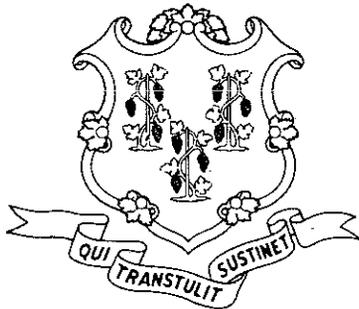


MOTOR VEHICLE RELATED COMPLAINT PROCESSING SYSTEMS

Connecticut
General Assembly



LEGISLATIVE
PROGRAM REVIEW
AND
INVESTIGATIONS
COMMITTEE

JANUARY 1989

CONNECTICUT GENERAL ASSEMBLY

LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

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**MOTOR VEHICLE RELATED
COMPLAINT PROCESSING SYSTEMS:
A PERFORMANCE AUDIT**

**LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE
JANUARY 1989**

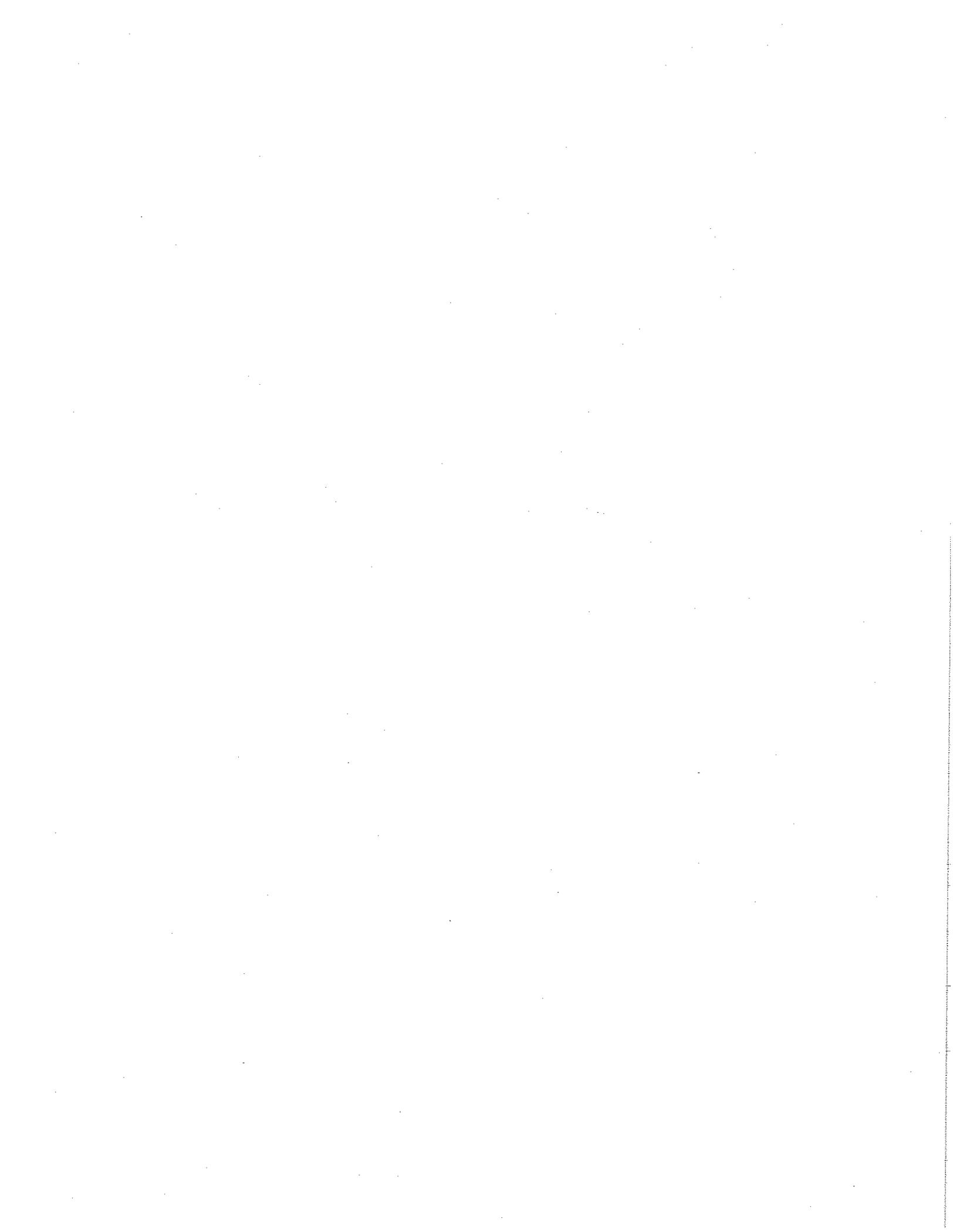
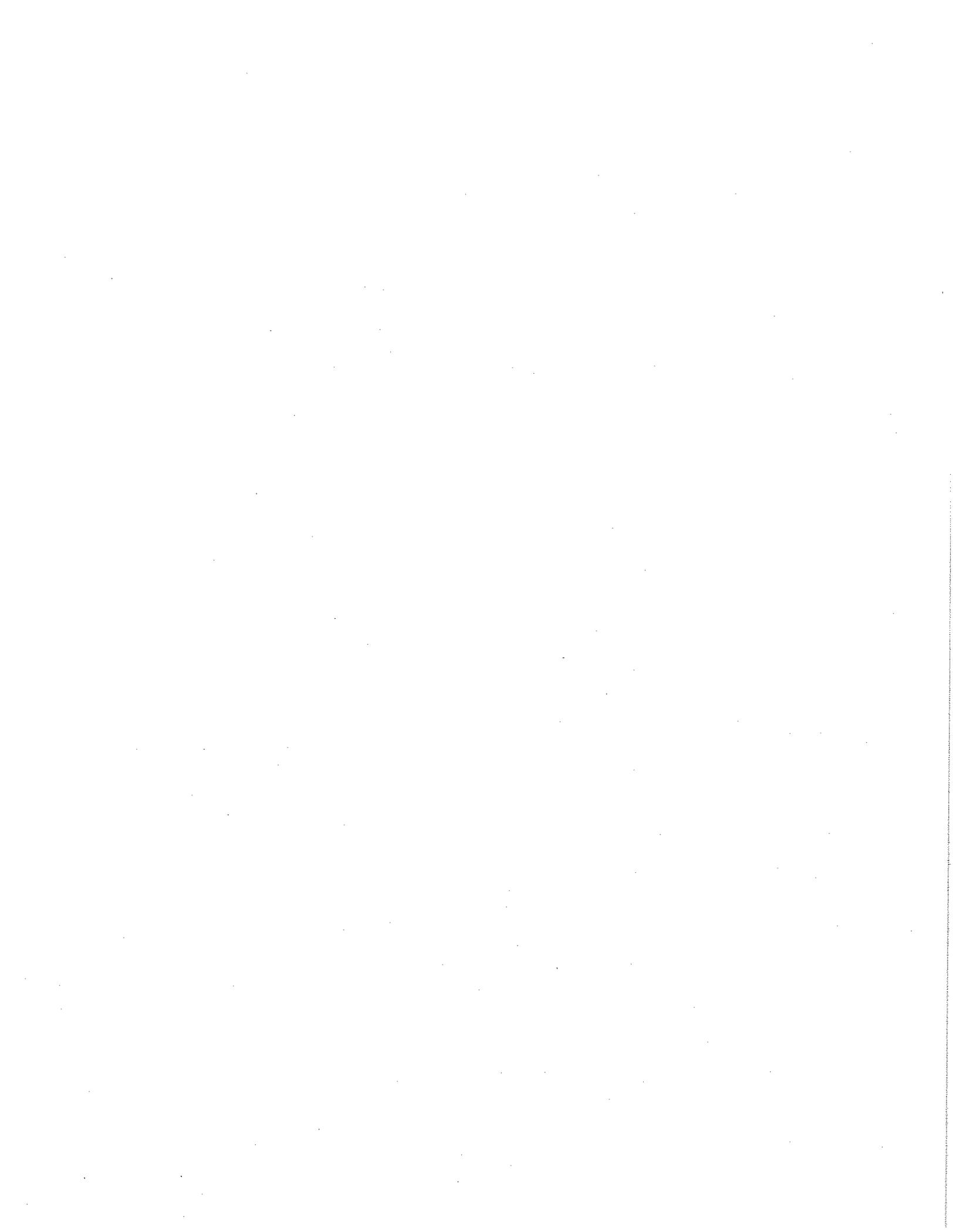


TABLE OF CONTENTS

SUMMARY.....	i
CHAPTER I - Introduction.....	1
Methodology.....	1
CHAPTER II - Background.....	3
Overview of Current System.....	3
Department of Consumer Protection.....	3
Department of Motor Vehicles.....	15
Office of the Attorney General.....	22
Other Agencies.....	22
CHAPTER III - Findings and Recommendations.....	25
Department of Consumer Protection.....	25
Department of Motor Vehicles.....	28
Jurisdiction.....	30
APPENDICES	
A. Sample Department of Consumer Protection Complaint Response Letter.....	33
B. Survey of Other States.....	34
C. Agency Responses.....	38



Legislative Program Review and Investigations Committee

Motor Vehicle Related Complaint Processing Systems:
A Performance Audit

SUMMARY

In 1987, nearly 1.6 million motor vehicles were registered in the state of Connecticut. During that same year, approximately 8,000 complaints were received by the state from consumers with problems related to motor vehicles.

