

*Nevada State Contractors Board*

# **STRATEGIC PLAN**

**EXECUTIVE OFFICER REPORT  
QUARTER THREE REPORT**

*January 1 - March 31, 2019*



## **Members of the Board**

Margaret Cavin, *Chair*

Kent Lay, *Treasurer*

Kevin Burke

Joe Hernandez

Jan B. Leggett

Melissa Maguire

Guy M. Wells

## **Executive Leadership**

Margi Grein, *Executive Officer*

Tim Geswein, *General Counsel*

Nancy Mathias, *Licensing Administrator*

Paul Rozario, *Director of Investigations*

Brian Hayashi, *Information Technology Manager*

Jennifer Lewis, *Public Information Officer*

members  
and  
public



## Message from the Executive Officer

We're nearing the end of our strategic planning cycle for FY 2018-19, but it sure doesn't feel that way! The 2019 Legislative session kicked off this quarter and has proven, yet again, to be a faced-paced, highly engaging time for us at the Contractors Board. Our involvement in the legislative process is a welcomed opportunity to share our story and efforts to protect the public, provide a greater understanding of our operations, and exemplify the many things we do to stand out as a model regulatory agency in Nevada.

It's also a unique time to be a regulatory agency. We find ourselves involved in discussions concerning deregulation as well as efforts to strengthen oversight and accountability, as well as workforce development initiatives. And we're noticing a greater need to share the public safety mission of the Board by way of real life examples of how homeowners have benefited from the free services available to them during their times of need.

These themes are not new, necessarily, but they are becoming part of our everyday conversations with policy makers, boards across the nation, and state and local agencies. As such, we found ourselves entrenched in similar topics at our annual Strategic Planning meeting in February. The Board joined executive staff members to reflect on the trends being noticed in the last year, forecast some of the circumstances the Board, industry, and public may be faced with in the year ahead, and then outline a roadmap for how the Board will respond and proactively prepare its operations for what may be next to come.

As we approach the end of the fiscal year, we will not be losing sight of the path that lies before us. We know there will be statutory changes as a result of the 2019 Legislative process that may require implementation, education, and outreach. We know the increase in construction activity will be reflected in our licensing and enforcement data trends, so we will be monitoring these closely should any changes to our operations be necessary. And we know that consumers across the state will need proactive messaging about the Board's resources to best guide them in their quest to engage in home improvement projects as the season warms.

Our quest to be a model regulatory agency is an ongoing result of our efforts to proactively address anticipated trends and challenges, adapt to changing circumstances efficiently and timely, and maintain a willingness to improve every facet of the Board's operations. Because at the Contractors Board, every day is an opportunity to improve upon the day before.

*Maggi A. Stein*

# Contents

Executive Officer Highlights .....	1
Data Dashboard.....	2
Licensing Department.....	4
Background Check Initiative.....	6
Enforcement Department .....	7
Residential Recovery Fund .....	8
Information Technology .....	9
Public Information Office .....	10
Looking Forward: Quarter Four.....	11



# Executive Officer Highlights

## **Executive Officer Continues Participation in National Occupational Licensing Consortium (Goals 1, 4, & 5)**

Executive Officer Margi Grein attended two Occupational Licensing Consortium meetings during the quarter, which included a presentation on Nevada's statewide employment strategic planning program for returning citizens, provided an update by the Office of Workforce Innovation on the federal grants awarded to Nevada, and discussed legislative initiatives related to occupational licensing Boards, among other topics.

## **Contractors Board Holds Joint Meeting with Commission on Construction Education; Strategic Planning (Goals 4 & 5)**

In January, the Nevada State Contractors Board welcomed the members of the Commission on Construction Education for a joint meeting to discuss the legislative intent and requirements of the Commission. Following this meeting, the Commission on Construction Education held a strategic planning session in February, which resulted in positive discussions and actions the Commission intends to take to improve and refine its application and review processes for grant awards from the Construction Education Account.

## **Board Engages in 2019 Legislative Session (Goals 1-5)**

The 2019 Legislative Session began in February with the Board's participation in a Meet and Greet event for legislators and select occupational licensing boards. In the weeks that followed, Executive Officer Grein and staff testified before legislative committees, worked collaboratively with legislators and interested parties on proposed amendments, and provided other information as requested by members of the Legislature.

## **Fiscal Year 2019-20 Roadmap Outlined During Board's Strategic Planning Meeting (Goals 1-5)**

Board members once again joined executive staff for a day-long discussion addressing strategic initiatives and goals the Board would like to realize over the course of the upcoming fiscal year. The meeting included discussions of recent trends, anticipated challenges or opportunities, and a close look at each of the main operations of the Board to evaluate areas for improvement or innovation.

