

JUNE 11, 2013
IRVINE, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, California 95827
Mailing Address: P.O. Box 26000, Sacramento, CA 95826
800-321-CSLB (2752)
www.cslb.ca.gov • CheckTheLicenseFirst.com

STATE OF CALIFORNIA
Governor Edmund G. Brown Jr.

NOTICE OF BOARD MEETING

The Contractors State License Board (CSLB) will hold a Board Meeting on Tuesday June 11, 2013, in the Crystal Cove room at the Hyatt Regency, 17900 Jamboree Road, Irvine, CA 92614, (949) 975-1234.

All times are approximate and subject to change. Items may be taken out of order to maintain a quorum, accommodate a speaker, or for convenience. The meeting may be canceled without notice. For verification of the meeting, call (916) 255-4000 or access the CSLB website at <http://www.cslb.ca.gov>. Action may be taken on any item listed on this agenda, including information-only items. Public comments will be taken on agenda items at the time the item is heard. Total time allocated for public comment may be limited.

The meeting is accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Erin Echard at (916) 255-4000 or by sending a written request to the CSLB Executive Office, 9821 Business Park Drive, Sacramento, CA 95827. Providing your request at least five (5) business days prior to the meeting will help ensure availability of the requested accommodation.

AGENDA

June 11, 2013

8:30 a.m. – 5:00 p.m.

- A. Call to Order – Establishment of Quorum
- B. Chair's Remarks and Board Member Comments
- C. Public Comment Session
- D. Review and Approval of April 23-24, 2013 Board Meeting Minutes
- E. Discussion with the Nevada State Contractors Board
- F. Enforcement Committee Report
 - 1. Enforcement Program Update
 - 2. Review and Recommendation Regarding Electrician Certification Enforcement Strategies and Revision of the Industry Bulletin
- G. Public Affairs Committee Report
 - 1. Public Affairs Program Update

CONTINUED

- H. Legislative Committee Report
 - 1. Legislative Update
- I. Licensing Committee Report
 - 1. Licensing Program Update
 - 2. Testing Division Update
- J. Executive Committee Report
 - 1. Administration and Information Technology Update
 - 2. Budget Update
 - 3. Review and Approval of 2013-2014 Strategic Plan
 - 4. Election of Board Officers
- K. Review of Tentative Schedule
- L. Adjournment

AGENDA ITEM A

Call to Order Establishment of Quorum

Roll is called by the Board Chair or, in his/her absence, by the Board Vice Chair or, in his/her absence, by a Board member designated by the Board Chair.

Eight members constitute a quorum at a CSLB Board meeting, per Business and Professions Code section 7007.

BOARD MEMBER ROSTER

DAVID DIAS	JAMES MILLER
JOAN HANCOCK	JOHN O'ROURKE
PASTOR HERRERA JR.	BRUCE RUST
MATTHEW KELLY	FRANK SCHETTER
ROBERT LAMB	PAUL SCHIFINO
ED LANG	MARK A. THURMAN



AGENDA ITEM B

Chair's Remarks and Board Member Comments

Board Chair Paul Schifino will review the scheduled Board actions and make appropriate announcements.

Board members may comment on issues not on the agenda; they may not debate or vote on issues not included on the agenda notice.



AGENDA ITEM C

Public Comment Session

Members of the public may address the Board at this time on matters that are not on the agenda. However, because such matters are not on the agenda, the Board may not take action at this meeting. The Board Chair will allow public comment during other agenda items at his/her discretion.

BOARD AND COMMITTEE MEETING PROCEDURES

To maintain fairness and neutrality when performing its adjudicative function, the Board shall not receive any substantive information from a member of the public regarding matters that are currently under or subject to investigation, or involve a pending or criminal administrative action.

- (1) If, during a Board meeting, a person attempts to provide the Board with substantive information regarding matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the person shall be advised that the Board cannot properly consider or hear such substantive information and the person shall be instructed to refrain from making such comments.
- (2) If, during a Board meeting, a person wishes to address the Board concerning alleged errors of procedure or protocol or staff misconduct involving matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the Board will address the matter as follows:
 - (a) Where the allegation involves errors of procedure or protocol, the Board may designate either its Registrar or a board employee to review whether the proper procedure or protocol was followed and to report back to the Board.
 - (b) Where the allegation involves significant staff misconduct, the Board may designate one of its members to review the allegation and to report back to the Board.
- (3) The Board may deny a person the right to address the Board and have the person removed if such person becomes disruptive at the Board meeting.



AGENDA ITEM D

Review and Approval of April 23-24, 2013 Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

BOARD MEETING MINUTES

April 23-24, 2013

Tuesday, April 23, 2013

A. CALL TO ORDER

Board Chair Paul Schifino called the meeting of the Contractors State License Board (CSLB) to order at 1:00 p.m. on Tuesday, April 23, 2013, in the Grand Marina Room of the Best Western Hotel at 2051 Shelter Island Drive, San Diego, CA 92106. A quorum was established.

Board Member Robert Lamb led the Board in the Pledge of Allegiance.

Board Members Present

Paul Schifino, Chair
Joan Hancock, Vice Chair
David Dias
Frank Schetter

Ed Lang
Robert Lamb
Pastor Herrera Jr.
Matthew Kelly

Board Members Excused

Bruce Rust
Lisa Miller-Strunk
James Miller

Mark Thurman, Secretary
John O'Rourke

CSLB/DCA Staff Present

Stephen Sands, Registrar
Cindi Christenson, Chief Deputy Registrar
Karen Robinson, Licensing Chief
Laura Zuniga, Legislation Chief
Heidi Lincer-Hill, Testing Chief
Larry Parrott, Administration Chief

David Fogt, Enforcement Chief
Rick Lopes, Public Affairs Chief
Raju Sah, IT Chief
Don Chang, Legal Counsel
Erin Echard, Executive Office

Public Visitors

Joe Upchurch
Rick Pires
Eric Crandall

Tony Forchette
Alex Beltran

B. CHAIR'S REMARKS AND BOARD MEMBER COMMENTS

Board Chair Schifino welcomed the audience. Mr. Schifino asked if there were any comments to be made. There were none, although a moment of silence was called for the recent tragedies in Boston and West, Texas.



C. PUBLIC COMMENT SESSION

There was none.

D. REVIEW AND APPROVAL OF FEBRUARY 26, 2013, BOARD MEETING MINUTES

It was noted that an amendment was made to the minutes under the Licensing Committee Report on Page 5, Item 3, Consideration of an Asbestos Abatement Specialty Classification.

Motion to Approve the February 26, 2013, Amended Board Meeting Minutes

MOTION: A motion was made by Board Member Frank Schetter and seconded by Board Member Pastor Herrera Jr. to approve the Amended February 26, 2013, Board Meeting Minutes. The motion carried unanimously, 8-0.

E. LEGISLATIVE COMMITTEE REPORT

Registrar Steve Sands provided the Legislative Report.

1. Review and Approval of Recommended Positions on Proposed Legislation:

- AB 44 Subletting and Subcontracting Fair Practices Act – “Support”

MOTION: A motion was made by Board Member Joan Hancock and seconded by Board Member Robert Lamb to adopt the Recommended “Support” Position on AB 44. The motion carried unanimously, 8-0.

- AB 186 Military Spouses: Temporary Licenses – “Oppose”

MOTION: A motion was made by Board Member Matthew Kelly and seconded by Board Member Frank Schetter to adopt the Recommended “Oppose” Position on AB 186. The motion carried unanimously, 8-0.

- AB 811 Excavations: Contractor Certification – “Watch”
- AB 834 Energy Efficiency Standards – “Watch”
- AB 993 Arbitration – “Sponsor/Support”
- SB 261 Contractors: Fraudulent Use of License – “Sponsor/Support”
- SB 262 Supervision and Control of a Contractor’s Business – “Sponsor/Support”
- SB 263 Unlicensed Activity – “Sponsor/Support”
- SB 822 Delinquency Fee – “Support”



F. PROGRAM UPDATES

1. **LICENSING** – Licensing Chief Karen Robinson informed the Board that very little has changed since the February Board meeting. Ms. Robinson reported that the law requiring workers’ compensation recertification at the time of renewal was implemented with licenses that expired on March 31, 2013. CSLB sent 7,968 renewals that claimed a workers’ comp exemption; 2,866 recertified their exempt status.
2. **TESTING** – Testing Chief Heidi Lincer-Hill informed the Board that the testing center move from Oakland to Berkeley has been delayed from May to October 2013 due to lease negotiations.
3. **ENFORCEMENT** – Enforcement Committee Chair David Dias and Enforcement Chief David Fogt provided the Enforcement Program Update and informed the Board of upcoming partnering opportunities with the Department of Insurance.

a. REVIEW AND APPROVAL OF THE MARCH 26, 2013, ENFORCEMENT COMMITTEE SUMMARY REPORT

Motion to Approve the March 26, 2013, Enforcement Committee Report
MOTION: A motion was made by Board Member Matthew Kelly and seconded by Board Member Pastor Herrera Jr. to approve the March 26, 2013, Enforcement Committee Report. The motion carried unanimously, 8-0.

b. REVIEW OF THE 2012 CONSUMER SATISFACTION SURVEY

Testing Chief Heidi Lincer-Hill reported that satisfaction of the Enforcement division’s complainant-handling processes improved in four out of five categories from the prior year’s survey. The only category that showed a slight decrease related to whether complainants checked CSLB’s website before selecting a contractor. This year, CSLB will send email reminders to complainants who do not promptly return their satisfaction survey.

4. **PUBLIC AFFAIRS** – Public Affairs Chief Rick Lopes updated the Board on the success of the online tutorial video that instructs viewers about the correct way to fill out and submit a license application, and the increase in Senior Scam StopperSM seminars scheduled through August. He also noted that adjustments will be made to the Consumer Scam StopperSM seminars, and weekend sting operations will be publicized.



- 5. ADMIN AND IT** – IT Chief Raju Sah informed the Board that the BreEZe project Release 1 date has been delayed, which likely will impact Release 3 (CSLB) schedule. Administration Chief Larry Parrott presented staffing updates; CSLB currently has 39 vacancies. The purchasing deadline is approaching for 23 vehicles. Chief Deputy Registrar Cindi Christenson gave an update on the budget; currently, there is about \$5 million in reserve.

I. STRATEGIC PLANNING SESSION

Board Chair Schifino turned the meeting over to DCA Strategic Planning Facilitators Tom Roy and Roy Fleishman.

J. ADJOURNMENT

Board Chair Paul Schifino adjourned the Board meeting at 4:59 p.m.

Wednesday, April 24, 2013

A. CALL TO ORDER

Board Chair Paul Schifino called the meeting of the Contractors State License Board (CSLB) to order at 8:00 a.m. on Wednesday April 24, 2013, in the Grand Marina Room of the Best Western Hotel at 2051 Shelter Island Drive, San Diego, CA 92106. Pastor Herrera Jr. arrived shortly after, which established a quorum.

B. CHAIR’S REMARKS AND BOARD MEMBER COMMENTS

Board Chair Schifino asked if there were any Board comments. There were none.

C. PUBLIC COMMENT

Scott Carothers, a plumbing contractor in Los Angeles, expressed frustration with the underground economy. He said he witnesses subcontractors performing illegal side work and questioned the delay in CSLB’s response to consumer complaints.

D. STRATEGIC PLANNING SESSION

The Board reconvened Strategic Planning Session.

E. REVIEW OF TENTATIVE SCHEDULE

The next Board Meeting will be held on Tuesday June 11 in Irvine.

F. ADJOURNMENT

Board Chair Paul Schifino adjourned the Board meeting at 11:56 a.m.



Paul Schifino, Chair

Date

Stephen P. Sands, Registrar

Date

AGENDA ITEM E

Discussion with the Nevada State Contractors Board



AGENDA ITEM F

Enforcement Committee Report



AGENDA ITEM F-1

Enforcement Program Update





Intake and Mediation Centers (IMC)

**IMCs
Financial Settlement Amount
12-13 FY (July- April)**

• \$ 7,133,629.80

Large Cash Settlement Negotiated for Homeowner

A frustrated homeowner signed a contract for \$109,000 for a room addition and other miscellaneous work. The homeowner reached the point where he lost faith in the contractor's ability and wanted to pursue legal action. After he filed a complaint with the Norwalk IMC, a CSR informed the homeowner that mediation was available to resolve the dispute without legal action. The homeowner agreed to mediation but did not want the contractor to be allowed to return or fix any of the work. The CSR was able to mediate a refund of \$45,000 cash with a stipulation from the contractor that the homeowner drop his complaint with CSLB. The homeowner was pleased to receive the refund and have the work completed by the contractor of his choice.

Contractor Suspended for Operating Without Insurance

A homeowner entered into a \$12,430 contract for cabinet painting, landscaping, and carpentry. The contractor ultimately stopped the job without completing the entire scope of work and placed a lien on the homeowner's property for the balance of the contract. A complaint was filed in the Norwalk IMC regarding workmanship issues with a request the lien be released. The CSR was able to negotiate the lien release with the contractor. During the discussion, the contractor mentioned to the CSR how unreasonably the homeowner had treated his employees. That's when the CSR noticed the contractor has an exemption from workers' compensation insurance on file. The CSR informed the contractor that he needed to obtain a policy immediately. The contractor stated he dropped his insurance to cut costs. Ultimately, the homeowner was happy with the lien release and the contractor was given 30 days to obtain workers' compensation insurance or face license suspension.

Industry Referral Leads to Contractor Obtaining Policy

A referral was made to the Sacramento IMC by the Sheet Metal Workers Union against a contractor thought to be uninsured and working with employees. The CSR verified that the contractor had an exemption from workers' compensation insurance on file with CSLB. The CSR then researched the Internet for information regarding the contractor and the alleged employees, and found a website indicating the existence of 24 employees. The CSR was able to obtain an admission from the contractor and immediately cancelled the exemption from workers' compensation insurance. The contractor obtained the required policy; however, the CSR has referred the complaint for further investigation for filing of a false WC exemption, failure to have the appropriate license number on vehicles, and contracting with an unlicensed contractor.



Assembly Member Contacts CSLB for Elderly Constituent

An elderly homeowner contacted Assembly Member Steve Fox’s office, requesting assistance with unnecessary and unsolicited plumbing work that was done to her home. A complaint was filed with the Sacramento IMC where the homeowner claimed she was charged \$14,000 for unneeded pipe replacement when her initial complaint was a clogged toilet. The CSR worked hard to coordinate the parties and assisted with multiple offers and counter offers. Ultimately, the CSR obtained a \$10,000 refund for the homeowner.

Investigative Centers (IC)

**ICs
Financial Settlement Amount
12-13 FY (July- April)**

• \$ 2,891,868.05

CSLB’s Most Wanted Arrested – Alex Mitchell

Alex Mitchell, one of CSLB’s most wanted, was arrested on April 26, 2013. Mitchell, DBA Mitchell’s Blacktop Service, targeted homeowners with long, asphalt driveways, claiming he was working on jobs in the area, and had leftover paving material in the rural areas of San Diego County. Mitchell would then write a contract and collect down payments of \$1,000 to \$2,500, but never show up to do any work. Mitchell has been convicted on seven previous occasions for contracting without a license. His arrest warrant included five counts of grand theft, diversion of funds, and two counts of elder abuse. Mitchell now faces charges in San Diego County and has a preliminary hearing scheduled on July 8, 2013.

CSLB’s Most Wanted Arrested – Ronald Wayne Holland

Ronald Wayne Holland, an unlicensed home improvement salesperson for Geremia Pools, was arrested at his place of business on May 21, 2013. Holland has been cited and convicted for illegal contracting on nine previous occasions. He currently had a \$25,000 warrant issued for his arrest in San Diego County, stemming from numerous consumer complaints that he took illegally large down payments for contracting work, \$21,000 in one case, and did substandard and incomplete work.

The San Diego County District Attorney’s Office filed felony charges against Holland for grand theft; and misdemeanor violations of diversion of funds, contracting without a license, and soliciting illegally large down payments.

According to prosecutors, Holland typically preys on homeowners interested in a swimming pool and landscaping. Holland promises “great deals,” then takes excessive down payments, and rents heavy construction equipment in the customer’s name. The equipment is then left behind, building up back rent charges for unsuspecting homeowners, resulting in liens filed against



them. Holland is currently on probation from his previous unlicensed contracting activities. In one case Holland owes a homeowner \$100,000 in restitution.

Update to Plans Go Awry; RMO in Denial Investigation

In November 2011, the CEO of Andrade Construction entered into a \$27,500 contract to build a new garage at a Burlingame residence and received payments totaling \$7,000 to prepare plans and obtain a building permit. Months went by with the homeowner receiving a lot of promises from the CEO but no plans. After confirming with the building department in July 2012 that an application for a permit had not been made, the homeowner requested his money back to no avail.

During the investigation, the CEO told the San Francisco IC investigator that he was about to submit the plans to the building department when the homeowner cancelled the contract. Although the CEO said he would refund the \$7,000 by early December, he didn't.

The RMO for the license claimed he knew nothing about the project and wasn't involved in the business operations. Although acknowledging he signed the application for the license in January 2011, he said he didn't understand his responsibility or liability until around the time he disassociated from the license in August 2012. Despite being told that a disciplinary action would affect his individual license, he didn't offer to resolve the complaint.

On February 20, 2013, an accusation was filed, alleging abandonment, a willful act causing injury, and receiving payments in excess of the value of work performed. Further, a violation of section 7068.1 was alleged for failure of the RMO to exercise direct supervision and control.

On May 16, 2013, the default decision was signed, revoking the license of Andrade Construction, Inc., effective June 18. A separate order was signed, adopting a stipulated settlement, which provided for the revocation to be stayed on the individual license provided that the licensee complies with all terms and conditions including a two-year probation, \$15,000 disciplinary bond, and restitution of \$7,000 to be paid within 90 days.

Fugitive Arrested on \$1 Million Warrant at the Valencia Investigative Center

In the midst of investigating a complaint against convicted felon, Norman Hugh Baker, the Valencia IC peace officer contacted the parole department and was told about Baker's conviction of Grand Theft (Penal Code (PC) § 487) while posing as a public adjuster. He pled guilty to the felony grand theft charges after having pocketed \$95,038 in claim checks. However, on his sentencing date, June 7, 2007, he failed to appear and fled to Lawrenceville, Georgia. Baker evaded authorities but was eventually located and extradited from Georgia and sentenced to three years in state prison before being released from parole in May 2009.

Subsequently, in 2011-2012, the California Department of Insurance (CDI) received two complaints alleging that Norman Baker was posing as a licensed public adjuster and that he collected insurance claim settlement checks, but failed to use the funds to do property repairs. The investigation determined that he had received settlement checks in the amount of \$24,241.63 and \$44,200.07 for property repairs for two homeowners. Upon completion of their investigation, CDI filed a felony complaint charging Baker with Elder Abuse (PC §368[d]). Due to the defendant's flight risk and because he continued to target vulnerable victims with the same financial scam posing as a public adjuster, bail was set at \$1,000,000.



The Valencia IC peace officer contacted CDI and was told they had been unable to make contact with Baker. She informed them that she not only had talked to him but was in the process of setting up an interview at the Valencia Investigative Center. They agreed to work together to facilitate an arrest. On May 3, 2013, Baker arrived at the Valencia IC with his attorney. Four LAPD officers and two CDI investigators also were present and apprehended Baker.

Thanks to the diligence of the Valencia IC peace officer, digging into Baker's background and coordinating with two other agencies, the result was a successful arrest. She will be charging B&P §7028 - Contracting without a license, PC §368 - Elder Abuse, and PC §470 - Forgery. Her case will be submitted along with the Department of Insurance case.

Neighbor vs. Neighbor

In April 2011, a San Lorenzo couple entered into a verbal agreement with unlicensed contractor Carl "Chip" Xavier Kreidler, III to build a new garage and storage shed at their residence for \$25,000. Kreidler requested and was paid a \$5,000 down payment. Before abandoning the project, he received a total of \$17,000. It was a slow, disappointing and expensive experience for the homeowners because Kreidler's work turned out to be worthless, and he also caused a lot of damage in the process.

Kreidler's work was sporadic, with long periods of inactivity, including leaving the garage and shed framing exposed to the weather for an entire winter, which caused the wood to warp. The damaged framing was a moot point because the building department issued a stop work notice and will require everything to be torn down. The structures were built directly on top of an existing concrete slab without a foundation and placed on the property line, encroaching into required set-backs. Plus, Kreidler, without telling the homeowners, built the structures five feet shorter than the agreed dimensions. A licensed contractor estimated it will cost \$45,000 to remove the defective work and replace it with proper construction.

During the course of his work, Kreidler removed a section of the backyard fence to provide access and he also removed the gutters from the existing garage. During winter rains, the absence of gutters resulted in water intruding into the garage, causing significant damage to personal property. The homeowners had to spend over \$2,600 to have new gutters installed and to replace the missing section of fence. A more serious issue will be correcting the electrical subpanel for the new garage that Kreidler installed in a grossly substandard manner by connecting it to the main panel with an extension cord that runs through a hole in the garage.

Homeowners are often unaware of who they have dealt with due to the use of false names and invalid addresses by unlicensed contractors. With Kreidler, however, it could not have been easier for the homeowners to identify the suspect; Kreidler is their next door neighbor.

The investigation was conducted by a San Francisco IC investigator who referred the case to the Alameda County District Attorney, requesting prosecution against Kreidler for contracting without a license and receiving an excessive down payment.



GENERAL COMPLAINT-HANDLING STATISTICS

It has been determined that a manageable level of pending complaints for all current CSLB staff is **3,705**. As of April 2013, the pending caseload was **3,692**.

The Board objective is for ER's assigned to the nine Investigative Centers (ICs) to investigate and appropriately disposition nine complaints per month (10 per month when furloughs are eliminated). The maximum "working" case load for ERs has been established at 35 per ER. CSLB has 75 ER's; therefore, the nine ICs have the capacity for 2,625 open complaints. As of April 1, 2013, the ICs had 2,458 complaints open and under investigation.

It is anticipated that caseloads will rise with time and possibly exceed current manageable levels. An increase in caseloads will lead to a longer investigation process for consumers.

The following chart outlines how CSLB determines manageable caseloads:

Job Classification	Current Number of Staff	Closure Goal per Month	Preferred Cycle Time (months)	Maximum Caseload per ER	Maximum Number of Cases per Classification
ERs	75	9	4	35	2,625
CSRs	27	30	2	40	1,080
TOTAL					3,705

In February 2006, the Board adopted the following Enforcement Objectives regarding complaint-handling.

- **MAINTAIN ER I PRODUCTION OF CLOSING 10 COMPLAINTS PER MONTH**
Pursuant to elimination of furlough days and implementation of a personal leave day, the Board increased the average number of complaints closed per ER to nine (9) closures per month. In April 2013, ERs closed an average of 10 complaints.
- **INCREASE THE PERCENTAGE OF LICENSEE COMPLAINTS SETTLED TO 30%**
Licensee complaints settled in April 2013 averaged 42%.
- **ACCOMPLISH IMC LICENSEE COMPLAINT DISCLOSURE OF 70%**
The licensee disposition average in April 2013 was 70%.
- **REDUCE 270-DAY-OLD COMPLAINTS TO 100 OR LESS**
Staff's effective management of pending complaints has resulted in consistently maintaining the Board's goal. At the end of April 2013 there were 99 aged cases.



SWIFT

Unlicensed Operator Gets 16 months in Jail

An unlicensed operator was sentenced to 16 months in jail for defrauding a Huntington Beach homeowner and a Yorba Linda family of more than \$635,000 by taking their payments and failing to complete construction projects. A Southern SWIFT investigator investigated the cases stemming from the Triangle Complex Fire in 2008 and 2009, the fourth largest fire in Orange County history. Alec Damos plead guilty to one felony count of unlicensed contracting for emergency residential repairs in a disaster area, one felony count of fraudulent use of a contractor's license, and one misdemeanor count of contracting for home improvement without a state license. In addition to his jail sentence, Damos was ordered to pay more than \$635,000 in restitution.

CSLB Nabs Contractor from Nevada's Most Wanted List

Central SWIFT Investigators partnered with other agencies to conduct two stings in Coarsegold where they were able to cite 17 unlicensed operators. Two suspects, who were issued Notices to Appear (NTAs) for contracting without a license, had their vehicles impounded by the CHP for driving on suspended licenses. Suspect Bryan Higgins was issued an NTA for illegal advertising, contracting without a license, and requesting an excessive down payment. A search of Mr. Higgins' criminal history established he was previously convicted for PC §243.4, sexual battery, and that he is a Registered Sex Offender. Higgins brought a female with him to the sting that he had picked up from the Chukchansi Casino, and she was detained at the sting by local law enforcement pursuant to a no bail warrant for her arrest.

Another suspect, Michael Skaggs, of Squaw Valley, has been sought since 2009 by Nevada for contracting without a license, a misdemeanor, and a felony charge of unlawful acts or omissions. SWIFT investigators discovered Skaggs was on the Nevada State Contractors Board's Most Wanted List after he showed up with a partner at the April 24 sting to bid on ceramic tile work. Skaggs was cited for contracting without a license (Business and Professions Code section 7028), and illegal advertising (Business and Professions Code section 7027.1). The partner was found to have an inactive contractor license. Skaggs also was driving without a valid driver license, and his vehicle was towed. Of the 17 suspects cited by CSLB during the stings, 16 face misdemeanor charges of contracting without a license.



SWIFT STATS

During 2012, SWIFT conducted many successful undercover sweep and sting operations and developed new strategies and partnerships to combat the underground economy as follows:

- **STINGS / SWEEPS**

Each month, undercover sting and sweep operations are conducted throughout the state. In 2012, SWIFT conducted 273 sting and sweep days, resulting in over 1,491 legal actions, including NTAs and citations.

- SWIFT performed 82 **sting** days during 2012, partnering with law enforcement, DAs, building departments and code enforcement officials, industry leaders, and other state agencies. Sting operations targeted unlicensed, repeat offenders and wanted criminals working in the construction industry.
- SWIFT also conducted 191 **sweep** days during 2012.

As a result of the extensive efforts to combat unlicensed operators, SWIFT was able to achieve the following results:

764	Suspects received NTAs for contracting without a license, illegal advertising and workers' compensation (WC) insurance violations.
693	Licensed and unlicensed individuals received administrative citations for licensure, advertising, aiding and abetting, and WC violations.

Partnering with the Labor Enforcement Task Force (LETF)

The CSLB Board agreed at its February 7, 2012, Board meeting that 11 SWIFT investigators would be assigned to the Labor Enforcement Task Force with other state agencies to enforce license, tax, insurance, and Labor Code requirements, and participate in targeted construction site inspections.