For those consumers experiencing problems related to their vehicles, one of the most expensive purchases they make in a lifetime, any problem can seem major. For the state agencies charged with oversight of motor vehicle related problems, but also responsible for a wide range of other programs, many of the problems can seem minor. The dilemma for the state is to balance consumer demands for action with the resources available for investigation and education.

In order to assess the remedies available to consumers who have problems with motor vehicles, the Legislative Program Review and Investigations Committee authorized a study of the state programs currently in existence to respond to such complaints. In particular, the committee examined the nature of the complaints received, the timeliness with which such complaints are investigated, and the specific resolutions of the complaints.

The two agencies with major responsibility for motor vehicle related complaints in Connecticut are the Department of Motor Vehicles and the Department of Consumer Protection. The scope of the Department of Motor Vehicles' authority includes most aspects of the sale and repair of new and used automobiles, towing and storage problems, emissions program complaints, and odometer tampering.

The Department of Consumer Protection's authority stems from the Connecticut Unfair Trade Practices Act. Under that law, the department is responsible for overseeing various aspects of a company's business practices. In the area of motor vehicle related transactions, this primarily involves improper advertising and alleged contractual violations.

As a result of its study, the program review committee determined that the state's involvement in resolving consumer generated motor vehicle related complaints should be concentrated more heavily on consumer education efforts. Individuals have a responsibility to ask questions about costs, warranties, and refund policies before they enter into a purchase contract or authorize work on their motor vehicles.

The committee believes the state should assist consumers with information that will enable them to ask appropriate questions. Detailed state scrutiny of businesses should focus on actions that result in problems that could not have been prevented with consumer education.

The recommendations of the program review committee are aimed at improving and expanding the information provided by the state to consumers. The committee also addressed the need for better tracking systems to enable state agencies to identify the number and types of complaints received about specific businesses.

It was the finding of the committee that the Department of Consumer Protection and the Department of Motor Vehicles should retain their existing statutory responsibilities with respect to motor vehicle related consumer complaint handling.

RECOMMENDATIONS

1. The Department of Consumer Protection should revise its series of consumer complaint form letters to clearly indicate whether or not the department will be able to directly assist the consumer.
2. The Department of Consumer Protection should utilize the information from its proposed, new computer system to develop a method to at least annually inform consumers about the businesses receiving the greatest number of motor vehicle related complaints.
3. The Department of Consumer Protection should improve its consumer education efforts related to motor vehicles to include written materials describing consumer rights and responsibilities with respect to the purchase, financing, and repair of a motor vehicle. The department should work with the Department of Motor Vehicles to identify the topics requiring attention. The Department of Consumer Protection should also consider working with dealers and manufacturers associations to assure the widest possible distribution of the written information.
4. The Department of Motor Vehicles should establish minimum review criteria for evaluating and investigating the types of consumer complaints most commonly received. The department should also establish processing time standards that will ensure timely resolution of consumer complaints.
5. The Department of Motor Vehicles should develop and disseminate to appropriate departmental staff a written policy describing the circumstances under which it can seek restitution for aggrieved consumers.

6. The Department of Motor Vehicles should establish a tracking system to monitor the nature and frequency of consumer complaints received by the department. If patterns of justifiable complaints against a particular business are identified, the department should utilize the full extent of its statutory authority to impose disciplinary sanctions on the business.

The data from the tracking system should be utilized to compile, at least annually, a listing by type and disposition of all consumer complaints received by the Department of Motor Vehicles. The department should develop a mechanism to weight the complaints received by each business in the context of an indicator such as dollar volume or transactions performed. At least annually, data about the businesses with the largest ratio of complaints should be publicized by the Department of Motor Vehicles in a manner that will ensure consumers learn about the information.

CHAPTER I

INTRODUCTION

The purchase and maintenance of motor vehicles in the United States are major concerns and expenditures for many people. The citizens of Connecticut are no different, and the problems they encounter in this area are a source of many complaints. In 1987, nearly 1.6 million motor vehicles were registered in the state. During that same year, nearly 8,000 complaints were received by state agencies from consumers with problems related to those motor vehicles.

In an effort to identify and assess the remedies available to consumers who have problems with motor vehicles, the Legislative Program Review and Investigations Committee authorized a study of the state programs currently in existence to respond to such complaints. In particular, the committee examined the nature of the complaints received, the timeliness with which the Departments of Consumer Protection and Motor Vehicles investigate such complaints, and the specific resolutions of the complaints.

As a result of its study, the program review committee determined that the state's involvement in resolving consumer generated motor vehicle related complaints should be concentrated more heavily on consumer education efforts. The recommendations of the committee are aimed at improving and expanding the information provided by the state to assist consumers in asking questions before they make a purchase or authorize repair work. The committee also addressed the need for better tracking systems to enable state agencies to identify the number and types of complaints received about specific businesses.

Methodology

To obtain data about motor vehicle related complaint processing by the Department of Consumer Protection (DCP), program review committee staff reviewed the individual case files at DCP for complaints received during 1987 and the first six months of 1988. As a result of that review, a data base of 1,061 records was developed, including 616 complaints from calendar year 1987 and 445 from the first six months of 1988.

Information was compiled about: the dates when each complaint was filed, reviewed, and closed; the location of the business and the person submitting the complaint; the amount of money, if any, involved in the dispute; the type of motor vehicle involved; the methods used to resolve each complaint; and the final disposition of the complaints.

Data about Department of Motor Vehicles (DMV) complaints were available from its computerized system. The department provided the program review committee with a computer tape containing nearly 21,000 records; this represented all complaints processed by the Dealers and Repairers Division of DMV from January 1986 through June 1988.

Committee staff subdivided the DMV data into three groups, based on the year the complaints were received. In addition, complaints that did not originate with consumers were eliminated. The final data base had 14,756 records.

Information similar in nature to that compiled from the DCP records was available from DMV. Among the data retrieved were the dates each complaint was received and resolved, the location of the complainant and the business, the nature of the complaint, the type of automobile or truck involved, and the disposition of the complaint.

Program review committee staff also conducted a detailed examination of a sample of 250 individual case files for complaints that had been received by DMV during the first six months of 1988. More comprehensive information about the scope of those complaints and the manner in which DMV handled their resolution was obtained.

The program review committee held three public hearings to obtain comments about the resolution of motor vehicle related complaints. The first hearing in June 1988 was to identify issues, while the other two hearings, held in September 1988, were to obtain specific comments about the state's complaint handling process. In addition, personal interviews were conducted with DCP and DMV staff involved in the processing and investigation of consumer complaints.

CHAPTER II

BACKGROUND

In Connecticut, when a consumer has a problem with a motor vehicle, one of several state agencies may be able to provide assistance. The nature of the problem and the type of business where the problem occurred will determine which, if any, agency has jurisdiction.

The two agencies with major responsibility for motor vehicle related complaints in Connecticut are the Department of Consumer Protection and the Department of Motor Vehicles. The Office of the Attorney General also has a role in the enforcement of some of the statutes that generate complaints from consumers.

Overview of Current System

Table I contains a list of the most common categories of motor vehicle related problems experienced by consumers. It also identifies the agency statutorily authorized to handle complaints in each specific area.

In general, before a consumer asks the state to investigate a motor vehicle related problem, an attempt should be made to resolve the complaint directly with the business involved. The state requires a complainant to provide certain information about a problem in order to determine jurisdiction over and the merits of the complaint. Except in unusual circumstances, complaints must be in writing.

Resolution of a complaint may occur in a variety of ways. The agency receiving the complaint may determine it has no jurisdiction and refer the complainant elsewhere, or the agency may find that no violation occurred. Mediation by agency staff may result in a solution acceptable to both of the parties. If a violation of law is found, the agency with jurisdiction will: (1) require the business to perform some specific action; (2) fine the firm; (3) suspend its license; (4) order restitution for the consumer; or (5) order some combination of penalties.

Department of Consumer Protection

By statute, the Department of Consumer Protection's authority with respect to motor vehicle related complaints principally stems from the Connecticut Unfair Trade Practices Act (CUTPA). Under that law, the department is responsible for overseeing various aspects of a company's business practices. In the area of motor vehicle related businesses,

Table I. Jurisdiction Over Motor Vehicle Related Complaints.

TYPE OF COMPLAINT	JURISDICTION
Business practices of dealers/repairers (e.g., advertising, contracts, etc.)	DCP
Deposit refunds	DMV/DCP*
New car sales	DMV/DCP*
Used car sales	DMV
Guarantee/warranty repairs	DMV/DCP*
Used car warranty violations	DMV
Extended warranty	DMV/DCP*
New car - repeated repairs (Lemon Law)	DCP handles initial complaint; DMV involved with resales
Repairs performed incorrectly by licensed dealer or repairer	DMV
Itemized bill or estimate	DMV
Sales or repairs by private parties	Civil court
Rustproofing/Paint work/Trim	DMV/DCP*
Odometer	DMV
Emissions	DMV
Towing and storage	DMV
Vehicle recall/safety-related questions	National Highway Traffic Safety Administration

KEY: DMV = Department of Motor Vehicles
 DCP = Department of Consumer Protection

* DMV has primary jurisdiction in these areas, but DCP becomes involved in problems concerning advertising and contracts.

Source: Legislative Program Review & Investigations Committee.

this primarily involves improper advertising and alleged contractual violations. DCP also handles the state's lemon law program, which was reviewed by the committee in a separate study.

