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Economy & Efficiency Commission Presentation

Editorial Note: Although every effort has been made to insure the accuracy of the material in this presentation, the scope of the material covered and the discussions undertaken lends itself to the possibility of minor transcription misinterpretations.

**PRESENTATIONS BY
Brian Stiger
Director
Los Angeles County**

September 6, 2012

Overview of Los Angeles County Consumer Affairs

Chairman Barcelona greeted Mr. Stiger from Los Angeles County Department of Consumer Affairs, and welcomed him while turning it over for Mr. Stiger to speak to the Economy and Efficiency Commission.

Consumer Affairs Overview

Mr. Stiger stated that he was appointed as the Director of the Los Angeles County Department of Consumer Affairs on January 17, 2012. He stated that he has a long and varied background in consumer protection. He stated that before joining the County of Los Angeles, then Governor Arnold Schwarzenegger chose Stiger to serve as the Director of the State's Department of Consumer Affairs. He stated that there he led a major effort to strengthen enforcement polices, enhance consumer protection, and reform and improve the enforcement process for 37 Boards, Bureaus, and Programs.

Mr. Stiger stated that he spent two years as the Executive Officer for the Board of Chiropractic Examiners, where he successfully reformed and restructured that Board's enforcement program, significantly decreased complaint processing time and reduced the enormous backlog of consumer complaints. He also stated that he served as Governor Schwarzenegger's Chief of the Bureau of Home Furnishings and Thermal Insulation.

He stated that while at the State's Department of Consumer Affairs, he was Staff Services Manager I from 1996-2002, Associate Personnel Analyst from 1994-1996 and Associate Governmental Program Analyst from 1993-1994. He stated in those positions, he worked with various Boards, Bureaus and Programs to resolve administrative issues and improve core functions, including enforcement activities.

Mr. Stiger stated that the Department of Consumer Affairs (DCA) was established back in 1976. He stated that the Department's mission is to provide professional and responsive services to the consumers and businesses of Los Angeles County through advocacy, empowerment and education. He stated that the vision is to promote and advocate a fair and vibrant marketplace for consumers, businesses and communities.

Mr. Stiger stated that for more than 25 years, DCA has been addressing the changing needs of consumers in Los Angeles County.

He stated that DCA serves over 750,000 consumers annually and is the largest local consumer protection agency in the United States. He stated that his Department specializes and oversees the following programs: consumer Protection Services, Real Estate Fraud & Information Program, Small Claims Court Advisor Program, Dispute Settlement Service, Adult Protective Services, Fraud Protection Program, Identify Thief, Volunteer and Internship Program, and Public Information & Outreach Services. He stated that these programs focus services in targeted areas to protect the diverse needs of consumers in Los Angeles County.

He stated that DCA is there to help educate the consumer on issues related to consumerism and encourage positive consumer to business relationships that foster a fair and vigorous marketplace.

Mr. Stiger stated that DCA has about a \$7 million budget in which 60% of that is from the General Fund, and 40% comes from special funding. He stated that special funding consist of small claims court, grants, and contracts.

He stated that his main objective for the past 8 months was to get a good look at DCA and see if there were any ways to make some changes to the structure to get out as much efficiency and economy as he could. He stated that since he has been with the department he has been able to reorganize the DCA. He stated that rather than having investigators specialize in just one subject matter, investigators now work all different cases. With that change, he stated that his department's average investigation time has been cut in half over the past 8 months. He stated that up until now the Department has had a lot of major consumer issues: Identity Theft, Immigration Fraud, Car Reposition, and Fraudulent Debt Collectors.

Mr. Stiger stated that the department has also implemented the department's consumer education public outreach unit. He stated that this is a unit of two people that go out and make presentations to consumer groups and seniors. He stated that the purpose is to have the department educate consumers so they can protect themselves. He stated that DCA has consolidated the counseling unit and the dispute and resolution unit. He stated that the department receives about 300 phone calls a year seeking assistance from filing a complaint, to needing counseling and advice from an experienced counselor. He stated that if the unit is unable to resolve the complaint over the phone it is referred to the Dispute Settlement Services which handles those issues. He stated that instead of going to court, the department's mediators could help resolve disputes with neighbors, businesses, and others. He stated that the department's mediators are trained to be neutral and unbiased. He stated that cases could also be turned over to the Small Claims Advisors where they could help with Small Claims Court cases. He stated that each advisor will give you the information you need to get your case started, serve court papers, prepare for court, and collect or pay a judgment.

Mr. Stiger stated that once all investigations are completed the department sends the investigator report to local Law Enforcement, City Attorney or District Attorney, and the Licensing Boards of Consumer Affairs, and the department also works through the Attorney General's Office for administrative filings. He stated that this is effort to try and change the behavior of businesses that are causing havoc.

