



Nevada State Contractors Board

STRATEGIC PLAN

**EXECUTIVE OFFICER REPORT
QUARTER TWO REPORT**

October 1 - December 31, 2018



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*

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

Happy New Year! It's almost comical nowadays to think about our mindset 20 years ago when everyone seemed to be concerned with Y2K, computer crashes, and other "doomsday" scenarios. In light of such adversarial conditions and the "unknowns" that were before us, society proved it would adapt with the changes of time and continue to advance in its abilities to meet the needs of the people.

Although we are on a much smaller scale, I believe the Contractors Board has demonstrated the same over the course of time. I came across our very first law book recently, which featured a total of 16 pages of statutes and regulations. Not only have we enhanced the standards of regulating the industry to promote public confidence among licensed Nevada contractors and best ensure the public is protected, but we have spent significant time and energy expanding and improving the free resources and services we make available to the public, applicants for licensure, and those within the construction industry.

Our technology advancements over the years have served as a catalyst for many of these initiatives, bringing transparency and direct access to information at the fingertips of our customers. Automated license renewal processes, downloadable and writeable forms and applications, instant access to license details and disciplinary history, and the development of video resources have improved the timeliness of our services and streamlined the way in which the Board can communicate vital information.

There will always be challenges that our Board will face, but one thing that never falters is our commitment to serve our customers and protect the public's health, safety, and welfare. We have remained consistent in our vision to be a model regulatory agency over the course of time, and we continue to take actions to make our services and licensing processes as welcoming and accessible as possible.

Whether we do so through regulatory changes, proposing amendments to existing laws, analyzing the effectiveness of our processes, or streamlining/clarifying our operations and resources, the Contractors Board looks forward to opportunities to adapt and progress in its abilities to meet the variety of needs of our customers.

Margi A. Klein

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Executive Officer Highlights

Governor Reappoints Members to Board (Goal 4)

On November 1, 2018, Governor Brian Sandoval reappointed Contractors Board members Joe Hernandez and Kent Lay to serve another three-year term through October, 21, 2021.

Executive Officer Attends National Occupational Licensing Consortium Meeting (Goals 1, 4, 5)

In November, Executive Officer Grein attended the second National Occupational Licensing Consortium meeting, which hosted representatives from 11 states participating in the three-year study to reduce barriers to licensure. The three-day forum afforded states an opportunity to hear various perspectives on regulatory reform, learn of efforts being undertaken in each participating state to reduce barriers to licensure, as well as further develop Nevada's strategic plan toward meeting the goals of the Consortium.

Legal Department Established (Goal 5)

Fulfilling its strategic objective, the Contractors Board welcomed Tim Geswein as General Counsel to oversee its newly established Legal Department. The addition of Geswein will aid the Board in streamlining its legal operations and response to requests, while affording the Board in-house counsel to tend to daily and complex matters that require legal attention.

Board Hosts Fourth Annual Western States Enforcement Forum (Goal 2)

In November, the Nevada State Contractors Board welcomed representatives from California, Oregon, and Washington Contractor Boards to its Fourth Annual Western States Enforcement Forum. The

day-long meeting provides enforcement personnel and executive management the opportunity to discuss investigative matters and trends of relevance to the western states. This year's meeting highlighted topics of residential solar construction, unlicensed contracting activities crossing state lines, challenges and opportunities faced by each State Board, trending construction-related scams and fraudulent activities, home warranty issues, complaints related to home remediation companies, and general personnel matters related to recruitment, training, and retention.

Commission on Construction Education Awards Funds (Goals 4 & 5)

The Commission on Construction Education met twice during the reporting period and awarded approximately \$85,000 to various educational, industry, and private organizations seeking to expand construction education initiatives among today's youth and professional workforce.

Fraud Unit Investigation Nets Felony Plea by Unlicensed Contractor (Goal 2)

The Board's Fraud Unit was notified that a case it investigated against an unlicensed contractor, which was referred to the Clark County District Attorney's Office, resulted in the alleged suspect pleading guilty to felony theft charges. The Board's case revealed over \$300,000 in false construction invoices were created and paid for during an 18-month period.

Board's Website to Undergo Improvements (Goal 3)

Steps were taken this quarter, which will allow staff to begin making design and content improvements to the Board's website. Such changes are likely to be implemented in phases in the months to come.