Types of complaints. Consumer complaints received by the Department of Consumer Protection are generally processed by the staff of its complaint center, located within the Bureau of Consumer Affairs. In 1987, the center processed over 12,000 consumer complaints about a wide range of topics; approximately 5 percent of those complaints involved problems related to motor vehicles.

Automobiles are the primary type of vehicle involved in DCP complaints. However, complaints about trucks, boats, motorcycles, and motor homes have also been received. Table II indicates the number of complaints by vehicle type.

Table II. Complaints Received by the Department of Consumer Protection by Type of Motor Vehicle: January 1987 - June 1988.

Type of Vehicle	Number of Complaints	Percent of Complaints
Automobile	928	87.6%
Truck	85	8.0%
Motorcycle	5	0.5%
Other - boat, motor home	12	1.1%
Unspecified	29	2.7%
TOTAL	1,059	

Source: Legislative Program Review and Investigations Committee staff analysis of Department of Consumer Protection complaint files.

The range of problems cited in the motor vehicle related complaints handled by the Department of Consumer Protection during the past 18 months was diverse. Table III presents the number of complaints by type, listed according to the frequency of type.

The categorization of the complaints was made by DCP staff and obtained from the files reviewed by committee staff. During the period covered by these complaints, DCP streamlined its coding system and dropped many detailed code

types for a general category called "Auto - nonspecific". As a result, that category comprises the largest type because it was the principal motor vehicle related code being used by DCP for most of the 1988 data.

Table II. Types of Motor Vehicle Related Complaints Received by the Department of Consumer Protection, January 1987 - June 1988.

Complaint Type	No. of complaints	Percent
Auto - nonspecific	339	32.5%
Repair	199	19.1%
Refund	111	10.6%
Advertising	86	8.2%
Extended warranty	76	7.3%
Guarantee	42	4.0%
Used auto	31	3.0%
Contract	30	2.9%
Rebate	19	1.8%
Bankruptcy	18	1.7%
Lemon law	16	1.5%
Not available	16	1.5%
Service	12	1.2%
Rustproofing	10	1.0%
Price	9	0.9%
Credit	8	0.8%
Miscellaneous	8	0.8%
Damage	7	0.7%
Ct. Unfair Trade Practices Act	5	0.5%
Product quality	4	0.4%
Misrepresentation	3	0.3%
Workmanship	3	0.3%
Insurance	2	0.2%
Gasoline	1	0.1%
Mail order	1	0.1%
Out of business	1	0.1%
Product safety	1	0.1%
Taxes	1	0.1%
TOTAL	1,059	

Source: Legislative Program Review and Investigations Committee staff review of Department of Consumer Protection complaint files.

Processing of complaints. An individual filing a complaint with the Department of Consumer Protection must do so in writing. The department has a standardized form for complaints, but it will accept information about a problem in a letter format.

Consumer representatives assigned to answer telephone inquiries about various consumer problems provide assistance to callers concerning the best way to resolve a problem and the appropriate agency with which to file a motor vehicle related complaint. However, the detailed information needed to process specific complaints is not accepted over the telephone.

During the period from receipt of a written complaint by DCP until the case is closed, a number of actions may occur. Figure IV depicts the process used by DCP to resolve motor vehicle related consumer complaints.

Upon receipt of such a complaint, it is date stamped and given to the consumer representative handling motor vehicle related complaints. The first consideration in reviewing the complaint materials is whether or not DCP has jurisdiction over the problem.

If the department does not have jurisdiction over the issue, it will take one or more of the following actions:

- (1) refer the complaint directly to another state or federal agency;
- (2) write or telephone the complainant suggesting he or she contact another specific source, a private attorney, or small claims court;
- (3) attempt mediation; or
- (4) retain information from the complaint to assist in developing an unfair trade practices case against a particular business in the future.

If the first action (referral) is taken, the involvement of the complaint center generally ends at that point. The agencies receiving referrals from the complaint center and the number of referrals made from January 1987 through June 1988 are summarized in Table V. In those instances where the complaint was referred elsewhere within DCP, staff in the particular unit receiving the complaint investigated the matter and determined the appropriate course of action.

If the second action is taken, the information about the general content of the complaint may also be retained and action against the business reconsidered if a pattern of inappropriate activity is identified (action four). The

FIGURE IV. Consumer Complaint Handling Process: Department of Consumer Protection (DCP).

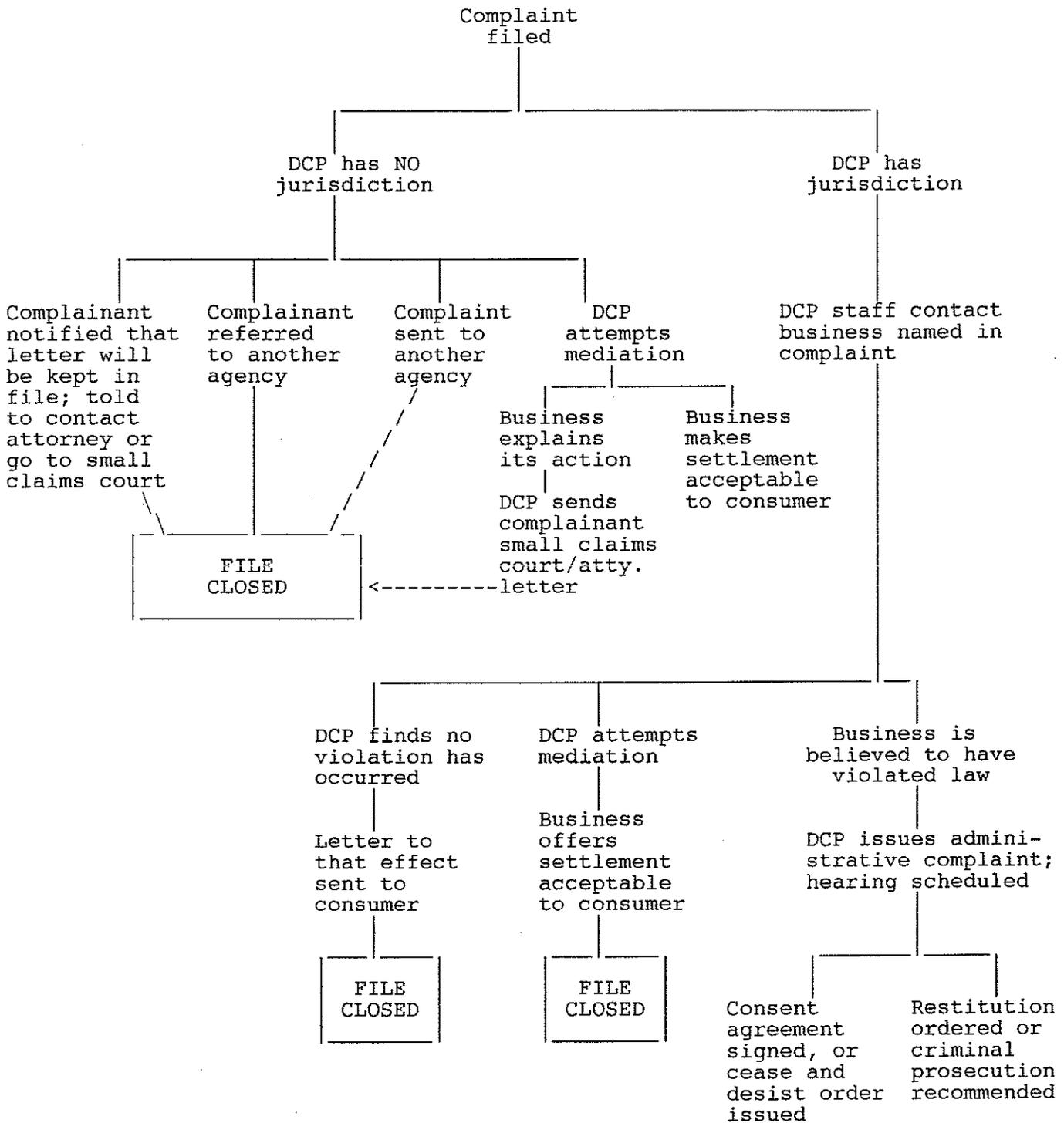


Table V. Agencies the Department of Consumer Protection Referred Complaints to, January 1987 - June 1988.

Agency Name	Complaints Referred
Connecticut Department of Motor Vehicles	113
Connecticut DCP - Frauds Unit	52
Connecticut DCP - Lemon Law program	27
Connecticut DCP - Legal Unit	10
Connecticut DCP - other units	4
Consumer protection agencies - other states	4
Connecticut Attorney General	14
Attorneys General - other states	8
Connecticut Banking Department	5
Connecticut Insurance Department	3
Connecticut Tax Department	1
Connecticut Secretary of State	1
National Highway Traffic Safety Administration	6
Federal Communications Commission	1
Auto Safety Center	1
Not available	2
TOTAL	252

Key: DCP = Department of Consumer Protection

Source: Legislative Program Review and Investigations
Committee staff analysis of Department of Consumer
Protection complaint files.

specific entities that consumers were told to consider contacting during the period of January 1987 through June 1988 are listed in Table VI.

If the third action (mediation) is attempted but fails, the department will inform the complainant of any response received from the business. At that point, generally the consumer's only remaining options are a private attorney or going to small claims court, although information about the complaint may be retained by the department for use in a future legal case (action four).

If the Department of Consumer Protection complaint center determines that DCP does have jurisdiction over a particular complaint, a variety of actions and outcomes may occur. Options range from a finding of no violation to proposing civil court action.