## **Executive Officer Welcomed as Project Manager for FARB Strategic Action Team (Goals 4)**

The Federation of Association of Regulatory Boards (FARB) solicited the leadership of Executive Officer Grein to serve as project manager for one of FARB's strategic planning initiatives. Grein's involvement includes attending meetings every few weeks to develop an interactive workshop based on FARB's strategic initiatives that aims to help its members communicate messages centered on the role and value of regulatory bodies.

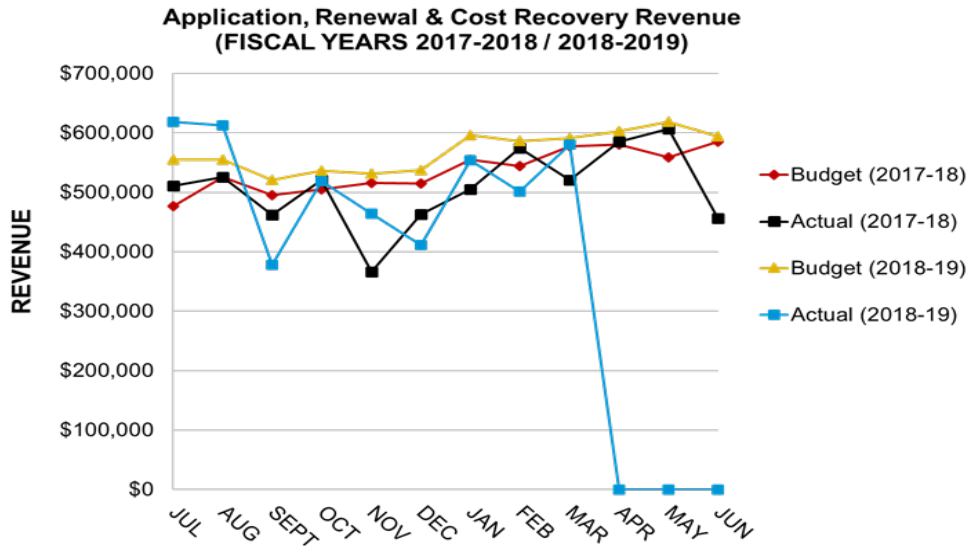
## **Presentations Given to Industry Groups, Consumers, and Board Staff (Goals 2-4)**

During the quarter, Executive Officer Grein gave an overview of compliance tips and resources to members of the industry, as well as shared information with Board staff about the Board's strategic planning efforts and accomplishments. The Board also participated in two Fraud Prevention Fair events held by the Department of Consumer Affairs, in an effort to equip consumers with the resources necessary to protect themselves against a variety of scams taking place in respective industries. As part of its involvement, the Board also participated in a panel discussion on the topic.

