



Nevada State Contractors Board

STRATEGIC PLAN

EXECUTIVE OFFICER REPORT
QUARTER FOUR REPORT

April 1 - June 30, 2013

FY 2012-13 ANNUAL REPORT



Members of the Board

Guy M. Wells, *Chairman*

Margaret Cavin, *Treasurer*

Thomas “Jim” Alexander

Kevin E. Burke

Joe Hernandez

Jan Leggett

Stephen P. Quinn

Executive Leadership

Margi Grein, *Executive Officer*

Dan Hammack, *Chief of Enforcement*

George Lyford, *Director of Investigations*

Nancy Mathias, *Licensing Administrator*

members
and
dr



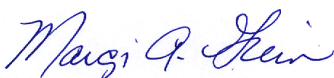
Message from the Executive Officer

What a year it has been! We were put to the test with accomplishing several ambitious strategic objectives; we navigated through an intense and fast-paced legislative session; and we enhanced many of our existing operations to render improved outcomes for the Board as a whole. The Board and its staff have worked tremendously hard over the last 12 months to further the vision of the agency and advance the goals of our Strategic Plan.

The first half of the year was highly focused on partnering efforts. Of greatest success was the Board's involvement in Home Depot's pilot permit project. Had it not been for NSCB's involvement in the National Association of State Contractor Licensing Agencies, and its efforts to solicit interest from NASCLA members about the call to action for a solution to local permitting needs, the partnership between local building officials and Home Depot may never have resulted. The Home Depot answered the call and has been an instrumental and innovative leader by creating a patented model allowing contractors and consumers to pull building permits through a kiosk in their stores. It has truly been a win-win for all stakeholders and the project's success is evident in its expansion to Reno, Nevada, and other states throughout the nation.

The second half of the year was primarily centered on the 2013 Legislative Session. The Board did not have any sponsored legislation, and was therefore actively engaged to oppose matters that had the potential to harm the health and safety of the public.

As with every new fiscal year, we again kick off with a new set of strategic objectives, a renewed vision for the future, and a sense of reflection on our victories and lessons we learned. This is the most rewarding time of year because of the opportunity to feel proud, while also the excitement of continuing to push forward to new heights and uncharted waters!

A handwritten signature in blue ink that reads "Margi A. Grein".

MARGI A. GREIN

Nevada State Contractors Board Executive Officer

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Executive Officer Annual Highlights

Innovative Partnership Leads to Development of First Pilot Permit Project with Home Depot (Goal 4)

When building officials and contractors began to express a desire for improved access and processes to obtain building permits, NSCB put out a call for action. The Home Depot responded with open ears and a dedicated vision. After a few in-person meetings with all stakeholders, Home Depot produced a pilot project allowing contractors to obtain building permits in their stores through a kiosk system. The system offered a solution to many of the problems discussed by building officials and contractors alike. To date, the project is set to expand to Reno and other states due to its success.

Investigative & Media Efforts Lead to Arrests (Goals 2 & 3)

Multiple times this year, enforcement and the public information office worked collaboratively to inform homeowners of unscrupulous individuals within the State of Nevada, leading to their arrest. Joint investigative and information sharing efforts with surrounding states were also successful in bringing unlicensed contractors and scammers to justice.

Legislative Engagement (Goal 5)

The 2013 Legislative Session was full of efforts to combat potentially harmful legislation. The Board remained attentive to tracking initiatives, keeping members of the Board, Legislature and industry informed as necessary, and testifying in Committee Hearings. While the Board successfully saw some measures fail, it also witnessed some less than ideal pieces of legislation succeed. Several efforts were made to deter the passage of AB 334, which sought to exempt real estate brokers and salespersons from certain provisions under NRS 624. Although the bill was signed into law,

improvements to the language were included, requiring licensed contractors to be used and clarifying that the exemption does not apply if a building permit is required, among others.

Board Development, Partnering & Goal Setting (Goal 5)

The Board welcomed a new public member this year, Joe Hernandez, and elected Guy Wells as Chairman. Keeping in line with our strategic agenda, the Board and executive team met to craft the vision and direction for FY 2013-14's Strategic Plan. Many of the final objectives resulted in coordination with legislative mandates, including technological advances to the website, software infrastructure upgrades, partnering efforts, and much, much more.

Partnering (Goal 2 & 5)

The Executive Officer, Board members, and staff participated in partnering opportunities with construction and non-construction associations, local and state agencies, and legislators. Furthermore, the Investigations Department was successful in establishing a pilot Industry Watch Program with two association groups to expedite the reporting of unlicensed contractors. This program has been successful and is gaining interest among other groups.

Enhancing Efficiency (Goals 1 & 6)

This year, we looked at a variety of forms and applications to automate on our website; consolidated and revised our customer service surveys to more accurately track information of importance to management; and have been evaluating and making changes to our IT infrastructure to make systems and applications more user-friendly for staff and public customers visiting our website.

