



FY 2015 Performance Accountability Report Department of Insurance, Securities and Banking

INTRODUCTION

The Performance Accountability Report (PAR) measures each agency's performance for the fiscal year against the agency's performance plan and includes major accomplishments, updates on initiatives' progress and key performance indicators (KPIs).

MISSION: The mission of the Department of Insurance, Securities and Banking ("DISB" or "Department") is two-fold: 1) protect consumers by providing equitable, thorough, efficient, and prompt regulatory supervision of the financial services companies, firms, and individuals operating in the District of Columbia, and 2) develop and improve market conditions to attract and retain financial services firms to the District of Columbia.

SUMMARY OF SERVICES: DISB regulates the following financial services entities: (1) insurance companies, insurance producers, health maintenance organizations, captive insurance companies, and risk retention groups; (2) investment advisors, investment advisor representatives, broker-dealers, broker-dealer agents, securities offerings, issuers, and agents of issuers; and (3) District and state-chartered banks, mortgage lenders and brokers, mortgage loan originators, check cashers, money transmitters, consumer sales finance companies, money lenders, and consumer credit service organizations.

OVERVIEW – AGENCY PERFORMANCE

The following section provides a summary of DISB's performance in FY 2015 by listing DISB's top three accomplishments, and a summary of its progress achieving its initiatives and progress on key performance indicators.

TOP THREE ACCOMPLISHMENTS

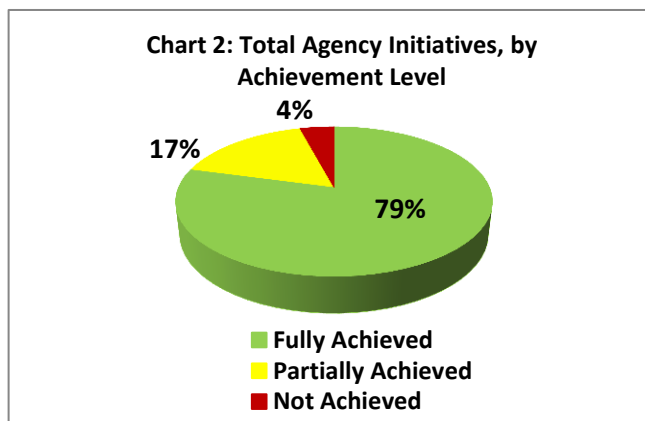
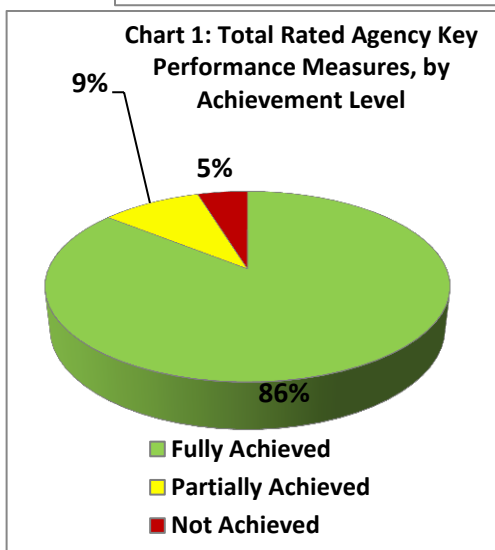
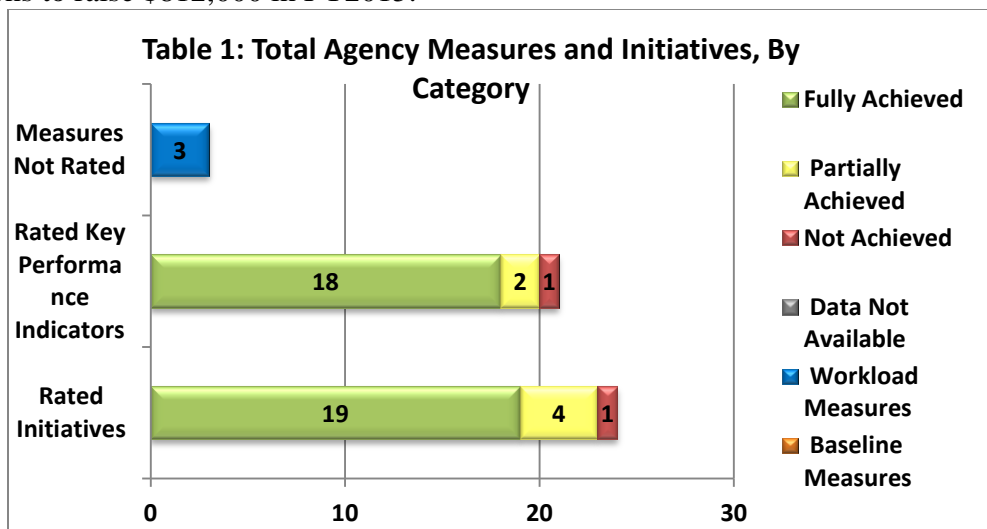
The top three accomplishments of DISB in FY 2015 are as follows:

