, depending on budgetary constraints. Employee titles and position descriptions 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 has a Coordinator for the State's Prevention Partner's Program

who keeps staff informed of all Prevention Partner opportunities and educational materials. In FY13, DCA participated in the "Midlands Goes Red" campaign, bringing 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.

"Sending gratitude for [being] so helpful, so kind."

**-Ms. Jones
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 are determined by the statutes and regulations administered and enforced by DCA as well as those with which the agency must comply.

Our core competencies are further defined 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.

"Thank you for providing the colleges with this information."

**-Ms. Ankerson,
Trident Technical College
North Charleston, SC**

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 agency puts 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 FY13, DCA made technology a budget request priority and secured funding for a backend database upgrade in FY14. With the economic downturn, staff is always looking for innovative methods to achieve a task in a more efficient and cost effective way.

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.

"It is nice to know that there is an agency out there that is responsive to the needs of its citizens."

**-Mr. Smith,
Consumer
Myrtle Beach, SC**

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.

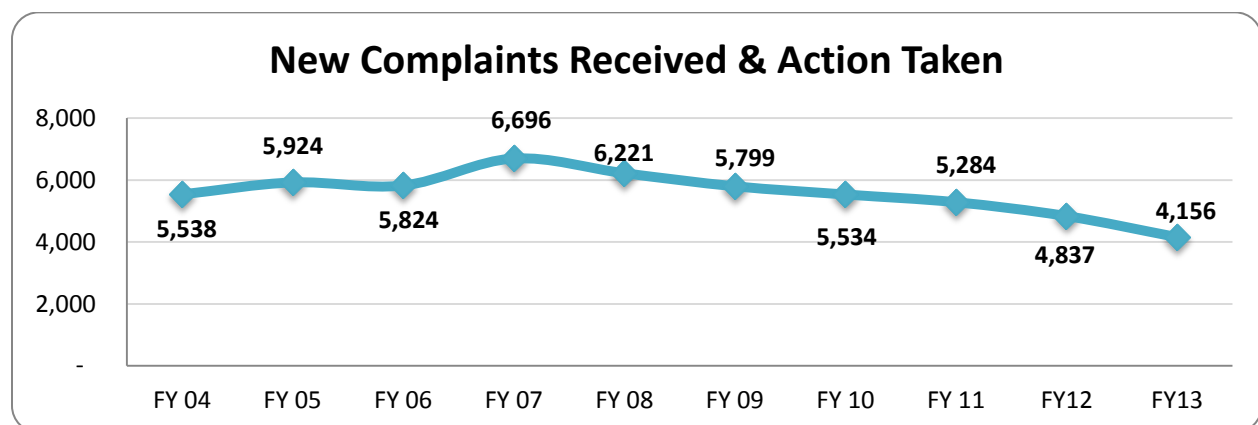
7. How does your organization determine the resources needed to meet current and projected budget and financial obligations?

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.

Category 7 – Business Results

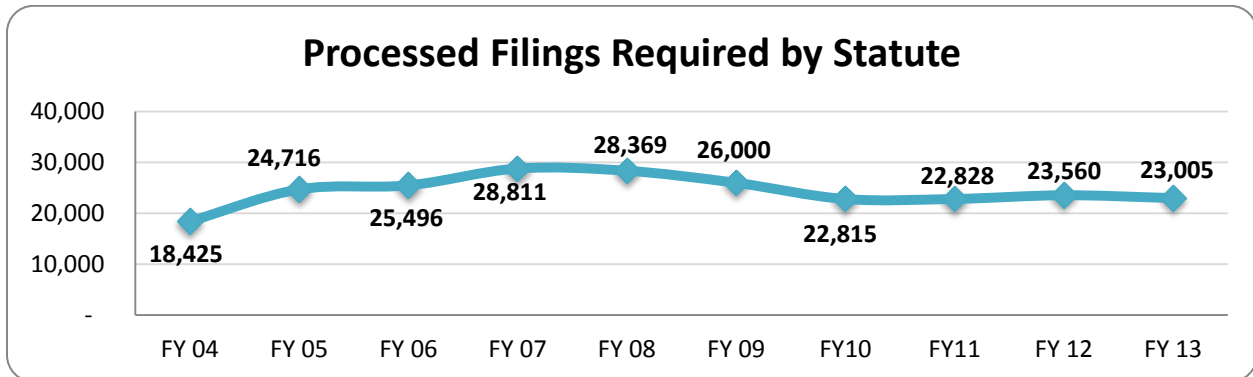
7.1 What are your performance levels and trends for your key measure of mission accomplishment/product and service performance that are important to your customers?

Chart 7.1-1



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 resource as opposed to the consumer first filing a complaint, then being referred. Also, scam issues are diverted to our Public Information Division for intake and appropriate resolution.

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. FY11-FY13 reflect stabilization in the number of filings processed by DCA.

