

**Air Conditioning and Refrigeration Contractors Advisory Board**  
**Compliance Division – Staff Report**  
October 25, 2017

- August 2017 - John Lain conferred with staff on pending Enforcement cases, HB 3029 Bill Implementation matters, all pending compliance matters, and officially submits his resignation from TDLR.
- September 12<sup>th</sup> – 14<sup>th</sup>, 2017: Former employee, John Lain participates on the ACR Exam Development session as a recently retired civilian. As he has done for several years, John continues to contribute his expertise and offer direction for TDLR's ACR Exam Development.
- For the public record, I would like to congratulate John on his retirement and his years of dedicated service to TDLR. His work was exemplary, his integrity beyond reproach, and to put it simply...he made this agency look good! John was and is such an intelligent, diplomatic, dedicated, hard worker...we wish him the very best!

**ACR CONTRACTORS ADVISORY BOARD  
OCTOBER 25, 2017**

**CURRENT PROJECTS**

Legislative Updates

**HB 3029** - Air conditioning and refrigeration contracting and the education and certification of air conditioning and refrigeration technicians; Effective 9/1/17.

Total E-Mail Answered by Staff  
(as of August 31, 2017)

<b>MONTH</b>	<b>FY2017</b>	<b>FY 2016</b>	<b>FY 2015</b>
September	1,158	1,389	
October	1,263	1,060	
November	744	996	
December	653	760	
January	955	1,060	
February	974	1,047	
March	1,463	994	
April	981	966	
May	1,140	1,061	
June	1,747	911	
July	804	767	835
August	1,266	1,123	1,104
<b>TOTAL</b>	<b>13,148</b>	<b>12,134</b>	<b>1,939</b>

**PERSONNEL CHANGES**



On September 1<sup>st</sup>, we welcomed Lisa McDonald to E&E from Compliance. Lisa has been with the TDLR for 9 years. During that time, Lisa worked in the Compliance Division as a Program Specialist. Lisa has performed highly complex and technical assistance work on many programs, such as Service Contract Providers, Property Tax Professionals, Property Tax Consultants, Polygraph Examiners, Professional Employer Organizations, For-Profit Legal Services, etc., just to name a few.

## EDUCATION AND EXAMINATION STATISTICS AND TRENDS

### AIR CONDITIONING & REFRIGERATION CONTRACTORS EXAMINATION STATISTICS (AS OF AUGUST 31, 2017)

2017	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
PASS	68	76	78	222	63	62	99	224	112	101	69	282	78	64	67	209	937
FAIL	131	135	108	374	149	129	141	419	191	143	123	457	119	135	105	359	1,609
TOTAL	199	211	186	596	212	191	240	643	303	244	192	739	197	199	172	568	2,546
RATE	32.2%	36.0%	41.9%	37.2%	29.7%	32.5%	41.3%	34.8%	37.0%	41.4%	35.9%	38.0%	39.6%	32.2%	39.0%	36.8%	36.8%
2016	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
PASS	41	51	79	171	60	44	85	189	77	77	53	207	61	66	69	196	763
FAIL	120	118	132	370	129	115	155	399	118	100	136	354	139	117	111	367	1,490
TOTAL	161	169	211	541	189	159	240	588	195	177	189	561	200	183	180	563	2,253
RATE	25.5%	30.2%	37.4%	31.6%	31.7%	27.7%	35.4%	32.1%	39.5%	43.5%	28.0%	36.9%	30.5%	36.1%	38.3%	34.8%	33.9%
2015	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
PASS	62	45	62	169	72	42	65	179	79	82	51	212	58	85	35	178	738
FAIL	121	122	117	360	144	108	149	401	158	135	117	410	128	168	117	413	1,584
TOTAL	183	167	179	529	216	150	214	580	237	217	168	622	186	253	152	591	2,322
RATE	33.9%	36.9%	34.6%	31.9%	33.3%	28.0%	30.4%	30.9%	33.3%	37.8%	30.4%	34.1%	31.2%	33.6%	23.0%	30.1%	31.8%

**AIR CONDITIONING & REFRIGERATION CONTRACTORS EXAMINATION STATISTICS**  
**BY LICENSE TYPE**  
**(AS OF AUGUST 31, 2017)**