Table VI. Agencies That Consumers Were Referred to by the
Department of Consumer Protection, January 1987 -
June 1988.

Agency Name	Complainants Referred
Connecticut Department of Motor Vehicles	57
Connecticut DCP - Lemon Law program	11
Consumer Protection agencies - other states	8
Connecticut Insurance Department	2
Connecticut Banking Department	2
Connecticut Tax Department	1
Attorneys General - other states	2
National Highway Traffic Safety Administration	26
Federal Trade Commission	1
Specific auto manufacturers	6
Auto Safety Center	1
Better Business Bureau	3
Town clerk - Manchester	1
Not available	2
TOTAL	123

Key: DCP = Department of Consumer Protection

Source: Legislative Program Review and Investigations
Committee staff analysis of Department of Consumer
Protection complaint files.

In cases where the department contacts the business and determines that the complainant's allegations are unsubstantiated, DCP will contact the complainant by mail or telephone with that information. If the consumer is still dissatisfied, he or she will be told to contact a private attorney or utilize the small claims court system.

In some instances, the inquiry from DCP about the complaint will result in the business offering a settlement to the customer. Generally, if the settlement is agreeable to the complainant, the case will be closed. Complainants are asked to inform DCP whether or not their complaints have been resolved. In some of the files reviewed by program review committee staff, a business would indicate its willingness to make a refund or perform a service, but verification of actual performance would not be evident.

If a specific violation of law is believed to have occurred, the complaint will be investigated further by staff from the Frauds Division. The results of their work will be sent to the legal staff of DCP for a review of the evidence and pursuit of a remedy.

If an unfair trade practice violation has been found, the department's legal staff will draw up an administrative complaint and schedule a hearing. Prior to, or as a result of the hearing, if a violation is confirmed, the department may enter into a consent agreement, issue a cease and desist order, order restitution, or recommend civil court action. In cases where court action is anticipated, the Office of the Attorney General will become involved.

According to DCP staff, the goal of the department with respect to consumer complaints in the past was to satisfy the complainant by rectifying the particular problem he or she had. The priority in recent years, however, has shifted to stopping unfair business or trade practices on a broad scale.

As a result, many times an individual making a complaint about a particular company may not have his or her immediate problem resolved. Instead, the department will be pursuing the most egregious complaints or violations involving the greatest number of consumers to develop legal cases based on patterns of activity. To compensate for reducing enforcement efforts in individual cases, DCP says it has expanded its mediation efforts on behalf of individuals.

Amount of dispute. Information about the dollars involved in the complaints received by the Department of Consumer Protection were only available for half of the cases examined by committee staff. Either because of the general nature of the complaints or because of limited information provided by the complainants, specific amounts could not be identified in the other cases. For example, in disputes involving the advertised price of a car, generally consumers complained about a difference between the advertised price and the actual price requested by the dealership, but only the advertised price of the vehicle was listed in the complaint.

Table VII presents a breakdown of the amounts in dispute for the complaints where a dollar value could be identified. As the table indicates, more than half of the quantified complaints involved \$400 or less; 20 percent involved more than \$1,000.

Timeliness of resolution. An area of particular interest in this study was the timeliness with which the state reviews and responds to written complaints it receives. A review of the DCP complaint data showed that processing

Table VII. Dollar Value of Motor Vehicle Related Complaints Submitted to Department of Consumer Protection, January 1987 - June 1988.

Complaint Amount	Number of Complaints	Percent
Under \$100	105	18.3%
\$100 - \$200	95	16.6%
\$201 - \$300	61	10.6%
\$301 - \$400	44	7.7%
\$401 - \$500	49	8.6%
\$501 - \$750	53	9.2%
\$751 - \$1,000	56	9.8%
\$1,001 - \$2,500	66	11.5%
\$2,501 - \$5,000	23	4.0%
\$5,001 - \$20,000	21	3.7%
TOTAL	573	

Source: Legislative Program Review and Investigations Committee staff analysis of Department of Consumer Protection complaint files.

time from receipt of a complaint to its resolution can be as short as one day or as long as 13 months.

Fifty-five percent of the complaints were closed within one week of receipt by DCP; three-quarters were closed within three weeks. The average processing time was 18 days. Table VIII shows the processing times of the complaints reviewed by committee staff from January 1987 through June 1988.

Resolution activity. Table IX lists the types of activities undertaken by DCP complaint center staff in attempting to resolve complaints. The cases are categorized according to the most intensive action taken.

Although 75 percent of the cases were closed within three weeks, in nearly 60 percent of the cases, the only activity was a review of the complaint letter. In a quarter of the cases, mediation was attempted by mailing the business a letter informing them of the complaint and asking for a response. Where an "other" activity is shown, it generally involved a telephone call to the business, the complainant, or both in order to obtain additional information.

Table VIII. Processing Time for Motor Vehicle Related
Complaints at DCP, January 1987 - June 1988.

Processing Time	Number of Complaints	Percent
The same day	21	2.0%
1 week	556	52.5%
2 weeks	161	15.2%
3 weeks	62	5.9%
4 weeks	69	6.5%
5 weeks	34	3.2%
6 weeks	26	2.5%
7 weeks	23	2.2%
8 weeks	11	1.0%
9 weeks	12	1.1%
3 months	39	3.7%
4 months	22	2.1%
5 months	8	0.8%
6 months	2	0.2%
7 months	1	0.1%
13 months	1	0.1%
Unknown	11	1.0%
TOTAL	1,059	

Source: Legislative Program Review and Investigations
Committee staff analysis of DCP complaint files.

Table IX. Methods of Resolving Motor Vehicle Related
Complaints by DCP, January 1987 - June 1988.

Method of Resolution	No. of Complaints
Complaint letter reviewed	616
Additional documentation requested	17
Mediation attempted	264
Other - telephone contact with the business and/or complainant, etc.	162
TOTAL	1,059

Source: Legislative Program Review and Investigations
Committee staff analysis of DCP complaint files.

The most common dispositions of the complaints processed by the complaint center are presented in Table X. The outcomes listed in the table represent the action taken by the staff within the complaint center.

Table X. Final Disposition of Motor Vehicle Related Complaints by Department of Consumer Protection Complaint Center Staff, January 1987 - June 1988.

Disposition of Complaint	No. of Complaints	Percent
Sent general letter to complainant	334	31.5%
Referred the complaint to another agency	252	23.8%
Sent letter referring the complainant elsewhere	124	11.7%
Business made settlement acceptable to complainant	124	11.7%
Telephoned complainant with information	58	5.5%
Complaint filed without follow-up per complainant's request	58	5.5%
Complaint withdrawn	8	0.8%
No violation found	5	0.5%
Company out of business	1	0.1%
Other	95	9.0%
TOTAL	1,059	

Source: Legislative Program Review and Investigations Committee staff analysis of Department of Consumer Protection complaint files.

Records in the complaint center do not reflect the final disposition of all motor vehicle related complaints received by the department. Cases requiring investigation by the DCP Frauds Division may eventually be forwarded to the Legal Division of DCP and possibly the Office of the Attorney General. The final outcome of a complaint where a violation of law is found can range from a warning to civil court action.

Resources. One staff person within the complaint center, a consumer representative, is assigned full time to work on motor vehicle related consumer complaints within DCP. If that person is absent or an unusually large number of automobile complaints are received in a short period of time, other consumer representatives will assist with the motor vehicle related complaints.

An individual from the Frauds Division handles all motor vehicle related investigations among other investigatory and supervisory duties. If needed, other individuals from that division may assist on an investigation. A clerk and an administrative hearings attorney also provide part time help to the complaint resolution process. The estimated cost of this program to DCP during state FY 88 was \$68,000.

Department of Motor Vehicles

The Department of Motor Vehicles is the Connecticut state agency that has statutory jurisdiction over the greatest number of motor vehicle related issues likely to result in consumer complaints. It is, therefore, not surprising that it is the Connecticut agency that receives the greatest number of motor vehicle related complaints.

Types of complaints. The scope of DMV authority for handling consumer complaints includes most aspects of the sale and repair of new and used automobiles, towing and storage problems, emissions program complaints, and odometer tampering. These areas are overseen by the Dealers and Repairers Division of the department. The Adjudications Unit of the department becomes involved with the complaint process in cases requiring an administrative hearing on a possible violation of state statute.

Since the early 1980s, the Department of Motor Vehicles has received between 5,000 and 6,000 consumer complaints annually. Through the first six months of 1988, it received nearly 3,700 consumer complaints. Table XI presents a breakdown of the number and types of complaints received by the department since 1986, based on the classifications of complaints used by the department.

Table XI. Types of Consumer Complaints Received by the Department of Motor Vehicles, January 1986 - June 1988.

