II. Performance Results

Summary of 2002 Performance Results by Program

In accordance with Section 232.8 of the Office of Management and Budget's Circular No. A-11, Part 2, the FDIC is pleased to report that there were no situations in 2002 where performance had an adverse effect on the FDIC's activities or programs. In addition, 2002 performance was considered in the development of the FDIC's 2003 Annual Performance Goals. The Office of Inspector General (OIG) has shared its view of the challenges the Corporation is confronting and has acknowledged the numerous actions under way to address these issues. See Appendix C for a list of these challenges. Management is committed to addressing issues identified by the OIG, as evidenced by the initiatives discussed in the operations section of the report.

Program Area	Performance Results
Insurance	• Resolved 11 insured institution failures, providing depositors with timely access to insured deposits in each case. For seven of the failures, depositors had uninterrupted and continuous access to insured deposits as the deposits were assumed by an acquiring entity. For the remaining four failures, a deposit payout was conducted where a check in the amount of the insured deposit was mailed to each depositor in the required time frames.
	• The House of Representatives voted to approve deposit insurance reform legislation. Although the Senate failed to act on the legislation before adjournment, the Corporation will continue to pursue deposit insurance reform in the 108th Congress.
	• Completed risk assessments for all large insured depository institutions.
	• Improved the accuracy and efficiency of off-site risk identification models.
	• Published economic and banking information and analysis: • Quarterly editions of *Regional Outlook*, • 68 *Briefing Notes*, • Semiannual *FDIC Report on Underwriting Practices*, • Semiannual *Report on Underwriting Practices by Region*, • Six *Bank Trends*, • Quarterly editions of the *Real Estate Data System*, and • Semiannual *Survey of Real Estate Trends*.
	• Created a new electronic communications tool (*FYI*) to disseminate pertinent, timely analysis on risk-related issues to key stakeholders; published 36 *FYIs*.
Supervision	• Conducted 2,534 safety and soundness examinations. This included all statutorily required safety and soundness examinations, except for a small number deferred due to pending mergers.
	• Conducted 1,820 compliance and Community Reinvestment Act examinations in accordance with FDIC policy.
Receivership Management	• Contacted all known and qualified potential bidders in each of the 11 institution failures in 2002.
	• Marketed at least 85 percent of all marketable assets within a 90-day time frame for nine of the 11 institutions that failed in 2002. (For the remaining two institutions, the 90-day time frame had not expired at year-end.)
	• Terminated 108 receiverships.

2002 Budget and Expenditures by Program

The FDIC budget for 2002 totaled $1.22 billion. Excluding $142.9 million for Corporate General and Administrative expenditures, budget amounts were allocated to corporate programs and related goals as follows: $152.6 million, or 14 percent, to the Insurance program; $606.7 million, or 57 percent, to the Supervision program; and $313.9 million, or 29 percent, to the Receivership Management program.

Actual expenditures for the year totaled $1.19 billion. Excluding $125.8 million for Corporate General and Administrative expenses, actual expenditures were allocated to programs as follows: $118.3 million, or 11 percent, to the Insurance program; $629.3 million, or 59 percent, to the Supervision program; and $316.5 million, or 30 percent, to the Receivership Management program.

Higher-than-proposed spending for the Supervision program and lower-than-projected spending for the Insurance program reflect actual time charges by examiners. During 2003, the FDIC will review time reported by examiners to ensure that they are accurately allocating their time between these two programs.

Program Performance Results

Supervision Program Results

Strategic Goal: FDIC-supervised institutions are safe and sound.

	Annual Performance Goal	Indicator	Target	Results
1	Conduct on-site safety and soundness examinations to assess an FDIC-supervised insured depository institution's overall financial condition, management practices and policies, and compliance with applicable regulations.	Conduct required examinations in accordance with statute and FDIC policy.	One hundred percent of required examinations are conducted on time.	Achieved
2	Prompt supervisory actions are taken to address problems found during the FDIC examination of FDIC-supervised institutions identified as problem insured depository institutions. FDIC-supervised insured depository institution compliance with formal and informal enforcement actions is monitored.	The number of months from the last examination of a problem bank until a follow-up examination is conducted.	Follow-up examination is conducted within 12 months of completion of the prior examination.	Achieved