SEPTEMBER - - OCTOBER – NOVEMBER				1 <sup>ST</sup> QUARTER	
LICENSE TYPE	PASS	FAIL	TOTAL	RATE	
ENVIRONMENTAL A	89	139	228	39.04%	
ENVIRONMENTAL B	75	183	258	29.07%	
COMMERCIAL REFRIGERATION A	44	32	76	57.89%	
COMMERCIAL REFRIGERATION B	14	20	34	41.18%	
<b>TOTAL</b>	<b>222</b>	<b>374</b>	<b>596</b>	<b>37.25%</b>	
DECEMBER - - JANUARY - - FEBRUARY				2 <sup>ND</sup> QUARTER	
LICENSE TYPE	PASS	FAIL	TOTAL	RATE	
ENVIRONMENTAL A	77	139	216	35.65%	
ENVIRONMENTAL B	89	211	300	29.67%	
COMMERCIAL REFRIGERATION A	38	40	78	48.72%	
COMMERCIAL REFRIGERATION B	20	29	49	40.82%	
<b>TOTAL</b>	<b>224</b>	<b>419</b>	<b>643</b>	<b>34.84%</b>	
MARCH - - APRIL - - MAY				3 <sup>RD</sup> QUARTER	
LICENSE TYPE	PASS	FAIL	TOTAL	RATE	
ENVIRONMENTAL A	100	164	264	37.88%	
ENVIRONMENTAL B	99	210	309	32.04%	
COMMERCIAL REFRIGERATION A	54	43	97	55.67%	
COMMERCIAL REFRIGERATION B	29	40	69	42.03%	
<b>TOTAL</b>	<b>282</b>	<b>457</b>	<b>739</b>	<b>38.16%</b>	
JUNE - - JULY - - AUGUST				4 <sup>TH</sup> QUARTER	
LICENSE TYPE	PASS	FAIL	TOTAL	RATE	
ENVIRONMENTAL A	85	123	208	40.87%	
ENVIRONMENTAL B	65	160	225	28.89%	
COMMERCIAL REFRIGERATION A	48	43	91	52.75%	
COMMERCIAL REFRIGERATION B	11	33	44	25.00%	
<b>TOTAL</b>	<b>209</b>	<b>359</b>	<b>568</b>	<b>36.80%</b>	

**AIR CONDITIONING & REFRIGERATION CONTRACTORS  
CONTINUING EDUCATION STATISTICS  
(AS OF AUGUST 31, 2017)**

FY 2017	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
COURSE APPROVAL ISSUED	24	3	4	31	1	5	21	27	10	3	10	23	3	15	4	22	103
TOTAL COURSES	110	114	115	115	112	109	123	123	114	102	107	107	107	121	108	108	108
<b>***NOTE: Currently, there are 55 ACR Contractor Continuing Education Providers.</b>																	
FY 2016	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
COURSE APPROVAL ISSUED	13	2	3	18	6	10	6	22	24	8	5	37	5	6	16	27	104
TOTAL COURSES	111	101	102	102	105	108	99	99	102	103	100	100	104	110	107	107	107
FY 2015	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
COURSE APPROVAL ISSUED	7	11	2	20	3	7	25	35	15	7	3	25	1	8	16	25	105
TOTAL COURSES	97	108	105	105	90	91	104	104	99	98	96	96	95	100	108	108	108

**AIR CONDITIONING AND REFRIGERATION CONTRACTORS**  
**ADVISORY BOARD**

**Enforcement Division Staff Report**  
**October 25, 2017**

**Texas Air Conditioning Contractors of America**

- On August 15, Lead Investigator Haregeweyn Demoz attended a meeting of the Houston Area Air Conditioning Contractors Association (ACCA). Haregeweyn provided information on the Enforcement Division's recent activities, including the undercover stings in Alamo and Sour Lake, TX. At the end of the meeting, Haregeweyn was approached by several contractors who asked a variety of questions.

