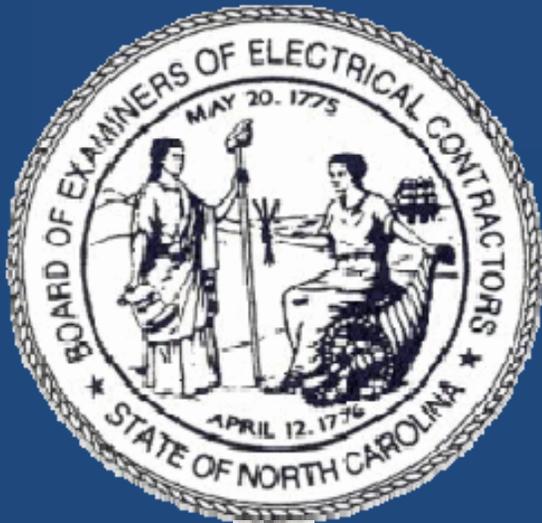


NC BOARD OF EXAMINERS OF ELECTRICAL CONTRACTORS



FREQUENT LAWS AND RULES VIOLATIONS

1 – Failing to obtain electrical permits and inspections for electrical work performed.

Title 21 NCAC 18B .0909

- (a) A licensee of the Board shall ensure that a permit is obtained from the local Code Enforcement official before commencing any work for which a license is required by the Board and ensure that a request for final inspection is made by him, the general contractor or the owner within 10 days of completion of the work for which a license is required, absent agreement with both the owner and the local Code Enforcement official. Absent agreement with the local Code Enforcement official, the licensee is not relieved by the Board of responsibility to arrange inspection until a certificate of compliance or the equivalent is obtained from the local Code Enforcement official or the licensee has clear and convincing evidence of his effort to obtain same.
- (b) A licensed contractor shall not allow a permit to be obtained or his license number to appear upon a permit except for work which he or his employees perform, over which he will provide general supervision until the completion of the work, for which he holds an executed contract with the licensed general contractor or property owner and for which he receives all contractual payments.
- (c) The failure of a licensee or qualified individual to comply with the permit and inspection obligations outlined in this rule is considered by the Board as evidence of malpractice, gross incompetence or gross misconduct, in the use of license or qualification from the Board.

2 – Failing to hire bona fide employees.

Pursuant to NCGS 87-43.1 Exception (3), a person in the course of his work as a bona fide employee of a licensee of the Board is not required to hold a license of his own. Board Rule .0306 also sets out conditions that must be met. This rule identifies specific conditions the Board will require and evaluate to determine whether a person is an employee exempted from the license requirement.

Suggested items to keep in your files include:

EMPLOYER FORMS or VALID CERTIFICATES

SS-4	Federal Employer Identification Number	www.irs.gov
AS/RP1	State Employer Identification Number	www.dor.state.nc.us
W-2	Employee Wage & Tax Statement	www.irs.gov
	Insurance Certificates	www.ncesc.com
		www.comp.state.nc.us

EMPLOYEE FILE

W-4	Employee Federal Withholding Form	www.irs.gov
NC-4	Employee State Withholding Form	www.dor.state.nc.us
I-9	Employment Eligibility Verification Form	www.uscis.gov
	NC New Hire Reporting Form	www.ncnewhires.com

3 - Aiding and abetting unlicensed person, partnership, firm, or corporation to offer to engage or engage in electrical contracting.

Persons who are paid by a 1099-MISC Form and/or W-9 Form to individuals or firms is deemed to be an independent contractor and is not a bona fide employee exempt from license. The person using such labor is helping the unlicensed person work without license.

4 – Exceeding scope of license. Consequences. Loss of Project, Hold on License and/or other Discipline.

.0906. License Ineligibility After Violation

(b) Licensee. Any licensee of the Board found to be engaging or offering to engage in a given electrical contracting project in North Carolina exceeding the project limitations or scope of the licensee's current license shall be subject to the provisions of G.S. 87-47 and 87-48. Furthermore, the licensee shall not be eligible to upgrade its license to a higher or general classification, or for a qualifying examination therefor, until the Board has found that any commitment to the project involving the licensee has been voided and that the project, if continued, has been awarded to a person, partnership, firm or corporation duly licensed by the Board to engage or offer to engage in the project.

5 – Failing to supervise employees.

.0908 Malpractice

(b) Malpractice may consist in lack of knowledge of Code, Manufacturer's specifications and industry standards, in a failure to apply such technical knowledge, in undertaking a project that is not planned and supervised, or in undertaking a project that the licensee may not reasonably expect to complete timely and in accordance with codes, specifications, and industry standards.

(c) Where work is carried out by employees of the licensee, failure to provide supervision of such employees, whether by consistent absence from the workplace or jobsite, or as demonstrated by the failure of the work to comply with this rule, also constitutes malpractice on the part of the licensee

6 – Operating business with an expired license.

