

Konrad Jackson

From: Eric Clark <manfrommars@gci.net>
Sent: Friday, February 20, 2015 11:32 AM
To: Konrad Jackson
Subject: FW: Maybe HB 81 Can be amended
Attachments: Owner Builder Affidavit_ Revised 3_1_2011.pdf

Hello Konrad

I had sent this to Ms. Tilton a couple of weeks ago, I think something along this line would help to identify owner builders and put in place a way for the state to track owner builders vs unlicensed contractors.

From: Eric Clark [<mailto:manfrommars@gci.net>]
Sent: Friday, January 30, 2015 9:36 PM
To: 'Representative.Cathy.Tilton@akleg.gov'
Subject: HB 81

Hello Ms. Tilton

The below link is to information pertaining to the Nevada statutes for owner builders. The attached form is a copy of the Nevada owner builder affidavit. Something such as this is along the same lines as the suggestion I fielded to you in our phone conversation.

<http://www.nvcontractorsboard.com/owner-builder.html>

Thank-You

Eric & Rae Clark



NEVADA STATE CONTRACTORS BOARD

9670 GATEWAY DRIVE, SUITE 100, RENO, NEVADA, 89521 (775) 688-1141 FAX (775) 688-1271, INVESTIGATIONS (775) 688-1150
2310 CORPORATE CIRCLE, SUITE 200, HENDERSON, NEVADA, 89074 (702) 486-1100 FAX (702) 486-1190, INVESTIGATIONS (702) 486-1110
www.nscb.state.nv.us

NRS 624.031 Applicability of chapter: Exemptions. The provisions of this chapter do not apply to:

4. An owner of property who is **building or improving a residential structure on the property for his own occupancy and not intended for sale or lease**. The sale or lease, or the offering for sale or lease, of the newly built structure within 1 year after its completion creates a rebuttable presumption for the purposes of this section that the building of the structure was performed with the intent to sell or lease that structure. An owner of property who requests an exemption pursuant to this subsection must apply to the board for the exemption. The board shall adopt regulations setting forth the requirements for granting the exemption.

If you are seeking an exemption from licensure pursuant to NRS 624.031(4) you must complete the following affidavit, obtain the required signatures, and submit the original to the building department with your application for a building permit.

OWNER BUILDER AFFIDAVIT OF EXEMPTION

I hereby certify that I am the owner of the property listed below, and that I am building or improving a residential structure on this property for my own occupancy and do not intend to sell or lease the property.

Parcel Number: _____ Description of Work: _____ Type of Permit _____

I further acknowledge **and initial** the following obligations and duties:

- ☐ I may not sell or lease this property. If I sell or lease, or offer to sell or lease this property within 1 year after completion, it may be presumed that I have violated the provisions of this exemption and Chapter 624 of NRS.
- ☐ **I MAY NOT HIRE AN UNLICENSED PERSON TO ACT AS MY CONTRACTOR, AGENT, OR CONSTRUCTION MANAGER.**
- ☐ I must directly supervise the construction.
- ☐ Any subcontractor(s) working on this project must be properly licensed by the Nevada State Contractors Board.
- ☐ **Any person working on my project who is not a licensed contractor must work under my direct supervision and must be employed by me. I must comply with all State and Federal laws as an employer in the State of Nevada, including payroll deductions (FICA and income tax withholding), provide industrial insurance coverage, and pay the required unemployment compensation for that employee.**
- ☐ If my project requires the repair, restoration, improvement or construction of a pool or spa, I acknowledge my obligation and duty to comply with the provisions of NRS 624.900 through NRS 624.930 (inclusive).
- ☐ Identify your consultant or construction manager. _____
- ☐ I acknowledge that I have received copies of NRS 624.900 through NRS 624.930 (inclusive) and NRS 278.573.

I have read the above owner builder affidavit of exemption and certify that the information provided is true and correct to the best of my knowledge. I certify under penalty of perjury to the truth and accuracy of all statements contained herein.

Dated this _____ day of _____, _____

Legal Owner of Residential Property (Signature)

(Print Name)

Location of Single Family Residence

City State Zip

Telephone #:



NEVADA STATE CONTRACTORS BOARD

Submitted by Eric Clark

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EXEMPTION & DISCLOSURES

NRS 624.031

NRS 624.031 Applicability of chapter: Exemptions. The provisions of this chapter do not apply to:

1. Work performed exclusively by an authorized representative of the United States Government, the State of Nevada, or an incorporated city, county, irrigation district, reclamation district, or other municipal or political corporation or subdivision of this State.

2. An officer of a court when acting within the scope of his or her office.

3. Work performed exclusively by a public utility operating pursuant to the regulations of the Public Utilities Commission of Nevada on construction, maintenance and development work incidental to its business.

4. An owner of property who is building or improving a residential structure on the property for his or her own occupancy and not intended for sale or lease. The sale or lease, or the offering for sale or lease, of the newly built structure within 1 year after its completion creates a rebuttable presumption for the purposes of this section that the building of the structure was performed with the intent to sell or lease that structure. An owner of property who requests an exemption pursuant to this subsection must apply to the Board for the exemption. The Board shall adopt regulations setting forth the requirements for granting the exemption.

5. Any work to repair or maintain property the value of which is less than \$1,000, including labor and materials, unless:

(a) A building permit is required to perform the work;

(b) The work is of a type performed by a plumbing, electrical, refrigeration, heating or air-conditioning contractor;

(c) The work is of a type performed by a contractor licensed in a classification prescribed by the Board that significantly affects the health, safety and welfare of members of the general public;

(d) The work is performed as a part of a larger project:

(1) The value of which is \$500 or more; or

(2) For which contracts of less than \$500 have been awarded to evade the provisions of this chapter; or

(e) The work is performed by a person who is licensed pursuant to this chapter or by an employee of that person.

6. The sale or installation of any finished product, material or article of merchandise which is not fabricated into and does not become a permanent fixed part of the structure.

7. The construction, alteration, improvement or repair of personal property.

8. The construction, alteration, improvement or repair financed in whole or in part by the Federal Government and conducted within the limits and boundaries of a site or reservation, the title of which rests in the Federal Government.

9. An owner of property, the primary use of which is as an agricultural or farming enterprise, building or improving a structure on the property for his or her use or occupancy and not intended for sale or lease.

10. Construction oversight services provided to a long-term recovery group by a qualified person within a particular geographic area that is described in a proclamation of a state of emergency or declaration of disaster by the State or Federal Government, including, without limitation, pursuant to [NRS 414.070](#). A long-term recovery group may reimburse such reasonable expenses as the qualified person incurs in providing construction oversight services to that group. Except as otherwise provided in this subsection, nothing in this subsection authorizes a person who is not a licensed contractor to perform the acts described in paragraphs (a) and (b) of subsection 1 of [NRS 624.700](#). As used in this subsection:

(a) "Construction oversight services" means the coordination and oversight of labor by volunteers.

(b) "Long-term recovery group" means a formal group of volunteers coordinating response and recovery efforts related to a state of emergency or disaster that is proclaimed or declared by the State or Federal Government.

(c) "Qualified person" means a person who possesses the abilities, education, experience, knowledge, skills and training that a long-term recovery group has identified as being necessary to provide construction oversight services for a project to be performed by that group.

[1:Art. III:186:1941; A 1951, 47] + [2:Art. III:186:1941; 1943 NCL § 1474.14] + [3:Art. III:186:1941; A 1951, 47] + [4:Art. III:186:1941; A 1947, 307; 1951, 47] + [5:Art. III:186:1941; 1931 NCL § 1474.17] + [6:Art. III:186:1941; 1931 NCL § 1474.18] + [7:Art. III:186:1941; A 1951, 47] + [9:Art. III:186:1941; A 1947, 307; 1943 NCL § 1474.21]—(NRS A 1975, 1167; 1987, 1730; 1989, 1629; 1997, 2019, 3162; [2001, 2409](#); [2007, 855](#); [2009, 763](#))

NAC 624.015 & 624.017

NAC 624.015 Exemption for owner-builder: Procedure. ([NRS 624.031](#), [624.100](#))

1. To apply for an owner-builder exemption from the provisions of [chapter 624](#) of NRS pursuant to subsection 4 of [NRS 624.031](#), an owner of property must submit an Owner-Builder Disclosure Statement to:

- (a) The Board; and
- (b) The local building official responsible for issuing the permit for the work that will be the subject of the exemption.

2. If the Owner-Builder Disclosure Statement submitted pursuant to subsection 1 is completed fully and accurately, and signed by the applicant under penalty of perjury, the Board will approve the owner-builder exemption.

3. Unless the Board notifies the applicant within 10 days after he submits the Owner-Builder Disclosure Statement to the Board that the owner-builder exemption is denied, the owner-builder exemption shall be deemed to have been approved by the Board.