Executive Officer Highlights

National Occupational Licensing Consortium Ends First Year of Three-Year Study

In October 2017, Executive Officer Margi Grein was appointed by then Governor Brian Sandoval to serve as a member of Nevada's Core Team preparing to engage in a National Occupational Licensing Consortium.

ABOUT THE CONSORTIUM

- Three-year study funded by two \$7.5 million grants from the U.S. Department of Labor; further supported by the Council of State Governments, National Conference of State Legislatures, and the National Governor's Association.
- 11 states across the nation are each charged with establishing a state action plan aimed to reduce barriers to licensure and improve license portability.
- 34 occupational license professions across all sectors of employment are included in the study, -- Nevada's area of focus includes HVAC, plumbers, pipefitters, steamfitters, nursing assistants, and LPN/LVN professionals.
- Consortium will develop a clearinghouse of information on occupational licensing reform that is supported by quarterly and final reports submitted by each participating state.

NEVADA'S STATE ACTION PLAN

Since the first National Consortium meeting in December 2017, Nevada's Core Team has held seven meetings, including one meeting with industry stakeholders, to gather information, discuss the goals of the Consortium, and determine the scope of Nevada's State Action Plan.

Some of the key findings, include:

- Many of Nevada's occupational licensing Boards are unique -- some are large, high functioning Boards, while others are low-functioning, drastically smaller, and operate with scarce resources/staff.
- Many issues in occupational licensing revert back to a shortage in qualified workforce - not necessarily

the licensing process itself.

- Further investment in the development of career pathways for entry-level jobs to support workforce development is necessary.
- Consistency in data collection and reporting methods among Nevada's Occupational Licensing Boards is necessary.

HOW THE CONSORTIUM ADVANCES THE STRATEGIC INITIATIVES OF THE BOARD

The Contractors Board began taking proactive steps to address barriers to licensure and license portability following the 2017 Legislative Session. Below are a quick recap of the efforts that have been made to date:

- Pursued regulatory changes to allow for greater opportunities to license by endorsement from other states;
- Researched licensure requirements in every state and compiled a comprehensive list of all states where license by endorsement for trade exam and experience requirements would be considered;
- Worked with exam provider PSI to allow applicants to take Nevada trade and CMS exams at any of its locations nationwide;
- Pursuing a number of legislative changes that will reduce existing impediments to licensure.

WHAT'S NEXT

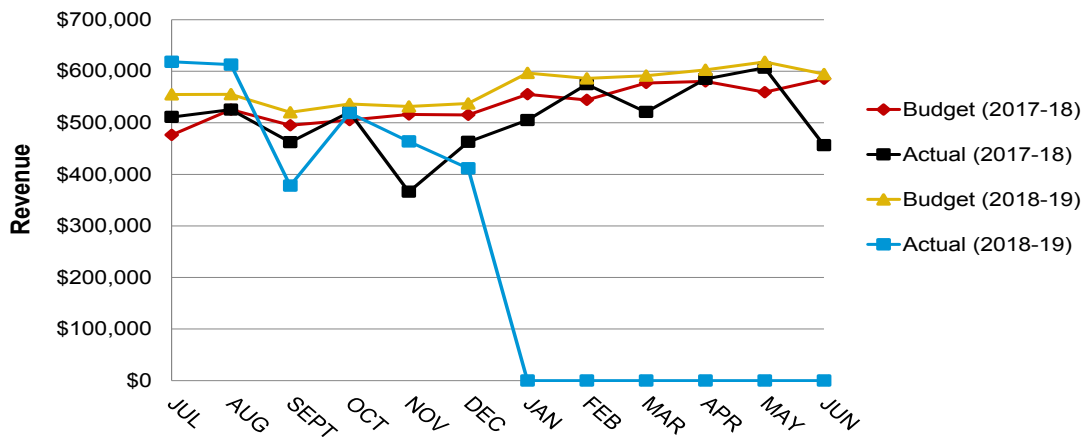
- Nevada received a \$450,000 grant from the U.S. Department of Labor to further the Consortium goals.
- The Governor's Office of Workforce Innovation will be conducting focus groups with applicants, agencies, and stakeholders to learn more about Nevada's occupational licensing processes and identify areas for improvement and ways to reduce barriers.