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

	Annual Performance Goal	Indicator	Target	Results
3	Effective outreach and technical assistance are provided on topics related to the Community Reinvestment Act (CRA), fair lending, and community development.	Assessment of participants' understanding of the financial education topics after attending a One Stop Center financial education workshop. The FDIC's compliance examination program covers nearly 20 different federal statutes and regulations ranging from traditional disclosure laws (such as the Truth in Lending Act) to fair lending statutes (such as the Equal Credit Opportunity and Fair Housing Acts) to the Community Reinvestment Act (CRA), which encourages insured depository institutions to help meet community credit needs. The FDIC has also added the privacy and insurance consumer protection provisions of the Gramm-Leach-Bliley Act of 1999 to its compliance examination program.	Eighty-five percent of workshop participants who complete self-evaluation forms rate as "3" or better, on a scale of "1" to "4," the degree to which they increase their understanding of the financial education topic(s).	Achieved
4	Effectively meet the statutory mandate to investigate and respond to consumer complaints about FDIC-supervised financial institutions.	Timely responses to written complaints.	Ninety percent of written complaints are responded to within time frames established by policy.	Achieved

Supervision Program Results (continued)

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

	Annual Performance Goal	Indicator	Target	Results
5	Conduct comprehensive and compliance-only examinations in accordance with FDIC examination frequency policy.	Conduct required examinations in accordance with statute and FDIC policy.	One hundred percent of required examinations are conducted within time frames established by statute and FDIC policy.	Achieved
6	Prompt supervisory actions are taken and monitored on all institutions rated "4" or "5" for compliance to address problems identified during compliance examinations.	Timely follow-up examination and related activity confirms whether the institution is in compliance with the enforcement action.	A follow-up examination or related activity is conducted within 12 months from the date of a formal enforcement action confirming compliance with the enforcement action.	Achieved

Insurance Program Results

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

1	FDIC is prepared to deal with all financial institution closings and emerging issues.	Number of business days after institution failure by which depositors will have access to insured funds either through transfer of deposits to successor insured depository institution or depositor payout.	If the failure occurs on a Friday, the target is one business day. If the failure occurs on any other day of the week, the target is two business days.	Achieved Achieved

Insurance Program Results (continued)

	Annual Performance Goal	Indicator	Target	Results
Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.				
2	Identify and address risks to the insurance funds.	Maintain and improve off-site risk identification model(s).	Review and enhance existing FDIC off-site risk identification models to address credit, agricultural, real estate, technology and other risks by December 31, 2002.	Achieved
		Assess risks posed by large insured depository institutions.	Assess risks in 100 percent of large insured depository institutions and adopt appropriate strategy.	Achieved
		Identify and follow up on concerns referred for examination or other action (e.g., contact the insured institution or primary supervisor).	Identify and follow up on 100 percent of referrals.	Achieved
		Disseminate data and analyses on current issues and risks affecting the banking industry to bankers, supervisors, stakeholders and the public.	Analyses are included in regular publications or as ad-hoc reports on a timely basis.	Achieved
			Conduct industry outreach aimed at the banking community and industry trade groups to discuss current trends and concerns and to inform bankers about available FDIC resources.	Achieved
3	Maintain sufficient and reliable information on insured depository institutions.	Maintain and improve the Research Information System (RIS), which serves as the foundation of most analysis and statistical reporting for the FDIC.	Update and expand data availability in RIS.	Achieved
		Develop a more efficient approach to bank data collection and management.	Develop project scope, evaluate technical alternatives, prepare recommendations and establish implementation schedule.	Achieved

Insurance Program Results (continued)

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

	Annual Performance Goal	Indicator	Target	Results
4	Maintain and improve the deposit insurance system.	Continue the comprehensive deposit insurance review initiated in 2000.	Work with the Congress to develop and pass a reform package.	Achieved
			Develop pricing recommendations and implementation plans for inclusion in a notice and comment rulemaking during 2002.	On Hold
		Identify and review possible modifications to the Risk-Related Premium System (RRPS).	Develop and analyze baseline data of implemented modification results.	Achieved
			Assess the feasibility of developing objective screens for the RRPS that identify financial institutions demonstrating excessive risk, such as certain types of credit risk, market risk and operational risk.	Achieved
		Analyze the accuracy of projected losses to and reserves for the insurance funds.	Review discrepancies between projected failed assets and actual failed assets by applying sophisticated analytical techniques to examine the effectiveness of the loss projection model and adjust the system accordingly.	Achieved
			Perform comprehensive analysis of all aspects of reserving methodology and implement enhancements as necessary.	Achieved
		Maintain the reserve balance to insured deposits.	Maintain the designated reserve ratio (DRR) as required by statute, using the DRR target.	Achieved

Receivership Management Program Results

Strategic Goal: Recovery to creditors of receiverships is achieved.