Type of Complaint	Number of Complaints Received:					
	1986		1987		1988 (6 months)	
Repairs	1,760	34.8%	1,877	31.3%	1,013	27.4%
Used car sales	641	12.7%	705	11.8%	291	7.9%
Warranty repairs	513	10.1%	915	15.3%	364	9.8%
Miscellaneous	398	7.9%	627	10.5%	271	7.3%
Unlicensed location	260	5.1%	265	4.4%	134	3.6%
Wrecker - storage	213	4.2%	279	4.7%	163	4.4%
New car sales	205	4.1%	340	5.7%	156	4.2%
Itemized bill/est.	162	3.2%	342	5.7%	186	5.0%
Odometers	112	2.2%	106	1.8%	675	18.2%
Deposits on cars	106	2.1%	149	2.5%	59	1.6%
Gas	48	1.0%	28	0.5%	59	1.6%
Paint work	45	0.9%	61	1.0%	43	1.2%
Junk yards	38	0.8%	102	1.7%	17	0.5%
Manufacturer-lemon law	34	0.7%	22	0.4%	42	1.1%
Emissions	12	0.2%	16	0.3%	13	0.4%
Rustproofing	11	0.2%	4	0.1%	4	0.1%
Bond hearing	2	0.0%	8	0.1%	2	0.1%
20 day temp. plate	U		11	0.2%	38	1.0%
Used car warranty	N/A		28	0.5%	121	3.3%
New car warranty	N/A		6	0.1%	5	0.1%
Dealer issue regis.	N/A		3	0.1%	14	0.4%
Unknown	504	10.0%	95	1.2%	33	0.9%
TOTAL	5,064		5,989		3,703	

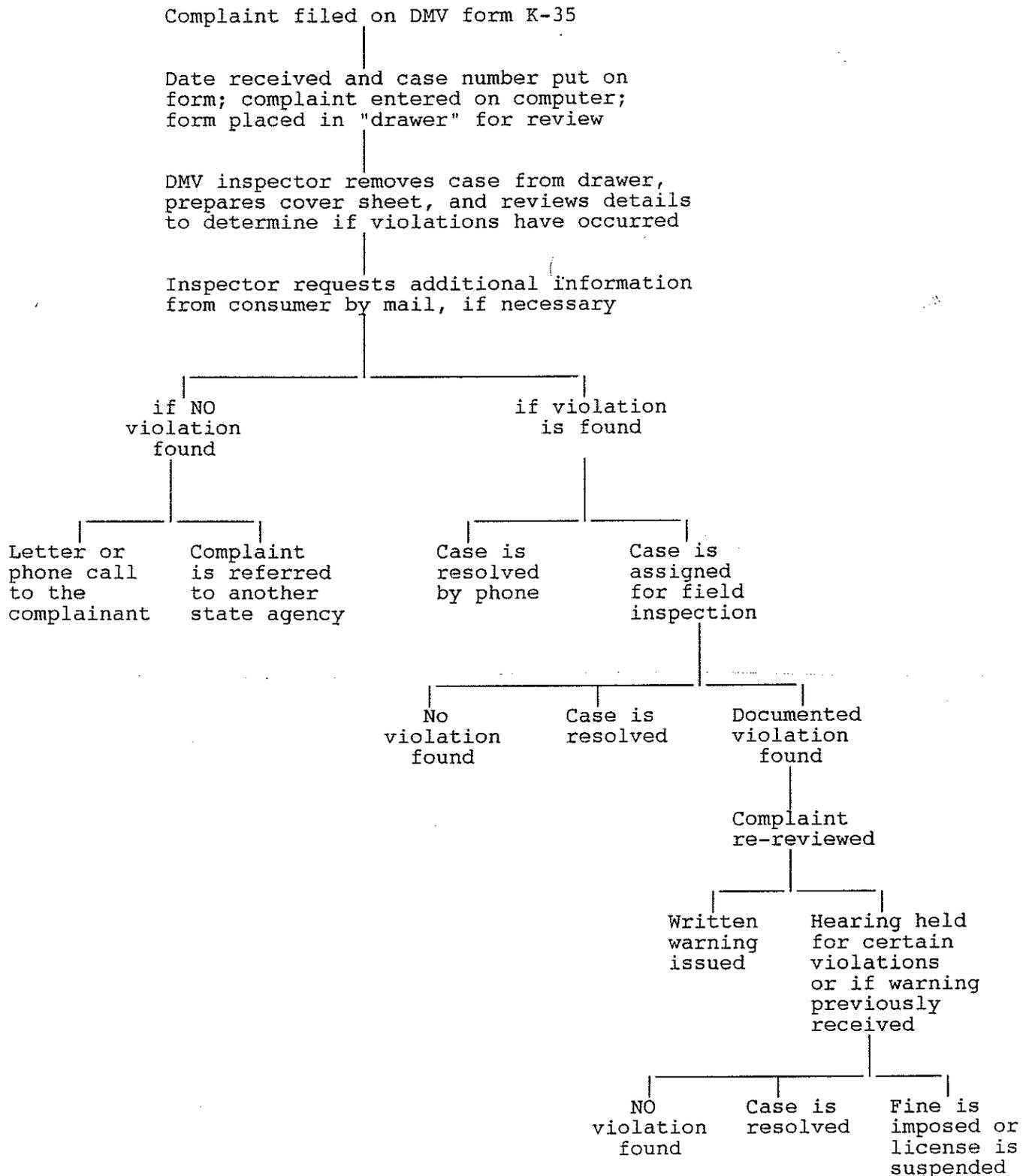
U=Unavailable; N/A=Not applicable, category created in 1986

Source: Legislative Program Review and Investigations
Committee staff analysis of Department of Motor
Vehicles complaint data.

Complaint processing. Figure XII contains a flow chart displaying the consumer complaint handling process within the Department of Motor Vehicles. Complaints to be filed with the department generally must be submitted in writing on a department form.

Upon receipt of a complaint, it is date stamped and given a case number. Basic information about the complaint

FIGURE XII. Consumer Complaint Handling Process: Department of Motor Vehicles (DMV).



is entered on computer, and the written form and any accompanying documentation is forwarded to inspectors in the Dealers and Repairers Division.

The first question the inspector assigned to a case must resolve is whether a violation of law has occurred. If necessary, additional information may be requested from the complainant before making that determination. If the department concludes that no violation of law under its jurisdiction has occurred, the complaint will be forwarded to another agency that may have jurisdiction or the consumer will be told by mail or phone that no violation has occurred.

If DMV staff believes a violation may have occurred, the business in question will be contacted. Depending on the scope of the alleged violation, the company may be contacted by telephone or a field inspection may be required. If information is provided by the firm that shows no violation occurred, the case will be closed.

If documented evidence of a violation is found, the complaint will be re-reviewed. Depending on the documentation, a written warning will be issued or an adjudication hearing will be scheduled. In some cases, a warning will be issued, and a hearing will also be held. The possible outcomes of a hearing are a finding of no violation, imposition of a fine, or suspension of a license.

Hearings are scheduled by the Adjudications Unit after it receives files from the Dealers and Repairers Division on complaints believed to require a hearing. Administrative hearing attorneys, hired by DMV on a per diem basis, conduct the hearings and issue the decisions in the cases. Ideally a decision is supposed to be rendered within 30 days, but that does not always occur.

A decision contains findings of fact, conclusions of law, and an order. A business found in violation is required to post a \$1,000 bond. The Adjudications Unit handles all DMV administrative hearings; about 200 cases per year are referred to the unit from the Dealers and Repairers Division.

Complaint data. The time spent on complaint resolution by the Department of Motor Vehicles encompasses the period from receipt of the complaint through investigation, and where necessary, administrative hearing. In Table XIII, the time required to process complaints received between January 1986 and June 1988 is grouped in ranges by the year in which the complaint was received.

On average, from the receipt of a complaint to its final resolution, it took DMV staff 70 days in 1986, 34 days in 1987, and 53 days for the first part of 1988. The total processing time required ranged from one day to 700 days.

The decrease in processing time from 1986 to 1987 was due to a reorganization within the Dealers and Repairers Division, which concentrated more staff time on complaint processing. The department attributes the rise in the 1988 average processing time to the amount of investigator time spent on nonconsumer-generated, lemon law resale cases.

Table XIII. Processing Time for Consumer Complaints Resolved by the Department of Motor Vehicles, January 1986 - September 1988.

Amount of Time	Number and Percentage of Complaints:					
	1986		1987		1988*	
The same day	60	1.2%	26	0.5%	25	1.4%
1 week	94	1.9%	133	2.4%	43	2.0%
2 weeks	146	3.0%	350	6.2%	86	2.7%
3 weeks	147	3.0%	706	12.5%	137	4.7%
4 weeks	190	3.9%	957	17.0%	211	7.4%
5 weeks	270	5.5%	706	12.5%	221	9.0%
6 weeks	438	9.0%	488	8.7%	208	8.3%
7 weeks	509	10.5%	332	5.9%	224	8.8%
8 weeks	395	8.1%	245	4.3%	334	14.3%
9 weeks	447	9.2%	264	4.7%	336	13.2%
10 weeks	473	9.7%	309	5.5%	229	8.4%
11 weeks	358	7.4%	229	4.1%	179	6.1%
12 weeks	267	5.5%	133	2.4%	112	2.5%
13 weeks	187	3.8%	125	2.2%	113	2.2%
4 months	386	7.9%	306	5.4%	324	6.8%
5 months	145	3.0%	140	2.5%	156	2.0%
6 months	85	1.7%	71	1.3%	52	0.2%
7 months	48	1.0%	37	0.7%	25	0.0%
8-12 months	139	2.9%	71	1.3%	12	0.0%
13-18 months	73	1.5%	8	0.1%	N/A	0.0%
19-24 months	8	0.2%	0	0.0%	N/A	0.0%
TOTAL	4,865		5,636		3,027	
AVERAGE:	11 weeks		7 weeks		9 weeks	

* Complaints received through June, tracked through September

Source: Legislative Program Review and Investigations Committee staff analysis of DMV complaint data.

Table XIV shows the resolution of consumer complaints received by DMV during 1986, 1987, and the beginning of 1988.

In each year for the cases where the resolution is known, at least 20 percent were resolved through the provision of information, no violation was found in one-third of the cases, and less than 1 percent resulted in a suspension or a fine.

