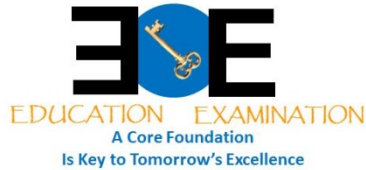


**Air Conditioning and Refrigeration Contractors Advisory Board**  
**Compliance Division – Staff Report**  
March 8, 2017

- Participated in ACR Work Group Meetings to review and consider adoption of the 2015 UMC and IMC (including applicable IRC, IFGC, etc...)
- Participated in ACR Work Group Meetings to determine TDLR jurisdiction and requirements regarding the 2015 International Energy Conservation Code for commercial buildings and Chapter 11 of the 2015 International Residential Code known as the Energy Code made effective September 1, 2016 by SECO, State Energy Conservation office of the Comptroller's Office
- January 16, 2017 - Sears Home Pro Team, Houston Presentation-Law and Rule
- January 17, 2017 - presented to the Houston ACCA Chapter on Law and Rule
- February 23, 2017 - Participated in Training for Enforcement staff on ACR Complaint process with emphasis on mechanical integrity regarding onsite inspection or case review
- February 24, 2017 - Central Texas RSES Meeting and presentation on TDLR law and rule
- Numerous onsite inspections across the State as requested by Enforcement Investigators
- Compliance staff continues to provide ongoing support to the Customer Service, Licensing, Education/Examination, and Enforcement Divisions.

**Air Conditioning and Refrigeration Contractors Advisory Board Meeting  
Education and Examination Division**



March 8, 2017

**Projects**

**Relocating**

We are now located at North Campus, suite 105W.

**Education and School Services Section**

<b>Emails (processed from the Education and SHEARS proxy boxes)</b>	
December 2016	614 (public school close 2 week)
January 2017	924
February 2017	531 (as of 2/17/2017)

The Education Division staff are involved with the review of the Phase 2 Health Profession Rules on the consolidation of six new programs (Code Enforcement Officers, Laser Hair Removal, Massage Therapy, Mold Assessors and Remediators, Offender Education Providers, and Sanitarians) coming November 1, 2017.

**Continuing Education Course Completion Record Fees**

CE Completion Fees Totals Invoiced for fiscal year	\$1,053,300.00
Total Payments Received for fiscal year	\$ 917,430.00
<b>Current Balance Due</b> (as of 02/23/2017)	<b>\$ 135,870.00</b>

**School Inspection/Site Visit Section**

Marco Rodriguez, Lance Caroland, and Ramon Rodriguez are working with IT and the Field Operation Division in the E-Inspection Canvas Project.

After testing the iPhone, the iPad and the Mini iPad in the field, the iPhone gave us the best possible reception in remote areas. Also, it will eliminate the cost of having two devices with internet.

**Driver Education & Safety Section**

The new search engine for the DES program was launched earlier this week. The new tool will provide Texans an easier method on finding nearby schools, traditional or online courses so their love ones can complete the required program in a timely manner

### Education Service 6 Continuing Education Seminars

We are invited to attend the 2017 Education Service 6 CE Seminars. During these seminars, E&E has the ability to educate the industry on changes that have occurred in the laws or rules, get feedback, and put a friendly face and name to our division.

The Phase 1 rule have been reviewed and approved for adoption by the Advisory Committee. The Phase 1 rules will now be presented to the Commission for adoption in March 2017.

### Personnel Updates



Please join us in welcoming our new Education Inspector, Mr. Lance Caroland. In the last 5 years, Lance has been a Field Inspector with the Field Operations Division. Prior to TDLR he worked for Parks and Wildlife coordinating public educational programs for schools and for state parks. With his inspection/education background, Lance will be a huge asset for E&E and our providers.

