

PERFORMANCE AUDIT

Protecting Montana Consumers

Department of Justice-Office of Consumer Protection

JANUARY 2016

14P-08

REPORT SUMMARY

The Office of Consumer Protection has engaged in some strategic planning and monitoring of program activities, but improvements are needed in these, and other fundamental organizational development areas, to ensure work to protect Montana's consumers is being accomplished efficiently, effectively, and consistently. Additional improvements are also needed to ensure program accomplishments reported by the OCP, such as money refunded to consumers, is based on accurate data.

Context

Office of Consumer Protection (OCP) is located in the Department of Justice (department) and is responsible for overseeing consumer protection activities. As part of the Office of Consumer Protection and Victims Services Bureau, OCP is located in the department's Legal Services Division. OCP's entire \$1.2 million annual operating budget comes from special revenue sources, specifically settlement money from lawsuits pursued by OCP on behalf of the state. OCP has 10.75 FTE positions. In fiscal year 2014, OCP reports recouping \$5.4 million from businesses consumers felt had treated them unfairly or deceptively. OCP also indicates that it stopped Montanans from spending \$405,000 on "scams" or fraudulent business deals.

OCP has numerous and varied responsibilities, including answering consumer questions and investigating situations in which a consumer believes a business has treated them unfairly or in a deceptive manner. This was the focus of our audit. We reviewed the processes OCP used to respond to consumers seeking information and assistance in fiscal year 2014.

Results

Audit work found OCP needs to enhance their efforts in fundamental organizational development areas to ensure Montana consumers are being protected from businesses engaged in unfair and deceptive business practices. We found OCP is limited in the following areas: policies and procedures related to consumer interactions, staff training on consumer interactions, and supervisory oversight of program operations associated with responding to consumers. In addition, audit work found OCP needs to finalize its strategic planning and determine a process for gathering reliable information regarding consumer interactions.

The completion of a strategic plan, including a mission statement, goals, and detailed measurable objectives, would give OCP the opportunity to clearly determine: 1) what it is they do, 2) for whom they do it, and 3) how they will get it done. It will allow OCP to mature into a more defined program with more clearly defined measurable accomplishments and a stronger organization with the risks of

inefficiency, ineffectiveness, inconsistencies, and data inaccuracies minimized.

Recommendation Concurrence	
Concur	5
Partially Concur	1
Do Not Concur	0
Source: Agency audit response included in final report.	

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