

SEPTEMBER 6, 2013
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Board Meeting





CONTRACTORS STATE LICENSE BOARD

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STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

NOTICE OF BOARD MEETING

The Contractors State License Board (CSLB) will hold a Board Meeting on Friday September 6, 2013, in the John C. Hall Hearing Room at the CSLB Headquarters, 9821 Business Park Drive, Sacramento, CA 95827

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 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

September 6, 2013

10:00 a.m. – 2:00 p.m.

- A. Call to Order – Establishment of Quorum
- B. Chair's Remarks and Board Member Comments
- C. Public Comment Session
- D. Election of Board Officers
- E. Review and Approval of June 11, 2013 Board Meeting Minutes
- F. Enforcement Committee Report
 - 1. Enforcement Program Update
 - 2. Review and Approval of Disclosure by CSLB of a Partnering Agency's Disciplinary Action
- G. Public Affairs Committee Report
 - 1. Public Affairs Program Update

CONTINUED

H. Legislative Committee

1. Status of 2013 Legislation
2. Review of License Suspension Chart – SB 263 (Monning)

I. Licensing Committee Report

1. Licensing Program Update
2. Testing Division Update
3. Review and Approval of Language for Asbestos Classification Regulation

J. Executive Committee Report

1. Administration and Information Technology Update
2. Budget Update

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

KEVIN J. ALBANESE

ED LANG

LINDA CLIFFORD

JAMES MILLER

DAVID DIAS

JOHN O'ROURKE

JOAN HANCOCK

BRUCE RUST

PASTOR HERRERA JR.

FRANK SCHETTER

MATTHEW KELLY

PAUL SCHIFINO

ROBERT LAMB



AGENDA ITEM B

Chair's Remarks and Board Member Comments

Board Chair Joan Hancock 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

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 E

Review and Approval of June 11, 2013 Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

Tuesday, June 11, 2013

A. CALL TO ORDER

Board Chair Paul Schifino called the meeting of the Contractors State License Board (CSLB) to order at 8:30 a.m. in the Crystal Cove Room of the Hyatt Regency Irvine Hotel located at 17900 Jamboree Road, Irvine, CA 92106. A quorum was established.

Chair Schifino announced that CSLB would hold a joint Board meeting with the Nevada State Contractors Board (NSCB).

Board Secretary Mark Thurman led the Board in the Pledge of Allegiance.

Board Members Present

Paul Schifino, Chair
Joan Hancock, Vice Chair
Mark Thurman, Secretary
David Dias
Frank Schetter

Ed Lang
John O'Rourke
Bruce Rust
Pastor Herrera Jr.
James Miller

Board Members Excused

Robert Lamb

Matthew Kelly

CSLB/DCA Staff Present

Stephen Sands, Registrar
Cindi Christenson, Chief Deputy Registrar
Karen Robinson, Licensing Chief
Don Chang, Legal Counsel

David Fogt, Enforcement Chief
Rick Lopes, Public Affairs Chief
Erin Echard, Executive Office
Thomas O'Hair, Public Affairs Office

Nevada Board Members/Staff Present

George Lyford
Margi Grein
Jennifer Turner
Dan Hammack
Nancy Mathias
David Brown

Kevin Burke
Thomas Alexander
Jan Legget
Joe Hernandez
Guy Wells

Public Visitors

Joe Upchurch
Rick Pires
Paul Malloy
Josue Garcia
Mike Abdulaziz
Bill Quisenberry
Brian Lee

Phil Vermeulen
Richard Markuson
Daniel Cohen
Ron Harvell
David Sachman
Jose Mejia
Dwayne McKenzie



B. CHAIR’S REMARKS AND BOARD MEMBER COMMENTS

Board Chair Paul Schifino opened the meeting by welcoming the NSCB, chaired by Guy Wells. Mr. Schifino asked if there were any comments. There were none.

C. PUBLIC COMMENT SESSION

Daniel Cohen sought clarification on what he said were significant changes to policy relating to applicants for an original contractor license who are self-employed and receiving numerous denials for “A” General Engineering and “B” General Building license classifications.

D. REVIEW AND APPROVAL OF THE APRIL 23-24, 2013, BOARD MEETING MINUTES

Motion to Approve the April 23-24, 2013, Board Meeting Minutes

MOTION: A motion was made by Board Member Ed Lang and seconded by Board Member David Dias to approve the April 23-24, 2013, Board Meeting Minutes. The motion carried unanimously, 10-0.

E. DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

There was an open discussion among CSLB and NSCB Board members regarding:

- State of the Economy – Short and Long-Term Impacts
- Licensing, Enforcement, and Environmental Trends
- Partnering Programs and Related Efforts
- Enhancing Board Efficiency and Contractor Compliance

F. ENFORCEMENT COMMITTEE REPORT

Enforcement Committee Chair David Dias commented on the Enforcement division’s long history of working effectively with the Nevada Board. He thanked the Nevada Board for their vital assistance in apprehending two unscrupulous contractors who preyed on elderly homeowners. Through effective partnering, Nevada was able to facilitate the arrest of one of CSLB’s Most Wanted.

1. Enforcement Program Update

Enforcement Chief David Fogt reported on Operation Underground, enforcement prioritization, construction partnerships, public works, and the energy efficiency and permit compliance campaign. Mr. Fogt detailed activity in Intake/Mediation Centers, Investigative Centers, Case Management, and SWIFT. He also provided updates on staffing vacancies and general complaint-handling statistics, as well as training and 2012 LETF results.



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

The electrical industry requested that CSLB expand the definition of an electrician on public works projects, clearly defining the work included in the “connection of electrical devices.” CSLB revised its Industry Bulletin on May 1, 2013, to reflect the request but received concerns from the electrical industry and the State Council of Laborers.

Public comment was presented by the following: Richard Markuson, Dwayne McKenzie, David Sackman, and Jose Mejia in support of CSLB’s recommendation.

Attorney David Sackman, representing the State Council of Laborers, provided the Board with suggested revised language to be included in the request for a formal Attorney General’s opinion.

The Board reviewed the suggested revisions and a motion was made.

Motion to Refer Item # 2 back to Enforcement Committee for further vetting before obtaining a formal legal opinion from the Attorney General’s Office

MOTION: A motion was made by Board Member John O’Rourke and seconded by Board Member Frank Schetter to refer Item #2 back to the Enforcement Committee. The motion failed, 5-5.

Board Chair Paul Schifino called for a roll call vote.

Aye: David Dias, Pastor Herrera Jr., Ed Lang, John O’Rourke, Frank Schetter

Nay: Joan Hancock, James Miller, Bruce Rust, Paul Schifino, Mark Thurman

Motion to Approve Revision and Re-posting of the April 13, 2011, Industry Bulletin

MOTION: A motion was made by Board Member Bruce Rust and seconded by Board Member Pastor Herrera Jr. to Approve the Revision and Re-posting of the April 13, 2011 Industry Bulletin with a correction to the citation authority. The motion carried unanimously, 10–0.

Motion to approve the language proposed by the Enforcement Committee to be included in a request for a formal legal opinion from the Attorney General’s Office

MOTION: A motion was made by Board Member Mark Thurman and seconded by Board Member Pastor Herrera Jr. to approve the exact language in the Board packet in a request for a formal legal opinion from the Attorney General’s Office. The motion passed 9-1.

Board Chair Paul Schifino called for a roll call vote.

Aye: David Dias, Joan Hancock, Pastor Herrera Jr., Ed Lang, James Miller, John O’Rourke, Frank Schetter, Paul Schifino, Mark Thurman



Nay: Bruce Rust

The following language was approved by the Board to be included in the request for the Attorney General’s opinion:

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.”

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.App4th185 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?

G. PUBLIC AFFAIRS COMMITTEE REPORT

Public Affairs Committee Chair Pastor Herrera Jr. stated that consumers appear to be happy with Senior Scam Stopper seminars and encouraged Board Members to attend one when possible.

1. Public Affairs Program Update

Public Affairs Chief Rick Lopes gave community outreach, publication, and Internet highlights (including working with IT to provide a new look and feel to the CSLB website) to the Board, and noted that social media activity continues to increase. Some media training sessions are planned later in the summer and Public Affairs staff is working on the State of California licensed contractor logo. Public Affairs has begun providing video services such as live Web streaming and video conferencing, and awaits the use of their own equipment.

H. LEGISLATIVE COMMITTEE REPORT

Board Member Mark A. Thurman provided the Legislative Report.



1. Legislative Program Update

- AB 44 Subletting and Subcontracting Fair Practices Act – “Support”
- AB 186 Professions and Vocations: Military Spouses: Licenses – “Oppose”
- AB 811 Excavations: Contractor Certification – “Watch”
- AB 834 Energy Efficiency Standards – “Watch”
- AB 972 Employment Electricians: Certification – “Watch”
- AB 993 Contractors: Arbitration – “Sponsor”
- SB 261 Contractors: Fraudulent Use of License – “Sponsor”
- SB 262 Supervision and Control of a Contractor’s Business – “Sponsor”
- SB 263 Contractors: Unlicensed Activity – “Sponsor”
- SB 822 Delinquency Fee – “Sponsor”

I. LICENSING COMMITTEE REPORT

1. Licensing Program Update

Licensing Chief Karen Robinson reported on the licensing application workload and processing times. She also reported on progress in the LLC, Workers’ Comp, Criminal Background, Call Center, and Judgment Units.

2. Testing Program Update

Licensing Chief Robinson provided updates on the Examination Administration Unit, eight testing centers, staff recruitment efforts, and wait times.

J. EXECUTIVE COMMITTEE REPORT

1. Administration and Information Technology Update

Chief Deputy Registrar Cindi Christenson updated the Board on the BreEZe project and staff vacancies, and provided highlights of the Business Services and Personnel Units’ workloads.

2. Budget Update

Chief Deputy Registrar Christenson gave an update on the budget revenue and expenditures through the end of April, and detailed the CMEA fund condition.

3. Review and Approval of the 2013-2014 Strategic Plan

Motion to Approve 2013-2014 Strategic Plan

MOTION: A motion was made by Board Member Joan Hancock and seconded by Board Member David Dias to approve the 2013-2014 Strategic Plan. The motion carried unanimously, 10-0.



4. Election of Board Officers

Board Chair Paul Schifino advised that the nomination committee consisted of Board Members Mark A. Thurman and Robert Lamb. Mr. Thurman provided the recommended slate of officers for consideration by the Board:

- Joan Hancock – Board Chair
- Mark A. Thurman – Board Vice Chair
- David Dias – Secretary

Mr. Thurman asked if there were any nominations from the floor. None were received.

Motion to Approve the 2013-2014 Board Officers

MOTION: A motion was made by Board Member Ed Lang and seconded by Board Member John O'Rourke to approve the 2013-2014 Board Officers. The motion carried unanimously, 10-0.

K. REVIEW OF TENTATIVE SCHEDULE

Registrar Steve Sands advised the Board of the proposed meeting schedule for the new fiscal year. The next meeting will be in September in Sacramento.

L. ADJOURNMENT

Board Chair Paul Schifino adjourned the Board meeting at 12:31 p.m.

Paul Schifino, Chair

Date

Stephen P. Sands, Registrar

Date

AGENDA ITEM F

Enforcement Committee Report



AGENDA ITEM F-1

Enforcement Program Update





Intake and Mediation Centers (IMC)

**IMCs
Financial Settlement Amount
FY 12-13**

• \$ 7,590,573.71

OVERVIEW

The Intake and Mediation Centers (IMCs) provide complaint-handling information to the public and initiate reactive complaints filed against unlicensed and licensed contractors. They also input complaint details into CSLB's database. The IMCs' primary function is to bring together conflicting parties and promote reconciliation, compromise, or settlement of the complaint issues. IMCs receive more than 14,000 consumer complaints per year.

One of the first steps in the complaint process is to send a "7-Day Contact Letter" to both parties. The use of this letter brings many contractors into compliance, with the use of minimal staff time. The letter encourages the complainant and respondent to resolve the complaint themselves prior to any involvement by CSLB. If the parties cannot resolve the issue on their own, a Consumer Services Representative (CSR) begins the mediation process.

Mediating a complaint calls on many skills and resources. The CSR must determine if there are violations of the Business and Professions (B&P) Code, whether there were building permits pulled, correction notices issued, and trade standards met, and check the validity of the license and determine if the licensee was appropriately classified for the work performed. The CSR often has to make many different contacts with building departments, correcting contractors, bond companies, partnering agencies, and other divisions within CSLB. If mediation is unsuccessful and the complaint is not closed, the complaint may be referred to small claims court, CSLB-sponsored arbitration, or assigned to an Enforcement Representative (ER) for investigation.

CSLB has two IMCs, one in Sacramento and the other in Norwalk. Each center processes complaints within a certain geographic area. The project site and/or location of violation(s) determine which IMC will process the complaint.

BOARD-ADOPTED GOALS FOR IMCs

◆ *PROCESS COMPLAINTS IN THE IMC WITHIN 60 DAYS*

Processing complaints in less than 60 days is a challenge and critical to the overall success of the Enforcement division. An IMC delay can affect the workflow to other units of the Enforcement division and, ultimately, result in poor service to consumers.

- In June 2013, it took an average of 63 days to settle a complaint.



- ◆ **INCREASE THE PERCENTAGE OF LICENSEE COMPLAINTS SETTLED TO 30%**
In these economic times, it is more difficult to settle a complaint because many contractors lack the financial resources to resolve the complaint issues. However, assisting consumers and licensees in reaching a settlement remains a priority.
 - Licensee complaints settled in June 2013 averaged 31 percent.