- ✓ Through its State Small Business Credit Initiative (SSBCI) Program, DISB deployed \$2,576,521 to support 11 loans to small businesses in the District of Columbia. The funds were used to leverage a total of \$5,251,500 from private sector lenders (banks and community development financial institutions) to help create or retain 267 jobs in the District. Over the life of the SSBCI Program, 22 loans have been supported by \$5,703,198 in SSBCI funds, representing approximately 43% of the \$13.2 million allocated to the District from the U.S. Department of Treasury, which leveraged \$14,426,500 in loans to District small businesses.
- ✓ DISB conducted its annual review and approval of health insurance plan rates for the District's health insurance marketplace, DC Health Link, for plan year 2016. Four major insurance companies – Aetna, CareFirst BlueCross BlueShield, Kaiser Permanente and United Healthcare – will have plan offerings for individuals, families and small businesses. As a result of DISB's



rate review process, all insurers lowered their proposed rate increases – some by 10 percent. The average increase in 2016 premiums across all insurers will be 4.25% for individuals and 4.74% for small group plans.

- ✓ DISB developed and issued new regulations to authorize the first District investment-based crowdfunding opportunity for District residents. This program provides another option for capital formation for new and small businesses in the District. Two businesses used the new regulations to raise \$812,000 in FY2015.



Default KPI Rating:

$\geq 100\%$	Fully Achieved
75 - 99.99%	Partially Achieved
$< 75\%$	Not Achieved



In FY 2015, DISB achieved more than three quarters of its initiatives and 86% percent of its rated key performance measures. **Table 1** provides a breakdown of the total number of performance metrics DISB uses, including key performance indicators and workload measures, initiatives, and whether or not some of those items were achieved, partially achieved or not achieved.

Chart 1 displays the overall progress made on achieving DISB objectives, as measured by its rated key performance indicators. Please note that Chart 2 contains only rated performance measures. Rated performance measures do not include measures where data is not available, workload measures or baseline measures.

Chart 2 display the overall progress DISB made on completing its initiatives, by level of achievement.

PERFORMANCE INITIATIVES – ASSESSMENT DETAILS

Agency Management

OBJECTIVE 1: Provide oversight and support for the agency’s operating bureaus and divisions to enhance consumer financial and education in the District.

INITIATIVE 1.1: Engage in comprehensive efforts to provide financial literacy to the residents of the District of Columbia

- **Fully achieved.** In FY2015, DISB reached 7,925 District residents and investors with consumer protection or financial education through DISB and Bank on DC events and speaking engagements. 908 seniors received the services during the 21 senior-focused events. DISB also conducted several online financial education campaigns, including DC Saves Week – a week-long campaign to promote good savings behavior; and DASH for the STASH – an investor education contest focused on residents becoming more educated investors. DISB also co-sponsored the annual Metropolitan Washington Financial Planning Day, where residents received free personalized financial planning advice and education from financial professionals. During April, National Financial Capability Month, DISB shared daily financial literacy tips, including retirement planning resources on social media. DISB also maintained a webpage with resources that include a free personal financial health assessment via LifeCents, an online comprehensive personal financial wellness program. Additionally, DISB encouraged residents to use free tax services at Volunteer Income Tax Assistance (VITA) sites and to file for the Earned Income Tax Credit (EITC) if they qualify.

INITIATIVE 1.2: Conduct administrative hearings for insurance producers to improve the licensing process and regulate the distribution channels for consumers.

