



LOS ANGELES COUNTY
**CONSUMER &
BUSINESS AFFAIRS**

2018-2019 **Annual
Report**



Joseph M. Nicchitta, Director

Fighting for Consumers, Tenants, Workers, and Small Businesses

The dedicated and passionate team at the Department of Consumer and Business Affairs has provided one-of-a-kind direct consumer services to the people of Los Angeles County for over four decades.

As the state’s only local consumer affairs agency, we remain committed to our mission of fostering a vibrant marketplace that prioritizes fair transactions.

Fiscal Year 2018-2019 has ushered in extraordinary changes for the department as we expand our services to meet the growing needs of our constituents. Through the leadership of the Board of Supervisors, the department established a new Rent Stabilization Unit to help residents who are dealing with rising rents in L.A. County. The Center for Financial Empowerment and Office of Small Business expanded efforts to promote equitable access to safe financial services and small business contracting opportunities. The Office of Immigrant Affairs is leading vital partnerships to protect and advance the County’s diverse immigrant communities which contribute 36% of L.A. County’s \$653 million Gross Domestic Product.

Our annual report reflects this progress and many more highlights and accomplishments during Fiscal Year 2018-2019.

I am proud of the department’s work over the past 12 months, and look forward to continuing our fight on behalf of consumers, workers, and tenants, and expanding our role supporting the Board of Supervisors’ equitable economic development initiatives.



Joseph M. Nicchitta, Director
County of Los Angeles Department of
Consumer and Business Affairs

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Protecting and Advancing Communities

Office of Immigrant Affairs

Immigrants play a vital and defining role in L.A. County, helping create and sustain a vibrant economy and making significant contributions to its rich civic, cultural, educational, and spiritual life.

L.A. County leaders know the challenges immigrants and their families face to realize their full potential. As such, the Board of Supervisors made the bold commitment to declare immigration a County priority – the highest consideration possible – alongside homelessness, justice reform, environmental protection, child protection, and health integration.

In 2017, the Board created the **Office of Immigrant Affairs (OIA)** in the Department of Consumer and Business Affairs (DCBA) to champion the success of all County immigrants and their families.

OIA helps immigrants learn about and access available County services, including health care, consumer protection, small business support, and immigration legal representation.



OIA reaches out to and serves immigrants in a strategic, culturally, and linguistically appropriate manner.

Immigrants* make up

35%

of the County's 10 million population

*A person born outside of the U.S. or child with at least one immigrant parent.

Office of
Immigrant
Affairs

Office of Immigrant Affairs Outreach & Education Stats

2018-2019

800

Participants, including doctors, administrators and line staff of local hospitals, who were trained by OIA on County policies and how to interface with immigrant customers in a health care setting irrespective of their immigration status, and in a linguistically and culturally sensitive manner

113

Public outreach workshops OIA organized or in which OIA participated

13,500

People reached through outreach workshops

250,000

Spanish-language viewers who watched a two-hour Know Your Rights phone bank on Telemundo staffed by OIA

7,000

Viewers of seven Facebook Live informational broadcasts hosted by OIA

Supporting the Board of Supervisors

OIA activated in support of more than 12 Board motions to enhance County services and counter anti-immigrant policies, including:

Public Charge

In October 2018, the Federal government proposed expanding the scope of the “Public Charge” test for immigrants, which discourages immigrants from using public services. OIA developed a Countywide public awareness campaign that provided educational resources to the public and trained 10,500 County employees from affected departments to help counter the effects of the proposal.

2020 Census

People in L.A. County are often undercounted in the Census. OIA partnered with County departments, non-profits, and labor to document and report to the U.S. Census Bureau more than 4,500 hard-to-count dwellings.

This initiative will generate an estimated \$275 million in federal funding over 10 years for the County.

Los Angeles Justice Fund (LAJF)

LAJF is a public/private two-year pilot program to provide legal representation to County residents who are at risk of removal and cannot afford an attorney. OIA administers the LAJF on behalf of the County. In 2018-2019, LAJF represented 291 clients from 26 different nationalities and completed 32 cases with a 41% success rate (vs. 5% for people without legal representation).