4. If the Board denies an application for an owner-builder exemption, the Board will, within 10 days after the applicant submits the Owner-Builder Disclosure Statement to the Board:

- (a) Notify the applicant that the owner-builder exemption is denied; and
- (b) Set forth the reasons for the denial.

5. If the applicant is notified pursuant to subsection 4 that the owner-builder exemption is denied, the applicant may submit supplemental materials to the Board regarding the application for an owner-builder exemption.

6. If it appears to the satisfaction of the Board that the materials submitted pursuant to subsection 5 satisfy the reasons for the denial of the owner-builder exemption, the Board may approve the owner-builder exemption.

7. As used in this section, "Owner-Builder Disclosure Statement" means the form adopted by the Board pursuant to [NAC 624.017](#).

(Added to NAC by Contractors' Bd. by R047-03, eff. 12-4-2003)

NAC 624.017 Exemption for owner-builder: Owner-Builder Disclosure Statement. ([NRS 624.031](#), [624.100](#))

1. The Board will adopt a form for the Owner-Builder Disclosure Statement.

2. The form must include, without limitation:

(a) The name, mailing address, physical address and telephone number of the owner of property applying for the owner-builder exemption from the provisions of [chapter 624](#) of NRS pursuant to subsection 4 of [NRS 624.031](#);

(b) The county where the property that will be subject to the owner-builder exemption is located;

(c) The parcel number of the county assessor for the property;

(d) A description of the work to be performed on the property;

(e) With regard to the work described in paragraph (d), the type of permit for which the owner of property is, or will be, applying;

(f) A description of the basis for the owner-builder exemption; and

(g) A declaration, to be signed under penalty of perjury by the owner of property submitting the form, stating that:

(1) The owner of property owns the property and is building or improving a residential structure on the property for his own occupancy and not intended for sale or lease;

(2) The information contained in the Owner-Builder Disclosure Statement is accurate and complete; and

(3) The owner of property will comply with all applicable statutes, regulations, ordinances and codes.

(Added to NAC by Contractors' Bd. by R047-03, eff. 12-4-2003)

NRS 624.900 – 624.930

NRS 624.900 Definitions. As used in [NRS 624.900](#) to [624.965](#), inclusive, unless the context otherwise requires, the words and terms defined in [NRS 624.905](#), [624.910](#) and [624.915](#) have the meanings ascribed to them in those sections.

(Supplied in revision)

NRS 624.905 “Contract” defined. “Contract” means any contract or agreement in which a contractor agrees to perform work concerning a residential pool or spa.

(Added to NRS by 1997, 2698; A [2001, 2977](#); [2005, 2377](#))—(Substituted in revision for part of NRS 597.713)

NRS 624.910 “Contractor” defined. “Contractor” means a person licensed pursuant to the provisions of this chapter who performs work concerning a residential pool or spa.

(Added to NRS by 1997, 2698; A [2001, 2977](#); [2005, 2377](#))—(Substituted in revision for part of NRS 597.713)

NRS 624.915 “Work concerning a residential pool or spa” defined.

1. “Work concerning a residential pool or spa” means any of the following acts, if performed for a fee:

(a) The design, construction, repair, maintenance, restoration, alteration or improvement of any residential swimming pool or spa, regardless of use, including the repair or replacement of existing equipment or the installation of new equipment, as necessary; or

(b) Any consultation or supervision concerning such work.

2. The scope of such work includes layout, excavation, operation of construction pumps for removal of water, steelwork, construction of floors, installation of gunite, fiberglass, tile and coping, installation of all perimeter and filter piping, installation of all filter equipment and chemical feeders of any type, plastering of the interior, construction of decks, installation of housing for pool equipment and installation of packaged pool heaters.

3. The scope of such work also includes the installation of plumbing, including, without limitation, connections to potable water, and the installation of gas lines if the contractor holds classifications for such work pursuant to [NRS 624.925](#).

(Added to NRS by 1997, 2698; A [2001, 2977](#); [2005, 2377](#))—(Substituted in revision for part of NRS 597.713)

NRS 624.920 License or other authorization required to perform work concerning residential pool or spa. A person shall not, directly or indirectly, perform or offer to perform, for a fee, any work concerning a residential pool or spa or any consultation or supervision concerning such work or otherwise hold himself or herself out as being able to perform such acts for a fee, unless the person holds:

1. A license as a contractor or subcontractor under state law which authorizes the person to perform such acts for a fee; or

2. Any other license, certificate, registration or permit under state law which authorizes the person to perform such acts for a fee.

(Added to NRS by [2005, 2376](#))

NRS 624.925 Classifications of licensing.

1. The Board shall adopt regulations to provide for classifications of licensing that authorize a contractor who performs work concerning a residential pool or spa to perform, in connection with such work, the installation of:

(a) Plumbing, including, without limitation, connections to potable water; and

(b) Gas lines.

2. The regulations adopted by the Board must include, without limitation, regulations establishing the qualifications, training and examinations that are required for such classifications.

(Added to NRS by [2005, 2376](#))

NRS 624.930 Contractor and subcontractor required to obtain permits and meet certain requirements; certain owner-builders required to submit information regarding bonds and insurance; supervision and control of work; license or other authorization required to perform certain acts for owner-builder.

1. Any contractor or subcontractor who performs work concerning a residential pool or spa shall, regardless of whether the work is performed under the direction of a builder who is also the owner of the property being improved:

(a) Apply for and obtain all applicable permits for the project; and

(b) Meet all applicable requirements imposed pursuant to this chapter and any regulations adopted by the Board with respect to contracts for work concerning a residential pool or spa.

2. If a contractor or subcontractor performs work concerning a residential pool or spa and the work is performed under the direction of a builder who is also the owner of the property being improved, the owner shall comply with all state and local laws and ordinances for the submission of names, licenses and information concerning any required bonds and insurance with respect to the contractors and subcontractors working on the project.

3. With respect to a contract for work concerning a residential pool or spa, the work performed pursuant to such a contract must be supervised and controlled directly by the qualified employee or qualified officer of the contractor.

4. If work concerning a residential pool or spa is performed under the direction of a builder who is exempt from having to obtain a license as a contractor because the builder is also the owner of the property being improved, a person shall not, directly or indirectly, perform or offer to perform, for a fee, any act as a consultant, adviser, assistant or aide to the builder for the purposes of the project, including, without limitation, any act associated with obtaining permits for the project, or otherwise hold himself or herself out as being able to perform such acts for a fee, unless the person holds:

(a) A license as a contractor or subcontractor under state law which authorizes the person to perform such acts for a fee; or

(b) Any other license, certificate, registration or permit under state law which authorizes the person to perform such acts for a fee.

(Added to NRS by [2001, 2976](#); A [2003, 1233](#); [2005, 2377](#))—(Substituted in revision for NRS 597.715)

NRS 278.573

NRS 278.573 Statement of restrictions: Delivery to owner of residence who is issued permit for construction thereon; acknowledgment of receipt; text.

1. A building official who issues a permit to the owner of a residence to construct, alter, repair, add to, subtract from, improve, move, wreck or demolish the residence shall, at the same time, deliver to the owner a statement. The owner of the residence shall acknowledge in writing receipt of the statement.

2. The statement delivered by the building official must include the following text:

State law requires construction to be done by licensed contractors. You have applied for a permit under an exemption to that law. The exemption allows you, as the owner of your property, to act as your own contractor with certain restrictions although you do not have a license.

You must directly supervise the construction, on the job, yourself. The building or residence must be for your own use or occupancy. It may not be built or substantially improved for sale or lease. If you sell or lease a building you have built or substantially improved yourself within 1 year after the construction is complete, it is presumed that you built or substantially improved it for sale or lease, which is a violation of this exemption and a violation of [chapter 624](#) of NRS.

You may not hire an unlicensed person to act as your contractor or to supervise people working on your building. It is your responsibility to make sure that people employed by you have the licenses required by state law and by county or municipal licensing ordinances. You may not delegate the responsibility for supervising work to a contractor unless the contractor is licensed to perform the work being done. Any person working on your building who is not licensed must work under your direct supervision and must be employed by you, which means that you must deduct FICA and withholding tax and provide industrial insurance and pay the required contribution for unemployment compensation for that employee, and comply with other state and federal laws relating to employment. Your construction must comply with all applicable laws, ordinances, building codes and zoning regulations

Konrad Jackson

From: Eric Clark <manfrommars@gci.net>
Sent: Friday, February 20, 2015 11:42 AM
To: Konrad Jackson
Subject: FW: More on HB 81

Hello Konrad

This is some of the discussion I have had with Ms. Tilton's office concerning HB81

From: Eric Clark [mailto:manfrommars@gci.net]
Sent: Monday, February 9, 2015 11:56 AM
To: 'Daniel Bellerive'
Subject: RE: More on HB 81

Hello Daniel

Any chance an amendment leaning towards our suggestions towards following something like Nevada has adopted?