Chart 7.1-3

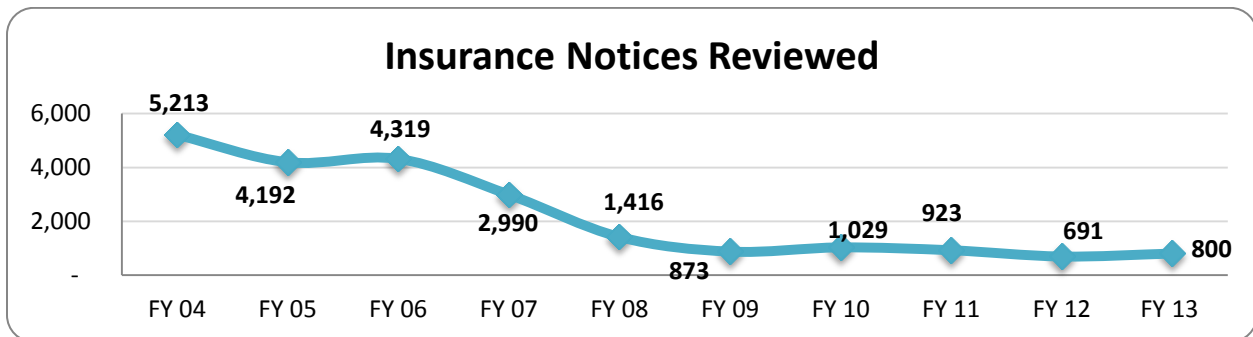
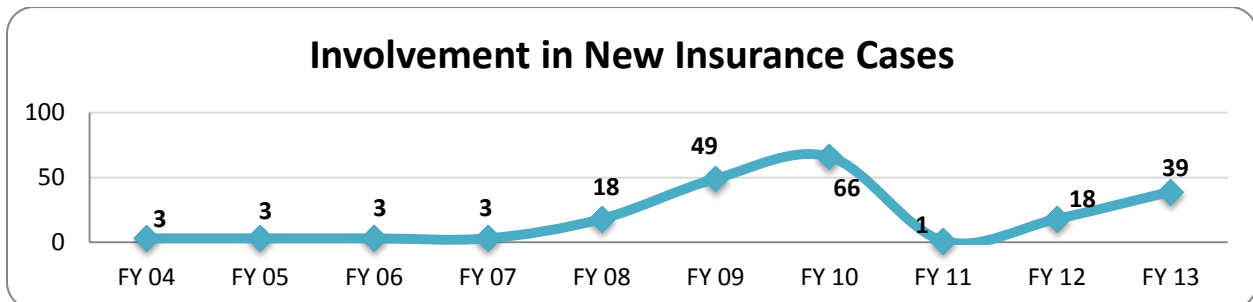
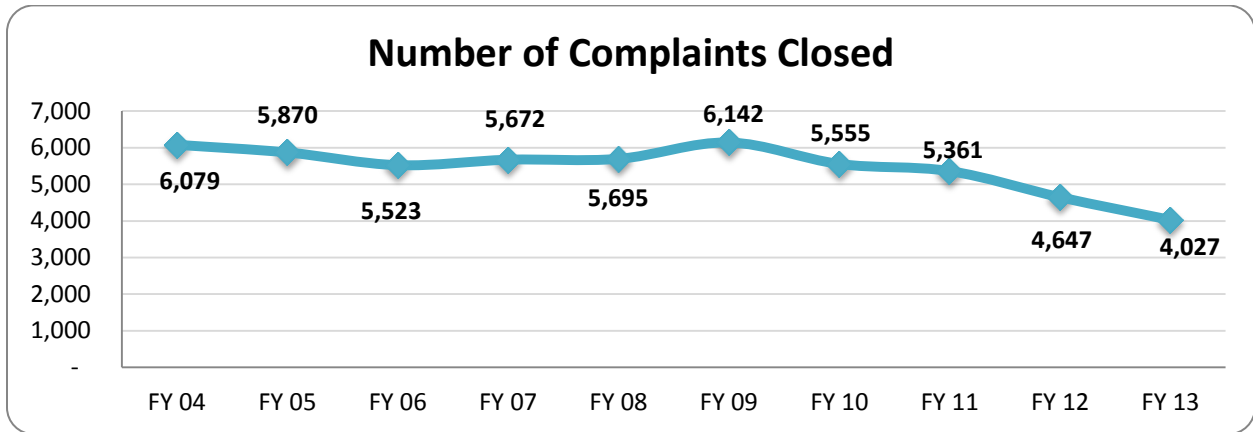