Immigrant Protection & Advancement Taskforce (IPAA)

OIA worked closely with the County’s Immigrant Protection and Advancement Taskforce (IPAA) to complete the Countywide Immigrant Protection and Advancement Strategic Report. The report included 75 recommendations for the County to enhance how it serves its immigrant residents and their families.



According to a 2017 study by Asian Americans Advancing Justice, nearly one in three people in the County experience difficulty communicating in English to the extent that it impacts their ability to access services provided only in English.

Informing Immigrants of Changes to Federal Policies

In Fiscal Year 2018-2019, OIA kept communities informed about changing policies and executed rapid response workshops to help impacted immigrants and their families through federal actions such as:

- ✓ Cancellation of the Deferred Action for Childhood Arrivals (DACA) and Temporary Protective Status (TPS) programs
- ✓ Expansion of the Public Charge rule
- ✓ Expansion of expedited removal of undocumented immigrants
- ✓ Limiting of the ability of “mixed immigrant” families to live in public housing
- ✓ Detention and separation of immigrants and their children

Immigrants* in L.A. County:

Account for more than
40%
of the employed workforce

Contribute
36%
of its \$653 billion Gross Domestic Product

*A person born outside of the U.S. or child with at least one immigrant parent.

Investigations

The **Consumer Protection Investigations Unit** investigates and resolves consumer fraud and violations of consumer protection laws, and regulations. We work closely with state, federal, and local consumer protection enforcement agencies to ensure that cases of fraud are prosecuted, and restitution is awarded to the victims.

Protecting Consumers

In 2018-2019, the Consumer Protection Investigations Unit worked with prosecuting agencies on seven cases involving fraud or unauthorized practice of law.

Notable Cases Include:

- ✓ An investigation with the L.A. County District Attorney's office that helped lead to felony criminal charges against a person for illegally selling unhealthy dogs to unsuspecting customers. Prosecutors alleged that most of the puppies died after the victims brought them to their homes. The case is pending.
- ✓ An immigration fraud case, in partnership with the Los Angeles City Attorney's office, that resulted in two defendants receiving sentences of jail time, probation, and community service. The case also brought \$16,000 in restitution to three victims.
- ✓ As a result of the devastating Woolsey Fire, DCBA investigated multiple complaints of price gouging made by victims whose homes or businesses were affected by the fire. L.A. County residents are protected by the County's price gouging ordinance and the California Penal Code following an emergency declaration. Price gouging laws keep business owners and service providers from exploiting emergencies by unreasonably hiking the cost of necessities.

Investigations provided additional consumer protection services by:

- ✓ Conducting inspections for recalled items on behalf of the U.S. Consumer Product Safety Commission.
- ✓ Working in collaboration with the Department of Children and Family Services and the Department of Probation to help clear credit reports of foster youth prior to them leaving the system.



Key Stats

2018-2019

Of 2,621 investigations cases opened

2,088
were closed

\$1.4 million
restitution returned to consumers

2
immigration fraud cases investigated by DCBA were successfully prosecuted by the L.A. City Attorney

Mediation & Small Claims

The Department of Consumer and Business Affairs helps the people of L.A. County in many ways. Not every dispute can be resolved in the same manner. Our **Dispute Resolution Program** and **Small Claims Court Advisory Program** offer award-winning consumer support.

Dispute Resolution, more commonly called Mediation, helps participants resolve claims with the assistance of a third party. Trained mediators empower parties to create their own solutions to disputes that may otherwise end up costing them time and money if they were to escalate to the arduous court process.



Small Claims Court advisors help individuals or businesses who are unable to settle disputes of \$10,000 or less, and who want to bring their claims to Small Claims Court. The program ensures litigants of all backgrounds and experiences understand the court process and put their best case forward.



Key Stats

2018-2019

2,275

Mediation requests between more than 4,000 participants with a resolution rate of 72%.