	Annual Performance Goal	Indicator	Target	Results
1	Market failing institutions to all known qualified and interested potential bidders.	List of qualified and interested bidders.	Contact all known qualified and interested bidders.	Achieved
2	The FDIC values, manages and markets assets of failed institutions and their subsidiaries in a timely manner to maximize net return.	Failed institution's assets are marketed.	Eighty-five percent of book value of failed institution's marketable assets are marketed within 90 days of failure.	Achieved
3	Investigations will be conducted into all potential professional liability claim areas in all failed insured depository institutions, and a decision to close or pursue each claim is made as promptly as possible, considering the size and complexity of the institution.	Percentage of investigated claim areas for which a decision has been made to close or pursue the claim within 18 months after the failure date.	For 80 percent of all claim areas, a decision is made to close or pursue the claim.	Achieved
4	The FDIC, as receiver, manages the receivership estate and its subsidiaries toward an orderly termination.	Timely termination of new receiverships.	Terminate 75 percent of receiverships managed through the Receivership Oversight Program within three years of the failure date (starting with receiverships established in the year 2000).	Achieved

Multi-Year Performance Trend

Annual Goal	1999 Results	2000 Results	2001 Results	2002 Results	2003 Goal
Depositor Payouts in Instance of Failure					
Insured deposits are transferred to successor insured depository institution or depositor payouts are begun within three days of insured depository institution failure.	Timely payments made to all depositors for seven of eight insured depository institutions that failed in 1999.	Timely payments made to all depositors of the seven insured depository institutions that failed in 2000.	Annual goal revised (see below).	Annual goal revised (see below).	Annual goal revised (see below).
Revised Goal: FDIC is prepared to deal with all financial institution closings and emerging issues.	Annual goal not established in 1999.	Annual goal not established in 2000.	Timely payments made to all depositors of the four insured depository institutions that failed in 2001.	Timely payments made to all depositors of the 11 insured depository institutions that failed in 2002. Legislation on deposit insurance reform was introduced in the House and the Senate.	Deal with all financial institution closings and emerging issues.
Risk Classifications					
Maintain and improve the deposit insurance system.	To improve system, Financial Risk Committee established.	Reserve ratio maintained at or above the statutory mandate of 1.25 percent.	Reserve ratio maintained. FDIC published its final recommendations for deposit insurance reform.	Reserve ratio maintained at or above the statutory ratio of 1.25 percent. Chairman testified before the Senate Committee in support of deposit insurance reform.	Maintain and improve the deposit insurance system. Provide educational information to insured depository institutions and their customers to help them understand the rules for determining the amount of insurance coverage on their deposits.

Risk Identification and Reporting

Annual Goal	1999 Results	2000 Results	2001 Results	2002 Results	2003 Goal
Identify and address risks to the insurance funds.	Off-site and on-site risk identification processes were used to identify risk areas and concerns such as: subprime lending, construction lending practices, loan underwriting standards, electronic banking and privacy.	Economic trends and emerging risks were identified, monitored and addressed through the publication of surveys, guidance and reports and outreach programs.	Developed several approaches to credit risk that will be incorporated into Virtual Supervisory Information On the Net system. Risk assessments of all large insured depository institutions (LIDIs) were completed in compliance with program requirements.	Significant progress made in improving the accuracy and efficiency of off-site risk identification models. Risk assessments of all large insured depository institutions (LIDIs) were completed in compliance with program requirements.	Identify and address risks to the insurance funds.