- **Fully achieved.** In FY2015, DISB’s Hearing Officer held (9) nine administrative hearings involving insurance producers. All decisions and orders were completed within 60 days.



OBJECTIVE 2: Develop subject matter expertise that can be utilized to educate and inform policy makers and market participants leading to a reputation as a desirable regulatory jurisdiction.

INITIATIVE 2.1: Participate in industry sector national meetings, training and development sessions, and seminars to improve professional capabilities and increase knowledge of current and emerging market issues.

- **Fully achieved.** In order to develop and maintain subject matter expertise, all DISB staff participate in meetings of the National Association of Insurance Commissioners (NAIC), the North American Securities Administrators Association (NASAA), the Conference of State Bank Supervisors (CSBS) and other regular organizations and regulatory training opportunities. Staff also are assigned to participate on regulator and industry committees and working groups, and are required to obtain and maintain professional designations.

INITIATIVE 2.2: Utilize online seminars, industry publications and research sources to develop Department databases and market analysis capabilities.

- **Fully achieved.** The Compliance Analysis staff has an ongoing responsibility to develop and analyze industry sectors to establish best practices standards and guidelines. The Division also designs, delivers, and monitors financial products and services. The staff accomplishes this by routinely participating in online seminars, meeting with peer regulators, and researching various sources for best practices to improve DISB processes.

OBJECTIVE 3: Implement the access to capital initiatives to assist District-based businesses with their efforts to obtain equity investments, loans, lines of credit, working capital, collateral support and other financing arrangements.

INITIATIVE 3.1: Complete the implementation of State Small Business Credit Initiative.

- **Partially Achieved.** The District of Columbia began the process of implementing the third SSBCI program: the Innovation Finance Program (IFP). The IFP is a venture capital program that provides co-investments alongside private sector investors to early stage and growth companies in the District of Columbia. In order to assist with implementing this program, the DISB, hired outside consultants to assist with drafting investment documents and making recommendations for improvements to the rules that would make the program more attractive to venture capital funds. Although the draft documents were completed and the recommendations were received from the consultants, the Department did not fully achieve the initiative because new rules still need to be promulgated.

INITIATIVE 3.2: Complete the implementation of Crowdfunding Rules.

- **Fully achieved.** The new regulation authorizes crowdfunding-type investments for District of Columbia small businesses, which now have another option for raising capital. The new



regulation, “*District of Columbia-Only Securities Offerings Exemption*,” establishes an exemption from the District’s full securities registration requirements in order to simplify and encourage investing in District-based small businesses. This type of offering, known as “intrastate,” is exclusive to District-based businesses and can only be offered and sold to District residents. Intrastate securities are not subject to Securities and Exchange Commission (SEC) registration. The Department’s goal was to provide a streamlined, cost-effective alternative for raising capital that benefits District entrepreneurs and simultaneously protects local investors. The Jumpstart Our Business Startups Act or “JOBS Act” established a new class of securities firms called “funding portals.” Under the regulation, District issuers may use funding portals when the SEC and the Financial Industry Regulatory Authority (FINRA) implement the funding portal provisions of the JOBS Act.

OBJECTIVE 4: Oversee the implementation of agency-wide priorities.

INITIATIVE 4.1: Conduct agency sustainability assessment using OCA approved criteria developed by DDOE and OP in accordance with Mayor’s Order 2013-209 (Sustainable DC Governance Goal 1, Action 1.2; Built Environment Goal 3) Within one hundred twenty (120) days after the City Administrator approves sustainability assessment criteria developed jointly by the District Department of the Environment (DDOE) and the Office of Planning (OP), each agency head subject to the authority of the Mayor shall use the criteria to evaluate the sustainability of their respective operations in accordance with the requirements of Mayor’s Order 2013-209, the Sustainable DC Transformation Order, and submit to his or her responsible Deputy Mayor and the Office of the City Administrator the results of the agency’s internal assessment. **Completion Date: April 2015**

- **Fully achieved.** As part of Mayor Bowser’s 100 Day Fresh Start Goals, DISB assessed the sustainability of its operations, policies, and programs. DISB responded to the District Department of the Environment (DDOE) assessment survey.

