

# **Administrative Sanction Report/Compliance Caseload Report**

## **Real Estate Commission South Meeting December 5-7, 2016**

### **Administrative Sanction Report**

The Administrative Sanction Report includes all of administrative sanctions imposed since my last report to you at our last meeting in October 2016. Since our last meeting we have issued a total of 231 administrative fines for a total \$80,100.00.

### **FY2017 Compliance Report**

We have received 49 complaints in the North and 743 in the South for a total of 792 complaints received by the Division so far for FY 2017. The number of cases we are actively investigation remains nearly the same as my last report to you in October. Total dollars returned to the public so far as a result of complaint resolution is \$49,100.00.

Since our last Commission meeting we have begun active enforcement of the somewhat new broker requirement to submit the Form 546A affidavit to the Division. The requirement was made effective in regulation in April 2016 and was announced along with other regulatory changes in the Division's Open House Newsletter July/August/September edition.

The purpose of the affidavit is for the brokers to inform the Division that they have not received monies belonging to others during the past year in lieu of submitting trust account reconciliations. The regulation change was approved by the Commission in part as a preventive measure in response to the number of cases involving licensees and the embezzlement of monies belonging to the public.

Just like the requirement for submitting reconciliations to the Division, the affidavit is due by the last day of the expiration month for the broker's real estate license. Failure to submit the affidavit to the Division by the due date will result in an administrative fine of \$250.00 as stated under administrative fines in NAC 645.695. So in summary, every broker every year must submit to the Division either their form 546 (trust account reconciliations) or a form 546A affidavit.

### **Current Issues Under Investigation**

- Licensees not submitting their midterm education or submitting midpoint education late.
- Broker's failing to submit their annual Trust Account Reconciliations to the Division.
- Agents not including the name of their brokerage in their advertising or misleading agent advertising.
- Trust account reconciliations submitted by brokers indicating suspicious, questionable or non-compliant handling of monies belonging to others.
- Property Managers failing to account for or remit funds (to include failure to promptly remit and account for rents to property owners or security deposit refunds to tenants)

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- Trust account embezzlement or mismanagement of trust accounts (to include brokers, property managers, and their employees stealing monies held in trust accounts that belong to others, i.e., owners/tenants).
- Property managers mismanaging property and/or monies received from owners/tenants.
- Unlicensed property management activity (to include real estate licensees and non-licensees)
- Unlicensed real estate activity (to include those without the appropriate Nevada licensure and out-of-state licensees)
- Agents failing to deposit client earnest money into escrow or turning over to broker
- Failure to disclose, i.e., status as a real estate licensee, interest in the property or in a party involved in transaction or material fact related to the property/transaction.