- ◆ **DISPOSE OF 70% OF LICENSEE COMPLAINTS AT THE IMC LEVEL**
When complaint settlement is not possible and field investigation of Contractors State License Law violations is not warranted, staff provides consumers with timely information on the status of their complaints and avenues that may be available for financial redress. By prioritizing complaints referred to an Investigative Center (IC), field investigators are able to address egregious violations in a timely and effective manner.
 - The licensee disposition average in June 2013 was 68 percent.

IMC Highlights

Contractor About to Start Military Service Gets Same-Day Complaint Resolution

A contractor had a complaint filed against his license at the most inopportune time. He was scheduled to report to the military within days for a five-year tour of duty. He was eager to resolve the complaint prior to reporting for duty. The complaint was expedited and given priority assignment to a CSR in the Sacramento IMC. The homeowner had complained about minor workmanship issues but already had the work corrected by an unlicensed contractor and filed for damages in small claims court. The contractor had previously filed a lien for the unpaid portion of the contract.

The CSR was able to negotiate a settlement the same day she received the complaint, which led to removal of the lien and the satisfied homeowner receiving \$1,735.

The CSR also expedited the contractor's request to inactivate his license, and explained that CSLB waives the penalty for a contractor whose license expires while in the military.

Contractor Blames Homeowner for Not Insuring Workers

A homeowner entered into an agreement with a licensed contractor to build a spa next to an existing pool, re-plaster the pool and redo the coping. He later complained that the workmanship by the contractor's unsupervised employees was substandard. A CSR in the Norwalk IMC asked the contractor about the work and his use of employees, since an exemption from workers' compensation insurance was on file. The licensee claimed that he had no contract with the homeowner, and it was the homeowner who hired the workers directly and should have insured them. He claimed the homeowner sent him checks for the employees' wages, which he cashed to pay workers. The CSR canceled the contractor's exemption from workers' compensation insurance and referred the case for further investigation.

Unpaid Wages Complaint Uncovers Workers' Compensation Violation

A complaint filed against a contractor for unpaid wages helped solidify a workers' compensation violation. The employee provided a copy of his timesheet and was directed by a CSR in the



Norwalk IMC to file a wage claim with the Department of Labor Standards Enforcement. The CSR checked the contractor’s license and discovered a workers’ compensation exemption had been filed. The contractor was contacted to discuss the violation and was told his exemption was being canceled. He contended the employee was paid in full and the problem arose when he experienced a problem with his QuickBooks system and had to manually do the payroll. The CSR educated the contractor on workers’ compensation requirements and the need to obtain a policy. The complaint was referred for investigation.

Investigative Centers (IC)

**ICs
Financial Settlement Amount
FY 12-13**

• \$ 3,533,902.48

OVERVIEW

The ICs are the second step in CSLB’s complaint-handling process. If a complaint cannot be resolved through the IMC and needs a more thorough investigation, it is referred to an IC in the geographic location where the complaint arose, and is assigned to an ER. The ER conducts an extensive investigation of the complaint to find a resolution.

The ICs consist of nine offices located throughout California. The ICs are split into Northern and Southern California regions. One program manager oversees the five Northern California ICs, and another supervises the four Southern California ICs.

BOARD-ADOPTED GOALS FOR ICs

In February 2006, the Board adopted Enforcement objectives regarding complaint-handling in the ICs. IC staff members work conscientiously to achieve and maintain these goals.

- ◆ **MAINTAIN ER1 PRODUCTION OF CLOSING 10 COMPLAINTS PER MONTH**
 - In June 2013, ERs closed an average of 10 complaints.
- ◆ **REDUCE 270-DAY-OLD COMPLAINTS TO 100 OR LESS**
 - At the end of June 2013, the statewide number of complaints aged over 270 days was 104, slightly exceeding the Board’s established goal of 100 or less. By the end of July 2013, staff had worked diligently to lower that number to 73.

IC Highlights

Partnering to Protect the Public from Illegal Contractors

A complaint was filed by Mario Salinas with the Center for Contract Compliance in October 2009 against Ayodeji Ogundare, dba Pacific Engineering Company. Ogundare was a subcontractor on several public works projects and failed to pay employees prevailing wages, resulting in the



Division of Labor Standards Enforcement (DLSE) issuing five Civil Wage and Penalty Assessments (CWPA's) for projects in Kern, Madera, and Tulare counties for unpaid wages totaling \$440,124.33 and penalties of \$215,489.00. This complaint marked the beginning of CSLB taking disciplinary action based on CWPA's and led to the formation of what is now the Public Works unit.

DLSE also obtained a civil judgment against Ogundare in Tulare County Superior Court for \$185,590.83, which was appealed to the 5th District Court of Appeal and upheld in May 2011. The complaint led to a CSLB accusation to revoke Ogundare's license, and he filed for bankruptcy in August 2011.

In addition, Ogundare applied for a new corporate contractor license, but the assigned investigator blocked the application and recommended that it be denied based on the CWPA's.

The accusation was upheld, and the license was revoked, stayed with conditions effective August 26, 2013. Ogundare will have to post a \$30,000 disciplinary bond for a minimum of three years, and the corporate license denial was upheld. While the desired level of discipline was not imposed, Ogundare is not known to have been working on public works projects since the complaint was filed.

Also of note, the administrative law judge noted the following in his decision:

. . .The Contractors' Board and the Department of Industrial Relations are in privity, as both are state agencies that are acting to protect the public, and not to punish an errant contractor. . .

This complaint changed the way CSLB deals with public works complaints, and has helped CSLB and DLSE better work together to protect the public from illegal contractors.

Florida Man Convicted of Construction Fraud Ordered to Jail

Marin County homeowner Joshua Barrow was searching the Internet for soft surface materials for his children's playground equipment area and found the website for JoGo Equipment, which seemed to have the exact rubberized product he wanted. He contacted JoGo by email in April 2012 and received a reply from account executive Paul Thomas. On June 19, 2012, Barrow entered into a contract with JoGo to install a rubberized surface in his back yard for \$16,000.

On June 25, Barrow received an email from Thomas informing him the material would be delivered by June 30 and requesting a down payment of \$11,500. Barrow sent a wire transfer on June 27 to an account number given to him by Thomas. Work was scheduled to start July 6 but that date passed. Barrow sent numerous emails and, after receiving many excuses about why the project couldn't begin, he canceled the contract July 25 and requested a full refund.

Barrow did not receive a refund, so he filed a complaint with CSLB. While the investigation was pending, Barrow was contacted by a private investigator regarding a similar scam allegedly perpetrated by JoGo against the Modesto Christian School for \$50,000. Barrow obtained a copy of the investigation report, which showed Jason Grillo as the person behind JoGo. Inquiries show other complaints against Grillo in New York, Florida, and Delaware.



Barrow submitted the private investigator's report to the Marin County Sheriff's Office. The assigned officer found JoGo's Vallejo address to be nonexistent. She then located a California driver license for a Jason Grillo living in Los Angeles, but Barrow was not able to make an identification from a photo lineup. Knowing that JoGo directed Modesto Christian School to mail checks to an Ohio address, the Marin County officer contacted the police department in Olmstead Township, Ohio, and received identifying information on Grillo in the form of an expired Ohio driver license and also learned of an outstanding Florida warrant.

Ohio DMV did not have a photo on file for Grillo's expired license, but the officer received a photo and lineup from the Florida DMV that enabled Barrow to make a positive identification. The Marin officer then obtained bank records for Grillo/JoGo and found the wire transfer made by Barrow went into Grillo's account, which confirmed Grillo as the sole owner of JoGo.

During a traffic stop in San Diego on April 4, 2013, Grillo was arrested on a Stanislaus County warrant stemming from the theft of funds from the Modesto Christian School. On April 11, 2013, the Marin County officer interviewed Grillo at the Stanislaus County Jail. Grillo told her he was contacted by JoGo to work on the Barrow project. Grillo told the officer he was hired by JoGo to ensure material deliveries to projects and to hire people to do the installation.

Grillo acknowledged he did not hold a California contractor license and allegedly admitted receiving Barrow's money. He said he was having financial difficulties and used the money for living expenses and gambling. The officer offered Grillo to take a polygraph test but he refused. The officer also asked Grillo if he would like to write a letter of apology to Barrow, which he did. In the letter, Grillo allegedly acknowledged receiving \$11,500 from Barrow and not performing any work.

The Marin County Sheriff's Office submitted their report to the Marin County DA requesting a criminal complaint for violating Penal Code 532(a), theft through false pretenses. CSLB's Enforcement Representative submitted her report to the DA requesting a felony count for theft by diversion of construction funds and misdemeanor counts for contracting without a license and receiving an excessive down payment.

Grillo, 31, a Fort Lauderdale, Fla., resident, was convicted by a Stanislaus County jury July 24, 2013, of felony diversion of construction funds and grand theft related to the Modesto Christian School scam. Grillo was sentenced August 16, 2013, to two years in prison and to pay \$50,533 in restitution to Modesto Christian School. The Barrow case handled by the Marin County DA is still pending.

First Prosecution in Orange County for Fraud Related to a Public Works Contract

Reza Mohammadi, dba Southland Construction, was convicted July 26, 2013, and sentenced to two years in state prison for embezzling over \$350,000 in employee wages from public works contracts and filing false tax returns to hide his theft. This was the first prosecution of its kind in Orange County for fraud related to a public works contract.

A CSLB public works investigator worked closely with Caltrans' Chief of Contract Compliance, who filed complaints against Mohammadi for violations that included Labor Code section 1774, failure to pay prevailing wages; Labor Code section 1773.1, failure to pay with benefit payments,



including per diem wages; Labor Code section 1777.5, failure to comply with statutes regarding employment of apprentices, and Labor Code section 1815, failure to pay compensation in excess of hour limitations.

On July 26, Mohammedi pleaded guilty to 15 felony counts of failing to file a return with the intent to evade tax, 15 felony counts of willful failure to pay tax, seven felony counts of taking and receiving a portion of a worker's wage on public work, six felony counts of recording false and forged instruments, and three felony counts of filing false tax returns. He admitted to the sentencing enhancement allegations for loss exceeding \$100,000 and property damage over \$200,000 and a prior strike conviction for criminal threats in 1999.

CSLB PEACE OFFICER HIGHLIGHTS

Unlicensed Contractor Sentenced to Jail, Ordered to Pay Restitution

A Napa County Deputy District Attorney requested CSLB's assistance with an investigation of unlicensed contractor Patrick Murphy, dba Murphy's Siding & Repair. Murphy, who previously had been cited for working as an unregistered salesperson, contracted with three elderly Napa County residents to install gutters and fascia board on their homes. After being paid excessive deposits, Murphy abandoned the projects, performing little or no work.

A Sacramento IC peace officer worked with a Napa Police Department detective on the case. He performed undercover surveillance, obtained critical CSLB records, and advised of criminal violations of Contractors State License Law.

However, one victim passed away, and the two remaining victims had difficulty identifying Murphy in a photo ID lineup. But an employee hired by Murphy agreed to testify. After leaving the DA's office, the employee contacted Murphy, who then had his attorney contact the DA less than two hours after the employee's interview ended.

The employee advised Murphy that the Napa DA was going to pursue the issue, and that he would testify against Murphy to avoid prosecution himself. As a result, on July 29, 2013, criminal charges were filed against Murphy for five felonies: two counts of felony elder abuse (Penal Code 368d), two counts of theft by false pretenses (Penal Code 532), and one count of commercial burglary (Penal Code 459) because he accompanied one victim to her bank to collect payment.

Murphy pleaded no contest in court Aug. 19 to two counts of contracting without a license, a misdemeanor, and was sentenced to 30 days in jail, ordered to pay \$140 in restitution and serve three years on probation.

Gozlan Investigation Leads to Grand Jury Indictment on Multiple Felony Charges

Led by a West Covina IC peace officer, a CSLB investigation provided overwhelming evidence that helped convince the Ventura County Grand Jury to indict 13 people, including notorious revoked licensee Avi Gozlan, for their roles in an elaborate scheme that may have defrauded thousands of Southern California consumers out of millions of dollars.



Gozlan, of Tarzana, was indicted on 32 felony counts, including 22 counts of money laundering; five counts of theft from an elder or dependent adult; four counts of grand theft; and one count of conspiracy to commit a crime.

The Grand Jury indictments allege Gozlan oversaw a fraudulent remodeling and home improvement scheme across Southern California under the names AMCO, Liberty Construction, Universal Remodeling, VIP Home Design, and Vista Home Improvements.

Five other co-defendants earlier pleaded guilty to charges connected to the scheme, bringing the total number of individuals arrested in the case to 18. The five who pleaded guilty were not included in the indictment.

It's alleged Gozlan preyed on consumers and sold them home improvement services through a complex network of telemarketers who made hundreds of daily high-pressure sales calls — many times contacting the same consumers multiple times — and presenting themselves as different companies with varying home improvement services.

These calls led to home improvement work that was substandard, never completed, or offered services ultimately not provided. It is believed that Gozlan's operation generated millions of dollars in annual revenue.

Gozlan was arrested by Ventura County District Attorney investigators on October 18, 2012, and remained behind bars until \$750,000 bail was posted August 1, 2013. His next scheduled court appearance is on September 10, 2013.

Gozlan allegedly tried to hide behind a group of shell companies by "renting" legitimate licenses from other contractors for a monthly fee of about \$1,000. In reality, licensed contractors were not overseeing or participating in these contracting businesses as required by California law (Business and Professions Code section 7068.1). Gozlan was previously licensed with CSLB, but the four licenses he was associated with were revoked in 2000 after similar illegal activities.