# Data Dashboard

Budget (2017-2018)	JULY-17	AUG-17	SEPT-17	OCT-17	NOV-17	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	TOTAL \$
License Renewals	\$281,000	\$331,000	\$301,000	\$311,000	\$321,000	\$321,000	\$361,000	\$351,000	\$381,000	\$386,000	\$365,000	\$390,000	\$4,100,000
New License Fee	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$780,000
Application Fee	\$47,916	\$47,917	\$47,917	\$47,916	\$47,917	\$47,917	\$47,916	\$47,917	\$47,917	\$47,916	\$47,917	\$47,917	\$575,000
License Changes	\$39,583	\$39,583	\$39,584	\$39,583	\$39,583	\$39,583	\$39,583	\$39,583	\$39,584	\$39,583	\$39,583	\$39,584	\$475,000
Investigative Recov. Costs	\$26,666	\$26,667	\$26,667	\$26,666	\$26,667	\$26,667	\$26,666	\$26,667	\$26,667	\$26,666	\$26,667	\$26,667	\$320,000
Renewal Late Fees	\$7,083	\$7,083	\$7,084	\$7,083	\$7,083	\$7,084	\$7,083	\$7,083	\$7,084	\$7,083	\$7,083	\$7,084	\$85,000
Renewal Inactive Fee	\$9,100	\$8,200	\$7,900	\$7,900	\$8,900	\$8,000	\$8,000	\$7,000	\$10,000	\$8,000	\$8,000	\$9,000	\$100,000
<b>TOTAL \$</b>	<b>\$476,348</b>	<b>\$525,450</b>	<b>\$495,152</b>	<b>\$505,148</b>	<b>\$516,150</b>	<b>\$515,252</b>	<b>\$555,248</b>	<b>\$544,250</b>	<b>\$577,252</b>	<b>\$580,248</b>	<b>\$559,250</b>	<b>\$585,252</b>	<b>\$6,435,000</b>
Actual (2017-2018)	JULY-17	AUG-17	SEPT-17	OCT-17	NOV-17	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	TOTAL \$
License Renewals	\$345,880	\$332,230	\$316,981	\$357,300	\$200,500	\$312,912	\$351,300	\$407,100	\$307,348	\$397,200	\$401,700	\$303,075	\$4,033,525
New License Fee	\$65,300	\$60,700	\$54,000	\$46,800	\$55,800	\$51,600	\$45,600	\$48,300	\$69,450	\$66,600	\$80,450	\$0,050	\$694,650
Application Fee	\$34,600	\$44,400	\$38,700	\$37,283	\$42,000	\$34,418	\$39,000	\$42,900	\$53,700	\$51,000	\$47,450	\$55,800	\$521,250
License Changes	\$33,900	\$36,800	\$38,375	\$33,300	\$31,800	\$27,675	\$33,200	\$43,590	\$36,735	\$35,525	\$39,000	\$37,025	\$426,925
Investigative Recov. Costs	\$19,678	\$41,775	-\$86	\$34,506	\$25,012	\$17,853	\$22,616	\$20,635	\$39,797	\$20,079	\$20,830	\$193	\$262,888
Renewal Late Fees	\$8,700	\$5,775	\$4,725	\$7,500	\$6,750	\$8,063	\$7,500	\$6,975	\$6,863	\$7,875	\$8,850	\$6,003	\$85,578
Renewal Inactive Fee	\$3,000	\$3,750	\$9,675	\$3,900	\$4,200	\$10,275	\$6,000	\$5,100	\$6,975	\$6,600	\$8,400	\$4,125	\$72,000
<b>TOTAL \$</b>	<b>\$511,058</b>	<b>\$525,430</b>	<b>\$462,370</b>	<b>\$520,589</b>	<b>\$366,062</b>	<b>\$462,794</b>	<b>\$505,216</b>	<b>\$574,600</b>	<b>\$520,867</b>	<b>\$584,875</b>	<b>\$606,680</b>	<b>\$456,271</b>	<b>\$6,096,815</b>
Variance (2017-2018)	JULY-17	AUG-17	SEPT-17	OCT-17	NOV-17	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	TOTAL \$
License Renewals	\$64,880	\$1,230	\$15,981	\$46,300	(\$120,500)	(\$8,089)	(\$9,700)	\$56,100	(\$73,653)	\$11,200	\$36,700	(\$96,925)	(\$66,475)
New License Fee	\$300	(\$4,300)	(\$11,000)	(\$18,200)	(\$9,200)	(\$13,400)	(\$19,400)	(\$16,700)	\$4,450	\$1,600	\$15,450	(\$14,950)	(\$85,350)
Application Fee	(\$13,316)	(\$3,517)	(\$9,217)	(\$10,634)	(\$5,917)	(\$13,499)	(\$8,916)	(\$5,017)	\$5,783	\$3,084	(\$467)	\$7,883	(\$53,750)
License Changes	(\$5,683)	(\$2,783)	(\$1,209)	(\$6,283)	(\$7,783)	(\$11,900)	(\$6,383)	\$4,007	(\$2,849)	(\$4,058)	(\$583)	(\$2,559)	(\$48,075)
Investigative Recov. Costs	(\$6,988)	\$15,108	(\$26,753)	\$7,840	(\$1,655)	(\$8,814)	(\$4,050)	(\$6,032)	\$13,130	(\$6,587)	(\$5,837)	(\$26,474)	(\$57,112)
Renewal Late Fees	\$1,617	(\$1,308)	(\$2,359)	\$417	(\$333)	\$979	\$417	(\$108)	(\$222)	\$792	\$1,767	(\$1,082)	\$578
Renewal Inactive Fee	(\$6,100)	(\$4,450)	\$1,775	(\$4,000)	(\$4,700)	\$2,275	(\$2,000)	(\$1,900)	(\$3,025)	(\$1,400)	\$400	(\$4,875)	(\$28,000)