Safety and Soundness Examinations

Annual Goal	1999 Results	2000 Results	2001 Results	2002 Results	2003 Goal
Conduct on-site safety and soundness examinations to assess an FDIC-supervised insured depository institution's overall financial condition, management practices and policies, and compliance with applicable regulations. • Note: From 1999-2001, the totals reflect examinations initiated during the year. This will vary slightly from the chart on page 14, which displays examinations completed during these years.	Conducted 2,555 or 95 percent of required safety and soundness examinations.•	Conducted 2,568 or 97 percent of required safety and soundness examinations.•	Conducted 2,575 or 97 percent of required safety and soundness examinations.•	Conducted 2,534 or 98 percent of required safety and soundness examinations.	Conduct on-site safety and soundness examinations to assess an FDIC-supervised insured depository institution's overall financial condition, management practices and policies, and compliance with applicable regulations.

Safety and Soundness Enforcement Actions

Annual Goal	1999 Results	2000 Results	2001 Results	2002 Results	2003 Goal
Take prompt supervisory actions to address problems identified during the FDIC examination of FDIC-supervised institutions identified as problem insured depository institutions. Monitor FDIC-supervised insured depository institutions' compliance with formal and informal enforcement actions.	The number of problem institutions increased from 41 at 12/31/98 to 43 as of 12/31/99. Thirty-one institutions removed from problem status and 33 added.	On average, examination reports were processed and mailed to institutions within 44 days of receipt in regional office. Target is 45 days.	Sixty-seven institutions designated as problem (composite "4" or "5" rated). Fifty-six were removed from problem status and 76 added.	Eighty-four institutions designated as problem (composite "4" or "5" rated). Forty-eight were removed from problem status and 63 added.	Take prompt supervisory actions to address problems identified during the FDIC examination of FDIC-supervised institutions identified as problem insured depository institutions. Monitor FDIC-supervised insured depository institutions' compliance with formal and informal enforcement actions.

Compliance Examinations

Annual Goal	1999 Results	2000 Results	2001 Results	2002 Results	2003 Goal
Conduct comprehensive and compliance-only examinations in accordance with FDIC examination frequency policy.	Conducted 2,368 examinations or 102 percent of annual target. No delinquent examinations.	Conducted 2,257 examinations or 102 percent of annual target. There were three delinquent examinations at the end of 2000.	Conducted 2,180 comprehensive, compliance - only, and CRA examinations in accordance with FDIC policy.	Conducted 1,820 comprehensive, compliance - only, and CRA examinations in accordance with FDIC policy.	Conduct comprehensive and compliance - only examinations in accordance with FDIC examination frequency policy.

CRA Outreach

Annual Goal	1999 Results	2000 Results	2001 Results	2002 Results	2003 Goal
Effective outreach, technical assistance and training are provided on topics related to the Community Reinvestment Act (CRA) and community development.	Annual goal was not established in 1999.	One pilot forum on financial literacy and predatory lending was held in each region.	Annual goal revised (see below).	Annual goal revised (see below).	Annual goal revised (see below).
Revised Goal: Provide effective outreach and technical assistance on topics related to the CRA, fair lending and community development.	Annual goal was not established in 1999.	Annual goal was not established in 2000.	Conducted 25 Money Smart workshops with over 600 participants.	Money Smart classes attended by approximately 2,800 participants.	Provide effective outreach and technical assistance on topics related to the CRA, fair lending and community development.

Compliance Enforcement Actions

Annual Goal	1999 Results	2000 Results	2001 Results	2002 Results	2003 Goal
Corrective actions are taken, if appropriate, to address problems identified during compliance examinations; bank compliance with those actions is monitored.	Nine institutions were designated as compliance problems and rated "4." All enforcement actions were in place.	Annual goal revised (see below).	Annual goal revised (see below).	Annual goal revised (see below).	Annual goal revised (see below).
Revised Goal: Prompt supervisory actions are taken and monitored on all institutions rated "4" or "5" for compliance.	Annual goal was not established in 1999.	For institutions on average rated a composite "4" or "5," the FDIC conducted all follow-up examinations within the targeted time frame of of 12 months from the issuance date of a formal enforcement action.	Six of seven institutions had either been examined in the preceding 12 months or were still within the 12 month time frame between exam-inations. One institution was pending resolution for safety and soundness reasons, and the compliance examination was deferred pending resolution.	Eight of nine institutions had entered into a Memorandum of Understanding (MOU) with the FDIC and the ninth was in the process of reviewing the recommended MOU.	Prompt supervisory actions are taken and monitored on all institutions rated "4" or "5" for compliance.