LETF goals are to:

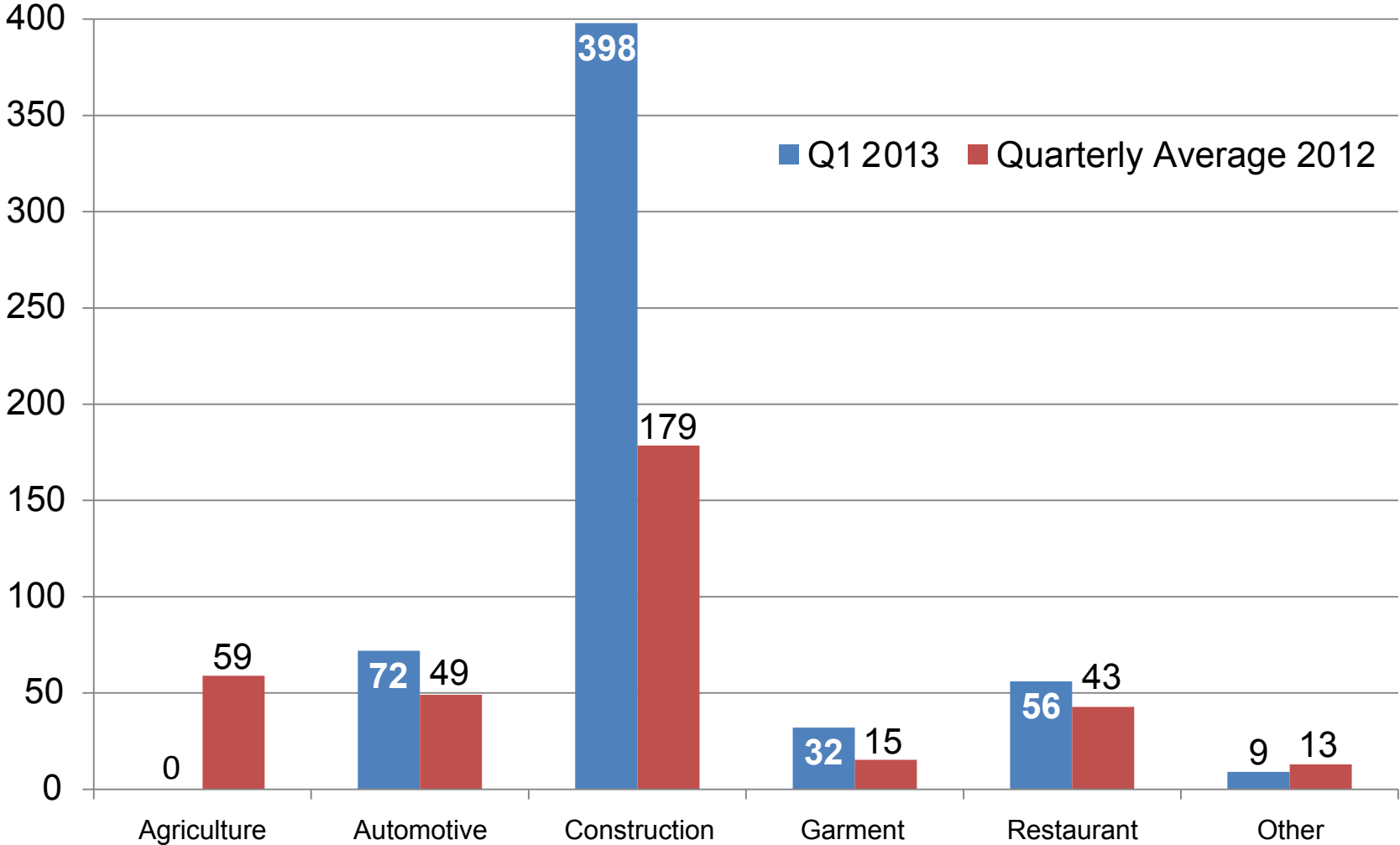
- Ensure workers receive proper payment of wages and are provided a safe work environment;
- Ensure California receives all employment taxes, fees, and penalties due from employers;
- Eliminate unfair business competition by leveling the playing field; and
- Make efficient use of the state and federal resources in carrying out the mission of the Labor Enforcement Task Force.

2012 LETF Enforcement Results

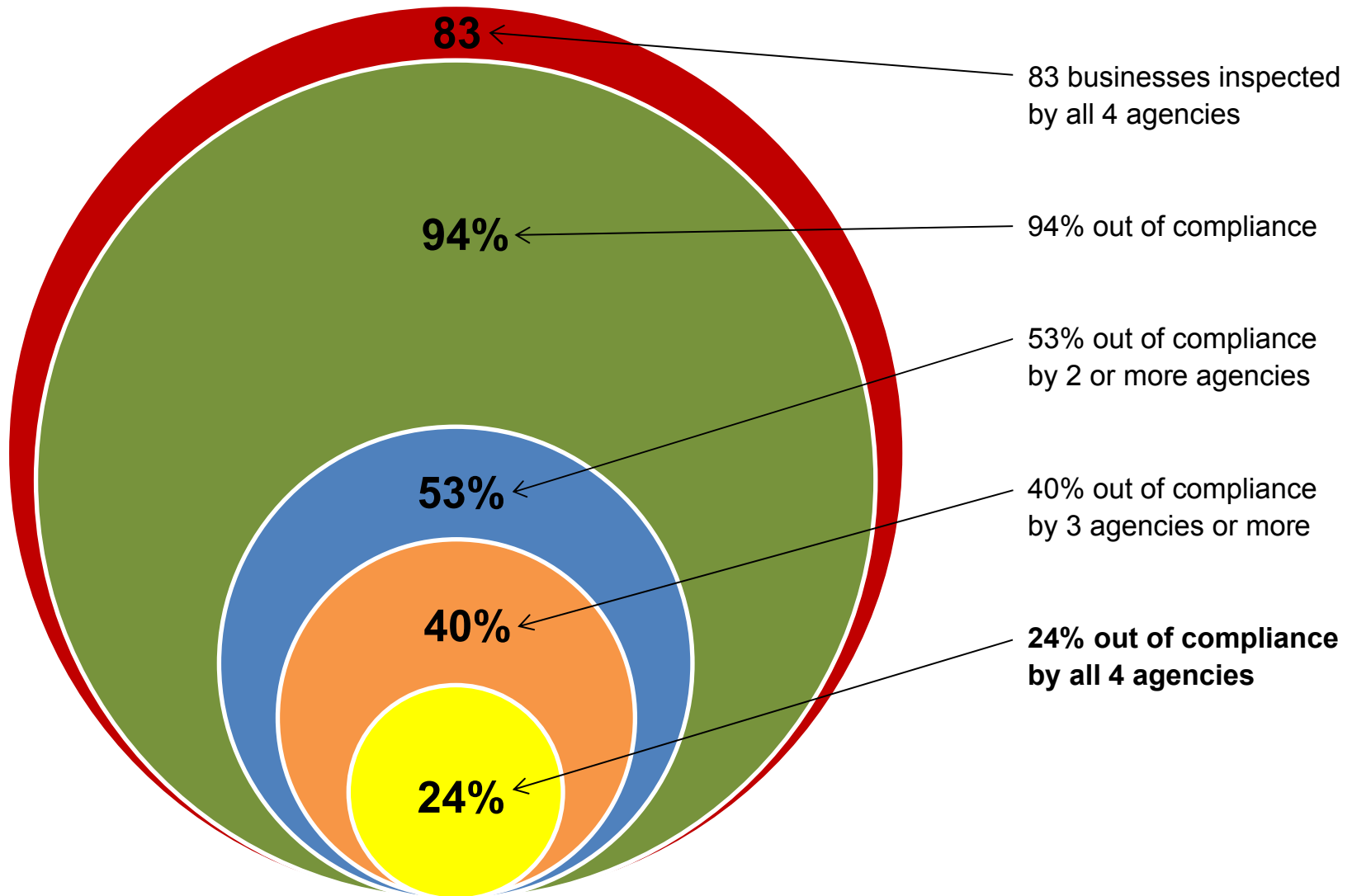
Agency	Results
Cal/OSHA - Businesses Inspected	765
Inspections w/ Violations	77%
Serious Violations	16%
Initial Assessment Amounts	\$1,265,383
DLSE - Businesses Inspected	999
Inspections w/ Violations	47%
Assessment Amount as of January 2013	\$7,323,786
EDD - Businesses Inspected	1,127
Businesses Referred for Audit	45%
Estimated Unreported Wages	\$10,234,834
Estimated Unreported Employees	2,062
Payroll Tax Liability Change	\$6,756,275
CSLB - Businesses Inspected	607
Businesses Out of Compliance	44%
Civil Penalties Assessed	\$369,950
BOE - Businesses Inspected	368
Businesses Out of Compliance	43%
BAR - Businesses Inspected	77
Businesses Out of Compliance	57%

LETF

Number of Businesses Inspected by Industry Q1 2013 compared to Quarterly Average for 2012



November 2012 – March 2013 Construction Businesses Out of Compliance



**CASE MANAGEMENT**

FISCAL YEAR (JULY 2012 - APRIL 2013)

CITATIONS ISSUED		
	Licensee	Non-Licensee
Citations Issued	870	690
Citations Appealed	399	273
Citation Compliance	466	341
MANDATORY SETTLEMENT CONFERENCES		
Scheduled	246	
Settled	144	
Civil Penalties Collected	\$767,090	
Total Savings to the Public	\$1,068,892	

ARBITRATION	
Arbitration Cases Initiated	318
Arbitration Decisions Received	292
Licenses Revoked for Non-Compliance	60
Arbitration Savings to the Public – Restitution	\$225,834.10
ACCUSATIONS / STATEMENT OF ISSUES	
Revocations by Accusation (Applicants Revoked)	309
Restitution for Accusations	\$121,079.00
Statement of Issues (Applicants Denied)	46
Cost Recovery Received	\$142,010.05
Number of Cases Opened	363
Number of Accusations/Statement of Issues Filed	243
Number of Proposed Decisions Received	74
Number of Stipulations Received	70
Number of Defaults Received	136
Number of Decisions Mailed	306



TRAINING UPDATE

As part of CSLB's Strategic Plan, the Enforcement division has an ongoing commitment to create a training curriculum for staff that includes basic enforcement procedures, a mentoring program, and specialized training. Following is a list of training that has been conducted during the 2012-13 calendar years:

- 1. Module 1: Basic Investigative Techniques** **January – June 2012**
This course was developed by CSLB management staff in conjunction with retired annuitant Doug Galbraith and Deputy Attorney General Michael Franklin. The course is an eight-hour block of instruction on basic investigative techniques, roles and responsibilities of an investigator, effective case management, overview of rules of evidence, and elements to Business and Professions Code sections: 7107 (abandonment), 7116 (fraud), and 7125.4 (false reporting of a workers' compensation insurance exemption certificate).
- 2. Module 2: Interview Techniques** **January – June 2012**
This course is designed to enhance enforcement representatives' interview techniques; understand the importance of obtaining accurate statements, admissions, and confessions; and prepare to provide expert testimony in court and at administrative hearings. The course includes a workshop for participants to test their interview skills in several CSLB-related scenarios.
- 3. Bankruptcy Case Law & Impact on Enforcement** **February 2012**
This one-day course was provided by Supervising Deputy Attorney General (SDAG) Marc Greenbaum and his staff. The training included an overview of bankruptcy case law and the impact that a bankruptcy filing has on CSLB Enforcement actions and a consumer's ability to recover financial restitution.
- 4. Security Assessments for Enforcement Staff** **February 2012**
Dr. Steve Albrecht discussed workplace violence in addition to violence as a process. Staff learned techniques to identify "danger zones" in the field, the importance of preplanning, scene containment, and scene management. This training helps staff effectively document threatening statements and behaviors.
- 5. Northern California Fraud Investigators Association** **March 2012**
This three-day course brought together law enforcement, prosecutors, civil attorneys, corporate leaders, insurance personnel, and designated Enforcement staff to address common issues in the fight against fraud. This year's conference featured over 40 guest speakers and had over 400 attendees. Annual anti-fraud education and networking are fundamental to prosecuting fraud and related crimes.
- 6. Improving Enforcement Skills** **April 2012**
Enforcement staff was invited to learn about interpersonal dynamics and emotional intelligence in this training given by Sommer Kehrl, Ph.D. Training highlights included personal and social competence skills along with self-management skills that play key roles in successful job performance.



- 7. Advanced Negotiation** **April 2012**
This interactive seminar focused on advanced techniques and principles for improving negotiation effectiveness. Designated staff attended this training, which concentrated on sharpening existing skills and deepening practical and theoretical knowledge of fundamental principles of successful negotiation.
- 8. Supervisor Training** **June 2012**
Enforcement supervisors were invited to attend the Centre for Organizational Effectiveness' Enforcement Supervisor I training held in Sacramento and Norwalk. Supervisors brushed up on techniques to improve their supervisory skills. Enforcement managers served as presenters during the training, and discussed CSLB challenges and changes.
- 9. Basic National Certified Investigator/Inspector Training (NCIT)** **June 2012**
This three-day course provided hands-on training and a certification program in investigation and inspection techniques and procedures. Staff learned specifics regarding professional conduct, principles of administrative law and the regulatory process, the investigative process, and the principles of evidence. In addition, investigators were instructed on interview techniques, report writing, and testifying in administrative and criminal proceedings. Upon completion of the course and successful completion of the final exam, investigators received certification by the Council on Licensure, Enforcement and Regulation (CLEAR).
- 10. Module 3: Effective Report Writing** **Third Quarter 2012**
This course was designed to assist enforcement representatives by enhancing their writing skills so they can create professional, accurate, and complete investigative reports. Emphasis was given on credibility, proofreading, and ensuring findings will pass scrutiny during a trial or hearing. The class included a practical report-writing exercise and an exercise where participants engaged in a mock trial.
- 11. Elder Abuse Training** **September 2012**
This two-day course, offered to CSLB peace officers, gave an in-depth look at gypsy and traveler crime, "non-traditional organized crime" groups, crimes committed against the elderly, ruse entry and impostor burglaries, and how to deal with investigative impediments.
- 12. Improving Employee Performance & Accountability** **September/October 2012**
This two-day course, offered by CPS for Enforcement Supervisors and Managers, encompassed the importance of job documentation, communicating expectations, and coaching employees to ensure success. Participants learned steps to identify and establish performance measurements and conduct the Performance Appraisal/Individual Development Plan. Most important, participants learned how to motivate employees to change behavior, and the steps to sustain performance levels.



- 13. DCA's Enforcement Academy** **October/November 2012**
DCA's Enforcement Academy provides a strong foundation of knowledge and practices for employees who perform enforcement functions while creating an opportunity for individuals from all DCA's boards, bureaus and divisions to network and learn from one another. The Academy is one week long and must be attended in its entirety for successful completion.
- 14. Enforcement Supervisor I and II Team-Building Workshop** **October 2012**
This one-day course, offered by the Centre for Organization Effectiveness, was designed to assist with bridging and team-building between ES I's and ES II's. Attendees learned ways to improve working relationships and develop strategies to ensure statewide continuity regarding employee hiring, case reviews, calendars, and work expectations.
- 15. Professional Assistants Academy** **December 2012**
This two-day course, offered by the Centre for Organization Effectiveness, included presentations and group activities on the following topics: the changing role of the office professional; understanding interpersonal style differences; creating a positive image; service orientation; organizational savvy; characteristics of high-performing teams; a writing, proofing and editing lab; career management; communication skills; and negotiation and conflict resolution skills. This course was successful in southern California last year and is now being offered to Office Assistants, Office Technicians, and Program Technicians in northern California.
- 16. CSLB's Penal Code 832 Equivalent Course** **January/February 2013**
This four-day course focused on the Laws of Arrest, Search and Seizure class. The class was offered to northern California staff from January 7-10 in Sacramento and to southern staff in West Covina February 4-7. The course is similar to the Commission on Peace Officer Standards and Training (POST) course, excluding the hands-on physical methods of arrest (handcuffing and control holds). Staff was required to pass a final exam. The course was taught by retired annuitant Doug Galbraith, who has instructed POST's PC832 class for many years at a community college.
- 17. Criminal Investigation Meeting** **March 2013**
Over 100 Enforcement staff attended the Criminal Investigation meetings held throughout the state. Senior Deputy District Attorney's Elise Farrell, Homan Hosseinioun, and District Attorney Investigator Paul Pantani presented an overview of identifying & investigating criminal violations, writing effective reports, and tips for successfully referring a criminal complaint to a local prosecutor.
- 18. SOLID Writing Workshop** **May 2013**
DCA's SOLID Training Solutions provided a writing workshop to nearly 50 Norwalk staff. SOLID customized the class which was a blend of their Basic Writing Skills and Effective Business Writing courses especially developed for Enforcement staff. The workshop offered practical hands-on exercises designed to develop skills needed to write clear, complete content in an effort to convey a credible message and project a professional image. Class topics included: Preparing business letters, memos, and professional



email; developing an appropriate tone for your audience and purpose; organizing information and prewriting; and revising and proofreading your work.

19. DCA's Division of Investigation Peace Officer Training

June 2013

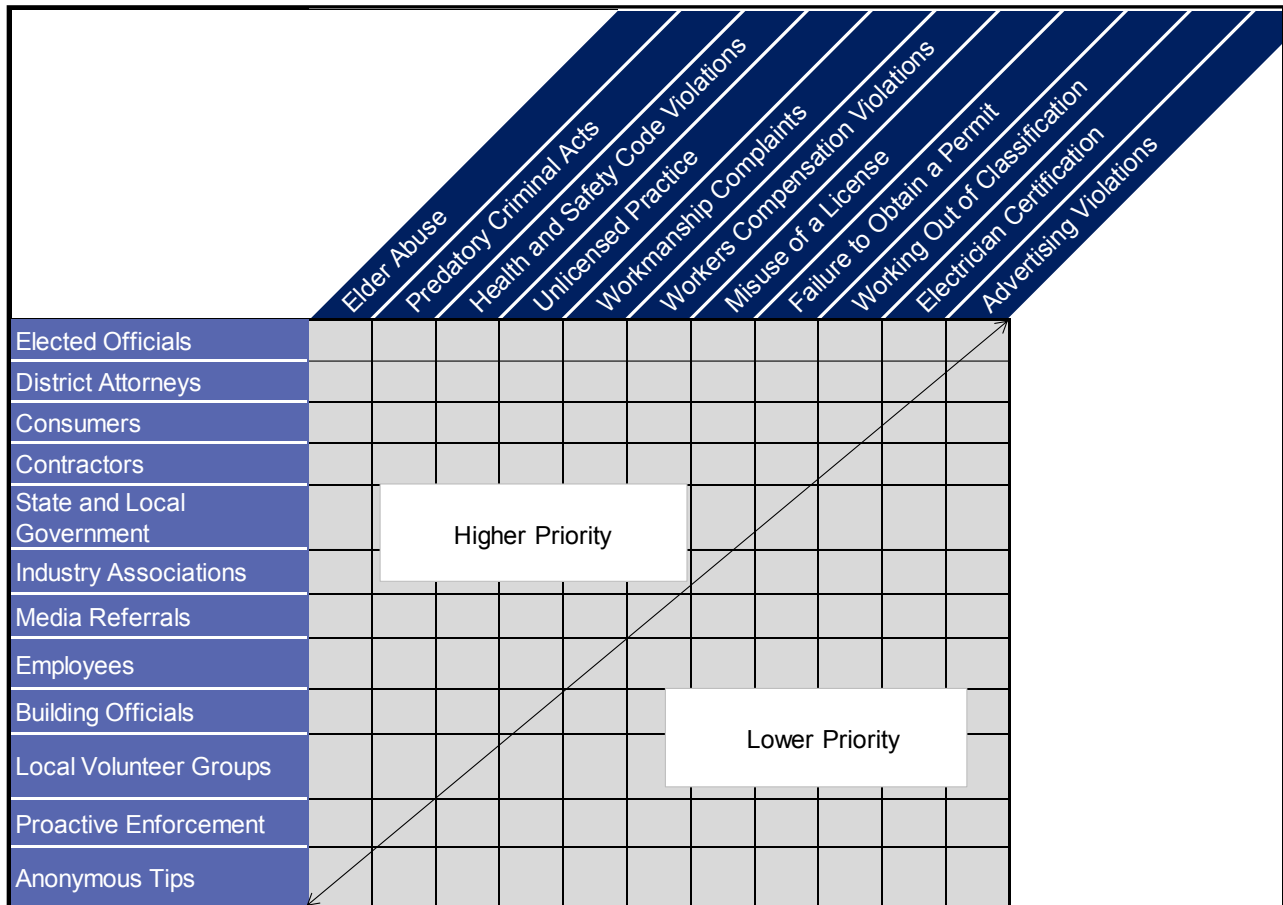
DCA's Division of Investigation developed a customized defensive tactics training module for CSLB peace officers. Peace officers were trained on defensive tactics, development of verbal skills, and investigative strategies.



Enforcement Prioritization

The Enforcement division continuously reexamines its priorities and objectives to ensure that CSLB’s mandate to protect consumers and Board objectives are being met. Current Enforcement challenges include an increase in demand and difficulty in retention of staff in certain geographic areas. Enforcement receives many proactive leads involving alleged unlicensed practice, expired licenses, classification issues, as well as other Contractors State License Law violations, but is unable to respond to each one with available resources.

With the apparent economic upswing, an increase in the number of consumer complaints filed against licensed and unlicensed contractors is anticipated. Current resources are inadequate to address a significant increase. During the April 2013 Board Meeting, the Board reviewed the Enforcement Prioritization chart and asked staff to prioritize the complaint categories on the chart below. Enforcement Managers and Supervisors met after the Board meeting to discuss how the following list should be prioritized in an effort to stabilize staff’s workload. Following is the updated prioritization chart, developed to ensure that a manageable case load is retained:





CONSTRUCTION ENFORCEMENT PARTNERSHIP

Staff continues to develop and enhance relationships with partner agencies, and one of the most effective partners is the Employment Development Department (EDD). During 2012, CSLB partnered 21 of its investigators with 21 EDD Agents to perform two sweeps per month, partner on undercover sting operations, and responded to leads on a daily basis, resulting in the identification of more than \$68 million in underreported tax withholding. EDD completed audits that resulted in the suspension of more than 700 licenses for \$25 million in outstanding tax liabilities.

2013 Construction Enforcement Partnership Goals

- Board of Equalization (BOE) and Franchise Tax Board (FTB) to join the Construction Enforcement Partnership
- Building industry partners will provide targets to establish a "Top Ten Offender List"
- EDD to partner with CSLB on 1,400 inspections
- Meet or exceed the \$68 million of underreported tax withholding identified with EDD in 2012, through the addition of BOE and FTB to the partnership

OPERATION UNDERGROUND

During 2012, two days of targeted job site inspections performed by CSLB with the California Department of Insurance (CDI) resulted in 104 administrative and/or criminal actions taken against uninsured and/or underinsured contractors for the following violations:

- Failure to Secure Workers' Compensation (WC) Insurance for Employees
- Underreporting Payroll to WC Providers (Felony Premium Fraud)

2013 Operation Underground II

For 2013, a different approach has been developed that relies on certified payroll records (CPRs) rather than intelligence obtained at active project sites. Through intelligence gathered from government and industry partner, targets are identified and investigated, resulting in felony criminal prosecution for premium fraud.

Government Partners include:

- CDI
- EDD
- Multiple local prosecutors
- Numerous awarding agencies

Industry Partners include:

- Foundation for Fair Contracting
- Work Preservation Fund
- Sheet Metal Workers International Association
- Northern California Electrical Construction Industry



Develop Target List

- Partner with state and local government to develop a list of 20 contractors in seven jurisdictions suspected of premium fraud or other public works violations – *completed March 2013.*
- Obtain CPRs for active projects and projects completed more than 12 months prior – *completed April 2013.*

Target Research

- Vet CPRs through EDD's database (ongoing)

Enforcement Strategies

- Execute search warrants by December 2013
- CSLB to initiate administrative actions against contractors who fail to register with EDD within 20 days of hiring a worker
- Identify contractors who underbid competitors on public works projects by 20 percent or more, and their subcontractors (if any) that actually perform the installation

ENERGY EFFICIENCY AND PERMIT COMPLIANCE CAMPAIGN

Pilot Jurisdictions

- Butte County, Santa Clara County, Fresno/Clovis, and Huntington Park

Partners

- California Energy Commission (CEC)
- Local prosecutors
- Building officials
- Board of Equalization

Equipment Distributors

- Distributors will be served with subpoenas to identify contractors who obtaining HVAC units and do not pull permits
- Execute search warrants on four major regional distributors, requesting distribution records for contractors who purchase a substantial numbers of units. Parameters will include the residential addresses where the units were delivered.

Create Ambassador Program

- Identify law-abiding contractors to serve as Ambassadors for CSLB and CEC
- CSLB, CEC and, potentially, the Public Utilities Commission (PUC) will partner to create an educational brochure for consumers that will demonstrate the cost benefit of having an HVAC system that is correctly installed. Additionally, a bid package will be developed for HVAC contractors to provide to consumers, awarding authorities, and prime contractors when they bid projects.
- CSLB, CEC, and, potentially, PUC will develop posters and other outreach materials to be displayed and distributed by building departments and advise consumers of the four-year statute of limitations and how to file a complaint.



HVAC Industry Expert Program

- CEC has provided a list of home energy rating system (HERS) raters who will be considered to be industry experts.
- Currently, it is estimated that only 5 percent of HVAC systems are installed with permits and in compliance with HERS rating requirements. The goal is to increased permit and HERS rating compliance to 50 percent or more by January 2014.
- HVAC complaints are expected to increase due to the educational materials that will be distributed to consumers, and CSLB will require that HVAC contractors who have complaints filed against their licenses will perform necessary work/repairs to bring systems into permit and HERS rating compliance. CSLB will utilize identified HERS raters to perform industry expert inspections for consumers and identify deficiencies to bring HVAC systems into compliance.
- HVAC contractors who refuse to comply with permit and/or HERS rating requirements will be subject to formal disciplinary actions.

Public Works Update

Since its inception in June 2010, the Public Works Investigative Unit has been very successful. While it was originally anticipated that the focus would be on contractors who 1) have been disbarred by the Labor Commissioner, 2) work without a license or out of their classification, and 3) who illegally subcontract pursuant to the Public Contract Code (PCC), the complaints investigated have been very different, ranging from felony construction theft to working with a suspended license.

For fiscal year 2012, the Public Works Unit investigated 80 complaints with more than half resulting in formal disciplinary actions or withdrawn applications, as follows:

Accusations	14
Citations	19
Withdrawn Applications	5
Application Denials	3

The Public Works Unit regularly flags known family members and business associates of known violators to prevent them from continuing to operate through new licenses and/or hiding under the corporate veil. An example of this is Ken Joseph, who was the RMO/President of Joseph Brothers Enterprise Inc. (JBE). JBE was issued a citation for failing to maintain WC for employees on a public works project in May 2011. The violation was established through certified payroll records (CPRs). JBE had outstanding liabilities with the Division of Labor Standards Enforcement (DLSE) and judgments for failing to pay employee wages in addition to other outstanding debts. Joseph filed a personal bankruptcy and applied for a new corporate license under the name J B & Sons, Inc. Due to the block placed by the Public Works Unit, the application was investigated, resulting in a recommendation that the license be denied. An appeal is pending, but Joseph is unable to work under the protection of the corporate veil.

AGENDA ITEM F-2

Review and Recommendation Regarding Electrician Certification Enforcement Strategies and Revision of the Industry Bulletin





CONTRACTORS STATE LICENSE BOARD

ELECTRICIAN CERTIFICATION ENFORCEMENT

March 26, 2013 Enforcement Committee Meeting

During the March 26, 2013, Enforcement Committee Meeting, Chief of Enforcement David Fogt summarized CSLB's current role in enforcing electrician certification requirements. Chief Fogt explained that CSLB has only one enforcement representative (ER) designated to investigate electrician certification complaints, and current staffing levels are not sufficient to handle additional workload. Existing policies and procedures seem to be working well and are consistent with the Board's consumer protection mandate and priorities.

