

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In the Matter of the Real Estate License of)
5)
6 STEPHANIE L. DUGAS) ORDER ON DEFAULT
7)
8)

9 1.

10 1.1 On November 9, 2016, the Real Estate Commissioner issued, by certified mail, a
11 notice of intent to revoke the real estate broker's license of Stephanie L. Dugas (Dugas). The
12 Real Estate Agency (OREA) sent the notice of intent to Dugas' last known address of record
13 with the OREA. The notice of intent was also mailed to Dugas by regular first class mail in a
14 handwritten envelope.

15 1.2 The certified mailing and the first class mailing of the notice of intent were sent to
16 Dugas at 1150 Greer Ave, Cottage Grove, OR 97424.

17 1.3 Over twenty (20) days have elapsed since the mailing of the notice issued in this
18 matter and no written request for hearing has been received.

19 1.4 Copies of the entire investigation file are designated as the record for purposes
20 of default, including any submission from respondent and all information in the administrative
21 file relating to the mailing of notices and any responses received.

22 2.

23 Based upon the foregoing and upon a review of the above described investigation
24 reports, documents and files, the Real Estate Commissioner finds:

25 2.1 Oregon Administrative Rule 863-001-0006 states, in part, that a notice of intent is
26 properly served when deposited in the United States mail, registered or certified mail,
27 addressed to the real estate licensee or to any other person having an interest in a proceeding
28 before the Commissioner at the licensee's or other person's last known address of record with
29 OREA.

30 2.2 Dugas' last known address of record with OREA was 1150 Greer Ave, Cottage
Grove, OR 97424.

1 2.3 A certified mailing of the notice of intent was mailed to Dugas at her last known
2 address of record on November 9, 2016. The certified mailing was returned to OREA marked
3 “Return to Sender Unclaimed Unable to Forward.”

4 2.4 The mailing in the handwritten envelope has not been returned to OREA. In
5 accordance with ORS 40.135(1)(q), there is a presumption that the mailing properly addressed
6 and placed with the U.S. Postal Service was delivered. That presumption has not been
7 overcome by any evidence.

8 2.5 Over twenty (20) days have elapsed since the mailing of the notice and no
9 written request for a hearing has been received.

10 2.6 Pursuant to ORS 696.775, the lapsed status of Dugas’ license does not prohibit
11 the Commissioner from proceeding with further action.

12 FINDINGS OF FACT

13 &

14 CONCLUSIONS OF LAW

15 3.

16 3.1 Dugas was licensed as a real estate broker with Sundance Realty from October
17 6, 2008 until February 20, 2013. On April 1, 2014, Dugas failed to renew her license and her
18 license became expired. On April 1, 2015, Dugas’ license lapsed.

19 3.2 On August 31, 2013, OREA received a complaint related to Dugas from Kimberly
20 Wessler (Wessler), Senior Investigator with Freddie Mac, alleging that invoices submitted by
21 Dugas had been altered to add services for which the maintenance company never performed,
22 nor was hired to do, and was not paid for. OREA opened an investigation.

23 3.3 On January 16, 2014, OREA Investigator/Auditor Aaron Grimes (Grimes)
24 interviewed Dugas’ principal broker, Farris Beatty (Beatty). Beatty told Grimes that Dugas had
25 quit real estate over a year prior because she had kids and wanted to focus on her family life.
26 Beatty was aware Dugas had a “mediocre review” from Freddie Mac, which Beatty attributed to
27 Dugas not meeting their requirements.

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1 3.4 Freddie Mac provided two exhibits with their complaint. The first exhibit
2 contained the following:

- 3 • Invoices from Kent Frey Construction (KFC) for alleged work at:
4 1. 262 Pine St, Sutherlin OR 97479 (Sutherlin property)
5 2. 38483 Hwy 228, Sweet Home OR 87386 (Sweet Home property)
6 3. 404 W Bishop Way, Brownsville, OR 97327 (Brownsville property)
7 • Yard maintenance and property cleaning expenses (without invoices) at:
8 1. 150 E. 48th Ave, Eugene, Or (Eugene property) and
9 2. 134-136 W 2nd St, Lowell OR, (Lowell Property).
10 • An email to Wessler from the owner of KFC, Frey dated February 13, 2013, regarding the
11 validity of the above expenses billed to Freddie Mac.