KEY PERFORMANCE INDICATORS– Office of the Commissioner

	KPI	Measure	FY 2014 YE Actual	FY 2015 YE Target	FY 2015 YE Revised Target	FY 2015 YE Actual (KPI Tracker)	FY 2015 YE Rating (KPI Tracker)	Budget Program (KPI Tracker)
	1.1	Percentage of first tranche of SSBCI funds made available to District businesses.	Not Applicable	100%		100 %	100 %	BANKING PROGRAM



●	1.2	Percentage of second tranche of SSBCI funds made available to District businesses. ¹	Not Applicable	Not Applicable		28.01%		BANKING PROGRAM
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Banking Bureau

OBJECTIVE 1: Improve consumer confidence through programs and activities that increase transparency in the financial markets and provide for protection of consumers of non-depository financial products.

INITIATIVE 1.1: Administer, manage, and market the foreclosure mediation program to homeowners in accordance with the permanent version of the “Saving DC Homes from Foreclosure Act.”

- **Fully achieved.** The Foreclosure Mediation Program continues to assist District homeowners by providing a structured, supervised forum where homeowners and their lenders meet and discuss alternatives to foreclosure within the rules and regulations set forth by the Saving DC Homes from Foreclosure Act. The Program boasts a very high success rate for homeowners who elect and attend mediation. The Foreclosure Mediation Program still utilizes CaseAware as the primary software source that allows the input and tracking of all Notice of Defaults received and mediations that take place. The software provides real time data and triggers actions that follow the current timelines set by law and regulations. This allows all mediations to be held and completed within the 90-day time period unless a 30-day extension is agreed upon by all parties. The mediation administrator provides updated reports on a weekly and monthly basis, which shows trends and success rates in the mediation program.

INITIATIVE 1.2: Administer the licensing of non-depository financial institutions in accordance with Title 26 of the DC Code, the S.A.F.E. Act and the requirements of the Nationwide Mortgage Licensing System.

- **Fully achieved.** Under the federal Safe and Fair Enforcement for Mortgage Licensing Act (SAFE Act), mortgage loan originators are required to be licensed or registered through the Nationwide Mortgage Licensing System (NMLS). Prior to the passage of the SAFE Act, each

¹ DISB did not set a disbursement goal for the second tranche in FY15 because the Agency did not expect to receive the second tranche in FY15. The Agency did receive the second tranche in FY15 and was able to use 28.01% of the second tranche.



state had its own separate system of licensing. Individuals who had engaged in bad acts in one state could continue originating loans in another state. The NMLS system now allows state regulators to share complaint information that often leads to multi-state examinations and enforcement actions that quickly address bad actors in multiple states. The NMLS allows companies to maintain a single record to apply for, maintain, renew, and surrender license and registration authorities in one or more states. DISB currently licenses more than 3,000 individuals and non-depository financial institutions, including mortgage companies, money transmitters, check cashers, money lenders, retail sellers and sales finance companies.

INITIATIVE 1.3: Administer the examination process for mortgage lenders and brokers in accordance with the Mortgage Lenders and Brokers Act and improve the quality and quantity of examination reports.

- **Not achieved.** During the fiscal year, the Department revised the DISB mortgage examination manual to improve the quality of mortgage examination reports. The Department also made steps towards improving the quantity of examination reports. In order for the examination team to keep up with the requirements under the banking code, as well as to comply with Dodd-Frank and the CSBS accreditation standards; mortgage examinations must be completed on a three (3) year cycle. During the fiscal year, the Department completed 85 mortgage examinations, which is 57% of the 147 exams that were required to be completed by law. The required number of exams were not completed in part because of vacancies and turnover among examination staff.

OBJECTIVE 2: Encourage the expansion of banking and non-depository services available to District of Columbia residents and businesses.

INITIATIVE 2.1: Administer, manage, and market the D.C. State Small Business Credit Initiative.

- **Fully achieved.** During the fiscal year ending September 30, 2015, the SSBCI Program deployed \$2,576,521 to support 11 loans to small businesses in the District of Columbia. The funds deployed over the last fiscal year were used to leverage a total of \$5,251,500 from private sector lenders (banks and community development finance institutions) to help create or retain 267 jobs in the District. Over the life of the SSBCI Program, 22 loans have been supported by \$5,703,198 in SSBCI funds, representing approximately 43% of the \$13.2 million allocated to the District from the U.S. Department of Treasury, which leveraged a total of \$14,426,500 in loans to District small businesses. One highlighted transaction is a \$100,000 venture loan extended to Good Food Markets, representing the District's first transaction using the Innovation Finance Program. Good Food Markets is a neighborhood grocery store in the Woodridge area. DISB matched half the \$100,000 investment for Good Food Markets through City First Enterprises, a community development financial institution located in the District. The funds were used for working capital, fixtures and equipment at Good Food Market's fresh food retail store. In addition, DISB completed its review of mortgage lender and broker license applications within sixty (60) days or less.