Chart 7.1-4



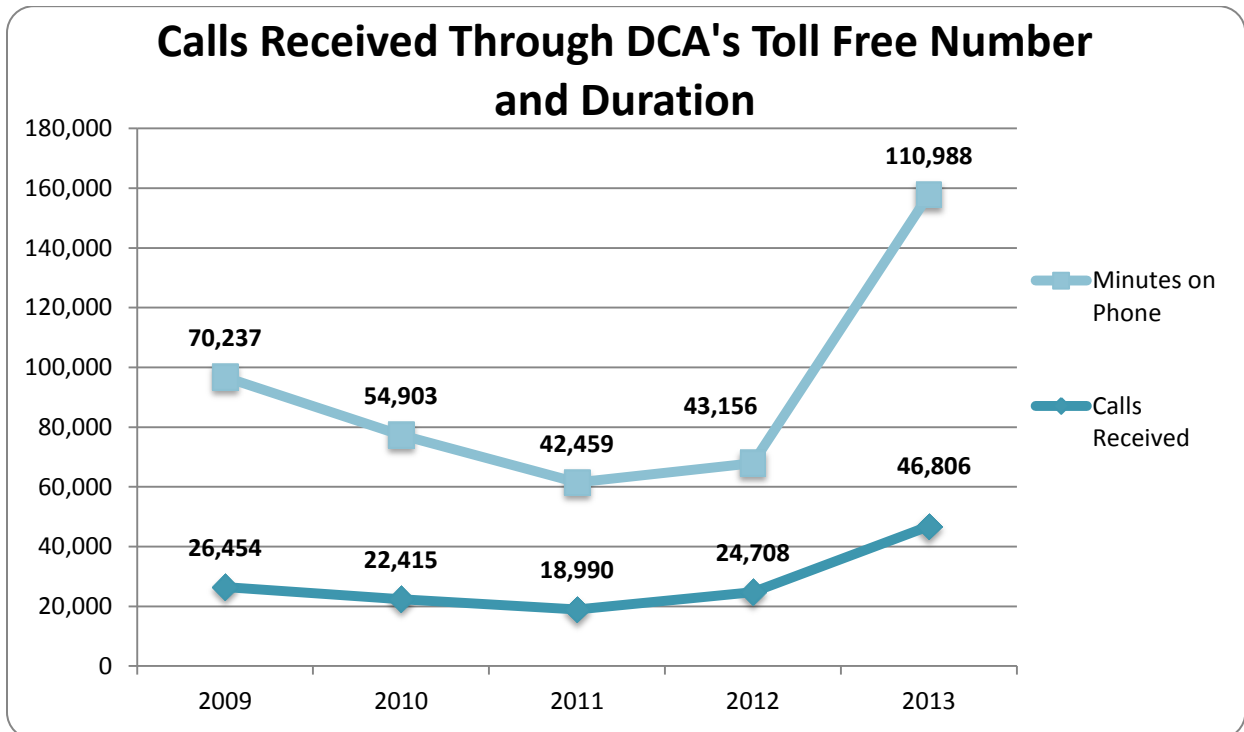
The FY11 decrease number of agency involvement in new insurance rate cases was due to pending, legal challenges to the Department's authority to intervene in certain insurance rate filings. The challenges continued into FY12 and were resolved in early FY13.

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. In FY13, the Department continued to close approximately the same number of complaints that were received, with 4,027.

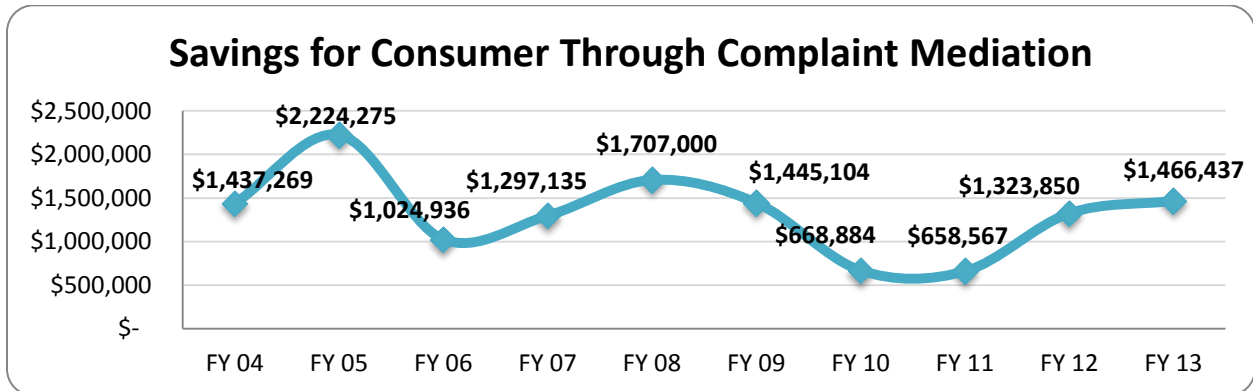
Chart 7.1-6



This measurement is new in the DCA's Accountability Report. DCA's toll-free number received nearly twice the amount of calls in FY13 as compared to FY12, while the call duration amount **increased 250%**.

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 continues to increase, rising **10%** from FY12 to FY13.