As with the current statute there is no vehicle in place for the state to track owner-builder construction so without someone filing formal complaints with the State of Alaska Department of Commerce Community and Economic Development, Division Corporations Business and Professional Licensing against someone violating the statute no one will be aware of violations.

We have been through the process of filing a complaint complaints with the State of Alaska Department of Commerce Community and Economic Development, Division Corporations Business and Professional Licensing with the people involved in the construction of our home and the 10 other homes this unlicensed builder constructed. The state has limited resources and ability to drive around and ask builders for licensing.

The other home owners were unaware that the builder was constructing more than the home they were purchasing as we were. Until we found major issues with our home and started doing research into the information contained in the state recorder's office were we aware that the builder was in violation of the statute.

We had recently had contact with the Kenai Peninsula Builders Association, during that conversation they had disclosed that they had complaints on the builder of these homes, they forwarded these complaints to the complaints with the State of Alaska Department of Commerce Community and Economic Development, Division Corporations Business and Professional Licensing and if any action was taken by the state they were unaware. I know from my complaint that they had not taken any action prior to my formal complaint so that is somewhat distressing.

We have done all that we can for ourselves but wish to have statutes in place that can really protect others from ending up in a situation like we have found ourselves in. Things happen for a reason I believe that unfortunate as it is we have found ourselves in this home because none of the other homeowners took any steps to stop these people and to try to protect others and we cannot with a clear conscious do anything other than what we are doing, informing our law makers of this issue and offering suggestions.

From our prospective after having gone through all that we have and taking the steps we have, filing licensing complaints, filing criminal complaints and finding that not much is done it is very disappointing. That is why we are advocating for changes that have a far better chance to stop people from this behavior and if they still violate the statute the process to identify those people will be easier and with well-crafted statutes the District Attorney's Office will be able to prosecute violators.

Thank-You

Eric & Rae Clark

From: Daniel Bellerive [<mailto:Daniel.Bellerive@akleg.gov>]
Sent: Saturday, February 7, 2015 11:58 AM
To: Eric Clark
Subject: RE: More on HB 81

Eric;

We're still awaiting our first hearing for the bill, but we're taking advice from other offices as far as what amendments we might want to consider adding. I'll keep you up to date as to what happens with the bill as it moves through the legislature.

Thanks,

Dan Bellerive, Scheduler & Legislative Aide

Representative Cathy Tilton (R, District 12)

Office: 907-465-2199

Cell: 907-350-4863

From: Eric Clark [<mailto:manfrommars@gci.net>]

Sent: Thursday, February 05, 2015 10:16 AM

To: Daniel Bellerive

Subject: More on HB 81

Hello Daniel

I am wondering if any amendments are planned to this bill. My concern is that there is no mechanism in the current proposed bill for the state to track owner builders. As in our case the builder was able to build (substandard) homes for years without detection. It was not until I the consumer filed licensing complaints was the state aware this was happening. With the current statute and I believe the proposed statute builders such as the one in our situation will scoff at this law. A 1000.00 fine when they make over 1,200,000.00 is a small price to pay. Then the state district attorney will refuse to prosecute and quote the following:

>>>"Jones fits #12 as opposed to #10 because..."

The list of exemptions in AS 08.18.161 are disjunctive. In other words, the chapter does not apply to a person who qualifies under *any one* of the 13 possible exemptions. So, if Jones falls within the ambit of subsection (10) *or* (12) or any other of the exemptions, he wins.

>>>"The definition of a contractor and residential contractor refers to the work being done as a business. That is what Jones did."

The term "general contractor" and "contractor" are defined by AS 08.18.171. And AS 08.18.011 establishes the requirement that contractors be licensed. And if they are not, they have committed a violation -- with a maximum fine of \$500. AS 08.18.141(b); AS 12.55.035(b)(7). Which means we get a \$500 fine after a criminal prosecution -- and that is assuming that there is no defense. But Jones has one. Because if the contractor was doing the work on property he owned, or which was his residence, he does not need to be licensed as a contractor. AS 08.18.161(10).

So once again I ask that the legislature take steps that will end this ability by un-licensed contractors by placing an owner builder registration process, as well as emplacing substantial penalties for those who violate this statute. Also altering the language of the statute so the state has the ability to prosecute those who have violated this statute.

Thank-You

Eric & Rae Clark

Konrad Jackson

From: Eric Clark <manfrommars@gci.net>
Sent: Friday, February 20, 2015 11:38 AM
To: Konrad Jackson
Subject: FW: Request for review of decision
Attachments: 12-01-14 Case 045953 Eric Clark.pdf; 12-01-14 Case 045953 Eric Clark(2).pdf; 12-01-14 Case 045953 Eric Clark(4).pdf

Hello Konrad

Violators under the current statute cannot be prosecuted. See the below decision by the department of law.

From: Skidmore, John B (LAW) [mailto:john.skidmore@alaska.gov]
Sent: Wednesday, January 21, 2015 10:30 AM
To: manfrommars@gci.net
Subject: RE: Request for review of decision

Dear Mr. Clark,

Thank you for writing to Attorney General Richards about your issues with the people who built your home and inspected it. The Attorney General asked me, as the director of the Criminal Division, to look into this matter and respond to you. I have reviewed your email below to Attorney General Richards, as well as the attachments found here that were also sent to Attorney General Richards. As you are aware, an investigator for the Alaska State Troopers looked into the construction of your home and the homes of others on the Kenai Peninsula. When the report was complete the case was sent to the Kenai District Attorney's Office to determine whether a criminal case should be filed against the person who built your house and the building inspector who inspected the home. Generally the attorneys in the district attorney's offices do not have the expertise to review this type of white collar crime. This was the case in Kenai and the assigned attorney in Kenai, without reaching any conclusions, transferred the case to the Department of Law's Office of Special Prosecutions to review. As you know, the case was assigned to Assistant Attorney General Jay Fayette. Mr. Fayette has handled several white collar cases for the state over the last several years. He requested follow-up investigation from the assigned state trooper. Once the additional information was obtained he reviewed the case and concluded there was not a criminal case that met the screening standards of the Department of Law.

I am aware of the civil litigations you brought, so I know you have had the advice of counsel in this matter. I assume you have talked to your attorney about this decision. I know that Mr. Fayette talked to you and

explained his reasoning. I am also aware that you were not satisfied with Mr. Fayette's decision so his supervisor Robert Henderson, the head of the Office of Special Prosecutions, reviewed the matter and agreed with Mr. Fayette's conclusions. Again you expressed your discontent, this time to Deputy Attorney General Richard Svobodny. Like Mr. Fayette and Mr. Henderson, Mr. Svobodny reviewed the matter and concluded there were additional legal problems than those identified by Mr. Fayette. Not only is the burden of proof higher in a criminal case than in your civil case, the elements of the offense are different. Thus Mr. Svobodny agreed with the decision reached by both Mr. Fayette and Mr. Henderson.

To summarize, three experienced prosecutors in white collar crimes reviewed this case and concluded that it is not prosecutable. After these reviews you brought the matter to the attention of the Ombudsman, where the matter lies today. I see no reason for a fourth review of this matter unless the Ombudsman finds that the three reviews were in some way inadequate. Hence, the Department of Law will not be taking further action unless the independent review by the Ombudsman finds a material error in the Department's analysis.

Sincerely,

John Skidmore

Criminal Division Director

Alaska Department of Law

907.269.6379

From: Eric Clark [<mailto:manfrommars@gci.net>]

Sent: Wednesday, December 03, 2014 12:07 PM

To: General, Attorney (LAW sponsored)

Subject: Request for review of decision

Dear Mr. Richards

After seeing news reports that you have been appointed as the new Attorney General for the State of Alaska I am hoping you can find the time to review what we have outlined below as well as look at the rest of the information contained in the troopers report or possibly speak with the trooper who prepared the investigation.

My name is Eric W Clark, my wife and I have found ourselves along with 10 other home owners in an unfortunate situation. We purchased a new construct home on the Kenai Peninsula in 2011, this builder turned out to be an unlicensed out of state builder. This was a newly built home we were the first people to live in this home.

The homes have construction defects and need substantial repair. The defects include the lack of a vapor barrier in the attic, undersized wiring, oversized circuit breakers, no venting for plumbing fixtures, structural defects. The home has to be stripped to the studs to make the repairs the entire plumbing system and electrical systems have to be removed and replaced along with substantial structural defects corrected. Our home alone will require upwards on 100,000.00 to correct these construction defects. At no point in time should any of these defects have “overlooked” by someone with the engineer/inspectors credentials and the PUR102 completed showing the home passed construction inspections .