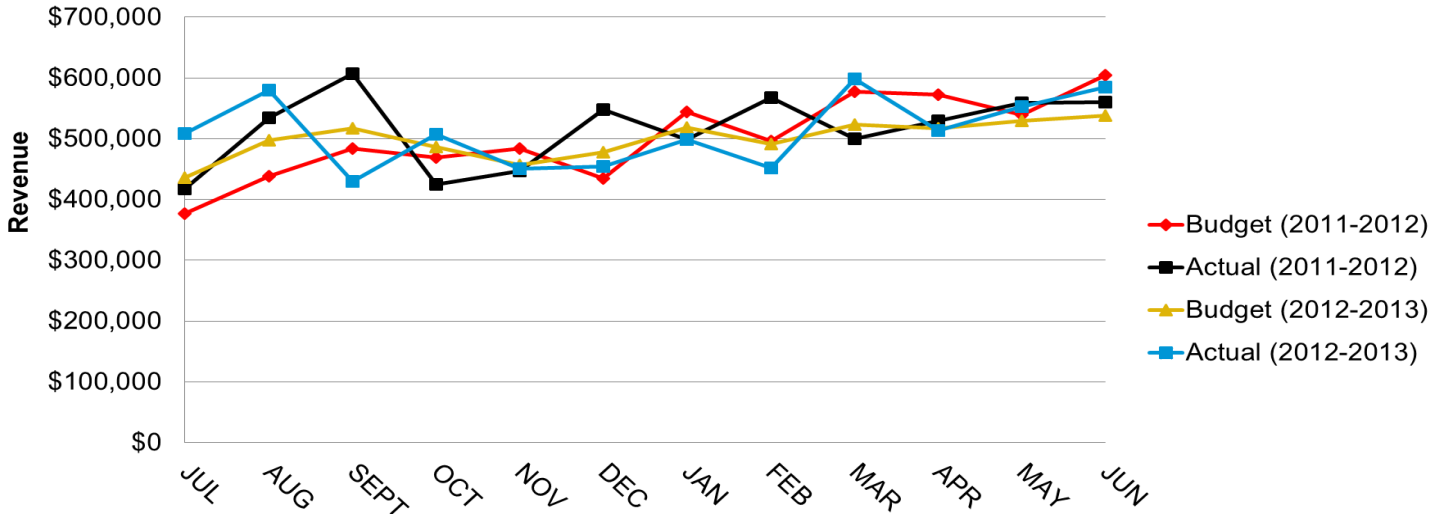
Licensing - Data Dashboard

Budget (2011-2012)	JULY-11	AUG-11	SEPT-11	OCT-11	NOV-11	DEC-11	JAN-12	FEB-12	MAR-12	APR-12	MAY-12	JUN-12	TOTALS
License Renewals	\$218,748	\$274,903	\$317,019	\$303,491	\$316,508	\$271,329	\$372,407	\$328,760	\$402,527	\$398,443	\$367,813	\$428,052	\$4,000,000
New License Fee	\$60,833	\$60,833	\$60,833	\$60,833	\$60,833	\$60,833	\$60,833	\$60,833	\$60,834	\$60,834	\$60,834	\$60,834	\$730,000
Application Fee	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$33,375	\$400,500
License Changes	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$27,375	\$328,500
Investigative Recov Costs	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$210,000
Renewal Late Fees	\$7,601	\$9,553	\$11,016	\$10,546	\$10,999	\$9,429	\$12,941	\$11,424	\$13,988	\$13,846	\$12,782	\$14,875	\$139,000
Renewal Inactive Fee	\$11,648	\$14,639	\$16,881	\$16,161	\$16,854	\$14,448	\$19,831	\$17,506	\$21,435	\$21,217	\$19,586	\$22,794	\$213,000
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$377,080	\$438,178	\$483,999	\$469,281	\$483,444	\$434,289	\$544,262	\$496,773	\$577,034	\$572,590	\$539,265	\$604,805	\$6,021,000
Actual (2011-2012)	JULY-11	AUG-11	SEPT-11	OCT-11	NOV-11	DEC-11	JAN-12	FEB-12	MAR-12	APR-12	MAY-12	JUN-12	TOTALS
License Renewals	\$262,600	\$351,450	\$448,600	\$281,700	\$302,100	\$361,335	\$367,930	\$376,350	\$327,985	\$365,850	\$389,150	\$362,925	\$4,197,975
New License Fee	\$54,300	\$63,000	\$42,450	\$48,900	\$45,100	\$58,900	\$36,600	\$54,600	\$59,850	\$45,600	\$40,200	\$70,600	\$620,100
Application Fee	\$27,900	\$44,400	\$32,700	\$27,600	\$24,900	\$34,200	\$26,700	\$38,100	\$38,100	\$33,300	\$35,100	\$43,200	\$406,200
License Changes	\$28,200	\$34,675	\$33,400	\$29,625	\$31,025	\$30,525	\$23,700	\$38,450	\$30,325	\$25,950	\$36,750	\$35,000	\$377,625
Investigative Recov Costs	\$24,057	\$15,135	\$17,607	\$10,683	\$20,709	\$23,139	\$17,561	\$23,074	\$14,739	\$32,086	\$21,567	\$22,278	\$242,635
Renewal Late Fees	\$10,650	\$14,000	\$15,525	\$12,450	\$11,550	\$21,325	\$11,250	\$15,150	\$15,015	\$12,620	\$16,650	\$11,515	\$167,700
Renewal Inactive Fee	\$10,200	\$11,800	\$16,450	\$13,800	\$12,000	\$19,000	\$14,400	\$21,600	\$13,475	\$13,500	\$19,800	\$14,125	\$180,150
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$417,907	\$534,460	\$606,732	\$424,758	\$447,384	\$548,424	\$498,141	\$567,324	\$499,489	\$528,906	\$559,217	\$559,643	\$6,192,385
Variance (2011-2012)	JULY-11	AUG-11	SEPT-11	OCT-11	NOV-11	DEC-11	JAN-12	FEB-12	MAR-12	APR-12	MAY-12	JUN-12	TOTALS
License Renewals	\$43,852	\$76,547	\$131,581	(\$21,791)	(\$14,408)	\$90,006	(\$4,477)	\$47,590	(\$74,542)	(\$32,593)	\$21,337	(\$65,127)	\$197,975
New License Fee	(\$6,533)	\$2,167	(\$18,383)	(\$11,933)	(\$15,733)	(\$1,933)	(\$24,233)	(\$6,233)	(\$984)	(\$15,234)	(\$20,634)	\$9,766	(\$109,900)
Application Fee	(\$5,475)	\$11,025	(\$675)	(\$5,775)	(\$8,475)	\$825	(\$6,675)	\$4,725	\$4,725	(\$75)	\$1,725	\$9,825	\$5,700
License Changes	\$825	\$7,300	\$6,025	\$2,250	\$3,650	\$3,150	(\$3,675)	\$11,075	\$2,950	(\$1,425)	\$9,375	\$7,625	\$49,125
Investigative Recov Costs	\$6,557	(\$2,365)	\$107	(\$6,817)	\$3,209	\$5,639	\$61	\$5,574	(\$2,761)	\$14,586	\$4,067	\$4,778	\$32,635
Renewal Late Fees	\$3,049	\$4,447	\$4,509	\$1,904	\$551	\$11,896	(\$1,691)	\$3,726	\$1,027	(\$1,226)	\$3,868	(\$3,360)	\$28,700
Renewal Inactive Fee	(\$1,448)	(\$2,839)	(\$431)	(\$2,361)	(\$4,854)	\$4,552	(\$5,431)	\$4,094	(\$7,960)	(\$7,171)	\$214	(\$8,669)	(\$32,850)
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$40,827	\$96,282	\$122,733	(\$44,523)	(\$36,060)	\$114,135	(\$46,121)	\$70,551	(\$77,545)	(\$43,684)	\$19,952	(\$45,162)	\$171,385
Budget (2012-2013)	JULY-12	AUG-12	SEPT-12	OCT-12	NOV-12	DEC-12	JAN-13	FEB-13	MAR-13	APR-13	MAY-13	JUN-13	TOTALS
License Renewals	\$280,000	\$340,000	\$360,000	\$330,000	\$300,000	\$320,000	\$360,000	\$335,000	\$365,000	\$360,000	\$370,000	\$380,000	\$4,100,000
New License 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
Application Fee	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$375,000
License Changes	\$29,132	\$29,133	\$29,132	\$29,133	\$29,132	\$29,133	\$29,132	\$29,133	\$29,132	\$29,133	\$29,132	\$29,132	\$349,589
Investigative Recov Costs	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$225,000
Renewal Late Fees	\$11,583	\$11,584	\$11,583	\$11,583	\$11,584	\$11,583	\$11,583	\$11,583	\$11,584	\$11,583	\$11,583	\$11,584	\$139,000
Renewal Inactive Fee	\$14,800	\$16,400	\$16,100	\$15,450	\$15,600	\$17,400	\$18,000	\$16,050	\$17,400	\$16,550	\$18,350	\$17,900	\$200,000
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$435,515	\$497,117	\$516,815	\$486,166	\$456,316	\$478,116	\$518,715	\$491,766	\$523,116	\$517,266	\$529,065	\$538,616	\$5,988,589
Actual (2012-2013)	JULY-12	AUG-12	SEPT-12	OCT-12	NOV-12	DEC-12	JAN-13	FEB-13	MAR-13	APR-13	MAY-13	JUN-13	TOTALS
License Renewals	\$344,845	\$401,081	\$278,944	\$334,380	\$286,150	\$295,223	\$340,950	\$303,525	\$407,790	\$341,175	\$386,625	\$388,723	\$4,109,410
New License Fee	\$54,600	\$49,500	\$48,300	\$47,400	\$44,600	\$45,900	\$55,200	\$42,600	\$52,950	\$49,800	\$43,200	\$51,900	\$585,950
Application Fee	\$28,800	\$39,900	\$30,600	\$31,800	\$34,800	\$36,900	\$39,900	\$34,500	\$34,500	\$43,250	\$37,800	\$41,700	\$434,450
License Changes	\$26,100	\$33,675	\$24,200	\$33,800	\$22,975	\$28,375	\$24,100	\$26,075	\$38,600	\$30,000	\$26,875	\$30,100	\$344,875
Investigative Recov Costs	\$25,283	\$24,376	\$28,292	\$29,725	\$37,680	\$22,549	\$18,294	\$24,456	\$31,555	\$30,601	\$38,286	\$36,758	\$347,855
Renewal Late Fees	\$12,150	\$14,100	\$12,525	\$14,100	\$10,650	\$13,200	\$10,350	\$7,050	\$13,340	\$6,300	\$6,075	\$17,248	\$137,088
Renewal Inactive Fee	\$16,200	\$17,700	\$7,250	\$15,900	\$14,400	\$11,850	\$9,900	\$13,200	\$19,650	\$12,600	\$13,800	\$18,900	\$171,350
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$507,978	\$580,332	\$430,112	\$507,105	\$451,255	\$453,997	\$498,694	\$451,406	\$598,385	\$513,726	\$552,661	\$585,328	\$6,130,977
Variance (2012-2013)	JULY-12	AUG-12	SEPT-12	OCT-12	NOV-12	DEC-12	JAN-13	FEB-13	MAR-13	APR-13	MAY-13	JUN-13	TOTALS
License Renewals	\$64,845	\$61,081	(\$81,056)	\$4,380	(\$13,850)	(\$24,778)	(\$19,050)	(\$31,475)	\$42,790	(\$18,825)	\$16,625	\$8,723	\$9,410
New License Fee	\$4,600	(\$500)	(\$1,700)	(\$2,600)	(\$5,400)	(\$4,100)	\$5,200	(\$7,400)	\$2,950	(\$200)	(\$6,800)	\$1,900	(\$14,050)
Application Fee	(\$2,450)	\$8,650	(\$650)	\$550	\$3,550	\$5,650	\$8,650	\$3,250	\$3,250	\$12,000	\$6,550	\$10,450	\$59,450
License Changes	(\$3,032)	\$4,542	(\$4,932)	\$4,667	(\$6,157)	(\$758)	(\$5,032)	(\$3,058)	\$9,468	\$867	(\$2,257)	\$968	(\$4,714)
Investigative Recov Costs	\$6,533	\$5,626	\$9,542	\$10,975	\$18,930	\$3,799	(\$456)	\$5,706	\$12,805	\$11,851	\$19,536	\$18,008	\$122,855
Renewal Late Fees	\$567	\$2,516	\$942	\$2,517	(\$934)	\$1,617	(\$1,233)	(\$4,533)	\$1,756	(\$5,283)	(\$5,508)	\$5,664	(\$1,913)
Renewal Inactive Fee	\$1,400	\$1,300	(\$8,850)	\$450	(\$1,200)	(\$5,550)	(\$8,100)	(\$2,850)	\$2,250	(\$3,950)	(\$4,550)	\$1,000	(\$28,650)
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$72,463	\$83,215	(\$86,703)	\$20,939	(\$5,061)	(\$24,119)	(\$20,021)	(\$40,360)	\$75,269	(\$3,540)	\$23,596	\$46,712	\$142,388



Licensing - Q4 Snapshot

Application, Renewal & Cost Recovery Revenue
(FISCAL YEARS 2011-2012 / 2012-2013)



APRIL TO JUNE 2013				FISCAL YTD LICENSING FEE TOTALS (FY2013)			
Licenses (Beginning of Quarter)	16,452			LICENSING FEES	BUDGET	ACTUAL	VARIANCE
New Licenses Issued	257			License Renewals	4,100,000	4,109,410	9,410
Licenses Cancelled / Surrendered / Revoked	(389)			New License Fee	600,000	585,950	(14,050)
Variance in Suspended/Reinstated Licenses	35			Application Fee	375,000	434,450	59,450
Licenses (End of Quarter)	16,355			License Changes	349,589	344,875	(4,714)
# of Licenses on Mar 31st, 2013	16,452			Invest Recov Costs	225,000	347,855	122,855
# of Licenses on Jun 30th, 2013	16,355			Renewal Late Fees	139,000	137,088	(1,913)
Net YTD (Fiscal Year)				Renewal Inactive Fee	200,000	171,350	(28,650)
Licenses Gained / Lost	(97)						
Renewal Revenue Gained / Lost	(\$58,200)						
*Does not include suspended licenses							
90 Day Retention Rate				180 Day Retention Rate			
Projected Year-End Retention Rate	Mar '13 Lic's	16,452		Projected Year-End Retention Rate	Dec '12 Lic's	16,571	
	Cancellations	(389)	(2.38%)		Cancellations	(847)	(5.18%)
	New Licenses	257	1.57%		New Licenses	505	3.09%
	Susp/Reinstate	35	0.21%		Susp/Reinstate	(126)	(0.77%)
	Jun '13 Lic's	16,355			Jun '13 Lic's	16,355	
Change	(97)		Change	(216)			
3 Month Rolling	% Change	-0.59%		6 Month Rolling	% Change	-1.32%	

Licensing - Highlights

QUARTER 4 OVERVIEW

New License Apps: 414 (+11%)

- 254 Approved
- 72 Tabled/Denied

Issued Licenses: 257 (+12%)

License Change Apps: 714 (-22%)

Active Licenses: 14,949 (-2%)

Inactive Licenses: 1,406 (-13%)

- 67 Placed on inactive status during Q4 (-49%)

Voluntary Surrender: 84 (-29%)

Active Lic. Renewals: 1,789 (-4%)

Inactive Lic. Renewals: 125 (-29%)

Lic. Susp. (no bond): 260 (-45%)

Licenses Cancelled: 266 (-43%)

40 App. Denial Hearings (+11%)

152 Financial Reviews Opened

- 88 Approved by Staff

9 Financial Resp. Hearings (-64%)

VETERANS' ASSISTANCE PROGRAM

Implemented in April 2013, this program provides assistance to veterans who are transitioning from military service to civilian employment and to military spouses who are relocating with their service member spouse. The program offers:

- A dedicated, specially trained NSCB staff member to evaluate transferable military training, experience, and college education that meet minimum contractor licensing requirements, including technical education levels; and
- Consideration and evaluation of military spouses' current records of licensure to determine whether he/she is eligible for waiver of certain experience requirements for licensure.