CSLB received a request from the electrical industry to revise the industry bulletin to reflect the Roadway decision that expanded the definition of an electrician on public works projects. The electrical industry wanted the industry bulletin to more clearly define the work included in the "connection of electrical devices." As such, the Committee was presented with the following two options for consideration:

- Option 1** Remove the industry bulletin from CSLB's website and replace it with information directing interested parties to DLSE's website to determine worker classification requirements, and require DLSE to review and certify that the evidence presented to them supports an administrative action before referring the complaint to CSLB for disciplinary action against the license.
- Option 2** Replace the industry bulletin with a new industry bulletin.

After much discussion, the Committee was not prepared to make a recommendation on either of the aforementioned options.

A motion was passed to recommend to the Board that it:

- 1. Continue to use the existing industry bulletin with only minor revisions made at the direction of DCA legal counsel (i.e., re-number Labor Code statute 3099 to 108.2 and ensure the bulletin is legally defensible); and**
- 2. Obtain a formal Attorney General (AG) opinion regarding the Roadway decision and CSLB's legal mandate for enforcement of electrician certification.**

May 1, 2013 Revised Industry Bulletin

Based on this motion, the Enforcement division issued a revised industry bulletin on May 1, 2013 (see Attachment 1).



Industry Concerns Regarding the May 1, 2013 Industry Bulletin

Since issuing the revised bulletin on May 1, 2013, CSLB was informed of industry concerns that the omission of the following instructional language – **“*Trenching, concrete, framing, and other work that does not involve connecting electrical devices may be performed by noncertified workers.*”** – was creating confusion for public works awarding authorities and segments of the construction industry.

Discussion with the Division of Labor Standards Enforcement (DLSE)

Consequently, Enforcement staff contacted DLSE staff on May 28, 2013, to discuss CSLB’s electrician certification enforcement practices and the aforementioned bulletin issued on May 1, 2013. DLSE provided CSLB the following information.

DLSE Evidence Requirements

DLSE confirmed its interpretation of Labor Code section 108.2 in that it defines an electrician as **“*those who engage in the connection of electrical devices for C-10 contractors includes workers that are handling or controlling wire that is intended to be connected to an electrical power source.*”** Further, DLSE will provide a Deputy Labor Commissioner to testify in CSLB administrative hearings regarding the aforementioned electrician certification requirement.

DLSE’s Position on CSLB Industry Bulletins

DLSE provided the following comments regarding the bulletin issued on May 1, 2012, and the need for a revised bulletin.

“DLSE is in agreement with how the original industry bulletin was constructed. DLSE Legal Counsel stated it is noteworthy that [the] Labor Code section 108 definition of electrician not only refers to “connection of electrical devices,” it also states “for electrical contractors licensed pursuant to Section 7058 of the Business and Professions Code, specifically, electrical contractors in the CSLB Rules and Regulations.”

CSLB regulations for this classification for specialty contractors states: “An electrical contractor places, installs, erects, or connects any electrical wires, fixtures, appliances, apparatus, raceways, conduits, solar photovoltaic cells or any part thereof, which generate, transmit, transform or utilize electrical energy in any form or for any purpose.” (16 CCR 832.10 – this regulation cites 7058 as its reference). The latter language “which generate, transmit, transform or utilize electrical energy in any form or for any purpose” may likely and sufficiently qualify the initial language as covering those contractors who “install, erect, or connect” the listed electrical devices.



Additionally, B&P 7059 authorizes CSLB to “adopt reasonably necessary rules and regulations to effect the classification of contractors in a manner consistent with established usage and procedure as found in the construction business, and may limit the field and scope of the operations of a licensed contractor to those in which he or she is classified and qualified to engage, as defined by Sections 7055, 7056, 7057, and 7058.” CSLB, thus, clearly has authority to limit the field and scope for electrical contractors.

*While DLSE is required to certify individuals performing as “electricians,” as defined in LC 108, the section contemplates that certification is required for the individual who engages in the “connection of electrical devices for electrical contractors” under B&P 7058 and 8 CCR 832.10. **Under this view, the language in the previous industry bulletin which refers to “trenching, concrete, framing, and other work that does not involve connecting electrical devices may be performed by noncertified workers” would be okay.***

Proposed Amended Industry Bulletin

The April 2011 Industry Bulletin, with a minor change highlighted to reflect the update in citation authority (Labor Code section 3099.2 changed to 108.2) and consistent with the Enforcement Committee’s recommendation, is attached (**see Attachment 2**).

Attorney General Opinion

The Enforcement Committee asked the Board to request a formal Attorney General Opinion regarding the Roadway decision and CSLB’s legal mandate for enforcement of electrician certification. Staff met with DCA legal counsel and CSLB’s AG liaisons who helped draft the following formal request:

Labor Code section 108.2(a) requires that “Persons who perform work as electricians shall become certified pursuant to Section 108. Uncertified persons shall not perform electrical work for which certification is required.”

Labor Code section 108 (c) defines “electricians” as follows: “...all persons who engage in the connection of electrical devices for electrical contractors licensed pursuant to Section 7058 of the Business and Professions Code.”

DLSE has historically interpreted that any person employed by a licensed electrical contractor is only required to be certified if that employee is in control of electrical wiring to be used for the connection of an electrical device.

Labor Code section 108.2(h)(1) states a licensed electrical contractor who “willfully employs one or more uncertified persons to perform work as electricians in violation of this section” is subject to discipline by the Contractors State License Board.

The recent Court of Appeal case entitled Alameda County Joint Apprenticeship and Training Committee v. Roadway Elec. Works Inc., (2010) 186 Cal.App.4th185, has created confusion and controversy regarding the definition of “electrician” as defined in Labor Code section 108 et seq.



Specifically, does this decision expand the definition of “electrician” as used in Labor Code section 108 et seq. to require certification for employees of licensed electrical contractors that are involved in the construction or installation of electrical conduit or raceways?

RECOMMENDATION:

1. Repost the April 2011 Industry Bulletin with a minor change highlighted to reflect the update in citation authority.
2. Request a formal Attorney General Opinion regarding the Roadway decision and CSLB’s legal mandate for enforcement of electrician certification.

Attachments:

1. CSLB Industry Bulletin April 2011 – “CSLB Zero Tolerance Policy in Effect for Non-Complaint Electricians”
2. CSLB Industry Bulletin May 2013 – “CSLB Zero Tolerance Policy in Effect for Non-Complaint Electricians”
3. Proposed revised Industry Bulletin

DATE: April 13, 2011**BULLETIN: 11-04**

CSLB Zero Tolerance Policy In Effect for Non-Compliant Electricians

SACRAMENTO - The Contractors State License Board (CSLB) established a zero-tolerance enforcement policy in 2010 and now issues legal action against any C-10 Electrical contractor who willfully employs an uncertified electrician to perform work as an electrician. CSLB is legally required to open an investigation and initiate disciplinary action against the contractor (which may include license suspension or revocation) within 60 days of receipt of a referral or complaint from the Department of Industrial Relations' Division of Apprenticeship Standards (DAS).

Labor Code Section **3099.2** stipulates that anyone who performs work as an electrician for C-10 Electrical contractors shall hold an electrical certification card issued by DAS; DAS is required by Labor Code Section **3099.2** to report violations to CSLB.

Electricians are defined as those who engage in the connection of electrical devices for C-10 contractors. It is CSLB's position that electrical work must be performed by either a state-licensed or a certified electrician. An indentured apprentice or state-registered electrician trainee may also perform electrical work if supervised by a state-certified electrician. Trenching, concrete, framing, and other work that does not involve connecting electrical devices may be performed by noncertified workers.

Learn more about electrician certification by visiting the [Division of Apprenticeship Standards website](#).

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CSLB Zero Tolerance Policy in Effect for Non-Compliant Electricians

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Learn more about electrician certification by visiting the [Electrician Certification Program website](#).



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DATE: **June xx, 2013**

BULLETIN: 11-xx

CSLB Zero Tolerance Policy In Effect for Non-Compliant Electricians

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Learn more about electrician certification by visiting the [Division of Apprenticeship Standards website](#).

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AGENDA ITEM G

Public Affairs Committee Report



AGENDA ITEM G-1

Public Affairs Program Update





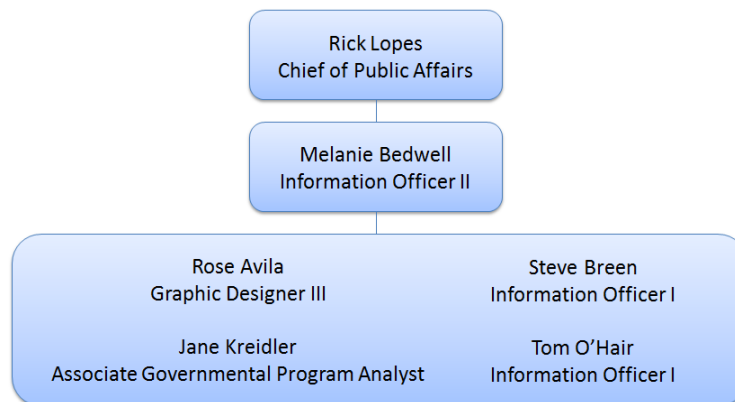
CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS PROGRAM UPDATE

CSLB's Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations and outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, including Senior Scam StopperSM and Consumer Scam StopperSM seminars, speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; social media outreach to consumers, the construction industry, and other government entities; and website content.

STAFFING UPDATE:

PAO is fully staffed with six positions.



WEBSITE HIGHLIGHTS:

Most Wanted

Over the past two months three suspects on CSLB's Most Wanted website were arrested. The first, James Cunningham, was arrested on April 3, 2013, in Fresno. Cunningham is expected to plead guilty to charges in Tulare County.

Another suspect, Alex Mitchell, got a bail bondsman to pay his bail without Mitchell being arrested. He is currently free on bail with a June 17, 2013, court date. Mitchell also may have victimized consumers in the Santa Cruz area. The current charges are out of San Diego County.

A third suspect, Ronald Holland, was arrested in Sacramento on May 21, 2013. He also faces charges in San Diego County.

PAO also publicized the arrest of one of the Nevada State Contractors Board's (NSCB) Most Wanted. Michael Scaggs was caught by CSLB investigators on April 24, 2013, at an undercover sting operation near Yosemite National Park. Scaggs had been on NSCB's Most Wanted list since 2009 for contracting without a license (a misdemeanor), and a felony charge of unlawful acts or omissions. Scaggs also drove to the CSLB sting without a valid driver license, so his vehicle was towed.

Website Assistance Project

PAO staff continues to assist Information Technology (IT) staff in coding materials for CSLB's website. Website coding is the process of transferring written copy into HTML code. HTML is the language that is used to write Web pages; it determines how pages appear and function.

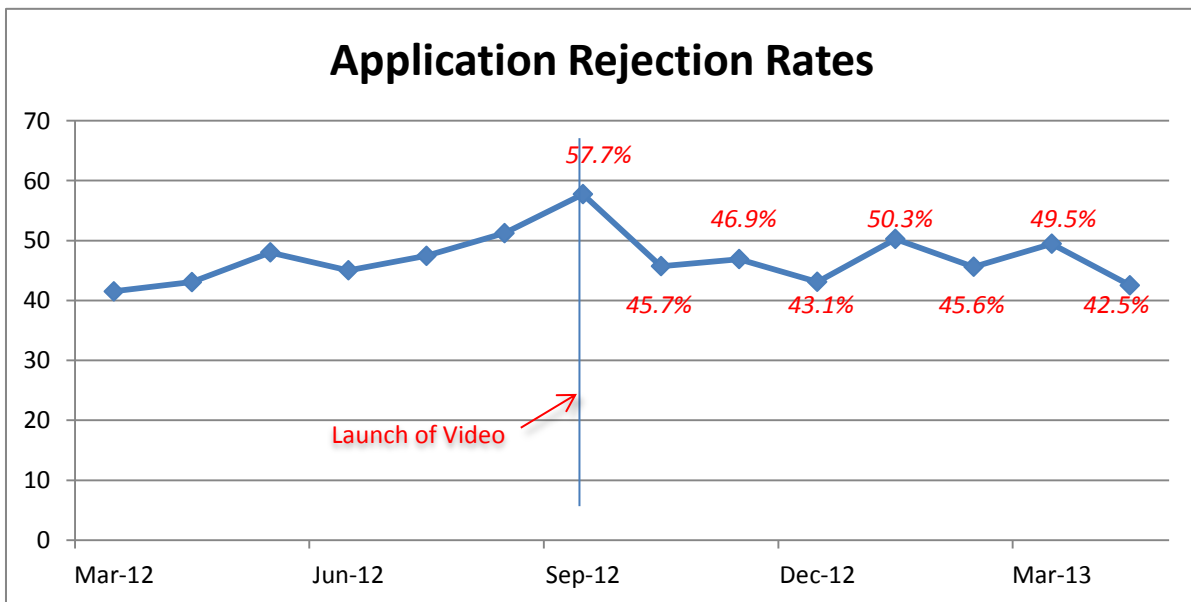


Application Instructional Video

PAO continues to work with the Licensing division staff to track changes to the application rejection rate following release of a tutorial video that explains how to correctly fill out a CSLB license application. The video was launched August 28, 2012; it can be viewed in its entirety, or in individual sections.

Through May 28, 2013, the entire video has been viewed 13,826 times, an increase of 2,255 or 17 percent since the April Board meeting. Videos of individual sections have been viewed a total of 22,282 times, an increase of 4,232 or 19 percent since the April Board meeting.

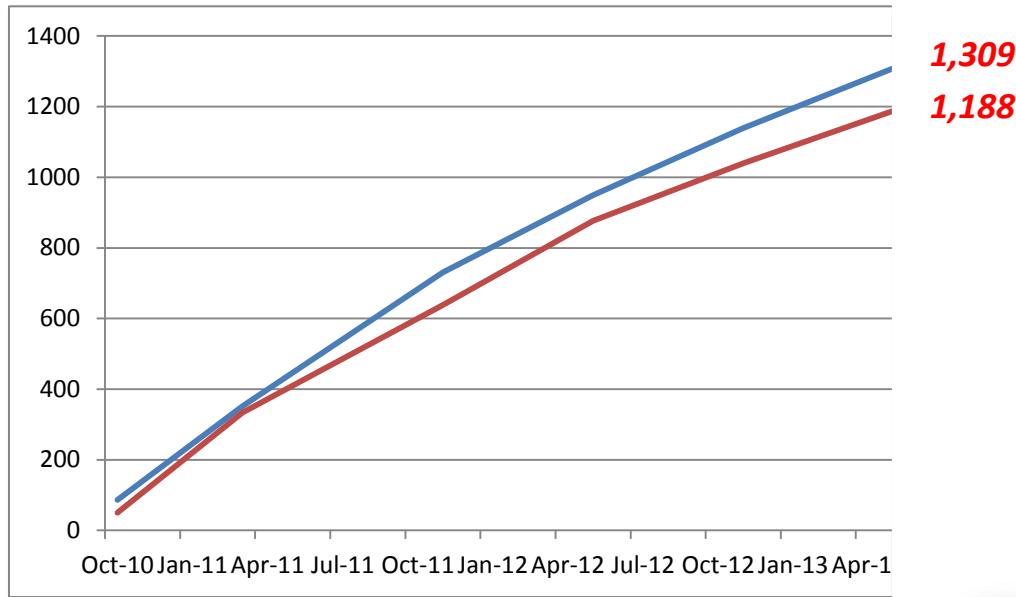
Also it's not believed enough data has been collected to determine if rejection rates will continue to decrease. The April 2013 rejection rate (42.5%) is the lowest rate in more than one year, and the lowest since the launch of the video.





Social Media

CSLB steadily gains followers of its Twitter posts and Facebook pages. And PAO staff continues to monitor demographic data and track the number of “likes” and “followers.” As of May 21, 2013, 1,309 individuals, businesses or other government entities “like” CSLB’s Facebook page and 1,188 “follow” CSLB on Twitter. Growth is outlined on the following graph.



PAO staff has posted 15 Facebook posts since April 4, 2013. The most popular during that time is the May 3, 2013, post regarding the Ridgecrest sting, which received 1,310 unique views.

PAO also maintains a YouTube page, which includes videos of Board meetings, sting operations, and educational materials. As of May 21, 2013, there have been 138,328 views, an increase of 18,477 (15%) since the April Board meeting. There are now 30 videos posted on CSLB’s YouTube page, an increase of three (11%) since the April Board meeting.



Email Alert Feature

PAO continues to publicize a website feature launched in May 2010 that allows people to sign up to receive up to four different email alerts from CSLB.

Subscribers can receive alerts for:

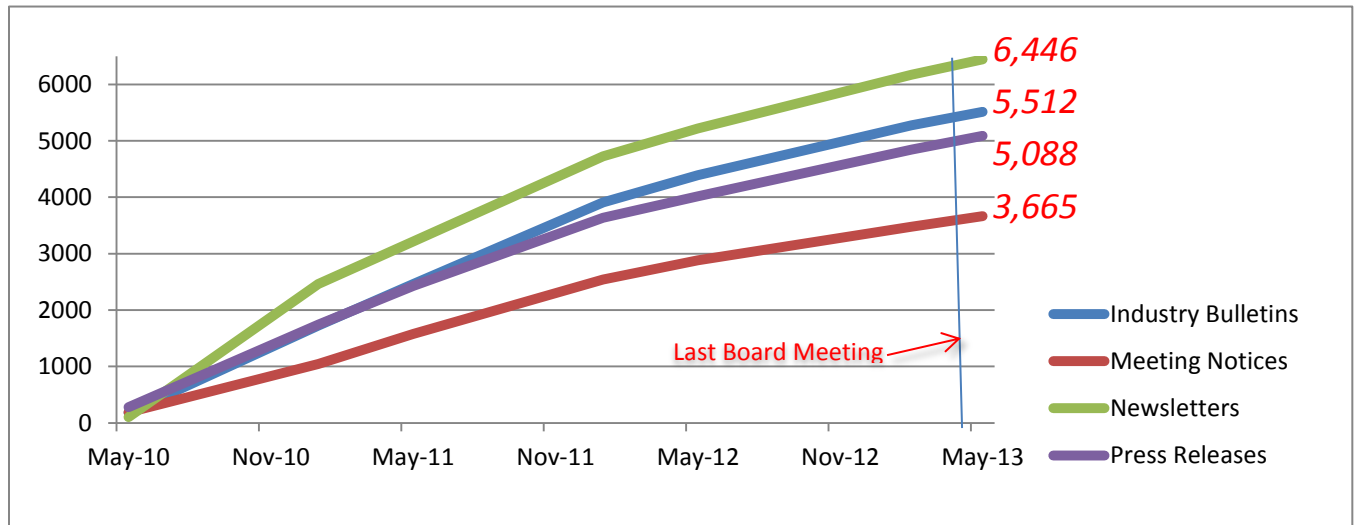
- California Licensed Contractor newsletters
- News Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas

A total of 20,711 subscriptions were activated as of May 28, 2013 – an increase of 417 (9%) since the April Board meeting.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,462 active email addresses, which brings the combined email database to about 99,200 addresses.



Email Alert Sign-Up Statistics



MEDIA RELATIONS HIGHLIGHTS:

Media Calls

Between April 4, 2013 and May 28, 2013, PAO staff responded to more than two dozen media inquiries and provided interviews to a variety of online, newspaper, radio, magazine, and television outlets.

News Releases

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between April 4, 2013 and May 28, 2013, PAO distributed seven news releases.

Release Date	Release Title
April 4, 2013	Two SoCal Men Added to CSLB's Most Wanted List, One Arrested in Fresno
April 11, 2013	Unlicensed Contractors Nailed in Targeted El Dorado County Sting
April 23, 2013	Repeat Offenders Nabbed in Saturday El Dorado Hills Undercover Sting
April 29, 2013	CSLB Hits Rich Vein in Gold Country with Unlicensed Contractor Stings
May 6, 2013	CSLB Catches 15 Illegal Contractors in Hot, Gusty Desert Sting
May 9, 2013	Illegal Contractors Don't Heed Warning, or Law, in L.A.-Area CSLB Sting
May 28, 2013	CSLB Stings a Dozen Fake Contractors in Central Valley Enforcement Operation



Media Training

PAO staff is finalizing plans to provide media training to enforcement staff around the state. Training is expected to take place this summer.

INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS:

California Licensed Contractor Newsletter

The summer 2013 edition of the licensee newsletter, *California Licensed Contractor*, is in final production. The edition will be printed and mailed to all licensees. Due to budget constraints, three of the four quarterly newsletters are published online only; one edition per year is printed and mailed.

Industry Bulletins

PAO continues to alert industry members to important and interesting news by distributing Industry Bulletins. Bulletins are sent out via email on an as-needed basis to more than 5,400 people and various groups. Distribution includes those who signed up to receive the bulletins via CSLB’s new Email Alert system. One Industry Bulletin was distributed since the last Board meeting.

Release Date	Industry Bulletin Title
May 1, 2013	CSLB Zero Tolerance Policy in Effect for Non-Compliant Electricians

VIDEO PRODUCTION HIGHLIGHTS:

Enforcement Operations

On May 15, 2013, PAO Information Officer Tom O’Hair wired a home in the East Bay with six hidden high definition video cameras to capture possible illegal activity by four disaster response contractors. All of the suspected illegal contractors bid on sub-floor and dry-rot work, and are suspected of misdemeanor and felony violations. It’s expected the video will be used in a future media event.



Board Meeting Services

PAO is now responsible for providing live web streaming of Board meetings. PAO is using equipment on-loan from DCA until newly purchased equipment is delivered. In addition, PAO is in charge of providing audio services for all Board and Committee meetings.



PUBLICATION HIGHLIGHTS:

Following is a status of CSLB publications (print and online) that are in production:

Completed

- Spring 2013 *California Licensed Contractor* Newsletter
- Sting/Sweep brochure
- Stop Order brochure (Spanish)

Translation – Final Review

- Description of License Classifications (Spanish)

In Production

- Summer 2013 *California Licensed Contractor* Newsletter

In Development

- Consumer Guide (Booklet)
- Contractor/Applicant Guide (Booklet)
- Contractor Outreach Materials
 - Checklist of Consumer Questions During Bid
 - Why You Should Hire a State-Licensed Contractor
 - Building Permit Information
 - Contractor Insurance and Bond Information
 - Contractor Reference Form

COMMUNITY OUTREACH HIGHLIGHTS:

Senior Scam StopperSM Seminars

PAO staff work with legislators, state, and local agencies and community-based organizations on an ongoing basis to coordinate Senior Scam StopperSM (SSS) seminars and to participate in other community events around the state. Senior outreach helps inform and empower a vulnerable population against fraud at the local level, and brings government to the people.

The following seminars have been conducted or were scheduled since the Board’s April meeting:

Date	Location	Legislative/Community Partners
April 19, 2013	Wilmington	Asm. Isadore Hall III
April 26, 2013	South El Monte	Sen. Ron Calderon & Asm. Ian Calderon
April 30, 2013	San Diego	Rep. Susan Davis & Rep. Scott Peters
May 8, 2013	Los Angeles	Sen. Curren Price
May 9, 2013	Montclair	Asm. Norma Torres
May 10, 2013	Huntington Park	Asm. Reggie Jones-Sawyer
May 20, 2013	Los Angeles	Asm. Reggie Jones-Sawyer



Date	Location	Legislative/Community Partners
May 17, 2013	Baldwin Park	Asm. Roger Hernandez
May 23, 2013	Citrus Heights	Asm. Ken Cooley
May 31, 2013	Hanford	Asm. Rudy Salas
June 7, 2013	Thousand Oaks	Sen. Fran Pavley
June 14, 2013	Los Angeles	Sen. Ted Lieu
June 21, 2013	Castro Valley	Asm. Bill Quirk
July 16, 2013	Bakersfield	Asm. Rudy Salas
July 17, 2013	Moreno Valley	Asm. Jose Medina
July 18, 2013	Alameda or Contra Costa County	Sen. Mark DeSaulnier
July 19, 2013	San Jose	Asm. Paul Fong
July 22, 2013	Los Angeles	Asm. John Perez
July 23, 2013	Los Angeles	Asm. John Perez
July 24, 2013	Buena Park	Asm. Sharon Quirk-Silva
July 25, 2013	Cypress	Asm. Sharon Quirk-Silva
July 26, 2013	Santa Fe Springs	Sen. Ron Calderon
July 29, 2013	Palmdale	Asm. Steve Fox
July 29, 2013	Huntington Park	Asm. John Perez
July 30, 2013	Hayward	Asm. Bill Quirk
July 31, 2013	Fremont	Asm. Bill Quirk
August 1, 2013	Union City	Asm. Bill Quirk
August 2, 2013	Los Angeles	Asm. John Perez
August 3, 2013	West Hollywood	Asm. Richard Bloom
August 16, 2013	Westminster	Sen. Lou Correa
August 23, 2013	Santa Monica	Asm. Richard Bloom
September 6, 2013	Los Angeles	Asm. Al Muratsuchi



Date	Location	Legislative/Community Partners
September 19, 2013	Los Angeles	Asm. Jimmy Gomez
September 20, 2013	Alameda County	Asm. Rob Bonta
September 27, 2013	Redwood City	Sen. Jerry Hill
October 4, 2013	Burbank	Asm. Mike Gatto
October 18, 2013	Fountain Valley	Sen. Lou Correa
October 25, 2013	Santa Ana	Sen. Lou Correa

Consumer Scam StopperSM Program

The Consumer Scam StopperSM (CSS) program is an outgrowth of the Senior Scam StopperSM program, and was launched in September 2012. It is aligned with CSLB’s mission to provide valuable information to help consumers make informed choices related to construction and home improvement.

CSS seminars are for all ages and audiences, and include a tailored one-hour presentation regarding identifying and reporting fraud. Most seminars will be conducted in the Sacramento area until other staff is trained.

Here is a list of upcoming programs scheduled:

Date	Location	Legislative/Community Partners
August 14, 2013	Carmichael	Carmichael Parks & Recreation District
September 18, 2013	Knights Landing	Knights Landing Library
September 19, 2013	Esparto	Esparto Regional Library
October 10, 2013	Davis	Mary L. Stephens Davis Library
October 17, 2013	Yolo	Yolo Branch Library
October 24, 2013	Winters	Winters Community Library

Speakers Bureau

CSLB speakers continue to be in demand. Since more requests are for enforcement-related topics, most of the requests are being accommodated by utilizing Enforcement division staff. In February 2013, PAO conducted training sessions for interested staff in Sacramento and Norwalk.

On April 25, 2013, PAO staff members Tom O’Hair and Rick Lopes participated in a day-long media training day in Marysville. Employees from three different counties (Yuba, Sutter & Butte) gathered at the Yuba County Government Center to learn about communicating better with the news media.



Contractor Outreach Program

The 2012-13 Public Affairs Committee Strategic Plan (Plan) calls for CSLB's Public Affairs Office (PAO) to develop a contractor outreach program.

The objective received Board approval on April 17, 2012.

Program Goal

The contractor outreach program goal is two-fold:

- Provide licensees with tools they can use to educate consumers/potential clients; and
- Provide licensees with resources that will help ensure that they are aware of laws and best business practices.

This program will encourage licensees to share ownership of CSLB's message that promotes the value of hiring a licensed contractor, and will further inform consumers about the risks they take when either hiring an unlicensed operator or a licensee who is cutting corners by operating in the underground economy. This will give law-abiding licensees a more competitive business platform and help CSLB achieve its consumer protection goal.

By participating in consumer education efforts, and by receiving information on laws and best business practices, licensees also would have a greater understanding of the direct benefit they receive from their license fee.