<b>TOTAL \$</b>	<b>\$34,710</b>	<b>(\$20)</b>	<b>(\$32,792)</b>	<b>\$15,441</b>	<b>(\$150,888)</b>	<b>(\$52,458)</b>	<b>(\$50,632)</b>	<b>\$30,350</b>	<b>(\$56,385)</b>	<b>\$4,631</b>	<b>\$47,430</b>	<b>(\$128,991)</b>	<b>(\$338,185)</b>
Budget (2018-2019)	JULY-18	AUG-18	SEPT-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	TOTAL \$
License Renewals	\$350,000	\$350,000	\$315,000	\$330,000	\$326,000	\$332,000	\$390,000	\$380,000	\$385,000	\$395,000	\$410,000	\$387,000	\$4,350,000
New License Fee	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$66,666	\$66,667	\$66,667	\$800,000
Application Fee	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$600,000
License Changes	\$41,666	\$41,667	\$41,667	\$41,666	\$41,667	\$41,667	\$41,666	\$41,667	\$41,667	\$41,666	\$41,667	\$41,667	\$500,000
Investigative Recov. Costs	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$33,333	\$33,333	\$33,334	\$400,000
Renewal Late Fees	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$90,000
Renewal Inactive Fee	\$5,800	\$6,100	\$6,200	\$7,200	\$6,400	\$6,200	\$7,300	\$6,900	\$7,200	\$8,500	\$8,900	\$8,300	\$85,000
<b>TOTAL \$</b>	<b>\$554,965</b>	<b>\$555,267</b>	<b>\$520,368</b>	<b>\$536,365</b>	<b>\$531,567</b>	<b>\$537,368</b>	<b>\$596,465</b>	<b>\$586,067</b>	<b>\$591,368</b>	<b>\$602,665</b>	<b>\$618,067</b>	<b>\$594,468</b>	<b>\$6,825,000</b>
Actual (2018-2019)	JULY-18	AUG-18	SEPT-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	TOTAL \$
License Renewals	\$412,800	\$381,600	\$237,540	\$354,000	\$275,400	\$257,300	\$358,200	\$315,000	\$394,600				\$2,986,440
New License Fee	\$76,200	\$93,600	\$28,800	\$62,400	\$73,800	\$32,400	\$79,800	\$63,600	\$42,940				\$553,540
Application Fee	\$41,400	\$48,600	\$46,500	\$45,000	\$54,600	\$46,200	\$45,000	\$47,700	\$60,600				\$435,600
License Changes	\$42,425	\$40,350	\$35,475	\$33,575	\$34,150	\$35,075	\$37,225	\$37,475	\$52,300				\$348,050
Investigative Recov. Costs	\$32,230	\$37,526	\$21,335	\$13,889	\$18,644	\$26,766	\$21,744	\$25,138	\$18,109				\$215,382
Renewal Late Fees	\$7,500	\$6,000	\$6,113	\$6,825	\$5,025	\$7,428	\$7,650	\$8,250	\$6,113				\$60,903
Renewal Inactive Fee	\$5,700	\$5,100	\$2,325	\$3,300	\$2,100	\$6,600	\$4,200	\$3,900	\$5,570				\$38,795
<b>TOTAL \$</b>	<b>\$618,255</b>	<b>\$612,776</b>	<b>\$378,088</b>	<b>\$518,989</b>	<b>\$463,719</b>	<b>\$411,769</b>	<b>\$553,819</b>	<b>\$501,063</b>	<b>\$580,231</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,638,709</b>
Variance (2018-2019)	JULY-18	AUG-18	SEPT-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	TOTAL \$
License Renewals	\$62,800	\$31,600	(\$77,460)	\$24,000	(\$50,600)	(\$74,700)	(\$31,800)	(\$65,000)	\$9,600	(\$395,000)	(\$410,000)	(\$387,000)	(\$1,363,560)
New License Fee	\$9,534	\$26,933	(\$37,867)	(\$4,266)	\$7,133	(\$34,267)	\$13,134	(\$3,067)	(\$23,727)	(\$66,666)	(\$66,667)	(\$66,667)	(\$246,460)
Application Fee	(\$8,600)	(\$1,400)	(\$3,500)	(\$5,000)	\$4,600	(\$3,800)	(\$5,000)	(\$2,300)	\$10,600	(\$50,000)	(\$50,000)	(\$50,000)	(\$164,400)
License Changes	\$7,59	(\$1,317)	(\$6,192)	(\$8,091)	(\$7,517)	(\$6,592)	(\$4,441)	(\$4,192)	\$10,633	(\$41,666)	(\$41,667)	(\$41,667)	(\$151,950)
Investigative Recov. Costs	(\$1,103)	\$4,193	(\$11,999)	(\$19,444)	(\$14,689)	(\$6,568)	(\$11,589)	(\$8,195)	(\$15,225)	(\$33,333)	(\$33,333)	(\$33,334)	(\$184,618)
Renewal Late Fees	\$0	(\$1,500)	(\$1,388)	(\$675)	(\$2,475)	(\$73)	\$150	\$750	(\$1,388)	(\$7,500)	(\$7,500)	(\$7,500)	(\$29,098)
Renewal Inactive Fee	(\$100)	(\$1,000)	(\$3,875)	(\$3,900)	(\$4,300)	\$400	(\$3,100)	(\$3,000)	(\$1,630)	(\$8,500)	(\$8,900)	(\$8,300)	(\$46,205)
<b>TOTAL \$</b>	<b>\$63,290</b>	<b>\$57,509</b>	<b>(\$142,280)</b>	<b>(\$17,376)</b>	<b>(\$67,848)</b>	<b>(\$125,599)</b>	<b>(\$42,646)</b>	<b>(\$35,004)</b>	<b>(\$11,197)</b>	<b>(\$602,665)</b>	<b>(\$618,067)</b>	<b>(\$594,468)</b>	<b>(\$2,186,291)</b>