Table XIV. Disposition of Consumer Complaints Resolved by the Department of Motor Vehicles, January 1986 - September 1988.

Resolution	Number and Percentage of Complaints:					
	1986		1987		1988*	
Information	1,150	23.6%	1,814	32.2%	1,068	35.3%
No violation	1,449	29.8%	1,340	23.8%	904	29.9%
Resolved	1,215	25.0%	1,095	19.4%	203	6.7%
No conclusion	211	4.3%	387	6.9%	107	3.5%
No jurisdiction	202	4.2%	150	2.7%	104	3.4%
Referred elsewhere	76	1.6%	128	2.3%	49	1.6%
Complaint withdrawn	156	3.2%	134	2.4%	72	2.4%
Out of business	95	2.0%	104	1.8%	65	2.1%
Reinspection	0	0.0%	1	0.0%	13	0.4%
Verbal warning	113	2.3%	109	1.9%	122	4.0%
Written warning	140	2.9%	334	5.9%	294	9.7%
Bond only	10	0.2%	4	0.1%	2	0.1%
\$100 fine	4	0.1%	0	0.0%	0	0.0%
\$200 fine	0	0.0%	1	0.0%	0	0.0%
\$250 fine	3	0.1%	4	0.1%	3	0.1%
\$300 fine	9	0.2%	1	0.0%	0	0.0%
\$350 fine	1	0.0%	0	0.0%	0	0.0%
\$400 fine	2	0.0%	0	0.0%	0	0.0%
\$500 fine	5	0.1%	2	0.0%	3	0.1%
\$600 fine	0	0.0%	0	0.0%	0	0.0%
\$750 fine	4	0.1%	1	0.0%	0	0.0%
\$1,000 fine	5	0.1%	3	0.1%	1	0.0%
Suspension held	0	0.0%	1	0.0%	0	0.0%
Stay of suspension	1	0.0%	1	0.0%	0	0.0%
Suspension	1	0.0%	0	0.0%	0	0.0%
Criminal violation	2	0.0%	6	0.1%	9	0.3%
Administrative hearing	1	0.0%	0	0.0%	0	0.0%
No further action	10	0.2%	5	0.1%	1	0.0%
Unknown	0	0.0%	11	0.2%	8	0.3%
TOTAL	4,865		5,636		3,028	

* Complaints received through June, tracked through September

Source: Legislative Program Review and Investigations Committee staff analysis of Department of Motor Vehicles data.

Resources. During 1988, 11 employees in the Dealers and Repairers Division of DMV were assigned full or part time to resolving consumer complaints. The staff included one lieutenant, a sergeant, who was also in charge of odometer investigations, seven field inspectors, and two clericals.

As the program review committee was concluding this study, DMV officials announced plans to restructure the Dealers and Repairers Division. As part of the reorganization, inspectors in the unit will work full time on complaint processing on a rotational basis, periodically alternating the assignment with field inspection activities.

Table XV presents a breakdown of the staffing levels and program expenditures for the complaint program area since state FY 85. Cost estimates for the reorganized structure were not yet available.

Table XV. Consumer Complaint Processing Resources - Department of Motor Vehicles, State FY 85 - FY 88.

	FY 85	FY 86	FY 87	FY 88
Staff:				
Full-time		7	8	9
Part-time	18**	2	2	2
Personnel	\$308,488	\$158,149	\$178,969	\$214,045
Equipment	\$ 319	\$ 395	\$ -----	\$ 300
Supplies	\$ 64,218	\$ 28,096	\$ 30,306	\$ 41,384
Grand Total	\$373,025	\$186,640	\$209,275	\$255,729

** Prior to July 1986, inspectors in the Dealers and Repairers Division handled consumer complaints and licensing activities. Since then, staff has been divided among the two functions.

Source: Connecticut Department of Motor Vehicles.

Office of the Attorney General

Unlike many other states, the Office of the Attorney General in Connecticut does not have any general jurisdiction over specific motor vehicle related complaints. However, it has a role in the state's lemon law program, and its responsibilities related to the representation of state agencies in court can result in its involvement in other motor vehicle related complaint cases.

The principal duties of the attorneys in the Office of the Attorney General with respect to motor vehicle related complaints are:

- provide advise and counsel to the Departments of Consumer Protection and Motor Vehicles;
- respond to questions about specific cases, including informal answers, written letters, and formal opinions;
- review changes in forms; and
- review proposed regulations.

Despite this limited role, consumers nevertheless telephone or write directly to the attorney general for assistance with motor vehicle related problems. Generally, these consumers are referred to either the Department of Consumer Protection or the Department of Motor Vehicles.

One attorney is assigned full time to the Department of Motor Vehicles and works out of the Wethersfield office of the department. Several other attorneys work part time with the Department of Consumer Protection on motor vehicle related issues. A major portion of their time is spent on issues involving the lemon law.

Other Agencies

In instances where a consumer's complaint cannot be handled by the Department of Motor Vehicles or the Department of Consumer Protection, other alternatives may be available. Described below are the major federal and private organizations consumers may contact.

National Highway Traffic Safety Administration (NHTSA). Questions involving the recall of a motor vehicle or other safety-related issues can be directed to the National Highway Traffic Safety Administration, a unit within the U.S. Department of Transportation. Its concern is tracking automobile safety data and enforcing defective vehicle and equipment recalls.

Consumers can telephone a 24-hour hot line to get information about safety problems of specific vehicles or to find out which agency to contact with a problem. Data about safety problems obtained from written complaints submitted by consumers are computerized, and NHTSA staff investigate trends. If sufficient evidence indicates a problem, NHTSA may demand a recall if a manufacturer does not voluntarily initiate one.

Center for Auto Safety. Originally founded in 1970 by Consumers Union and Ralph Nader, the Center for Auto Safety is now an independent organization. Its primary interest is advocating for safe and reliable cars. It also compiles information about consumer problems and encourages recalls when it identifies problem trends. A major activity of the center is the preparation and distribution of information on the resources available to assist consumers with automobile problems.

Better Business Bureau (BBB). On behalf of a number of car manufacturers, Better Business Bureaus in a number of states, including Connecticut, operate voluntary arbitration programs for resolving consumer motor vehicle complaints.

Arbitrators, selected jointly by the consumer and the manufacturer from a pool of volunteers, conduct hearings and issue decisions after receiving information from both the consumer and the manufacturer about the particular problem. The consumer has the option of accepting or rejecting the decision.

AUTOCAP. In a number of states, members of the National Automobile Dealers Association sponsor programs to mediate problems between customers and dealers. Known as AUTOCAP, the service is similar in format to the BBB mediation and arbitration program. In Connecticut, the program is less formalized and primarily provides an information referral service.

Agencies in other states. If a Connecticut resident experiences a motor vehicle related problem with a business operated in another state, governmental agencies in that state may be able to assist. Depending on the state, responsibility for handling such complaints may be under the jurisdiction of the consumer agency, the motor vehicle agency, or the attorney general.

The program review committee sent a survey to all 50 states and the District of Columbia to obtain information about the agencies and processes in place to resolve motor vehicle related complaints. Forty-six responses were received, and the results are summarized in Appendix A.

Individual auto manufacturers. When a problem with a motor vehicle involves something the manufacturer of the vehicle may have responsibility for, the consumer can contact the company directly. The large manufacturers have regional and national staff assigned to receive and review complaints from customers. If a consumer is still unsatisfied after contacting one or more levels in the organization, many manufacturers also participate in informal dispute resolution programs such as the one operated by the Better Business Bureau.

Connecticut courts. A lawsuit can be filed in state civil court if a sale or repair was performed incorrectly by a private party. Likewise, if a consumer feels cheated by a business and the amount of the dispute totals less than \$1,500, he or she may file a complaint in small claims court.

CHAPTER III
FINDINGS AND RECOMMENDATIONS

In 1987, nearly 1.6 million motor vehicles were registered in the state of Connecticut. During that same year, approximately 8,000 complaints were received by the state from consumers with problems related to motor vehicles.

For those consumers experiencing problems related to their vehicles, one of the most expensive purchases they make in a lifetime, any problem can seem major. For the state agencies charged with oversight of motor vehicle related problems, but also responsible for a wide range of other programs, many of the problems can seem minor. The dilemma for the state is to balance consumer demands for action with the resources available for investigation and education.

The Legislative Program Review and Investigations Committee believes the state's involvement in resolving consumer generated motor vehicle related complaints should be concentrated more heavily on consumer education efforts. Individuals have a responsibility to ask questions about costs, warranties, and refund policies before they enter into purchase contracts or authorize work on their motor vehicles. The state should assist consumers with information that will enable them to ask appropriate questions. The state's detailed scrutiny of businesses should focus on actions that result in problems that could not have been prevented with consumer education.

Department of Consumer Protection

During the period from January 1987 through June 1988, the Department of Consumer Protection complaint center processed nearly 1,200 motor vehicle related complaints from consumers. The timeliness with which consumers who filed such complaints received a response was not a problem. More than half the cases were handled within one week of receipt of the complaint, while 82 percent were closed within four weeks.

However, the program review committee believes the disposition of the complaints filed with DCP is a matter for concern. As indicated in Chapter II, one-third of the complainants received only a general form letter indicating that DCP could not assist them with their particular problem; another third of the complaints were referred elsewhere.