Chart 7.2-2

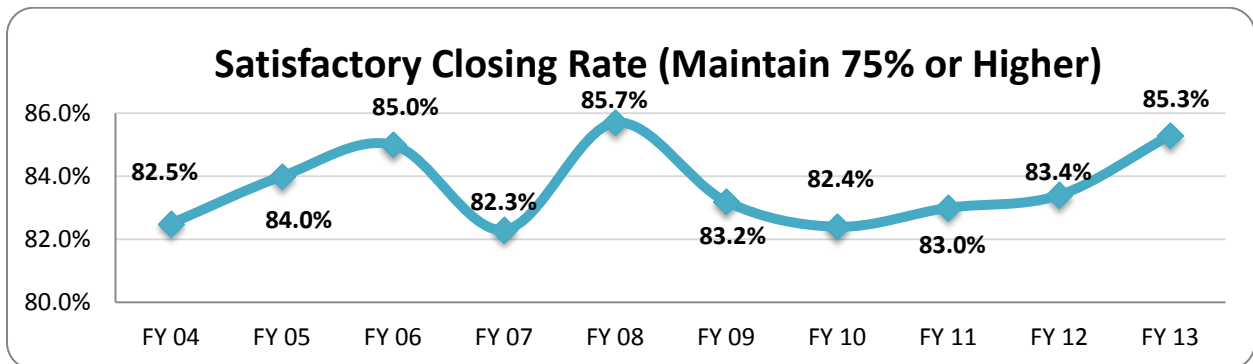


Chart 7.2-3

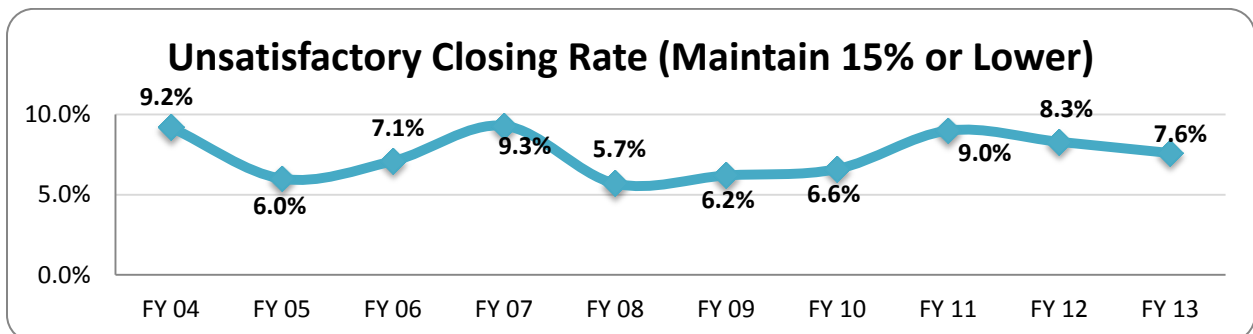
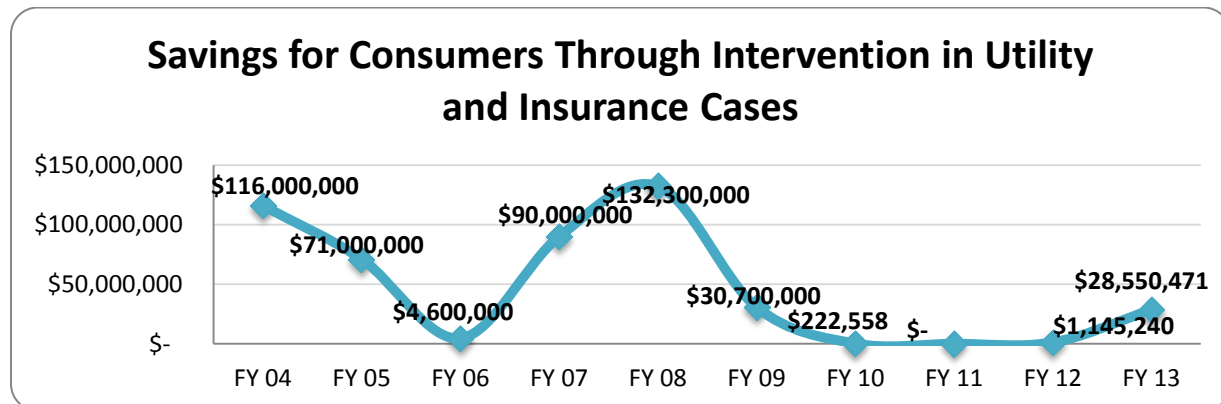
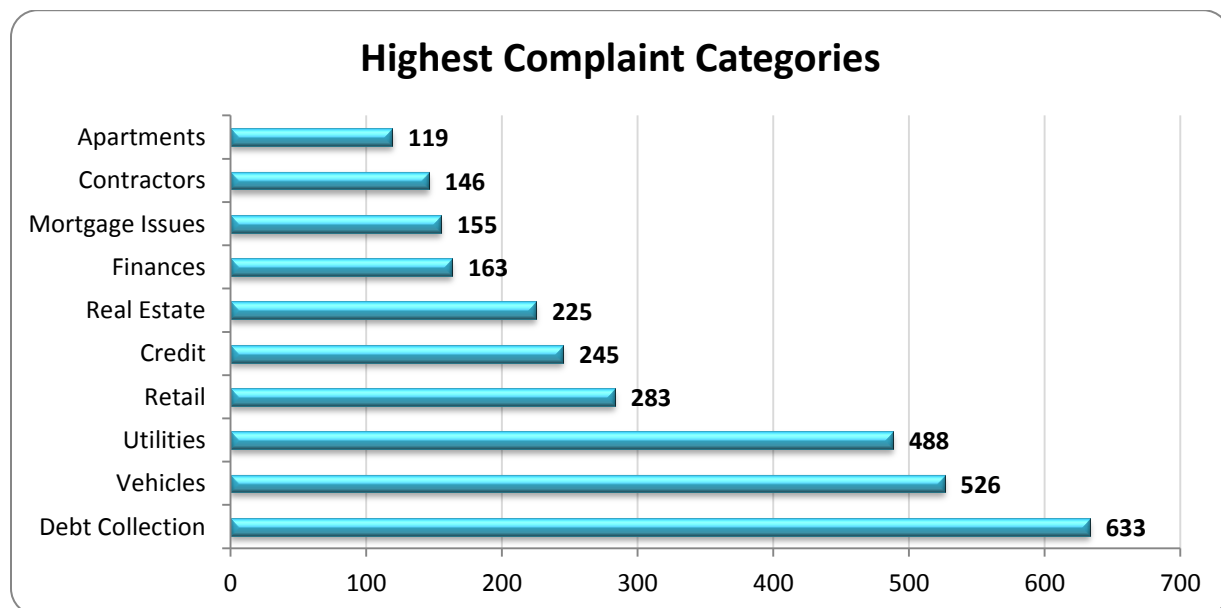