# Data Dashboard



JANUARY TO MARCH 2019			
Licenses (Beginning of Quarter)	16,427		
New Licenses Issued	366		
Licenses Cancelled / Surrendered /Revoked	(311)		
Variance in Suspended/Reinstated Licenses	84		
Licenses (End of Quarter)	16,566		
# of Licenses on Jan 1, 2019	16,427		
# of Licenses on Mar 31, 2019	16,566		
Net YTD (Fiscal Year)			
Licenses Gained / Lost	139		
Renewal Revenue Gained / Lost	\$83,400		
<i>*Does not include suspended licenses</i>			
90 Day Retention Rate			
Projected Year-End Retention Rate	Jan 2019	16,427	
	Cancellations	(311)	(1.88%)
	New Licenses	366	2.21%
	Susp/Reinstate	84	0.51%
	March 2019	16,566	
	Change	139	
3 Month Rolling	% Change	0.84%	

LICENSING FEE TOTALS (FY 2018-2019)			
LICENSING FEES	3RD QUARTER ACTUAL	VARIANCE	
License Renewals	1,067,800	(87,200)	
New License Fee	186,340	(13,660)	
Application Fee	153,300	3,300	
License Changes	127,000	2,000	
Invest Recov Costs	64,991	(35,009)	
Renewal Late Fees	22,013	(488)	
Renewal Inactive Fee	13,670	(7,730)	
180 Day Retention Rate			
Projected Year-End Retention Rate	Oct 2018	16,294	
	Cancellations	(494)	(2.98%)
	New Licenses	698	4.21%
	Susp/Reinstate	68	0.41%
	March 2019	16,566	
	Change	272	
6 Month Rolling	% Change	1.64%	

# Licensing Department

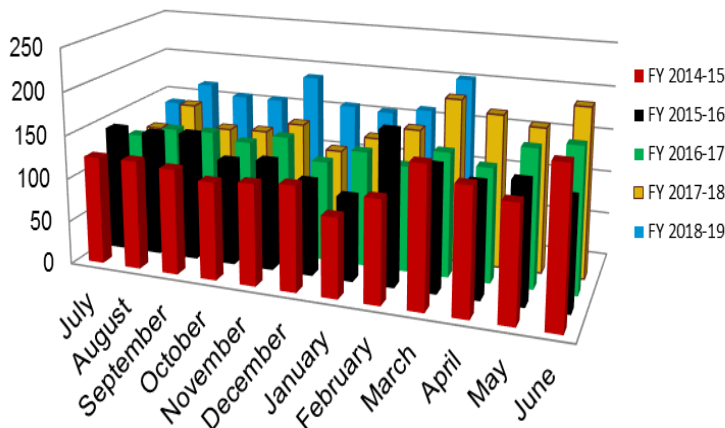
## QUARTERLY STATS

- New License Apps: 514 (+8%)
- Issued Licenses: 366 (+39%)
- Change Apps: 751 (+32%)
- Active Licenses: 15,919 (+3%)
- Inactive Licenses: 647 (+3%)
- Placed on Inactive Status: 35 (-20%)
- Voluntary Surrender: 83 (-6%)

## QUARTERLY STATS

- Active License Renewals: 1,654 (-3%)
- Inactive License Renewals: 32 (-54%)
- License Suspensions (no bond): 170 (-9%)
- Licenses Cancelled: 211 (+1%)
- Application Denial Hearings: 16 (+33%)
- Financial Responsibility Hearings: 3 (-70%)

## New License Applications

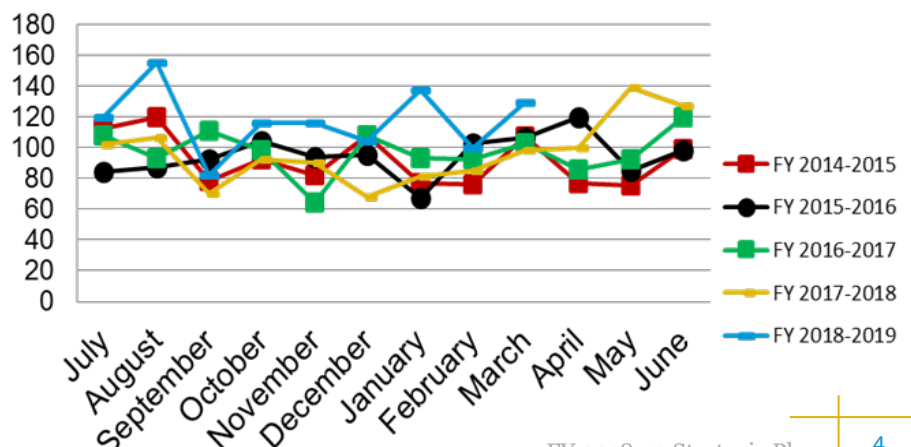


## EXAM UPDATE

379 construction management survey (CMS) exams and 392 technical exams were administered, reflecting an **increase of 32%** for the number of CMS exams and an **increase of 19%** for number the technical exams from the same period last year.