ANNUAL STATISTICS

New License Apps: 1,465 (+7%)

- 987 Approved
- 190 Tabled/Denied

Issued Licenses: 976 (+1%)

License Change Apps: 3,019 (-11%)

Active Licenses: 14,991 (-3%)

Inactive Licenses: 1,461 (-9%)

- 329 Placed on inactive status during FY 2012-13 (-28%)

Voluntary Surrender: 363 (+6%)

Active Lic. Renewals: 6,821 (+1%)

Inactive Lic. Renewals: 558 (-7%)

Lic. Susp. (no bond): 1,134 (-32%)

Licenses Cancelled: 1,236 (-8%)

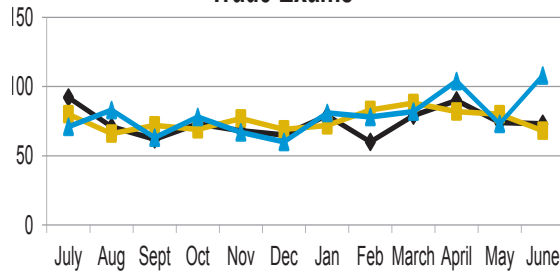
137 App. Denial Hearings (+4%)

678 Financial Reviews Opened

- 470 Approved by Staff

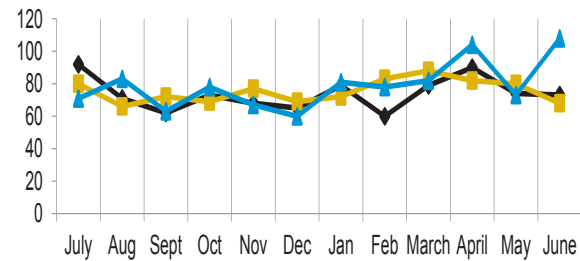
12 Financial Resp. Hearings (-46%)