The builder hired the same engineer/inspector to preform construction inspections for all of the homes. The builder and the engineer/inspector completed fraudulent construction inspection forms on each of the 11 homes. The form utilized by the builder, engineer/ inspector was an Alaska Housing form PUR102. These forms were notarized and filed with the State of Alaska recorder’s office.

We had hired a home inspector prior to purchasing the home, this inspector failed to find any defect other than minor items. After finding the defects in the home we tried to resolve these issues with all concerned, and finally in May of 2012 retained an attorney. This resulted in us filing a lawsuit which we have settled in April of 2014. This lawsuit was filed in the Kenai court, 3KN-12-00524CI. The builder, inspector, and real-estate agent were brought into the law suit as third party defendants for their role in the deception. Although we believe the home inspector we hired pre purchase was negligent in his inspection our belief has always been that the actions of the builder and engineer/inspector are criminal.

Once we discovered what had happened to us one of the first things we thought of was that the people involved need to be stopped and held accountable for their actions and changes need to be made to prevent this from happening to others.

After we found the construction defects with the home in January 2012 we filed licensing complaints with the State of Alaska Department of Commerce Division of Corporations, Business and Professional Licensing , and with the Alaska State Troopers #12-7320. The Department of Labor was only able to take licensing action on one of the parties due to various issues.

We have also been in contact with out representative for our district in hopes that legislation can be introduced to make the actions these people have committed less likely because as for now it is repeatable by anyone who has the mind to do so including the individuals involved in our instance.

The State Troopers did a thorough investigation which we are pleased with the work they have done and they should be commended for that.

Attached is the conclusion portion of the troopers investigation. We obtained this report through a FOIA request. Also attached is the letter we originally sent to our attorney explaining what we knew at that point in time and prior to the knowledge that the builder had constructed other homes. Attached is an inspection by Wisdom & Associates after we found the missing vapor barrier. Also attached is a copy of the PUR102 inspection report completed by the builder and the engineer/inspector hired by the builder. There were many other construction defects that have been found and documented after Wisdom & Associates initial inspection.

The troopers concluded their investigation and it was forwarded to the Kenai DA's in July of 2013 office for review. The Kenai DA's office said it was too complicated for their office and forwarded it on to the DA's Special Prosecution's Office in Anchorage in October 2013. The DA, James Fayette who was reviewing the "case" finally made a decision in October 2014.

Mr. Fayette's decision was to decline to prosecute. I had a fairly long conversation with Mr. Fayette shortly after he made his decision hoping to persuade him to reconsider his decision declining to prosecute. He stated that he would not go over the "nuts and bolts" of why he made the choice not to prosecute and he believed he would have a hard time proving that it was anything but negligence. Mr. Fayette also seemed to focus on the "owner builder" statutes which is a licensing issue and did not put much weight on the fraudulent documents and stated that he was exercising his prosecutorial discretion. We disagree with his assessment. If there had been only 1 or 2 homes involved in this matter we would be inclined to go along with that assessment, but when 11 homes and over \$1,200,000.00 are involved and the evidence collected by the Alaska State Troopers shows a concerted effort to conceal the defects in the homes and to conceal the defects by means of the fraudulent documents.

To us no matter what the suspects claim their actions represent, the evidence shows their intent was to deceive anyone who purchased these homes.

I hope that this letter can result in a review of the DA's decision to decline prosecution and have that decision reversed and at least forwarded to a grand jury for possible indictment.

We thank you in advance for your attention to this matter which is of great importance to us. Please contact us if you are in need of any other information or have any questions we may be able to answer.

Thank-You

Eric & Rae Clark

907-420-3969

Inspection Report

Eric Clark

Property Address:

48190 Cockrobin
Soldotna AK 99611



Wisdom and Associates, Inc

Robert Moss
130 Trading Bay, #320
Kenai, AK 99611
907-283-0629

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Date: 1/20/2012	Time: 09:10 AM	Report ID:
Property: 48190 Cockrobin Soldotna AK 99611	Customer: Eric Clark	Real Estate Professional:

Comment Key or Definitions

The following definitions of comment descriptions represent this inspection report. All comments by the inspector should be considered before purchasing this home. Any recommendations by the inspector to repair or replace suggests a second opinion or further inspection by a qualified contractor. All costs associated with further inspection fees and repair or replacement of item, component or unit should be considered before you purchase the property.

Inspected (IN) = I visually observed the item, component or unit and if no other comments were made then it appeared to be functioning as intended allowing for normal wear and tear.

Not Inspected (NI) = I did not inspect this item, component or unit and made no representations of whether or not it was functioning as intended and will state a reason for not inspecting.

Not Present (NP) = This item, component or unit is not in this home or building.

Repair or Replace (RR) = The item, component or unit is not functioning as intended, or needs further inspection by a qualified contractor. Items, components or units that can be repaired to satisfactory condition may not need replacement.

In Attendance:

Customer

Type of building:

Single Family (1 story)

Approximate age of building:

Under 5 Years

Temperature:

Below 32 (F) = 0 (C)

Weather:

Clear

Ground/Soil surface condition:

Frozen

Rain in last 3 days:

No

1. Roofing

The home inspector shall observe: Roof covering; Roof drainage systems; Flashings; Skylights, chimneys, and roof penetrations; and Signs of leaks or abnormal condensation on building components. The home inspector shall: Describe the type of roof covering materials; and Report the methods used to observe the roofing. The home inspector is not required to: Walk on the roofing; or Observe attached accessories including but not limited to solar systems, antennae, and lightning arrestors.

Styles & Materials		
Roof Covering:	Viewed roof covering from:	Sky Light(s):
Metal	Ground	None
Chimney (exterior):		
Metal Flue Pipe		

Items
1.0 ROOF COVERINGS
Comments: Not Inspected
Snow is covering the roof. Inspection of the roof covering is excluded from this report.
1.1 FLASHINGS
Comments: Inspected
1.2 SKYLIGHTS, CHIMNEYS AND ROOF PENETRATIONS
Comments: Inspected
1.3 ROOF DRAINAGE SYSTEMS
Comments: Not Present

The roof of the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Roof coverings and skylights can appear to be leak proof during inspection and weather conditions. Our inspection makes an attempt to find a leak but sometimes cannot. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

2. Exterior

The home inspector shall observe: Wall cladding, flashings, and trim; Entryway doors and a representative number of windows; Garage door operators; Decks, balconies, stoops, steps, areaways, porches and applicable railings; Eaves, soffits, and fascias; and Vegetation, grading, drainage, driveways, patios, walkways, and retaining walls with respect to their effect on the condition of the building. The home inspector shall: Describe wall cladding materials; Operate all entryway doors and a representative number of windows; Operate garage doors manually or by using permanently installed controls for any garage door operator; Report whether or not any garage door operator will automatically reverse or stop when meeting reasonable resistance during closing; and Probe exterior wood components where deterioration is suspected. The home inspector is not required to observe: Storm windows, storm doors, screening, shutters, awnings, and similar seasonal accessories; Fences; Presence of safety glazing in doors and windows; Garage door operator remote control transmitters; Geological conditions; Soil conditions; Recreational facilities (including spas, saunas, steam baths, swimming pools, tennis courts, playground equipment, and other exercise, entertainment, or athletic facilities); Detached buildings or structures; or Presence or condition of buried fuel storage tanks. The home inspector is not required to: Move personal items, panels, furniture, equipment, plant life, soil, snow, ice or debris that obstructs access or visibility.

Styles & Materials		
Siding Style:	Siding Material:	Exterior Entry Doors:
Log	Wood	Steel
T-111		
Appurtenance:	Driveway:	
Covered porch	Gravel	
	Extra Info : Snow covered	

Items
2.0 WALL CLADDING FLASHING AND TRIM
Comments: Inspected
2.1 DOORS (Exterior)
Comments: Inspected
2.2 WINDOWS
Comments: Inspected
2.3 DECKS, BALCONIES, STOOPS, STEPS, AREAWAYS, PORCHES, PATIO/ COVER AND APPLICABLE RAILINGS
Comments: Inspected
2.4 VEGETATION, GRADING, DRAINAGE, DRIVEWAYS, PATIO FLOOR, WALKWAYS AND RETAINING WALLS (With respect to their effect on the condition of the building)
Comments: Not Inspected
Grading and drainage were not inspected due to snow cover.
2.5 EAVES, SOFFITS AND FASCIAS
Comments: Inspected

The exterior of the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

3. Interiors

The home inspector shall observe: Walls, ceiling, and floors; Steps, stairways, balconies, and railings; Counters and a representative number of installed cabinets; and A representative number of doors and windows. The home inspector shall: Operate a representative number of windows and interior doors; and Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components. The home inspector is not required to observe: Paint, wallpaper, and other finish treatments on the interior walls, ceilings, and floors; Carpeting; or Draperies, blinds, or other window treatments.

