

Arizona Registrar of Contractors

Newsletter, October 2015



Director's Note

Predictability and consistency.

These are among the characteristics the Agency expects of contractors through the professional industry standards and they are what the industry, the public, and I expect from the Agency.

For far too long, AZ ROC has operated with little to no predictability, direction or certain policy when making decisions on a variety of matters.

The solution? AZ ROC's Legal Department has taken upon themselves the task of developing a variety of substantive policy statements.

A substantive policy statement is a specific kind of document defined by Arizona law under Title 41. Under law, it must be published on the agency's website and in *The Register* published by the Arizona Secretary of State, so it's a very public document – which is the point.

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AZ ROC by the Numbers

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Most Wanted Unlicensed Entities

Click [here](#) to visit the Most Wanted at [azroc.gov](#).

Compliance Investigators Sweep Maricopa County Home Show

Investigators with the Arizona Registrar of Contractors (AZ ROC) performed sweeps to check license and advertising compliance of individuals participating in the Maricopa County Home Show as contractors, earlier this month.

These sweeps resulted in the issuance of several Cease and Desist Orders for those not licensed, education for licensed contractors advertising out of compliance, and allegations of identity theft for one individual.

Over a three day period, Investigators reported encountering individuals at 17 booths who were unlicensed entities or licensed contractors advertising improperly while at the home show. To note, the 17 listed in reports only recorded those individuals found or initially believed to not be in compliance. Services offered by those contacted included roofing, flooring, remodeling, shutter installing and landscaping.

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Essentially, these statements enable an agency to advise the public about the agency's interpretation of a law or about the agency's approach to a law. A substantive policy statement is useful, because it allows the agency to give the public certainty and direction regarding various matters and issues.

Since I described what it is, let me clarify what a substantive policy statement is not. A substantive policy statement is not a rule or a law. In other words, it is not a document that can add a duty or an obligation that is not already in the law. Instead, a substantive policy statement is the agency's attempt to say what it thinks the law is and what the law requires. It is also an agency's chance to explain how it approaches the law and the practical consequences of the law.

An example of a substantive policy statement, and one that may initially seem forthright, is when the Agency considers the filing of a written answer to a legal citation to be late and subject to a default decision and order.

In this example of a substantive policy statement, which is currently being drafted and reviewed, the Agency will discuss and account for – among other topics – the number of days considered for proper service of mailing the citation to a respondent, how the Agency calculates the number of days when considering holidays and weekends, and whether extensions are permitted with written answer due dates.

Substantive policy statements are intended to provide direction a variety of audiences, in- and out-side of the Agency. Undeniably, and reasonably so, these documents will take a considerable amount of time to develop and the Agency will seek input from within and from without the agency.

Our Legal team has taken this monumental task upon themselves and I believe it will be of a great service to all involved with the contracting industry.

Over the next months and years, as we publish these substantive policy statements, we will ensure the public is aware of their existence by attaching them to newsletters, publishing them on the agency website, and sending them to the Secretary of State for publication in *The Register*.

Sincerely,



Jeff Fleetham, Director
Arizona Registrar of Contractors

Friday, Oct. 2 through Sunday, Oct. 4, 2015, AZ ROC Investigators performed sweeps of the home show held at Arizona State Fairgrounds to ensure advertising and licensing compliance.

Friday, Oct. 2, six booths were recorded as being out of compliance, three relating to contractors not listing their AZ ROC license number or using the ROC's seal without permission and the remaining three were unlicensed entities.

Of the six, reports state individuals were not present at two of the booths, one exhibiting an unlicensed entity and one exhibiting use of the AZ ROC seal. Therefore, investigators attempted to follow-up the next day.

The two licensed contractors not displaying their AZ ROC license number on advertisements, banners, and business cards were present and educated as to their statutory need to display their ROC number. The remaining two were unlicensed entities, one of which appeared to be a supplier of wall beds illegally subcontracting installation work and the other stated he had a license pending, but after being told Investigators checked and could not confirm the purported pending license, he abruptly left and did not return Friday.