Consumer Complaints and Inquiries

Annual Goal	1999 Results	2000 Results	2001 Results	2002 Results	2003 Goal
Effectively respond to written complaints and inquiries related to deposit insurance and consumer protection laws.	A pilot customer satisfaction survey was conducted.	One hundred percent of the FDIC's responses to the 6,736 written complaints and inquiries received were made within targeted average turnaround time frames.	FDIC sent 612 survey cards to consumers and bankers who contacted the Washington Office concerning inquiries and complaints. Eighty-four (14 percent) of the cards were returned to the FDIC. Sixty-two percent of the the responses rated the FDIC as "excellent" in response quality and 64 percent rated the FDIC as "excellent" in in timeliness of response.	Annual goal revised (see below).	Annual goal revised (see below).
Revised Goal: Meet the statutory mandate to investigate and respond to consumer complaints about FDIC-supervised financial institutions.	Annual goal was not established in 1999.	Annual goal was not established in 2000.	Annual goal was not established in 2001.	FDIC received 8,368 consumer complaints, closing 95 percent of them. Of the complaints closed, 94 percent were closed within policy time frames.	Meet the statutory mandate to investigate and respond to consumer complaints about FDIC-supervised financial institutions.

Asset Management

Annual Goal	1999 Results	2000 Results	2001 Results	2002 Results	2003 Goal
Market 80 percent of a failed institution's assets to franchise and nonfranchise investors within 90 days of resolution.	Annual goal was not established in 1999.	Ninety-five percent of failed institutions' assets were marketed within 90 days, thus exceeding the target of 80 percent.	Annual goal revised (see below).	Annual goal revised (see below).	Annual goal revised (see below).
Revised Goal: Value, manage and market assets of the failed institutions and their subsidiaries in a timely manner to maximize net return.	Annual goal was not established in 1999.	Annual goal was not established in 2000.	For three institutions that failed, the FDIC marketed 100 percent of the marketable assets. The remaining institution was placed into conservatorship. Loan pools, servicing operations and residuals that totaled in excess of the 80 percent target were marketed within the 90-day time period.	For nine of 11 institutions that failed, at least 85 percent of all marketable assets were marketed within the 90-day time frame, thus meeting the target. For two of the failures, 90 days had not expired by year-end.	Value, manage and market assets of the failed institutions and their subsidiaries in a timely manner to maximize net return.

Least-Cost Resolution

Annual Goal	1999 Results	2000 Results	2001 Results	2002 Results	2003 Goal
Market to all known qualified and interested potential assuming institutions.	Annual goal was not established in 1999.	There were seven failures in 2000. One hundred percent of the qualified potential bidders were contacted.	There were four failures in 2001. One hundred percent of the qualified potential bidders were contacted.	There were 11 failures in 2002. One hundred percent of the qualified potential bidders were contacted.	Market failing institutions to all known qualified and interested potential bidders.

Professional Liability Claims

Annual Goal	1999 Results	2000 Results	2001 Results	2002 Results	2003 Goal
Investigations are conducted into all potential professional liability claim areas in all failed insured depository institutions and a decision to close or pursue each claim will be made within 18 months after the failure date in 80 percent of all investigations.	As of 12/31/99, six institutions failed within the first three quarters of 1999 and decisions were made with regard to five of the 66 potential claims. For the April 1998 failure, decisions were made in all 11 claim areas in 17 months. The remaining 1998 failures occurred less than 18 months ago.	A decision to close or pursue each claim was made within 18 months after the failure date for 100 percent of all investigations.	Annual goal revised (see below).	Annual goal revised (see below).	Annual goal revised (see below).
Revised Goal: Conduct investigations into all potential professional liability claim areas in all failed insured depository institutions. Decide to close or pursue each claim as promptly as possible, considering the size and complexity of the institution.	Annual goal was not established in 1999.	Annual goal was not established in 2000.	Five of nine institutions that reached the 18-month milestone had 100 percent of professional liability investigations completed.	Two of six institutions that reached the 18-month milestone during 2002 had 100 percent of professional liability investigations completed. The other four institutions had at least 80 percent of professional liability investigations completed, meeting the goal of 80 percent.	Conduct investigations into all potential professional liability claim areas in all failed insured depository institutions. Decide to close or pursue each claim as promptly as possible, considering the size and complexity of the institution.