**International Association of Plumbing and Mechanical Officials**

- On June 21, Investigator Tony Gatica attended a meeting of the International Association of Plumbing and Mechanical Officials (IAPMO), American Society of Sanitary Engineers (ASSE) and American Society of Plumbing Engineers (ASPE) in Houston. Tony gave a presentation on what the Department does, and how it serves its many licensees. Many who had not previously heard of the Department were especially appreciative of the Department's efforts to maintain a level of professionalism in trades and promote consumer safety. Approximately 100 of the joint associations members were in attendance.

**Education and Continuing Education**

- On June 28, Investigator Robert Nino and Compliance Program Specialist John Lain made a joint presentation to a newly enrolled HVAC class at South Texas Vocational Technical Institute. The presentation consisted TDLR enforcement procedures, and the newly passed legislation on certified technician. Questions were then entertained after the presentation.

**Sting**

- On July 18 and 19, Enforcement investigators conducted an undercover sting operation in Sour Lake, Texas; which is located in east Texas. The purpose of the sting was to catch unlicensed electrical and air conditioning contractors offering to perform services without a license. Based on advertisements of individuals offering to perform electrical services placed in Craigslist, southeasttexas.com, homeadvisor.com, thumbtack, and Beaumont.com; a total of 22 leads were contacted. Out of the 22 possible leads, a total of 13 cases were opened against the individuals who placed the advertisements, and then gave a written bid to the undercover investigators during the course of the sting.

## **Case Highlights**

- On July 5, 2017, an Agreed Order was entered against Christopher R. Dean d/b/a American Climate Control, LLC, ordering a one-year probated suspension of the Respondent's Air Conditioning and Refrigeration Contractor license and assessing an administrative penalty of \$1,000 for failing to obtain a permit prior to commencing the work and failing to provide proper installation, service or mechanical integrity in two separate residential installation primarily related to the condensate and drain line installations. ***ACR20150017102/ACR20160000735***
- On July 11, 2017, a Default Order was entered against Bret M. Waymire d/b/a Affordable A/C & Appliance Repair revoking the Respondent's Registered Air Conditioning and Refrigeration Technician license and assessing a penalty of \$20,000 for Respondent's failure to comply with a prior Order and four separate incidents of unlicensed residential air conditioning and refrigeration contracting in the Parker, Wise and Tarrant County areas of Texas. ***ACR20160021784/ACR20160023336***
- On July 14, 2017, a Default Order was entered against Joseph Michael Lopez III d/b/a No Sweat AC and Heating ordering a one-year probated suspension of the Respondent's Registered Air Conditioning and Refrigeration Technician license and assessing an administrative penalty of \$4,000 for publication and distribution of pamphlets and business cards offering to perform air conditioning and refrigeration services and for performing residential air conditioning installation, maintenance and repair in Fairview, Texas, at a cost to the consumer of \$4,600. ***ACR20170001568***
- On July 25, 2017, an Agreed Order was entered against Cary L. Nichols d/b/a Specialty Mechanical Services ordering a six-month probated suspension of Respondent's Air Conditioning and Refrigeration Contractor license, requirement Respondent complete a course of instruction in the relevant Codes and the assessment of a penalty of \$3,000 for two separate cases of failing to obtain permits prior to commencing the residential work and failure to provide proper installation, service or mechanical integrity for the work performed in Plano and DeSoto, Texas. ***ACR20160022454/ACR20160023721***.
- On July 31, 2017, a Default Order was entered against James Sexton d/b/a Sextons Heating and Air assessing an administrative penalty of \$14,000 in three separate consumer complaints. The first case assessed a \$6,000 penalty for offering to perform and performing replacement of the residential system capacitor and cleaning of the evaporator cooling coil for property owners in Lantana, Texas, and using the contractor license number of a licensee on the Respondent's invoice provided to the consumer. The second case assessed a \$4000 penalty for unlicensed activity with the offer and installation of a residential Carrier four (4) ton system for consumers in Cross Oak Ranch, Texas. The final case assessed a \$4,000 penalty for offering and installing a residential Carrier five (5) ton system in Crossroads, Texas. ***ACR20160024806/ACR20170007849/ACR20170015017***