Among the five who earlier pleaded guilty were two contractors who rented their license. Arnold Surnow, Responsible Managing Officer (RMO) for Liberty Construction, and Henry Jacobs, RMO of VIP Home Design, both admitted to a violation of conspiracy (PC 182 (a)(1)). Others pleading guilty to conspiracy were Ely Kavon, and Debra Lyn Mabrie. Ran Scop pleaded guilty to being an unregistered salesperson (Business and Professions Code section 7153(a)).



Vehicle Update

The first of 25 new vehicles are beginning to trickle in to Enforcement offices around the state. The first site visit with a new Ford Fusion resulted in a Stop Order. Central Valley SWIFT had just received the new hybrid vehicle when the office received a tip about unlicensed tree trimming in Fresno. Investigators followed up on the lead and issued a Stop Order to a licensed contractor with three employees who had a workers' compensation exemption on file. The remaining vehicles are expected to be delivered by the end of September.



ER Maggie Sanchez drives new Ford Fusion to a site visit where she was able to issue a Stop Order.

New Enforcement Strategies – CSLB Enforcement Pilot with CHP

CSLB continues to seek out and work with other state agencies in the battle against the underground economy. Recently, CSLB scheduled a meeting with the California Highway Patrol (CHP) Commercial Enforcement Unit in its Valley Division to discuss ways to partner against the underground economy. The exchange of information about possible Business and Professions Code violations, and the roles and responsibilities relating to commercial vehicle enforcement, will benefit both departments. Strategic partnering objectives include:

- Providing training to CHP officers to recognize and identify signs of unlicensed and uninsured contracting,
- Providing training to CSLB staff on how to recognize commercial vehicle registration (Note: B&P Code section 7029.6 requires display of business name and contractor



license number on each motor vehicle for which a commercial vehicle registration fee has been paid),

- Partnering three CSLB investigators with three CHP officers,
- Providing CHP with the Enforcement “Quick Check” laminated vehicle guide explaining identifiers and the elements needed to support unlicensed practice and unlawful practice, and
- Developing enforcement goals to investigate and recommend legal action against medium to large contractors engaged in underground economy activity.

GENERAL COMPLAINT- HANDLING STATISTICS

It has been determined that a manageable level of pending complaints for all current CSLB staff is **3,285**. As of June 2013, the pending caseload was **3,111**.

The Board objective is for ERs assigned to the nine investigative centers (ICs) to investigate and appropriately disposition 10 complaints per month. The maximum working caseload for ERs has been established at 35 per ER. CSLB has 63 ERs; therefore, the nine ICs have the capacity for 2,205 open complaints. As of June 1, 2013, the ICs had a total of 1,877 complaints open and under investigation.

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	63	9	4	35	2,205
CSRs	27	30	2	40	1,080
TOTAL					3,285



STATEWIDE INVESTIGATIVE FRAUD TEAM

OVERVIEW

CSLB's Statewide Investigative Fraud Team (SWIFT) takes a proactive approach to enforcement. SWIFT units, either at the request of individuals, organizations, or governmental authorities, identify geographic areas where unlicensed construction or illegal advertising is a problem. These units may conduct "sweeps" in which they inspect construction sites in a designated neighborhood and cite violators of Contractors State License Law. These units also conduct undercover "sting" operations where suspects are contacted through illegal advertisements placed in various outlets and are asked to come out to the sting property to give a bid for construction.

There are three SWIFT offices in the state. The Sacramento office handles Northern California, the Fresno office is assigned Central California, and the Norwalk office oversees Southern California. Each office has investigators assigned to the Joint Enforcement Strike Force (JESF) or the Labor Enforcement Task Force (LETF).

Joint Enforcement Strike Force

JESF is a coalition of California government enforcement agencies established in January 1995 that works together to share information and resources to enforce license, tax, and workers' compensation insurance requirements, to help ensure a level playing field for California businesses. JESF members include CSLB, Employment Development Department (EDD), Department of Insurance (CDI), Franchise Tax Board (FTB), Board of Equalization (BOE), and Department of Justice (DOJ).

Labor Enforcement Task Force

LETF was formed January 1, 2012. This task force is a coalition of state and federal agencies working together to combat the underground economy. It is committed to close collaboration with other government agencies and, by the use of improved enforcement efforts, targets non-compliant employers for a more efficient use of the state's resources. CSLB's core partnerships in LETF include the Division of Labor Standards Enforcement (DLSE), Division of Occupational Safety and Health (DOSH), and EDD.

Prior to conducting sweeps, staff identify potential offenders' active jobsites, and research workers' compensation insurance history, payroll tax history, and license status to ensure efficient sweep operations.

SWIFT HIGHLIGHTS

California Blitz

SWIFT conducted its summer California Blitz on July 17 and 18, 2013. Simultaneous stings were held in Artesia (Los Angeles County), Fresno (Fresno County), Long Beach (Los Angeles County), Oxnard (Ventura County), Redding (Shasta County), Sacramento (Sacramento County), and South Lake Tahoe (El Dorado County). Investigators issued 79 Notices to Appear to individuals for various illegal contracting charges.

Among those arrested were a convicted felon, a registered sex offender, and two suspects caught with drugs. The 79 suspects ordered to appear in Superior Court all faced misdemeanor charges of contracting without a license. Fifty-two of the individuals also were cited for illegal advertising. Thirteen were issued Stop Orders.



Selected Highlights:

- In Artesia, 11 suspected unlicensed contractors were issued NTAs. When investigators identified themselves and told one suspect he was in caught in a sting, the suspect said his identification was in his truck. Instead of getting his ID, he drove away, leaving behind his cell phone and paperwork.
- In Long Beach, 15 suspected unlicensed contractors were issued NTAs. One suspect brought two employees and supplies with him, expecting to get the job and start right away. As the employees started to unload their tools, the boss received an NTA.
- In Oxnard, 12 suspected unlicensed contractors were issued NTAs. One suspect was a convicted felon on parole and also in possession of drug paraphernalia. He was taken into custody. Another suspect was a registered sex offender. Oxnard Code Enforcement also issued 15 citations to individuals who didn't have a city business license.
- In Sacramento, 11 suspected unlicensed contractors were issued NTAs. Two arrested were taken to jail; one for possession of an illegal substance; the other for possession of drug paraphernalia and an outstanding arrest warrant.

SWIFT STATS

FISCAL YEAR (JULY 2012 - JUNE 2013)

During FY 2012-13, SWIFT conducted many successful undercover sweep and sting operations as well as developed new strategies and partnerships to combat the underground economy.

• **STINGS / SWEEPS**

Each month, undercover sting and sweep operations are conducted throughout the state. During FY 2012-13, SWIFT conducted 208 sting and sweep days, resulting in more than 1,849 legal actions, including NTAs and citations.

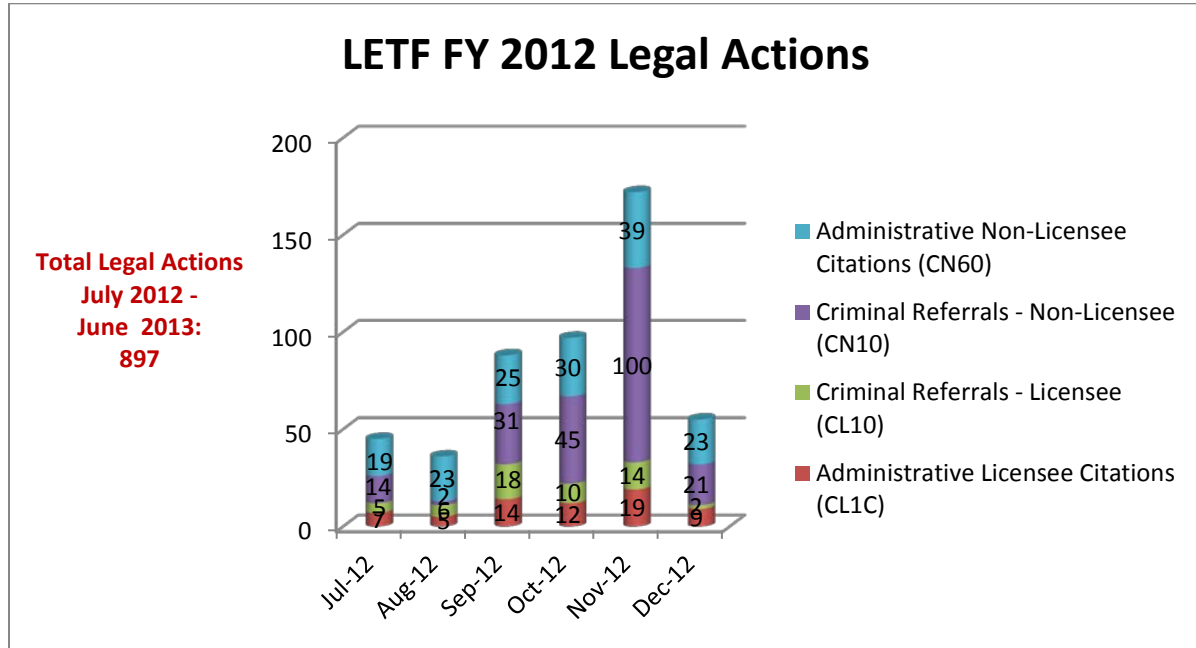
- SWIFT held 76 sting days during FY 2012-13, partnering with law enforcement, District Attorney offices, building departments and code enforcement officials, industry leaders, and other state agencies. Sting operations targeted unlicensed repeat offenders and wanted criminals working in the construction industry.

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

870	Suspects received NTAs for contracting without a license, illegal advertising, and workers' compensation (WC) insurance violations.
79	Licensed individuals were referred to District Attorney Offices for criminal prosecution of WC insurance violations.
1,337	Licensed and unlicensed individuals received administrative citations for licensure, advertising, aiding and abetting, and WC insurance violations.



LETF STATS



LETF LEGAL ACTION MONTHLY BREAKDOWN

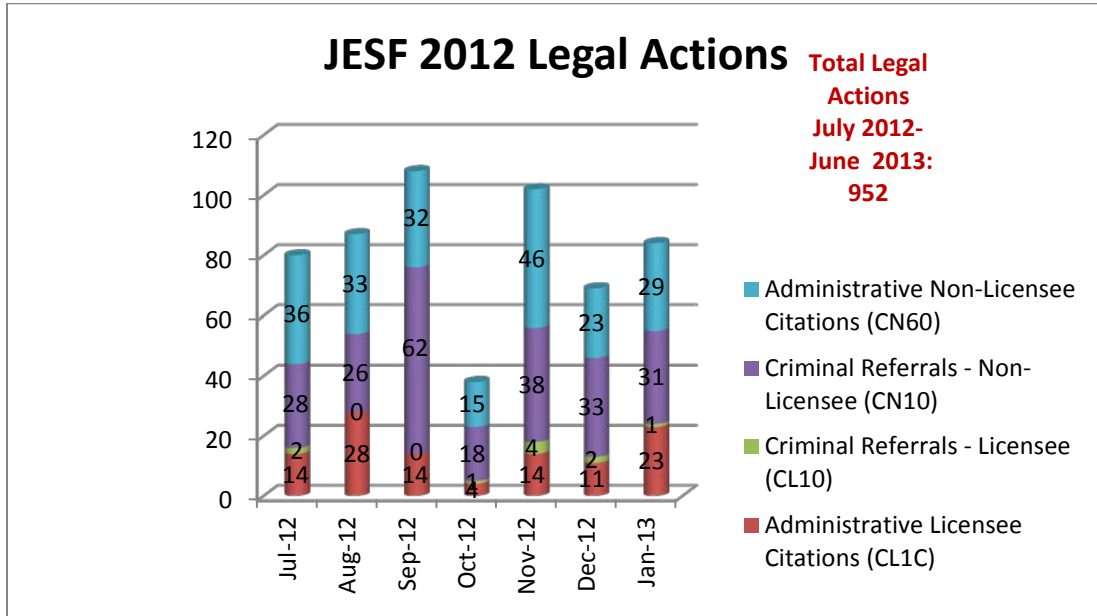
(JULY 2012 – JUNE 2013)

	JUL-12	AUG-12	SEP-12	OCT-12	NOV-12	DEC-12	JAN-13	FEB-13	MAR-13	APR-13	MAY-13	JUN-13
ACCUSATIONS	0	0	0	0	0	0	12	18	12	18	20	14
ADMINISTRATIVE LICENSEE CITATIONS	16	16	7	11	15	16	7	5	14	12	19	9
CRIMINAL REFERRALS - LICENSEE	0	1	0	0	0	0	5	6	18	10	14	2
CRIMINAL REFERRALS - NON-LICENSEE	45	18	33	14	26	22	14	2	31	45	100	21
ADMINISTRATIVE NON-LICENSEE CITATIONS	10	26	13	16	8	14	15	22	21	30	33	21
STOP ORDERS	8	11	16	21	14	10	19	23	25	30	39	23

LETF FY 2012-13 TOTAL CITATION PENALTIES ASSESSED: \$479,750



JESF STATS



**JESF LEGAL ACTION MONTHLY BREAKDOWN
(JULY 2012 – JUNE 2013)**

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Accusations (CL1A)	1	0	1	3	0	0	0	0	0	0	1	1	0
Administrative Licensee Citations (CL1C)	13	20	18	18	23	19	14	28	14	4	14	11	23
Criminal Referrals - Licensee (CL10)	2	5	2	2	2	0	2	0	0	1	4	2	1
Criminal Referrals - Non-Licensee (CN10)	49	25	37	70	48	34	28	26	62	18	38	33	31
Administrative Non-Licensee Citations (CN60)	20	16	18	17	20	9	13	13	15	14	14	22	13
Stop Orders	31	36	38	34	28	16	36	33	32	15	46	23	29

FY 2012-2013 Outstanding Tax and Civil Liability Suspension

CSLB’s partnership with EDD, Franchise Tax Board (FTB), and the Department of Industrial Relations’ (DIR) Division of Labor Standards Enforcement (DLSE) and Division of Occupational Safety and Health (DOSH) resulted in more than **\$27 million in unpaid outstanding liabilities**. CSLB’s license suspension program resulted in payment of more than \$10 million to FTB, DLSE and/or DOSH:

Liability Suspension: \$27,363,496.52
 Penalty Recovered: \$10,824,612.19

JESF FY 2012-13 TOTAL CIVIL PENALTIES ASSESSED: \$1,969,950



CASE MANAGEMENT

OVERVIEW

Case Management is divided into three main units: the Disciplinary Services Center, the Citation Services Center, and the Enforcement Services Section.

