Testimony of Avion Real Estate and Janice Fiaschetti
in FAVOR of HB5536
for Judiciary Committee Public Hearing
March 29, 2012
10:00AM

I am in FAVOR of HB5536 as a unit owner, board member, and currently, due to no other safe options, a property manager of a condo complex located in Danbury. I am fortunate to have both accounting and audit experience, as well as an extensive Real Estate background being a licensed Real Estate Broker and owner of my own Real Estate company.

The condo complex where I have owned units since the mid 80's has hired and let go of 6 management companies in the last 10 or so years. Some of these management companies were among the largest in the area, some were among the smallest. Each was either audited by me or I was on the Board of Directors and directly involved with the discovery of one or more of the following with every one of these management companies:

- Falsified documents to make it appear that they were doing their job.
- $40K worth of Association funds were taken through charging over and above all bills relating to maintenance and improvements, without our knowledge.
- Consistently over paid vendors through duplicate payments, payments for services they requested that were included in a monthly maintenance contract, and payments for services not rendered.
- Bookkeeping/recordkeeping that, when audited, 65+% of the unit accounts had incorrect balances resulting in inappropriate or no collection actions.
- A unit forwarded to the Associations Attorney for collection and was 2 weeks away from foreclosure over a $25 fine.
- Multiple repairs identified and after multiple calls, letters and meetings with the management company were still not addressed after 6+ months. Some of these resulted in a significant increase in cost to the Association due to damages worsening over time.
- Incorrect information provided to insurance companies causing the Association to pay $13K more a year in premiums.
- No follow up, identification, or correction of violations, maintenance items, repairs, problem bills, and contract renewals.
- Approval for changes in a unit not allowed per the by-laws and without Board of Director Approval or notification.
- Incorrect notifications for violations, collections, and fines, in some cases causing the Association to hire their Attorney to correct.

Interestingly, 3 of the management companies, 2 of them large, when presented with these problems responded with their feeling that I was "micro managing" the complex. Their attitudes were that these were not unusual discoveries but things that were bound to happen in the industry.

These are only a sample of the problems identified. I cannot imagine how many more problems are not identified, and the number of Associations being taken advantage of because they do not have the knowledge and experience I have, or are not as involved.

The need for requirements on education, training, controls, as well as background checks is the minimum needed for these companies who are handling hundreds of thousands of dollars for Associations.

Sincerely,
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