Chart 7.2-4



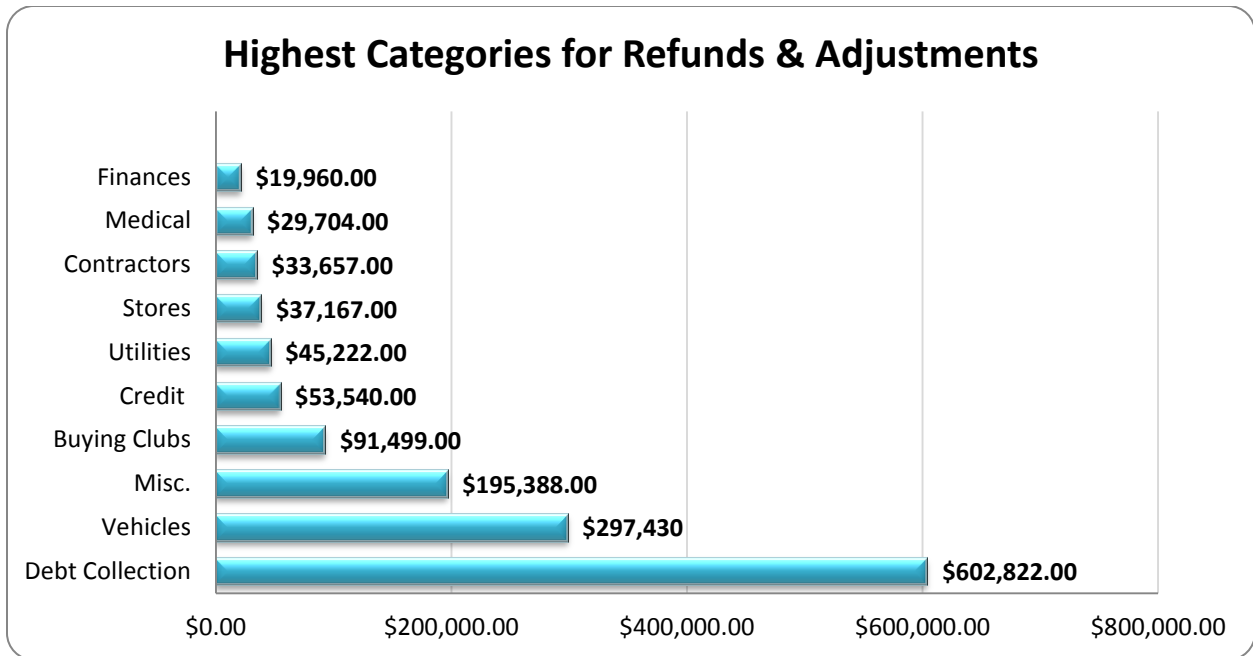
The Department anticipates continued savings for insurance consumers in addition to the amounts reported above. The savings from past fiscal years will continue to benefit consumers until companies come back to the regulators to change rates. Effective January 1, 2005, the Advocacy regulatory review 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. These matters were resolved in early FY13.

Chart 7.2-5



Debt Collection, vehicle, and utility complaints round out the top three categories. Retail complaints made a surprise appearance in the top 5 after not even making the top 10 in FY12. Apartments also inched up to make it into the top 10 this fiscal year.