INITIATIVE 2.2: Use Bank On DC as a tool to increase access to car-sharing and bike sharing programs for low-income families and underserved populations (Sustainable DC Plan Transportation Action 3.2)

- **Fully achieved.** During FY2015, DISB’s Bank on DC program opened 993 accounts for unbanked and under-banked District residents. DISB administered a District-wide survey of the unbanked and under-banked population to understand better the barriers and challenges to banking services for District residents and small businesses, with the goal of identifying long-term strategies to facilitate access to mainstream financial services for all District residents and small businesses. The DISB used this information to encourage members of the community use bike-sharing and car-sharing services.

KEY PERFORMANCE INDICATORS– Banking Bureau

	KPI	Measure	FY 2014 YE Actual	FY 2015 YE Target	FY 2015 YE Revised Target	FY 2015 YE Actual (KPI Tracker)	FY 2015 YE Rating (KPI Tracker)	Budget Program (KPI Tracker)
●	1.1	Percentage of foreclosure mediations scheduled and steps completed within the time required by the Saving DC Homes from Foreclosure Act of 2010 and its implementing rules.	100%	95%		100%	105.26%	BANKING PROGRAM
●	1.2	Percentage of completed Mortgage Lender and Broker Licenses and Requests approved or	Not Applicable	80%		96%	120.08%	BANKING PROGRAM



		declined within 60 days.						
●	1.3	Percentage of Mortgage Lenders and Brokers examined	14%	147		85	57%	BANKING PROGRAM
●	2.1	Percentage of SSBCI Loan Enrollment Forms that received a determination of approval or rejection within 5 business days	Not Applicable	95%		100%	105.26%	BANKING PROGRAM

Insurance Bureau

OBJECTIVE 1: Increase the affordability and availability of health insurance coverage by carefully reviewing health insurance rate filings (Age-Friendly DC Goal: Domain # 8).

INITIATIVE 1.1: Implement the additional tools obtained through the Rate Review Grant for the review of health insurance rates.

- **Fully achieved.** DISB utilized the software template and developed analytical tools for the Health Insurance Financial Analyst. DISB hired an outside actuarial group to assist in the review of the Affordable Care Act (ACA) rates, resulting in decreases for all companies filing rates, including some decreases of over 10%.

INITIATIVE 1.2: Complete review of GHMSI 2011 surplus and implement a process for future rate reviews.

- **Partially achieved.** On December 30, 2014, a Decision and Order was issued (“Decision”), concluding that the Corporation’s 2011 surplus was excessive, of which approximately \$56 million was attributable to the District. In the Decision, DISB concluded that: (1) the Corporation’s surplus as of December 31, 2011 was 998% RBC-ACL (approximately \$963.5 million); (2) the appropriate level for the Corporation’s 2011 surplus was 721% RBCACL (approximately \$695.9 million); and (3) that 21% of the Corporation’s 2011 surplus was attributable to the District. Additionally, the Decision ordered the Corporation to file a plan to



dedicate the \$56 million excess surplus to community health reinvestment in a fair and equitable manner. The review is still ongoing because of a number of intervening events by the Maryland and Virginia insurance regulators.

OBJECTIVE 2: Increase the amount of consumer insurance information available on the DISB web site.

INITIATIVE 2.1: Post all insurance rate filings and other frequently requested insurance bureau documents on DISB’s website.

- **Fully achieved.** All approved rate and form filings as well as frequently requested insurance bureau documents were made available directly from DISB’s website. Additionally the Insurance Bureau added publicly available information to the web site as part of DISB’s health insurance rate review process.

OBJECTIVE 3: Strengthen the regulation of title insurance in the District of Columbia.