Data Dashboard

Budget (2017-18)	JULY-17	AUG-17	SEPT-17	OCT-17	NOV-17	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	TOTALS
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	\$39,584	\$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
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$476,348	\$525,450	\$495,152	\$505,148	\$516,150	\$515,252	\$555,248	\$544,250	\$577,252	\$580,248	\$559,250	\$585,252	\$6,435,000
Actual (2017-18)	JULY-17	AUG-17	SEPT-17	OCT-17	NOV-17	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	TOTALS
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	\$50,050	\$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	\$8,863	\$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
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$511,058	\$525,430	\$462,370	\$520,589	\$366,062	\$462,794	\$505,216	\$574,600	\$520,867	\$584,879	\$606,680	\$456,271	\$6,096,815
Variance (2017-18)	JULY-17	AUG-17	SEPT-17	OCT-17	NOV-17	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	TOTALS
License Renewals	\$64,880	\$1,230	\$15,981	\$46,300	(\$120,500)	(\$8,089)	(\$9,700)	\$56,100	(\$73,653)	\$11,200	\$36,700	(\$86,925)	(\$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)	(\$11,909)	(\$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)
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$34,710	(\$20)	(\$32,782)	\$15,441	(\$150,088)	(\$52,458)	(\$50,032)	\$30,350	(\$56,385)	\$4,631	\$47,430	(\$128,981)	(\$338,185)
Budget (2018-19)	JULY-18	AUG-18	SEPT-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	TOTALS
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
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$554,965	\$555,267	\$520,368	\$536,365	\$531,567	\$537,368	\$596,465	\$586,067	\$591,368	\$602,665	\$618,067	\$594,468	\$6,825,000
Actual (2018-19)	JULY-18	AUG-18	SEPT-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	TOTALS
License Renewals	\$412,800	\$381,600	\$237,540	\$354,000	\$275,400	\$257,300							\$1,918,640
New License Fee	\$76,200	\$93,600	\$28,800	\$62,400	\$73,800	\$32,400							\$367,200
Application Fee	\$41,400	\$48,600	\$46,500	\$45,000	\$54,600	\$46,200							\$282,300
License Changes	\$42,425	\$40,350	\$35,475	\$33,575	\$34,150	\$35,075							\$221,050
Investigative Recov Costs	\$32,230	\$37,526	\$21,335	\$13,889	\$18,644	\$26,766							\$150,390
Renewal Late Fees	\$7,500	\$6,000	\$6,113	\$6,825	\$5,025	\$7,428							\$38,890
Renewal Inactive Fee	\$5,700	\$5,100	\$2,325	\$3,300	\$2,100	\$6,600							\$25,125
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$618,255	\$612,776	\$378,088	\$518,989	\$463,719	\$411,769	\$0	\$0	\$0	\$0	\$0	\$0	\$3,003,595
Variance (2018-19)	JULY-18	AUG-18	SEPT-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	TOTALS
License Renewals	\$62,800	\$31,600	(\$77,460)	\$24,000	(\$50,600)	(\$74,700)	(\$390,000)	(\$380,000)	(\$385,000)	(\$395,000)	(\$410,000)	(\$387,000)	(\$2,431,360)
New License Fee	\$9,534	\$26,933	(\$37,867)	(\$4,266)	\$7,133	(\$34,267)	(\$66,666)	(\$66,667)	(\$66,667)	(\$66,666)	(\$66,667)	(\$66,667)	(\$432,800)
Application Fee	(\$8,600)	(\$1,400)	(\$3,500)	(\$5,000)	\$4,600	(\$3,800)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$317,700)
License Changes	\$759	(\$1,317)	(\$6,192)	(\$8,091)	(\$7,517)	(\$6,592)	(\$41,666)	(\$41,667)	(\$41,667)	(\$41,666)	(\$41,667)	(\$41,667)	(\$278,950)
Investigative Recov Costs	(\$1,103)	\$4,193	(\$11,999)	(\$19,444)	(\$14,689)	(\$6,568)	(\$33,333)	(\$33,333)	(\$33,334)	(\$33,333)	(\$33,333)	(\$33,334)	(\$249,610)
Renewal Late Fees	\$0	(\$1,500)	(\$1,388)	(\$675)	(\$2,475)	(\$73)	(\$7,500)	(\$7,500)	(\$7,500)	(\$7,500)	(\$7,500)	(\$7,500)	(\$51,110)
Renewal Inactive Fee	(\$100)	(\$1,000)	(\$3,875)	(\$3,900)	(\$4,300)	\$400	(\$7,300)	(\$6,900)	(\$7,200)	(\$8,500)	(\$8,900)	(\$8,300)	(\$59,875)
TOTALS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	\$63,290	\$57,509	(\$142,280)	(\$17,376)	(\$67,848)	(\$125,599)	(\$596,465)	(\$586,067)	(\$591,368)	(\$602,665)	(\$618,067)	(\$594,468)	(\$3,821,405)