130 People attended the Board's Business Assistance Program to receive additional guidance and information on the application process and requirements.

## ISSUED LICENSES





# Licensing Department

## 10 Most Applied for License Classifications in 3rd Quarter

Primary Classification	In State	Out of State	Total
B - General Building	58	45	103
C-2 Electrical	31	32	63
A - General Engineering	26	28	54
C-4 Painting and Decorating	29	9	38
C-3 Carpentry, Maintenance, and Minor Repairs	28	10	38
C21 - Refrigeration and Air Conditioning	27	8	35
C-1 Plumbing and Heating	25	7	32
C-5 Concrete Contracting	17	6	23
C15 - Roofing and Siding	15	4	19
C16 - Finishing Floors	11	3	14

## 14% of New License Applicants Sought Request for Endorsement

PRIMARY CLASSIFICATIONS	Trade & Experience Endorsed	Trade Exams Endorsed	Experience Endorsed
A General Engineering	7	4	1
B General Building	20	10	3
C-1 Plumbing and Heating	2	1	
C-2 Electrical Contracting	5	7	1
C-3 Carpentry, Maintenance and Minor R	1		
C-4 Painting and Decorating	5	2	
C-10 Landscape Contracting	1		
C-14 Steel Reinforcing and Erection		1	
C-20 Tiling	1		
<b>TOTAL</b>	<b>42</b>	<b>25</b>	<b>5</b>



### *NV Licensees to Benefit from Endorsement Agreement*

At its February 21, 2019 public meeting, the Board approved a proposed endorsement agreement with the State of Louisiana. This agreement will provide greater mobility for Nevada licensees who may want to practice in the State of Louisiana by allowing Louisiana to endorse Nevada's trade exams in nine (9) practice areas.



### *Temporary Regulation Adopted by the Board*

The Board's temporary regulation, which seeks to reduce barriers to licensure and provide greater portability by expanding and clarifying types of experience documentation needed for an applicant to become a licensed contractor, was adopted by the Board at its March 21, 2019 public meeting.



### *Enhancements Made to Reports & Automated Services*

As part of its ongoing improvement efforts, the Board implemented new case management tools to improve the ease of use and reporting capabilities. Additionally, the Board modified some of its reporting mechanisms and added a number of commonly used letters of the Board to its automated database application, which is anticipated to save staff time by pre-populating information from the licensee or applicant record.

# Background Check Initiative

The Nevada State Contractors Board is authorized under NRS 624.265 to request fingerprints from all applicants for licensure for the purposes of conducting criminal background checks, which are used to assess the character of an applicant and verify accuracy and/or omission of information provided on the license application. The Board use of criminal justice databases is monitored and audited by the State of Nevada and the FBI for compliance with applicable rules, regulations, policies and procedures.



<b>Fingerprints Submitted</b>	<b>958</b>
Total fingerprints returned with criminal histories	256
Total fingerprints returned without criminal histories	702
<b>Criminal Histories</b>	<b>26%</b>

## 3rd Quarter Background Check Results

- 69 Background investigations initiated
  - 31 Investigations pending
  - 54 Investigations closed
- 1 Administrative Citation issued for misrepresentation
  - \$500 in fines
  - \$220 in costs

### *PROACTIVE INTERVIEWS HELP MITIGATE DENIAL OF LICENSE APPLICATIONS*

Licensing utilizes the expertise of Enforcement to conduct interviews with applicants whose history reveals criminal activities of concern. The interview process is an informal administrative meeting that affords an applicant the opportunity to provide further explanation and reasoning about crimes they may have committed. Based on the information disclosed during the interview, Enforcement will make a recommendation on whether the applicant poses a risk to the public's health, safety, and welfare.

Of the 33 applicants interviewed for this purpose during the reporting period, 27 (82%) were recommended for approval of licensure and 6 (18%) applicants were recommended for denial, which if upheld by Licensing would afforded the applicant an opportunity to request an appeal hearing before the Board.