## STATISTICS AND TRENDS

### EXAMINATION STATISTICS

FY 2017 ALL		SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
ACR	Pass	68	76	78	222	63			63				0				0	285
	Fail	131	135	108	374	149			149				0				0	523
	Subtotal	199	211	186	596	212	0	0	212	0	0	0	0	0	0	0	0	808
	Rate	34.2%	36.0%	41.9%	37.2%	29.7%	0.0%	0.0%	29.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	35.3%
	No Show	6	16	7	29	7			7				0				0	36
	Total	205	227	193	625	219	0	0	219	0	0	0	0	0	0	0	0	844

FY2016		SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
ACR	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
	Subtotal	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%
	No Show	15	8	4	27	8	12	19	39	12	8	18	38	13	5	10	28	132
	Total	176	177	215	568	197	171	259	627	207	185	207	599	213	188	190	591	2,385

FY 2015 ALL		SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
ACR	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
	Subtotal	183	167	179	529	216	150	214	580	237	217	168	622	186	253	152	591	2,322
	Rate	33.9%	26.9%	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%
	No Show	3	11	10	24	11	8	7	26	9	10	10	29	7	7	8	22	101
	Total	186	178	189	553	227	158	221	606	246	227	178	651	193	260	160	613	2,423

**CONTINUING EDUCATION STATISTICS – FY2017**

<b>AIR CONDITIONING &amp; REFRIGERATION (790)</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>Q1</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>Q2</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>Q3</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>Q4</b>	<b>TOT</b>
<b>COURSE APPROVALS ISSUED</b>	24	3	4	31	1	5	0	6	0	0	0	0	0	0	0	0	37
<b>TOTAL COURSES (END OF MONTH)</b>	110	114	115	115	112	109	0	109									109

**CONTINUING EDUCATION STATISTICS – FY2016**

<b>AIR CONDITIONING &amp; REFRIGERATION (790)</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>Q1</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>Q2</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>Q3</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>Q4</b>	<b>TOT</b>
<b>COURSE APPROVALS ISSUED</b>	13	2	3	18	6	10	6	22	24	8	5	37	5	6	16	27	104
<b>TOTAL COURSES (END OF MONTH)</b>	111	101	102	102	105	108	99	99	102	103	100	100	104	110	107	107	107

**CONTINUING EDUCATION STATISTICS – FY2015**

<b>A/C &amp; REFRIGERATION (790)</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>Q1</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>Q2</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>Q3</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>Q4</b>	<b>TOT</b>
<b>COURSE APPROVALS ISSUED</b>	7	11	2	20	3	7	25	35	15	7	3	25	1	8	16	25	105
<b>TOTAL COURSES (END OF MONTH)</b>	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  
March 8, 2017**

**Texas Air Conditioning Contractors of America**

- On September 20, Investigator Haregeweyn Demoz attended a meeting of the Greater Houston Air Conditioning Contractors Association. Demoz updated the group on undercover stings conducted in several cities during the past year, including Pearland, Houston, San Antonio, San Juan and McAllen.
- On October 18, Lead Investigator Haregeweyn Demoz attended a meeting of the Texas Air Conditioning Contractors of Greater Houston. Presenters included Todd McAlister, Executive Director of Texas Air Conditioning Contractors Association (TACCA), and Shannon Noble, Legislative Liaison for TACCA. Topics discussed were House Bill 5, regarding vocational training for high school students in AC, Electrical, and Plumbing.
- On January 17, Investigator Haregeweyn Demoz attended the Texas Air Conditioning Contractors Association of Greater Houston annual membership meeting. Investigator Demoz spoke about the undercover sting conducted in Houston in November, and answered questions regarding the penalty matrix.
- On January 25, Prosecutor Trevor Theilen attended a meeting of the Texas Air Conditioning Contractors Association, held in Austin. Trevor discussed the Department's Enforcement process, statistics on unlicensed activity, and common violations in the ACR program.