Mr. Stiger stated that one of the big projects DCA is working on currently is the Foster Youth ID Project. He stated that in the State of California LA County has about half of the foster youth in California. He stated that one of the problems is that when the youth gets emancipated at 18 years old unfortunately many of them have credit reports. He stated that you cannot have a credit report when you are less than 18 years old. He stated that there are many identity theft issues. He stated that DCA is running the credit reports of all the foster youth in Los Angeles County when they turn 16 years old. He stated that if they come back with a history, DCA is now working with the different business and also the credit bureaus to remove the credit history from the file.

Mr. Stiger stated that the department is already a non-mandated department meaning that there are no requirements in law for the department to be in place. He stated that with that issue the department has a hard time receiving funding. He stated that one of the things that DCA is doing is looking into enhancing the departments' revenue projects. He stated that the department recently hired someone to look for grants,

contracts, consumer settlements, and to look for ways the department can regulate some of the industries that are not currently being regulated. He stated that debt collections are one of the top areas the department is looking at.

Consumer Affairs Advisory Commission Overview

Mr. Stiger stated that the Consumer Affairs Advisory Commission duties include:

- Ascertaining the needs of consumers, and advising the Director of its findings as appropriate
- Advising the Director concerning the protection and promotion of the interests of consumers
- Advising the Director regarding the need for changes in procedures, programs or legislation in order to further the interests of consumers
- Discussing with the Director methods for more effective consumer education
- Studying and reporting on matters referred for review by the Director or the Board of Supervisors
- Rendering to the Director and the Board of Supervisors at least once each calendar year a report of its activities and to testifying upon request.

Mr. Stiger stated that DCA has really enlisted the Consumer Affairs Advisory Board to help the department implement some new policies and procedures. He stated that they are helping the department with ideas on how to deal with the foreclosure crisis, and public education and information. He stated that the department is looking forward to working more closely with the Commission.

Questions/Comments:

Chairman Barcelona asked what is the most dominate issue that the department has to deal with. Mr. Stiger replied the number one complaint is landlord and tenant issues.

Commissioner Safier asked how his department manages the calls that come in if there are about 20 calls per person especially when they are direct referrals. Mr. Stiger replied that he doesn't have an accurate answer for the Commission. He stated that many of the calls are consumers that don't know who else to call. He stated that the department then will give the consumer a referral on who to call.

Chairman Barcelona asked if loan modification is one of the big issues with the department. Mr. Stiger replied that loan modification is one of the biggest issues.

Chairman Barcelona asked if Mr. Stiger had a favorite cause or issue that he would rather deal with or can relate to personally. Mr. Stiger replied that on a personal level it would be debt collections. He stated that this is a serious problem and it is not regulated in California. He stated that many times the debt collector will contact a consumer on a fraudulent debt. He stated that what the consumer will do is pay a debt that isn't his just to get rid of it and later find out that it wasn't his to begin with.

Commissioner Glassman asked how many calls that his department received actually turned into investigations. Mr. Stiger replied that he doesn't have an accurate number but he will get back to the Commission. He stated that before it turns into an investigation there has to be a complaint filed, and once the complaint is filed there is an assessment. He stated that in looking at the complaint, if what they are saying is true and it's a violation of the law, then it automatically turns into an investigation. If what they are saying is true and it is not a violation of the law, then it will be a mediated or counseled case.

Commissioner Glassman stated that there are a lot of departments right now in the County that are engaging or looking at investigative programs that cross many service areas: DCFS, District Attorneys Office, Sherriff Department, and Mental Health. He suggested that Mr. Stiger might want to touch base with some of the other department's heads who are really looking at how to train their employees better for investigations.

Commissioner Glassman stated that the different departments are looking to build a skill base. Mr. Stiger thanked Mr. Stiger for the information and stated he will look into that.

Commissioner Fuhrman asked when you do open an investigation up and find evidence of wrong doing how do you get the cooperation you get from the District Attorney's Office or other legal offices in essentially pursuing the wrong doer. He stated that it seems that this would be a low level white collar crime that something often gets pushed to the back burner when competing with gangs, murders, or drug deals etc. Mr. Stiger replied that he is trying to figure out what other options do his department have to change that behavior. As an example, Mr. Stiger stated that if his department takes a identity theft case and the investigator believes that he or she has collected enough information and hypothetically the District Attorney's Office does not want to pursue the case the department is at a standstill on what to do.

Chairman Barcelona expressed his appreciation to Mr. Brian Stiger and invited him to come back to speak to the EEC in the near future and the Commissioners applauded.

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