Data Dashboard

**Application, Renewal & Cost Recovery Revenue
(FISCAL YEARS 2017-18 / 2018-19)**



OCTOBER TO DECEMBER 2018	
Licenses (Beginning of Quarter)	16,294
New Licenses Issued	332
Licenses Cancelled / Surrendered /Revoked	(183)
Variance in Suspended/Reinstated Licenses	(16)
Licenses (End of Quarter)	16,427
# of Licenses on Oct 1, 2018	16,294
# of Licenses on Dec 31, 2018	16,427
Net YTD (Fiscal Year)	
Licenses Gained / Lost	133
Renewal Revenue Gained / Lost	\$79,800
<i>*Does not include suspended licenses</i>	

LICENSING FEE TOTALS (FY 2018-2019)			
LICENSING FEES	2nd QUARTER BUDGET	2nd QUARTER ACTUAL	VARIANCE
License Renewals	988,000	886,700	(101,300)
New License Fee	200,000	168,600	(31,400)
Application Fee	150,000	145,800	(4,200)
License Changes	125,000	102,800	(22,200)
Invest Recov Costs	100,000	59,299	(40,701)
Renewal Late Fees	22,500	19,278	(3,222)
Renewal Inactive Fee	19,800	12,000	(7,800)

90 Day Retention Rate			
Projected Year-End Retention Rate	Oct 2018	16,294	
	Cancellations	(183)	(1.11%)
	New Licenses	332	2.02%
	Susp/Reinstate	(16)	(0.10%)
	Dec 2018	16,427	
	Change	133	
3 Month	% Change	0.81%	

180 Day Retention Rate			
Projected Year-End Retention Rate	July 2018	16,154	
	Cancellations	(386)	(2.35%)
	New Licenses	689	4.19%
	Susp/Reinstate	(30)	(0.18%)
	Dec 2018	16,427	
	Change	273	
6 Month	% Change	1.66%	

Licensing Department

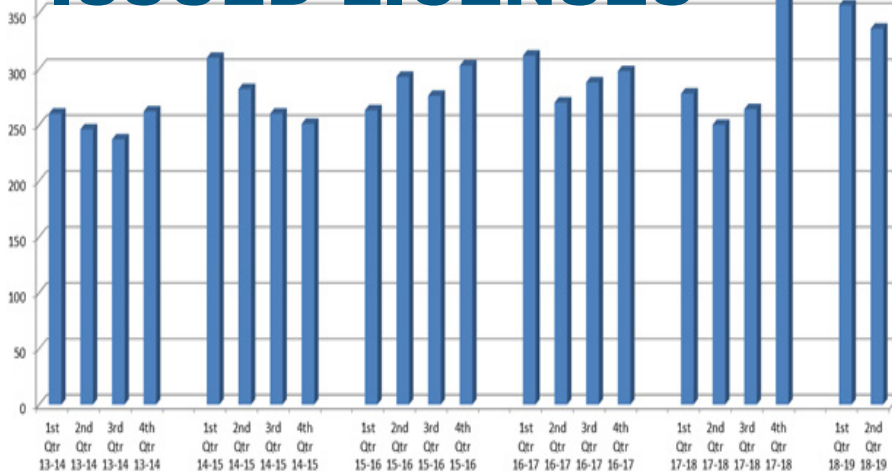
QUARTERLY STATS

- New License Apps: 498 (+29%)
- Issued Licenses: 332 (+33%)
- Change Apps: 615 (+8%)
- Active Licenses: 15,785 (+3%)
- Inactive Licenses: 642 (-4%)
- Placed on Inactive Status: 35 (-13%)
- Voluntary Surrender: 69 (-26%)