Volunteer mediators provided

8,312

hours

The Small Claims Court Advisory Program assisted over

65,000

litigants

Mediating for the Common Good

Our mediators specialize in dispute resolution across many different platforms and methods, including in-court mediations, community dispute resolutions, and telephone and online services. Our Online Dispute Resolution (ODR) program received acclaim this year, including an Achievement Award from the National Association of Counties.

ODR has also been a component of a successful pilot mediation program to serve people experiencing homelessness. People experiencing homelessness often do not have a mailing address or phone number to handle their disputes but can use public computers at libraries. One case in this program earned DCBA an "Outstanding Case Award" at a Mediation Week ceremony hosted by L.A. County's Workforce Development, Aging and Community Services.

DCBA's pilot for people experiencing homelessness was featured at a roundtable meeting during the LA Law Library's Pro Bono Week titled, "The Positive Social Impact of Mediation Programs."

Making a Big Impact

Small Claims Court is the court of the people. Our advisors empower individuals and provide the knowledge and skills to allow litigants to present their case or defend themselves in the legal matters related to Small Claims Court.

DCBA serves as the LA Superior Court's Small Claims Court advisor and served more than 65,000 litigants in 2018-2019 in person, by phone, or online.

Our Small Claims Advisory Program is also helping to train the next generation of legal experts. DCBA, in partnership with the Superior Court, provides college students an opportunity to learn through the JusticeCorps program. Each DCBA JusticeCorps intern provides 300 hours of service and gains first-hand experience in assisting litigants with their cases.

Empowering Daily Economic Lives

Center for Financial Empowerment

The **Center for Financial Empowerment (CFE)** works toward a better future for L.A. County residents. The CFE provides direct services to L.A. County residents and acts as a convener to coordinate and align partnerships that build wealth for low-moderate income households.

In 2018-2019, CFE completed its initial run as a two-year pilot program. The program demonstrated substantive successes, and in May 2019, the Board of Supervisors unanimously voted to make CFE a permanent DCBA program.



In 2018-2019:

CFE conducted **over 200 financial capability workshops** that reached over 5,000 individuals.

Over

40,000

accounts have been opened through BankOn LA County, a program designed to connect underbanked consumers to safe and affordable accounts

Center for
**Financial
Empowerment**

Key Stats

2018-2019

649

CalWorks recipients received financial empowerment information at 12 DPSS JobClub sites

More than
600

L.A. County and City employees trained in personal financial empowerment skills

30

people sponsored by DCBA to certify as financial coaches through the NeighborWorks accreditation program

530

youth received financial education at CFE workshops and presentations

Changing The Course Of Lending In California

The Board of Supervisors directed DCBA and other County agencies to develop a Countywide effort to combat the effects of high-cost loans. CFE took a leadership role in the County's efforts, which will continue into the next fiscal year and beyond.

CFE actively worked with local and statewide stakeholders to identify and develop strategies that counter-act the spread of predatory loans, including zoning requirements, state regulations, and working with lending institutions to encourage the development of alternative lending products. Additionally, CFE partnered with community-based organizations to conduct field research and focus groups to understand borrowers.

On October 10, 2019, California Governor Gavin Newsom signed into law County-sponsored Assembly Bill 539, known as the Fair Access to Credit Act. This historic legislation will help to curb predatory lending by implementing an interest rate cap on loans between \$2,500-\$10,000.

CFE worked with the Board Offices, the Californians for Economic Justice coalition, and other advocates to help build support for the bill. This included hosting a press conference to raise awareness of the bill, creating social media content to amplify our message and testifying in hearings to educate legislators on the urgent need to pass the legislation.

Asset Building

For the 2017 tax season, CFE coordinated efforts between non-profit partners and county venues to bring free Volunteer Income Tax Assistance (VITA) tax preparation to more than 100 taxpayers in underserved areas of the county.

The BankOn L.A. County program offers free or low-cost banking accounts to unbanked consumers in L.A. County. CFE convened resource events in two underbanked communities to connect clients with mainstream banking.

Capacity Building

CFE is leading the way in delivering financial education to L.A. County residents.