# Enforcement Department

## QUARTER IN REVIEW

### **655 Complaints Opened**

- 211 Workmanship
- 67 Money Owing
- 123 Industrial Regulation
- 156 Contracting without a License
- 94 Unlawful Advertising
- 4 Criminal Fraud

### **106 Citations Issued**

- 46 Administrative Citations issued to licensed contractors
  - \$118,100 in Fines
  - \$25,556 in Costs
- 9 Administrative Citations issued to unlicensed contractors
  - \$14,000 in Fines
  - \$4,152 in Costs
- 39 Criminal Citations

### **53 Disciplinary Hearings**

- 13 Licenses Revoked
- 42 Cases assessed fines & costs
  - \$125,270 in Fines
  - \$66,221 in Costs

### **54 Criminal Affidavits Filed with District Attorney Offices**

### **81 Cease & Desist Orders Issued to Unlicensed Contractors**

## **SERIAL UNLICENSED CONTRACTOR SENTENCED TO 6.5 YEARS IN JAIL**



A member of the Board's "10 Most Wanted" list of unlicensed contractors has been sentenced to at least 6 ½ years in jail for crimes against northern Nevada residents. Lucas Hunter Schopper learned his fate at a sentencing hearing in the Second Judicial Court in Reno on January 16. Judge David Hardy ordered Schopper to spend 79 to 198 months in custody and pay court costs, fees, penalties, \$3,282 in investigative costs to the Board and restitution to his victims.

He pleaded guilty in October to three felony charges: forgery, theft and crimes against a person over the age of 60. He had been free after posting bail following his arrests in February and September 2018, prompting the Board to issue a "Consumer Alert" to northern Nevada homeowners.

Schopper's contractor's license for Bella Terra Professional Landscaping Services was revoked by the Contractors Board in 2009 for abandoning a construction project, failing to comply with the Board's orders, receiving money and not performing commensurate work, acting beyond the scope of his license, committing a fraudulent or deceitful act, performing work that was not current with industry standards and failure to establish financial responsibility, among other violations. However, he continued to perform remodeling, landscaping, and other home improvement projects that required a valid Nevada license. His criminal record began shortly thereafter; he pleaded guilty to similar charges in 2010, 2012 and 2015.

The Board's current investigation included four cases involving projects with contract values of \$19,750 to \$37,693. Victims who had paid Schopper nearly \$60,000 were allowed to present impact statements to the court during the sentencing phase. The Board has four additional cases pending against Schopper.

Since his license was revoked in 2009, Schopper has made a habit of claiming legitimate contractors' licenses as his own. He would give discounts to people who responded to his flyers and paid before any work was completed.

# Residential Recovery Fund

## RECOVERY FUND PROVIDES AID TO HARMED HOMEOWNERS

The Residential Recovery Fund was established in 1999 by the Nevada State Legislature to provide owners of single-family residences who have been damaged by a licensed contractor's failure to appropriately execute a contract an administrative avenue to seek financial recourse.

A single claim cannot exceed \$35,000 and claims against a single contractor cannot exceed \$400,000. Claimants to the Recovery Fund must apply within four (4) years after the completion of the qualified services or within two years upon obtaining a Judgment from the Courts.

Since 2001, over 1,300 claimants (80% of claims filed) have benefited from the Residential Recovery Fund, which has distributed nearly \$11 million to harmed homeowners.

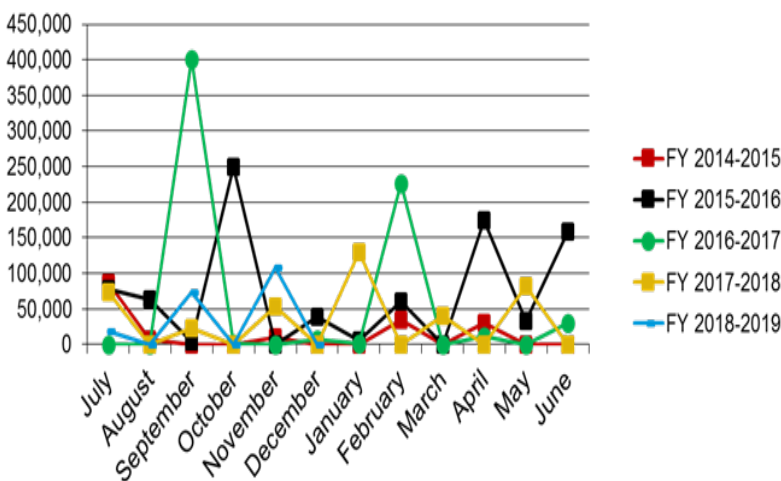
## QUARTER IN REVIEW

- 27 Cases opened
- 42 Cases awarded \$522,983.70
- Average award = \$12,452
- 1 Case denied
- 1 Case continued
- Recovery Fund balance as of March 31, 2019 is \$6.23 million

## Home Remodel Projects Lead to Residential Recovery Fund Claim Awards during 3rd Quarter

- Nearly \$159,000 was awarded to 18 claimants who each hired Home Masters to perform a variety of small home remodel projects, which resulted in substandard work and in some cases complete abandonment of the project after funds were paid to the contractor.
- Two homeowners received the maximum award of \$35,000, while an additional six others received just over \$92,000 collectively after hiring MC Mojave Construction, LLC, to perform remodel projects related to kitchen, bathroom, and bedroom improvements.
- Two claims against Hard Surfaces, Inc. were awarded a total of \$47,800 for substandard workmanship issues related to home and bathroom remodel projects.