QUARTERLY STATS

- Active License Renewals: 1,666 (+8%)
- Inactive License Renewals: 47 (-28%)
- License Suspensions (no bond): 162 (-20%)
- Licenses Cancelled: 120 (-49%)
- Application Denial Hearings: 4 (-33%)
- Financial Responsibility Hearings: 3 (-50%)

ISSUED LICENSES



Trending Growth in Applications Reflected in Exam Data

During the Second Quarter, 405 construction management survey (CMS) exams and 425 technical exams were administered, reflecting an **increase of 105%** for the number of CMS exams and an **increase of 89%** for number the technical exams

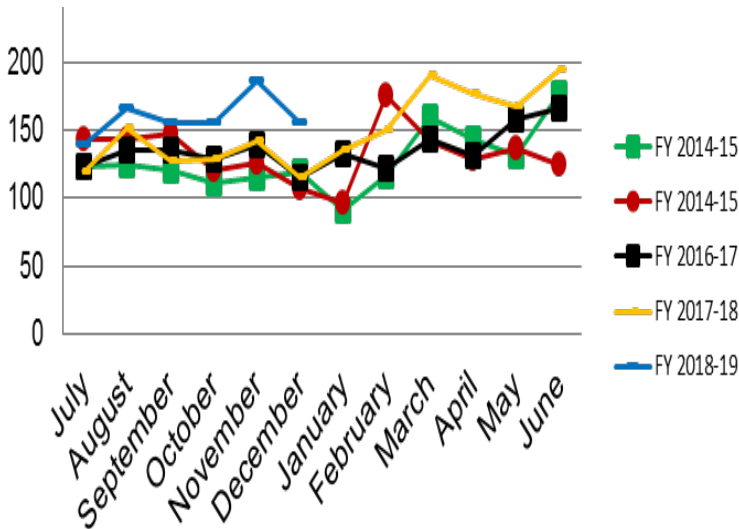
ACTIVE LICENSE RENEWALS

	FY 2016-2017	FY 2017-2018	FY 2018-2019
October	529	702	612
November	505	430	473
December	508	415	581
TOTAL	1,542	1,547	1,666

51% of licensees renewed their license online this quarter, which represents an 18% increase compared to the second quarter of FY 2017-2018!

Licensing Department

New License Applications



10 Most Applied for License Classifications in 2nd Quarter

PRIMARY CLASSIFICATION	IN-STATE	OUT-OF-STATE	TOTAL
B - General Building	56	60	116
A - General Engineering	24	33	57
C-2 Electrical	23	30	53
C-3 Carpentry, Maintenance, and Minor Repairs	30	10	40
C-4 Painting and Decorating	21	10	31
C21 - Refrigeration and Air Conditioning	22	5	27
C10 - Landscape Contracting	18	5	23
C14 - Steel Reinforcing and Erection	12	11	23
C-1 Plumbing and Heating	13	9	22
C-5 Concrete Contracting	12	3	15



Board Meets with Industry to Discuss Certification of C-7 Contractors

The NSCB met with representatives of the Building Trades Council and International Union of Elevator Constructors relative to concerns that elevator companies were performing work without required certifications. Notification was provided to all C-7 licensees concerning additional certification requirements by the Department of Industrial Relations for work related to residential and commercial elevators.

Rulemaking was initiated to amend NAC 624 to expand and clarify types of experience documentation and clarify language concerning employees. Notification concerning the proposed changes were included in the agency's newsletter along with information requesting participation in the small business impact study survey.



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.



Fingerprints Submitted	1,108
Total fingerprints returned with criminal histories	266
Total fingerprints returned without criminal histories	842
Criminal Histories	24%

2nd Quarter Background Check Results

- 45 Background investigations initiated
 - 9 Investigations pending
 - 43 Investigations closed
- 4 Administrative Citations issued for misrepresentation
 - \$2,000 in fines
 - \$917 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 30 applicants interviewed for this purpose during the reporting period, 22 (73%) were recommended for approval of licensure and 8 (27%) 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

621 Complaints Opened

- 208 Workmanship (33%)
- 76 Money Owing (12%)
- 109 Industrial Regulation (18%)
- 137 Contracting without a License (22%)
- 89 Unlawful Advertising (14%)
- 2 Criminal Fraud (<1%)