Trade Exams



◆ FY 2011 ■ FY 2012 ▲ FY 2013

CMS Exams

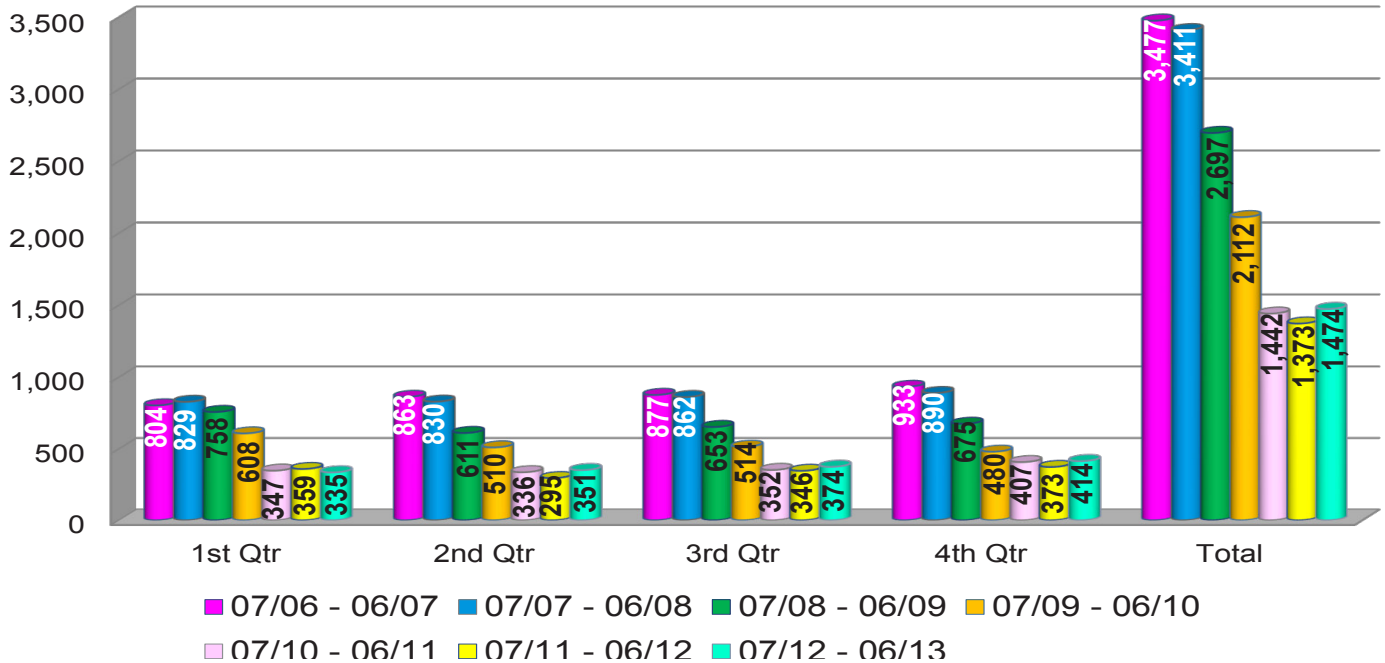


◆ FY 2011 ■ FY 2012 ▲ FY 2013

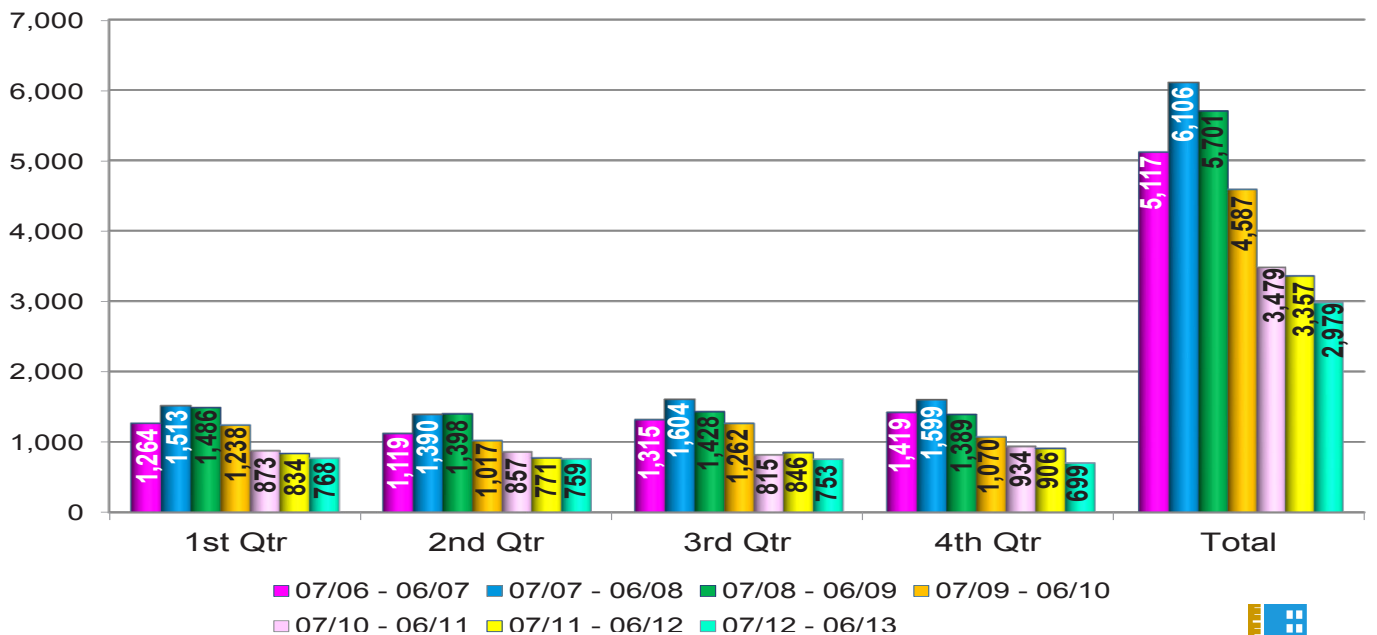


Licensing - Annual Data Comparison

New Application Quarterly and Annual Comparison



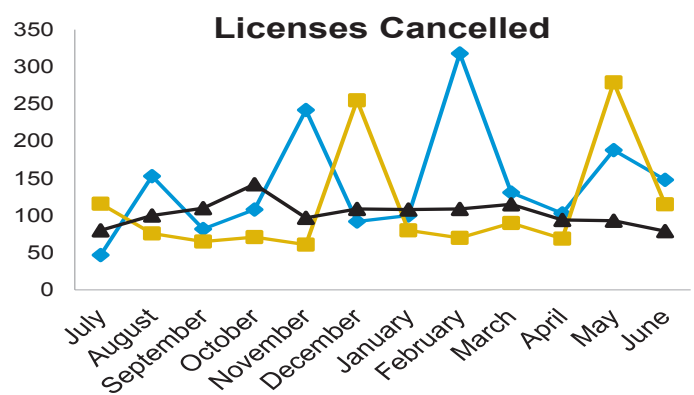
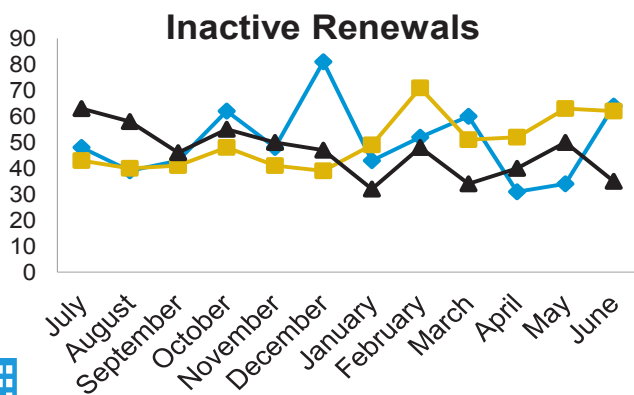
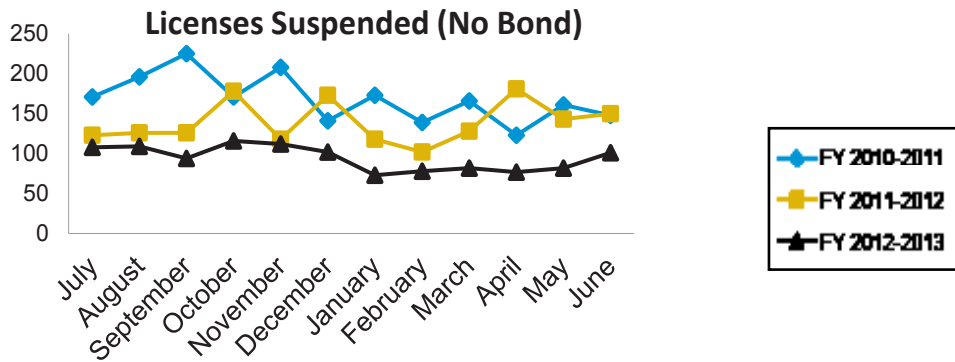
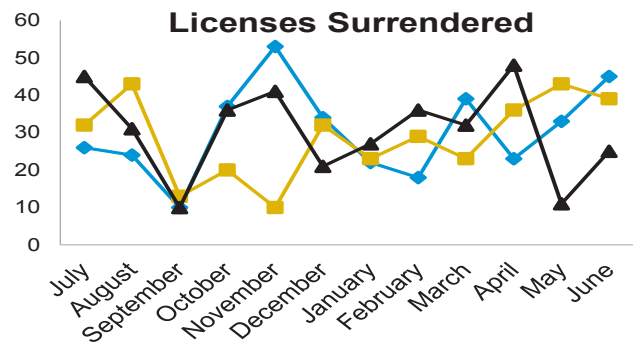
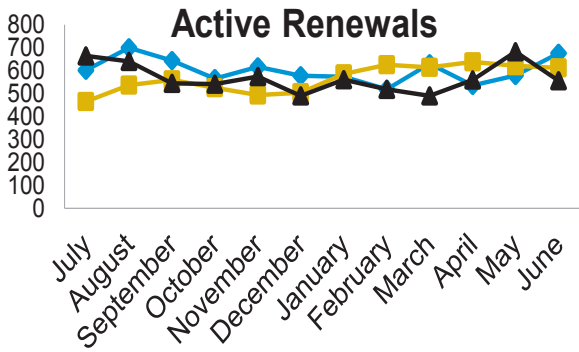
Change Applications Quarterly and Annual Comparison





Licensing - Trends

Licensing data for the 4th Quarter presented conflicting trends across the board, making it difficult to determine what future quarters will render statistically. A comparison of statistical data for the last three years shows stabilization in the decline of applicants and licensees. We are no longer seeing the sharp decline in license applications that was experienced between 2006 and 2010. The number of licenses terminated through cancellation or surrender also appear to be more consistent. One area that remains a challenge is the failure of applicants and licensees to meet financial responsibility requirements. Of the applications considered during the 4th Quarter, 20% were denied by staff (3% increase over 3rd Quarter). During FY 2012-13, 15% of applications considered were denied (3% increase over FY 2011-12).



Enforcement - Annual Data - Backgrounds

SIGNIFICANT OUTCOMES:

- 45 applicants withdrew their application once background issues were identified.
- 4 Applicants failed to register as sex offenders.
- 3 Applicants failed to register as convicted felons.
- 1 Applicant was identified as an ex-felon who failed to change his address.
- 1 Applicant was identified as an illegal alien and referred to Homeland Security for deportation.



Fingerprint Cards Submitted	2918
Total fingerprints returned with Criminal Histories	600
Total fingerprints returned without Criminal Histories	2318
Criminal Histories	20.5%

BACKGROUND CHECKS

- 367 investigations initiated; 37 pending
- 49 applicants failed to report misdemeanor convictions (\$24,500 in fines; \$13,475 in investigative costs)

UNREPORTED CRIMINAL ACTIVITY FY 2012-13 Major Cases Not Reported



- DUI (60)
- Battery (28)
- Theft (26)
- Narcotics Charges (24)
- Assaults (20)
- Domestic Violence (18)
- Burglary (11)
- Embezzlement (5)
- Sexual Assault (3)
- False Identification (1)
- Intimidation (1)
- Weapons Manufacturing (1)
- Homicide (1)
- Robbery (1)

Enforcement Overview - Compliance

QUARTER 4 OVERVIEW

Opened Complaints: 439

- 137 Workmanship
- 76 Money Owing
- 228 Industry Regulation

Closed Complaints: 495

Pending cases: 259

- 3 over 90 days (1%)

74 Administrative citations issued

- \$65,050 in Fines
- \$27,359 in Invest. Costs

47 Cases referred for Disciplinary Hearing

- 24 licenses revoked
- \$41,900 in Fines
- \$56,590 in Invest. Costs

ANNUAL SNAPSHOT

Opened Complaints: 1,896

- 541 Workmanship
- 359 Money Owing
- 1,003 Industry Regulation

Closed Complaints: 1,917

- 479 Single-family resid.
- 42 Multi-family resid.
- 39 Public works projects
- 251 Commercial projects

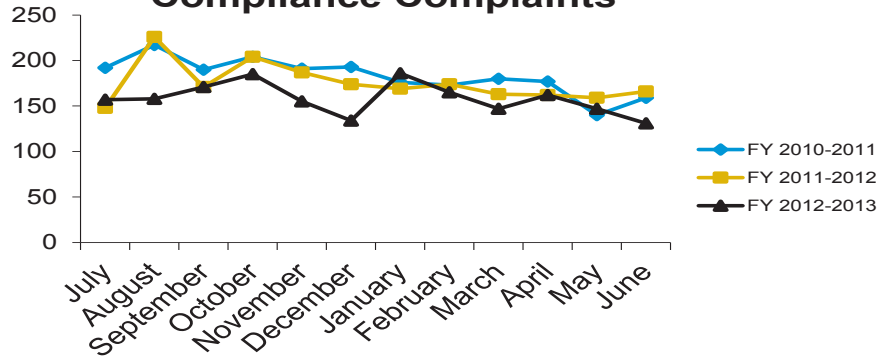
300 Admin. Citations issued

- \$268,951 in Fines
- \$113,668 in Invest. Costs

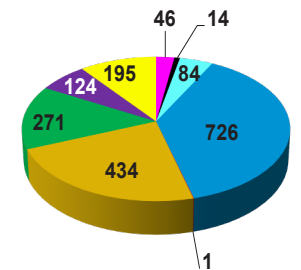
142 Cases referred for Disciplinary Hearing

- 80 licenses revoked

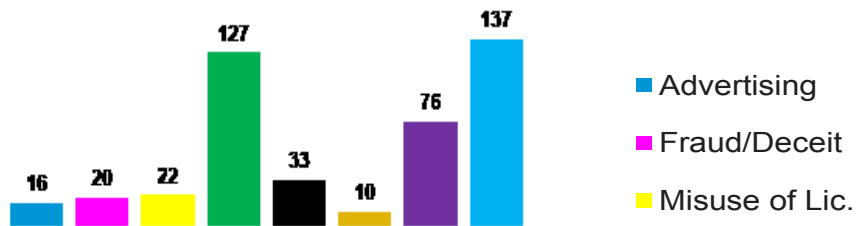
Compliance Complaints



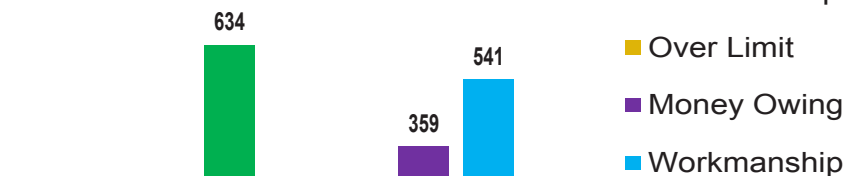
Complaint Sources FY 2012-13



Violation Categories - 4th Quarter

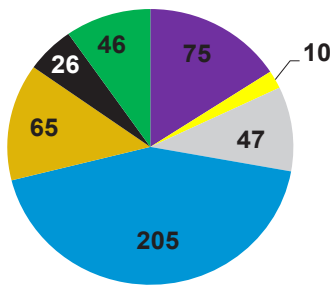


Violation Categories - FY 2012-13



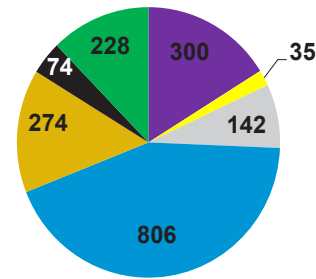
Enforcement Overview - Compliance

Compliance Case Outcomes
4th Quarter



- Admin Citation
- Stat. of Limit.
- Disc. Hearing
- Invalid
- Valid Resolved
- Valid Unresolved
- Violation Ltr

Compliance Case Outcomes
FY 2012-13



Board Success Resolving Money Owing Complaints

- Since March 2013, 67% (76/114) of compliance money owing cases were resolved through administrative meetings.
- These meetings led to \$1.4M in agreed-upon settlements.