This fiscal year, CFE:

- ✔ Educated participants of the Department of Public Social Services' GAIN Job Club employment program about common personal finance topics including credit, banking, identity theft protection, and tenant rights.
- ✔ Delivered personal enrichment presentations to county and city staff to ensure that civil servants have a strategy to achieve their personal finance goals.
- ✔ Developed a two-day Financial Capability Partner Training to empower local service partners with financial education.



Empowering A New Generation

As LifeSmarts program coordinator for the State of California, CFE partnered with four high schools to provide monthly presentations on financial literacy and develop teams to compete in the National Consumer League-sponsored program.

CFE partnered with Transition-Age Youth AmeriCorps to provide financial education presentations to more than 50 participants. Also, CFE provided ongoing financial literacy training for participants in the Countywide Youth Bridges Program.

Convening Experts

CFE is uniquely positioned to break down silos and create opportunities for partnerships, which is vital to creating and providing well-rounded services.

CFE's Steering Committee is comprised of experts from government and nonprofit agencies, philanthropy, and financial institutions. The multisector committee helps the CFE address the complex challenges that can impede the financial wellbeing of County constituents.

CFE hosted its 2nd annual Financial Capability Summit in May. The day-long summit brought together 173 attendees from County departments, local government, non-profit organizations, financial institutions and other sectors to explore cross-sector efforts that build economic stability and household wealth for County residents with low-to-moderate incomes.

Wage Enforcement Program

DCBA operates L.A. County's first ever **Wage Enforcement Program** to enforce the County's Minimum Wage Ordinance, adopted in 2015. The Wage Enforcement Program also educates businesses and workers on the requirements of the ordinance, which covers employees that work two or more hours a week within the unincorporated areas of L.A. County.

DCBA also contracts with the City of Santa Monica to enforce Santa Monica's Minimum Wage Ordinance. DCBA conducts joint enforcement and training with the State's Department of Labor Standard Enforcement and U.S. Department of Labor.



Ensuring Fair Pay For Honest Work

DCBA's Wage Enforcement Program provides a safe, trustworthy service for workers who are not paid the correct wage. We respond immediately to the complaining party, whose name is not disclosed. The Wage Enforcement Program allows for recovery of back wages, reinstatement of employees who have been retaliated against, and fines payable directly to employees. During an investigation, the Wage Enforcement staff reviews every payroll record and recovers back wages for all employees of the company not just the complaining party.

Notable Cases Include:

- ✓ DCBA's Wage Enforcement investigators determined that 12 employees of a store in unincorporated Little Rock, a community in the northern portion of L.A. County, were not paid the correct minimum wage. The business owners admitted the violations and worked in coordination with DCBA investigators to pay all back wages due and fines owed to the 12 employees. The settlement totaled \$23,705.54.
- ✓ DCBA worked in partnership with the Santa Monica City Attorney's Office to successfully resolve two Wage Enforcement cases at a Santa Monica hotel. The hotel admitted to the violations and agreed to pay full restitution totaling \$23,705.54 to the 23 affected employees and \$9,210 in fines owed to the City of Santa Monica.

Key Stats

2018-2019

The Wage Enforcement Program staff collected
\$40,080.92
in back wages

\$35,155.00
was collected as fines payable to employees, L.A. County and City of Santa Monica collectively

As of July 1, 2019, the minimum wage for work performed in unincorporated L.A. County is
\$14.25
(for businesses with 26 or more employees) and \$13.25 (for businesses with 25 or fewer employees)

Keeping People Housed

Rent Stabilization Unit

In an effort to stabilize communities, rapidly rising rents, and to curb the number of people falling into homelessness, the Los Angeles County Board of Supervisors took two actions on September 4, 2018, and November 20, 2018, respectively, to approve an Interim Mobilehome Rent Regulation Ordinance (IMRRO) and an Interim Rent Stabilization Ordinance (IRSO) for residents of unincorporated Los Angeles County. The interim ordinances established a 3% annual cap on rent increases and provide protection not only against excessive rent increases but also against evictions without just cause, while also allowing property owners to earn a fair return on their investment.