Those types of resolutions indicate a problem faced by the department. Because of the agency's name, many people presume it has jurisdiction over any matter that affects a

consumer. In fact, DCP's authority is limited. In the area of motor vehicle related problems, its primary authority stems from the Connecticut Unfair Trade Practices Act. This law regulates business practices, such as advertising and contracts, for all types of companies, not just those that are involved with motor vehicle related work.

Even under CUTPA, however, while DCP can investigate and ultimately fine a firm if repeated violations occur, the department is unlikely to obtain a disposition that solves an individual consumer's problem. For example, a complaint that a vehicle advertised in the newspaper for a particular price was unavailable will, at best, result in a prohibition of such ads in the future; it will not enable the consumer to buy the vehicle at the specified price.

The program review committee believes the Department of Consumer Protection does not do enough to make its jurisdiction clear to those who contact the agency. The form letters used by the complaint center provide limited information about the department's authority and may mislead consumers into thinking their complaints will be fully investigated.

For example, one of the form letters indicates DCP can do nothing about the consumer's problem at the present time. The letter goes on to say the complaint will be retained and if the department ever conducts an investigation, the complaint will be used for informational purposes. (See Appendix B - Sample Complaint Form Letter.)

In such a case, the consumer may think his or her complaint will eventually be pursued if a sufficient number of similar complaints are received. In fact, given the current state of the DCP computer system, it is nearly impossible for the department to easily and accurately track patterns of improper behavior by a particular business based on consumer complaints. The identification of repeated complaints against the same business or related problems among several firms is heavily dependent on the memories of the individuals responsible for processing the complaints.

The department can run a limited check of its computer to obtain a listing of the complaints against a particular business, but such information is not routinely generated. There is no program to quantify complaints and identify companies with large numbers of complaints on any regular basis. In addition, even if a pattern develops, as mentioned earlier, the individual consumer will not necessarily benefit directly from any action taken by the state.

The department has recently distributed a Request for Proposals for an office automation and data processing system

to centralize all licensing functions within the department and integrate complaints, inspections, and examinations. The complaint center is targeted as one of the priority users of the new system.

The program review committee believes the proposed computerized complaint system will enable DCP to track and analyze patterns of business activity essential to its enforcement and public education efforts. In the meantime, the department should clarify the information provided to consumers about the disposition of their complaints.

The Legislative Program Review and Investigations Committee recommends that the Department of Consumer Protection revise its series of consumer complaint form letters to clearly indicate whether or not the department will be able to directly assist the consumer.

Distinct letters should be developed and utilized to indicate the degree, if any, to which DCP or another specific state agency will be able to help the consumer resolve his or her problem. In cases where the state has no jurisdiction, DCP should indicate private organizations, such as the Better Business Bureau, that may be able to intervene on behalf of the consumer.

Once the department has its computer system on-line, additional efforts should be made to identify and publicize businesses that are the subject of repeated complaints. Such a listing should include a mechanism that places the number of complaints received by a business in the context of the volume of sales revenue or transactions of the firm.

The program review committee recommends the Department of Consumer Protection utilize the information from its proposed, new computer system to develop a method to at least annually inform consumers about the businesses receiving the greatest number of motor vehicle related complaints.

The program review committee is aware that many of the complaints received by both the Departments of Consumer Protection and Motor Vehicles concern misunderstandings on the part of the consumers rather than improper actions by the businesses. In such instances, one of the best services the state can offer is providing information.

The program review committee believes education of consumers about issues related to the sale and repair of motor vehicles is essential to a marketplace system lacking readily comparable pricing information and with limited resources for direct government oversight.

The program review committee recommends the Department of Consumer Protection improve its consumer education efforts

related to motor vehicles to include written materials describing consumer rights and responsibilities with respect to the purchase, financing, and repair of a motor vehicle. The department should work with the Department of Motor Vehicles to identify the topics requiring attention. The Department of Consumer Protection should also consider working with dealers and manufacturers associations to assure the widest possible distribution of the written information.

Department of Motor Vehicles

The Department of Motor Vehicles receives between 5,000 and 6,000 complaints from consumers annually. This large volume in comparison with that of DCP is due to DMV's broad jurisdiction over motor vehicle related areas. The disposition options available to the Department of Motor Vehicles are also much broader than those available to DCP.

Based on an analysis of processing time versus type of resolution, the program review committee is concerned about the length of time it takes DMV in cases that end up with a resolution solely involving the provision of information to the consumer. For complaints received during the first six months of 1988, only 16 percent resolved with "information" took less than one month to process. By the end of two months, only half of these cases were closed; 20 percent took between four and five months.

Complaints resulting in the issuance of a verbal or written warning usually involve a visit to the business by a DMV inspector. Half of the 122 verbal warnings issued as a result of complaints filed during the first six months of 1988 took 12 or more weeks from the filing of the complaint to the case being closed. Likewise, half of the 294 written warnings issued under the same circumstances required 11 or more weeks. In both instances, nearly one-third of the warnings took four months or longer.

Officials of the Department of Motor Vehicles are beginning to implement a reorganization that will place a greater emphasis on consumer complaint processing. As a result of an internal assessment and the findings and issues identified by the program review committee during this study, the department intends to create a consumer complaint system with a clear focus on the need to respond comprehensively but expeditiously to consumer complaints.

The committee believes the employees assigned to the restructured complaint handling section should be provided with guidance on the scope of an appropriate investigation and the estimated time needed to accomplish such a review. While there will always be exceptions to such guidelines, the existence of standards should facilitate individual and agency assessment of performance.

The program review committee recommends the Department of Motor Vehicles establish minimum review criteria for evaluating and investigating the types of consumer complaints most commonly received. The department should also establish processing time standards that will ensure timely resolution of consumer complaints.

As discussed earlier, many times the best service the Department of Motor Vehicles (and the Department of Consumer Protection) can offer to consumers is the provision of information. In other cases, sometimes the fact that a state agency is investigating a consumer complaint will result in the business making a settlement acceptable to the consumer even without a finding of wrongdoing. Such outcomes can solve the consumer's original concern.

As a result of the program review committee's study of DMV in 1986, under C.G.S. Sec. 14-64, the commissioner of motor vehicles may order licensees to make restitution to aggrieved consumers. It appears that in cases where a complaint reaches the adjudications hearing step in the process, DMV has sought restitution on behalf of consumers. In other cases, some DMV investigators are advising consumers that they will have to go to small claims court to recover any disputed dollars. The department does not currently have a clear or commonly known policy on obtaining restitution for consumers.

The program review committee recommends the Department of Motor Vehicles develop and disseminate to appropriate departmental staff a written policy describing the circumstances under which it can seek restitution for aggrieved consumers.

In the process of obtaining individual resolutions, DMV staff must take into consideration the department's licensing role and its responsibility to take action against businesses that repeatedly violate the law in a willful manner. Looking at complaints in total, the committee was concerned about the limited number of disciplinary actions taken by DMV.

Since January 1986, out of the more than 14,000 consumer complaints processed by the department, less than 1 percent resulted in a suspension, bond revocation, or a fine. The committee believes it is important that all businesses licensed by DMV realize that improper actions adversely affecting consumers will be dealt with to the full extent of the law.

The program review committee recommends the Department of Motor Vehicles establish a tracking system to monitor the nature and frequency of consumer complaints received by the department. If patterns of justifiable complaints against a

particular business are identified, the department should utilize the full extent of its statutory authority to impose disciplinary sanctions on the business.

The program review committee also recommends that data from the tracking system be utilized to compile, at least annually, a listing by type and disposition of all consumer complaints received by the Department of Motor Vehicles. The department should develop a mechanism to weight the complaints received by each business in the context of an indicator such as dollar volume or transactions performed. At least annually, data about the businesses with the largest ratio of complaints should be publicized by the Department of Motor Vehicles in a manner that will ensure consumers learn about the information.

Jurisdiction

The responses to the program review committee's survey of other states indicated that in two-thirds of the responding states, at least two different agencies have jurisdiction over motor vehicle related consumer complaints. Of these 30 states, 17 have 2 state agencies involved, and 7 have 3 agencies. One state has six agencies with some type of responsibility in this area.

The program review committee believes it is appropriate, in Connecticut, that primary jurisdiction over complaints involving motor vehicle related businesses remains with the Department of Motor Vehicles, the agency with licensing responsibility over dealers, repairers, and manufacturers. The authority to revoke a business' right to operate can be a powerful incentive to act properly.

Likewise, the committee believes that the statutory jurisdiction of the Department of Consumer Protection over business practice violations should remain unchanged. The department has this authority over a wide range of businesses and is familiar with the activities likely to cause problems. However, as recommended earlier, the Department of Consumer Protection should place a greater emphasis on providing consumer education about motor vehicle related issues in order to reduce the need for complaints to be filed.

It is the finding of the Legislative Program Review and Investigations Committee that the Department of Consumer Protection and the Department of Motor Vehicles should retain their existing statutory responsibilities with respect to motor vehicle related consumer complaint handling.

APPENDICES



STATE OF CONNECTICUT

DEPARTMENT OF CONSUMER PROTECTION

RE:

FILE:

Dear

Please be advised that the Department has received your letter regarding the above-captioned matter.

While your complaint is not actionable at this time, we will retain your letter in our files for future reference.

If at any time the Department conducts an investigation or undertakes legal action, your complaint will be utilized for informational purposes.

Thank you for your concern in this matter.