	MONEY OWING			WORKMANSHIP			INDUSTRIAL REGULATION				
	FY2011	FY2012	FY2013		FY2011	FY2012	FY2013		FY2011	FY2012	FY2013
JUL	48	42	22	JUL	69	52	48	JUL	79	53	87
AUG	60	47	23	AUG	70	69	48	AUG	89	108	87
SEPT	68	43	30	SEPT	54	57	45	SEPT	71	70	95
1st Qtr:	176	132	75	1st Qtr:	193	178	141	1st Qtr:	239	231	269
OCT	53	56	47	OCT	70	64	53	OCT	81	84	84
NOV	55	60	33	NOV	69	37	58	NOV	66	90	67
DEC	47	44	19	DEC	69	46	34	DEC	76	84	80
2nd Qtr:	155	160	99	2nd Qtr:	208	147	145	2nd Qtr:	223	258	231
JAN	49	53	42	JAN	55	42	38	JAN	76	74	103
FEB	36	53	36	FEB	55	33	32	FEB	84	87	100
MAR	61	41	31	MAR	49	31	48	MAR	73	88	71
3rd Qtr:	146	147	109	3rd Qtr:	159	106	118	3rd Qtr:	233	249	274
APR	43	44	26	APR	46	36	45	APR	86	81	95
MAY	41	39	27	MAY	43	36	47	MAY	56	83	72
JUN	46	31	23	JUN	35	48	45	JUN	78	83	62
4th Qtr:	130	114	76	4th Qtr:	124	120	137	4th Qtr:	220	247	229

Enforcement - Annual Compliance Highlights

LICENSED CONTRACTOR FACING FELONY CHARGES FOR UNSCRUPULOUS BUSINESS PRACTICES

Licensed contractor Additions N More hit the Board's radar after 25 complaints were filed against the company alleging money owing, abandonment, and workmanship issues. The company, which specialized in residential remodeling, hired a former licensee whose license had been revoked in 2003 as a sales representative. The sales representative produced a high volume of sales contracts and collected his sales commissions. NSCB's investigation determined the sales contracts were grossly underpriced and created a negative cash flow.

A total of six criminal cases were submitted to the District Attorney for felony prosecution. The licensee currently has in excess of \$100,000 in Money Owing charges and in excess of \$200,000 in Residential Recovery Fund claims.

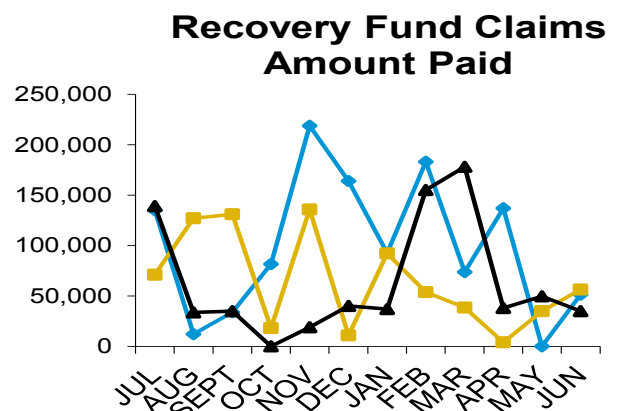
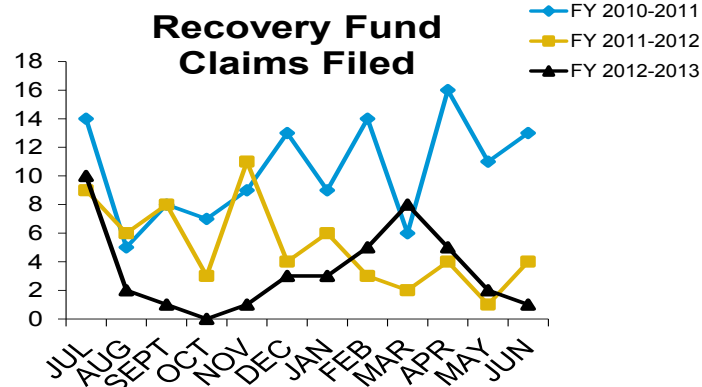
Negotiations are currently being conducted through the office of the District Attorney for the licensee to plead guilty to a felony and repay the Residential Recovery Fund for each case submitted to the District Attorney.

RESIDENTIAL RECOVERY FUND

As of June 30, 2013 (FY 2012-13)

- 13 Hearings were conducted.
- A total of 46 cases were heard resulting in \$555,104 awarded collectively; average claim = \$12,067.
- Three cases were denied by the Recovery Fund Committee; three cases were denied by NSCB staff for lack of jurisdiction; and one case was closed as resolved when the contractor paid the homeowner.
- Average period of time from when a claim was opened to when the Notice of Hearing was mailed was 12.6 days. The time from when a complete claim was opened to when a hearing was conducted was 65 days.

Fund Balance: \$5.6 million



Enforcement Overview - Criminal

QUARTER 4 OVERVIEW

- Opened Complaints: 350
- Closed Complaints: 332
- 1,184 Pending cases
- Zero cases over 90 days
- 115 Criminal charges filed
- 10 Administrative Citations Issued
- 101 Criminal convictions

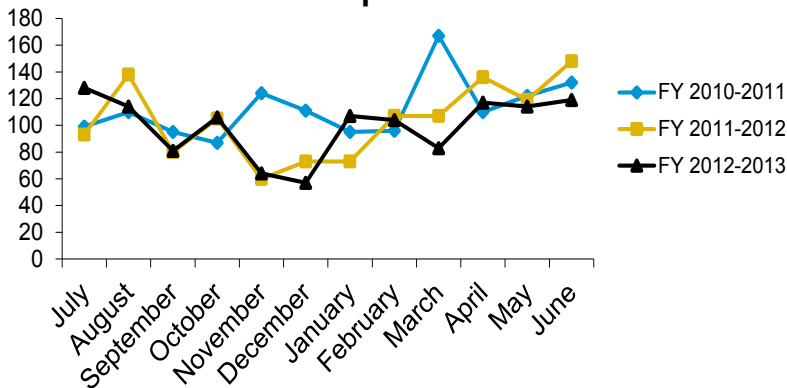
\$\$ Lost to Unlicensed Contractors

- 19% increase from FY 2010-11 and 2011-12 (\$6.1M v. \$7.5M)
- 9% decrease from FY 2011-12 and 2012-13 (\$7.5M v. \$6.8M)
- Since FY 2006-07, approximately **\$81.8M** has been lost to unlicensed contractors.

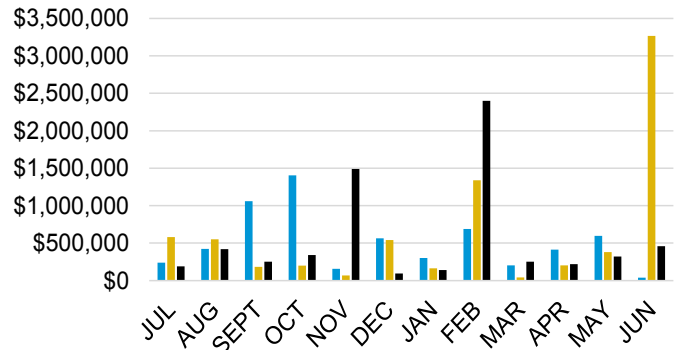
ANNUAL OVERVIEW

- Opened Complaints: 1,194
- Closed Complaints: 1,181
- 1,184 Pending cases
- 484 Criminal charges filed
- 49 Administrative Citations Issued
- 363 Criminal convictions recorded

Criminal Complaints



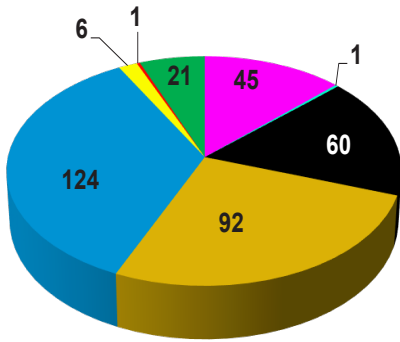
\$\$ Lost to Unlicensed Contractors



Contracting Without a License				Criminal Fraud				Unlawful Advertising			
	FY2011	FY2012	FY2013		FY2011	FY2012	FY2013		FY2011	FY2012	FY2013
JUL	63	60	84	JUL	0	3	4	JUL	30	36	46
AUG	63	93	76	AUG	2	1	6	AUG	46	47	37
SEPT	67	46	37	SEPT	3	3	0	SEPT	25	36	43
1st Qtr:	193	199	197	1st Qtr:	5	7	10	1st Qtr:	101	119	126
OCT	66	55	73	OCT	3	5	1	OCT	24	48	30
NOV	56	38	47	NOV	8	1	5	NOV	62	22	14
DEC	57	46	36	DEC	6	1	1	DEC	52	28	21
2nd Qtr:	179	139	156	2nd Qtr:	17	7	7	2nd Qtr:	138	98	65
JAN	57	43	53	JAN	11	0	0	JAN	36	29	57
FEB	52	53	61	FEB	0	3	3	FEB	45	54	43
MAR	78	69	55	MAR	6	0	3	MAR	91	40	30
3rd Qtr:	187	165	169	3rd Qtr:	17	3	6	3rd Qtr:	172	123	130
APR	63	84	89	APR	1	1	2	APR	50	54	29
MAY	83	75	67	MAY	1	4	0	MAY	49	46	47
JUN	88	85	69	JUN	1	2	2	JUN	46	67	47
4th Qtr:	234	244	225	4th Qtr:	3	7	4	4th Qtr:	145	167	123

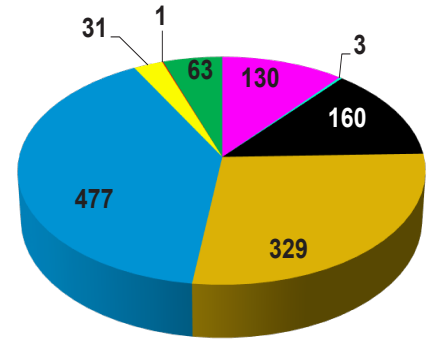
Enforcement Overview - Criminal

Source of Criminal Complaints
4th Quarter

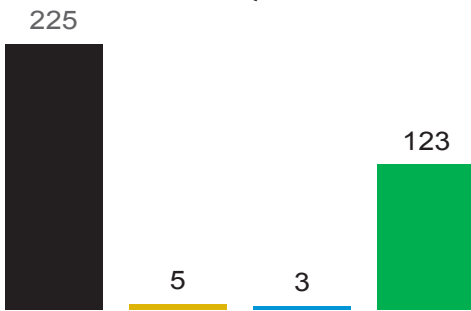


- Anonymous
- Bldg Dept.
- Contractor
- Homeowner
- NSCB
- St./Co. Agency
- Subcontractor
- Supplier/Vendor

