

# **Administrative Sanction Report/Compliance Caseload Report Real Estate Commission North Meeting October 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 July 2016. Since our last meeting we have issued a total of 325 administrative fines for a total \$89,700.00. For all of FY 2016 we issued a total of nearly \$350,000.00 in administrative fines to licensees.

## **FY2016/FY2017 Compliance Report**

### **FY 2016**

For FY 2016, which ended on June 30, 2016, the Compliance Caseload Report shows a total of **106** complaints in the North with **2908** complaints in the South for a total of **3014** complaints received by the Division during FY2016.

During FY2016 the current number of cases currently under investigation in the North has decreased in the North. The number of cases currently under investigation in the South is beginning to show a decrease as well.

The reports also show a running total of the dollars returned to the public as a result of complaint resolution. These are monies that a Complainant alleged were lost, but subsequently were returned to the Complainant following the Division's informal contact to the broker suggesting the parties resolve the matter. For FY2016 a total of \$150,753.00 has been returned to the public as a result of the Division's efforts to encourage the resolution of complaints we receive against real estate licensees and property managers.

### **FY 2017**

In the first two months of FY 2017 we have received 17 complaints in the North and 387 in the South for a total of 404 complaints received by the Division for FY 2017. The number of cases currently under investigation in the North and South remains nearly the same as the end of FY 2016. Total dollars returned to the public so far as a result of complaint resolution is nearly \$31,000.00.

At the bottom of the chart for the South you will notice a new category we are now tracking for trust account reconciliations. This represents the number of trust account reconciliations that are submitted to the Division and reviewed. Each trust account reconciliation we receive is reviewed for compliance with reporting requirements per statute and regulation. The reconciliations are also reviewed for any questionable transactions that could potentially indicate the mismanagement or embezzlement of monies belonging to owners and tenants.

## **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.

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- 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)
- 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.