Styles & Materials		
Ceiling Materials:	Wall Material:	Floor Covering(s):
Wood	Wood	Carpet
		Vinyl
Interior Doors:	Window Types:	
Wood	Single-hung	
	Sliders	

Items

- 3.0 CEILINGS
- Comments: Inspected
- 3.1 WALLS
- Comments: Inspected
- 3.2 FLOORS
- Comments: Inspected
- 3.3 STEPS, STAIRWAYS, BALCONIES AND RAILINGS
- Comments: Not Present
- 3.4 COUNTERS AND A REPRESENTATIVE NUMBER OF CABINETS
- Comments: Inspected
- 3.5 DOORS (REPRESENTATIVE NUMBER)
- Comments: Inspected
- 3.6 WINDOWS (REPRESENTATIVE NUMBER)
- Comments: Inspected

The interior of the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection did not involve moving furniture and inspecting behind furniture, area rugs or areas obstructed from view. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

4. Structural Components

The Home Inspector shall observe structural components including foundations, floors, walls, columns or piers, ceilings and roof. The home inspector shall describe the type of Foundation, floor structure, wall structure, columns or piers, ceiling structure, roof structure. The home inspector shall: Probe structural components where deterioration is suspected; Enter under floor crawl spaces, basements, and attic spaces except when access is obstructed, when entry could damage the property, or when dangerous or adverse situations are suspected; Report the methods used to observe under floor crawl spaces and attics; and Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components. The home inspector is not required to: Enter any area or perform any procedure that may damage the property or its components or be dangerous to or adversely effect the health of the home inspector or other persons.

Styles & Materials

Foundation:

Poured concrete

Method used to observe Crawlspace:

Crawled

Floor Structure:

Engineered floor trusses

Wall Structure:

Wood

Roof Structure:

Engineered wood trusses

Roof-Type:

Gable

Method used to observe attic:

Walked

Items

4.0 FOUNDATIONS, BASEMENTS AND CRAWLSPACES (Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components.)

Comments: Inspected, Repair or Replace

- (1) Exterior foam foundation insulation is not covered against UV and physical damage as required.
- (2) Foundation anchor bolt washers are only 2" X 2" in size, a minimum 3" X 3" is required.
- (3) Post bases in the crawlspace are not properly attached to the footings.

4.1 WALLS (Structural)

Comments: Inspected, Repair or Replace

Exterior panel fastener spacing exceeds the minimum requirements. Many exterior panel fasteners are over-driven, which will allow moisture to penetrate and degrade the panel.

4.2 COLUMNS OR PIERS

Comments: Inspected

4.3 FLOORS (Structural)

Comments: Inspected

4.4 CEILINGS (structural)

Comments: Not Present

4.5 ROOF STRUCTURE AND ATTIC

Comments: Inspected, Repair or Replace

Porch rafters are missing blocking where they cross over the support beam at the edge of the porch.

The structure of the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

5. Plumbing System

The home inspector shall observe: Interior water supply and distribution system, including: piping materials, supports, and insulation; fixtures and faucets; functional flow; leaks; and cross connections; Interior drain, waste, and vent system, including: traps; drain, waste, and vent piping; piping supports and pipe insulation; leaks; and functional drainage; Hot water systems including: water heating equipment; normal operating controls; automatic safety controls; and chimneys, flues, and vents; Fuel storage and distribution systems including: interior fuel storage equipment, supply piping, venting, and supports; leaks; and Sump pumps. The home inspector shall describe: Water supply and distribution piping materials; Drain, waste, and vent piping materials; Water heating equipment; and Location of main water supply shutoff device. The home inspector shall operate all plumbing fixtures, including their faucets and all exterior faucets attached to the house, except where the flow end of the faucet is connected to an appliance. The home inspector is not required to: State the effectiveness of anti-siphon devices; Determine whether water supply and waste disposal systems are public or private; Operate automatic safety controls; Operate any valve except water closet flush valves, fixture faucets, and hose faucets; Observe: Water conditioning systems; Fire and lawn sprinkler systems; On-site water supply quantity and quality; On-site waste disposal systems; Foundation irrigation systems; Spas, except as to functional flow and functional drainage; Swimming pools; Solar water heating equipment; or Observe the system for proper sizing, design, or use of proper materials.

Styles & Materials		
Water Source:	Water Filters:	Plumbing Water Supply (into home):
Well	Sediment filter (We do not inspect filtration systems)	Poly
Plumbing Water Distribution (inside home):	Washer Drain Size:	Plumbing Waste:
CPVC	2" Diameter	ABS
Water Heater Power Source:	Water Heater Capacity:	Water Heater Location:
Electric	50 Gallon (2-3 people)	Washer Dryer Room

- Items
- 5.0 PLUMBING DRAIN, WASTE AND VENT SYSTEMS
- Comments: Inspected, Repair or Replace
- Plumbing drain, waste and vent system is not properly plumbed. Improper fitting have been used, fixtures are not vented properly, Vent slope and change of size in the attic is improper, and there are not adequate cleanouts. Occupants report sewer gas smells in the house. Entire plumbing system needs checked by a licensed plumber and repairs made as necessary.
- 5.1 PLUMBING WATER SUPPLY AND DISTRIBUTION SYSTEMS AND FIXTURES
- Comments: Inspected
- 5.2 HOT WATER SYSTEMS, CONTROLS, CHIMNEYS, FLUES AND VENTS
- Comments: Inspected
- Earthquake straps added by owner.
- 5.3 MAIN WATER SHUT-OFF DEVICE (Describe location)
- Comments: Inspected
- Main water shutoff is located in the crawlspace.
- 5.4 FUEL STORAGE AND DISTRIBUTION SYSTEMS (Interior fuel storage, piping, venting, supports, leaks)
- Comments: Inspected
- 5.5 MAIN FUEL SHUT OFF (Describe Location)
- Comments: Inspected
- Main fuel shutoff is located at the meter, and there is a shutoff at the heating appliance.
- 5.6 SUMP PUMP
- Comments: Not Present

The plumbing in the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Washing machine drain line for example cannot be checked for leaks or the ability to handle the volume during drain cycle. Older homes with galvanized supply lines or cast iron drain lines can be obstructed and barely working during an inspection but then fails under heavy use. If the water is turned off or not used for periods of time (like a vacant home waiting for closing) rust or deposits within the pipes can further clog the piping system. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

6. Electrical System

The home inspector shall observe: Service entrance conductors; Service equipment, grounding equipment, main over current device, and main and distribution panels; Amperage and voltage ratings of the service; Branch circuit conductors, their over current devices, and the compatibility of their ampacities and voltages; The operation of a representative number of installed ceiling fans, lighting fixtures, switches and receptacles located inside the house, garage, and on the dwelling's exterior walls; The polarity and grounding of all receptacles within six feet of interior plumbing fixtures, and all receptacles in the garage or carport, and on the exterior of inspected structures; The operation of ground fault circuit interrupters; and Smoke detectors. The home inspector shall describe: Service amperage and voltage; Service entry conductor materials; Service type as being overhead or underground; and Location of main and distribution panels. The home inspector shall report any observed aluminum branch circuit wiring. The home inspector shall report on presence or absence of smoke detectors, and operate their test function, if accessible, except when detectors are part of a central system. The home inspector is not required to: Insert any tool, probe, or testing device inside the panels; Test or operate any over current device except ground fault circuit interrupters; Dismantle any electrical device or control other than to remove the covers of the main and auxiliary distribution panels; or Observe: Low voltage systems; Security system devices, heat detectors, or carbon monoxide detectors; Telephone, security, cable TV, intercoms, or other ancillary wiring that is not a part of the primary electrical distribution system; or Built-in vacuum equipment.