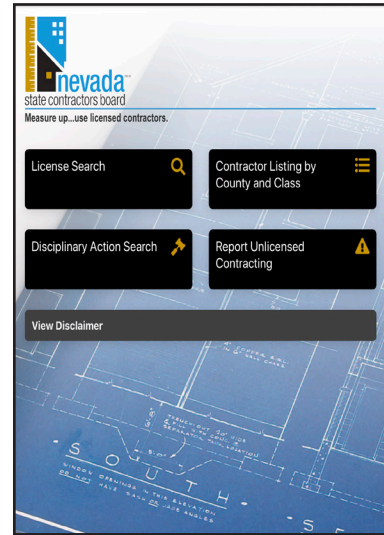
Recovery Fund Claims Amount Paid



# Information Technology

## Upgraded Mobile Application Re-Launches

The Contractors Board was pleased to launch its updated mobile application during the quarter, which has already been installed on 180 devices. In an effort to promote the application, the Board placed information prominently on the homepage of its website and sent out an electronic Industry Bulletin, which contained details on downloading the application and the services available to the end-user.



## Board Migrates to New Telco Vendor

During the quarter, the Board began to utilize a new vendor for its telephone support system, following new contract requirements from State Purchasing. Telephonic services were not impacted during the migration.

## Automation & Scanning

The Board's Strategic Planning meeting for FY 2019-20 included discussions about automated services, technological needs on the horizon, and opportunities for enhancement of the Board's database-driven systems. One of the continuing efforts of IT is working with the Board's vendor to begin scanning all accounting-related files to the Board's server.



# Public Information Office

## Board Engages in Workforce Development Initiatives

The Nevada State Contractors Board participated in the first of a series of workforce development panel discussions targeting high school students and recent graduates in an effort to share information on various career opportunities within the construction industry, including apprenticeship programs and other initiatives being undertaken by industry associations. Additionally, the Board welcomed an opportunity to be interviewed on Vegas PBS's Inside Education television show to further promote careers in construction.



## 'Tis the Season for Home Shows & Trade Expos!



During the quarter, the Contractors Board welcomed the opportunity to participate in Nevada's Largest HOA Trade Show, as well as provide homeowners in the Sun City Summerlin community with information about the Board's free services. The HOA Trade Show included an invitation to provide property managers with a one-hour presentation highlighting specific tips and pitfalls to avoid when hiring licensed Nevada contractors for community association projects.

## Raising Awareness of Fraud Prevention

The Contractors Board participated in the 4th Annual Consumer Fraud Prevention Fair coordinated by the Nevada Department of Consumer Affairs. The free events were held in both Reno and Las Vegas during the month of March and brought together state and local agencies to share valuable resources and information on scams and fraudulent activities taking place within each respective industry. At the southern Nevada event, the Board participated in a panel discussion where it highlighted scams related to solar construction and home improvement projects, in addition to highlighting general red flag warnings and consumer protection tips.



## Looking Forward - Quarter 3

As the Board enters the fourth quarter of Fiscal Year 2018-19, our efforts will continue to focus on participating in and responding to various requests associated with the 2019 Legislative session. This will include testifying at Committee hearings, working collaboratively with legislators and other interested groups on bill language, and providing other sources of information as needed.

With the warmer weather settling into the state, the Board will be heightening its efforts to raise awareness of construction-related scams and the importance of verifying licensure as homeowners begin to engage in various home improvement or remodel projects.

Additionally, we will continue to monitor and prepare for increases in complaints being filed as a result of the current trends in residential and commercial construction activities across the state. In the same light, our Licensing Department will continue to enhance and inform applicants and existing licensees about the Board's efforts to comply with license by endorsement and further evaluate ways we can reduce barriers to licensure.

Stay tuned for our next report, which will highlight some of the strategic objectives we've outlined for the upcoming fiscal year!



RENO OFFICE

5390 Kietzke Lane, Suite 102

Reno, NV 89511

(775) 688-1141

(775) 688-1271 Fax

LAS VEGAS OFFICE

2310 Corporate Circle, Ste. 200

Henderson, NV 89074

(702) 486-1100

(702) 486-1190 Fax

[www.nscb.nv.gov](http://www.nscb.nv.gov)