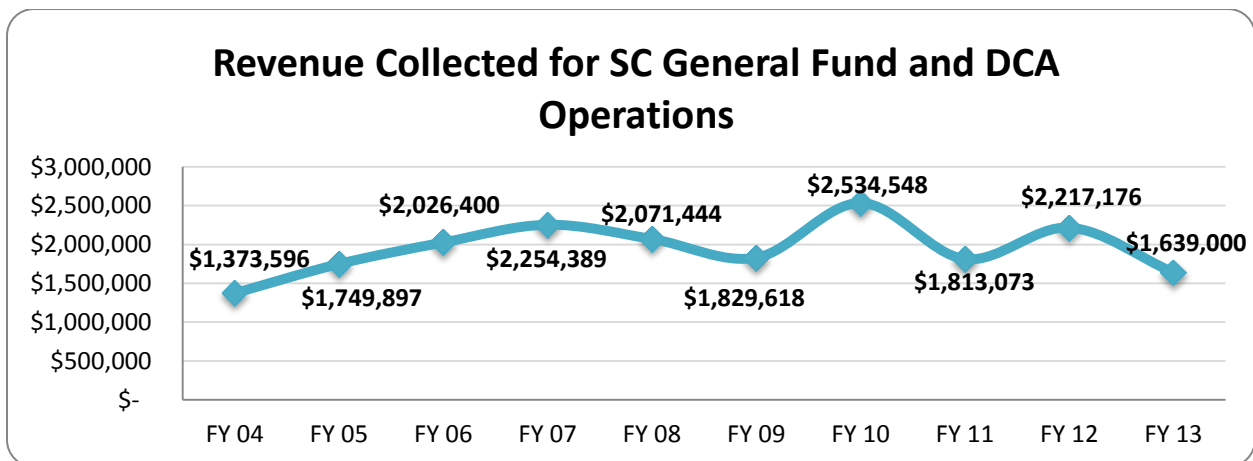
Chart 7.2-6



The Consumer Services Division achieved refunds, credits and adjustments of over \$1.4 million for consumers in FY13. Debt collection far exceeds the other categories partly due to credit report errors. Many consumers had misinformation on their credit reports and upon unsuccessfully trying to dispute those errors, turned to DCA for help.

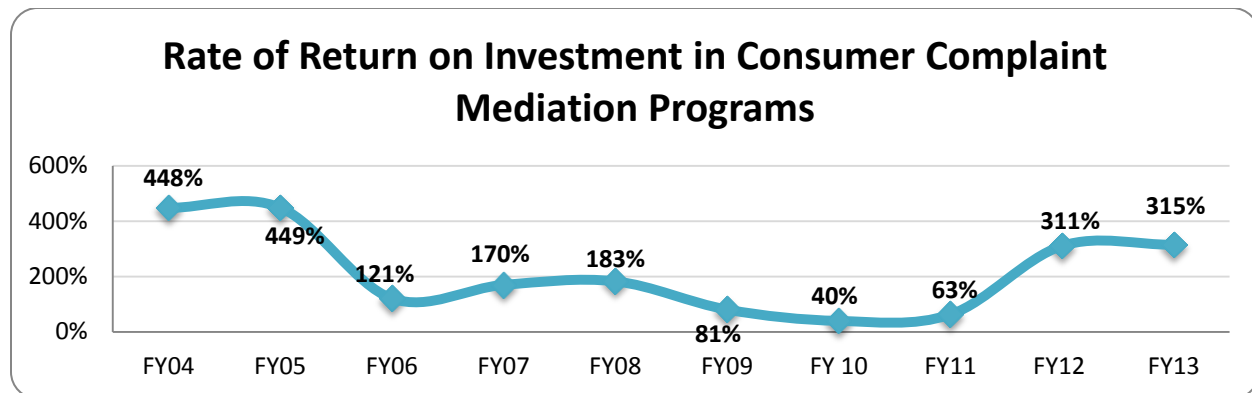
7.3 What are your current performance levels for your key measure on financial performance, including measure of cost containment, as appropriate?

Chart 7.3-1



Fluctuations in revenue collected for the SC general fund and DCA operations are attributed to timing of penalty collections and number of licensees/filings.

Chart 7.3-2



The statistics represent the amount of refunds, credits and adjustments the Services Division obtained for 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.