Styles & Materials		
Electrical Service Conductors:	Panel capacity:	Panel Type:
Below ground	200 AMP	Circuit breakers
Branch wire 15 and 20 AMP:	Wiring Methods:	
Copper	Romex	

Items

- 6.0 SERVICE ENTRANCE CONDUCTORS
- Comments: Inspected, Repair or Replace
- Electrical cable in the crawlspace is not properly supported.
- 6.1 SERVICE AND GROUNDING EQUIPMENT, MAIN OVERCURRENT DEVICE, MAIN AND DISTRIBUTION PANELS
- Comments: Inspected, Repair or Replace
- (1) Service panel is missing required arc-fault circuit breakers.
- (2) Service cables are missing anti-corrosion paste where terminated inside the service panel.
- (3) No evidence of proper grounding to the building foundation was noted at the time of the inspection. Electrical system needs reviewed by a licensed electrical contractor to ensure proper grounding of the electrical system.
- 6.2 BRANCH CIRCUIT CONDUCTORS, OVERCURRENT DEVICES AND COMPATIBILITY OF THEIR AMPERAGE AND VOLTAGE
- Comments: Inspected, Repair or Replace
- Wiring undersized to serve a 40 amp breaker.
- 6.3 CONNECTED DEVICES AND FIXTURES (Observed from a representative number operation of ceiling fans, lighting fixtures, switches and receptacles located inside the house, garage, and on the dwelling's exterior walls)
- Comments: Inspected, Repair or Replace
- (1) All receptacles are missing tamper resistant feature as required.
- (2) Required receptacle serving the kitchen countertop is missing to the left of the kitchen sink.
- (3) Receptacle over microwave is missing a cover.
- (4) Bare bulb fixture in guest bedroom closet needs replaced with a covered bulb type fixture.
- (5) Receptacle on north guest bedroom wall is loose.
- 6.4 POLARITY AND GROUNDING OF RECEPTACLES WITHIN 6 FEET OF INTERIOR PLUMBING FIXTURES, AND ALL RECEPTACLES IN GARAGE, CARPORT, EXTERIOR WALLS OF INSPECTED STRUCTURE
- Comments: Inspected
- 6.5 OPERATION OF GFCI (GROUND FAULT CIRCUIT INTERRUPTERS)
- Comments: Inspected
- 6.6 LOCATION OF MAIN AND DISTRIBUTION PANELS
- Comments: Inspected

6.7 SMOKE DETECTORS

Comments: Inspected

6.8 CARBON MONOXIDE DETECTORS

Comments: Inspected

The electrical system of the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Outlets were not removed and the inspection was only visual. Any outlet not accessible (behind the refrigerator for example) was not inspected or accessible. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

7. Heating / Central Air Conditioning

The home inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to home; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The home inspector shall describe: Energy source; and Heating equipment and distribution type. The home inspector shall operate the systems using normal operating controls. The home inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The home inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

Styles & Materials

Heat Type:	Energy Source:	Number of Heat Systems (excluding wood):
Space heater	Gas	One
Heat System Brand:	Ductwork:	Filter Type:
MONITOR	N/A	N/A
Filter Size:	Types of Fireplaces:	Number of Woodstoves:
N/A	None	None
Heat Recovery Ventilator:		
None		

Items

7.0 HEATING EQUIPMENT

Comments: Inspected

7.1 NORMAL OPERATING CONTROLS

Comments: Inspected

7.2 AUTOMATIC SAFETY CONTROLS

Comments: Inspected

7.3 DISTRIBUTION SYSTEMS (including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units and convectors)

Comments: Inspected

7.4 PRESENCE OF INSTALLED HEAT SOURCE IN EACH ROOM

Comments: Not Present

7.5 CHIMNEYS, FLUES AND VENTS (for fireplaces, gas water heaters or heat systems)

Comments: Inspected

7.6 SOLID FUEL HEATING DEVICES (Fireplaces, Woodstove)

Comments: Not Present

7.7 GAS/LP FIRELOGS AND FIREPLACES

Comments: Not Present

7.8 COOLING AND AIR HANDLER EQUIPMENT

Comments: Not Present

7.9 NORMAL OPERATING CONTROLS

Comments: Not Present

7.10 PRESENCE OF INSTALLED COOLING SOURCE IN EACH ROOM

Comments: Not Present

7.11 HEAT RECOVERY VENTILATOR

Comments: Not Present

The heating and cooling system of this home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that

the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

8. Insulation and Ventilation

The home inspector shall observe: Insulation and vapor retarders in unfinished spaces; Ventilation of attics and foundation areas; Kitchen, bathroom, and laundry venting systems; and the operation of any readily accessible attic ventilation fan, and, when temperature permits, the operation of any readily accessible thermostatic control. The home inspector shall describe: Insulation in unfinished spaces; and Absence of insulation in unfinished space at conditioned surfaces. The home inspector shall: Move insulation where readily visible evidence indicates the need to do so; and Move insulation where chimneys penetrate roofs, where plumbing drain/waste pipes penetrate floors, adjacent to earth filled stoops or porches, and at exterior doors. The home inspector is not required to report on: Concealed insulation and vapor retarders; or Venting equipment that is integral with household appliances.

Styles & Materials		
Attic Insulation:	Ventilation:	Exhaust Fans:
Blown	Gable vents	Fan only
Fiberglass	Soffit Vents	
Cellulose		
Dryer Power Source:	Dryer Vent:	Floor System Insulation:
220 Electric	Metal	NONE
Items		

8.0 INSULATION IN ATTIC

Comments: Inspected

8.1 INSULATION UNDER FLOOR SYSTEM

Comments: Inspected, Not Present, Repair or Replace

- (1) No vapor retarder in the rim joist area of the crawlspace as required.
- (2) A large gap in the framing is present between the top of the rim joist and the subfloor.

8.2 VAPOR RETARDERS (ON GROUND IN CRAWLSPACE OR BASEMENT)

Comments: Inspected

8.3 VENTILATION OF ATTIC AND FOUNDATION AREAS

Comments: Inspected, Not Present, Repair or Replace

An excessive amount of frost has built up in the attic space. This is caused by the lack of a vapor barrier on the ceiling below the insulation. This condition is made worse by a lack of adequate ventilation along the soffit area of the attic. A vapor retarder is required on the warm-in-winter side of building assemblies to prevent the migration of heat and moisture to un-conditioned spaces where it can cause damage to the structure. Signs of moisture damage are beginning to occur on the tops of the roof trusses where the trusses meet the roof sheathing. The frost buildup in the attic space may cause or have already caused water damage and fungal growth in areas of the home that are not visible on a standard home inspection, i.e. wall cavities. I suggest checking concealed areas for signs of damage and fungal growth as part of the repair. If fungal growth is found, I recommend contacting a licensed industrial hygienist for further direction.

8.4 VENTING SYSTEMS (Kitchens, baths and laundry)

Comments: Inspected, Repair or Replace

Kitchen range hood is a recirculating type which is no longer allowed.

8.5 VENTILATION FANS AND THERMOSTATIC CONTROLS (ATTIC)

Comments: Not Present

The insulation and ventilation of the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Venting of exhaust fans or clothes dryer cannot be fully inspected and bends or obstructions can occur without being accessible or visible (behind wall and ceiling coverings). Only insulation that is visible was inspected. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

9. Built-In Kitchen Appliances

The home inspector shall observe and operate the basic functions of the following kitchen appliances: Permanently installed dishwasher, through its normal cycle; Range, cook top, and permanently installed oven; Trash compactor; Garbage disposal; Ventilation equipment or range hood; and Permanently installed microwave oven. The home inspector is not required to observe: Clocks, timers, self-cleaning oven function, or thermostats for calibration or automatic operation; Non built-in appliances; or Refrigeration units. The home inspector is not required to operate: Appliances in use; or Any appliance that is shut down or otherwise inoperable.

Styles & Materials

Exhaust/Range hood:
RE-CIRCULATE

Items

- 9.0 DISHWASHER
Comments: Inspected
- 9.1 RANGES/OVENS/COOKTOPS
Comments: Inspected
- 9.2 RANGE HOOD
Comments: Inspected
- 9.3 TRASH COMPACTOR
Comments: Not Present
- 9.4 FOOD WASTE DISPOSER
Comments: Inspected

The built-in appliances of the home were inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

Prepared Using HomeGauge <http://www.HomeGauge.com> : Licensed To Wisdom and Associates, Inc

General Summary

Wisdom and Associates, Inc

130 Trading Bay, #320
Kenai, AK 99611
907-283-0629

Customer
Eric Clark

Address
48190 Cockrobin
Soldotna AK 99611

The following items or discoveries indicate that these systems or components **do not function as intended** or **adversely affects the habitability of the dwelling**; or **warrants further investigation by a specialist**, or **requires subsequent observation**. This summary shall not contain recommendations for routine upkeep of a system or component to keep it in proper functioning condition or recommendations to upgrade or enhance the function or efficiency of the home. This Summary is not the entire report. The complete report may include additional information of concern to the customer. It is recommended that the customer read the complete report.

1. Roofing

1.0 ROOF COVERINGS

Not Inspected

Snow is covering the roof. Inspection of the roof covering is excluded from this report.

2. Exterior

2.4 VEGETATION, GRADING, DRAINAGE, DRIVEWAYS, PATIO FLOOR, WALKWAYS AND RETAINING WALLS
(With respect to their effect on the condition of the building)

Not Inspected

Grading and drainage were not inspected due to snow cover.

4. Structural Components

4.0 FOUNDATIONS, BASEMENTS AND CRAWLSPACES (Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components.)

Inspected, Repair or Replace

(1) Exterior foam foundation insulation is not covered against UV and physical damage as required.

4. Structural Components



4.0 Picture 1

(2) Foundation anchor bolt washers are only 2" X 2" in size, a minimum 3" X 3" is required.