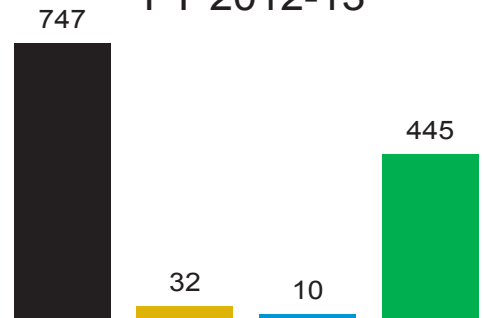
Source of Criminal Complaints
FY 2012-13



Violation Categories
4th Quarter

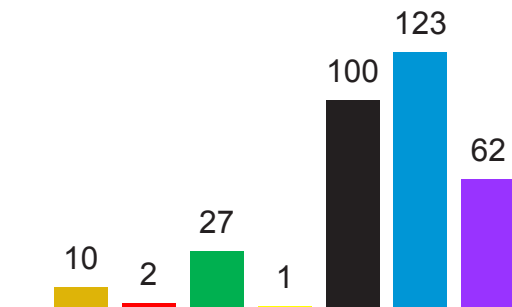


Violation Categories
FY 2012-13



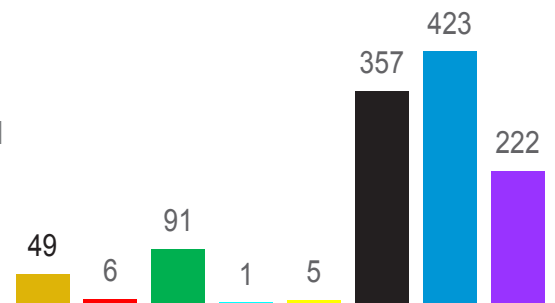
- Cont. w/o Lic.
- Criminal Fraud
- No Allegation
- Unlawful Adv.

Case Outcomes 4th Quarter



- Admin Cit.
- Plea Bargain
- Crim. Chrg Dismissed
- Felony Conv.
- Gross Misd. Conv.
- Misd. Conv.
- No Violation
- Valid

Case Outcomes FY 2012-13



Enforcement - Annual Criminal Highlights



Swift Partnering Leads to the Arrest of Two For Defrauding Seniors

In April, the Board received information from the California State License Board (CSLB) that two individuals were involved in defrauding senior citizens who lived in trailer parks by charging excess fees for repairs and performing poor or no work. Upon receiving felony arrest warrants, CSLB contacted the Board to notify them of the fugitives. NSCB conducted a general background investigation in Nevada and within eight days located an active Nevada corporation, a local mail drop address, a new mail drop address, and a new cell phone number for the two fugitives in Hemet, California. NSCB provided the information to CSLB and both individuals were arrested.

Sting Operation Targets Unlicensed Contractors; Nabs Felon

A sting operation held during the fourth quarter helped Board investigators identify a convicted felon, who was advertising plumbing services on Craigslist. After the unlicensed contractor received a citation for providing an estimate for the installation of a hot water heater, Board investigators returned to the office to perform a background check on the individual where they found convictions of contractor embezzlement and diversion of funds. The suspect was convicted and placed on probation for defrauding a woman out of \$76,903.35, and ordered to pay restitution in the amount of \$15,545.71 and stay out of trouble as terms of his probation. The investigator immediately negated the citation and proceeded to file a felony charge due to the previous conviction. The information was approved by the District Attorney and the suspect's probation officer took him into custody for violating his probation.



Traveler Heads to Prison After Scamming Seniors

Traveler James Ross Mackay Gregg, responsible for scamming elderly women in Reno, was arrested and extradited from Arizona after a consumer tip came into NSCB. Gregg entered into a plea agreement where he pleaded guilty to one felony count of obtaining money by false pretense. One of the victims, an 85-year-old woman on oxygen, testified that Gregg took her money she lived on for one month and made her ashamed because she had been conned. The victim's testimony moved the entire courtroom to the point of tears as she explained how she had been violated by Gregg. Gregg was sentenced to four years in prison with eligibility for parole after 19 months. The sentence was then doubled because of the elderly enhancement, resulting in eight years total with a mandatory 38 months to be served. He was ordered to pay \$4,350 in restitution, which is to be divided among the three victims.



Public Information Office - Annual Highlights

NSCB Lanches First Contractor TRAINING DAY



Held in Reno and Las Vegas concurrently, the Board successfully launched its first Contractor Training Day. Approximately 80 participants in total attended the event, which brought in local experts to cover topics such as building codes, marketing and social media, lien laws, NSCB investigative efforts and the reporting of unlicensed contractors. A post-survey of the event rendered extremely positive results. Each speaker received a rating of four or higher (1-5 scale; 5 being excellent). Feedback for improvements suggested fewer topics for the timeframe allowed and/or more time allocated to each topic. Overall, the experience was well received and the PIO looks forward to planning next year's event.

INDUSTRY OUTREACH

One of the objectives this year was to develop an Industry Outreach Program aimed at further enhancing the Board's partnering efforts with a variety of industry associations. Goals of the program are to better understand and respond to the needs of each industry group, convey the goals/objectives of the Board, and develop opportunities for improved message delivery to and among all outreach participants. While this program's implementation was delayed due to the legislative session, the PIO will be actively working to enhance the Board's efforts and further encourage partnering opportunities in cooperation with the Executive Officer.

The PIO worked diligently this year to enhance its contractor newsletter, *NSCB Horizons*, making it more informative, transparent of NSCB's quarterly efforts, and appealing to our readers. Our office held a significant number of Senior Programs over the 12-month period, placing a strong focus on outreach to rural areas of Nevada. In coordination with this effort, we continue to increase our Senior Bulletin mailing list with each presentation opportunity. To date, we have over on 100 on our physical mailing list and nearly 270 on our electronic mailing list. Other initiatives this year included development of articles and presentations for HOAs, industry associations, and realtor groups.

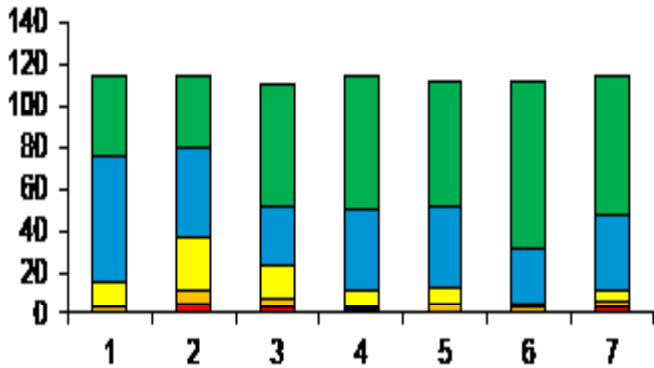


HOMEOWNERS BEWARE

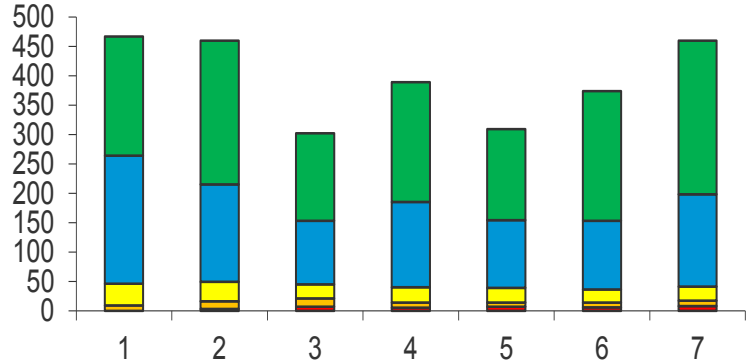
Throughout FY 2012-13, several consumer alerts were issued to warn homeowners of unlicensed individuals looking to take advantage of vulnerable homeowners. One notable consumer alert was on James Gregg, an unlicensed contractor who was targeting elderly women in Northern Nevada. As a known traveler, the PIO quickly got word out to homeowners through the media encouraging anyone who made contact with Gregg to contact NSCB or local authorities. A couple weeks later, a Southern Nevada homeowner was visiting her daughter in Arizona when Gregg showed up at their doorstep. She immediately contacted NSCB and Gregg was arrested that day. A great example of the power of information and how it provides the necessary empowerment to homeowners to protect themselves.

Customer Service Report Q1 - 3

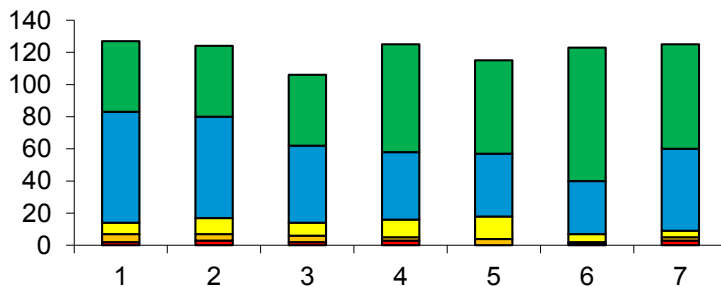
New License Applicant Feedback



Renewal Applicant Feedback



License Change Applicant Feedback



- Excellent
- Good
- Fair
- Poor
- Unacceptable

LICENSING SAMPLING RATES

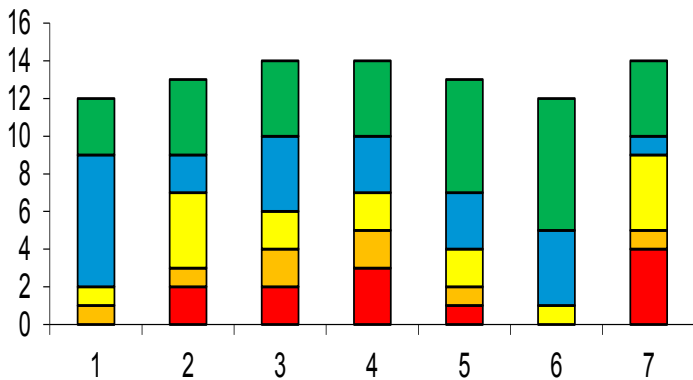
Change app: 10.7% (153/1433)
 Renewal app: 11.1% (599/5408)
 New license app: 20.3% (137/675)
OVERALL: 11.8% (889/7516)

SURVEY QUESTION KEY

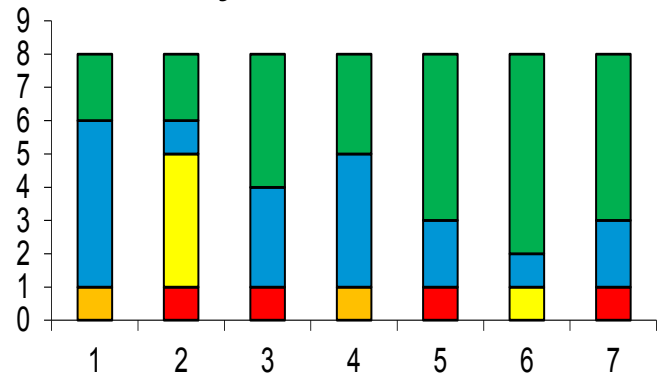
1. Completeness and clarity of forms and instructions.
2. Length of time it took to process my application.
3. Length of time it took to notify me of any problems with my application.
4. Quality and clarity of correspondence received from NSCB staff.
5. Length of time it took to respond to my phone/email inquiries.
6. Professional and courteous conduct by NSCB staff.
7. Overall satisfaction with the manner in which my application was handled.

