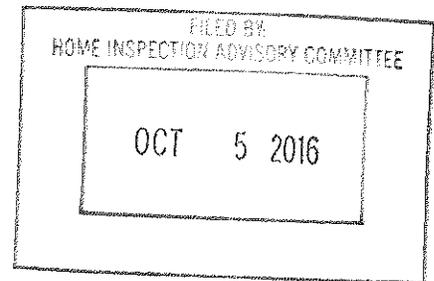


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STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
HOME INSPECTION ADVISORY COMMITTEE

IN THE MATTER OF :
: Administrative Action
JOSEPH E. McGRATH :
License number: 24GI00098200 :
: CONSENT ORDER
TO PRACTICE HOME INSPECTION :
IN THE STATE OF NEW JERSEY :
:

This matter was opened to the Home Inspection Advisory Committee (hereinafter the "Committee"), following its review of a consumer complaint, filed by D.H., concerning the home inspection services rendered by respondent Joseph E. McGrath, doing business as Inspection Services of New Jersey, at her property located at 539 Coolidge Avenue, Toms River, New Jersey. Ms. H. alleged that Respondent failed to properly inspect and report

numerous electrical issues, including non-functional outlets, loose electrical cables and exposed wires hanging over the breaker box. Ms. H. also alleged that Mr. McGrath failed to provide her with a pre-inspection agreement as required by N.J.A.C. 13:40-15.15.

The Committee's review of this matter revealed that the respondent performed a home inspection of the property on October 12, 2012 and subsequently prepared and issued a written home inspection report with his findings. The complainant later purchased the property in March 2013. Subsequent to moving into the property, according to Ms. H., major issues began to arise.

In February 2013, Ms. H. hired an electrical contractor to address electrical work that was previously performed so that applicable building permits could be granted. This contractor corrected several items, including: 1) the installation of proper fixture blocks on exterior light and correct GFCI tamper proof weather resistant device; 2) replaced 15 amp s/p breakers with 15 amp arc fault breaker for new circuit; and 3) relocated smoke detector wiring in attic.

On April 17, 2014, Ms. H. had the property inspected by another licensed home inspector. The inspector later issued a report that confirmed some of Ms.

H.'s claims about the respondent's oversights, including the electrical system. The subsequent inspection occurred nearly two (2) years after Mr. McGrath's inspection of the premise. The subsequent inspector reported that the following portions of the property's electrical system were unacceptable: the main cable service conductor; main distribution center - circuit breakers; interior house wiring; GFCI outlets; exterior ground rod; and exterior lighting system. The inspector also noted that the Federal Pacific electric sub panel was: aged, wired incorrectly, hazardous and that there was a safety recall on all Federal Pacific breaker systems. Finally, the inspector recommended several times that a licensed electrician should be consulted for evaluation and correction.

The respondent's findings following his inspection of the electrical system in 2012 failed to disclose any of these findings. Specifically, he reported the type of the service conductors but did not indicate the condition. He advised of the location of both the main and one (1) sub electrical panel but again did not describe or indicate the condition of the panels. Respondent further identified that the entrance cables were aluminum and indicated their condition was "OK." Finally, he reported

that as a whole, the outlets and switches in the premises were in serviceable condition.

Mr. McGrath maintained, in his August 6, 2014 correspondence to the Committee, that he could not be held responsible for any discrepancies between his report and the subsequent inspector's report because of the two (2) year gap between inspections. Additionally, he asserted that Ms. H.'s son, a "self proclaimed contractor," had engaged in renovations at the home and was therefore responsible for any work that was not appropriately completed with or without required building permits.

Mr. McGrath returned to the premises on April 16, 2014, at the request of Ms. H., for a re-inspection of the property. Respondent maintains that he was confronted and assaulted by Ms. H.'s son and ended the re-inspection.

Finally, subsequent to the request of the Committee, Mr. McGrath was unable to produce a Pre-Inspection Agreement signed by Ms. H., as required by N.J.A.C. 13:40-15.15. In his August 2014 response to the Committee, he contended that he ". . . could not be held responsible if the client can't find the pre inspection [sic] agreement. . ." He asserted that he requires each property owner to download the pre-inspection agreement from his website, read it and bring a signed copy to the

inspection. He does not remember if Ms. H. brought her signed agreement to the inspection and cannot access some of his records because they were destroyed by Hurricane Sandy.

The Committee, following its review of the complaint and other relevant documentation, has concluded that Mr. McGrath violated or failed to comply with the Home Inspection Professional Licensing Act and the accompanying regulations administered by the Committee, contrary to N.J.S.A. 45:1-21(h). Specifically, respondent failed to properly inspect the electrical system, as required by N.J.A.C. 13:40-15.16(c)(1)(v) and N.J.A.C. 13:40-15.16(i). Specifically, the Committee noted that he failed to document the existing Federal Pacific sub panel in his inspection report, in violation of N.J.A.C. 13:40-15.16(c)(2). The Committee concluded that the this sub panel existed at the time of Mr. McGrath's inspection despite the two (2) year gap between home inspections and that at a minimum his report should have advised Ms. H. of its existence and its significance.

Additionally, the Committee concluded that the respondent violated N.J.A.C. 13:40-15.15(a) which provides that a pre-inspection agreement " . . shall be executed prior to the start of the home inspection." The Committee

specifically rejected Mr. McGrath's contention that compliance with this regulation is the responsibility of the consumer and found that it is the licensee's responsibility to secure a signed agreement so that a client is adequately advised as to the scope of a home inspection.

The parties desiring to resolve this matter without the need for further disciplinary proceedings; and the respondent acknowledging and not contesting the findings of the Board; and waiving his right to a hearing; and the Board having been satisfied that the resolution adequately protects the public health, safety and welfare, and for good cause shown;

IT IS, THEREFORE, ON THIS 24th ^{September} day of AUGUST 2016

HEREBY ORDERED AND AGREED THAT:

1. Respondent Joseph E. McGrath is hereby formally reprimanded for his conduct as described above, contrary to N.J.S.A. 45:1-21(h) and N.J.A.C. 13:40-15.16 and 15.15.

2. Respondent shall cease and desist from further violations of N.J.S.A. 45:1-21(h), N.J.A.C. 13:40-15.16 and 15.15.

3. Mr. McGrath shall provide restitution to consumer D.H. in the amount of \$295.00 for the cost of the

home inspection. The restitution shall be made payable to Ms. H., by certified check or money order, and shall be made contemporaneously with the entry of this Order. Proof of said restitution shall be submitted to Joanne Leone, Executive Director of the State Home Inspection Advisory Committee, at 124 Halsey Street, Post Office Box 45043, Newark, New Jersey 07101, within ten (10) days of the entry of this Order.

4. Respondent shall take and successfully complete, and provide the Committee with proof of successful completion of, a minimum of four (4) credit hours of Committee approved courses of continuing education, in the area of Electrical systems, within six (6) months of the date of this Order. All continuing education courses taken by the respondent to fulfill this requirement shall have no affiliation with or be sponsored by Inspection Services of New Jersey. Additionally, no continuing education credits completed in compliance with this Consent Order may be used to satisfy the minimum continuing education requirements for any biennial renewal period.

5. Failure on the part of the respondent to comply with any of the terms of this Consent Order shall constitute a violation of this Order, proof of which would

constitute grounds for additional disciplinary action by the Committee.

HOME INSPECTION ADVISORY COMMITTEE

By: 

MICHAEL DEL GRECO
Chairman

I have read and understand the within Consent Order and agree to be bound by its terms. Consent is hereby given to the Committee to enter into this Order.



JOSEPH E. MCGRATH

DATED: 9-19-16