INITIATIVE 3.1: Complete the examination of title insurers operating in the District, and propose statutory amendments or regulations to ensure that title insurance rates are adequate, not excessive or unfairly discriminatory.

- **Partially achieved.** DISB is working with the title insurance industry to develop rate filing template for title insurance that will the title insurance examination.
Completion Date: December 31, 2015

KEY PERFORMANCE INDICATORS– Insurance Bureau

	KPI	Measure	FY 2014 YE Actual	FY 2015 YE Target	FY 2015 YE Revised Target	FY 2015 YE Actual (KPI Tracker)	FY 2015 YE Rating (KPI Tracker)	Budget Program (KPI Tracker)
●	2.1	Percentage of form filings approved or rejected within 30 days of receipt.	100%	95%		99.91%	105.17%	INSURANCE PROGRAM
●	3.1	Percentage of rate	93%	95%		92.55%	97.43%	INSURANCE PROGRAM



		filings approved, accepted or rejected within 30 days of receipt.						
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Risk Finance Bureau

OBJECTIVE 1: Ensure the solvency of captive insurers domiciled in the District.

INITIATIVE 1.1: Evaluate and complete financial analyses on captive Risk Retention Groups domiciled in the District of Columbia.

- Fully achieved.** The Risk Finance Bureau completed 133 quarterly financial analyses of approximately 34 Risk Retention Groups domiciled in the District of Columbia, and all were completed as planned. The FY2015 KPIs for the Captive Insurance Program were (1) the percentage of captive insurance company applications processed within 30 days of receipt; and (2) the percentage of captive insurance analyses completed. The KPI results were 100% for both measures.

KEY PERFORMANCE INDICATORS – Risk Finance Bureau

	 	KPI	Measure	FY 2014 YE Actual	FY 2015 YE Target	FY 2015 YE Revised Target	FY 2015 YE Actual (KPI Tracker)	FY 2015 YE Rating (KPI Tracker)	Budget Program (KPI Tracker)
		1.1(1)	Percentage of Captive Insurance Company applications processed within 30 days of receipt.	100%	100%		100%	100%	RISK FINANCE PROGRAM
		1.1 (2)	Percentage of financial analyses completed on Captive	100%	100%		100%	100%	RISK FINANCE PROGRAM



		Insurance Companies.						
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Securities Bureau

OBJECTIVE 1: Improve “consumer protection” by administering effectively the legally applicable standards for market entry in to the District’s securities market and the market for investments in the District.

INITIATIVE 1.1: Engage in a comprehensive campaign to provide financial literacy and increase the amount of information available to DC residents through outreach programs.

- **Fully achieved.** As part of the efforts described under “Agency Management Objective 1, Initiative 1.1,” DISB’s financial literacy outreach included specific investor education programs. These include DASH for the STASH – an investor education contest focused on residents becoming more educated investors; and Metro Washington Financial Planning Day, which focused on topics such as retirement and appropriate investments for various stages of life. Through speaking engagements, DISB also informed the public and small business about the differences between donation and investment crowdfunding. Further, DISB educated District seniors about how they can protect themselves from being victims of investor fraud as part of 21 senior-focused financial education events.

INITIATIVE 1.2: Increase the capability of the STAR system to handle internet queries regarding the status of filings.

- **Partially achieved.** The STAR system software upgrade was implemented and is in the testing phase. Once fully operational, it will enable filers to query the system online to obtain basic status information, about their registration statements, notice filings, and license applications thereby freeing DISB staff to continue the work to processes the nearly 20,000 investment company notice filings DISB receives each year.

KEY PERFORMANCE INDICATORS–Securities Bureau

	KPI	Measure	FY 2014 YE Actual	FY 2015 YE Target	FY 2015 YE Revised Target	FY 2015 YE Actual (KPI Tracker)	FY 2015 YE Rating (KPI Tracker)	Budget Program (KPI Tracker)
●	1.1	Percentage of Broker-dealer and investment adviser firm licenses	99%	95%		99.63%	104.87%	SECURITIES PROGRAM



		processed within 30 days of receipt						
●	1.2	Percentage of securities notice filings processed within 30 days.	98%	85%		84.49%	99.40%	SECURITIES PROGRAM

Compliance Analysis Division

OBJECTIVE 1: Enhance Consumer Protection

INITIATIVE 1.1: Develop research and analysis of industry sectors to establish “best practices” standards and guidelines for design, delivery, and results monitoring of financial products and services.