**Refrigeration Service Engineers Society Meetings**

- On November 17, Investigator Robert Nino and ACR Compliance Specialist John Lain made a presentation to the San Antonio chapter of the Refrigeration Service Engineers Society (RSES). Robert provided an overview of the enforcement process and entertained questions.
- On January 19, Investigator Robert Nino made a presentation to the San Antonio chapter of Refrigeration Service Engineers Society (RSES). A group of students from Southern Careers Institute were in attendance. Robert's presentation covered licensing requirements for ACR contractors and technicians.

## **International Association of Plumbing and Mechanical Officials**

- On October 25, Lead Investigator Haregeweyn Demoz attend a meeting of the International Association of Plumbing and Mechanical Officials, Gulf Coast Chapter. Haregeweyn provided an overview of enforcement complaint procedures and the programs regulated by TDLR.
- On February 7, Investigator Haregeweyn Demoz attended the quarterly meeting of the Texas Gulf Coast Chapter of International Association of Plumbing and Mechanical Officials. Investigator Demoz entertained questions regarding TDLR and its enforcement process.

## **Education and Continuing Education**

- On August 20, Investigation Robert Nino made a presentation to a continuing education course sponsored by Castillo Training. Nino's spoke about TDLR's enforcement process, and entertained questions afterward.
- On October 20, Investigator Robert Nino made a presentation on technician registration to newly enrolled students of local colleges at a meeting of the Refrigeration Service Engineers Society (RESE) San Antonio chapter. Students attending the meeting represented St. Phillips College, and South Texas Vocational Technical Institute.
- On November 1, Investigator Robert Nino made a presentation to an ACR continuing education class sponsored by Castillo Training. Robert provided an overview of enforcement procedures and entertained questions.
- On November 19, Investigator Robert Nino made a presentation to a continuing education class for air conditioning contractors held by Castillo Training. His presentation covered the enforcement process and recent cases of note.
- On January 21, Investigator Robert Nino made a presentation in a continuing education course for ACR contractors at South Careers Institute in San Antonio. In his presentation Robert explained TDLR's enforcement process as it applies to the ACR program.

## **Case Highlights**

- In early 2015, Luis Castellanos, a licensed air conditioning and refrigeration contractor, failed to pull a permit and accepted full payment for a job he failed to complete at one jobsite and then installed a mini-split system but failed to ensure it was charged with refrigerant before operating at another jobsite. Later in the year after his license expired, Castellanos contracted to install an air conditioning system. Prosecutor John Medlock sought \$14,500 and revocation of Castellanos' ACR contractor license, and that penalty was approved by Default Order on January 17, 2017. TDLR will attempt to obtain the penalty amount ourselves before sending it to the Attorney General for collection procedures. Castellanos may re-apply for a license one year on January 17, 2017, but will not be able to renew until the penalty is paid.

- In early 2015, Timothy Tuley, a licensed ACR contractor, failed to follow the applicable building codes in seven ways while installing two air conditioning units. Prosecutor Virginia Fields sought \$14,000 and a one-year probated suspension of Tuley's license. Tuley admitted to the violations and accepted a settlement offer of \$7,000 and taking an additional continuing education course in lieu of a probated suspension. Tuley is paying the \$7,000 penalty in monthly installments over 12 months, and is current on his payments since his Agreed Order was signed on December 20, 2016. As of the writing of this summary, Tuley still has time to complete his class.
- In mid-2016, Joe Garcia, a registered ACR technician, installed an A/C system by himself without an ACR contractor license. Prosecutor Medlock sought \$3,500. Garcia admitted to the violation and accepted a settlement offer of \$2,000. Garcia is paying the penalty in monthly installments over 8 months, and is current on his payments since his Agreed Order was signed on November 7, 2016.
- In mid-2015, Carlos Turcios, a registered ACR technician, hand-delivered a proposal to install two condensers by himself without an ACR contractor license. Prosecutor Medlock sought \$3,500. Turcios admitted to the violation and accepted a settlement offer of \$1,750. Turcios is paying the penalty in monthly installments over 7 months, and is current on his payments since his Agreed Order was signed on December 5, 2016.
- In mid-2016, Craig D. Neely, a registered ACR technician, advertised and performed air conditioning installations at two jobsites over two months after the ACR contractor who had previously assigned his license to Neely's company ended his license assignment and business association with that company. Prosecutor Fields sought an \$8,000 penalty, and that penalty was approved by Default Order on November 3, 2016. TDLR is currently attempting to collect that penalty ourselves before sending it to the Attorney General for collection procedures. Neely's ACR tech registration has expired and he will not be allowed to renew it until a) the penalty is paid and b) the Attorney General is satisfied that he has paid overdue child support payments.