4.0 Picture 2

(3) Post bases in the crawlspace are not properly attached to the footings.



4.0 Picture 3

4.1 WALLS (Structural)

Inspected, Repair or Replace

Exterior panel fastener spacing exceeds the minimum requirements. Many exterior panel fasteners are over-driven, which will allow moisture to penetrate and degrade the panel.

4. Structural Components



4.1 Picture 1

4.5 ROOF STRUCTURE AND ATTIC

Inspected, Repair or Replace

Porch rafters are missing blocking where they cross over the support beam at the edge of the porch.



4.5 Picture 1



4.5 Picture 2

5. Plumbing System

5.0 PLUMBING DRAIN, WASTE AND VENT SYSTEMS

Inspected, Repair or Replace

Plumbing drain, waste and vent system is not properly plumbed. Improper fitting have been used, fixtures are not vented properly, Vent slope and change of size in the attic is improper, and there are not adequate cleanouts. Occupants report sewer gas smells in the house. Entire plumbing system needs checked by a licensed plumber and repairs made as necessary.

5. Plumbing System



5.0 Picture 1 Improper fitting



5.0 Picture 2 Improper fitting



5.0 Picture 3 Improper fittings



5.0 Picture 4 Incorrect fixture venting



5.0 Picture 5 Incorrect venting



5.0 Picture 6 No vent within required distance of fixture

5. Plumbing System



5.0 Picture 7 Less than 2" vent pipe is undersize, and change in vent size not made in insulated space as required.

5.5 MAIN FUEL SHUT OFF (Describe Location)

Inspected

Main fuel shutoff is located at the meter, and there is a shutoff at the heating appliance.

6. Electrical System

6.0 SERVICE ENTRANCE CONDUCTORS

Inspected, Repair or Replace

Electrical cable in the crawlspace is not properly supported.



6.0 Picture 1



6.0 Picture 2

6.1 SERVICE AND GROUNDING EQUIPMENT, MAIN OVERCURRENT DEVICE, MAIN AND DISTRIBUTION PANELS

Inspected, Repair or Replace

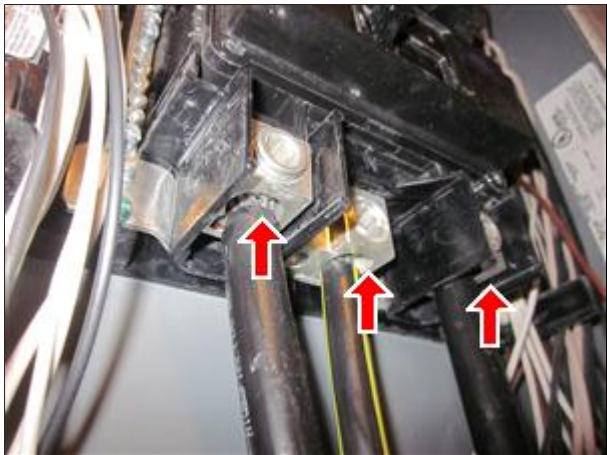
(1) Service panel is missing required arc-fault circuit breakers.

6. Electrical System



6.1 Picture 1

(2) Service cables are missing anti-corrosion paste where terminated inside the service panel.



6.1 Picture 2

(3) No evidence of proper grounding to the building foundation was noted at the time of the inspection. Electrical system needs reviewed by a licensed electrical contractor to ensure proper grounding of the electrical system.

6.2 **BRANCH CIRCUIT CONDUCTORS, OVERCURRENT DEVICES AND COMPATIBILITY OF THEIR AMPERAGE AND VOLTAGE**

Inspected, Repair or Replace

Wiring undersized to serve a 40 amp breaker.

6. Electrical System



6.2 Picture 1

6.3 CONNECTED DEVICES AND FIXTURES (Observed from a representative number operation of ceiling fans, lighting fixtures, switches and receptacles located inside the house, garage, and on the dwelling's exterior walls)

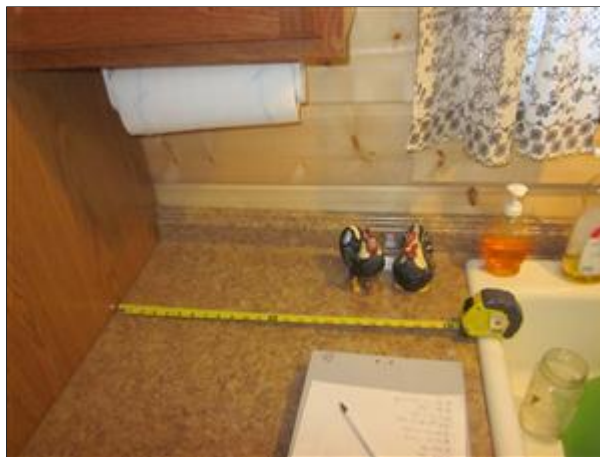
Inspected, Repair or Replace

(1) All receptacles are missing tamper resistant feature as required.



6.3 Picture 1

(2) Required receptacle serving the kitchen countertop is missing to the left of the kitchen sink.

6. Electrical System

6.3 Picture 2

(3) Receptacle over microwave is missing a cover.



6.3 Picture 3

(4) Bare bulb fixture in guest bedroom closet needs replaced with a covered bulb type fixture.



6.3 Picture 4

(5) Receptacle on north guest bedroom wall is loose.

6. Electrical System

6.3 Picture 5

8. Insulation and Ventilation**8.1 INSULATION UNDER FLOOR SYSTEM**

Inspected, Not Present, Repair or Replace

(1) No vapor retarder in the rim joist area of the crawlspace as required.



8.1 Picture 1

(2) A large gap in the framing is present between the top of the rim joist and the subfloor.



8.1 Picture 2

8.3 VENTILATION OF ATTIC AND FOUNDATION AREAS

8. Insulation and Ventilation

Inspected, Not Present, Repair or Replace

An excessive amount of frost has built up in the attic space. This is caused by the lack of a vapor barrier on the ceiling below the insulation. This condition is made worse by a lack of adequate ventilation along the soffit area of the attic. A vapor retarder is required on the warm-in-winter side of building assemblies to prevent the migration of heat and moisture to un-conditioned spaces where it can cause damage to the structure. Signs of moisture damage are beginning to occur on the tops of the roof trusses where the trusses meet the roof sheathing. The frost buildup in the attic space may cause or have already caused water damage and fungal growth in areas of the home that are not visible on a standard home inspection, i.e. wall cavities. I suggest checking concealed areas for signs of damage and fungal growth as part of the repair. If fungal growth is found, I recommend contacting a licensed industrial hygienist for further direction.



8.3 Picture 1 Frost exiting gable end vent



8.3 Picture 2 no vapor retarder over ceiling, under insulation.



8.3 Picture 3 Frost buildup on roof sheathing.



8.3 Picture 4 Beginning moisture damage at top of truss and roof sheathing.

8. Insulation and Ventilation



8.3 Picture 5



8.3 Picture 6 Frost buildup on interior of gable end in attic



8.3 Picture 7 Attic insulation visible from inside of master bedroom, trim piece falling down.



8.3 Picture 8 Soffit ventilation at rear of house.

8.4 VENTING SYSTEMS (Kitchens, baths and laundry)

Inspected, Repair or Replace

Kitchen range hood is a recirculating type which is no longer allowed.

8. Insulation and Ventilation



8.4 Picture 1

Home inspectors are not required to report on the following: Life expectancy of any component or system; The causes of the need for a repair; The methods, materials, and costs of corrections; The suitability of the property for any specialized use; Compliance or non-compliance with codes, ordinances, statutes, regulatory requirements or restrictions; The market value of the property or its marketability; The advisability or inadvisability of purchase of the property; Any component or system that was not observed; The presence or absence of pests such as wood damaging organisms, rodents, or insects; or Cosmetic items, underground items, or items not permanently installed. Home inspectors are not required to: Offer warranties or guarantees of any kind; Calculate the strength, adequacy, or efficiency of any system or component; Enter any area or perform any procedure that may damage the property or its components or be dangerous to the home inspector or other persons; Operate any system or component that is shut down or otherwise inoperable; Operate any system or component that does not respond to normal operating controls; Disturb insulation, move personal items, panels, furniture, equipment, plant life, soil, snow, ice, or debris that obstructs access or visibility; Determine the presence or absence of any suspected adverse environmental condition or hazardous substance, including but not limited to mold, toxins, carcinogens, noise, contaminants in the building or in soil, water, and air; Determine the effectiveness of any system installed to control or remove suspected hazardous substances; Predict future condition, including but not limited to failure of components; Since this report is provided for the specific benefit of the customer(s), secondary readers of this information should hire a licensed inspector to perform an inspection to meet their specific needs and to obtain current information concerning this property.

