

1                                   BEFORE THE COMMISSION FOR COMMON-INTEREST  
2                                   COMMUNITIES AND CONDOMINIUM HOTELS  
  STATE OF NEVADA

3 Sharath Chandra, Administrator,  
4 Real Estate Division, Department of  
Business & Industry, State of Nevada,

Case No. 2018-68

**FILED**

**APR 02 2019**

NEVADA COMMISSION OF  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS



5                                   Petitioner,

6 vs.

7 Teresa Drakeley,

8                                   Respondent.

9  
10                                   **FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

11                   This matter came on for hearing before the Commission for Common-Interest  
12 Communities and Condominium Hotels, Department of Business and Industry, State of  
13 Nevada (the "Commission"), during a regular agenda on March 12, 2019, at the Nevada  
14 State Business Center, 3300 W. Sahara Avenue, Nevada Room, Suite 400, Las Vegas,  
15 Nevada 89102 with videoconferencing to Division of Insurance, 1818 East College Parkway,  
16 Suite 103, Carson City, Nevada 89706 (the "Hearing"). The **RESPONDENT, TERESA**  
17 **DRAKELEY**, did not appear or submit an answer to the Complaint. Michelle D. Briggs,  
18 Esq., Senior Deputy Attorney General with the Nevada Attorney General's Office, appeared  
19 on behalf of the Real Estate Division of the Department of Business and Industry, State of  
20 Nevada (the "Division"). Teralyn Lewis, Administration Section Manager for the Division,  
21 testified regarding the notices sent to Respondent. Documents evidencing the violations  
22 were presented to the Commission. Raylene Elmore, Sun City Summerlin's Controller and  
23 Joe O'Connell, Sun City Summerlin's former president, testified to their personal  
24 knowledge of the factual allegations. The Commission voted unanimously to find  
25 Respondent in default. The Commission enters the following Findings of Fact, Conclusions  
26 of Law, and Order. Under Nevada Revised Statutes (NRS) and Nevada Administrative  
27 Code (NAC) Chapters 116 and 116A, the Commission has legal jurisdiction and authority  
28 over this matter.

1 **FINDINGS OF FACT**

2 Based on the Commission's finding of a default against DRAKELEY for failing to  
3 appear and failing to answer the Complaint and the testimony and documents presented,  
4 the Commission accepted as true all of the following factual allegations by unanimous vote:

5 1. On or about July 19, 2017, the Division received a complaint against  
6 DRAKELEY by Sun City Summerlin Community Association, Inc. (the "Association").

7 2. The Association alleged DRAKELEY, who was an employee of the Association,  
8 embezzled funds from the Association.

9 3. The Association's controller and finance director "concluded with certainty  
10 that Ms. Drakeley was embezzling funds from the Association, through a fraud scheme  
11 called lapping."

12 4. Lapping occurs when an employee steals cash by diverting a payment from  
13 one customer, and then hides the theft by diverting cash from another customer to offset  
14 the receivable from the first customer.

15 5. The Association concluded that DRAKELEY took cash from a resident or  
16 advertiser when cash was taken to the safe.

17 6. The stolen cash was replaced by posting title checks to resident and advertiser  
18 accounts.

19 7. DRAKELEY changed deposit slips prepared by other employees and the daily  
20 log book contained no less than 18 white-out changes.

21 8. The Association's CPA conducted an audit and concluded that the controller  
22 and finance director's findings were accurate and the loss was approximately \$75,634.19  
23 from April 2013 to April 2017.

24 9. The Association filed a police report against DRAKELEY on or about April 13,  
25 2017.

26 10. DRAKELEY was supervised by Kathleen Carroll (CAM.0001780-SUPR) at  
27 the Association. Carroll disassociated with DRAKELY on or about July 10, 2017.

28 11. DRAKELEY submitted a change form to change her supervisor to Corina

1 Sailer (CAM.0007307.SUPR) at First Service Residential on or about December 19, 2017.

2 12. On or about February 5, 2018, DRAKELEY responded to the Division's  
3 investigation.

4 13. DRAKELEY denied that she took money from the Association.

5 14. She said she no longer worked at First Service Residential and would return  
6 her provisional certificate to the Division.

7 15. To date, DRAKELEY has not returned her provisional certificate to the  
8 Division and Corina Sailer has not disassociated as her supervising community manager.

### 9 CONCLUSIONS OF LAW

10 Based on the foregoing factual findings, the Commission concludes by unanimous  
11 vote that the following violations of law occurred:

12 16. DRAKELEY violated NRS 116A.630(1)(a) when she failed to act as a fiduciary  
13 in her relationship with the Association.

14 17. DRAKELEY violated NRS 116A.630(1)(b) by failing to exercise ordinary and  
15 reasonable care in the performance of her duties for the Association.

16 18. DRAKELEY violated NRS 116A.630(2)(a) and NAC 116A.320 by failing to  
17 comply with state laws.

18 19. DRAKELEY violated NRS 116A.630(6)(a) by failing to ensure that the  
19 financial transactions of the Association are current, accurate and properly documented.

20 20. DRAKELEY violated NRS 116A.640(4) by using Association money for her  
21 own personal use.

22 21. DRAKELEY violated NAC 116A.355(1)(a)(1) by engaging in unprofessional  
23 conduct by engaging in deceitful, fraudulent or dishonest conduct.

24 22. DRAKELEY violated NAC 116A.355(3)(a) by committing acts of professional  
25 incompetence by demonstrating a significant lack of ability, knowledge or fitness to perform  
26 a duty or obligation owed to the Association.

27 23. DRAKELEY violated NAC 116A.355(3)(b) by committing acts of professional  
28 incompetence by failing to exercise reasonable skill and care with respect to a duty or

1 obligation owed to the Association.

2 **ORDER**

3 The Commission being fully apprised in the premises, and good cause appearing to  
4 the Commission, by a unanimous vote, ORDERS as follows:

5 1. DRAKELEY'S provisional community manager certificate is revoked for a  
6 period of no less than ten years from the date of this Order, but in no event sooner than all  
7 fines and restitution imposed by the Commission are paid in full.

8 2. DRAKELEY shall pay an administrative fine to the Division in the total  
9 amount of \$22,345.50 - which includes a fine of \$20,000 for the violations of law and  
10 \$2,345.50 representing the total amount due for the Division's attorney's fees and costs -  
11 no later than 60 days from the date of this Order.

12 3. DRAKELEY shall pay restitution to the Association in the amount of  
13 \$75,634.19 no later than 60 days from the date of this Order.

14 4. The Division may institute debt collection proceedings for failure to timely pay  
15 the total fine, including action to reduce this Order to a judgment. Further, if collection  
16 goes through the State of Nevada, then DRAKELEY shall also pay the costs associated  
17 with collection.

18 Dated: March 22, 2019.

19 Commission for Common-Interest Communities  
20 and Condominium Hotels, Department of Business  
& Industry, State of Nevada

21  
22 By:   
James Rizzi, Vice-Chairman

23 Submitted by:  
24 AARON D. FORD  
Attorney General

25   
26 By: \_\_\_\_\_  
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