Customer Service Report Q1 - 3

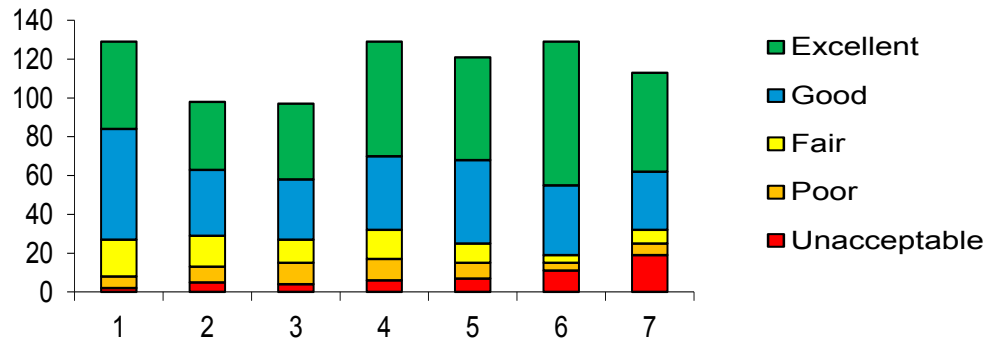
Unlicensed Complainant Feedback



Recovery Fund Claimant Feedback



Respondent Feedback



SURVEY QUESTION KEY

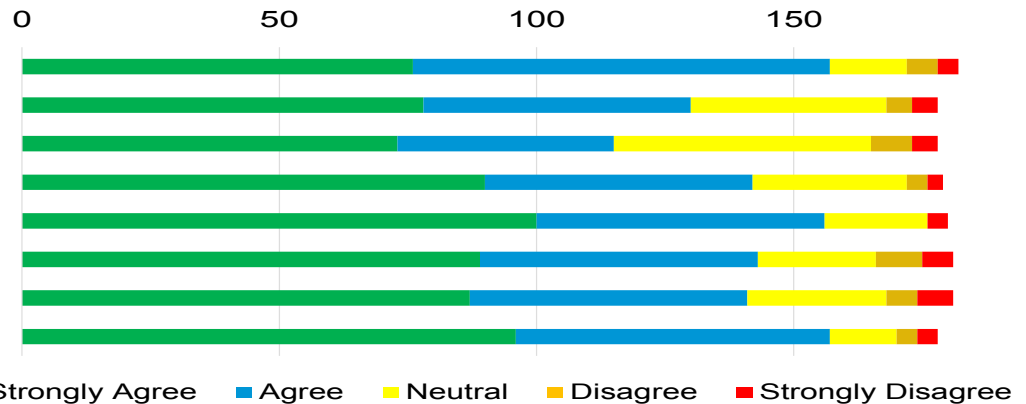
1. Completeness and clarity of forms and instructions.
2. Length of time it took to investigate the complaint/process claim.
3. Length of time it took to notify/contact me after the complaint/claim was filed.
4. Quality and clarity of correspondence received from NSCB staff.
5. Length of time it took to respond to my phone/email inquiries.
6. Professional and courteous conduct by NSCB staff.
7. Overall satisfaction with the manner in which the investigation/claim was handled.

ENFORCEMENT SAMPLING RATES

Respondent: 11.2% (175/1568)
 Complainant: 26.1% (196/751)
 Unlic. Complainant: 12.1% (17/141)
 Recovery Fund: 22% (13/59)
OVERALL: 15.9% (401/2519)

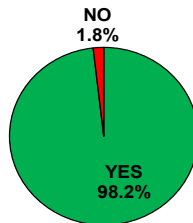
Customer Service Report - Licensing Q4

Customer Feedback - Licensing

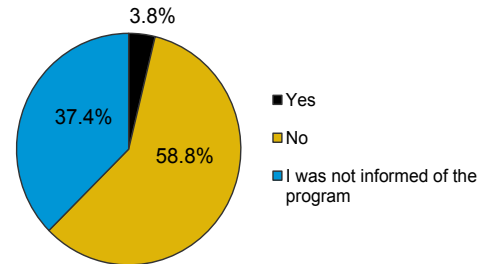


SAMPLING RATE
14.4% (252/1746)

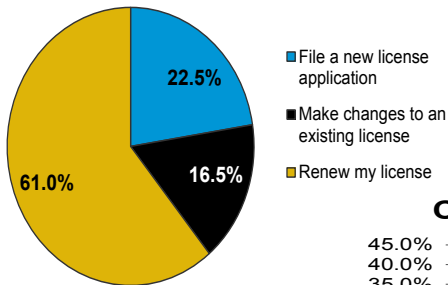
License change applicants found the website helpful



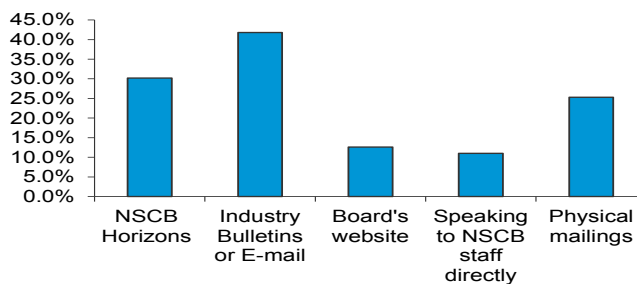
Applicants/Licensees that participated in the free Business Assistance Program offered by NSCB



Customer Contact - 4th Quarter



Customer Preference to Receive Info

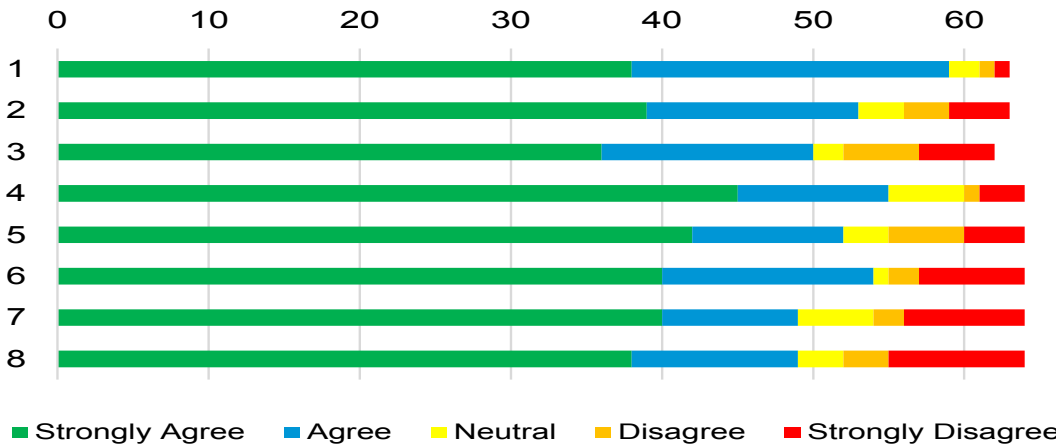


SURVEY QUESTION KEY

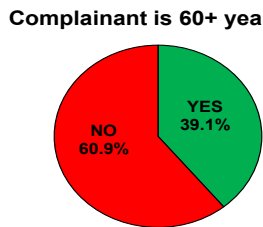
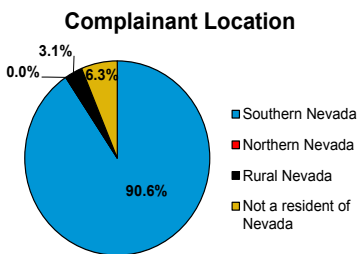
1. The forms and instructions were clear and easily accessible.
2. NSCB staff notified me of problems/issues within a reasonable timeframe.
3. NSCB staff kept me informed of the progress of my licensing request.
4. NSCB staff was responsive to my questions and concerns.
5. I was treated with respect and professionalism.
6. The time it took to process my request met my expectations based on my interactions with NSCB staff.
7. I feel the licensing processes are efficient.
8. I am satisfied at how my request was handled.