Campaign Elements

- Conduct Research
- Develop (update) Print/Web Materials
- Develop Online Contractor Resource Center
- Develop "State of California Licensed Contractor" Logo
- Develop Videos
- Other Web Elements

Current Status

An online survey has been completed; the survey results are being used to develop outreach materials. Prospective logos have been developed, as well.

Next Steps/Timeline

Develop *State of California Licensed Contractor* logo

Tentative Deadline: Summer 2013

Build website feature to display new/updated materials

Tentative Deadline: Summer/Fall 2013

Launch new contractor resources on CSLB website

Tentative Deadline: Fall 2013

Determine other program elements

Tentative Deadline: Winter 2013/Spring 2014

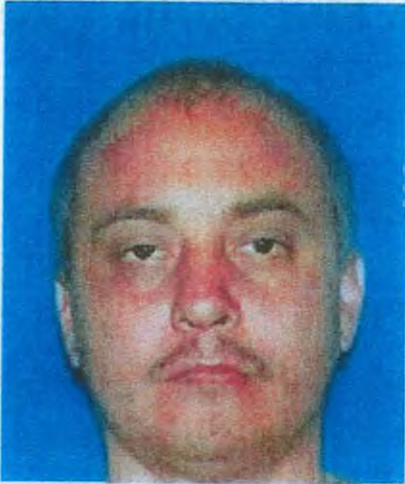
- Print materials for licensee website
- Video communications with licensees
- Live Web chats on CSLB website
- Opt-in "Find a Contractor" feature

Determine if outside contracts are needed

Tentative Deadline: Winter 2013

'Most Wanted' contractor captured, faces charges San Diego

State board sets up 'sting'



Ronald Holland, charged with grand theft, contracting without a license, and more.
None

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Cristin Severance | Email Me (mailto:cristin.severance@)

SAN DIEGO - People working on home improvements wanted on felony charges, according to state leaders.

Ronald Holland, of Bonita, was arrested in Sacramento State License Board's "Most Wanted" list.

The San Diego County district attorney's office filed charges for contracting without a license.

Holland is accused of taking illegal, large down payment for incomplete contracting work. In one case, state leaders said he took \$21,000 and never did the work.

A board spokesperson said Holland had started working for the company's owner of the arrest warrant. The company

Holland went to the office, he was taken into custody.

Holland has nine previous convictions.

The Contractors State License Board urges consumers not to pay in cash, hire only licensed contractors, check

Consumers can get more tips, and check license numbers on the CSLB's [website \(https://www2.cslb.ca.gov/Online/CheckLicense.aspx\)](https://www2.cslb.ca.gov/Online/CheckLicense.aspx).

The CSLB is under California's Department of Consumer Affairs.

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Unlicensed contractor gets 16 months for defrauding homeowners in Huntington Beach and Yorba Linda

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Tags: Brea Police Department, Huntington Beach California, Yorba Linda California

The following information was released by the Orange County District Attorney.

An unlicensed contractor was sentenced today to 16 months in jail for defrauding over \$635,000 from a Huntington Beach homeowner and a Yorba Linda family by stealing each of their payments and failing to complete construction projects. Alec Damos, 52, Pawley's Island, SC, pleaded guilty Feb. 20, 2013, to one felony count of unlicensed contracting for emergency residential repairs in a disaster area, one felony count of fraudulent use of a contractor's license, and one misdemeanor count of contracting for home improvement without a state license. In addition to his jail sentence, Damos was ordered to pay over \$635,000 in restitution.

In 2008, the Triangle Complex Fire burned over 30,000 acres and destroyed more than 200 homes in Orange County, making it the fourth largest fire in Orange County history.

Between November 2008 and April 2009, Damos unlawfully posed as a licensed contractor in Yorba Linda fraudulently using contractor license numbers belonging to legitimate operators without their knowledge or consent. Damos approached one family and initially helped clear rubble and debris in the days following the fire and was then contracted to rebuild their entire home for over \$729,000.

Damos collected more than \$147,000 in advances from the victims, began some preliminary work, and then abandoned the project, leaving it incomplete. Damos moved out of state with the proceeds without paying various subcontractors scheduled for the project. Damos paid himself over \$61,000 and spent more than \$72,000 to pay for his own family's living expenses including monthly bills, personal shopping trips, restaurants, and travel.

In 2009, the victims notified the Brea Police Department, who worked with the Contractor State License Board and the Orange County District Attorney's Office and discovered that, in a separate case, Damos had defrauded another homeowner in Huntington Beach of over \$488,000 in construction deposits in 2006. Damos was similarly unlicensed and abandoned the home improvement work which resulted in substandard conditions and unpaid creditor lines which indirectly caused the homeowners to later lose their home due to foreclosure.

In 2011, Brea Police detectives located Damos living in South Carolina and extradited him back to Orange County.

Deputy District Attorney James Young of the Code Enforcement Unit prosecuted this case.



Unlicensed contractors nabbed in El Dorado Co. sting

4:35 PM, Apr 22, 2013 | 0 comments



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C. Johnson
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EL DORADO COUNTY, CA - A sting conducted in El Dorado Hills Saturday by Contractors State License Board investigators resulted in 11 arrests of contractors bidding on large jobs allegedly without a valid contractor's license.

Per California law, all home improvement jobs totaling \$500 or more in combined labor and material costs must be undertaken by a CSLB-licensed contractor. State law requires that contractors include their license number in all print, broadcast, and online advertisements.

Three of those cited Saturday were repeat violators, according to CSLB, and most were also suspected of illegal advertising. The violations are misdemeanors and first-time offenses carry a penalty of up to six months in jail and/or a \$5,000 fine.

Cited were Brandon Michael Blubaugh Cameron Park; Thomas Domenic Harris, Mountain Ranch; Miguel Angel Mota Carrera, Carmichael; Brent Byron Hylton, Cameron Park; Marty Fredrick Koulax, Auburn; Macario Ramirez Cortez, Placerville; Chen Maui Padilla, Somerset; Byron Rickey Ford; Rancho Cordova; Alan Wayne Winter, Sacramento; Richard Alejandro Larsen Jr., Sacramento; and Jonathan Alexander Tyler, Sacramento.

The bids ranged from painting to tree service to fencing to

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woodwork. The contractors were found on business cards posted at local stores, flyers and craigslist.org.

CSLB tips

* Only hire state-licensed contractors. Ask to see their license and photo ID to verify identity.

* Always check the license number on [CSLB's website](#) to make sure the license is in good standing, and that employees are covered by workers' compensation insurance.

* Don't pay more than 10 percent or \$1,000, whichever is less, as a down payment. There is an exception for about two dozen licensees who carry special bonds to protect consumers. These exceptions are noted on CSLB's website.

* Don't pay in cash, and don't let payments get ahead of the work.

* Get at least three bids, check references, and get a written contract with signed change orders for any additions or amendments to the original contract.



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April 22, 2013

El Dorado Hills sting targets unlicensed contractors

Eleven people have been accused of contracting without a license following an undercover sting operation Saturday at a house in El Dorado Hills.

The operation was conducted by the Contractors State License Board's Statewide Investigative Fraud Team with assistance from the El Dorado County District Attorney's Office and the Department of Consumer Affairs Division of Investigation. Of the 11 alleged offenders netted in Saturday's sting, three had a record of previous citations, according to a Contractors State License Board news release.

The suspects were found through advertisements in local pamphlets, on craigslist and from business cards posted on bulletin boards at local business, officials said. Undercover CSLB investigators solicited bids for exterior painting, landscaping, tree removal and fence replacement.

In addition to allegations of contracting without a license, 10 of the 11 suspects in Saturday's sting also are accused of illegal advertising. State law requires that contractors include their license number in all print, broadcast and online advertisements. Those without a license can advertise as long as the ad states that they are not state-licensed contractors, and the combined total of a project's labor and materials costs is less than \$500.

Receiving notices to appear in El Dorado Superior Court regarding illegal contracting charges are Brandon Michael Blubaugh of Cameron Park, painting and decorating; Thomas Domenic Harris of Mountain Ranch, tree service; Miguel Angel Mota Carrera of Carmichael, landscaping; Brent Byron Hylton of Cameron Park, painting and decorating; Marty Fredrick Koulox of Auburn, tree service; Macario Ramirez Cortez of Placerville, tree service; Chin Maui Padilla of Somerset, tree service; Byron Rickey Ford of Rancho Cordova, fencing; Alan Wayne Winter of Sacramento, cabinet, millwork and finish cabinetry; Richard Alejandro Larsen Jr. of Sacramento, painting and decorating; and Jonathan Alexander Tyler of Sacramento, painting and decorating.

The Contractors State License Board conducts sting operations statewide in an effort to protect consumers, help level the playing field for legitimate contractors and to curb the underground economy, according to the news release.

Before hiring anyone to work on their property, consumers are advised to:

- Ask to see a contractor's license and photo ID to verify identity.

- Check the license number on the CSLB's website at www.cslb.ca.gov or www.CheckTheLicenseFirst.com to make sure the license is in good standing and that employees are covered by workers' compensation insurance.
- Don't pay more than 10 percent or \$1,000, whichever is less, as a down payment. Exceptions exist for about two dozen licensees who carry special bonds to protect consumers, and these exceptions are noted on CSLB's website.

Categories: El Dorado Hills

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Posted by **Cathy Locke**
8:37 PM | 5 Comments

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Billy_Boy

Did the EDC D.A. RAID any houses this time with GUNS DRAWN like they did a couple years ago?

The EDC's D.A. Investigator just about caused a RUBY RIDGE in PLACERVILLE TWO YEARS ago when he INAPPROPRIATELY decided to show up unannounced and RAID a private residence being remodeled and owned by a highly respected and very successful licensed contractor with an impeccable record doing millions of dollars of revenue a year and having over 30 full time employees. The D.A. Investigators showed up without receiving any complaint and went up to the front door with GUNS DRAWN.

The D.A. investigator TERRORIZED the OCCUPANTS and WORKERS, but arrested no one. Nothing like BIG BROTHER GOVERNMENT. Then the D.A. Investigator not happy that he was wrong, continued to HARASS the owner/contractor until the owner finally turned the matter over to one of his corporate attorneys.

The D.A. in EDC doesn't have enough to do or to keep all his employees busy. The D.A. Investigators are THUGS who abuse their power and usurp the BUILDING DEPARTMENT's authority. They are out getting DUI's during the day and he is also overseeing the County's IT DEPARTMENT.

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Eric 'Coach' Hansen

Deputies receive state commendation for their role in Coarsegold sting

Published: May 9, 2013 Updated 19 hours ago



Deputy Roy Broomfield

-- Madera County Sheriffs Department

-- Madera County Sheriffs Department

Madera County Sheriff John Anderson announced May 9 that three Madera County Sheriff's deputies have received state commendations for their role in an Unlicensed Contractor's Sting carried out in Coarsegold.

Seventeen unlicensed contractors, including a registered sex offender, were caught during a two-day sting in which Deputies Roy Broomfield, Gerald Marin and Sergeant Larry Rich took part.

The Statewide Investigative Fraud Team with Contractors State License Board set up stings last month at two locations off Highway 41 in Coarsegold.

Michael Scaggs of Squaw Valley, Charles Edward Goodman of Coarsegold, David Roman Alvarez, Sr. of Fresno, Cirilo Renteria Rodriguez of Fresno, Jack Jay Goedhart of Coarsegold, Mark Edward Jordana of Coarsegold, William Lee Smith of Madera, Anton James Blaine of Oakhurst, James Robert Mitchell of Oakhurst, Paul R. Schickel of Fresno, Jesse Michael Rivera of Fresno, Raymond Hernandez Luna of Clovis, Lance Gilman of Oakhurst, Cruz Antonio Banuelos, Jr. of Fresno, Justin Wesley Baker of Coarsegold, Jason Moses Morgan Tipton of Coarsegold were caught and cited for a variety of charges, which included contracting without a license, illegal advertising and excessive down payment.

The last individual to be captured was 41-year-old Bryan Patrick Higgins, a registered sex offender who resides in Coarsegold. According to state reports, Higgins showed up at a home during the sting operation to bid on tree services. He, like the rest, was given a Notice to Appear in court for contracting without a license, illegal advertising and asking for an excessive down payment. He was also caught for driving without a license.

Authorities say the suspects were found through flyers, business cards and phone number "tear-offs" posted on bulletin boards at local businesses.

All 17 suspects are scheduled to make court appearances in Madera County Superior Court next month.

Anderson says residents should always ask for a contractor's license and photo ID, and then verify that information at www.CheckTheLicenseFirst.com, before hiring anyone to do any kind of work on your property.

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Community Emergency Response Team training May 15-17

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Eric 'Coach' Hansen

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Shaun K. Boss Construction Law Blog on Lawyers.com

[Dealing with a Home Improvement Contractor in California](#)

Monday, May 6, 2013 by [Shaun K. Boss](#)



Many people experience difficulties incident to their home remodeling projects. Common complaints include delays in the completion of work, cost overruns and disputes concerning the quality of the work. Many of these problems can be avoided by taking precautions before the work begins. Here are a few suggestions to avoid these problems.

Do your homework. Learn who you are dealing with by requesting references and [contacting](#) those references. Ask the references whether they experienced any problems during the course of their project. Check the Contractors State License Board website at www.csib.ca.gov to determine whether the contractor's license is in good standing and whether complaints have been made. Multiple complaints are a sure sign that you may be faced with a problem if that contractor is hired. Check with the Better Business Bureau at www.bbb.org to see if complaints about that contractor have been received.

Protect yourself

contractually. The Contractors State License Law mandates that home improvement contracts contain certain provisions. The contract must:

contain dates of commencement and substantial completion;

contain a description of the work, materials and equipment, including a plan and scale drawing;

set forth the contract price, including a schedule of payments and include a limitation on the amount of the down payment;

specify who will be responsible for obtaining building permits;

specify that change orders which alter the scope of the work must be in writing, contain the amount charged and description of the change and be signed by the parties;

contain notices regarding contractor licensing and the potential mechanic's lien rights of subcontractors and suppliers, and how those rights are released;

contain a notice describing your right to request a payment and performance bond;

contain information concerning an owner's right of cancellation and a Notice of Cancellation.

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You should also consider including optional provisions including:

- a clause permitting you to recover your attorney's fees and court costs if you pursue legal action;
- an arbitration and/or mediation clause;
- detailed specifications concerning fixtures and materials to be used in the construction process;
- a clause requiring the contractor to furnish a list of subcontractors and material suppliers;
- a clause requiring the contractor and any subcontractors to furnish liability and worker's compensation insurance information;
- a clause requiring contractors and material suppliers to furnish mechanic's lien releases as they are paid;
- a penalty provision if construction is delayed through the fault of the contractor;
- a clause requiring disbursement of monies to the contractor, subcontractors and material suppliers through two-party checks or a third party "fund control";
- any other provisions which are desired due to unique features of your project.

What if there are problems? It may not be necessary to hire a lawyer. The California State Contractors License Board was established to handle consumer complaints against licensed contractors. While the process is time-consuming, the Board will investigate complaints and provide an "industry expert" to conduct an inspection of the work and render a written opinion without cost to you. Typically, your contractor will be given the option to correct the work if problems are found or the contractor may face disciplinary proceedings which may include fines and license suspension or revocation.

Since the State License Board investigation is time consuming, it may be necessary to hire an attorney. This is particularly true if a dispute arises before completion of the work or where the contractor abandons the project. It may also be necessary to hire an attorney to deal with mechanic's lien claims of subcontractors and material suppliers who have not been paid by the contractor. The assistance of an attorney may also be helpful in recovering from the surety company which writes the contractor's license bond.

Conclusion. An ounce of prevention is worth a pound of cure. If you follow the suggestions above, you are likely to avoid most common problems when dealing with a building contractor. Reputable contractors should be willing to discuss and implement the suggestions provided above. By asking the right questions you will demonstrate that you are a knowledgeable consumer of the service to be provided. Good contractors may even thank you for your thorough preparation and attention to detail, which serves to benefit all parties. Good luck with your project and don't hesitate to call us if you have questions about the process

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Posted at 11:28 PM

Wednesday, May. 29, 2013

Sting nets 12 unlicensed contractors in Merced County

By RAMONA GIWARGIS
rgiwargis@mercedsunstar.com

MERCED COUNTY -- It can be a homeowner's worst nightmare: Hiring someone to paint or remodel your home, only to find out he or she is unlicensed. Or worse — the fake contractor takes the money and disappears.

A one-day sting operation in Merced County uncovered a dozen people working as contractors without a license.

The workers were caught after investigators from the Contractors State License Board posed as property owners, calling the suspects who posted ads on Craigslist, Facebook and other websites.

The majority — nine of the 12 suspects — were found through Craigslist ads.

The 12 suspects thought they were being hired to do work on a commercial building near downtown Merced, but instead they received "notices to appear" in court for contracting without a license.

Seven of those workers — ranging from drywall installers to painters — were cited for illegal advertising, and another seven were busted for not having workers' compensation insurance. At least one worker was a repeat offender.

Tom O'Hair, spokesman for the Contractors State License Board, said the focus of the enforcement effort is to encourage skilled laborers to get licensed.

"Our goal is not to get people in trouble," O'Hair said. "We're trying to encourage people to take some extra time, study, take the test and become a licensed contractor."

A license is required for any contractor charging \$500 or more in labor or for materials, O'Hair said.

Hiring licensed contractors protects the homeowners, he added. If unlicensed contractors get injured on the job, homeowners' insurance often won't cover them.

"Unless you're hiring a licensed contractor, you don't know who you're inviting into your home," O'Hair said. "You don't know what you're getting or if the work will be completed correctly. You've lost quite a bit of your bargaining power as a consumer."

Merced County District Attorney Larry Morse II said his office strives to help businesses that abide by the law, despite a down economy.

"These have been extraordinarily difficult times in the construction industry," Morse said. "Many businesses in Merced have either gone under or suffered losses in revenue."

"Our job is to ensure that there is a level playing field and that those who do not play by the rules are not unjustly enriched in some way," he said.

Consumers can protect themselves by soliciting bids from three different contractors and not allowing payments to get ahead of the work, O'Hair said.

A down payment shouldn't exceed 10 percent of the total estimate, or \$1,000 — whichever is less. A contractor license number should always be listed on the worker's business card, Internet ads or service trucks.

The first misdemeanor offense could result in a maximum six-month jail sentence and a \$5,000 fine. Additional offenses include up to a \$10,000 fine and 90 days in jail, O'Hair said.

Licensed contractors can be screened at www.checkthelicensefirst.com.

Reporter Ramona Giwargis can be reached at (209) 385-2477 or rgiwargis@mercedsunstar.com.



hamezcua@sacbee.com

Chris Tellas hauls lumber across joists at the 2500 R project in Sacramento, above, where model homes are going up next to the light-rail tracks. The builder plans 34 energy-efficient homes at the site.

More Central Valley fake contractors rounded up

MERCED

May 30, 2013 5:23am

- **Stung by Merced sting**
- **“Internet ad sites are rife with unlicensed operators”**

The large commercial building a few blocks from the Merced County District Attorney's Office needed some remodeling – new tile, fresh paint and so forth. So contractors bid the jobs and for a dozen of them, the next stop is a courtroom.

It's the latest in a never-ending series of stings staged by the Contractors State License Board to root out contractors who are not licensed.

What made this newest announced sting different from years of others was that it was staged in a commercial building instead of a private home. And it was convenient to the DA's office.

The tally:

- 12 suspects received notices to appear in Merced County Superior Court for contracting without a license
- 7 suspects were cited for illegal advertising
- 7 suspects were cited for workers' compensation insurance violations and received Stop Orders

For the undercover operation, CSLB investigators, posing as property owners, contacted suspects through ads on Craigslist, Facebook, and other Internet sites.

Several of the bids were excessive -- one was nearly \$9,000 for ceramic tile work.

In California, a licensed contractor is required if the work being done is \$500 or more in combined labor and material costs. The down payment may not exceed 10 percent of the total estimate, or \$1000, whichever is less.

"Internet ad sites are rife with unlicensed operators offering substandard work," says CSLB Registrar Steve Sands. "Take the time to use CSLB's instant license check and hire a qualified, licensed contractor to have the work done properly."

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Fresno classes to teach about business bonding

Published on 05/23/2013 - 11:35 am

Written by Business Journal staff



The Small Business Administration is seeking businesses to partake in four classes next month on how to improve their operations and increase bonding capacity.

As part of the classes, businesses will learn how surety or fidelity bonds act as insurance policies showing customers how their work and licenses are guaranteed.

California's Contractors State License Board dictates which construction companies and other professions are bonded to protect customers against possible losses from theft or damage done by employees.

Business owners will also be educated on construction accounting and financial management, estimating and bidding on public works projects, accessing capital, project management and other necessities to obtain or increase their bond lines.

Information on the SBA's Surety Bond Program will also be included in the event.

"Lack of bonding and inadequate bonding capacity are significant challenges to many small business in the San Joaquin Valley," said Carlos G. Mendoza, Fresno SBA district director, in a release. "The government contracting opportunities created by the high-speed rail construction in the Valley will require business to obtain or increase bonding in order to successfully bid on high-speed rail and other transportation projects."

The program is a partnership with the U.S. Department of Transportation, the Southwest Small Business Transportation Center and the Surety & Fidelity Association of America.

Classes will be held on May 30, June 13, 20 and 27 from 4 to 7 p.m. at the Fresno SBA Office located at 801 R St., Suite 201.

Since space is limited, interested business should register as soon as possible by contacting the U.S. Department of Transportation's Small Business Transportation Resource Center at (916) 443-5957 or via email at bonding@calasiancc.org.

A webinar option will be available for businesses outside of the area. General information can be found by contacting the SBA at (559) 487-5791.

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Senior Scam-Prevention Workshop Set For May 23, 2013

Assemblyman Ken Cooley is hosting the workshop.

Posted by [Lauren Gibbs](#) (Editor), May 21, 2013 at 12:20 pm

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Assemblyman Ken Cooley

Area seniors can learn how to avoid scams by participating in an upcoming workshop.

Hosted by Assemblyman Ken Cooley, the workshop is set for Thursday, May 23 in Citrus Heights.

The workshop is designed to teach seniors and other interested community members how to protect themselves from scams. It's also hosted by the Contractors State License Board.

The workshop will be held from 1-3 p.m. May 23 at the Citrus Heights Community Center, 6300 Fountain Square Drive in Citrus Heights.

Cooley represents the 8th Assembly District which includes the communities of Arden-Arcade, Carmichael, Citrus Heights, Rancho Cordova, Rancho Murieta, Rosemont, Wilton and other portions of unincorporated Sacramento County.

'Most Wanted' contractor captured, faces charges San Diego

State board sets up 'sting'

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SAN DIEGO - People working on home improvements no longer have to worry about a contractor wanted on felony charges, according to state leaders.

Ronald Holland, of Bonita, was arrested in Sacramento on Tuesday. He had been on the Contractors State License Board's "Most Wanted" list.

The San Diego County district attorney's office filed charges against Holland, including grand theft and contracting without a license.

Holland is accused of taking illegal, large down payments, and he's accused of substandard and incomplete contracting work. In one case, state leaders said he took a down payment of more than \$21,000 and never did the work.

A board spokesperson said Holland had started working in the Sacramento area and the board informed the company's owner of the arrest warrant. The company cooperated with state investigators, and when Holland went to the office, he was taken into custody.

Holland has nine previous convictions.

The Contractors State License Board urges consumers not to pay in cash, hire only licensed contractors, check references and get a written contract. Consumers can get more tips, and check license numbers on the CSLB's [website](#).

The CSLB is under California's Department of Consumer Affairs.

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Workshop highlights fraud aimed at older residents

By Claudia Buck
cbuck@sacbee.com

Published: Wednesday, May. 22, 2013 - 12:00 am

Last Modified: Wednesday, May. 22, 2013 - 8:29 am

A free workshop on how to guard against financial fraud and scams that target senior citizens will be offered Thursday in Citrus Heights. The event, sponsored by state Assemblyman Ken Cooley, D-Rancho Cordova, and the Contractors State License Board, is open to any consumer.

The workshop will offer tips on protecting yourself from common types of financial fraud, including home and car repairs and Medicare scams.

The workshop is scheduled from 1 to 3 p.m. at the Citrus Heights Community Center, 6300 Fountain Square Drive. For details, contact the assemblyman's office at (916) 464-1910.

Call *The Bee's* Claudia Buck, (916) 321-1968. Read her *Personal Finance* blog, www.sacbee.com/personalfinanceblog.

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Consumer Tip: Do your homework on contractor-assisted loans

Marin Independent Journal

Posted: 05/21/2013 06:30:00 AM PDT

CONSUMER TIP

Be skeptical of contractor LOANS

A contractor knocks on your door and offers to install a new roof, pave your driveway or remodel your kitchen at an extremely reasonable price. You tell him that you are interested but can't afford it. He says no problem. He knows a lender and can arrange financing. Sound like a good deal?

Before you agree to any terms, consider the following:

- Get any home improvement contract in writing before work commences, and be certain that the contract fully outlines the scope of the work. It should be specific.
- Check the contractor's references, including verifying his contractor's license number, with the State Contractor's State License Board. Is the license current and in good standing?
- Get more than one estimate.
- Financing the project should be determined prior to the commencement of work and before the signing of any contracts. Terms of the loan should be fully disclosed in the contract.

A contractor-assisted loan may be a home equity loan at rates, points and fees that are not at favorable terms. Shop and compare rates and terms first. If you fail to make the payments, you could lose your home.

More information is available through the Marin County district attorney's consumer protection unit at 470 6405 or through its website at www.co.marin.ca.us/ds

Consumer Tip: Do your homework on contractor-assisted loans

Posted:

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More information is available through the Marin County district attorney's consumer protection unit at 473-6495 or through its website at www.co.marin.ca.us/da.

— Marin County District Attorney

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No Contractor's License Means You Work for Free

Posted By [admnn](#) On May 8, 2013 @ 5:00 am In [Uncategorized](#) | [No Comments](#)

[1]

From [Stoel Rives LLP](#)

Oregon law Firm

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No Contractor's License Means You Work for Free

Yet another California court decision has been issued requiring a contractor to return over \$750,000 received for work he performed on a casino while he was unlicensed. In rejecting the contractor's arguments against disgorgement, the court found that (a) California Business and Professions Code § 7031's penalties applied to work performed for tribal corporations and on tribal lands by a non-tribal entity, (b) the contractor, a sole ownership, could not use his individual standing as the RMO for a licensed separate corporation contractor to cover work done by the sole ownership, and (c) the contractor did not meet substantial compliance with the licensure statute when he knew a license was required yet waited until the construction work was nearly completed to apply for a license. *Twenty-Nine Palms Enterprises Corporation v. Bardos* (2012) 210 Cal. App. 4th 1435, 149 Cal Rptr 3d 52.

While this contractor's license failure was fairly blatant, the case serves as a reminder of courts' consistent opinions that should a contractor allow its license to lapse for even one day from the time of contracting through completion, it may be denied payment or required to disgorge substantial sums already received. Contractors and owners alike should always ensure those contributing to the work of improvement are properly licensed. Both California's Contractors State License Board and Oregon's Construction Contractors Board have online license lookup services that are quick and easy. Checking these sites to ensure an active license may just be the difference between getting paid and performing significant construction work for free.

Article printed from Oregon Business Report: <http://oregonbusinessreport.com>

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- Orange County Breeze - <http://www.oc-breeze.com> -

Unlicensed contractor gets 16 months for defrauding homeowners in Huntington Beach and Yorba Linda

Posted By [courtesy](#) On May 3, 2013 @ 6:32 pm In [Crime](#) | [No Comments](#)

The following information was released by the Orange County District Attorney.