- **Fully achieved.** The KPI objectives associated with this initiative included closing 100% of all banking and insurance complaints within 45 days and we fully achieved this initiative. The Division’s goal is twofold: (1) to support DISB’s efforts to develop a financial services regulatory platform that enhances consumer protection by emphasizing shared information within the agency and (2) focusing on market conduct to keep pace with market developments. The Division emphasizes developing proactive capabilities to monitor market activities and developing guidelines and recommendations that lead to best practices within industry sectors. The current disciplinary measures for licensees who engage in minor unethical, unprincipled or unresponsive business practices are not adequate, and as a result, the Division researched peer jurisdiction’s disciplinary measures and made recommendations on how to provide incentives to reduce the undesirable business practices, including a schedule of fines.

KEY PERFORMANCE INDICATORS – Compliance Analysis Division

●	KPI	Measure	FY 2014 YE Actual	FY 2015 YE Target	FY 2015 YE Revised Target	FY 2015 YE Actual (KPI Tracker)	FY 2015 YE Rating (KPI Tracker)	Budget Program (KPI Tracker)
●	1.1	Percentage of written Banking	99%	100%				COMPLIANCE ANALYSIS PROGRAM



		complaints resolved within 45 days of receipt.				100%	100%	
●	1.2	Percentage of written Insurance complaints resolved within 45 days of receipt.	98%	95%		98.27%	103.44%	COMPLIANCE ANALYSIS PROGRAM
●	1.3	Number of Consumer Alerts posted to DISB website	Not Applicable	6		11	183.33%	COMPLIANCE ANALYSIS PROGRAM
●	1.4	Number of proposed changes in regulation or legislation drafted and submitted for consideration	Not Applicable	4		7	175%	COMPLIANCE ANALYSIS PROGRAM

Enforcement and Consumer Protection Division

OBJECTIVE 1: Improve the DISB insurance, securities and banking antifraud program.

INITIATIVE 1.1: Improve the effectiveness of the investigative approach to regulatory and criminal violations in the financial service arena through professional relationships with state and federal regulatory agencies, criminal justice organizations and local, state and federal law enforcement entities or organizations.

- **Fully achieved.** The Enforcement and Consumer Protection Division (ECPD) remains committed to investigating and punishing financial fraud and other regulatory violations. ECPD outwardly engages and maximizes its investigative resources with a network of federal and



state regulatory and law enforcement partners to identify new and persistent fraud issues to reduce financial fraud in the District. New investigative techniques and approaches become available as ECPD's members coordinate and work with representatives of agencies that have mutual goals. This enhancement will alert ECPD of fraudulent issues in the metropolitan area and strengthen its investigative effectiveness.

Investment scams are a plague to all users of the Internet, including District residents, and efforts to identify these types of scams have formerly been problematic. ECPD has developed a working relationship with the North American Securities Administrators Association (NASAA) enforcement arm to neutralize this type of fraud. Through NASAA's association with a federal regulatory agency, ECPD receives referrals of Internet scams, which purport to have legitimate regulatory office locations in the District. On the surface, due to their use of official looking logos and District governmental sounding names, these scams appear to have a semblance of validity.

DISB partners with the following government agencies and organizations to protect District consumers from financial fraud: The National Insurance Crime Bureau (NICB), the District Office of the Inspector General, Medicaid Fraud Control Unit, the NICB-FBI's sponsored District's Major Metro Medical Fraud Task Force, the District's Financial Crimes Task Force, and the Financial Crimes Enforcement Network of the U.S. Department of the Treasury. In addition to working closely with the Department's various Bureaus and the Office of the General Counsel, the volume of ECPD's regulatory investigations have increased, as well as the number of hours of support that was provided to the DISB regulatory proceedings.

OBJECTIVE 2: Protect the residents of the District of Columbia from financial fraud

● INITIATIVE 2.1: Enhance regulatory compliance enforcement through the development of new associations with federal regulators and law enforcement agencies.