The Sacramento Disciplinary Services Center has statewide responsibility for processing accusations and appeals of denied license applications, and also monitors licensees' compliance status with the Board's disciplinary actions. The Norwalk Citation Services Center has statewide responsibility for issuing licensee citations, processing non-licensee and licensee citation appeals, monitoring respondents' compliance status with the citations, and initiating further disciplinary action when required. The Sacramento Enforcement Services Section has statewide responsibility for completing applicant experience verifications and flagging investigations, assisting in disputes arising from the Board's mandatory or voluntary arbitration programs, providing determinations on potential out-of-class violations, and researching and investigating subsequent arrests/convictions.

The Enforcement division significantly reduces Attorney General's (AG) Office and Office of Administrative Hearings (OAH) expenses by utilizing Mandatory Settlement Conferences (MSCs). Case Management schedules MSCs, which are informal meetings where the contractor may meet with an Administrative Law Judge (ALJ) and staff to settle a citation and avoid a formal hearing. An Order of Correction is not addressed during an MSC; however, the civil penalty is often reduced to achieve a settlement. MSCs resolve administrative disciplinary actions without incurring the cost of a formal hearing.

Currently, MSCs are scheduled monthly in Norwalk and Sacramento. The dates are scheduled with the OAH and the AG's Office one year in advance. Because of the success of the MSC program and the savings to the Board in AG costs, Case Management's goal is to expand the MSC program to other geographic areas.

**CASE MANAGEMENT**

FISCAL YEAR (JULY 2012- JUNE 2013)

CITATIONS ISSUED		
	Licensee	Non-Licensee
Citations Issued	1,118	850
Citations Appealed	453	351
Citation Compliance	583	435
MANDATORY SETTLEMENT CONFERENCES		
Scheduled		310
Settled		184
Civil Penalties Collected		\$928,030
Total Savings to the Public		\$1,286,779

ARBITRATION	
Arbitration Cases Initiated	381
Arbitration Decisions Received	357
Licenses Revoked for Non-Compliance	78
Arbitration Savings to the Public – Restitution	\$1,755,592
ACCUSATIONS / STATEMENT OF ISSUES	
Revocations by Accusation (Applicants Revoked)	379
Restitution for Accusations	\$133,249
Statement of Issues (Applicants Denied)	51
Cost Recovery Received	\$221,958.47
Number of Cases Opened	421
Number of Accusations/Statement of Issues Filed	314
Number of Proposed Decisions Received	79
Number of Stipulations Received	92
Number of Defaults Received	180
Number of Decisions Mailed	373



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 was 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 was 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 included 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. Last 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 Kehrli, 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 to 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, stressed 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 Is and ES IIs. 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. 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 Consumer Fraud Investigation and Case Filing presentations that were held throughout the state. Riverside County Senior Deputy District Attorney Elise Farrell, Deputy District Attorney Homan Hosseinioun, and Senior District Attorney Investigator Paul Pantani presented an overview of identifying and 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 specially developed for Enforcement staff. The workshop offered practical hands-on exercises designed to develop skills needed to write clear, complete content 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.

20. Elder Abuse Training with San Diego Deputy District Attorney

August 2013

CSLB peace officers met with San Diego Deputy District Attorney Paul Greenwood to discuss his experiences in prosecuting elder abuse investigations. Greenwood has served as the supervisor of San Diego DA's elder abuse unit for the last 17 years. Each peace officer was encouraged to bring a pending elder abuse investigation to discuss with the group. Greenwood dispelled several common myths regarding elder abuse investigations and provided a list of elements that need to be present. He also reviewed relevant case law. The information provided to staff will play a crucial role in having more success in the prosecution of these cases.

AGENDA ITEM F-2

Review and Approval of Disclosure by CSLB of a Partnering Agency's Disciplinary Action





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT DIVISION

REVIEW AND APPROVAL OF CSLB'S DISCLOSURE OF A PARTNERING AGENCY'S DISCIPLINARY ACTION

The Contractors State License Board (CSLB) can only provide information regarding CSLB complaints against licensed contractors in certain specified instances, pursuant to Business and Professions (B&P) Code section 7124.6. Specifically, CSLB can only release information regarding complaints that have: 1) been referred for accusation, 2) resulted in a citation, or 3) been referred for investigation of a serious violation that likely will result in suspension or revocation of the license.

Action Taken Against a Licensee by a Government Agency Other than CSLB

CSLB often is informed of problems encountered by other public agencies dealing with licensees that have resulted in disciplinary/punitive action, including local debarment. CSLB is aware of hundreds of complaints against licensees made by other public agencies for violations of Public Contract Code, Labor Code, B&P Code, and Penal Code. Current CSLB procedures do not provide for public disclosure of the partnering agencies' action(s) without CSLB taking a separate administrative action.

Review by DCA Legal Counsel and Attorney General Staff

CSLB subsequently met with the Office of the Attorney General and Department of Consumer Affairs Legal Counsel to discuss this proposal and the need for legislation. The consensus was that enabling legislation was not required for CSLB to provide an informational flag and an electronic link to redirect the public to other governmental agencies' websites that have the records/actions taken, and that additional disclosure would not be in violation of the provisions set forth in B&P Code section 7124.6.

Stakeholder Meetings

In January 2013, CSLB met with members of the Association of State Capital Outlay Managers (ASCOM), and in January 2013 and July 2013, staff met with members of the Southern California Compliance Officers Coalition (SCCOC). The meetings were attended by representatives of several large public agencies, including Caltrans, the Department of Industrial Relations (DIR) Division of Labor Standards Enforcement (DLSE), California Department of Corrections and Rehabilitation, California State University System, Department of General Services, Los Angeles Unified School District, Los Angeles Community College Districts, Southern California Regional Airport Authorities, and the Orange and Los Angeles County District Attorneys' Offices.

All attendees voiced the same frustration: currently, there is not any centralized information source to identify licensees that may have a history of problems with other public agencies but are not subject to CSLB complaint disclosure.

During the meeting with ASCOM, it was agreed that it would be beneficial for CSLB's website to provide an electronic link to ASCOM so that the public could obtain information they have on problem contractors. This link would serve as a "flag" for awarding authorities and prime contractors to further investigate or vet a licensee before accepting a bid or awarding a contract.

**RECOMMENDATION**

It is proposed that CSLB, through DIR, ASCOB, and SCCOC, encourage all public agencies to advise CSLB of their documented complaints as well as other problems encountered with licensees. Upon verification of the information, CSLB will flag the licensee on the CSLB website with an advisory statement and, where possible, an electronic link (if a link is not available, the involved agency's name will be provided for follow-up). CSLB is recommending including advisory statements, as appropriate, similar to the following:

1. Potential Labor Code Violation Determination by the Labor Commissioner

CSLB is aware of a potential Labor Code violation, relating to a Civil Wage and Penalty Assessment (CWPA) by the Labor Commissioner on one or more public works projects. Please refer to the following link for additional information and to verify the status of the CWPA:

(Example: http://www.dir.ca.gov/dlse/transparency/trans_list2012.1sp)

2. Stop Notice Issued by Awarding Agency

CSLB is aware of a potential Stop Notice issued by Caltrans. Please refer to the following link for additional information from Caltrans and to verify the status of the allegation.

(Example: <http://www.dot.ca.gov/hq/asc/oap/payments/public/ctnums.htm#06>)

3. Potential Public Contract Code Violation Determination by an Awarding Agency

CSLB is aware of a potential Public Contracting Code violation, relating to an illegal substitution of a subcontractor on one or more public works projects. Please refer to the following link for additional information from the Awarding Agency and to verify the status of the allegation:

(Example: <http://www.laschools.org/contractor/lc/documents/download/lc-assessments/lc-assessments.xls>)

4. Potential Public Works Criminal Conviction

CSLB is aware of a potential criminal conviction relating to one or more Public Works construction projects. Please refer to the following link for additional information and to verify the status of the allegations:

(Example: <http://www.saccourt.ca.gov/criminal/criminal.aspx>)

5. Debarment by Public Agency

CSLB is aware of a potential debarment by an awarding agency prohibiting... Please refer to the following link for additional information from the Awarding Agency and to verify the status of the allegation.

(Example: <http://www.sfcontroller.org/index.aspx?page=81>)



SUMMARY

CSLB believes this proposed approach to disclosure can accomplish the goal of our Strategic Plan Objective quickly and without legislative action. Additionally, the possibility of CSLB posting erroneous information (and incurring liability as a result) is minimized by redirecting interested parties to the initiating agency.

The Board will be asked to discuss and consider enacting this proposal.

CALIFORNIA DEPARTMENT OF
TRANSPORTATION[Caltrans](#) > [Major Construction Payment & Information Home](#) > [Contract List](#) > **Contract: 07002594 Stop Notice History**State of California
DEPARTMENT OF TRANSPORTATION
Major Construction Payment & Information System**Stop Notice History for Contract 07002594****Stop Notice #1**[\[Back to Contract #07002594 \]](#) [\[Top of Page \]](#)**Claimant:**Resource Building Materials
225 S. Turnbull Canyon Road
Industry, CA 91745-1095**History:**Claim established for \$165,616.04
on 05/24/2005 by lvallejoRelease Claim - Legal Dept.
on 10/07/2005, by lvallejo
\$207,020.05 Paymt to contract payee
Schedule: 6D99710
Order of Dismissal

*** Claim Date: 05/24/2005

*** Suit Date: 07/07/2005

*** Case: LC071849

Stop Notice #2[\[Back to Contract #07002594 \]](#) [\[Top of Page \]](#)**Claimant:**Laborers Health and Welfare Trust Fund
c/o Marsha M. Hamasaki
Reich, Adell, Crost & Cvitan
3550 Wilshire Blvd. Suite 2000
Los Angeles, CA 90010-2421**History:**Claim established for \$30,157.71
on 06/03/2005 by lvallejoModify Claim - Letter of Release
on 06/07/2005, by lvallejo
\$0.00 Paymt to contract payee
New Claim \$30,474.74
Amended Stop NoticeModify Claim - Letter of Release
on 07/12/2005, by lvallejo
\$11,668.73 Paymt to contract payee
New Claim \$21,139.76
Schedule: 6D99701
Amended Stop NoticeRelease Claim - Legal Dept.
on 11/03/2005, by lvallejo
\$25,446.94 Paymt to contract payee
Schedule: 6D99715
Order of Dismissal

*** Claim Date: 06/02/2005

*** Suit Date: 07/18/2005

Stop Notice #3[\[Back to Contract #07002594 \]](#) [\[Top of Page \]](#)

Claimant:

Eagle High Reach Equipment, Inc.
14241 E Alondra Blvd.
La Mirada, CA 90638

History:

Claim established for \$10,805.64
on 08/09/2005 by lvallejo

Release Claim - Letter of Release
on 11/29/2005, by lvallejo
\$13,507.05 Paymt to contract payee
Schedule: 6D99717

*** Claim Date: 08/09/2005

Stop Notice #4

[\[Back to Contract #07002594 \]](#) [\[Top of Page \]](#)

Claimant:

Imperial Sprinkler Supply, Inc.
615 Fee Ana Street
Placentia, CA 92870

History:

Claim established for \$782.21
on 10/07/2005 by lvallejo

Release Claim - Letter of Release
on 11/08/2005, by lvallejo
\$977.76 Paymt to contract payee
Schedule: 6D99716

*** Claim Date: 10/07/2005

Stop Notice #5

[\[Back to Contract #07002594 \]](#) [\[Top of Page \]](#)

Claimant:

Mountain States Steel, Inc.
c/o Paul Damien Kramer
610 Newport Center Drive, Suite 1200
Newport Beach, CA 92660

History:

Claim established for \$460,260.58
on 04/19/2006 by lvallejo

Release Claim - Legal Dept.
on 11/17/2006, by lvallejo
\$366,959.55 Paymt to contract payee
Schedule: 7D997170
Per legal request

*** Claim Date: 04/11/2006

*** Suit Date: 07/07/2006



Division of Labor Standards Enforcement (DLSE)
 -0914Division of Labor Standards Enforcement (DLSE)