Receivership Terminations

Annual Goal	1999 Results	2000 Results	2001 Results	2002 Results	2003 Goal
Achieve a 35 percent reduction in the number of active receiverships in 2000.	Annual goal was not established in 1999.	One hundred fifty-six receiverships were terminated, thus achieving the. goal of 156	Annual goal revised (see below).	Annual goal revised (see below).	Annual goal revised (see below).
Revised Goal: Manage the receivership estate and its subsidiaries toward an orderly termination.	Annual goal was not established in 1999.	Annual goal was not established in 2000.	Fifty-two out of the 76 targeted receiverships were terminated in 2001. In mid-2001, the target of 76 terminations was revised to 36. The pace of termination was slowed by impediments that represented material financial or legal risks to the FDIC.	For the eight failures from 1999 that matured in 2002, FDIC terminated six receiverships, meeting the target to terminate 75 percent within three years of failure.	Manage the receivership estate and its subsidiaries toward an orderly termination. Value, manage and market assets of the failed institutions and their subsidiaries in a timely manner to maximize net return.

Program Evaluation

During 2002 and early 2003, the FDIC completed evaluations of programs designed to achieve the strategic objectives set forth in the Supervision: Consumer Rights program area of the FDIC's 2001-2006 Strategic Plan.

The program evaluation of each strategic objective included a list of issues to be evaluated, background context of the evaluation, analysis of programs and actions to achieve the objective, evaluation methodology, and findings. The following section presents the issues evaluated and summarizes the results of this evaluation.

Strategic Objective	Deposit insurance funds and system remain viable.
Issues Evaluated	How does the FDIC ensure that FDIC-supervised institutions comply with consumer protection, Community Reinvestment Act (CRA), and fair lending laws?
Findings	The FDIC has extensive procedures in place to evaluate how well FDIC-supervised institutions comply with consumer protection, CRA, and fair lending laws. The FDIC conducts compliance and CRA examinations to evaluate FDIC-supervised institutions' practices regarding consumer protection, CRA, and fair lending laws. In addition to the examination process, the FDIC investigates consumer complaints about banking practices. Noncompliance with consumer protection and fair lending laws can result in civil liability and negative publicity as well as informal or formal enforcement actions against the institution to correct the identified violations. The FDIC also uses the institutions' record of compliance with consumer protection, CRA, and fair lending laws when evaluating applications for new or expanded activities and certain other corporate applications. The Program Evaluation team found that, through its compliance and CRA examinations and its Complaint and Inquiry Program, the FDIC has appropriate procedures in place to evaluate how well FDIC-supervised institutions comply with consumer protection, CRA, and fair lending laws.

Strategic Objective	Consumers have access to easily understood information about their rights and the disclosures due them under consumer protection and fair lending laws.
Issues Evaluated	Does the FDIC provide information to consumers about their rights and the disclosures due consumers under current consumer protection and fair lending laws? Is the information easily accessible and easily understood?
Findings	The FDIC undertakes an extensive and expanding number of activities to provide information on consumers' rights and the disclosures due them under consumer protection and fair lending laws. A wide array of materials detail consumers' rights; provide consumer information and answers to questions concerning deposit insurance, banks, and consumer rights; and offer practical guidance on how to become a better informed user of financial services. These are readily accessible and widely distributed on the FDIC's Web site and at outreach seminars and workshops. Many materials are also available in hard copy and some in multiple languages. For example, Spanish, Korean and Chinese versions of information on how FDIC deposit insurance works are in print. The FDIC also has been actively involved in consumer education and disclosure with the creation, implementation and ongoing support of programs such as Money Smart and "EDIE" – the FDIC's Electronic Deposit Insurance Estimator. In addition, the FDIC conducts evaluations to assess the effectiveness of its activities and program modifications and improvements. The Program Evaluation team found that through its extensive information dissemination efforts, consumer education and outreach activities, and procedures to handle consumer complaints and inquiries, the FDIC has appropriate measures in place to promote the protection of consumers' rights.