12 3.5 The second exhibit provided was an email exchange between Megan Reese
13 (Reese), of Freddie Mac, and Dugas, from November 2012.

14 3.6 On November 1, 2012, Dugas emailed Reese. Dugas stated she heard from
15 Beatty that Reese was sending an email regarding issues on several properties. Reese
16 replied to Dugas a couple days later and stated she provided all the information to Beatty for a
17 response. Reese stated she ran a few accounting reports and found Sundance had not
18 submitted any utility bills on Dugas' properties and "only yard maintenance expenses from May
19 to July of this year. All of these issues are violations of our Master Listing & Services
20 Agreement signed by Farris every year."

21 3.7 Reese indicated she was taking Sundance to Freddie Mac's Disciplinary
22 Committee on November 8, 2012 and invited Dugas to provide any information to her no later
23 than Tuesday, November 6, 2012. On November 6, 2012, Dugas stated to Reese she went to
24 the properties to make sure they were up to Freddie Mac's standards. Dugas claimed to put
25 utilities in her name because Beatty would not. She stated, "I haven't submitted for
26 reimbursement because they say it has to be in the company name. I've been turning them on
27 for inspections, appraisals, rehab, etc. I carry all of the expense of the capital repairs, so it is
28 no problem to carry utilities regularly if I am able to submit for reimbursements."

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1 3.8 Freddie Mac's investigation report included the following details:

- 2 • Freddie Mac identified six houses being maintained by Dugas that failed
- 3 inspections by a third-party, hired by Freddie Mac.
- 4 • Frey confirmed by email that Dugas falsely billed Freddie Mac for work on at
- 5 least five properties.
- 6 • A Freddie Mac disciplinary committee held a hearing on November 2012. Dugas
- 7 offered no explanation except to say she had corrected the problem.
- 8 • On November 18, 2012, Sundance was terminated as a Freddie Mac vendor

9 3.9 Freddie Mac found Dugas fraudulently billed them expenses of \$6,455 from April
10 4, 2012 to November 6, 2012 related to:

- 11 • The Sutherlin Property: Two invoices from KFC totaling \$1,035.00 for work
- 12 allegedly done. Frey indicated these invoices were fraudulent.
- 13 • Sweet Home Property: Two invoices from KFC totaling \$600.00 for work
- 14 allegedly done. Frey indicated these invoices were fraudulent.
- 15 • Brownsville Property: Two invoices from KFC totaling \$4,170.00 for work
- 16 allegedly done. Frey indicated these invoices were fraudulent.
- 17 • Lowell and Eugene Properties: Four separate occurrences of yard maintenance
- 18 of \$50.00 per occurrence were billed from KFC. Frey wrote, "I did a one time
- 19 removal of wood debris in the backyard but did not do regular yard maintenance."
- 20 Additionally, four separate occurrences were billed for yard maintenance and
- 21 interior cleaning expenses, of \$75.00 per occurrence were allegedly billed from
- 22 KFC. Frey indicated these billings were fraudulent.

23 3.10 Wessler interviewed Frey during her investigation. Frey said he did mostly rehab
24 work for Dugas. Wessler asked whether Frey did yard maintenance for Dugas, and Frey said
25 he did yard work on one or two properties but never regular maintenance.

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ORDER

IT IS HEREBY ORDERED that Dugas' broker license is revoked.

Dated this 20th day of DECEMBER, 2016.

OREGON REAL ESTATE AGENCY



GENE BENTLEY
Real Estate Commissioner

Date of Service: 12-20-2010

NOTICE: You are entitled to judicial review of this order. Judicial review may be obtained by filing a petition for review within 60 days from the date of service of this order. Judicial review is pursuant to the provisions of ORS 183.482.