

AVOID BRE AUDIT TRANSACTIONAL ACCUSATION

The BRE can request an audit of a real estate brokerage randomly or in lieu of a consumer complaint subsequent to a BRE attorney's determination that there is sufficient evidence a violation(s) have occurred. Failure to keep records of all licensee activities are at the top of the list violations determined by the Bureau. Serious violations of the Commissioner's guidelines can result in issuance of 'cite and fine' where fees up to \$2,500.00 and reasonable costs of the investigation can be incurred for \$1,000.00 to \$2,000.00. Other costs could include: restitution, costs of enforcement, suspension buyout, and accounting 'audit' fees for trust fund discrepancies that can exceed \$10,000.00.



The auditor (commonly known as an examiner) can present a subpoena to the broker on day one of the audit. The documents demanded in the subpoena can be extensive. Upon completion of the audit, the auditor conveys their findings with the broker. The broker can respond with information that rebuts the findings and also with remediation (corrective action); however, the auditor can refer the case to BRE legal for the filing of an accusation to discipline the broker's license.

Other than the suspension of the brokerage's license, which can ruin their career from a financial standpoint, the biggest costs of a transactional or audit accusation is to the brand or goodwill that could have taken years to develop with consumers.

Why risk this?

Transaction file management by a professional, experienced, BRE Certified Transaction Coordinator is the first step in avoiding issue with BRE compliance. Our files have stood internal audits from private consultant auditors, some of which are former BRE examiners hired by our clients to ensure office files relating to transactions managed by TeamOne Transaction Coordinators would stand a full audit. Each time a private consultant reviewed a closing file prepared by TeamOne, the review came back with flying colors (much to the satisfaction of our clients).

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