An unlicensed contractor was sentenced today to 16 months in jail for defrauding over \$635,000 from a Huntington Beach homeowner and a Yorba Linda family by stealing each of their payments and failing to complete construction projects. Alec Damos, 52, Pawley's Island, SC, pleaded guilty Feb. 20, 2013, to one felony count of unlicensed contracting for emergency residential repairs in a disaster area, one felony count of fraudulent use of a contractor's license, and one misdemeanor count of contracting for home improvement without a state license. In addition to his jail sentence, Damos was ordered to pay over \$635,000 in restitution.

In 2008, the Triangle Complex Fire burned over 30,000 acres and destroyed more than 200 homes in Orange County, making it the fourth largest fire in Orange County history.

Between November 2008 and April 2009, Damos unlawfully posed as a licensed contractor in Yorba Linda fraudulently using contractor license numbers belonging to legitimate operators without their knowledge or consent. Damos approached one family and initially helped clear rubble and debris in the days following the fire and was then contracted to rebuild their entire home for over \$729,000.

Damos collected more than \$147,000 in advances from the victims, began some preliminary work, and then abandoned the project, leaving it incomplete. Damos moved out of state with the proceeds without paying various subcontractors scheduled for the project. Damos paid himself over \$61,000 and spent more than \$72,000 to pay for his own family's living expenses including monthly bills, personal shopping trips, restaurants, and travel.

In 2009, the victims notified the Brea Police Department, who worked with the Contractor State License Board and the Orange County District Attorney's Office and discovered that, in a separate case, Damos had defrauded another homeowner in Huntington Beach of over \$488,000 in construction deposits in 2006. Damos was similarly unlicensed and abandoned the home improvement work which resulted in substandard conditions and unpaid creditor lines which indirectly caused the homeowners to later lose their home due to foreclosure.

In 2011, Brea Police detectives located Damos living in South Carolina and extradited him back to Orange County.

Deputy District Attorney James Young of the Code Enforcement Unit prosecuted this case.

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San Marino City Hall refurb put on hold

Dispute during bidding process causes council to postpone selection.

May 11, 2013 | By Mercedes Aguilar

SAN MARINO — The San Marino City Council was expected to award a contract to refurbish City Hall on Wednesday, but after one of the project's bidders raised concerns that another bidder did not list the name of a second-tier subcontractor who would remove asbestos, the selection of a contractor was put on hold.

The contract for up to \$683,000 would include a general interior facelift and construction of a one-stop customer service center on the building's first floor.

The dispute arose when BBS Construction, the second lowest bidder, claimed in a letter that the lowest bidder, Caltech Corp., did not list the name of a second-tier subcontractor that would be doing asbestos removal on the project.

BBS Construction claimed a company must be identified if it does at least at least 0.5% of the work, citing the California Contractors State License Board.

"They don't even have anyone [listed]. In other words, now they can shop for a greater, better price and that should [lead to] elimination immediately," said Tom Bilaver, vice president/secretary of BBS Construction, after the meeting.

Caltech countered that subcontractor Incoteknic Inc., which doesn't have the correct type of asbestos certificate for the project, would hire a second-tier subcontractor that has the proper certification.

"California Business and Profession Code does not prohibit a ... subcontractor to subcontract any portion of their work," Caltech stated in its rebuttal letter to the city.

City Attorney Steven Dorsey said the issue will not be difficult to resolve. However, because Caltech's rebuttal letter arrived just prior to the city council meeting, he needed more time to investigate the situation.

Dorsey said that by law, the city council must award the contract to the lowest bidder that has the proper licenses, insurance policies and references.

Caltech came in with a \$496,000 bid, while BBS Construction's bid was \$559,000, said Aldo Cervantes, San Marino's senior planner.

The city council will hold a special meeting next week to consider again which company should be awarded the contract.

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Contractor from Artesia Accused of Operating Without License

Javier Lucas of Artesia was one of eight caught in a sting targeting unlicensed contractors.
May 10, 2013



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Related Topics: [Javier Lucas of Artesia](#)



An Artesia man was among eight contractors allegedly operating without a license who were caught in a sting operation, authorities said today.

Tuesday's undercover operation was staged at a house in Rolling Hills Estates, Rick Lopes of the Contractors State License Board said.

Israel Nunez, 38, of Gardena, went to the address to bid on some concrete work, Lopes said.

"When Nunez arrived at the house to give a bid to ... investigators, he encountered Marcus Malouf-Claxton, 19, of La Palma, who was being cited for contracting violations," Lopes said in a statement.

"Malouf-Claxton tried to warn Nunez away from the scene," Lopes said. "But a quick-thinking CSLB investigator posing as a homeowner intervened, telling Nunez that Malouf-Claxton was being booked by officers for an unrelated offense.

"Nunez, apparently convinced of the story, went on to give investigators a bid for concrete work, was issued a notice to appear in Superior Court, and also was detained by (immigration) agents regarding his residency status," Lopes said.

Nunez was also cited last month by the CSLB for a contracting violation, Lopes said.

Two other suspects cited on Tuesday also had been cited earlier for contracting violations. Tomas Mondragon, 63, of Los Angeles, was cited during a sweep at a construction site in April. Jose Cardenas, 49, of Hawthorne was cited in 2012 in a similar sweep, Lopes said.

Also cited Tuesday were Javier Lucas, of Artesia; Zvonimir Nikolic, of Whittier; Melo Ahoia, of Long Beach; and Oscar Sermeno, of Gardena.

First-time penalties for contracting without a license include up to six months in jail and/or up to \$5,000 in fines.

- City News Service

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SANTA BARBARA COUNTY

Santa Barbara County DAs office announces arrest of fake contractor

Posted: May 7, 2013 4:53 PM by Katherine Worsham, KSBY News



The Santa Barbara County District Attorney announced Tuesday the arrest of a man accused of operating without a contractor's license. Mario Hernandez Serrano faces charges of Felony Diversion of Construction Funds, Felony Grand Theft, Felony Tax Evasion, Contracting Without a License and Failing to Obtain Workers' Compensation Insurance.

Serrano's arrest was reportedly the result of a joint investigation by the Contractor's State Licensing Board, the Franchise Tax Board and Santa Barbara County District Attorney Investigators.

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8 Cited in Unlicensed Contractor Sting

The sting took place at a house in Rolling Hills Estates.

By [City News Service](#) [Email the author](#) May 9, 2013

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Eight contractors allegedly operating without a license were caught in a sting operation, including one man who failed to heed a warning by another man who was being detained by investigators, authorities said today.

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Free Senior Scam Stopper Seminar to be Offered at Baldwin Park

A panel of experts will provide information to seniors on how they can protect themselves from becoming victims of fraud.

May 9, 2013

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Related Topics: [Assemblymember Roger Hernandez](#), [Seminar Senior Scam Stopper](#), [Senior Scam Stopper](#), and [senior fraud prevention](#)



Seniors are invited to a workshop next Friday May 17, where they can learn how to protect themselves from many varieties of fraud.

Assemblymember Roger Hernández, who represents Baldwin Park in the State Assembly and the California Contractors State License Board will be hosting a FREE Senior Scam Stopper seminar in the Julia McNeill Senior Center.

A panel of experts will provide information to seniors on how they can protect themselves from becoming victims of fraud. Attendees can get answers to their questions and obtain assistance if they have been scammed.

According to the California Contractors State License Board, seniors are a vulnerable audience, often preyed upon by unlicensed or unscrupulous contractors.

The Senior Scam Stopper seminar have been offered throughout the state since 1999 in cooperation with legislators, state and local agencies, law enforcement, district attorneys, and community-based organizations.

In addition to providing information about construction-related scams and how seniors can protect themselves when hiring a contractor, the seminars feature expert speakers from many local, state and federal agencies, who present broader topics, including identity theft, auto repair, and investments.

WHAT: Senior Scam Stopper Seminar

WHEN: Friday, May 17, 2013, 10:00 a.m. to 12:00 p.m.

WHERE: Julia McNeill Senior Center, 4100 Baldwin Park Blvd., Baldwin Park, CA 91706

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SANTA BARBARA COUNTY

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Posted: May 7, 2013 4:53 PM by Katherine Worsham, KSBY News



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State contractor board cites 17 in license sting

By Diana Aguilera - The Fresno Bee

18:00:00 - 04/29/2013 | 3279290

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1 Comment

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Of the 17 suspects cited during the stings, 16 face misdemeanor charges of contracting without a license, the state board said. One person was cited for using someone else's license. The suspects were from Fresno, Madera, Oakhurst, Coarsegold, Clovis and Squaw Valley.

Employees encourage people to consult the contractor board's website to ensure the contractor's license is in good standing.

The reporter can be reached at (559) 441-6659 or daguilera@fresnobee.com.

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- Obituaries for Tuesday, April 30
- Valley fever response: Vulnerable inmates ordered out of Avenal, Coalinga prisons
- Relatives sought for Millerton Lake drowning victim
- Driver smashes wall at Hanford's Superior Dairy
- State contractor board cites 17 in license sting
- Near-record Valley heat to ease for two days
 - Beware of Yes on G tactics
- Porterville wrongful death suit goes to Tulare Co. jury

- Angels of Grace leader Lisa Casarez named Mother of the Year
- Valley fever response: Vulnerable inmates ordered out of Avenal, Coalinga prisons
- Fresno history preservation's blessings, challenges take spotlight
- Mike Dozier: State bill will finish the job on broadband
- Prominent businessman finds 'internal peace' speaking out about sexual abuse
- Fresno man with mild mental retardation guilty of murder
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- » EDITORIAL: All options must be on table for Bay-Delta fix

State contractor board cites 17 in license sting

By Diana Aguilera

- The Fresno Bee

Monday, Apr. 29, 2013 | 10:48 PM

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AGENDA ITEM H

Legislative Committee Report



AGENDA ITEM H-1

Legislative Update





CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE UPDATE

2013 CSLB Significant Legislation

AB 44	AUTHOR:	Buchanan [D]
	TITLE:	Subletting and Subcontracting Fair Practices Act
	SUMMARY:	Amends the Subletting and Subcontracting Fair Practices Act that requires the entity taking bids for the construction of any public work or improvement to specify certain information regarding each subcontractor who will perform work or labor or render service to the prime contractor in or about the work or improvement. Requires that the state contractor license number of each subcontractor also be provided.
	POSITION:	SUPPORT
AB 186	AUTHOR:	Maienschein [R]
	TITLE:	Professions and Vocations: Military Spouses: Licenses
	SUMMARY:	Requires a board within the Department of Consumer Affairs to issue a temporary license to an applicant who qualifies for, and requests, expedited licensure if that person is married or in a domestic partnership or legal union with a member of the Armed Forces assigned to a duty station in the state, if he or she meets specified requirements. Authorizes an investigation to see if the person is legally licensed in another jurisdiction, a criminal background check, along with a signed affidavit.
	POSITION:	OPPOSE
AB 811	AUTHOR:	Lowenthal B [D]
	TITLE:	Excavations: Regional Notification Center System
	SUMMARY:	Amends existing law that requires any person planning to conduct an excavation to contact a regional notification center prior to excavation. Requires such center to post on their Internet websites statewide information provided by operators and excavators regarding violations of requirements in existing law and damages resulting from the violations.
	POSITION:	WATCH
AB 834	AUTHOR:	Williams [D]
	TITLE:	Energy Efficiency Standards: Administrative Enforcement
	SUMMARY:	Amends existing law that requires the State Energy Resources Conservation and Development Commission to establish, by regulations, building construction and design standards and energy and water conservation standards for new residential and new nonresidential buildings to increase the efficiency of energy and water. Authorizes the commission to establish an administrative enforcement process to enforce those regulations.
	POSITION:	WATCH



- AB 972** **AUTHOR:** Calderon I [D]
TITLE: Employment Electricians: Certification
SUMMARY: Amends existing law that requires contractors and subcontractors to keep payroll records that include various forms of personal information of each journeyman, apprentice, worker, or other employee employed in conjunction with a public works project. Requires those records for projects that use an electrician to include the electrician's state certification number.
POSITION: **WATCH**
- AB 993*** **AUTHOR:** Linder [R]
TITLE: Contractors: Arbitration
SUMMARY: Amends the Contractors State License Law. Applies conflict of interest provisions to an arbitrator in a proceeding regarding a dispute between a consumer and a contractor. Requires a prospective arbitrator to comply with certain disclosure requirements prior to accepting an appointment. Authorizes the release of a mechanic's lien and the return of tools. Provides for a waiver of rights to attorney fees or to challenge the award of attorney fees. Relates to the exclusion of persons from the proceeding.
POSITION: **SPONSOR**
- SB 261*** **AUTHOR:** Monning [D]
TITLE: Contractors Fraudulent Use of License
SUMMARY: Provides that any licensed or unlicensed contractor who commits any of specified activities with respect to a contractor license is subject to the administrative remedies authorized by the Contractors State License Law.
POSITION: **SPONSOR**
- SB 262*** **AUTHOR:** Monning [D]
TITLE: Contractors
SUMMARY: Relates to the Contractors State License Law; requires a qualifying individual to meet specified requirements with respect to his or her employer's or principal's construction operations. Provides that this person shall not act in the capacity of the qualifying person for an additional individual or firm except under certain circumstances. Provides that violations constitute a cause for disciplinary action, a fine and imprisonment.
POSITION: **SPONSOR**



SB 263*	AUTHOR:	Monning [D]
	TITLE:	Contractors: Unlicensed Activity
	SUMMARY:	Relates to the Contractors State License Law. Provides that it is a misdemeanor for a person to act in the capacity of a contractor if the person either has never been licensed, or the person was a licensee, but performed acts covered by the law under a license that was inactive, expired, revoked, or under suspension. Provides that it is a cause for disciplinary action for a licensed contractor to enter into a contract with a contractor while the contractor is not licensed.
	POSITION:	SPONSOR
SB 822*	AUTHOR:	Business, Professions and Economic Development Committee
	TITLE:	Professions and Vocations
	SUMMARY:	Provides for licensure of out-of-state accountants. Relates to delinquency fees regarding the renewal application under the Contractors State License Law. Deletes a meeting requirement of the State Board of Guide Dogs for the Blind for certification of schools that provide training of guide dogs. Creates a retired registration category and fee for geologists or geophysicists. Allows a fictitious business name statement to be signed by either party to a marriage.
	POSITION:	SPONSOR

* Indicates CSLB sponsored legislation

AGENDA ITEM I

Licensing Committee Report



AGENDA ITEM I-1

Licensing Program Update





CONTRACTORS STATE LICENSE BOARD

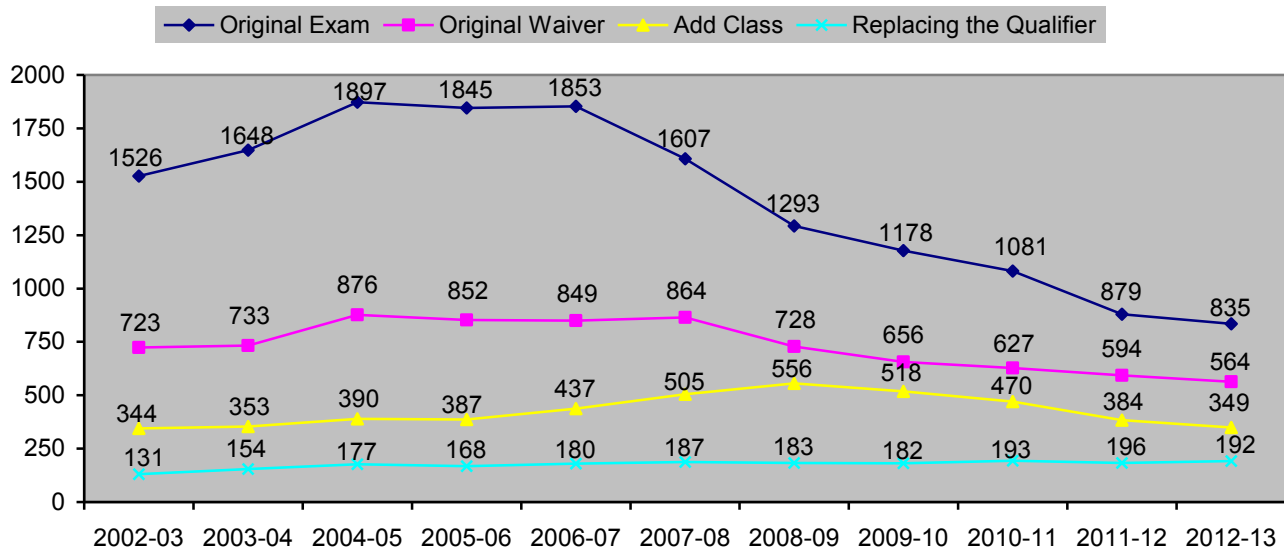
LICENSING PROGRAM UPDATE

License Application Workload

The following chart shows the average number of applications received per month for the past 10 fiscal years (FY). Fingerprint requirements went into effect January 2005.

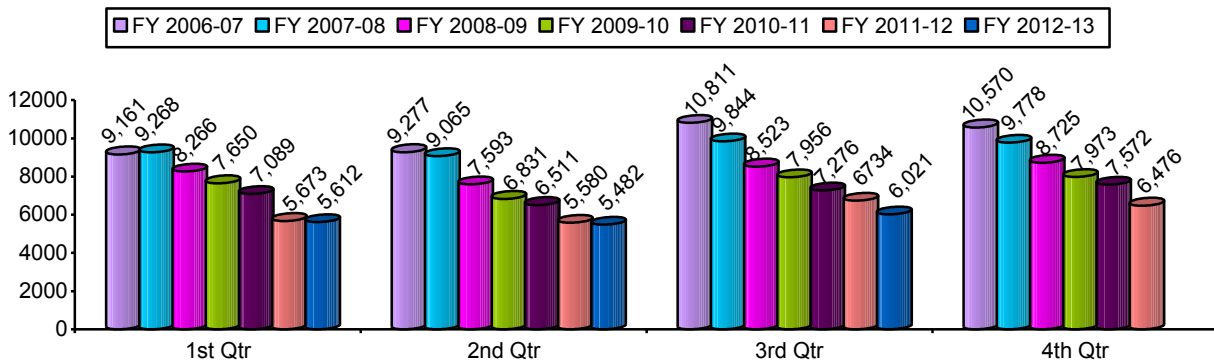
The number of applications received continues to decline due to the economic recession and housing downturn. The average number of original applications received per month for FY 2011-12 is down 8 percent from the overall average for FY 2010-11.

AVERAGE NUMBER OF APPLICATIONS RECEIVED PER MONTH



The following chart compares the total number of applications received by quarter for the past six fiscal years.

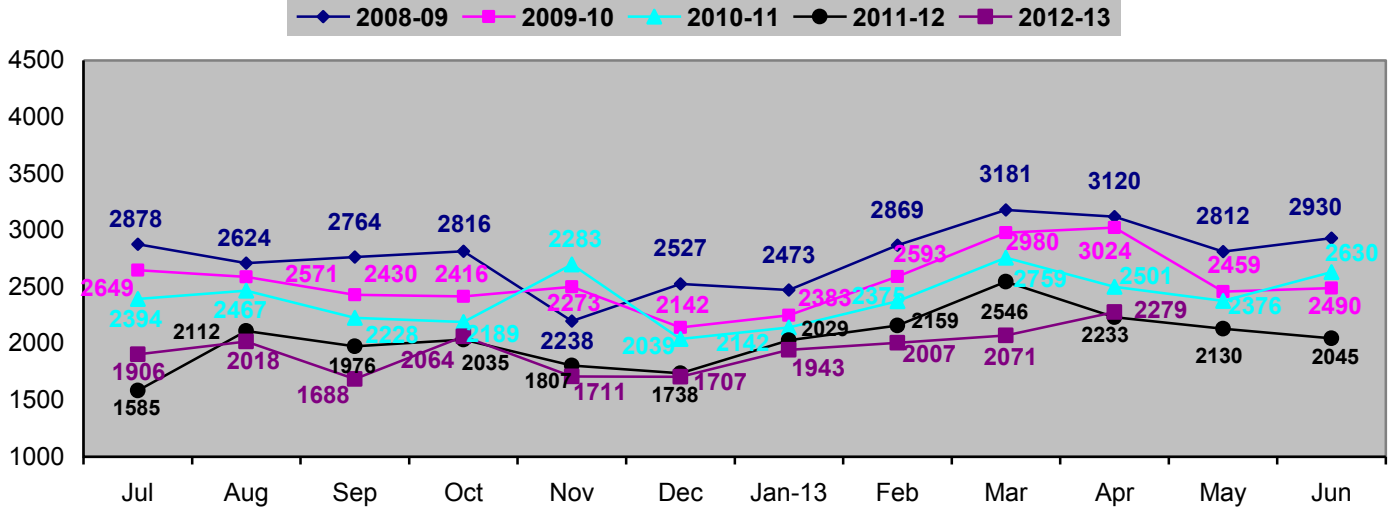
COMPARISON OF APPLICATIONS RECEIVED PER QUARTER
(Original Exam, Original Waiver, Add Class, Replacing the Qualifier)



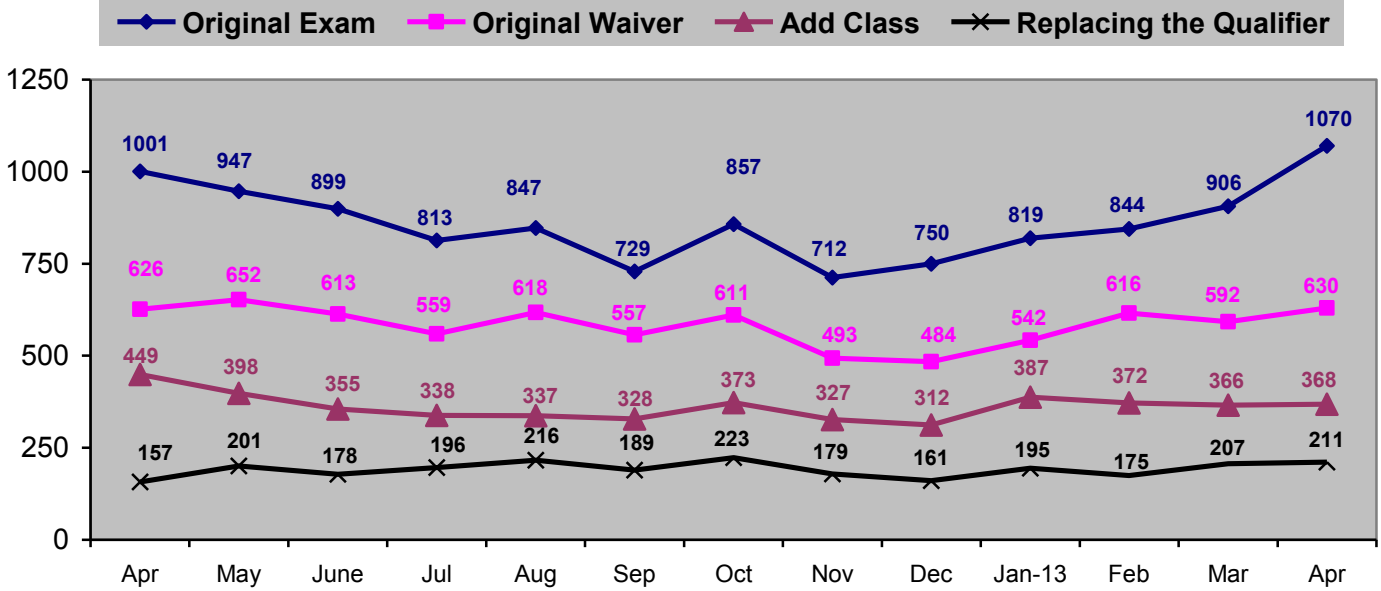
Decrease of 14% for total applications received for 2011-12 as compared with 2010-11



TOTAL NUMBER OF APPLICATIONS RECEIVED PER MONTH (Original Exam, Original Waiver, Add Class, Replacing the Qualifier)



NUMBER OF APPLICATIONS RECEIVED





Limited Liability Companies (LLCs)

A new law (SB 392) that authorized CSLB to issue licenses to LLCs became effective January 1, 2012. During the first year of implementation, 169 LLC licenses were issued.

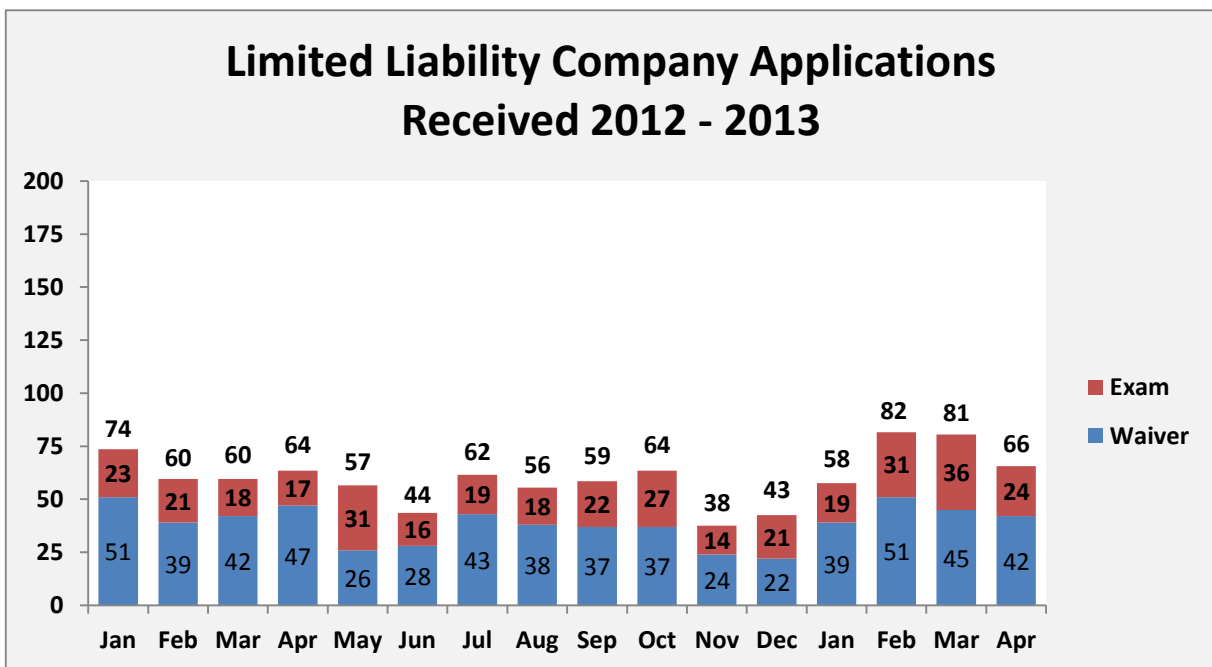
The legislation noted that contractors have been allowed to operate as corporations, and to be designated as “S” or “C” corporations for many years, with well-established case law regarding the ability to “pierce the corporate veil.” It was the intent of the Legislature to also apply this doctrine to LLCs.

Since there is not yet case law establishing this principle in California, an additional \$100,000 bond requirement for the benefit of workers relative to payment of wages and fringe benefits was established. This ensures that workers are protected despite the absence of case law dealing with LLCs. This bond is in addition to the \$12,500 contractor bond.

LLCs are qualified by responsible managing officers, responsible managing members, responsible managing managers, or responsible managing employees. All officers, members, managers, directors, and qualifiers of LLCs must be listed on the application as personnel of record.