Labor Co

Civil Wage and Penalty Assessments

Beginning August 1, 2011, all Civil Wage and Penalty Assessments issued on January 1, 2011 and thereafter will be posted along with documentation that evidences the final disposition of the Assessment. If no additional documentation is attached to an Assessment issued after January 1, 2011, the original Assessment became final without modification. If you require information on the final disposition of an Assessment issued before January 1, 2011, please write to: CWPAinfo@dir.ca.gov

As of 9/14/12

• 2012

- [2012-02-10 CWPA Custom Painting Inc 40-29380-552](#)
- [2012-02-28 CWPA A&F Lath & Plastering, Inc 40-30065-137](#)
- [2012-03-02 CWPA A&F Lath & Plastering, Inc 40-30066-137](#)
- [2012-03-19 CWPA Down to Earth Construction 40-30361-575](#)
- [2012-03-19 CWPA Down to Earth Construction, Inc. 40-30361-575](#)
- [2012-03-20 CWPA Grover Electric, Inc. 40-29021-124](#)
- [2012-03-22 CWPA Corporate Interior Solutions, A California Corporation 40-29946-137](#)
- [2012-03-26 CWPA American Air Mechanical Inc, a California Corporation 40-27243-552](#)
- [2012-04-16 CWPA Luis J. Colondres Company 40-29704-124](#)
- [2012-05-29 CWPA East Bay Glass Company, Inc 40-30255-137](#)
- [2012-06-04 CWPA CV Fabricators, Inc. 40-27080-259-315](#)
- [2012-06-18 CWPA Field Turf Construction Inc, a California Corporation aka Grass Valley Turf Company Inc. 40-29703-124](#)
- [2012-17-26 CWPA Kings Brass & Iron Works Inc 40-30153-570](#)

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File a Claim

[Wage claims](#)

[Bureau of Field Enforcement](#)

[Public works complaints](#)

[Claims for retaliation or discrimination](#)

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[Translations](#)

[Verify a license or registration](#)

[Find a wage order](#)

[Online payments](#)

[Haga un pago por linea](#)

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[Frequently asked questio](#)

[Archives](#)

[DLSE site map](#)

[Workplace postings](#)

[Legislative reports](#)

AGENDA ITEM G

Public Affairs Committee Report



AGENDA ITEM G-1

Public Affairs Program Update





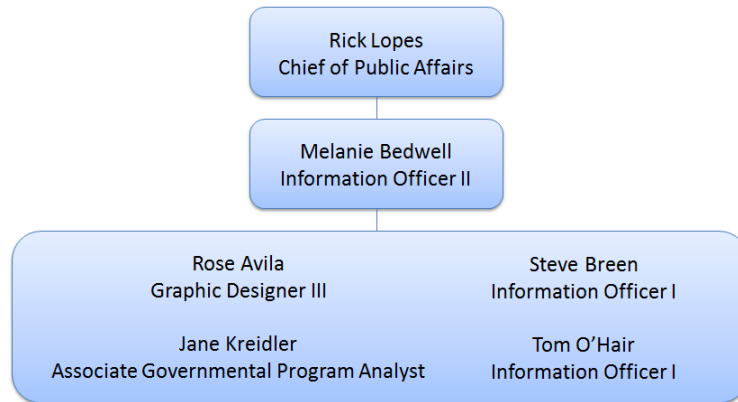
CONTRACTORS STATE LICENSE BOARD

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:

Website Redesign Project

PAO staff is working with Information Technology (IT) staff to design and develop entirely new CSLB website. The website will utilize the latest state templates (current cslb.ca.gov and ca.gov pages shown on right). The new template will make content management more efficient. Another benefit of the new site will be its adaptability to be viewed on smart phones and tablets. Currently, CSLB employs a mobile site with basic features, including a license look-up. As part of the project, every page on the current website will need to be recoded.

It's hoped the new website will launch by spring 2014.





Intranet Redesign Project

PAO staff is in process of completely redesigning CSLB's internal intranet site. The new site, which will be called **CSLBin**, will feature the latest employee news and easier-to-find forms, policies, and other information needed by staff around the state (current intranet and draft of new site shown on right).



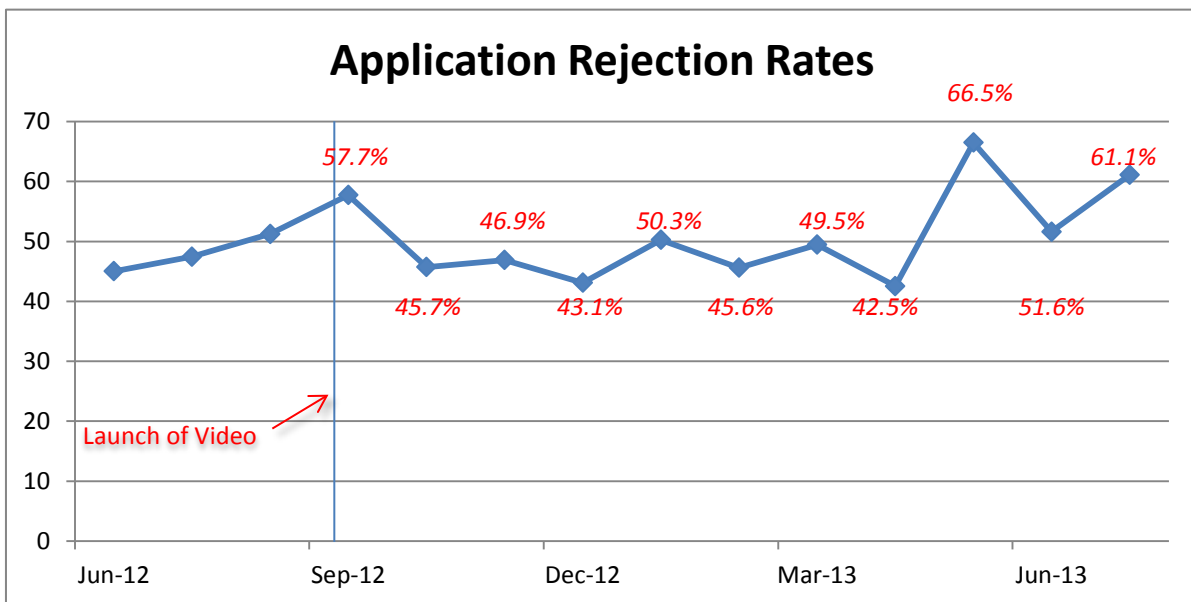
The new intranet site is expected to launch this fall.

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 August 24, 2013, the entire video has been viewed 17,184 times, an increase of 3,358 since the June Board meeting. Videos of individual sections have been viewed a total of 28,813 times, an increase of 6,531 since the June Board meeting. The total number of video views is 45,997.

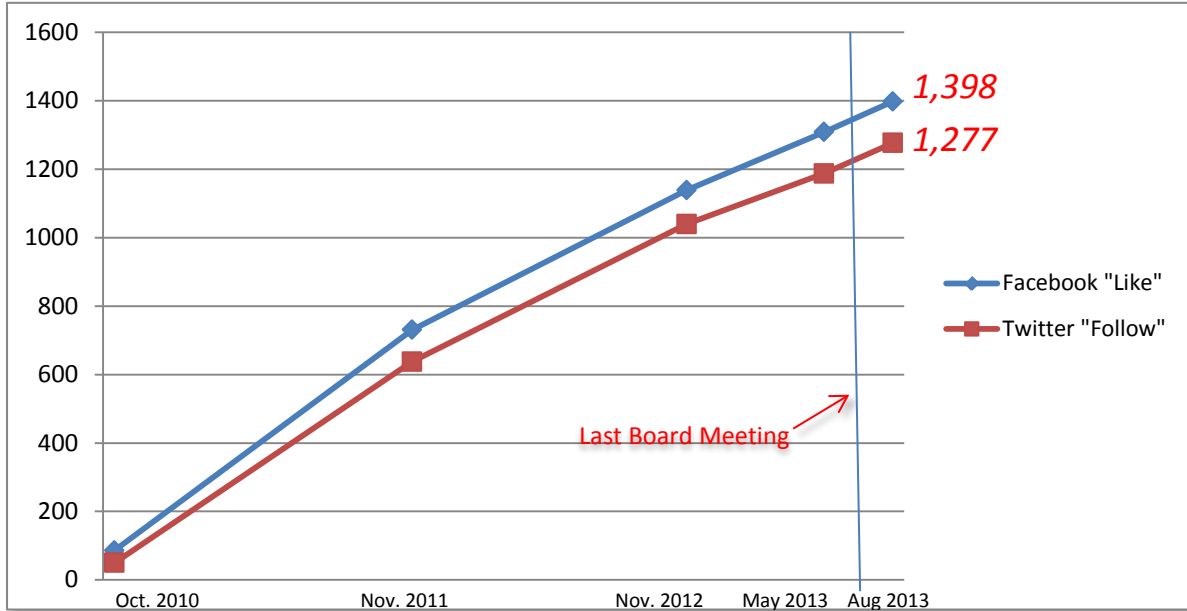
Surprisingly, over the past three months, rejection rates have jumped to a level not seen since the video launched. More research will need to be conducted to determine if there are other reasons for the rise in application rejections. The April 2013 rejection rate (42.5%) was the lowest rate since the launch of the video.





Social Media

CSLB steadily continues to gain followers of its Twitter feed and Facebook pages. PAO staff continues to monitor demographic data and track the number of "likes" and "followers." As of August 24, 2013, 1,398 individuals, businesses or other government entities "like" CSLB's Facebook page and 1,277 "follow" CSLB on Twitter. Our Twitter and Facebook pages experienced more than a 6.5% growth since our June Board meeting.



PAO also maintains a YouTube page, which includes videos of Board meetings, sting operations, and educational materials. As of August 14, 2013, there have been 166,366 total views, an increase of 27,211, or 20% since the June Board meeting. There are now 32 videos posted on CSLB's YouTube page, an increase of two since the June Board meeting.

PAO staff has posted 24 Facebook posts since May 21, 2013. The most popular Facebook post in that time is for the July 19, 2013 Summer Blitz Video, which received 2,694 unique views.





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.

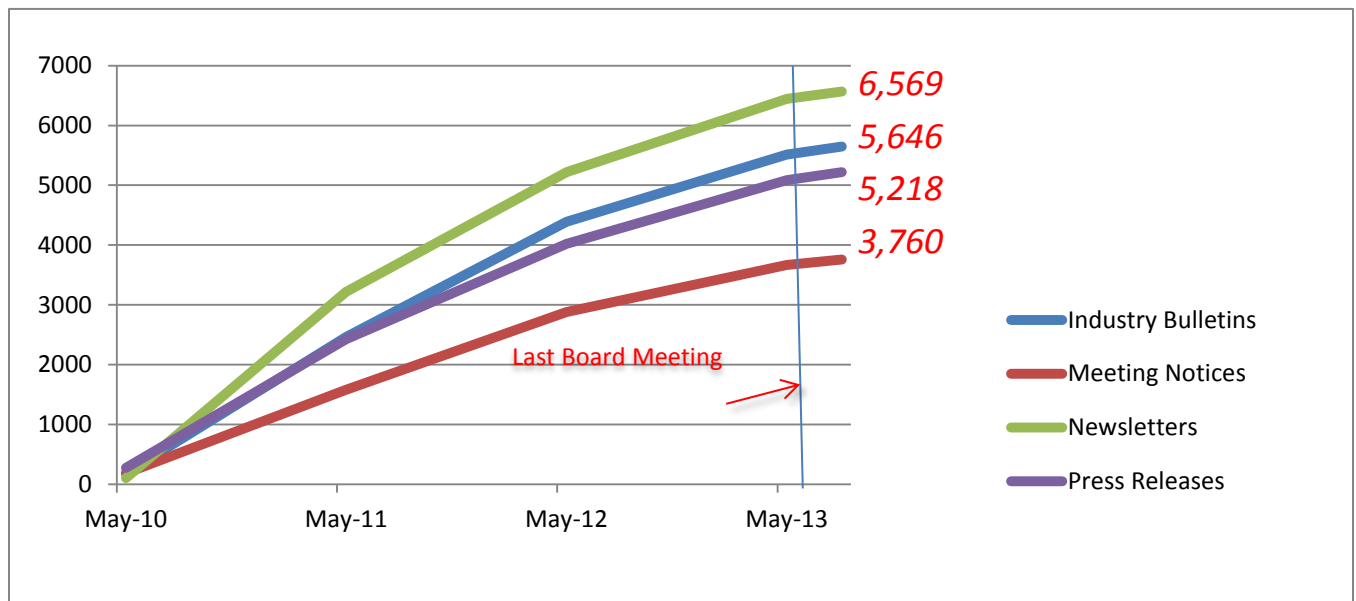
Subscribers can receive alerts for:

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

A total of 21,193 subscriptions were activated as of August 24, 2013 – an increase of 482 since the June Board meeting.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,450 active email addresses, which brings the combined email database to 99,643 addresses.

Email Alert Sign-Up Statistics



MEDIA RELATIONS HIGHLIGHTS:

Media Calls

Between May 28, 2013 and August 24, 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.

Media Contact Service

PAO has begun a one-year subscription to an online media contact service. This service will allow staff to quickly build updated lists of media contacts throughout the state and nation. This will help guarantee that media outreach gets the greatest possible coverage. In addition, the service will open up new media opportunities, especially for industry-related media.



Media Event

PAO staff conducted a press event in Sacramento on July 19, 2013, to promote the results of the Summer California Blitz. A total of 79 people faced various criminal charges after being caught during 13 undercover sting operations at seven locations throughout California.