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2010-009122-0

Recording Dist: 302 - Kenai
10/19/2010 11:03 AM Pages: 1 of 2



SUMMARY OF BUILDING INSPECTIONS

Site-Built Construction

Owner of record: Robert and Janet Jones

Legal description: Lot 2 Robincourt Woods Subd. Plat 80-46

Site address: 48190 Cock Robin Ct Kenai Recording District (Include recording district)
Soldotna AK 99669 3rd Judicial District

This certification is issued pursuant to the requirements of AK Statute 18.56.300 and AHFC's regulations 16 AAC 150.030. Use of alternate methods, such as videos, must have PRIOR WRITTEN APPROVAL of Alaska Housing Finance Corporation.

By my signature below, I certify I have the current, applicable certifications of authority. I am not personally or financially related to the builder, seller, buyer, real estate agent, or other interested party for this project, other than as a fee inspector.

1. PLAN APPROVAL

Printed Name	Signature	License # *	Date
Ted J Forsi	<i>Ted J Forsi</i>	111	8/28/10

2. COMPLETION OF FOOTINGS & FOUNDATION

	Printed Name	Signature	License # *	Date
Footings	Ted J Forsi	<i>Ted J Forsi</i>	111	9/7/10
Foundation	Ted J Forsi	<i>Ted J Forsi</i>	111	9/7/10

3. COMPLETION OF FRAMING, ELECTRICAL, PLUMBING, & MECHANICAL

	Printed Name	Signature	License # *	Date
Framing	Ted J Forsi	<i>Ted J Forsi</i>	111	9/20/10
Electrical	Ted J Forsi	<i>Ted J Forsi</i>	111	9/20/10
Plumbing	Ted J Forsi	<i>Ted J Forsi</i>	111	9/20/10
Mechanical	Ted J Forsi	<i>Ted J Forsi</i>	111	9/20/10

Recorder: Index by Legal, Owner, and Builder

Form PUR-102
Page 1 of 2
02/05

Legal description: Lot 2 Robincrest Woods Subd. Plat 80-46
Kenai Recording District / 3rd Judicial District

4. COMPLETION OF INSTALLATION OF INSULATION AND VAPOR BARRIER

Printed Name	Signature	License # *	Date
<u>Ted J Forsi</u>	<u>Ted J Forsi</u>	<u>111</u>	<u>9/30/10</u>

5. CONDITIONAL APPROVAL

Items to be completed: Cabinets, Fixtures, trim and final painting
To be completed by: 10/10/10

Printed Name	Signature	License # *	Date
<u>Ted J Forsi</u>	<u>Ted J Forsi</u>	<u>111</u>	<u>10/3/10</u>

6. FINAL APPROVAL

Printed Name	Signature	License # *	Date
<u>Ted J Forsi</u>	<u>Ted J Forsi</u>	<u>111</u>	<u>10/15/10</u>

* License # is the Inspector's ICC certification # or Registration # under AS 08.18 and 12 AAC 22

By my signature below, I certify that the required inspections have been completed and the building meets or exceeds standards set forth under AS 18.56.300 and 15 AAC 150.030. I also certify any/all engineered components are currently listed with the International Code Council (ICC) and to my knowledge there has been no action to rescind ICC approval.

Builder's Signature: Robert Jones Date: 10/15/10

Builder's Name: Robert Jones Builder's License # N/A
(If applicable)

Business Name: NA

Address: PO Box 1581

City, State: Seldovia, AK 99669 Zip

Before me, a Notary Public in and for the State of Alaska, Robert Jones
has executed this document of his/her own free will.



My Commission expires: 4/21/11

Recorder Information: Return To:
Robert Jones
PO Box 1581
Seldovia AK 99669

Form PUR-102
Page 2 of 2
02/05



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2010-009122-0



STATE OF ALASKA

Alaska State Troopers

Case No.
12-7320
Date Investigated
2-8-12
Detach
I
UnitID
CIBW

Reporting Officer 12-202 (REV. 1/00) Inv. Andrea Jacobson	PermID AZJ0	Investigating Agency Alaska Bureau of Investigation
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SEARCH WARRANT # 3AN 12-1095 SW. continued:

Among the bank records were wire transfers. From account [REDACTED] on 8-8-05, Kirk Jones wired \$15,000.00 from Liberty Bank in Springfield, Missouri to Robert Jones. On 7-7-06, Lola Mae Ellingsworth wired \$3,000.00 to Robert Jones. On 1-6-11, First American Title wired \$150,630.12 to Robert Jones.

From account [REDACTED] Jones transferred \$31,610.00 to Aimee Pyatt at People's Bank of the Ozarks on 8-2-07. On 10-31-07, Aimee Pyatt transferred \$11,860.00 back into Robert Jones' account. On 1-29-08, Ms. Ellingsworth wired \$26,000.00 from Empire Bank in Springfield, Missouri to Robert Jones.

Deposits for 7 of the 11 homes they built that were shown in these records totaled \$944,518.70.

CONCLUSION:

Robert and Janet Jones came to Alaska in 2005 and started building houses during the summers. Neither was a licensed contractor in Alaska. They built and sold a total of 11 houses between 2005 and 2011. Janet Jones listed herself as the [REDACTED] in recorded documents on 2 of the 11 homes. None of the houses had a vapor barrier in the attic and all had numerous other building code violations. Robert Jones formerly had a business in Missouri called Jones Construction. In Alaska, [REDACTED] like the Joneses are only allowed to build and sell one house each every two years. If they intended to build and sell more homes, they would need to have a contractor's license with a residential endorsement. As a contractor building a home in Alaska, the plumbing and electrical would have to be sub-contracted to licensed tradesmen. The Joneses not only skirted the requirement for licensure, but they built substandard homes to turn them over quickly and to increase their profit. The houses built by the Joneses had violations of codes that pertain to safety and for which the purchasers have had and may continue to have expenditures to repair the defects in the homes. One homeowner of a Jones-built house received an estimate of over \$80,000.00 to correct deficiencies in the home that was purchased for a little more than twice that amount.

To obscure the fact that they did not build the homes as required by the Alaska building codes, the Joneses hired Ted Forsi, who holds both a registered engineer license and a home inspection license with the State of Alaska, to conduct the code compliance inspections from Alaska Housing required by financial institutions before a home can be financed. Ted Forsi knowingly signed off on the compliance documents (PUR-102s) despite the fact that the homes did not meet the requirements for which he vouched. Both Janet and Robert Jones signed off on Forsi's fraudulent assessment of the homes and later offered those documents for recording. Doing so, they perpetuated a scheme to defraud the homeowners.

Forsi was paid \$1,200.00 for each of the code compliance inspections he did for the Joneses. He signed and dated the forms verifying each of the five required stages of the construction procedure was satisfactory. When confronted about a particular item Forsi checked as present on the list, the presence of a vapor barrier, Forsi said that when he went to one home and saw blown-in insulation, he assumed the vapor barrier was present. He denied he had a responsibility to do anything other than a cursory visual inspection. In fact, the purpose of inspecting a home during the construction process is to assure items are done that may be difficult to determine after construction has been completed. The instructions for the PUR-102 specifically state that the home is to be inspected prior to the insulation being applied.

REVIEWED AND APPROVED BY <i>Sergeant David A. Willson</i>	PERM ID DAW0	DATE 10/7/13
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STATE OF ALASKA

Alaska State Troopers

Case No.
12-7320
Date Investigated
2-8-12
Detach
I
UnitID
CIBW

Reporting Officer 12-202 (REV. 1/00) Inv. Andrea Jacobson	PermID AZJ0	Investigating Agency Alaska Bureau of Investigation
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CONCLUSION, continued:

During the interview with Forsi, he denied inspecting the very things he was paid to inspect, such as wiring, plumbing, and footings and foundation. For plumbing inspections, he merely ran water in the faucets and flushed the toilets to make sure there was water. He denied looking to see where exhausts in the kitchen and bathrooms were vented. He denied looking under the house to see where the wires went and interpreted his duties in the inspections as determining if the homes "were pretty darn close to current code." He defended the Joneses as reputable builders. Some homeowners chose to forego their own home inspections because the home they were buying was new had had been signed off by a certified inspector as being code compliant. They relied on Forsi's expertise as documented by the PUR-102. Other homeowners did pay to have their own inspections done, however a home inspection performed after completion of construction and not requiring intrusive means to check the condition of the home, did not result in their learning of the major problems that surfaced later. By accepting payment for inspection work that he deliberately failed to do, falsifying business records designed to protect both lenders and potential buyers, Forsi engaged in a scheme to defraud to home homeowners and lenders.

This case is being forwarded to the Kenai District Attorney's office for review of charges of Scheme to Defraud, Offering False Instrument for Recording in the 1st Degree, and Falsifying Business Records.

REVIEWED AND APPROVED BY	PERM ID	DATE
Sergeant David A. Willson	DAW0	10/7/13