LLCs also are required to have \$1 million in liability insurance when five or fewer persons are listed as personnel, with an additional \$100,000 required for each additional personnel, not to exceed \$5 million.

The chart below illustrates the number of LLC applications received from January 1, 2012 through April 30, 2013.





FY 2012- 13 LLC APPLICATION (WAIVERS & EXAMS COMBINED) PROCESSING DATA

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
Received	62	56	54	51	38	43	58	84	81	66
Rejected	43	41	45	45	21	20	23	60	51	42
Acceptable Upon Submittal-Issued	1	1	5	1	2	2	10	1	5	3
Processed	13	11	9	18	14	19	24	23	24	7
Void or Withdrawn	5	3	0	0	1	2	1	0	0	2
Not Yet Processed	0	0	0	0	0	0	0	0	0	12

The Most Common Reasons for Rejection:

1. Personnel listed on application needs to match the personnel listed on SOS records.
2. The LLC / SOS registration number and/or business name is missing or incorrect.
3. Personnel information needs clarification or is missing, i.e., DOB, middle name, title.
4. Questions (page 2 of application, #10-14) are missing or incomplete.

Of the 968 LLC applications received through April 30, 2013, 261 limited liability company contractor licenses have been issued. The most common reasons for rejection continues to be staff’s inability to confirm the required LLC business name and/or LLC registration number provided by the Office of Secretary of State and match the name(s), title(s), and total count of LLC personnel. SOS is still experiencing a delay in entering Statements of Information (SOI) into its database. This four-month backlog is beyond CSLB’s control. The SOI information is required for processing the LLC application: It provides staff with the total number and names of LLC personnel, crucial in determining the appropriate amount for the LLC liability insurance requirement (between \$1 million and \$5 million). SOS offers expedited 24-hour processing of SOI for an additional fee.

**Workers' Compensation Recertification**

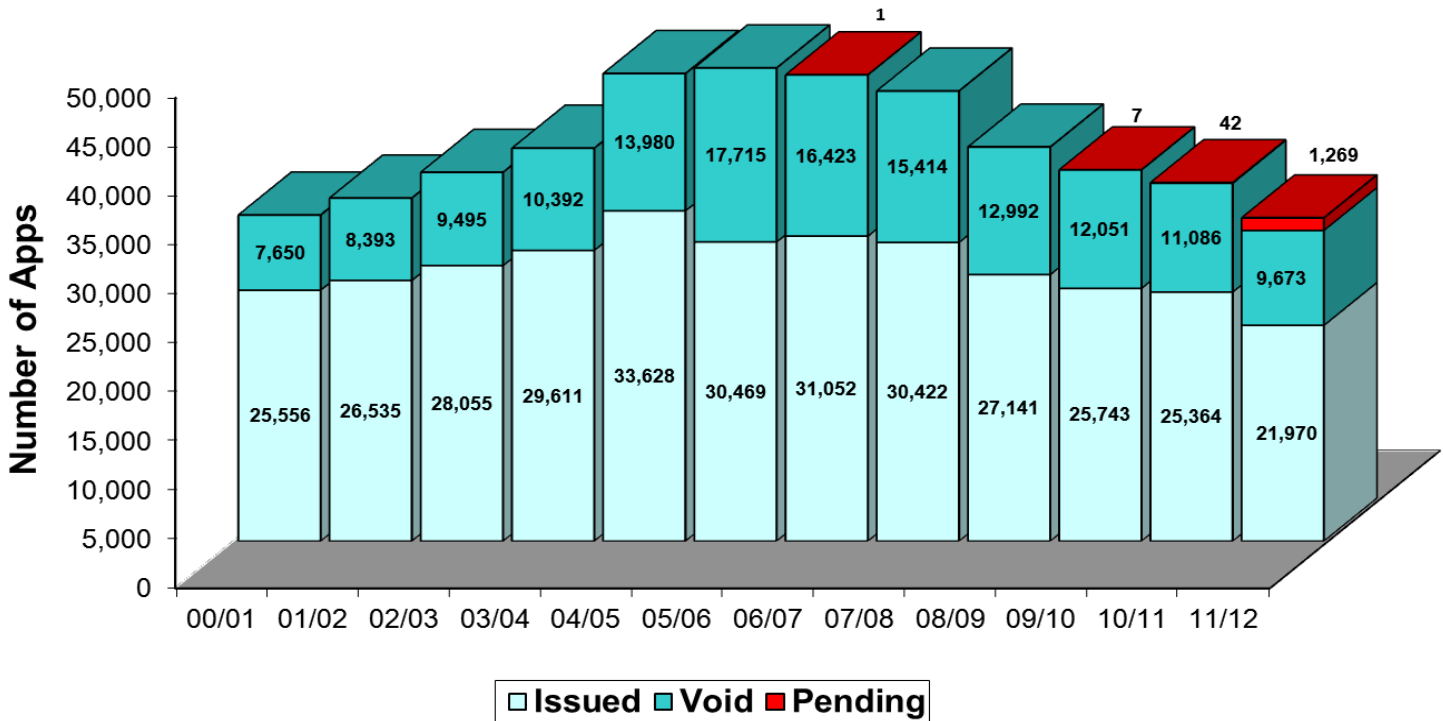
Business & Professions Code § 7125.5 (Assembly Bill 397) took effect on January 1, 2012. This new law requires, at the time of renewal, that an active contractor licensee with an exemption for workers' compensation insurance on file with CSLB to either recertify the licensee's exemption or to provide a current and valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance. If the licensee fails to recertify his or her exempt status or provide a workers' compensation policy at the time of renewal, the law allows for the retroactive renewal of the license if the licensee provides the required documentation within 30 days after notification by CSLB of the renewal rejection.

In January 2013, Licensing implemented the requirements of the new law, effective for licensees expiring March 31, 2013, by sending notification to approximately 8,000 currently exempt licensees.



Disposition of Applications by Fiscal Year Teale Report S724: Run Date 05-01-2013

(Includes: Original, Add Class, Replacing the Qualifier, Home Improvement Salesperson, Officer Changes)



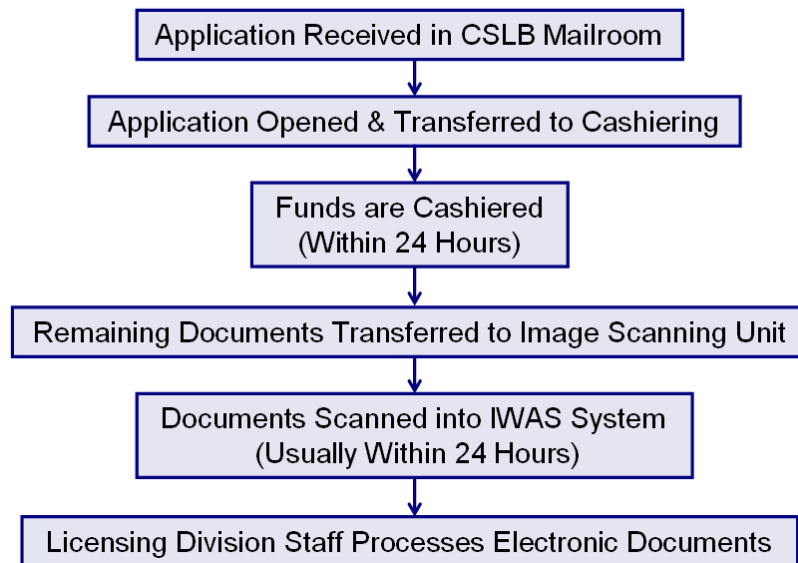


CSLB management continues to monitor processing times for the various units on a weekly and monthly basis. The charts on pages 15-18 track the “weeks to process” for the various application and license maintenance/transaction units.

The charts indicate the average number of weeks to process for that particular month. Processing times, or “weeks to process,” refers to the number of weeks after an application or document arrives at CSLB before that application or document is initially pulled for processing by a technician.

When considering the weeks-to-process timelines, it is important to understand that CSLB’s application and renewal processing schedule automatically has approximately two days of backlog built into the timelines because of cashiering and image-scanning tasks that must be performed before the application or document can be pulled for processing.

CSLB Application Processing Route



Since FY 2008-09, Licensing has used a minimal amount of overtime in contrast to previous fiscal years when overtime was a regular occurrence. Despite the minimal amount of overtime and the reduction in staff hours due to furloughs, Licensing has maintained acceptable processing times. This can be attributed to the significant decrease in applications as shown on the first page of this program update.



Fingerprinting/Criminal Background Unit

Since January 2005, all applicants for a CSLB license and each officer, partner, owner, and responsible managing employee, as well as all applicants to be home improvement salespersons, must be fingerprinted and undergo a criminal background check conducted by the California Department of Justice (DOJ). Individuals currently licensed by CSLB who do not apply for any changes to their license and applicants for a joint venture license are not required to be fingerprinted.

CBU staff begins processing Criminal Offender Record Information (CORI) on the same day it is received by conducting a triage and clearing those applicants who have minor, clearable convictions, provided the applicant was honest in disclosing this on the CSLB application. Applicants who do not disclose what would have been considered minor, clearable convictions may be given the opportunity to withdraw the false application and submit a new one that accurately discloses their conviction(s), and includes appropriate fees. These withdrawal offers also are processed as part of the triage.

Since the fingerprint program began, CSLB has received more than 276,000 transmittals from DOJ. These include clear codes and conviction information.

Of the applicants who were fingerprinted during that time period, CSLB’s Criminal Background Unit (CBU) received CORI for more than 48,600 applicants. That means DOJ and/or the Federal Bureau of Investigation reported that the individual had a criminal conviction(s) on record.

As a result of CORI files received through April 30, 2013, CBU denied 1,156 applications and issued 1,364 probationary licenses. Of the denied licenses, 578 applicants appealed their denials.

CBU has seen a reduction in the number of fingerprint submissions as a result of the decline in applications, and those adding classifications when a background check already has been conducted.

Below is a breakdown of CBU statistics by fiscal year:

Criminal Background Unit Statistics										
	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	TOTALS
DOJ Records Received	9,524	58,007	46,735	39,361	35,220	27,330	24,730	18,805	16,812	278,121
CORI RAPP Received	949	8,410	8,057	6,484	6,253	5,254	5,201	3,997	3,359	49,261
Denials	224	219	237	88	76	63	108	70	63	1,156
Appeals	71	113	130	45	47	29	62	39	33	578
Probationary Licenses Issued	0	0	126	290	206	203	243	146	69	1,364



Licensing Information Center (LIC)

LIC Workload

The LIC (call center) staff has done a tremendous job the past few months and exceeded Board goals. The call wait time in March 2013 was 2:07 with 97% of all incoming calls answered. April 2013 was even better, with a 1:34 call wait time and 98% of incoming calls answered. These statistics were the best the call center has seen in several years.

The improved statistics can be attributed to staffing levels and training; all call center vacancies have been filled. (One is pending approval from the Department of Consumer Affairs.) Additionally, employees hired in 2012 have benefited from comprehensive training and are becoming more seasoned each day.

Staffing Update

LIC has recruited and filled its remaining Program Technician II vacancies (one call center position is pending approval). The front counter's longtime supervisor, Michelle Desmangles, retired in April 2013 after 35 years at the Board. LIC has been recruiting a new front counter supervisor with the goal of making a final selection in May 2013.

The call center has retained two part-time retired annuitants who work during peak call hours (10 a.m.–2 p.m.). Both retired annuitants have previously worked in CSLB's call center and are trained on CSLB laws and policies.

LIC previously had four student assistants who provided support in a number of areas, including assisting customers at the front counter, handling return mail, processing forms and publication requests, research, and special projects. Due to a side letter agreement with the Service Employees International Union (SEIU), all LIC student assistant positions were eliminated August 30, 2012. This has posed new challenges for LIC as the student assistant workload has been shifted to full-time staff. LIC has hired one seasonal clerk to help with the increased clerical workload.

Increased Training

LIC continues to strive to provide timely, efficient, and professional services to its customers. In working toward this goal, LIC established a position to serve as a trainer and expert resource to other LIC staff. New employees have spent a significant amount of time getting one-on-one training with seasoned staff and supervisors. They also have spent time cross-training in other units. LIC wants to stage another Board orientation for new employees during the second/third quarter of 2013.

Call Center Processing

A call center processing email inbox (callcenterprocessing@cslb.ca.gov) has been established as a full-service resolution program for licensees who need their licenses updated to satisfy a suspension or to avoid a suspension. These are urgent matters that often require immediate resolution. In certain circumstances, this capability has kept contractors working and enabled them to pull local building permits. Having this processing capability allows these matters to be resolved on the spot and prevents these types of callers from being transferred to other processing units.

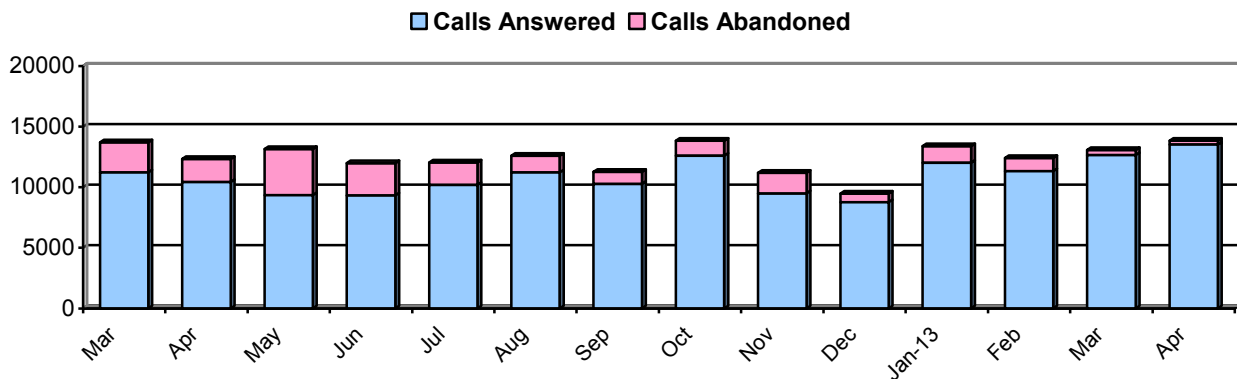


Additionally, the call center now has the ability to scan and email renewal applications to licensees whose licenses are due to expire within the month. Requests are processed within 24-48 hours at the call center level, and licensees have been pleased with the increased level of service.

LIC must dedicate staffing resources to keep up with the urgent processing requests, which may temporarily affect call wait times. However, taking care of these requests within 24-48 hours ultimately helps decrease call volume because licensees do not need to call back numerous times to check on the updated status of their license.

Licensing Information Center Call Data

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr
Calls Received	13,705	12,337	13,150	11,985	12,044	12,061	11,259	13,821	11,202	9,473	13,385	12,399	13,079	13,839
Calls Answered	11,220	10,427	9,334	9,309	10,176	11,211	10,271	12,598	9,485	8,758	12,000	11,327	12,652	13,525
Calls Abandoned	2,484	1,903	3,815	2,675	1,867	1,386	987	1,223	1,702	715	1,383	1,072	421	314
Longest Wait Time	26:14	16:17	27:22	22:44	16:29	16:41	13:20	11:04	19:39	13:27	16:17	13:54	10:17	5:30
Shortest Wait Time	2:47	2:54	7:29	6:02	3:10	1:37	1:42	0:59	2:15	0:10	2:50	1:27	0:14	0:15
Average Wait Time	8:49	8:59	16:33	9:49	9:03	6:07	4:56	5:24	9:11	4:49	6:12	5:45	2:07	1:34





Judgment Unit

Judgment Unit staff process all outstanding liabilities, judgments, and payment of claims reported to CSLB by licensees, consumers, attorneys, credit recovery firms, bonding companies, CSLB's Enforcement division, and other governmental agencies. In addition, the Judgment Unit processes all documentation and correspondence related to resolving these issues, such as satisfactions, payment plans, bankruptcies, accords, motions to vacate, etc.

Outstanding liabilities are reported to CSLB by:

- Employment Development Department
- Department of Industrial Relations
 - Division of Occupational Safety and Health
 - Division of Labor Standards Enforcement
- Franchise Tax Board
- CSLB Cashiering Unit

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

Payments of claims are reported to CSLB by:

- Bonding companies

When CSLB receives timely notification of an outstanding liability, judgment, or payment of claim, an initial letter is sent to the licensee explaining options and a time frame for complying, which is 90 days for judgments and payment of claims, and 60 days for outstanding liabilities.

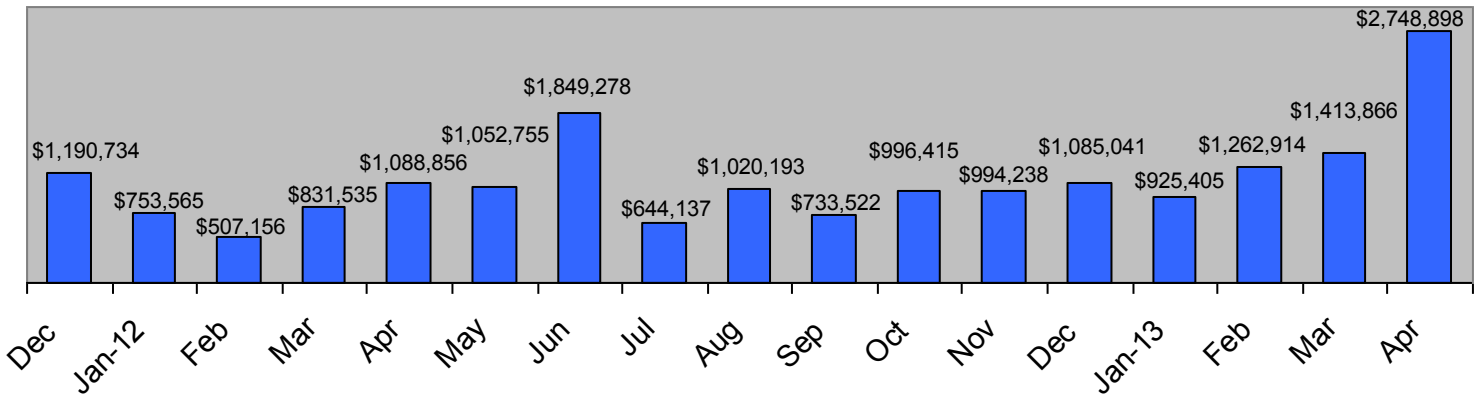
If compliance is not obtained within the allowed time frame, the license is suspended and a suspend letter is sent to the contractor. A reinstatement letter is sent upon compliance.



OUTSTANDING LIABILITIES

Letter Type Sent	Dec	Jan 2012	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr
Initial	174	98	56	52	39	56	48	69	80	54	114	67	33	98	45	62	47
Suspend	89	79	66	53	52	48	35	45	42	56	88	46	68	79	29	40	50
Reinstate	117	48	35	32	48	44	31	35	32	35	98	24	28	48	29	85	53

SAVINGS TO THE PUBLIC

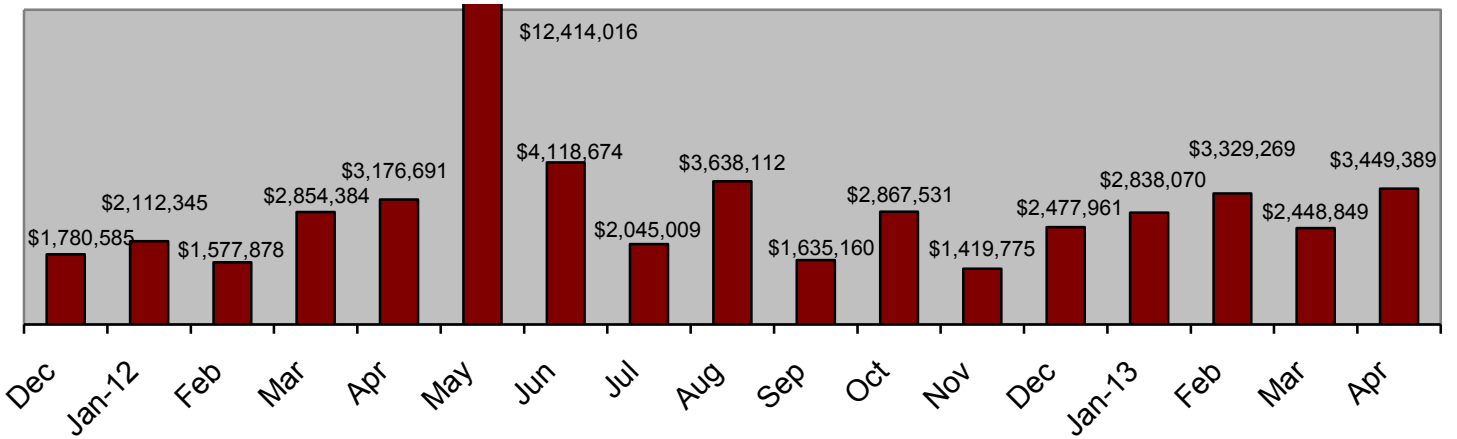




JUDGMENTS

Letter Type Sent	Dec	Jan 2012	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr
Initial	192	186	177	204	190	188	180	185	184	158	224	132	166	164	145	136	135
Suspend	93	85	74	79	75	75	64	70	75	65	79	62	87	76	56	62	68
Reinstate	127	156	153	169	194	165	163	173	158	107	172	113	119	142	135	120	129

SAVINGS TO THE PUBLIC

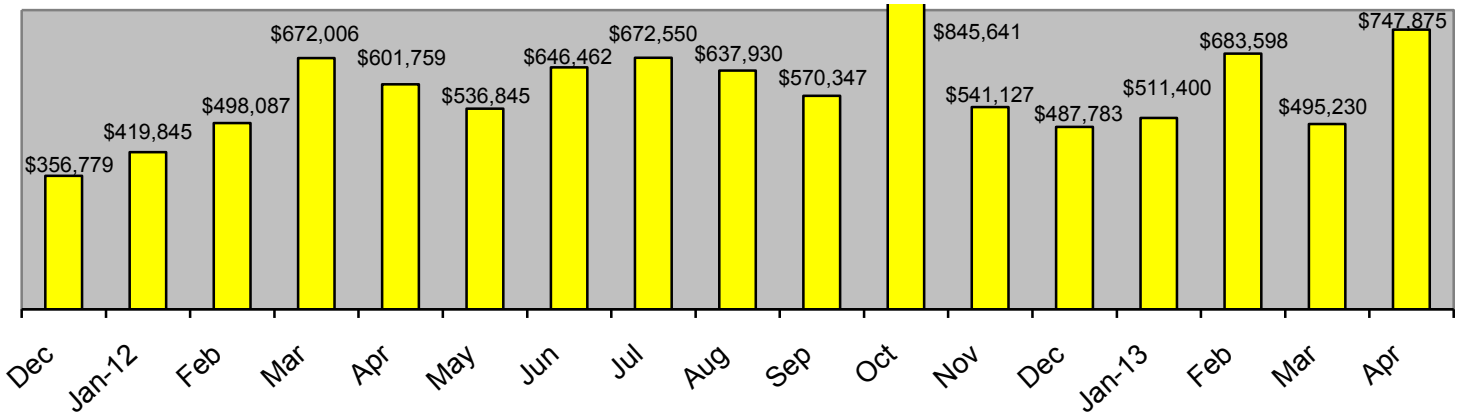




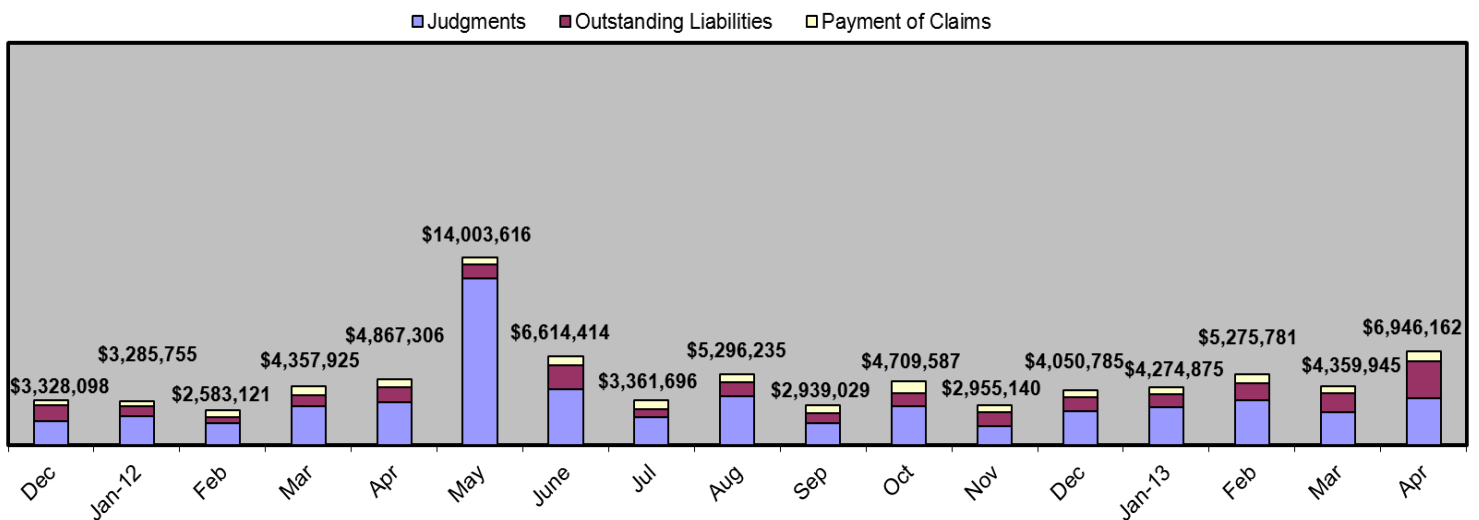
PAYMENT OF CLAIMS

Letter Type Sent	Dec	Jan 2012	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr
Initial	152	106	124	241	165	150	223	146	220	209	170	105	197	105	127	77	252
Suspend	86	174	99	103	92	87	127	113	71	128	79	113	120	98	35	123	44
Reinstate	85	87	116	130	124	112	119	128	125	111	139	97	99	107	126	105	132