Widespread media coverage resulted from the event, and simultaneous outreach conducted to media around the state. Sting operations were held in Artesia (Los Angeles County), Fresno (Fresno County), Long Beach (Los Angeles County), Oxnard (Ventura County), Redding (Shasta County), Sacramento (Sacramento County), and South Lake Tahoe (El Dorado County).

Hispanic News Media Campaign

In August, PAO partnered with the non-profit Insurance Information Network of California (IINC) and the National Insurance Crime Bureau (NICB), for a four-city media tour of Spanish language television stations and newspaper editorial boards to deliver the consumer protection message about the importance of only hiring licensed contractors.

The campaign, titled “Say No to Unlicensed Contractors,” was well-received by southern California Spanish media outlets, including KMEX-TV (Univision), Los Angeles; El Aviso magazine, Huntington Park; La Opinion, Los Angeles; Estrella TV, Los Angeles; and KBNT-TV (Univision), San Diego, as well as the San Diego Union-Tribune. Northern California Spanish media that also welcomed the team for guest appearances and discussions included KUVS-TV (Univision), Sacramento; SAC Latino magazine, Sacramento; KDTV-TV, San Francisco; El Mensajero magazine, S.F./Oakland/San Jose; and KSTS-TV, San Jose.



An estimated 3 million consumers were reached through the three different Spanish language newspapers in both northern and southern California. While demographic information for television stations was unavailable, CSLB and its team easily reached hundreds of thousands of viewers when guest appearances were made on five Univision and Telemundo television stations, as well as Estrella TV. KMEX, Los Angeles, is the top-ranking early morning newscast among 18-49-year-old viewers, regardless of language.

The assistance of Spanish-speaking Enforcement Representatives Nora Urias (West Covina IC) and Jose Barajas (Sacramento SWIFT) during the Spanish language television interviews was greatly appreciated.

The news package that the San Jose Telemundo station broadcast on August 21, 2013, was comprehensive—the reporter talked about CSLB sting operations; included sound bites from representatives about the importance of having a license, including how you don’t know who you’re inviting into your home if you hire someone who is unlicensed; and finished the piece with an interview with a formerly unlicensed contractor who couldn’t collect from a homeowner and decided to get his license so he would never have that problem again.

<http://iinc.org/media/08212013%20KSTS-TV.%20Contractor%20Fraud.%20PM.small.mov>



News Releases

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between May 28, 2013 and August 24, 2013, PAO distributed seven news releases.

Release Date	Release Title
June 11, 2013	CSLB Catches Several Contractors with Revoked, Expired Licenses in Rancho Cordova
June 20, 2013	Illegal Contractors Advertising on Internet Still Being Caught in Los Angeles Area CSLB Stings
July 12, 2013	CSLB Alerts Central Coast Residents about Illegal Electrician
July 19, 2013	Contractors State License Board Cracks Down on Unlicensed Activity during California Blitz Operation
July 29, 2013	15 Feel the Sting from CSLB for Illegal Contracting in Concord
August 2, 2013	CSLB Picks Off Illegal Contractors in Napa Sting Operation
August 9, 2013	CSLB Sting in Hanford Finds Phony Contractors Duping Consumers Out of Illegal Down Payments

Media Training

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

INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS:

California Licensed Contractor Newsletter

The summer 2013 print edition of the licensee newsletter, *California Licensed Contractor*, was finished and mailed to all CSLB licensees in August. 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 5,600 people and various groups. Distribution includes those who signed up to receive the bulletins via CSLB's Email Alert system. One Industry Bulletin was distributed since the last Board meeting.

Release Date	Industry Bulletin Title
June 27, 2013	New Rules for Contractors Disposing of Mercury Thermostats



VIDEO PRODUCTION HIGHLIGHTS:

Pilot Enforcement Operation

On August 21-22, 2013, PAO staff videotaped surveillance conducted by Southern SWIFT, targeting suspected illegal activity in the plumbing industry. Videotape also was shot during a sting operation conducted August 28, 2013, targeting suspected unlicensed contractors identified during the surveillance. The video will be used as part of a media and industry outreach effort, highlighting SWIFT's expanded work targeting those operating in the underground economy.



New Video Production Equipment

PAO is in the process of taking delivery of new video equipment. The equipment will help PAO expand its abilities to produce professional quality videos, as well as live and recorded Web events. PAO also will take over the responsibility from DCA to provide live Web streams and audio services of all CSLB meetings.

PUBLICATION HIGHLIGHTS:

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

Completed

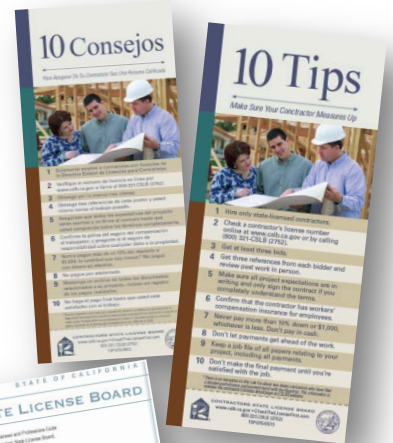
- Summer 2013 *California Licensed Contractor* newsletter (printed)

In Production

- Fall 2013 *California Licensed Contractor* newsletter (online)
- New licensee wall certificates
- New 10 Tips cards

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 June meeting:

Date	Location	Legislative/Community Partners
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	Pittsburg	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 AM	Lancaster	Asm. Steve Fox
July 29, 2013 PM	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 9, 2013	West Hollywood	Asm. Richard Bloom
August 23, 2013	San Jose	Sen. Jim Beall
September 6, 2013	Rolling Hills Estates	Asm. Al Muratsuchi



Date	Location	Legislative/Community Partners
September 18, 2013	Hollister	Asm. Luis Alejo
September 19, 2013 AM	Los Angeles	Asm. Jimmy Gomez
September 19, 2013 PM	Whittier	Sen. Ron Calderon
September 20, 2013	San Leandro	Asm. Rob Bonta
September 26, 2013	Manhattan Beach	Sen. Ted Lieu
September 27, 2013	Redwood City	Sen. Jerry Hill/Richard Gordon/Asm. Kevin Mullin
October 3, 2013	Burbank	Asm. Mike Gatto
October 4, 2013	Brentwood	Asm. Richard Bloom
October 7, 2013	Pleasanton	Sen. Ellen Corbett
October 15, 2013	LaVerne	Sen. Carol Liu/Asm. Chris Holden
October 16, 2013	San Lorenzo	Cong. Eric Swalwell/Asm. Bill Quirk
October 18, 2013	Millbrae	Asm. Kevin Mullin
October 21, 2013	San Leandro	Cong. Eric Swalwell/Asm. Bill Quirk
October 23, 2013	Antioch	Asm. Jim Frazier
October 24, 2013	Riverside	Asm. Jose Medina
October 25, 2013	Fountain Valley	Sen. Lou Correa
October 30, 2013	Fairfield	Asm. Jim Frazier
November 1, 2013	Corcoran	Asm. Rudy Salas
November 4, 2013	San Diego	Cong. Scott Peters/Sen. Marty Block
November 7, 2013	San Dimas	Sen. Carol Liu/Asm. Chris Holden
November 8, 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.



Below is a list of upcoming CSS seminars:

Date	Location	Legislative/Community Partners
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

AGENDA ITEM H

Legislative Committee Report



AGENDA ITEM H-1

Status of 2013 Legislation





Status of CSLB-Sponsored Legislation

AB 993 (Linder) – Arbitration: Two-Year Bill

This bill makes several changes to CSLB's arbitration program. The most significant proposed changes would prohibit a party who prevails in arbitration from using that award to seek the recovery of attorney's fees in court. This is an issue that first came to CSLB's attention last spring. As a result, referrals to the program are down 47 percent for the first six months of 2013, compared to the same period last year. CSLB's arbitration program is not meant for consumers who want attorney's fees or for contractors who want to obtain them from the consumer. If a consumer wants attorney's fees, there are other options for them to pursue. The viability of this extremely effective program is in jeopardy without this change.

This language was added to the bill in the Assembly Judiciary Committee, along with several other changes made at the Committee's request. Three of those amendments involve imposing standards on CSLB arbitration that currently exist for other types of consumer arbitration. Specifically, the amendments impose disclosure and ethics standards on arbitrators. AMCC, CSLB's contracted arbitration program, expressed concern about the difficulty of complying with these standards. AMCC does not feel that the program is viable with the proposed changes. The bill was then amended to delete the changes and to retain the provisions of existing law relating to disclosure. The Assembly Judiciary Committee staff objected to the removal of their amendments, and the bill is now being held in the Senate Judiciary Committee until this issue can be resolved.

SB 261 (Monning) – Fraudulent Use of License: On the Governor's Desk

This bill allows CSLB to take administrative action for certain violations of the law, such as misusing a contractor license, that are currently only able to be charged as a misdemeanor.

SB 262 (Monning) – Qualifiers: On the Governor's Desk

This bill provides that failure of a qualifying individual to exercise direct supervision and control of construction operations constitutes grounds for disciplinary action, and shall be punishable as a misdemeanor or imprisonment in a county jail, by a fine of \$3000 - \$5000, or both.

SB 263 (Monning) – Disgorgement: Two-Year Bill

As introduced, this bill would have rewritten Business and Professions Code section 7031 and revised the criteria for substantial compliance with Contractors State License Law. Specifically, it would have provided that if a contractor was licensed at the time a contract was executed, but subsequently worked out of class, or under a suspended, inactive, or expired license, he/she would be able to seek to recover compensation for work performed during the period in which he/she was properly licensed. SB 263 also contains other provisions relating to unlicensed practice. The amendments to Section 7031 were removed from the bill after it was referred to the Senate Judiciary Committee; Committee



staff expressed concern about amending 7031, and pointed out that several changes to it have been proposed over the last several years, but that the Legislature has been unwilling to change it. Staff suggested CSLB should provide specific examples of problems with existing law that this bill would address.

SB 822 (Business, Professions and Economic Development) - Licensing: Assembly Floor

This bill, as it pertains to CSLB, makes two changes. First, it deletes an unnecessary code reference in the section of law that prohibits a licensee from aiding or abetting an unlicensed person to evade licensing requirements. Second, it provides that an incomplete renewal application that originally had been submitted on or before the license expiration date shall be returned to the licensee with an explanation and the licensee shall have 30 days to correct and resubmit it, and shall not be required to pay the renewal delinquency fee.

AGENDA ITEM H-2

Review of License Suspension Chart – SB 263 (Monning)





CONTRACTORS STATE LICENSE BOARD

LEGISLATION

SB 263 (Monning) Enforcement and Licensing Divisions

Unlicensed Contracting Issue	Effect on License Status	Administrative Penalties	Civil Penalties	Criminal Penalties	Licensing Suspensions FY 2012-2013
Failure to obtain a release form from DCSS relating to a judgment or order for child or family support. Family Code 17520	Automatic license suspension or license remains expired and not renewable pending compliance; Suspension enforced on all renewable licensed entities with the same culpable personnel	None	None	None	1,346
Licensee convicted of a crime substantially related to the qualifications, functions or duties of the profession for which the license was issued BPC 490	Automatic license suspension	Typically charged under B&P 7123. If license is revoked, a disciplinary bond is required.	None	None	
Licensee obtained license by fraud, deceit, or knowing misrepresentation of a material fact BPC 498	Automatic license suspension	Typically charged under B&P 7112. If license is revoked, a disciplinary bond is required.	None	None	
Licensee made a false statement of material fact in support of another person's license BPC 499	Automatic license suspension	Typically charged under B&P 7114.1. If license is revoked, a disciplinary bond is required.	None	None	
Joint venture license – any period in which any member does not hold a current, active license in good standing BPC 7029	Automatic license suspension	None	None	None	172
Recovery of compensation paid to unlicensed contractors BPC 7031	None	None	Disgorgement of all payment	None	
Failure to replace disassociated qualifier within 90 or 180 days (approved +90 day extension) BPC 7068.2(a) - 90 day BPC 7068.2(e)(1) – 180 day	Automatic license suspension or active license remains expired and not renewable pending qualifier replacement	None	None	None	498



Unlicensed Contracting Issue	Effect on License Status	Administrative Penalties	Civil Penalties	Criminal Penalties	Licensing Suspensions FY 2012-2013
Failure to maintain a current Contractor Bond on file for a current active license BPC 7071.6	Automatic license suspension	None	None	None	24,528
Failure to maintain a LLC Surety Bond for a current active LLC license BPC 7071.6.5	Automatic license suspension	None	None	None	∅
Failure to maintain a current Disciplinary Bond for continued valid use of an active license which has been disciplined BPC 7071.8	Automatic license suspension	None	None	None	23
Failure to maintain a Bond of Qualifying Individual on file for any active license qualified by a Responsible Managing Employee or Responsible Managing Officer holding less than 10% of the company's voting stock or equity BPC 7071.10	Automatic license suspension	None	None	None	525
Failure to notify Registrar of any unsatisfied final judgment imposed on licensee BPC 7071.17(b)	Automatic license suspension or license remains expired and not renewable pending compliance; Suspension enforced on all renewable licensed entities with same culpable personnel	None	None	None	1,664
Failure to maintain bond required due to unsatisfied judgment BPC 7071.17(c)	Automatic license suspension	None	None	None	∅
Failure to register and be in good standing with the Secretary of State BPC 7076.2	Automatic license suspension	None	None	None	