GS 87-44

Upon failure to renew by the expiration date established by the Board, the license shall be automatically revoked. This license may be reinstated by the Board, subject to G.S. 87-44.1 and G.S.87-47, upon payment of the license fee, an administrative fee of twenty-five dollars (\$25.00), and all fees for the lapsed period during which the person, partnership, firm or corporation engaged in electrical contracting, and, further, upon the satisfaction of such experience requirements during the lapse as the Board may prescribe by rule.

7 – Financial Malfeasance.

- Failure to pay employees wages earned;
- Failure to pay suppliers for electrical material used when licensee has been paid by owner or general contractor for these materials; and
- Receiving money prior completing electrical work and failing to perform work constitutes unethical conduct or fraud.

8 – Abandonment of Electrical Project.

.0908 Malpractice

(b) Malpractice may consist in lack of knowledge of Code, Manufacturer's specifications and industry standards, in a failure to apply such technical knowledge, in undertaking a project that is not planned and supervised, or in undertaking a project that the licensee may not reasonably expect to complete timely and in accordance with codes, specifications, and industry standards.

9 – Failure to comply with Board Order.

When a Notice of Violation is issued by Board's Investigators or Recommended Order by the Disciplinary Committee and approved by the Board with requirements for a qualifier to meet certain conditions or take special classes, the qualifier must comply with the Board Order or license and qualification may be suspended or revoked.

10 - Failure to meet minimum work, quality and standards.

The provisions of the North Carolina Building Code, including the provisions of the National Electrical Code as modified and adopted by the Building Code Council of North Carolina from time to time, is a minimum standard of competence applicable to contractors licensed by the Board. Malpractice consists in failure to design and install systems that meet or exceed the minimum standards of the North Carolina State Building Code, Manufacturer's specifications and installation instructions and standards prevailing in the industry.

11 - Child Support Obligations.

When the Board is notified by the NC Child Support Enforcement Division of Social Services that a qualifier has not complied with a child support order, then in accordance with G.S. 110-142.1, the Board is obligated to forward a letter to the qualifier advising that electrical license must be suspended or revoked if the obligations of child support are not satisfied.

12 - Statutory Violations.

(a1) The following activities are prohibited by GS 87-47 (a1)

(1) Offering to engage or engaging in electrical contracting without being licensed.

(2) Selling, transferring, or assigning a license, regardless of whether for a fee.

(3) Aiding or abetting an unlicensed person, partnership, firm or corporation to offer to engage or to engage in electrical contracting.

(4) Being convicted of a crime involving fraud or moral turpitude.

(5) Engaging in fraud or misrepresentation to obtain a certification, obtain or renew a license, or practice electrical contracting.

(6) Engaging in false or misleading advertising.

(7) Engaging in malpractice, unethical conduct, fraud, deceit, gross negligence, gross incompetence, or gross misconduct in the practice of electrical contracting.

13 - GS 87-47 (a2) provides that's the Board may administer one or more of the following penalties if the applicant, licensee, or qualified individual has engaged in any prohibited activity.

- (1) Reprimand.
- (2) Suspension from practice for a period not to exceed 12 months.
- (3) Revocation of the right to serve as a listed qualified individual on any license issued by the Board.
- (4) Revocation of license.
- (5) Probationary revocation of license or the right to serve as a listed qualified individual on any license issued by the Board, upon conditions set by the Board as the case warrants, and revocation upon failure to comply with the conditions.
- (6) Revocation of certification.
- (7) Refusal to certify an applicant or a qualified individual.
- (8) Refusal to issue a license to an applicant.
- (9) Refusal to renew a license.

14 - Civil penalty in addition to administering other sanctions.

The Board may assess a civil penalty of not more than one thousand dollars (\$1,000) against a licensee or a qualified individual who has engaged in a prohibited activity. Civil penalties collected shall be deposited in the General Fund of North Carolina as nontax revenue.

15 - In determining the amount of a civil penalty, the Board shall consider.

- (1) The degree and extent of harm to the public safety or to property, or the potential for harm.
- (2) The duration and gravity of the violation.
- (3) Whether the violation was committed willfully or intentionally, or reflects a continuing pattern.
- (4) Whether the violation involved elements of fraud or deception either to the public or to the Board, or both.
- (5) The violator's prior disciplinary record with the Board.
- (6) Whether and the extent to which the violator profited by the violation.

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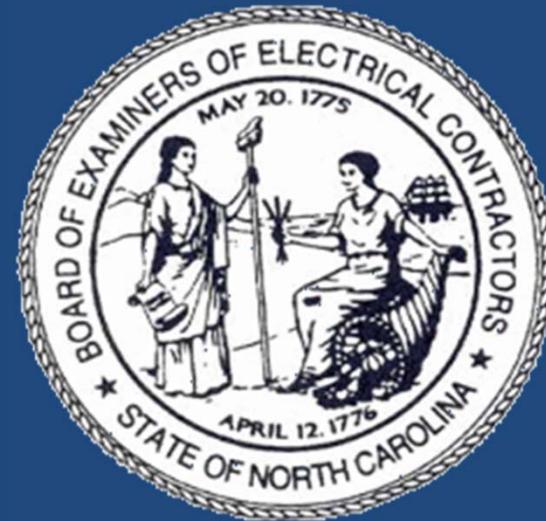
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