DCBA's **Rent Stabilization Unit (RSU)** was created to administer and enforce the two interim ordinances, as well as educate well as educate tenants and landlords on their rights and responsibilities through counseling services.



Nearly
77%
of L.A. County
renters are
considered
“rent-burdened”

RSU conducts administrative hearings where the hearing officer issues decisions on landlord and tenant rent adjustment petitions.

Rent
Stabilization
Unit

Rent Stabilization Unit

Key Stats

2018-2019

L.A. County is one of the most rent-burdened counties in the country. The U.S. Census Bureau defines rent-burdened as a renter who spends more than 30% of their income on rent.

Nearly

300,000

rental units in unincorporated L.A. County, of which approx. 120,000 are subject to the IRSO

Over

1,800

individuals have received counseling on the new IRSO

RSU identified increases in rent up to

66%

which amounts to an additional \$1,100 in monthly costs

\$371

average savings in monthly rent through RSU's petition process

Our staff answers consumers' questions on landlord/tenant laws and provides them with tools to remain in their current rental unit. Our mission is to promote housing stability and alleviate an individual's fear of becoming homeless.

Starting A New Program

RSU began its work on September 4, 2018, when the Board of Supervisors adopted the Interim Mobilehome Rent Regulation Ordinance (IMRRO) and expanded on November 20, 2018, when the Board of Supervisors adopted the Interim Rent Stabilization Ordinance (IRSO).

Through its work, in collaboration with L.A. County Development Authority (LACDA), RSU has developed and expanded the new program by:

- ✓ Creating educational material
- ✓ Establishing work processes
- ✓ Collecting notices of termination from landlords
- ✓ Conducting petition hearings
- ✓ Attending outreach events to raise awareness of the new program

The IRSO called for the development of a petition process which would allow tenants and landlords to dispute an increase and request relief from the IRSO, respectively. The unit created that process and established guidelines which are used to determine whether a landlord is entitled to an increase in rent greater than the allowable amount to receive a fair and reasonable return.

Producing Results

In 2018-2019, RSU helped over 1,800 consumers understand and navigate the new IRSO to ensure both compliance and fairness for all interested parties. RSU has received and catalogued 335 notices of termination from landlords in unincorporated L.A. County and allows tenants to confirm if the notices of termination received are in compliance with the IRSO.

Throughout the fiscal year, RSU received a total of 55 tenant and landlord petitions. Twenty-seven tenant petitions were successfully resolved through the hearing process, saving each tenant an average of \$371 in monthly rent.





Foreclosure Prevention

The **Foreclosure Prevention and Real Estate Fraud Program** is a one-of-a-kind government program that specializes in working with homeowners to avoid real estate scams and prevent foreclosures.

Fighting Fraud

DCBA is the central reporting location for real estate fraud complaints in L.A. County. In 2018-2019, DCBA resolved **214 real estate fraud complaints** leading to a recovery of **\$229,905.54** for L.A. County homeowners.

Through collaborative community outreach and engagement efforts, we worked to create awareness around the Property Assessed Clean Energy program and how to report suspected fraud from unscrupulous contractors. Working with L.A. County's Internal Services Department, Treasurer and Tax Collector, and community partners, we helped resolve **over 100 PACE-related cases** in 2018-2019, which led to **more than \$500,000** in savings for homeowners, and in some cases preventing foreclosure.

We collaborate with the Registrar-Recorder/County Clerk on the Homeowner Notification Program, in which copies of the recorded documents are mailed to the homeowner of record so they can verify a transaction and report suspected fraud. In 2018-2019, DCBA worked with California legislators to report on the program's success and seek a program extension. In July 2019, California Senate Bill 1106 was signed, which extended the program for an additional 10 years.



Saving Homes

DCBA's Foreclosure Prevention Program provides one-on-one free assistance for homeowners struggling with mortgage debt. Our team works directly with lenders on the homeowners' behalf to keep them from losing their home.