Fully achieved. The Enforcement and Consumer Protection Division (ECPD) remains committed to protecting District residents by identifying, developing information and investigating issues to substantiate whether events of fraud or violations of law occurred or that a regulatory statute has been violated, provide necessary support for the prosecution of the perpetrators. ECPD established protocols for investigators to deregister websites that have been identified through coordination with the DISB's Consumer Advocate and NASAA's enforcement arm as being fraudulent. As a result of the protocol, "false fronts" websites are eliminated from the Internet in order to protect consumers. Additionally, referrals are forwarded to the Internet Crime Complaint Center (IC3), a multi-agency task force consisting of the Federal Bureau of Investigation (FBI), the National White Collar Crime Center (NW3C), and the Bureau of Justice Assistance (BJA), which possesses unique systems to assist ECPD in addressing Internet fraud.

Initiative 2.2: Conduct prompt due diligence of financial service applicants.



- **Fully achieved.** ECPD continues to conduct expedited, due diligence investigations on all financial services licensing applicants to ensure that only those applicants, without derogatory issues in their personal background, are able to obtain a license and conduct business with District residents. This protocol allows for an expedited review of all applicants, as well as accelerates the licensing process.

KEY PERFORMANCE INDICATORS-Enforcement and Consumer Protection Division

 KPI	Measure	FY 2014 YE Actual	FY 2015 YE Target	FY 2015 YE Revised Target	FY 2015 YE Actual (KPI Tracker)	FY 2015 YE Rating (KPI Tracker)	Budget Program (KPI Tracker)	
●	1.1	Percentage of open investigative cases reviewed within 90 days for correctness and compliance with investigative procedures.	100%	95%		100%	105.26%	ENFORCEMENT PROGRAM
●	2.1	Percentage of insurance producer enforcement investigations completed within 90 days.	94%	90%		100%	111.11%	ENFORCEMENT PROGRAM
●	2.2	Percentage of background checks completed within seven working days upon receipt	Not Applicable	85%		100%	117.65%	ENFORCEMENT PROGRAM



Market Examination Division

OBJECTIVE 1: Enhance Consumer Protection.

INITIATIVE 1.1: Protect consumers through ensuring compliance with Insurance, Securities, and Banking laws, rules and regulations, including the federal Dodd-Frank Act.

- **Fully achieved.** The Market Examinations program protects the financial interest of District residents, ensures market integrity, facilitates capital formation, increases the availability of financial services and enforces District laws and regulations.

The Dodd-Frank Act reallocated primary regulatory responsibility from the SEC to state securities regulators for oversight of investment advisers that have between \$25 million and \$100 million of assets under management. As such, the number of investment advisers under the responsibility of the DISB has increased. In addition, the number of securities firms in the District with larger and more complex accounts, as well as advisers to hedge funds, has increased significantly.

In FY15, the Division conducted examinations of 16 registered firms and closed 14 pending examinations. The Division was instrumental in assisting in the resolution of two major enforcement cases that originated from the Division. .

KEY PERFORMANCE INDICATORS– Market Examination Division

	KPI	Measure	FY 2014 YE Actual	FY 2015 YE Target	FY 2015 YE Revised Target	FY 2015 YE Actual (KPI Tracker)	FY 2015 YE Rating (KPI Tracker)	Budget Program (KPI Tracker)
●	1.1	Percentage of DC based investment firms examined for compliance within 12 months.	100.00%	85.00%		100%	117.65%	MARKET EXAMINATION PROGRAM



●	1.2	Percentage of Domestic insurance companies financial examinations completed	90%	85%		100%	117.65%	MARKET EXAMINATION PROGRAM
●	1.3	Percentage of Non-depository financial institutions examined ²	Not Applicable	Not Applicable		Not Applicable	Not Applicable	MARKET EXAMINATION PROGRAM

WORKLOAD MEASURES – APPENDIX

WORKLOAD MEASURES ●

Measure Name	FY 2013 YE Actual	FY 2014 YE Actual	FY 2015 YE Actual	Budget Program
Number of consumers receiving financial literacy training and consumer	2,317	3,209	7,925	AGENCY MANAGEMENT PROGRAM

² This measure was performed and tracked by the Banking Bureau and reported in Banking Initiative 1.3.



protection information.				
Number of insurance producer administrative hearings completed and proposed final orders issued within 60 days.	21	3	9	AGENCY MANAGEMENT PROGRAM
Number of accounts opened through Bank on DC.	662	848	993	AGENCY MANAGEMENT PROGRAM