Customer Service Report - Enforcement Q4

Complainant Feedback

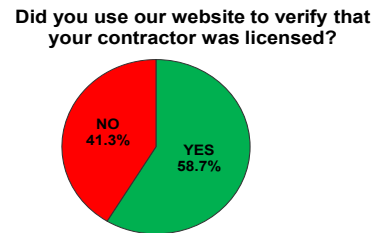


SAMPLING RATE
31.7% (89/281)



Complainant Type

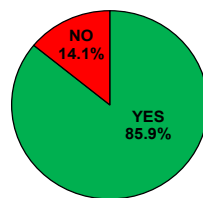
Homeowner	61.9%
Contractor/Subcontractor	25.4%
Representative of a government agency	1.6%
Supplier/vendor	11.1%



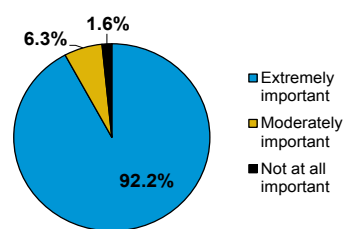
Complainant was contacted by a Board investigator within:

Answer Options	Response Percent
3-5 business days	68.8%
5-10 business days	21.9%
More than 10 business days	9.4%

Complainant provided written notification of the outcome of the case



Complainant feels hiring a licensed contractor is

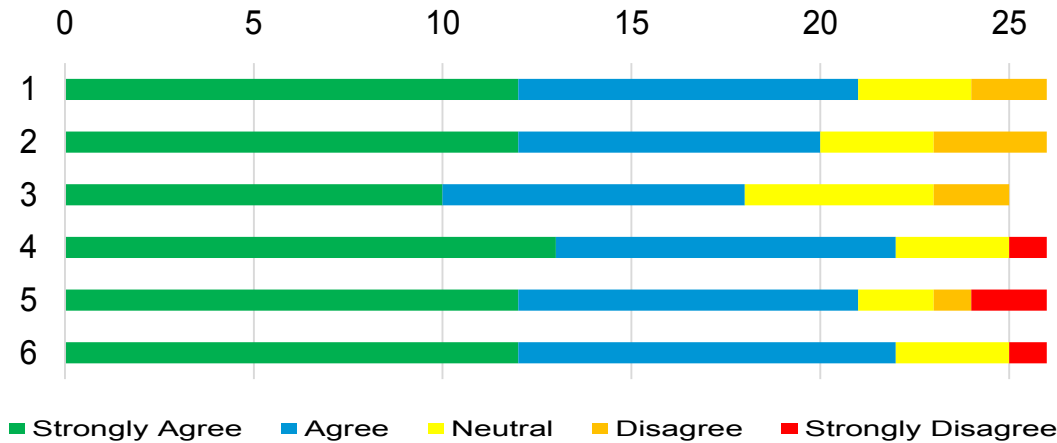


SURVEY QUESTION KEY

1. The information on how to file a complaint was easily accessible and understandable.
2. The procedures for investigating my complaint were clearly explained to me.
3. I was kept informed of the progress made on my complaint throughout the investigation.
4. NSCB representatives treated me with respect and professionalism.
5. The investigator was helpful in answering my questions and providing reasoning for actions taken.
6. I was notified of the outcome of my complaint.
7. I understand the outcome of my complaint (regardless if you agree or not).
8. I am satisfied with the service provided by NSCB.

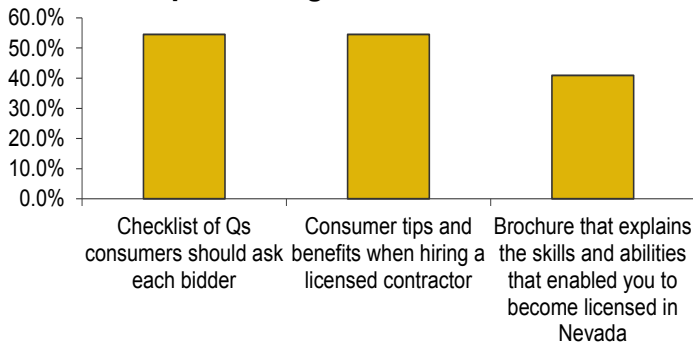
Customer Service Report - Enforcement Q4

Respondent Feedback

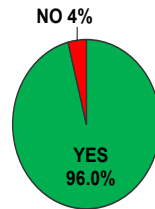


SAMPLING RATE
9.9% (43/433)

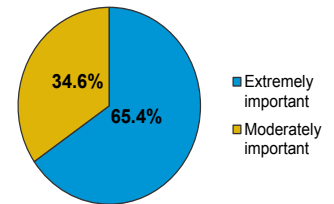
Consumer education materials contractors would use when presenting bids to clients



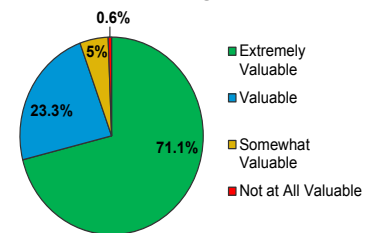
Contractor was notified w/in 10 days of the date the complaint was filed against them



Contractor perception of consumers' importance to hire a licensed contractor



Contractors' Value of Having a License:

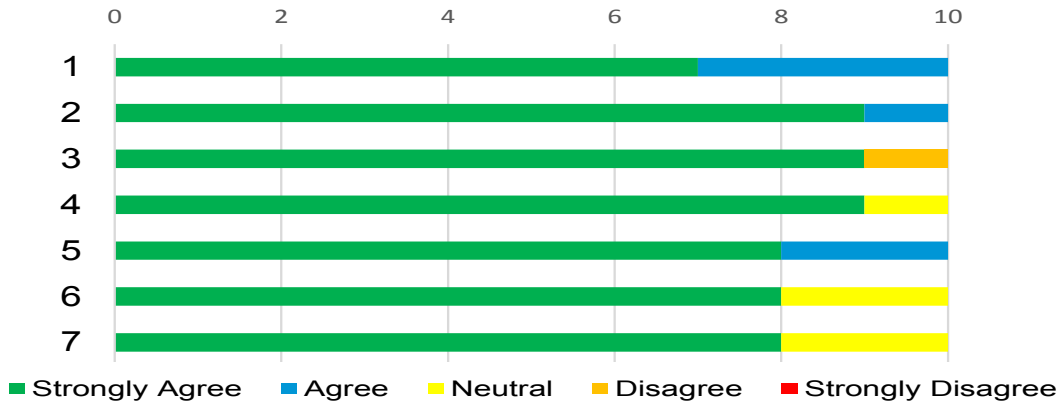


SURVEY QUESTION KEY

1. The investigator clearly explained the complaint filed against me.
2. The procedures for investigating the complaint were clearly explained to me.
3. I was kept informed of what was happening throughout the investigation.
4. NSCB representatives treated me with respect and professionalism.
5. The investigator was helpful in answering my questions and providing the Board's reasoning for actions taken.
6. I understand the outcome of the complaint (regardless if you agree or not).

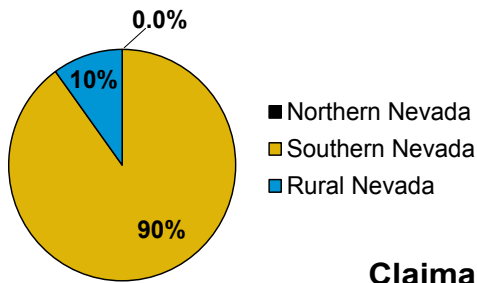
Customer Service Report - Rec. Fund Q4

Recovery Fund Claimant Feedback

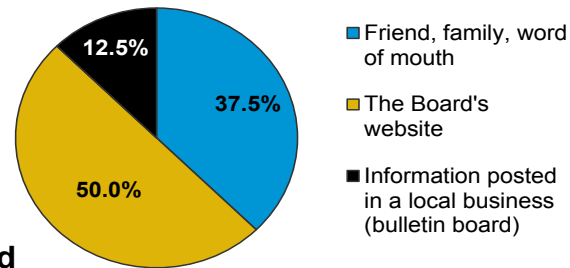


SAMPLING RATE
42.3% (11/26)

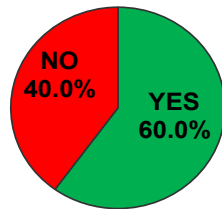
Claimant Location



Claimants learned of the Board from



Claimants knew of the Recovery Fund prior to contacting the Board



SURVEY QUESTION KEY

1. The information on how to file a Recovery Fund claim was easily accessible and understandable.
2. The time it took for NSCB to contact me after filing my claim was satisfactory.
3. The correspondence and information I received was clear and well explained.
4. NSCB representatives treated me with respect and professionalism.
5. I am satisfied with the time it took to finalize my claim.
6. I feel the Residential Recovery Fund is a valuable protection in place for consumers.
7. I am satisfied at how my claim was handled.

Customer Survey Summary



CUSTOMER SURVEYS ENHANCED

Part of the Board's strategic objectives and interest lied in the information we obtain from our customers about the quality of the services offered to them. To acheive this, existing surveys were revamped and condensed to allow for more focused data that could better assist management in communicating to staff of their success and areas where improvements may be needed.

As can be seen by the information in the preceding pages of this report, the new surveys have provided an abundant amount of information reflecting positive results overall across all Board operations.

What Our Customers Are Saying

“I’ve learned to investigate contractors before signing any contract, making sure they have no complaints against them and if so to what extreme. I’ve been educating others on what to do prior to hiring a contractor and to always keep your guard up.”

~Complainant

“The service was over an above my expectations.” ~ License Applicant

“I am very pleased with the staff that I’ve encountered in my dealings with the contractors board. I can tell the customer satisfaction is a large part in the way business is done.”

~Respondent to a Complaint

“We feel extremely fortunate that the state of NV established the RRF, otherwise we would have lost a great deal of money due to our contractor’s bankruptcy. We did our due diligence in hiring our contractor, (visited references, checked license, etc.) except that we paid too much money up front.

~Recovery Fund Claimant

Looking Forward - FY 2013-14

The Strategic Plan for FY 2013-14 is full of innovative and progressive objectives to move us further along in our technological efforts, and push us to the next level in partnering and public outreach and awareness. Below are the various areas we will be exploring in the months to come:

LICENSING

- Create a plan for placing additional applications online.
- Initiate rulemaking to finalize changes to classifications.
- Study feasibility of establishing a searchable/sortable licensee database by classification.
- Develop and implement a new way to measure application processing times.

ENFORCEMENT

- Differentiate types of enforcement actions/cases in reporting of results.
- Analyze the feasibility of allowing completion of specific training courses in lieu of monetary fines for violations.
- Implement program to train compliance investigators to be POST certified.
- Build capacity within the Board to better address non-residential construction issues.

PUBLIC INFORMATION

- Work with IT to propose changes/upgrades to website.
- Work with IT to explore use of social media and the creation of mobile applications.
- Expand outreach to HOAs and other county/state groups.
- Develop targeted collateral pieces for the Board, contractors, and consumers.

PARTNERING

- Engage elected officials in issues and programs concerning scams, elder abuse, etc.
- Work with city and county building departments to increase awareness of the Board.

BOARD DEVELOPMENT

- Develop departmental overview trainings for inclusion in new board member orientation.

ADMINISTRATIVE EFFICIENCY

- Evaluate accounting/licensing software options.
- Develop a plan to engage staff in the implementation of strategic planning initiatives.
- Obtain proposals to conduct a Board audit of internal processes.



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