

**Activity of IREM Ethics Boards at 2010 Leadership & Legislative Summit
for publication**

The **Ethics Inquiry Board** reviewed 3 new complaints. Two complaints will be forwarded for hearing. The first alleged conflict of interest for using a company vendor for a personal project. The second alleged stealing business by soliciting the firm's clients while still employed by the firm. The third complaint charged a CPM[®] with making misleading comments concerning a fellow CPM[®] member's business practices and was dismissed as no probable cause of violation of the Ethics Code was found.

The **Ethics Hearing and Discipline Board** conducted three hearings. **In the first hearing**, a CPM[®] member charged another CPM[®] with misrepresenting his broker status. The Responding CPM[®] was also alleged to have been denied renewal of his broker's license for falsifying an application regarding the completion of required continuing education hours. The Responding CPM[®] stated that failure to provide additional requested information, which resulted in the license not being renewed, was not a basis for ethical sanction. The Responding CPM[®] attended the hearing but the Complainant did not. The Hearing Board found the CPM[®] not in violation of the Code.

In the second hearing, the Board of Directors of a Cooperative charged the CPM[®] Respondent with breach of confidentiality and disloyalty. The CPM[®] Respondent was alleged to have given a list of renters contact information to unit owners, enabling owners to directly solicit renters instead of having the renters go through the Cooperative. The complaint included letters from renters who were concerned that the distribution of their addresses and dates they would be out of town constituted a breach of privacy.

After questioning the employees in the rental office, the Respondent found there was no proof that a list of renters existed. The Respondent stated that without the alleged list, there was no basis for a complaint. The Responding CPM[®] attended the hearing but the Complainant did not. The Hearing Board found no violation of the Ethics Code.

In the third hearing, the President of an HOA brought a complaint against the CPM[®] owner of a property management firm, alleging failure to provide accurate and auditable financial records. The Complainant also alleged a vendor submitted invoices to the management company which were not presented to the HOA, and that the management company prepared its own invoices, adding unauthorized and undisclosed service fees. In a written response, the Responding CPM[®] stated the Board disregarded the procedures established by the property management firm that were in place to safeguard them against mismanagement of funds and unqualified contractors.

Neither party attended the hearing. The Hearing Board found the management agreement between the management company and the HOA did not disclose the added service charges. Because of the lack of disclosure, the Hearing Board found the CPM[®] in violation of the articles of the Code having to do with loyalty to client, accounting and reporting and conflict of interest and voted to terminate the CPM[®] member's membership status. The Respondent has the right to file an appeal.