### Stings

- On November 14 through 17, Enforcement investigators conducted an undercover sting operation in Houston to identify unlicensed ACR and ELC contractors. The investigators posed as property owners who were outfitting a commercial property to open World Class Chocolate. Investigators Rudy Cherenfant, Mercedes Santillanes, Tony Gatica, Grace Hernandez, Haregeweyn Demoz and Investigations Manager Gregg Dodson conducted the sting. A total of 43 cases were opened, including 12 ACR and 31 ELC. Tiffany Craig, an investigative reporter with KHOU Channel 11 News, covered the sting operation and the story can be viewed here: <http://www.khou.com/mb/news/investigations/khou-investigates-unlicensed-contractors-in-houston/383250556>



## **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 through January.

<b><u>Statistic</u></b>	<b><u>ACR</u></b>	<b><u>TDLR</u></b>
• Number of cases opened:	419	5,091
• Number of cases resolved:	369	4,731
• Number of Agreed Orders:	52	915
• Total amount of penalties assessed:	\$489,645	\$2,327,775
• Total amount of penalties collected:	\$62,322	\$844,697

**AIR CONDITIONING AND REFRIGERATION  
LICENSING STATISTICS  
ADVISORY BOARD MEETING  
MARCH 8, 2017**

**CONTRACTORS**

	<b>TOTAL FY 15</b>	<b>TOTAL FY 16</b>	<b>1<sup>st</sup> Quarter FY 17</b>
New Licenses Issued	728	752	206
Renewed Licenses Issued	14,495	14,828	3,225
Online Renewals	14,259	14,643	3,193
% Renewed Online	98%	98%	99%
*Total Population	15,434	15,692	15,732

**REGISTERED TECHNICIANS**

	<b>TOTAL FY 15</b>	<b>TOTAL FY 16</b>	<b>1<sup>st</sup> Quarter FY 17</b>
New Licenses Issued	5,655	6,460	1,436
New Licenses Issued Online	5,264	6,067	1,362
Renewed Licenses Issued	13,946	15,028	2,906
Online Renewals	13,748	14,887	2,887
% Renewed Online	98%	99%	99%
*Total Population	19,986	21,977	22,171

## CERTIFIED TECHNICIANS

	<b>TOTAL FY 15</b>	<b>TOTAL FY 16</b>	<b>1<sup>st</sup> Quarter FY 17</b>
New Licenses Issued	1,132	1,530	301
New Licenses Issued Online	1,027	1,421	279
Renewed Licenses Issued	3,078	3,619	789
Online Renewals	3,052	3,602	783
% Renewed Online	99%	99%	99%
*Total Population	4,265	5,019	5,142

## TOTAL OF ALL LICENSE TYPES COMBINED

	<b>TOTAL FY 15</b>	<b>TOTAL FY 16</b>	<b>1<sup>st</sup> Quarter FY 17</b>
New Licenses Issued	7,515	8,742	1,943
New Licenses Issued Online	6,291	7,488	1,641
Renewed Licenses Issued	31,519	33,475	6,920
Online Renewals	31,059	33,132	6,863
% Renewed Online	98%	98%	99%
*Total Population	39,685	42,688	43,045

\*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.