Sincerely,

MARY M. HESLIN
COMMISSIONER

Timothy D. West
CONSUMER INFORMATION REPRESENTATIVE II
COMPLAINT CENTER

TDW/lb

6. Does your agency handle complaints about:

(a) cars?	Yes	100%	No	___
(b) trucks?	Yes	97.8%	No	___
(c) motorcycles?	Yes	100%	No	___
(d) boats?	Yes	95.0%	No	___
(e) other?	Yes	95.5%	(please specify _____)	No

7. How many staff in your agency are assigned to handling consumer complaints about motor vehicles?

(See supplemental responses)

8. Do these individuals have other responsibilities? Yes 95.6% No ___

8a. If yes, approximately what percentage of time does this staff allocate to handling consumer complaints about motor vehicles?

(See supplemental responses) _____ percent

9. What was the approximate cost of the consumer motor vehicle related complaint program in your agency during 1987?

Not available

10. Do you require consumers to file motor vehicle related complaints in writing? Yes 97.8% No ___

(If you have a pre-printed complaint form, please enclose a copy with your survey.)

11. If a complaint results in a finding that a violation has occurred, does your agency have the authority to:

(a) order restitution?	Yes	42.9%	No	___
(b) fine the violator?	Yes	42.9%	No	___
(c) suspend or revoke a violator's license?	Yes	35.7%	No	___
(d) initiate criminal prosecution?	Yes	53.3%	No	___

12. Does your agency ever attempt to mediate disputes between consumers and the businesses cited in complaints? Yes 95.7% No 4.3%

12a. If yes, is this done: (1) 79.6% by telephone
N=44 (2) 100% by mail
(3) 59.1% in person

13. Does your state license:

(a) automobile manufacturers?	Yes	42.9%	No	___	N=42
(b) new car dealers?	Yes	91.1%	No	___	N=45
(c) used car dealers?	Yes	91.1%	No	___	N=45
(d) auto repair shops?	Yes	22.0%	No	___	N=41

14. Please indicate the name and telephone number of the person who completed this survey.

SURVEY OF OTHER STATES - SUPPLEMENTAL RESPONSES

1. Name of your State:

Alabama	Massachusetts	Oregon
Alaska	Michigan	Pennsylvania
Arizona	Minnesota	Rhode Island
Arkansas	Missouri	South Carolina
California	Montana	South Dakota
Delaware	Nebraska	Tennessee
Florida	Nevada	Texas
Hawaii	New Hampshire	Utah
Idaho	New Jersey	Vermont
Illinois	New Mexico	Virginia
Indiana	New York	Washington, D.C.
Kansas	North Carolina	Washington
Kentucky	North Dakota	West Virginia
Louisiana	Ohio	Wisconsin
Maine	Oklahoma	Wyoming
Maryland		

2. Name of Responding Agency Frequency Percent

Agriculture Department	2	4.3
Attorney General	27	58.7
Business Regulation	1	2.2
Commerce Department	3	6.5
Department of Community Affairs	1	2.2
Department of Consumer Affairs	3	6.5
Highway Department	1	2.2
Justice Department	1	2.2
Motor Vehicles Department	1	2.2
Motor Vehicles Commission/Attorney General	1	2.2
Motor Vehicles Department/Attorney General	1	2.2
Motor Vehicles Department/Board	1	2.2
Department of Transportation/Attorney General	1	2.2
Transportation Department	1	2.2
Used Motor Vehicles Commission	1	2.2

7. Number of Staff Assigned:

<u>No. of Staff</u>	<u>No. of States</u>	<u>Percent</u>
1	2	4.7
2	12	27.9
3	8	18.6
4	3	7.0
5	2	4.7
6	3	7.0
7	2	4.7
9	1	2.3
10	1	2.3
14	1	2.3
15	1	2.3
19	1	2.3
20	1	2.3
23	1	2.3
27	1	2.3
30	1	2.3
50	1	2.3
70	1	2.3

8a. Percentage of Staff Time:

<u>Percent of Time</u>	<u>No. of States</u>	<u>Percent</u>
10	3	7.7
15	1	2.6
17	1	2.6
20	6	15.4
25	6	15.4
29	1	2.6
30	4	10.3
35	2	5.1
40	3	7.7
50	6	15.4
60	1	2.6
65	1	2.6
75	3	7.7
80	1	2.6



STATE OF CONNECTICUT

DEPARTMENT OF MOTOR VEHICLES

60 STATE STREET • WETHERSFIELD, CONNECTICUT 06109

January 20, 1989

LAWRENCE F. DELPONTE
COMMISSIONER

Mr. Michael L. Nauer
Director
Legislative Program Review
and Investigations Committee
State Capitol - Room 506
Hartford, CT 06106

Dear Mr. Nauer:

As a response to LPR&IC's investigations into consumer complaints, we again affirm our ongoing commitment to the suggested resolution of all such complaints. As discussed in our January 13, 1989 letter to the Committee, we have initiated a broad-based reorganization of our consumer complaints unit to process all in-coming complaints in a more expeditious manner. The reorganization will provide for customer representatives to screen and evaluate in coming complaints based on criteria and standards that are now being developed. In those cases where it is determined that the complaint has merit based on these criteria, the investigation phase will begin and the complaints will be assigned to field inspectors to do the actual licensee contact. Once this is done, the report will be forwarded to the consumer complaint unit and a determination whether to pursue administrative sanctions will be made by the sergeant, whose decision will be reviewed by the lieutenant before the Department takes such action.

This decentralized method of processing consumer complaints will enable the Department to act with much greater efficiency in this process; via direct reliance on inspectors stationed in the field to perform the on-site investigations.

The implementation of this program is taking place beginning January 31, 1989, on a pilot basis, within two of the sixteen districts. Results will be evaluated for timeliness and thoroughness at one month intervals for the next three months, and any modifications or additional amendments will be made pursuant to these evaluations.

In response to the specified recommendations contained in the Committee's report, one minor correction is suggested. On page 18 of its report the Committee states: "Ideally, a decision is supposed to be rendered within 30 days . . ." This is not a Department standard or ideal. Ideally, a decision will be rendered in a reasonable period of time under the circumstances. Such circumstances include the complexity of the case, new issues of law, amount of funds in controversy and caseload of the adjudicator. To comport with the Uniform Administrative Procedures Act (UAPA), the decision must be rendered within 90

days of the hearing. This is the only standard which the Adjudications unit applies. Anything less than the statutory ninety days depends on balancing the time available to the adjudicator for writing decisions and the number of new hearings over which the adjudicator must preside. If the adjudicator were given free time after each hearing, the time between hearing and decision could be shortened but the number of new hearings held would be reduced significantly. The Adjudications staff constantly balances these two factors to process the most cases and keep processing times to a minimum.

The Committee recommends the establishment of minimum review criteria for evaluating and investigating commonly received consumer complaints as well as time standards for processing these complaints. As indicated above, the Department is in the process of developing these criteria and standards to be implemented concurrently with the reorganization. It is our feeling that together these steps will achieve the goals sought by Department officials and the Program Review Committee.

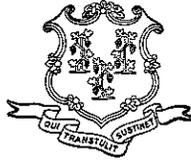
Secondly, the Department is also in the process of developing standards for providing relief for aggrieved consumers through restitution. However, we feel constrained to point out our review of 1987 cases indicates that consumers were granted restitution of approximately \$18,000. In addition, the Department levied civil penalties of \$23,000 during 1987. Of this, \$7,900 in penalties was levied from cases generated by consumer complaints. Data supporting these figures is available from the Department upon request.

Thirdly, data is currently available within the Department's consumer complaint records. A program will be developed to enable consumer complaint staff to track the numbers of complaints relative to volume, business size, complaint type and all other applicable criteria. This data will be considered in periodic reviews of a dealer's violation and complaint history for possible Department action against the dealer. The Department will make the results available to the Legislature and any interested consumer upon request.

We appreciate the opportunity to respond to the Committee's recommendations. If you have any questions, please contact my office.

Sincerely,


Lawrence F. DelPonte
Commissioner



MARY M. HESLIN

COMMISSIONER OF CONSUMER PROTECTION

STATE OFFICE BUILDING, HARTFORD, CONNECTICUT 06106

January 20, 1989

Michael L. Nauer, Director
Legislative Program Review and
Investigations Committee
State Capitol, Rm. 506
Hartford, CT 06106

Dear Mr. Nauer:

Please be advised that Department staff have reviewed the final draft of the Legislative Program Review and Investigation Committee's performance audit of the Department's motor vehicle related complaint processing system.

Pursuant to this audit report, the Program Review and Investigations Committee has recommended that the Department revise its consumer complaint form letters to more clearly indicate whether or not the Department will be able to directly assist the consumer complainant. A review of the complaint response letters utilized by the department has been initiated.

The Program Review Committee has also recommended that, once the Department has acquired a multi-user computer, we develop a method to annually inform consumers about businesses receiving the greatest number of motor vehicle related complaints. Please be advised that once our new computer system is in place, we will certainly consider disseminating information of this nature.

Finally, the Program Review Committee has recommended that the Department develop, in concert with the Department of Motor Vehicles, consumer education materials describing consumer rights and responsibilities vis-a-vis purchase, financing and repair of a motor vehicle. I wish to advise you that, through our Education office, the Department will initiate a consumer education effort of this nature. We will continue to work closely with the Connecticut Automotive Trades Association, as we have in the past, as regards this project.

As usual, I wish to take this opportunity to compliment the Program Review Committee staff, specifically, Anne McAloon, for the professional and competent manner in which she approached this program audit.

Sincerely,

Mary M. Heslin

MARY M. HESLIN
COMMISSIONER OF CONSUMER PROTECTION

MMH:mc