- On August 8, 2017, an Agreed Order was entered against Edward A. Foy d/b/a Priority Cooling & Heating assessing an administrative penalty of \$3,000 and the requirement Respondent complete a course of instruction in relevant Codes for failing to ensure proper installation, service or mechanical integrity by failing to insure adequate grille and duct installation for proper airflow and return duct connection to insure the system performed as intended. **ACR20160022942**
- On August 8, 2017, a Default Order was entered against Gustavo O’Hara d/b/a Mikassa revoking Respondent’s Air Conditioning and Refrigeration Contractor license and assessing an administrative penalty of \$128,000 for repeated failures to obtain permits prior to commencing work, and improper installation, service or mechanical integrity in numerous residential installations for the Frisco, Monahans, Odessa, Garden City, Amarillo, Sunray, Texas, and surrounding areas.  
**ACR20160010963/ACR20160022299/ACR20160024673/ACR20160010457/ACR20170007593**
- On August 24, 2017, an Agreed Order was entered against Juan Carlos Ramirez d/b/a JCR A/C Services assessing an administrative penalty of \$3,000 for offering to perform a residential installation of a Goodman air conditioning system by providing a bid proposal in the amount of \$4,900 to an undercover Investigator in Department sting operation located in Angleton, Texas. **ACR20160024779**
- On September 15, 2017, an Agreed Order was entered against John Paul Culbertson d/b/a Texas Farm & Ranch Heating & A/C ordering a one-year probated suspension of Respondent’s Air Conditioning and Refrigeration Contractor license, requiring a course of instruction in relevant Code and assessing a \$500 administrative penalty for engaging an unlicensed air conditioning and refrigeration technician in the installation of a residential air conditioning system in Burleson, Texas. **ACR20160019084**

**Key Statistics – Fiscal Year 2017**

Shown below are key statistics for the Air Conditioning program and for all TDLR programs combined for Fiscal Year 2017.

<b><u>Statistic</u></b>	<b><u>ACR</u></b>	<b><u>TDLR</u></b>
• Number of cases opened:	1,055	12,054
• Number of cases resolved:	1,042	12,405
• Number of Agreed Orders:	131	2,309
• Total amount of penalties assessed:	\$959,004	\$5,250,179
• Total amount of penalties collected:	\$191,898	\$2,571,950



**AIR CONDITIONING AND REFRIGERATION  
LICENSING STATISTICS  
ADVISORY BOARD MEETING  
OCTOBER 25, 2017**

**CONTRACTORS**

	<b>TOTAL FY 15</b>	<b>TOTAL FY 16</b>	<b>TOTAL FY 17</b>
New Licenses Issued	728	752	957
Renewed Licenses Issued	14,495	14,828	14,924
Online Renewals	14,259	14,643	14,768
% Renewed Online	98%	98%	98%
*Total Population	15,434	15,692	16,008

**REGISTERED TECHNICIANS**

	<b>TOTAL FY 15</b>	<b>TOTAL FY 16</b>	<b>TOTAL FY 17</b>
New Licenses Issued	5,655	6,460	6,922
New Licenses Issued Online	5,264	6,067	6,594
Renewed Licenses Issued	13,946	15,028	15,449
Online Renewals	13,748	14,887	15,341
% Renewed Online	98%	99%	99%
*Total Population	19,986	21,977	23,198

## CERTIFIED TECHNICIANS

	<b>TOTAL FY 15</b>	<b>TOTAL FY 16</b>	<b>TOTAL FY 17</b>
New Licenses Issued	1,132	1,530	1,467
New Licenses Issued Online	1,027	1,421	1,385
Renewed Licenses Issued	3,078	3,619	4,135
Online Renewals	3,052	3,602	4,102
% Renewed Online	99%	99%	99%
*Total Population	4,265	5,019	5,746

## TOTAL OF ALL LICENSE TYPES COMBINED

	<b>TOTAL FY 15</b>	<b>TOTAL FY 16</b>	<b>TOTAL FY 17</b>
New Licenses Issued	7,515	8,742	9,346
New Licenses Issued Online	6,291	7,488	7,979
Renewed Licenses Issued	31,519	33,475	34,508
Online Renewals	31,059	33,132	34,211
% Renewed Online	98%	98%	99%
*Total Population	39,685	42,688	44,952

\*The population number is a snapshot of the number of active licenses on the first day of the month. The number of licenses issued and renewed is the total activity performed during the fiscal year.