Unlicensed Contracting Issue	Effect on License Status	Administrative Penalties	Civil Penalties	Criminal Penalties	Licensing Suspensions FY 2012-2013
Failure to comply with arbitration award BPC 7085.6	Automatic license suspension	License revocation with disciplinary bond required if license revoked	None	None	
Failure to pay civil penalty or comply with order of correction BPC 7090.1	Automatic license suspension	See 7099.6	See 7099.6	None	
Suspension of additional licenses in the name of the licensee or for which the licensee provided qualifying experience BPC 7097	Automatic license suspension	None	None	None	
Failure to comply with a citation after it is final BPC 7099.6	Automatic license suspension	License revocation with disciplinary bond required if license revoked	Civil penalties depend on violations alleged in the citation	None	
Failure to maintain workers' compensation insurance BPC 7125.2	Automatic license suspension	None	None	None	18,236
Failure to resolve an Outstanding Final Liability assessed by CSLB, BOE, EDD, FTB, DIR BPC 7145.5(a) – primary license BPC 7145.5(a)(1) – assoc. entity	Automatic license suspension or license remains expired and not renewable pending compliance; Suspension enforced on all renewable licensed entities with same culpable personnel	None	None	None	1,053
Failure to comply with outstanding Bond Payment of Claim resulting from a surety payout. BPC 7071.11	Automatic license suspension or license remains expired and not renewable pending compliance; Suspension enforced on all renewable licensed entities with same culpable personnel	None	None	None	2,148

AGENDA ITEM I

Licensing Committee Report



AGENDA ITEM I-1

Licensing Program Update





CONTRACTORS STATE LICENSE BOARD

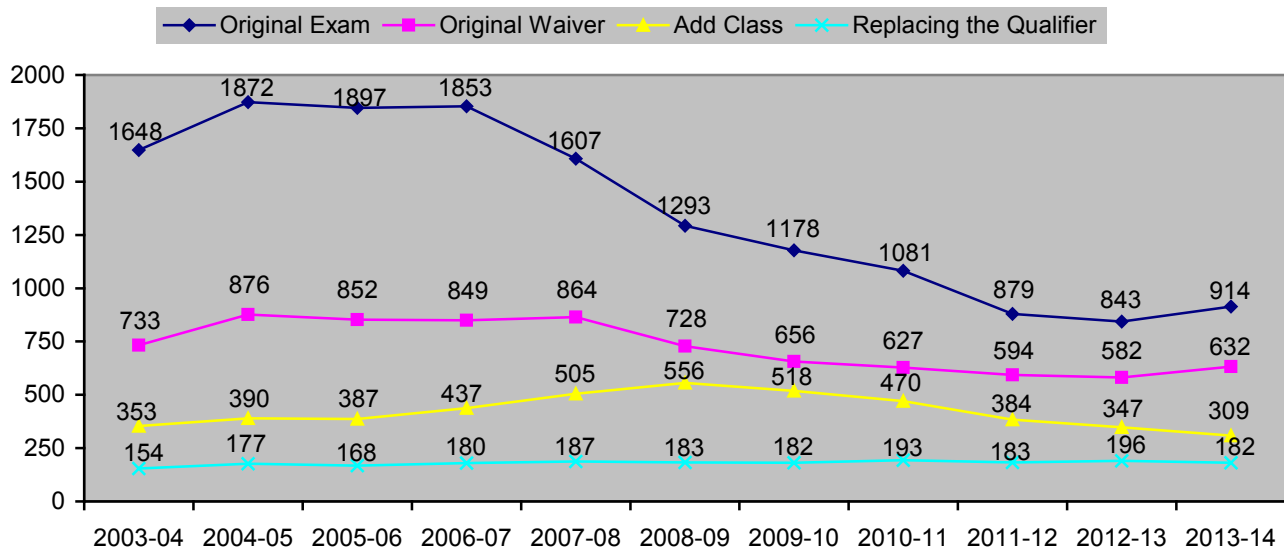
LICENSING PROGRAM UPDATE

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.

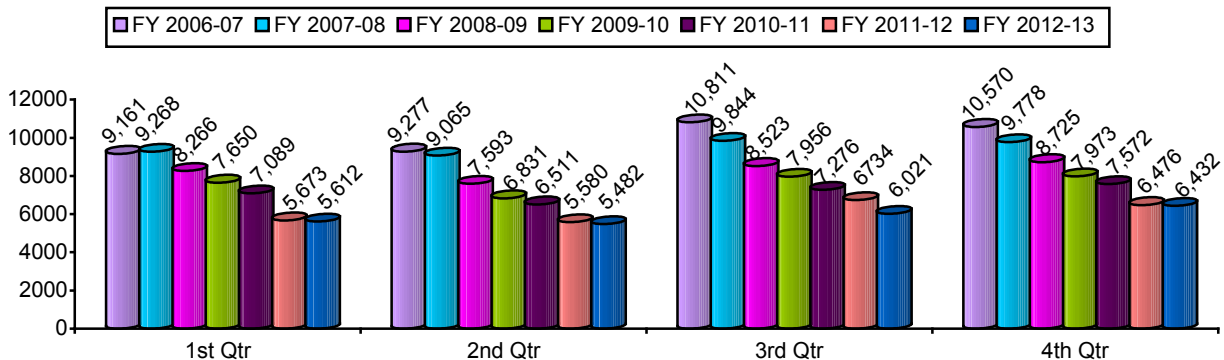
The number of applications received continues to decline due to the economic recession and housing downturn. The average number of original applications received per month for FY 2012-13 is down 4 percent from the overall average for FY 2011-12.

AVERAGE NUMBER OF APPLICATIONS RECEIVED PER MONTH



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

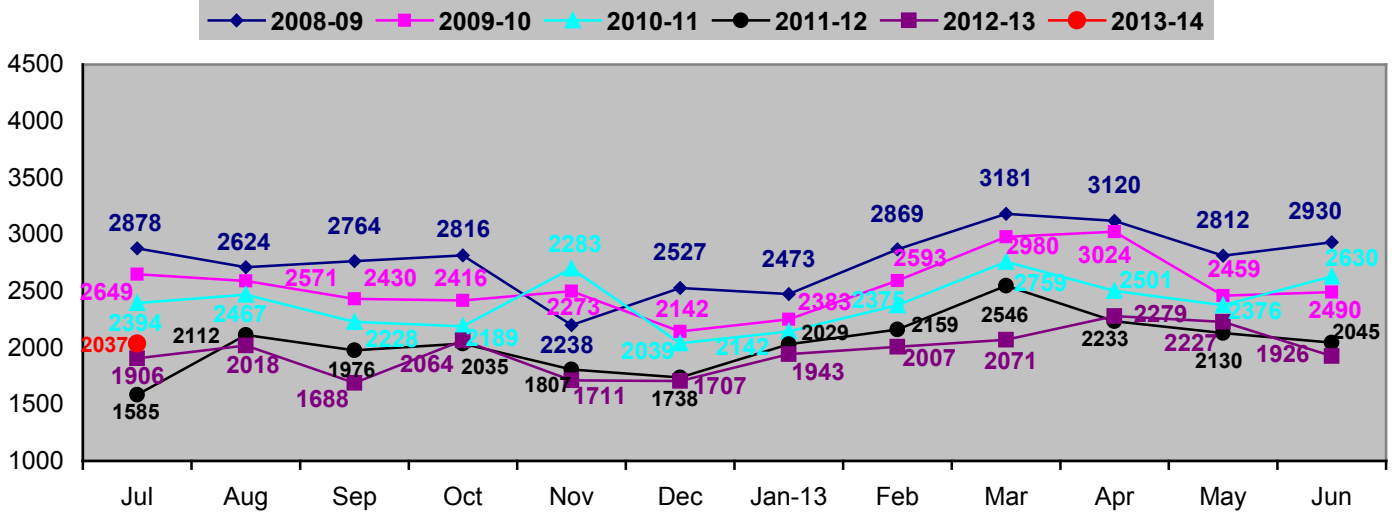
COMPARISON OF APPLICATIONS RECEIVED PER QUARTER
(Original Exam, Original Waiver, Add Class, Replacing the Qualifier)



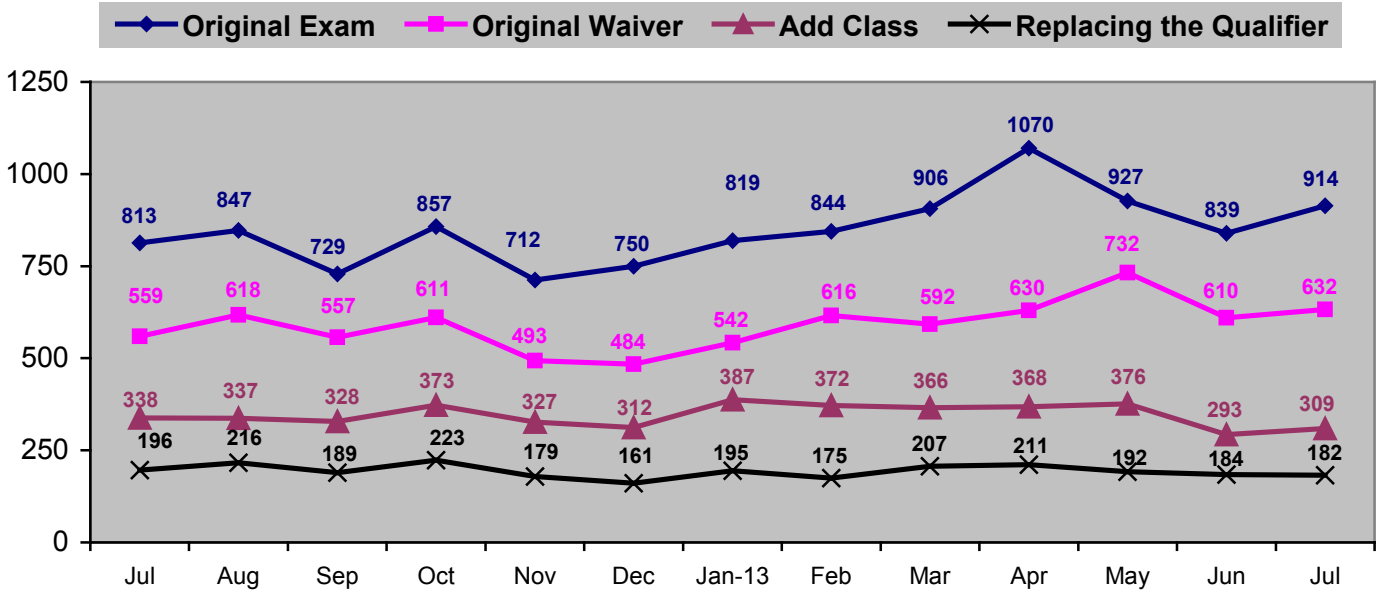
Decrease of 4% for total applications received for 2012-13 as compared with 2011-12



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



NUMBER OF APPLICATIONS RECEIVED





Limited Liability Companies (LLCs)

Effective January 1, 2012 a new law (SB 392) authorized CSLB to issue licenses to LLCs.

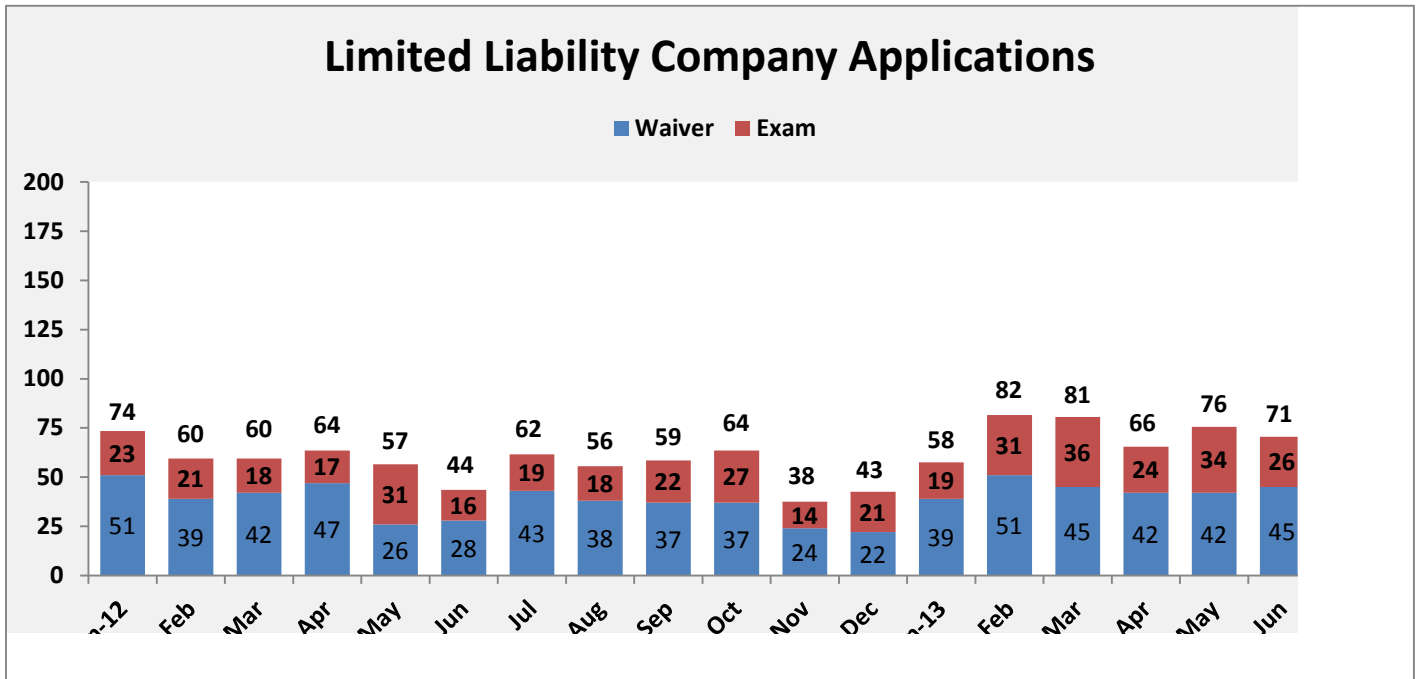
The legislation noted that contractors have been allowed to operate as corporations, and to be designated as “S” or “C” corporations for many years, with well-established case law regarding the ability to “pierce the corporate veil.” It was the intent of the Legislature to also apply this doctrine to 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 per month beginning in January 2012.