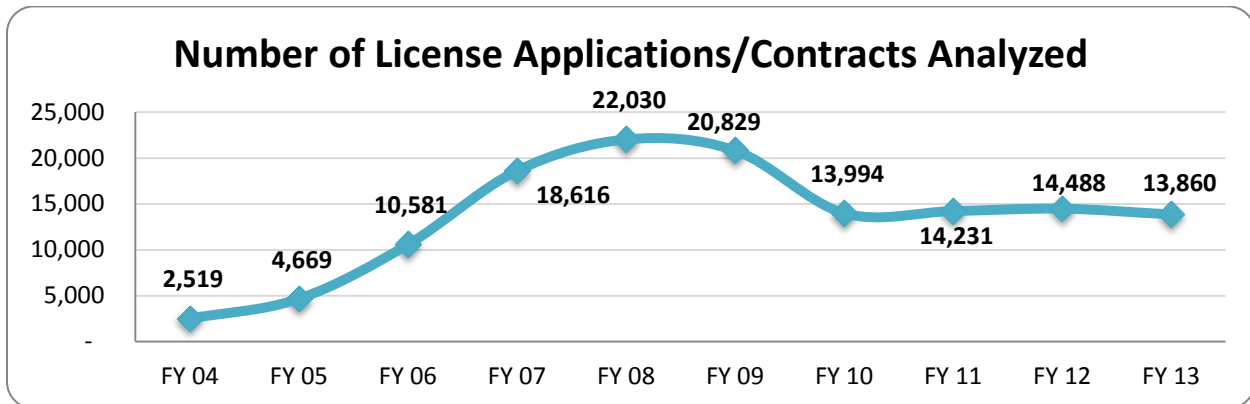
Additionally, well-being can be assessed through daily contact. The Department's turnover rate has traditionally been low, and retention has been high. The agency also has a "Wellness Committee" which sponsors event meant to benefit employee health. Regarding security, the Department has a sign-in policy 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 FY13, 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.

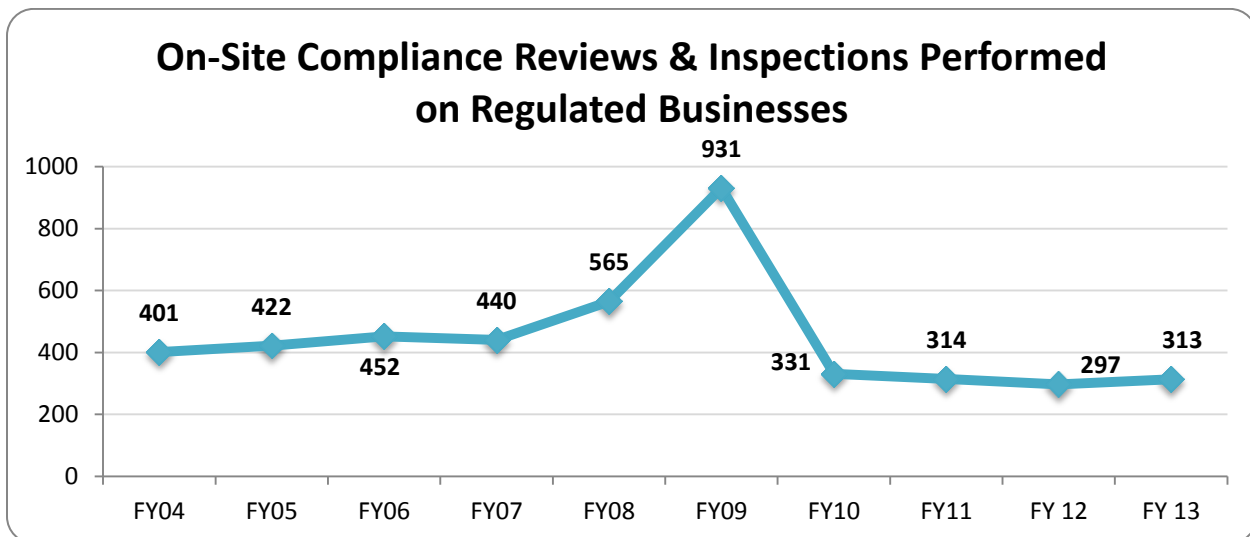
7.6 What are your performance levels and trends for the key measures of regulatory/legal compliance and community support?

Chart 7.6-1



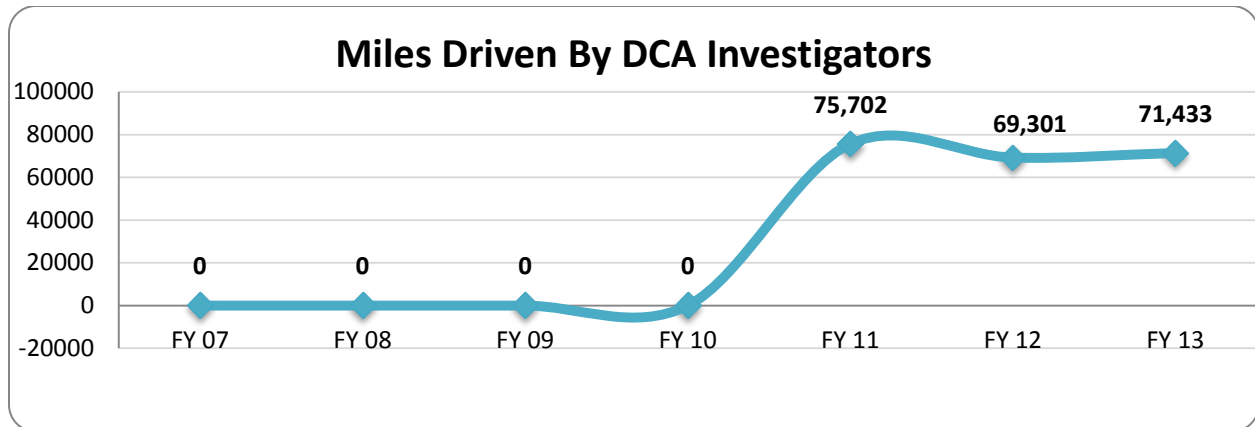
In FY05 the Department reviewed 3,536 loan originators and 1,248 mortgage loan broker license applications. This was the first year for mortgage loan originator licensing. The Department analyzed an agency-high 20,829 applications in FY09 due to an increase in preneed contract licensing, prepaid legal services, and credit counselors and organizations, and athlete agents among others. FY10-FY13 saw the amount of licensing applications/contracts analyzed level out.