106 Citations Issued

- 73 Administrative Citations issued to licensed contractors
 - \$102,900 in Fines
 - \$30,153 in Costs
- 11 Administrative Citations issued to unlicensed contractors
 - \$13,000 in Fines
 - \$5,229 in Costs
- 22 Criminal Citations

49 Disciplinary Hearings

- 10 Licenses Revoked
- 45 Cases assessed fines & costs
 - \$281,850 in Fines
 - \$25,924 in Costs

39 Criminal Affidavits Filed with District Attorney Offices

63 Cease & Desist Orders Issued to Unlicensed Contractors

Homeowner's Proactive Efforts Afforded Him Opportunity to Cancel Solar Contract

During the quarter, the Board met with a homeowner who had entered into a contract and finance agreement for solar panels at his residence in southern Nevada. After communication with the solar entity became intermittent and progress on the project was not consistent with what he was told to expect, the homeowner became concerned when demands for a \$10,000 payment was being requested.

In an unusual twist, the homeowner successfully cancelled his finance agreement with the bank, verified with NV Energy that no solar plans were submitted for approval, and because of his research and documentation, he was able to negotiate a settlement with the solar entity to repay them for the cost of permitting fees and related inspections in order to cancel the contract unharmed.

Fraud Investigation Results in Felony Plea

The Board's Fraud Unit conducted an extensive investigation into suspected fraudulent activities after a motorcycle dealer's parent company realized a series of checks for repair and construction work at the local dealership were being issued over an 18-month period.

During its investigation, the Board found that an unlicensed contractor, Ronen Benkel, and shop manager, Eric Jacobsen, conspired to defraud the store of \$300,000 in fake construction invoices. The months-long investigation resulted in 27 counts of felony theft. After internal investigations yielded no results, the company was informed that the NSCB'S Fraud Unit might be able to help and filed a complaint with the Board.

Investigators found that about 40 percent of the payments Benkel received were deposited into Jacobsen's personal bank account. Benkel, who had fled to Israel, was arrested upon his return. The Clark County District Attorney's office approved the charges and obtained the plea deal on Nov. 30. Conditions dictate the defendants will plead guilty to one count of Class B felony and pay \$300,000 in restitution. Failure to pay back the money could result in prison time. Class B felony theft carries potential prison time of 3 to 10 years.

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.

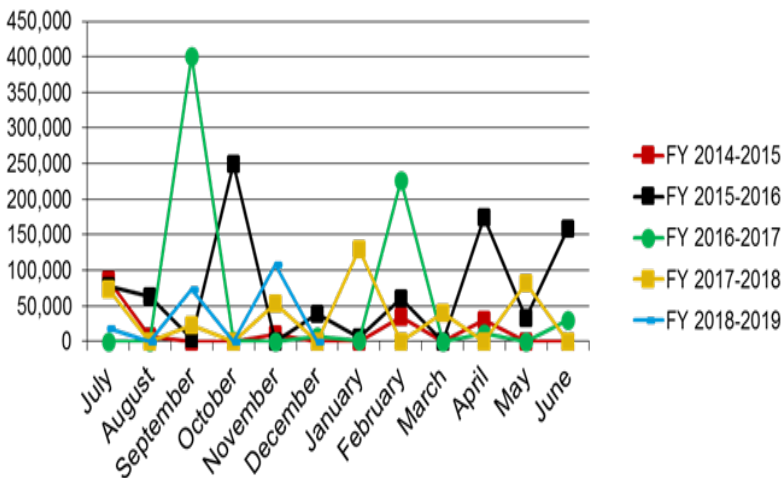
QUARTER IN REVIEW

- 56 Cases opened
- 10 Cases awarded \$107,415
- Average award = \$10,742
- 1 Case denied
- Recovery Fund balance as of December 31, 2018 is \$6.5 million

Highlights from Claims Awarded to Homeowners During 2nd Quarter

- \$35,000 was awarded to one claimant who had a lien placed on their property by an equipment rental company when the contractor failed to pay for machinery. The property owner paid the rental company, and the lien was removed.
- Three homeowners received a total of \$40,370 (\$20,000, \$18,000 and \$2,370) after the Board found no work was performed by their contractor after taking payments for kitchen and condominium remodeling projects.
- Two claimants who had entered into contracts with a renewable energy contractor received \$11,700 and \$6,250, respectively, for down payments on solar batteries that were never installed. Another homeowner was awarded more than \$18,000 at July's Recovery Fund hearing.