In 2018-2019:

DCBA helped to save

78 homes

from foreclosure, resulting in a savings amount of

\$2,835,138.97

DCBA was able to obtain

20 home-loan modifications

and help either reinstate or establish a payment plan for 58 other cases that prevented the bank from foreclosing

Helping Small Businesses Thrive

Office of Small Business

Starting a small business can be a complicated, overwhelming process. DCBA's **Office of Small Business (OSB)** is a one-stop shop for business at any stage of the business continuum. Through counseling and training, OSB has helped businesses secure their livelihood and continue to build on their aspirations and goals. OSB helps entrepreneurs get started and helps existing business owners gain entry into L.A. County and other government contracting opportunities.

Boosting Businesses

Getting certified is the first step for small businesses seeking a government contract. OSB administers L.A. County's preference programs/certifications, including the Local Small Business Enterprise (LSBE), Disabled Veteran Business Enterprise (DVBE), Social Enterprise (SE), and the Community Business Enterprise Program (CBE). **In 2018-2019, L.A. County awarded over \$576 million in County contracts to certified small businesses up from \$355 million in 2017-2018 and \$288 million in 2016-2017.**

To help businesses get access to contracting opportunities, OSB hosted four popular Contracting

Connections networking and workshop events, each of which was attended by more than 100 current and prospective business owners and dozens of business partners. OSB also conducted outreach at more than 70 events related to government contracting. All told, OSB's outreach connected with more than 11,000 attendees.

OSB operates the L.A. County Procurement Technical Assistance Center (PTAC), a program funded in part through a cooperative agreement with the federal Defense Logistics Agency. L.A. County PTAC provides small businesses access to opportunities they may otherwise avoid due to perceived complexity of government contracting by dispelling myths and demystifying the process.



The L.A. County PTAC provides technical assistance to businesses via one-on-one counseling, workshops and presentations on how to do business with local, state, and federal governments. In 2018-2019, L.A. County PTAC logged 619 counseling hours with 391 clients in 512 sessions. L.A. County PTAC was able to connect clients to over \$4.3 million worth in government contracts.

Undertaking Initiatives

The Board of Supervisors has directed OSB to carry out impactful economic development initiatives, including:

✓ Small Business Utilization Goals

L.A. County's four-year plan is focused on increasing the percentage of County contracts awarded Countywide to LSBE and DVBE certified businesses by 25% and 3%, respectively. OSB continues to move toward reaching the County's goals of increasing utilization of LSBE, DVBE, SE, and CBE businesses through programmatic and technological enhancements.

In 2018-2019:

L.A. County awarded over
\$576 million
in County contracts to
certified businesses

L.A. County PTAC connected
clients to over
\$4.3 million
worth in government contracts

✓ Launching an East L.A. Entrepreneur Center

This center, scheduled to launch in 2020, will give entrepreneurs a one-stop shop to get business development and legal assistance through one-on-one counseling and workshops, access to capital, and a permit panel to answer any questions related to construction, planning and zoning, and health permits.

✓ Creating a Countywide Microloan Program

OSB supports Los Angeles Economic Development Authority to develop a Countywide microloan program to provide underserved communities with business capital.

Promoting Entrepreneurship

Key Stats

The Small Business Concierge program is a resource and an advocate for entrepreneurs venturing into small business ownership in L.A. County. This includes helping them navigate the legal, financial and business elements needed to launch and grow.

In 2018-2019, the Concierge program:

Participated in

82

L.A. County events, reaching 5,369 future entrepreneurs and business owners

Hosted

21

small business workshops attended by 633 people who learned how to conduct a market analysis and prepare a business and financial plan; and how to navigate the regulatory permit and license requirements at the federal, state, and local level

Provided technical assistance to more than

900

people



A Special Thanks

DCBA's efforts and programs could not have been possible without the leadership and support of the Los Angeles County Board of Supervisors and our community partners. We would like to thank the following individuals and partners for their contributions and continued support.

L.A. County Board of Supervisors

L.A. County Chief Executive Office

All L.A. County Departments

L.A. County Development Authority

L.A. County Consumer Affairs Advisory Commission

L.A. County Small Business Commission

Center for Financial Empowerment Steering Committee



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