SAVINGS TO THE PUBLIC



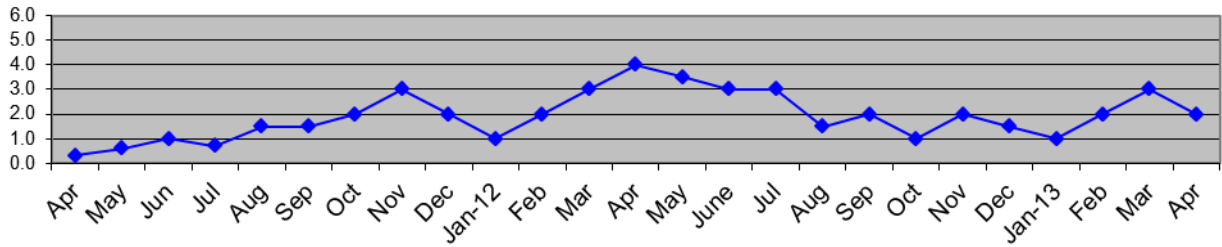
TOTAL SAVINGS TO PUBLIC



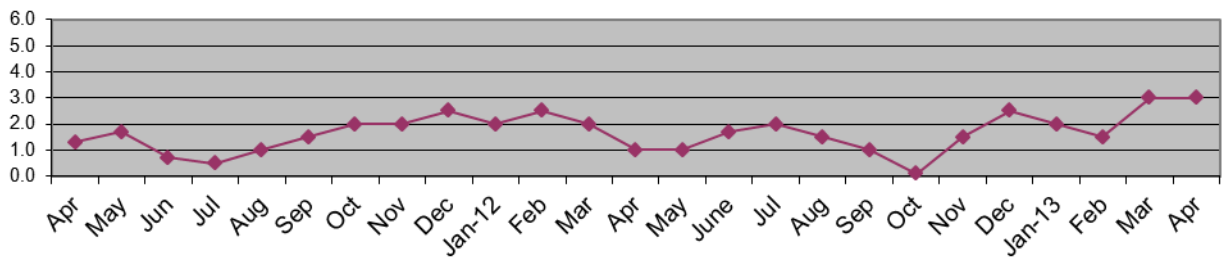


Number of Weeks Before Being Pulled for Processing

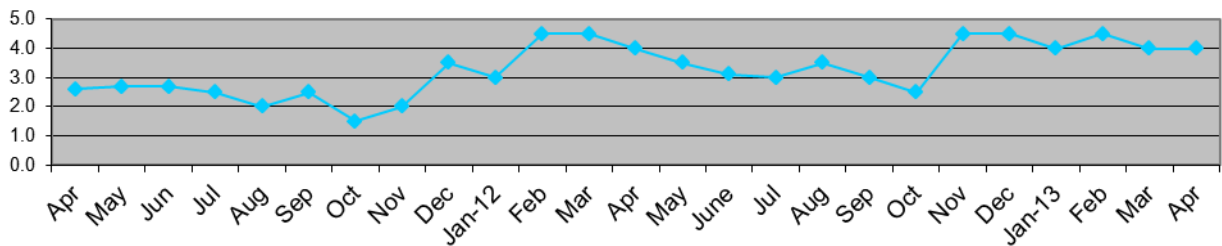
Application for Original License - Exam



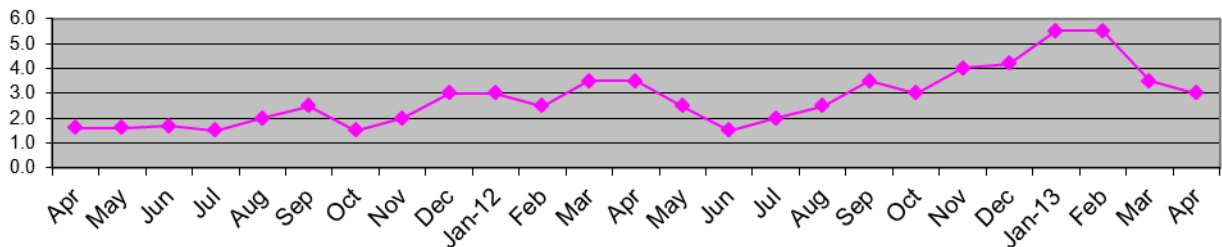
Application for Original License - Waiver



Application for Additional Classification



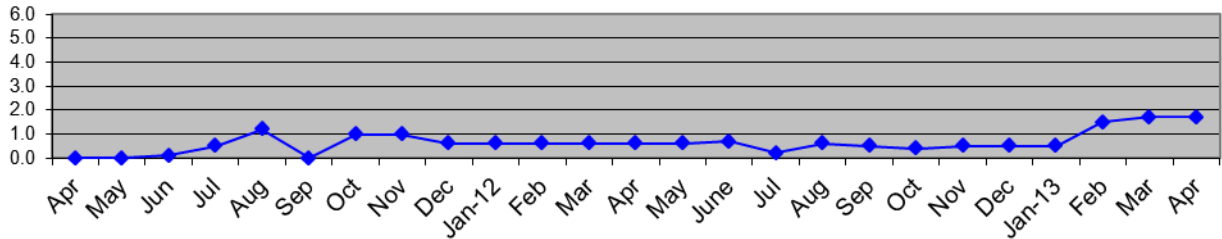
Application to Replace the Qualifier



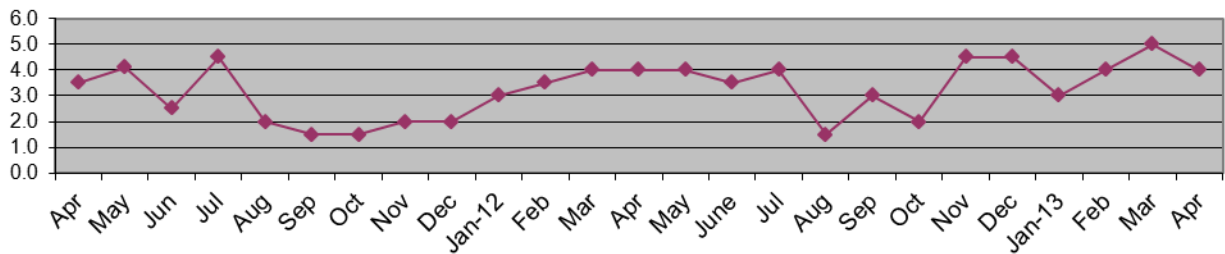


Number of Weeks Before Being Pulled for Processing

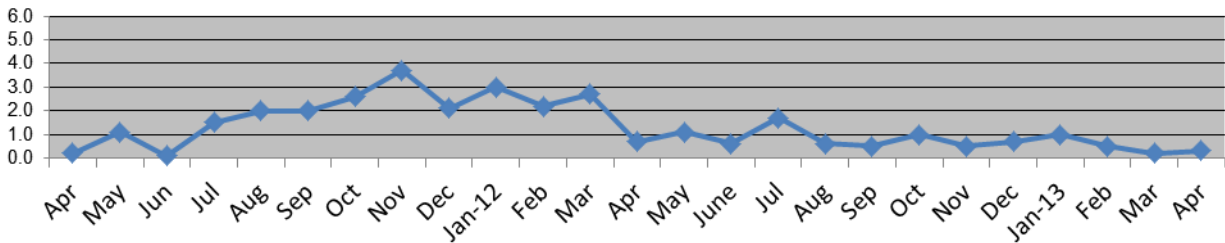
Application for Renewal



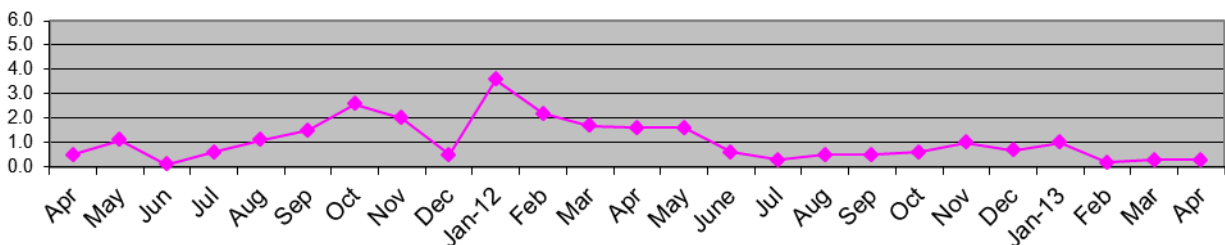
Home Improvement Salesperson (HIS) Application



Application to Report/Change Officers



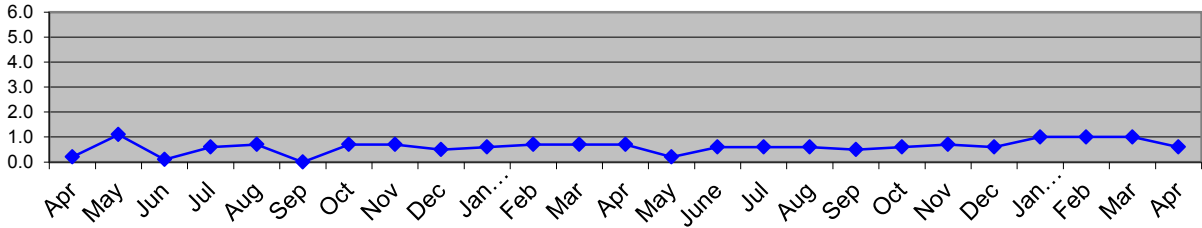
Application to Change Business Name or Address



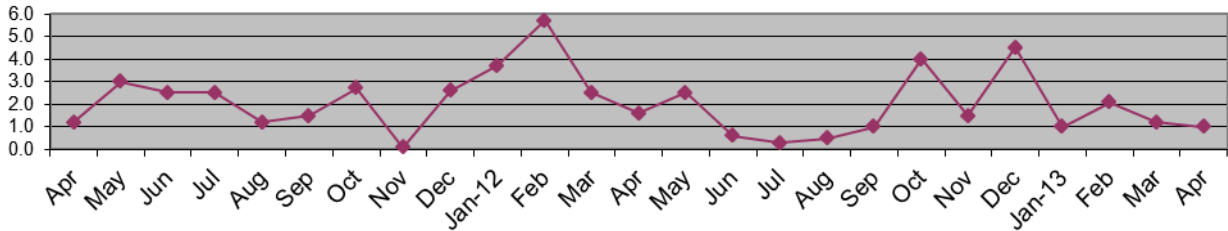


Number of Weeks Before Being Pulled for Processing

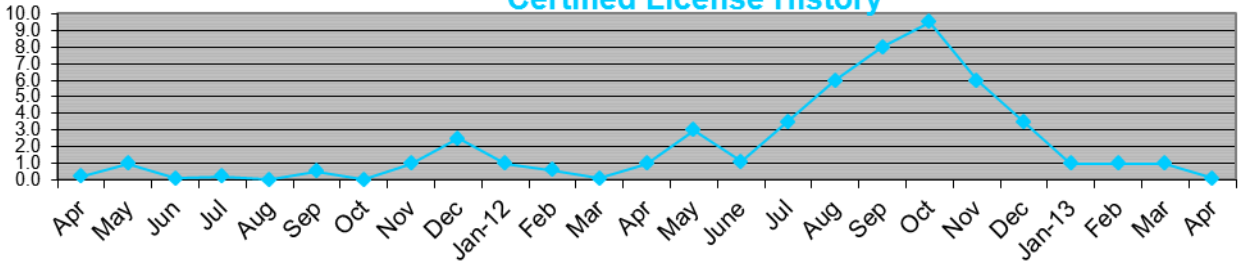
Contractor's Bond and Bond of Qualifying Individual



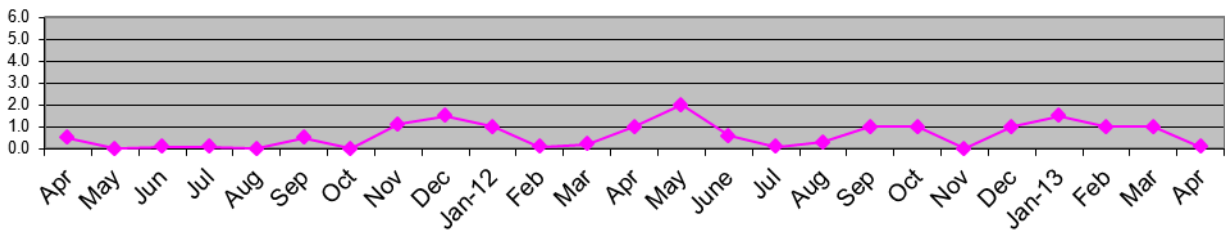
Workers' Compensation Certificates and Exemptions



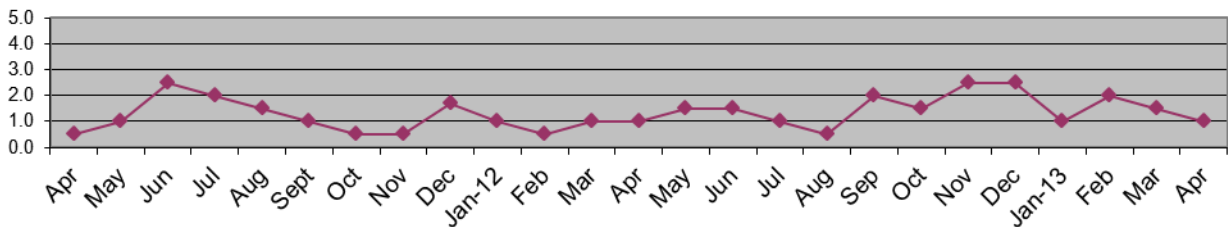
Certified License History



Request for Copies of Documents



Criminal Background Unit - CORI Review



AGENDA ITEM 1-2

Testing Division Update

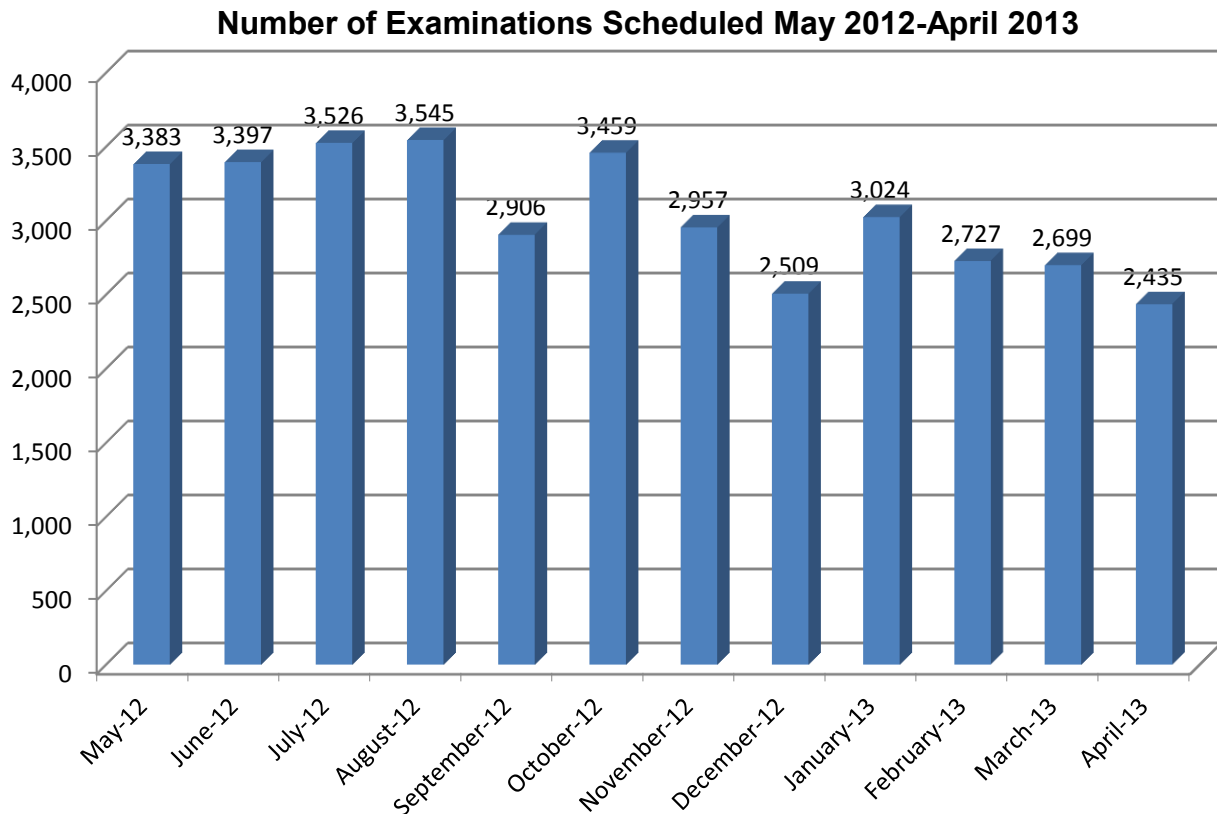




Examination Administration Unit

CSLB's Examination Administration Unit (EAU) is responsible for administering its 45 examinations at eight computer-based testing centers. Each testing center is allocated two full-time test monitor positions. Part-time proctors are used to fill in when test monitors are not at work. When test monitors are not actively monitoring examinations, they respond to all of the testing-related interactive voice response (IVR) system calls that are received by CSLB.

The following chart shows the number of examinations scheduled at all testing centers from May 2012 to April 2013.





Testing Center Status

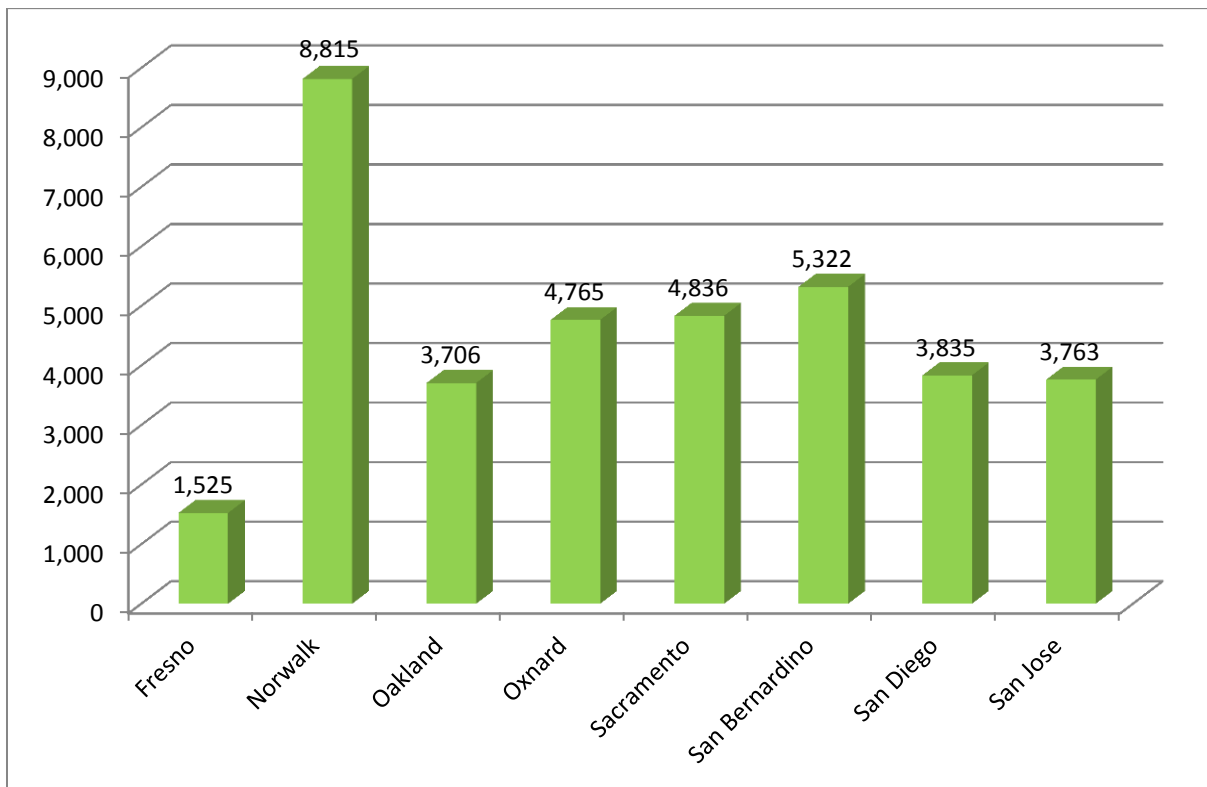
CSLB maintains eight testing centers in the following locations:

- Sacramento
- Oakland
- San Jose
- Fresno
- Oxnard
- Norwalk
- San Bernardino
- San Diego

The Testing division is working with the Department of General Services to relocate the Oakland Testing Center to Berkeley. The new office building is occupied by the Department of Toxic Substances Control and Cal/EPA. The move is scheduled for October 2013.

The following chart shows the number of examinations scheduled at each testing center from May 2012 to April 2013.

Number of Examinations Scheduled by Testing Center May 2012-April 2013





Examination Administration Staffing

A new analyst has been hired and is responsible for conducting testing center audits, writing the EAU policy and procedure manual, maintaining applicant study guides, and handling applicant correspondence. Testing is recruiting for two test monitor vacancies: one in San Jose and one in San Diego. EAU is also working to select and train new proctors who are currently on the Department of Consumer Affairs' proctor list but who have not worked in CSLB's testing centers. In addition, new individuals are being recruited to add to the list to ensure an adequate proctor pool is consistently available.

Examination Wait Time

The wait time for an examination date is three weeks statewide. On any day, walk-in applicants have an excellent chance of finding an available seat in any CSLB testing center, with the exception of San Jose. Due to staffing issues, the San Jose Testing Center is only open on Tuesdays and Wednesdays. It will reopen every day beginning June 17, 2013. There is a sign on the door notifying applicants of the schedule.

Annual Staff Meeting

On May 1, 2013, EAU held a staff meeting in the Norwalk Testing Center for all of the southern California test monitors and proctors. The meeting was focused on reviewing policies and procedures that were not being followed consistently at all testing centers. It was also an opportunity for staff to ask questions, and for management to facilitate discussion of managing unusual situations that arise in the testing centers. A similar meeting was held for the northern California test monitors and proctors on May 8, 2013 in the Sacramento Testing Center. Due to travel restrictions, it has been over two years since staff meetings were held.



Southern California Examination Administration Staff



Northern California Examination Administration Staff



Examination Development Unit

The Testing division’s Examination Development Unit (EDU) is responsible for ensuring that CSLB’s 45 examinations are written, maintained, and updated in accordance with testing standards, guidelines, and CSLB regulations.

Occupational Analysis and Examination Development Workload

To maintain a licensure examination, two phases are required in an ongoing cycle: occupational analysis and examination development. The cycle must be completed every five to seven years for each of CSLB’s examinations. The occupational analysis phase determines what information is relevant to each contractor classification, and in what proportions it should be tested. The examination development phase involves reviewing and revising the existing test questions, writing new test questions, and determining the passing score for examinations from that point forward.

EDU recently completed a new examination for the C-34 Pipeline classification. The following table indicates the occupational analysis and examination development projects that are under way:

Occupational Analyses in Progress	New Examinations in Progress
C-5 Carpentry	C-45 Signs
C-28 Lock & Security Equipment	C-50 Reinforcing Steel
C-38 Refrigeration	C-55 Water Conditioning
C-60 Welding	C-57 Well Drilling
	Hazardous Certification

EDU uses email surveys as much as possible for occupational analysis projects, because they are quicker, less expensive, and require no data entry. CSLB does not have email addresses for all contractors, however, so paper surveys are also being utilized to make sure a large enough sample of licensees is reached.

Examination Development Unit Staffing

The newly hired EAU analyst also is responsible for editing examinations and other written materials for the EDU. One vacant testing specialist position is expected to fill in July.

Ongoing Consumer Satisfaction Survey

EDU conducts an ongoing survey of consumers whose complaint cases have been closed. The survey is designed to assess overall satisfaction with the Enforcement division’s handling of complaints on eight customer service topics. The survey is emailed to all consumers with closed complaints who provide CSLB with their email address during the complaint process. Consumers receive the survey in the first or second month after their



CSLB

TESTING DIVISION UPDATE

complaint is closed. To improve the survey's response rate, EDU recently incorporated a reminder email into the process. Consumers who do not initially respond to the survey now receive an email reminder one month later.

AGENDA ITEM J

Executive Committee Report



AGENDA ITEM J-1

Administration and Information Technology Update





CONTRACTORS STATE LICENSE BOARD

ADMINISTRATION PROGRAM UPDATE

PERSONNEL

Examinations

DIVISION	EXAM	STATUS
Enforcement	Enforcement Representative I, CSLB	Continuous merge; statewide at CSLB testing centers
	Enforcement Representative II, CSLB	New certification list was released in mid-May
Information Technology	Assistant Information Systems Analyst	Continuous Filing, Open Exam
	Associate Information System Analyst	Continuous Filing, Open Exam
Licensing	No examinations in progress	N/A
Testing	Test Validation and Development Specialist I/II	Open examination, final filing date was April 23, 2013
All CSLB	Associate Governmental Program Analyst	Continuous Filing, Open Exam; Online Testing
	Staff Services Manager Series	Continuous Filing, Open Exam; Online Testing
	Program Technician Series	Continuous Filing, Open Exam
	Office Assistant/Office Technician	Continuous Filing, Open Exam

Positions

As of May 29, 2013, there are **42** vacant positions at CSLB. Between April 10, 2013 and May 29, 2013, CSLB had **3** transfers within CSLB, **3** transfers from another department, **2** promotions, and **4** new hires. The following table illustrates the vacancy breakdown as of May 29, 2013:

DIVISION	AUTHORIZED PY'S	VACANCIES
Administration	30.85	2
Enforcement	208.5	23
Executive/Public Affairs	12.5	0
Information Technology	22.4	4
Licensing	97.5	8
Testing	25.5	2

- Earlier this year, the Personnel Office issued a "Hiring Guide" to assist managers and supervisors with their recruitment efforts.



CONTRACTORS STATE LICENSE BOARD

ADMINISTRATION PROGRAM UPDATE

- In March 2013, the Personnel Office implemented new procedures for issuing monthly pay warrants.
- The Personnel Office recently provided to managers and supervisors the online links to general information about the probationary period as a helpful reference when completing probation reports for recently hired employees.

BUSINESS SERVICES

Since the April Board meeting:

- The State and Consumer Services Agency Secretary and the Department of General Services (DGS) approved the purchase of twenty five (25) vehicles for CSLB's Enforcement division. CSLB purchased 12 Toyota Prius', nine Ford Fusions, two Chevy Impalas, and two Dodge Avengers. The anticipated delivery date for most of these vehicles is August 2013.
- DGS is processing leasing documents for the Oakland testing center move to a new office space in Berkeley. CSLB staff is working with DCA and DGS to draft floor plans. The anticipated move date is targeted for October 2013.
- DGS will approve a new lease for the Modesto field office located at 814 14th Street, pending minor repairs (including interior painting, replacement of carpet, etc.). Upon approval of the requested repairs, a new lease agreement will begin on April 1, 2014. This lease includes a three-year firm term and five-year soft term agreement.
- A purchase request for new mail machines for all CSLB field offices was submitted to the Department of Consumer Affairs on May 10, 2013.
- Replacement furniture is in the process of being ordered for the Valencia and Oxnard field offices.
- CSLB is in the process of soliciting bids for a new mail inserter machine for the Testing division, which will eliminate the need to rely on the Office of State Printing to print and assemble mailers (questionnaires) to save processing time.



CONTACTORS STATE LICENSE BOARD

INFORMATION TECHNOLOGY PROGRAM UPDATE

BreEZe

When implemented, BreEZe, DCA's enterprise wide licensing and enforcement system, will include e-payment/online licensure, renewals, and on-line complaints. It is being implemented in 3 phases; CSLB is in Phase 3. On February 4, 2013, it was announced that the planned BreEZe Release 1 go-live date of February 19, 2013, is being delayed. The go live date did not allow sufficient time to produce a quality BreEZe product acceptable to DCA and the Release 1 Boards. The BreEZe project leadership team is working with Accenture to assemble an achievable plan, which will determine the new go-live date. The Executive Steering Committee will announce a new date once it is established. The BreEZe project leadership teams' goal is to receive a fully functional BreEZe system for all programs and customers.

CSLB staff continues to work with the BreEZe project staff to prepare for Release 3 implementation. CSLB staff is participating in discussions involving functions that will directly impact CSLB operations, and soon will be participating in development of CSLB's detailed configuration requirements. CSLB staff is continuing to assist DCA by helping other boards and bureaus with Acceptance Testing and Data Validation. In addition, CSLB has provided its testing center for training of DCA R1 staff on the BreEZe system.

Video Conferencing

Public Affairs and IT will be analyzing the value (cost/benefit) of providing video conferencing services. CSLB representatives met with the Medical Board of California to discuss its recently implemented video conferencing system. Within the next quarter, CSLB expects to have an action plan, begin development of the requirements, have an understanding of the purchasing options (hosted or cloud) available, and any IT policy requirements that must be established.