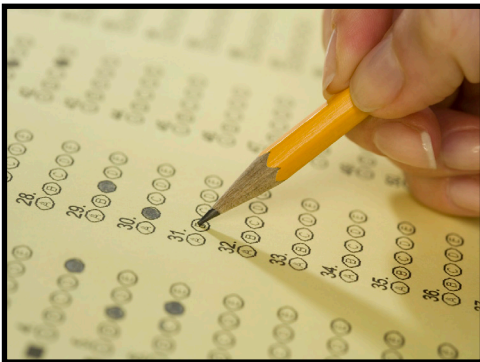
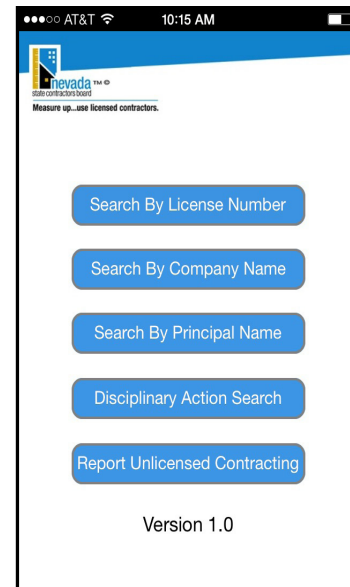
Recovery Fund Claims Amount Paid



Information Technology

NSCB's Mobile Application Currently in Development Stage

Progress continues to be made on the Board's mobile application, which required redesign after the new licensing and enforcement database platform was launched. During the quarter, the mobile application completed its development phase and is now moving into a testing stage, which will occur for both Android and Apple products.



Database upgrades to improve management of exam-related information

During the quarter, Information Technology worked to improve the exam interface within the Board's licensing and enforcement database, which will provide for easier management of exam-related information from the Board's exam provider, PSI. The work that was initiated is now in a testing phase to be able to identify any areas that require further troubleshooting.

Public Information Office

Board Participates in 2018 Construction Career Day

The Nevada State Contractors Board welcomed the opportunity to participate in the 2018 Construction Career Day put on by the Nevada Contractors Association at the University of Nevada, Las Vegas campus. The event brings out more than 1,000 students across southern Nevada for a hands-on learning experience and exposure to various careers in construction. The Board's presence at such events helps provide students with information on obtaining licensure later in their careers, and sharing with them the important value the industry brings to the State of Nevada.



Fire Station Events Connect NSCB & State/Local Agencies to Community in BIG ways



Winter Scam Warnings, Property Management Outreach, & Website Plans

During the quarter, the Contractors Board updated northern Nevada residents about construction-related scams and unlicensed contractors seeking to take advantage of unsuspecting homeowners. The Public Information Office also partnered with Enforcement to provide a property management group in southern Nevada with a presentation on properly vetting licensed contractors before hiring them, which includes an overview of the Board's proactive and responsive services, detailed understanding of license information as it relates to soliciting bids and reviewing contracts, as well as an opportunity for attendees to ask specific questions on issues that frequently arise in their day-to-day interactions with contractors. Lastly, the PIO worked with IT to establish working pathways to begin making content and design upgrades to the Board's website.

Looking Forward - Quarter 3

The second half of Fiscal Year 2018-19 will be primarily focused on the 2019 Legislative Session and actively monitoring and participating in various legislative committee hearings as bills are introduced and discussed by legislators.

In support of this effort, the Board will be working with industry groups, meeting with members of the Legislature, and providing responses to inquiries as they arise with regard to the four legislative items being carried on behalf of the Board. The proposals we are seeking to pass include a number of statutory changes to reduce barriers to licensure, clean up outdated language, provide for greater due process rights, increase the payout amounts from the Residential Recovery Fund to better aid consumers in their time of need, and other changes that intend to improve the application of certain license classifications.

As we embark on this journey beginning in February, the Board will continue to carry out its normal course of business, while also focusing our efforts on researching and compiling a list of best practices related to the Board's operations. These recommendations will be presented to the Board for their discussion and consideration in adopting new or streamlined ways of doing business.

It's going to be another eventful quarter, so stay tuned!



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