Chart 7.6-2



The Department conducted a record 931 compliance reviews and inspections for regulated businesses during FY09. Following the FY10 reduction in force, the agency has remained consistent in the number of reviews performed.

Chart 7.6-3



This measurement is new to DCA's Accountability Report. During FY13, DCA employed 3 investigators to perform compliance and advisory reviews of regulated businesses across South Carolina.

Chart 7.6-4

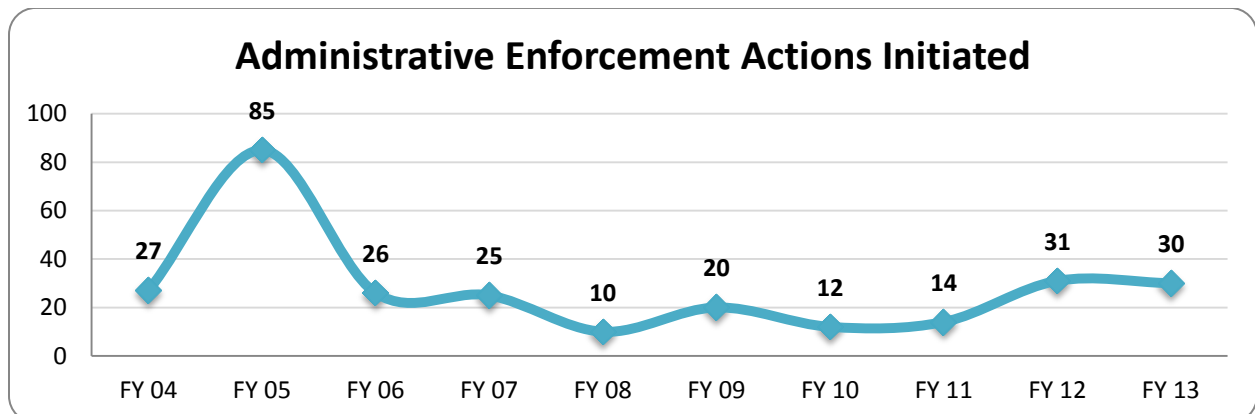


Chart 7.6-5:**Licensing Activity FY 2012-2013**

| Licensee | Reviewed | Approved | Pending | Denied | Returned | Inactive |
|--|---------------|---------------|------------|-----------|-----------|--------------|
| Athlete Agents | 25 | 25 | 0 | 0 | 0 | 0 |
| Credit Counseling Organizations | 100 | 47 | 48 | 0 | 0 | 6 |
| Credit Counselors | 1537 | 857 | 736 | 0 | 0 | 144 |
| Mortgage Brokers | 159 | 115 | 18 | 0 | 0 | 26 |
| Loan Originators | 468 | 152 | 84 | 2 | 0 | 229 |
| Motor Clubs | 40 | 33 | 4 | 0 | 0 | 3 |
| Motor Club Representatives | 1448 | 1261 | 0 | 0 | 0 | 187 |
| Pawnbrokers | 283 | 247 | 10 | 1 | 0 | 25 |
| Physical Fitness | 265 | 205 | 40 | 0 | 0 | 20 |
| Preneed Funeral Companies | 8 | 4 | 0 | 3 | 0 | 0 |
| Preneed Contracts | 6867 | 6867 | 0 | 0 | 0 | 0 |
| Prepaid Legal Companies | 6 | 6 | 0 | 0 | 0 | 0 |
| Prepaid Legal Representatives | 2582 | 2316 | 226 | 1 | 21 | 19 |
| TOTAL | 13,788 | 12,135 | 332 | 11 | 14 | 1,771 |

Refunds from Legal and Enforcement Actions

- Consumer refunds from Physical Fitness: \$ 19,728.94
- Consumer refunds from Preneed Funeral Contracts: \$ 11,152.50
- Consumer refunds from unlicensed Credit Counselors: \$ 10,000.96
- Consumer refunds from Maximum Rate: \$ 4,520.28
- Consumer refunds from a Pawnbroker redemption: \$ 7,102.50

TOTAL Refunds to Consumers
\$52,505.18