AGENDA ITEM J-2

Budget Update





CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

❖ Fiscal Year (FY) 2012-13 CSLB Budget and Expenditures

- Through April 30, 2013, CSLB spent or encumbered \$44.6 million, roughly 76 percent of its FY 2012-13 final budget. The following chart provides a summary of the FY 2012-13 CSLB budget, along with the FY 2012-13 expenditures through April 2013:

EXPENDITURE DESCRIPTION	FY 2012-13 REVISED BUDGET	APRIL 2013 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	20,146,589	15,762,468	4,384,121	21.8%
Board Members	15,900	10,400	5,500	34.6%
Temp Help	812,100	652,271	159,829	19.7%
Exam Proctor	41,168	83,115	-41,947	-101.9%
Overtime	124,575	140,545	-15,970	-12.8%
Staff Benefits	8,924,620	7,190,720	1,733,900	19.4%
TOTALS, PERSONNEL	30,064,952	23,839,519	6,225,433	20.7%
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	20,033,425	16,940,248	3,093,177	15.4%
Exams	435,882	191,648	244,234	56.0%
Enforcement	8,296,033	3,945,269	4,350,764	52.4%
TOTALS, OE&E	28,765,340	21,077,165	7,688,175	26.7%
TOTALS	58,830,292	44,916,684	13,913,608	23.7%
Scheduled Reimbursements	-353,000	-138,388	-214,612	
Unscheduled Reimbursements		-160,454	160,454	
TOTALS, NET REIMBURSEMENTS	58,477,292	44,617,842	13,859,450	23.7%

❖ Revenue

- CSLB received the following revenue amounts through April 30, 2013:

Revenue Category	Through 04/30/2013	Percentage of Revenue	Change from prior year (04/30/2012)
Duplicate License/Wall Certificate Fees	\$82,365	0.2%	-16.2%
New License and Application Fees	\$8,113,479	16.6%	-2.9%
License and Registration Renewal Fees	\$37,226,502	76.3%	4.3%
Delinquent Renewal Fees	\$2,269,923	4.7%	14.2%
Interest	\$59,837	0.1%	0.0%
Penalty Assessments	\$920,711	1.9%	18.1%
Misc. Revenue	\$96,999	0.2%	-12.1%
Total	\$48,769,816	100.0%	3.5%



❖ **CSLB Fund Condition**

- Below is the fund condition for the Contractors' License Fund, which shows the final FY 2011-12 reserve (over \$26 million – approximately 6 months' reserve), along with the projected reversion amounts for FY 2012-13 through FY 2014-15:

	Final FY 2011-12	Proj. FY 2012-13	Proj. FY 2013-14	Proj. FY 2014-15
Beginning Balance	\$14,859	\$26,678	\$27,152	\$24,402
Prior Year Adjustment	\$391	\$0	\$0	\$0
Adjusted Beginning Balance	\$15,250	\$26,678	\$27,152	\$24,402
Revenues and Transfers				
Revenue	\$54,917	\$56,294	\$54,062	\$55,961
Transfer from General Fund	\$10,000			
Totals, Resources	\$80,167	\$82,972	\$81,214	\$80,363
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$53,286	\$55,430	\$56,539	\$57,670
State Controller (State Operations)	\$64	\$72		
Financial Info System Charges	\$139	\$318		
13-14 Fi\$cal Assessment			\$273	
Total Expenditures	\$53,489	\$55,820	\$56,812	\$57,670
Fund Balance				
Reserve for economic uncertainties	\$26,678	\$27,152	\$24,402	\$22,693
Months in Reserve	5.7	5.7	5.1	4.6

Notes:

- 1) All dollars in thousands
- 2) Revenue assumes 1% interest earned
- 3) Assumes expenditure growth projected at 2% starting in FY 2013-14 and then ongoing
- 4) Assumes Workload and Revenue Projections are realized for FY 2013-14 to 14-15



❖ **Construction Management Education Account (CMEA) FY 2012-13 Budget and Expenditures**

- Through April 30, 2013, CMEA expended roughly \$10,000 in pro rata charges. The following chart provides a summary of the FY 2012-13 CMEA budget, along with the FY 2012-13 expenditures through April 2013:

EXPENDITURE DESCRIPTION	FY 2012-13 BUDGET	APRIL 2013 EXPENSES	BALANCE	% OF BUDGET REMAINING
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	14,331	155	14,176	98.9%
Pro Rata	13,669	10,153	3,516	25.7%
TOTALS, OE&E	28,000	10,308	17,692	63.2%
GRANT AWARDS				
Grant Awards	150,000	120,645	29,355	19.6%
TOTALS, GRANT AWARDS	150,000	120,645	29,355	19.6%
TOTALS	178,000	130,953	47,047	26.4%

❖ **CMEA Fund Condition**

- Below is the CMEA fund condition, which shows the final FY 2011-12 reserve (\$259,000 – approximately 23 months’ reserve), along with the projected reversion amounts for FY 2012-13 through FY 2014-15:

	Final FY 2011-12	Proj. FY 2012-13	Proj. FY 2013-14	Proj. FY 2014-15
Beginning Balance	\$ 338	\$ 259	\$ 175	\$ 94
Prior Year Adjustment	(\$2)	\$0	\$0	\$0
Adjusted Beginning Balance	\$ 336	\$ 259	\$ 175	\$ 94
Revenues and Transfers				
Revenue	\$57	\$51	\$54	\$54
Totals, Resources	\$ 393	\$ 310	\$ 229	\$ 148
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$13	\$13	\$13	\$13
Local Assistance Grant Disbursements	\$121	\$122	\$121	\$121
13-14 Fiscal Assessment			\$1	
Total Expenditures	\$ 134	\$ 135	\$ 135	\$ 134
Fund Balance				
Reserve for economic uncertainties	\$ 259	\$ 175	\$ 94	\$ 14
Months in Reserve	23.0	15.6	8.4	1.3

Notes:

- 1) All dollars in thousands
- 2) Revenue assumes 1% interest earned



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Applications Received

	2009-10	2010-11	2011-12	2012-13
July	3,154	2,966	2,082	2,564
August	3,105	3,137	2,801	2,786
September	2,953	2,904	2,572	2,408
October	2,914	2,702	2,688	2,857
November	2,736	2,852	2,257	2,431
December	2,453	2,531	2,269	2,266
January	2,806	2,705	2,599	2,736
February	3,113	2,973	2,884	2,780
March	3,617	3,534	3,345	3,003
April	3,667	3,240	3,041	3,231
Total	30,518	29,544	26,538	27,062
		<i>% Change from Prior FY</i>		2.0%

Original Licenses Issued

	2009-10	2010-11	2011-12	2012-13
July	1,090	1,134	1,278	925
August	1,210	1,138	1,395	1,013
September	1,115	1,140	1,247	1,249
October	1,295	1,067	1,055	1,138
November	787	1,108	885	762
December	1,237	1,089	1,021	922
January	1,425	1,106	935	1,095
February	1,058	1,108	945	692
March	1,376	1,459	1,304	1,152
April	1,598	1,175	1,000	1,078
Total	12,191	11,524	11,065	10,026
		<i>% Change from Prior FY</i>		-9.4%

Licenses Renewed

	2009-10	2010-11	2011-12	2012-13
July	9,287	13,287	9,291	11,125
August	9,439	10,710	11,856	11,273
September	9,957	10,816	9,863	9,868
October	10,735	9,772	9,634	10,167
November	6,600	8,364	8,373	8,988
December	8,913	10,365	8,828	7,335
January	10,456	9,552	9,850	11,439
February	9,812	9,377	9,062	8,108
March	12,615	10,778	12,405	10,449
April	13,103	11,237	9,905	9,746
Total	100,917	104,258	99,067	98,498
		<i>% Change from Peak FY 2010-11</i>		-5.5%



HIS Registrations Renewed

	2009-10	2010-11	2011-12	2012-13
July	108	132	99	115
August	89	110	139	180
September	117	113	114	130
October	95	82	120	136
November	70	117	89	104
December	93	100	121	100
January	21	131	113	132
February	166	154	155	164
March	123	124	181	171
April	155	154	116	162
Total	1037	1217	1247	1394
			<i>% Change from Prior FY</i>	<i>11.8%</i>

License Population by Status

	April 2011	April 2012	April 2013
Active	237,884	231,936	225,618
Inactive	67,276	67,937	66,393
Subtotal	305,160	299,873	292,011
Other /1*	415,937	433,102	451,753
Expired	358,138	372,417	388,111
Expired % of Other	86.1%	86.0%	85.9%
Grand Total	721,097	732,975	743,764

* Other/1 - includes the following license status categories: cancelled, cancelled due to death, expired, or revoked.

HIS Registration Population by Status

	April 2011	April 2012	April 2013
Active	8,020	8,561	9,051
Other	78,336	81,339	84,723
Total	86,356	89,900	93,774

**Complaints By Fiscal Year**

	2009-10	2010-11	2011-12
Received	19,876	21,320	19,239
Reopened	1,010	1,076	1,094
Closed	21,532	22,483	20,366
Pending (As of June 30)	3,958	3,891	3,901

CSLB Position Vacancies

	April 2012	April 2013
Administration	6.0	1.0
Executive/Public Affairs	2.0	0.0
IT	2.0	4.0
Licensing	18.0	9.0
Enforcement	20.0	18.0
Testing	4.5	3.0
Total	52.5	35.0

AGENDA ITEM J-3

Review and Approval of 2013-2014 Strategic Plan





CONTRACTORS STATE LICENSE BOARD
Strategic Plan 2013-14





MEMBERS OF THE BOARD

DAVID DIAS, PUBLIC MEMBER

JOAN HANCOCK, CONTRACTOR MEMBER

PASTOR HERRERA JR., PUBLIC MEMBER

MATTHEW KELLY, PUBLIC MEMBER

ROBERT LAMB, PUBLIC MEMBER

ED LANG, PUBLIC MEMBER

JAMES MILLER, PUBLIC MEMBER

JOHN O'ROURKE, PUBLIC MEMBER

BRUCE RUST, PUBLIC MEMBER

FRANK SCHETTER, CONTRACTOR MEMBER

PAUL SCHIFINO, CONTRACTOR MEMBER

MARK A. THURMAN, CONTRACTOR MEMBER



EDMUND G. BROWN, JR.
Governor

ANNA M. CABALLERO
Secretary, State and Consumer Services Agency

DENISE D. BROWN
Director, Department of Consumer Affairs

STEPHEN P. SANDS
Registrar, Contractors State License Board

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CSLB in the Year 2020	11
Mission, Vision, Values	13
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OVERVIEW

California's construction industry is unique from other states in terms of its breadth, magnitude, and complexity. California has one of the top 10 world economies, and construction continues to be one of the state's largest industries. California's physical size, large and diverse population, varied landscape and climate, frequent seismic activity, distinctive legal framework, and massive economy create an unusually demanding context for contractor licensing.

The responsibility for licensing and regulating California's construction industry belongs to the Contractors State License Board (CSLB).

CSLB was established by the Legislature in 1929 as the Contractors License Bureau, under the Department of Professional and Vocational Standards, to protect the public from irresponsible contractors. In 1935, the mission and duties were placed under the auspices of a seven-member Board. The Board increased to 15 members in 1960. Since 1970, CSLB has been part of the Department of Consumer Affairs.

CSLB's legal and regulatory role has changed since its creation. Initially, applicants were not issued licenses in specific classifications. Instead, applicants simply indicated the type of construction work that would be performed under the license, and the license was issued without examination or experience requirements.

In 1938, the Legislature made it mandatory for contractor license applicants to be examined for competence in their designated field. By 1947, CSLB had been given authority to establish experience standards and to adopt rules and regulations to affect the classification of contractors "in a manner consistent with established usage and procedure as found in the construction business, and... limit[ing] the field and scope of operations of a licensed contractor to those in which he or she is classified and qualified to engage..."



BOARD STRUCTURE AND FUNCTIONS

The 15-member Board is comprised of five contractor members and 10 public members. The public members include one labor representative, one local building



official, and one representative of a statewide senior citizen organization. The governor and state legislature make these appointments.

The Board appoints the Registrar of Contractors, who directs administrative policy for CSLB operations. CSLB currently has five standing committees that perform various functions for the Board.

- **Licensing Committee** – Ensures that all applicants and licensees are qualified to provide construction services
- **Enforcement Committee** – Helps reduce, eliminate, or prevent unlicensed activity and unprofessional conduct that pose a threat to public health, safety, and welfare
- **Public Affairs Committee** – Educates consumers about making informed choices related to construction services, and provides information to licensed contractors so they can improve their technical, management and service skills
- **Legislative Committee** – Ensures that statutes, regulations, policies, and procedures strengthen and support CSLB operations
- **Executive Committee** – Enhances organizational effectiveness and improves the quality of service in all programs

LICENSING CONTRACTORS

CSLB regulates contractors in 43 license classifications and two certifications under which members of the construction industry practice their trades and crafts. As of June 2013, there are about 300,000 licensed contractors (both active and inactive status) in California.

Contractor licenses are categorized into three basic branches of contracting business, as defined by statute and by CSLB rules and regulations:

- **Class “A” General Engineering –**
Infrastructure and similar projects requiring specialized engineering knowledge and skill
- **Class “B” General Building –**
Buildings – housing, commercial, office, etc.
- **Class “C” Specialty –**
Specific trades, such as painters, plumbers, electricians, etc.

CSLB may issue a license to an individual, partnership, corporation, limited liability company, or joint venture. All licenses must have a qualifying individual (also referred to as a “qualifier”). A qualifying individual is the person listed in CSLB records who satisfies the experience and examination requirements for a license.

Depending on the type of license, the qualifying individual must be designated as an owner, responsible managing employee, responsible managing officer, or qualifying partner in the license records. A qualifying individual is required for every classification and on each license issued by CSLB; the same person may serve as the qualifier for more than one classification.

CSLB also registers home improvement salespersons (HIS) who are engaged in the sale of home improvement goods and services. As of June 2013, there are just over 9,000 HIS with an active registration status.

ENFORCING CONTRACTORS STATE LICENSE LAW

CSLB’s responsibility to enforce California’s Contractors State License Law includes investigating complaints against licensed and unlicensed contractors; issuing citations and suspending or revoking licenses; seeking administrative, criminal, and civil sanctions against violators; and informing consumers, contractors, and the industry about CSLB actions. In fiscal year (FY) 2011-12, CSLB helped recover nearly \$36 million in ordered restitution for consumers.



CSLB receives complaints from members of the public, licensees and professional groups, governmental agencies, and others concerning all phases of the construction industry. However, the majority of complaints come from owners of residential property involved in remodeling or repair work. CSLB receives approximately 20,000 complaints per year.

COMPLAINT PROCESS

CSLB's enforcement process consists of a number of steps through which complaints and/or cases may pass:

- Complaint receipt, screening, and mediation to attempt resolution without disciplinary action;
- Complaint investigation;
- Arbitration of cases meeting certain criteria – again, to achieve resolution without disciplinary action in appropriate cases;
- Minor cases: imposition of a warning letter or citation and fine by Enforcement staff;
- Serious cases: referral of the completed investigation to the Attorney General's (AG) office for filing of an accusation to suspend or revoke the license, and cases involving criminal violations, where referral of the completed investigations go to the local district attorney (DA) for the filing of criminal charges;
- An evidentiary hearing before an administrative law judge (ALJ) from the Office of Administrative Hearings;
- Submission of the ALJ's proposed decision to the Registrar of Contractors for final agency decision; and
- Potential judicial review of the Registrar's decision.

THE UNDERGROUND ECONOMY

California's underground economy has a drastic impact upon law-abiding businesses, consumers and workers. The problem is particularly prevalent in

the construction industry, where cheating businesses are able to underbid law-abiding businesses by:

- Failing to obtain required licenses and building permits;
- Failing to pay payroll or other taxes;
- Failing to obtain required workers' compensation insurance;
- Failing to report worker injuries to keep insurance premiums artificially low; and
- Lying on workers' compensation insurance applications to obtain a lower rate.

CSLB estimates that on any given day, tens of thousands of licensed contractors and unlicensed operators are breaking the law and contributing to the state's underground economy.

Since no one state agency has the resources or the information to tackle this enforcement problem alone, state agencies with overlapping jurisdictions in the areas of labor law enforcement have joined forces to make a concerted, consistent, and effective dent in California's underground economy. CSLB is a partner in the Labor Enforcement Task Force (LETF).

LETF, which was launched January 1, 2012, is comprised of investigators from CSLB, the Department of Industrial Relations, Employment Development Department, and Board of Equalization, in collaboration with the Insurance Commissioner and Attorney General's Office. Partners have broadened information-sharing and the use of new enforcement technology to improve the way they target businesses in the underground economy.





UNLICENSED ACTIVITY

CSLB's Statewide Investigative Fraud Team (SWIFT) proactively combats illegal contractors that operate in the underground economy. SWIFT routinely partners with other state and local regulatory and law enforcement agencies to conduct undercover sting and sweep operations, targeting egregious offenders who pose a threat to consumers, employees, businesses, and legitimate licensed contractors.

SIGNIFICANT ACCOMPLISHMENTS OF 2012-2013

Board members develop CSLB's annual strategic plan after reviewing the previous fiscal year's accomplishments. During FY 2012-13, CSLB:

- Began issuing licenses to limited liability companies (LLCs),
- Implemented a workers' compensation (WC) insurance recertification process for contractors exempt from WC coverage,
- Updated 10 examinations and completed 10 occupational analyses, keeping CSLB current with its goal of updating examinations every five years,
- Identified strategies to collect licensee email addresses to improve contact for examination development surveys,
- Expanded use of CSLB testing centers for training and civil service exams,
- Conducted more than 50 Senior Scam StopperSM seminars around the state, educating the vulnerable senior population about various scams that target them,
- Produced a license application instructional video that explains how to correctly fill out a CSLB license application,
- Developed an educational letter for consumers who repeatedly hire unlicensed operators, and
- Worked with the Employment Development Department to develop an outreach packet to educate legislators, contractors, and consumers about the dangers of the underground economy.

PROGRAM PRIORITIES

The Board established the following priorities to direct program activities:

- Focus on early enforcement intervention and high priority (health and safety) complaints.
- Help keep licensees in business and maintain the collection of revenue by keeping renewals and license maintenance current.
- License applicants by reviewing qualifications and criminal background, and administering legal and effective examinations.
- Educate consumers about their rights and responsibilities, and empower consumers with methods to protect themselves.
- Stress early intervention and resolution of reactive complaints, and refer minor complaints to small claims court.
- Provide services through the Licensing Information Center (call center) and the public counter.
- Ensure that Administrative Services and Information Technology divisions provide the support necessary to maintain unit operations.





CSLB ENFORCEMENT PRIORITIZATION

	Elder Abuse	Predatory Criminal Acts	Disaster Response	Workmanship Complaints	Health and Safety Complaints	Misuse of a License Code Violations	Unlicensed Practice	Failure to Obtain a Permit	Workers' Compensation Insurance	Working out of Classification	Electrician Certification	Advertising Violations
Elected Officials												
District Attorneys												
Consumers												
Contractors												
State and Local Government												
Industry Associations												
Media Referrals												
Employees												
Building Officials												
Local Volunteer Groups												
Proactive Enforcement												
Anonymous Tips												

Higher Priority (top-left to bottom-right diagonal)

Lower Priority (bottom-left to top-right diagonal)

CSLB IN THE YEAR 2020

CSLB has adopted and aims to establish the following vision by 2020:

1. Licensing/Call Center and Testing

- Electronic/paperless application, renewal and license management processes
- Fully automated bond and workers' compensation insurance submission processes
- All communication with applicants and licensees via email
- Virtual call center with chat ability
- Email Unit
- State-of-the-art security technology in testing centers

2. Enforcement

- Appropriate management structure, including a Deputy Enforcement Chief
- System for purchasing new vehicles that utilizes the latest technology, including GPS and Bluetooth
- Improved, direct communication between CSLB headquarters and field offices including video conferencing, Skype, online training, etc.
- Improved CSLB presence throughout the state with more small field offices (e.g., San Luis Obispo, Barstow)
- Staff access to new communication equipment
- Staffed in-house training program
- Staffed Subsequent Arrest Unit
- Pay differentials and adjustments for staff in high-cost areas of CA
- Utilization of state-of-the-art audio/video equipment



3. Public Affairs

- State-of-the-art audio/video studio to communicate directly with media/stakeholders
- State-of-the-art social network communications
- Ability to quickly look up license information with smartphones through QR codes or other technology
- Ability to attend/participate in conferences (both inside and outside of California)

4. Administration and IT

- Improved hiring and retention practices to minimize vacancies
- Full-service Human Resources Unit
- VDI (Virtual Desktop)
- Hiring and retention plan for IT staff
- Enhanced Tele-Work/Telecommuting in a Virtual Environment
- Supervisors provided with real-time snapshot of work in progress
- Automation of all internal services using state-of-the-art technology



MISSION

CSLB protects consumers by regulating the construction industry through licensure, enforcement, and education.

VISION

CSLB is a model consumer protection agency, integrating regulatory oversight of the construction industry as necessary for the protection of consumers and licensed contractors.

VALUES

CSLB provides the highest quality throughout its programs by:

- Being responsive and treating all consumers and contractors fairly;
- Focusing on prevention and providing educational information to consumers and contractors;
- Embracing technology and innovative methods to provide services; and
- Supporting a team concept and the professional development of staff.



GOALS AND OBJECTIVES

CSLB has identified the following objectives to help meet its goals. These objectives are assigned with a priority status of: (E) Essential, (I) Important or (B) Beneficial.

GOAL 1: LICENSING AND TESTING

Ensure that all applicants and licensees are qualified to provide construction services.

1.1	Develop language for establishment of an asbestos abatement specialty classification. (E)
1.2	Increase hi-tech security monitoring in testing centers. (I)
1.3	Develop an online smart application package to reduce application decline rates. (I)
1.4	Evaluate the productivity of CSLB's Licensing Information Center and determine if changes are needed. (B)
1.5	Fully automate bonds and workers' compensation insurance submission processes. (I)
1.6	Expand license application video to other languages. (I)
1.7	Inform applicants about the top reasons applications are rejected. (B)
1.8	Establish a task force to analyze the application process and reduce rejection rates. (I)
1.9	Implement an online licensure tool for credit card payment. (B)

GOAL 2: ENFORCEMENT

Prevent, reduce or eliminate unlicensed activity and unprofessional conduct that pose a threat to public health, safety, and welfare.

2.1	Update the Industry Expert training program. (I)
2.2	Provide for the disclosure of a partnering agencies administrative action section on CSLB’s website. (I)
2.3	Partner with the California Energy Commission to create an energy efficiency campaign. (I)
2.4	Address enforcement vacancies in hard-to-fill geographic areas. (E)
2.5	Develop criteria and controls to monitor and prioritize proactive enforcement. (I)
2.6	Automate an official educational letter to consumers who repeatedly hire unlicensed operators. (B)
2.7	Prioritize enforcement complaints based on the potential to harm the public. (B)
2.8	Conduct a feasibility study of a pilot program similar to law enforcement’s citizens patrol. (B)



GOAL 3: PUBLIC AFFAIRS

Educate consumers about how to make informed choices related to construction services, and provide information to licensed contractors so they can improve their technical management and service skills.

3.1	Migrate CSLB's website to the new state of California website standards. (E)
3.2	Establish a multimedia unit with a focus on video production. (I)
3.3	Create an archive of consumer stories for use in various outreach efforts and educate staff on benefits of sharing information. (B)
3.4	Complete the flagship contractor and consumer publications.
3.5	Develop a contractor presentation kit.
3.6	Develop a CSLB style guide and brand standards manual.

GOAL 4: LEGISLATION

Ensure that statutes, regulations, polices, and procedures strengthen and support CSLB operations.

4.1	Review and recommend changes to simplify Contractors State License Law and update by 2014. (E)
4.2	Prepare and submit Sunset Review Report. (E)

GOAL 5: IT AND ADMINISTRATION

Enhance organizational effectiveness, and improve the quality of service in all programs.

5.1	Prepare CSLB for implementation of BreEZe. (Information Technology) (E)
5.2	Create a Subsequent Arrest Unit through the BCP process. (E)



CONTRACTORS STATE LICENSE BOARD

P.O. Box 26000
9821 Business Park Drive
Sacramento, CA 95826-0026
800.321.CSLB (2752)

www.cslb.ca.gov
CheckTheLicenseFirst.com
SeniorScamStopper.com



AGENDA ITEM J-4

Election of Board Officers



Chapter 4. Selection of Officers & Committees

Officers of the Board

(B&P Code Section 7005)

The Board shall elect from its members a Chair, a Vice Chair, and a Secretary to hold office for one year or until their successors are duly elected and qualified.

Nomination of Officers

(Board Policy)

The Board Chair shall appoint a Nominations Committee prior to the last meeting of the fiscal year and shall give consideration to appointing a public and a professional member of the Board to the Committee. The Committee's charge will be to recommend a slate of officers for the following year. The Committee's recommendation will be based on the qualifications, recommendations, and interest expressed by the Board members. A survey of Board members may be conducted to obtain interest in each officer position. A Nominations Committee member is not precluded from running for an officer position. If more than one Board member is interested in an officer position, the Nominations Committee will make a recommendation to the Board and others will be included on the ballot for a runoff if they desire. The results of the Nominations Committee's findings and recommendations will be provided to the Board members. Notwithstanding the Nominations Committee's recommendations, Board members may be nominated from the floor at the meeting.

Election of Officers

(B&P Code Section 7005)

The Board shall elect the officers at the last meeting of the fiscal year. Officers shall serve a term of one year, beginning July 1 of the next fiscal year. All officers may be elected on one motion or ballot as a slate of officers unless more than one Board member is running per office. An officer may be re-elected and serve for more than one term.

Officer Vacancies

(Board Policy)

If an office becomes vacant during the year, an election shall be held at the next meeting. If the office of the Chair becomes vacant, the Vice Chair shall assume the office of the Chair. Elected officers shall then serve the remainder of the term.

Committee Appointments

(Board Policy)

The Chair shall establish committees, whether standing or special, as he or she deems necessary. The composition of the committees and the appointment of the members shall be determined by the Board Chair in consultation with the Vice Chair, Secretary, and the Registrar. When committees include the appointment of non-Board members, all impacted parties should be considered.

Attendance at Committee Meetings

(Board Policy)

If a Board member wishes to attend a committee meeting of which he or she is not a member, the Board member shall obtain permission to attend from the Board Chair and shall notify the committee chair and staff. Board members who are not members of the committee that is meeting cannot vote during the committee meeting. If there is a quorum of the Board at a committee meeting, Board members who are not members of the committee must sit in the audience and cannot participate in committee deliberations.

Participation at Committee Meetings

(Government Code Section 11122.5 et seq.)

When a majority of the members of the Board are in attendance at an open and noticed meeting of a standing committee, members of the Board who are not members of the standing committee may attend only as observers. Board members who are not members of a committee where a majority of the members of the Board are present, can not ask questions, talk, or sit with the members of the committee at the meeting table.

AGENDA ITEM K

Review of Tentative Schedule

The following is a list of Board meetings scheduled for 2013-14:

June 11	Orange County
September 17	Sacramento
December 10.....	Norwalk
Late February-Early March.....	Bay Area
April 23-24	San Diego
June 5.....	Orange County



AGENDA ITEM L

Adjournment

