

Activity of IREM Ethics Boards at 2011 IREM iCon
for publication

The **Ethics Inquiry Board** reviewed 3 new complaints. The first complaint was dismissed as not being an ethical violation and the second complaint will be investigated. In the third complaint, a member's CPM status will be terminated as the CPM pled guilty in US District Court to engaging in a scheme to conceal material information from the Federal Election Commission (FEC), and witness tampering. Under the IREM bylaws, the Ethics Inquiry Board may terminate status when a member is convicted of a crime.

One hearing was conducted by the **Appeal Board**. The Hearing and Discipline Board terminated the membership status of a CPM who is the owner of a property management firm. The Complainant, who was the President of an HOA, alleged the CPM failed to provide accurate and auditable financial records and that the management company prepared its own invoices, adding unauthorized and undisclosed service fees. The Responding CPM attended the appeal hearing. Based on information presented to it, the Appeal Board determined to send the complaint back to the Hearing Board for their consideration.

The **Hearing and Discipline Board** conducted three hearings. In the first hearing, a CPM was charged with conflict of interest for using a company vendor to paint and clean her personal residence without paying for those services. The Complainant also alleged the CPM provided the vendor with confidential bidding information of competitors who were bidding the same contract. The CPM attended the hearing with an attorney. The Complainant attended with an attorney and a witness. The Hearing Board found the CPM in violation of the article dealing with conflicts of interest. The CPM will be issued a published letter of censure, will be suspended for three years, and must successfully complete ETH800 by December 31, 2011 or membership status will be terminated.

In the second hearing, the managing partner of an apartment complex charged an Executive CPM of an AMO firm with mismanagement and breach of contract. The complaint cited lack of tenant screening, employee theft and inadequate employee supervision. The CPM stated that an identical complaint was submitted to the state real estate commission, which has taken no action and provided documentation refuting the Complainant's claims. The Responding CPM did not attend, but a partner in the firm attended the hearing with an attorney. The Complainant did not attend. The Hearing Board found no violation of the Ethics Code.

In the third case, the Complainants, who are the Executive CPM and vice president of an AMO firm, charged two former employees who are both CPM members with stealing business while employed by the firm and after leaving the firm. The Complainants alleged that the CPMs willfully interfered with the firm's contractual relationships with clients and attempted to damage the reputations of its employees. One of the CPM Respondents, a former vice president of the firm, who was working as the designated broker for another firm, allegedly supplied the second CPM Respondent, (who was still employed with the Complainant's firm at the time of the alleged conduct) with signed management agreements to be shared with the Complainant's clients.

One of the Complainants attended the hearing. The CPM Respondents testified by telephone at their own expense. The Hearing Board found the first CPM in violation of the articles of the Code having to do with loyalty to client, conflict of interest and duty to employer, and voted to issue a published letter of censure and a three year suspension. The first CPM must also successfully complete ETH800 by December 31, 2011 or membership status will be terminated. The Hearing Board voted to issue an unpublished letter of censure to the second CPM and a one year suspension. The second CPM must also successfully complete ETH800 by December 31, 2011 or membership status will be terminated. All parties have the right to file an appeal.