Saturday, Oct. 3, the two booths with individuals not present from Friday were revisited. Investigators issued a Cease and Desist Order to the unlicensed entity and educated the licensed contractor as to his inability to use the agency's seal.

An additional seven booths were noted within the report, five as advertising without a license and two for using the AZ ROC Seal. One of those believed to be advertising without a license proved to be licensed and another was simply a supplier, therefore not requiring a license. The remaining not associated with any license and is an unlicensed entity.

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AZ ROC by the Numbers

- **36,802 Active Licenses**
- **Approximately 37 Days to Issue a New License, on Average** (March '15–October '15)
- **1,229 Unlicensed Entity Complaints Filed, YTD**
 - **1,230 Unlicensed Entity Complaints Closed, YTD** (includes cases filed from the prior year, so may be higher than number filed YTD)
- **4,737 Complaints Closed with 4,306 Complaints Filed, YTD** (includes both licensed and unlicensed complaints; Closed Complaints includes cases filed from the prior year, so may be higher than number filed YTD)
- **233 Investigations Submitted for Prosecution, YTD**
- **250 Number of Claims filed with AZ ROC Residential Recovery Fund, YTD**
- **88 Open Recovery Fund Claims, Current**

	Unlicensed Complaints	Licensed Complaints
Cochise	12	28
Coconino	17	25
Gila	9	19
Graham	1	4
La Paz	3	3
Maricopa	751	2294
Mohave	25	94
Navajo	6	23
Pima	123	280
Pinal	24	76
Santa Cruz	3	3
Yavapai	50	123
Yuma	36	46

Investigators reached out to the licensed contractor and were three, however, were served Cease and Desist Orders and Investigators ensured compliance.

Sunday, Oct. 4, four final exhibitors were contacted for violations. Three of these were licensed contractors not displaying the ROC license number but the remaining contact on Sunday involved an unlicensed individual using the name and number of a licensed contractor without their knowledge.

After receiving information of an individual suspiciously using two companies AZ ROC investigators noticed James David Aksamit, 53 of Phoenix, was advertising both licensed and unlicensed names at his booth. According to the Official Departmental Report associated with this case, Aksamit is told they had not used home shows to advertise for years and investigators learned "JD – The Pergola Guy" had been involved with multiple advertising without a license complaints before.

A \$1,500 civil fine and Cease and Desist order were issued against Aksamit and he came into compliance for the remainder of the show.

Informing consumers of license numbers and allowing them to easily check credentialing is essential to them making informed decisions.

As a reminder, Arizona Revised Statute §32- 1124(B) requires that all advertising by a licensed contractor include the contractor's license number preceded by the acronym "**ROC**", for example, ROC 123456. A license number is always six digits and may contain leading zeros.

In addition to the license number disclosure in advertising, license numbers **are required** to be posted in a conspicuous place on premises where any work is being performed, and shall be placed on all documents used by the licensee in the regular conduct of business. This includes, but is not limited to, written bids, letterhead, loan forms, and business cards.

For individuals operating under the "handyman exemption," Arizona Revised Statute §32-1121(A)(14), subparagraph (c), requires that any advertising include the phrase "**Not a Licensed Contractor**".

AZ ROC Investigators have performed home show sweeps in the past and will continue to perform these checks around Arizona.

A toll-free (**within Arizona only**) telephone number is available to connect directly to the Main Office in Phoenix.

877-MY AZROC (877-692-9762)

Phoenix Office

1700 W. Washington St. Suite 105 | Phoenix, Arizona 85007-2812 Telephone: (602) 542-1525 | FAX: (602) 542-1599

Free public parking is located west of the building off 19th Avenue and Jefferson. A few spaces reserved for ROC customers are located on the north side of the lot. Visitors may also park in any of the unmarked spaces. Enter the building through the west-facing doors of the State Capitol Executive Tower.

Tucson Office

400 W. Congress St., Ste. 212 | Tucson, Arizona 85701-1353 Telephone: (520) 628-6345 | FAX: (520) 628-6588

Directions: Northwest corner of West Congress and Granada.