LLC APPLICATION (WAIVERS & EXAMS COMBINED) PROCESSING DATA PER QUARTER

Received	194	165	172	132	663	223	204			
Rejected	113	99	129	86	427	134	133			
Acceptable Upon Submittal - Issued	5	10	7	5	27	16	8			
Processed	70	53	33	38	194	72	56			
Void or Withdrawn	6	3	3	3	15	1	7			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Yearly Totals	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Yearly Totals
Year	2012					2013				

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.

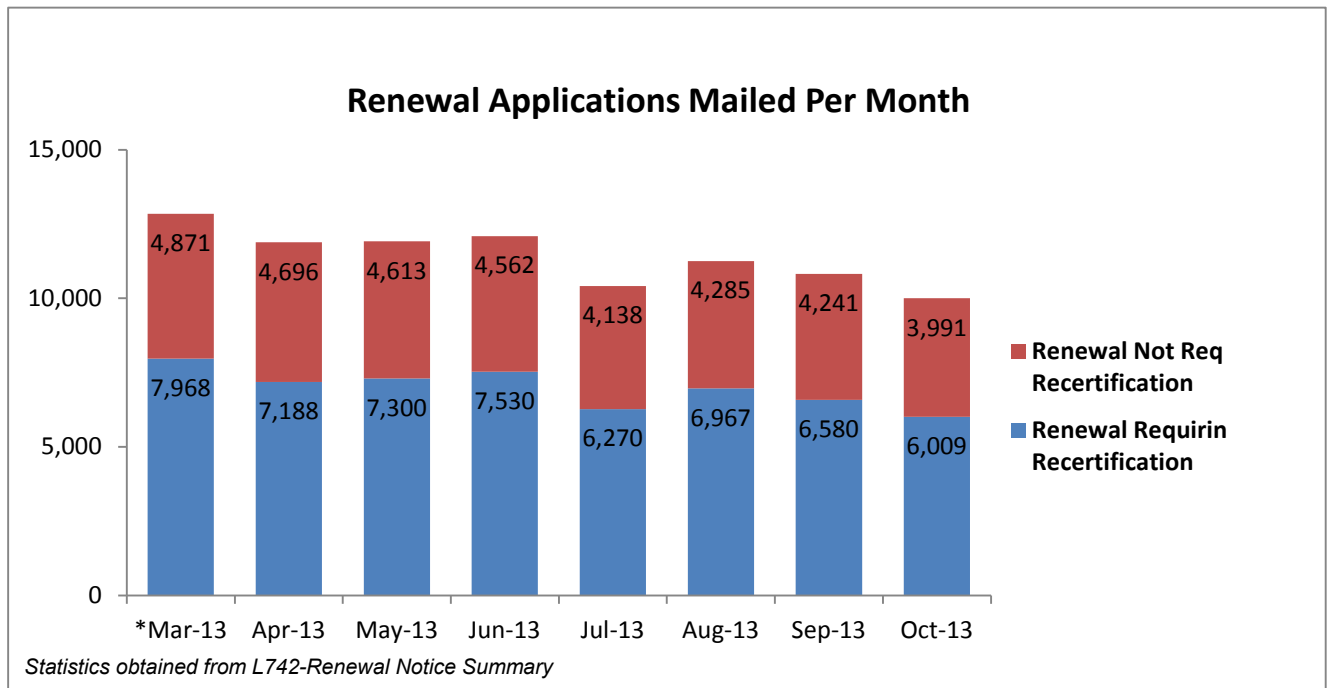
Of the 1,140 LLC applications received through July 31, 2013, 330 limited liability company contractor licenses have been issued. The most common reason for rejection continues to be staff’s inability to match the name(s), title(s), and total count of LLC personnel on the application with the Statement of Information (SOI) provided on the records of the Office of Secretary of State. SOS is still experiencing a delay in entering SOI information into its database. This two-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

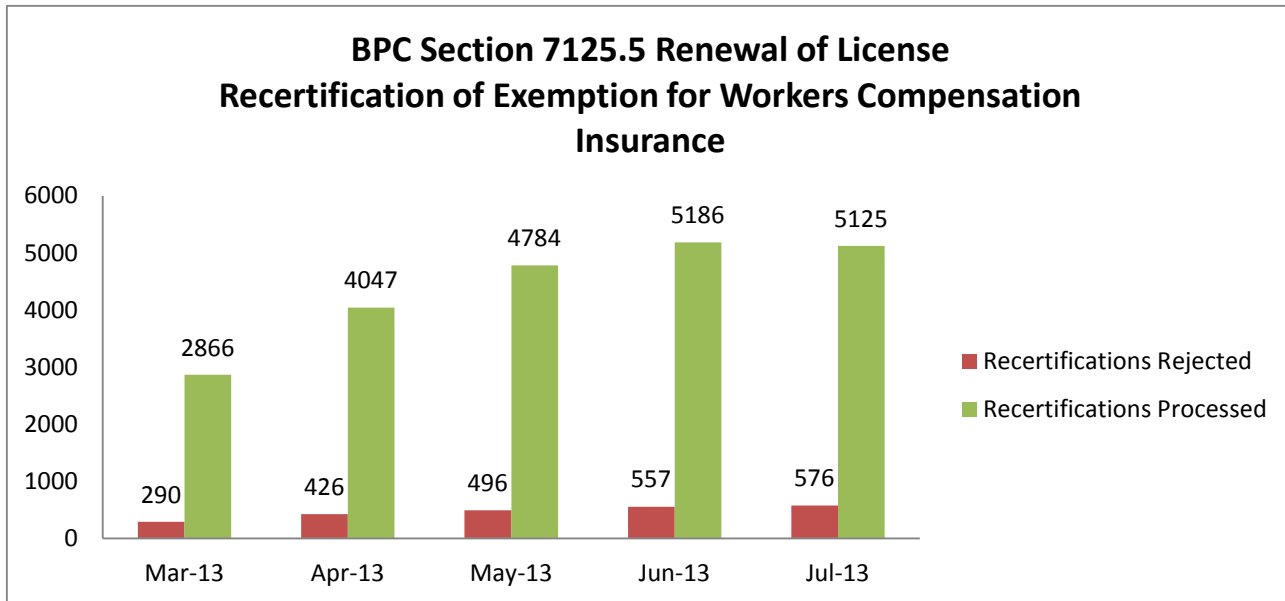
Business & Professions Code § 7125.5 (Assembly Bill 397) took effect on January 1, 2012. This new law requires, at the time of renewal, that an active contractor with an exemption for workers' compensation insurance on file with CSLB to either recertify the exemption or provide a current and valid Certificate 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.

Licensing implemented the requirements of the new law in January 2013, effective for licensees expiring March 31, 2013. The following chart illustrates the number of renewal applications mailed each month that will require recertification of the exemption or a current, valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance to renew the license.





The chart shown below illustrates the number of renewal applications received for processing requiring recertification has steadily increased since implementation, beginning with licenses expiring March 2013.

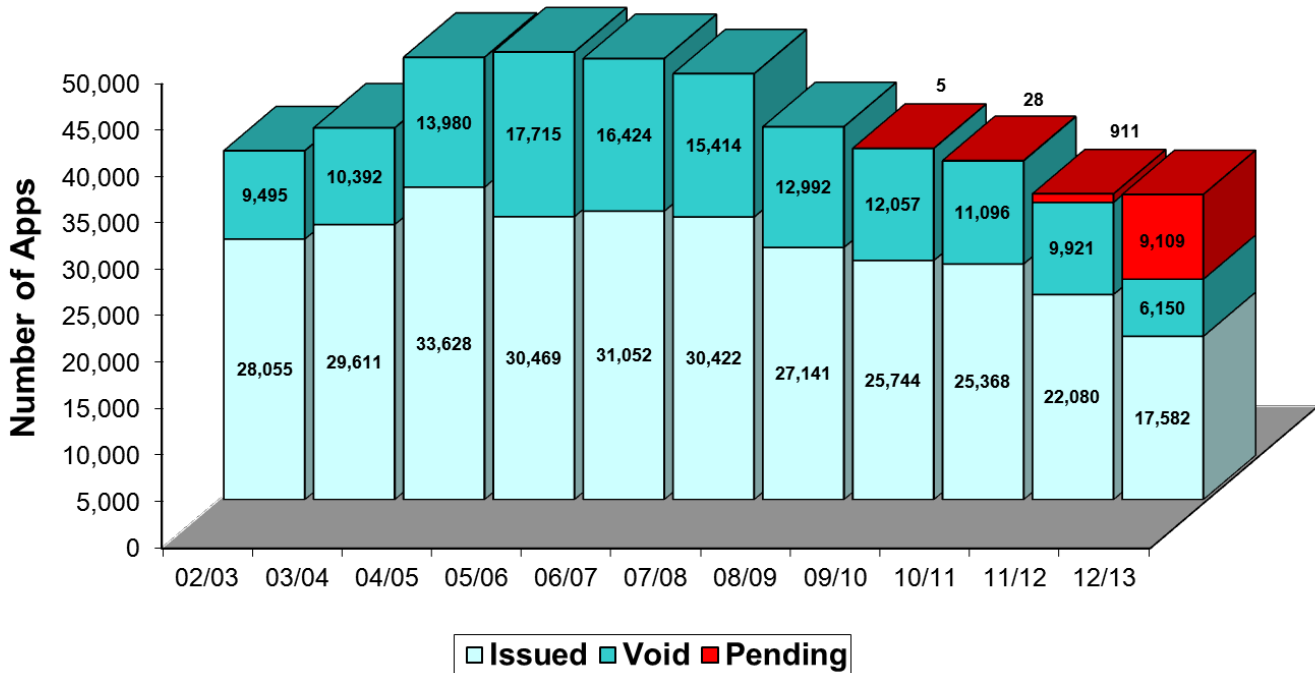


Statistics obtained from L742-Renewal Notice Summary



Disposition of Applications by Fiscal Year Teale Report S724: Run Date 08-01-2013

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



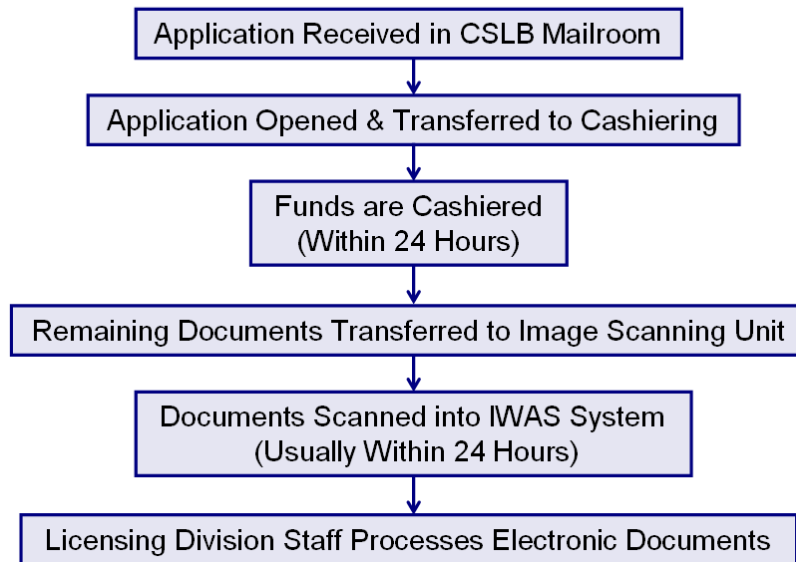
CSLB management continues to monitor processing times for the various units on a weekly and monthly basis. The charts on pages 15-18 track the “weeks to process” for the various application and license maintenance/transaction units.

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 decrease in applications illustrated 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 281,000 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 49,000 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 July 31, 2013, CBU denied 1,163 applications and issued 1,375 probationary licenses. Of the denied licenses, 583 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	13-14	TOTALS
DOJ Records Received	9,524	58,007	46,735	39,361	35,220	27,330	24,730	18,805	18,270	1,808	281,387
CORI RAPP Received	949	8,410	8,057	6,484	6,253	5,254	5,201	3,997	3,663	305	49,870
Denials	224	219	237	88	76	63	108	70	67	3	1,163
Appeals	71	113	130	45	47	29	62	39	36	2	583
Probationary Licenses Issued	0	0	126	290	206	203	243	146	71	9	1,375

**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. May 2013 had a 1:58 call wait time and 97% answer rate and June 2013 had a wait time of 0:48 with a 99% answer rate. These statistics were the best the call center has seen in several years.

The improved statistics can be attributed to staffing levels and training; there is currently only one call center vacancy. Additionally, employees hired in 2012 have benefited from comprehensive training and are becoming more seasoned each day.

Staffing Update

LIC currently has one Program Technician II vacancy. The front counter's longtime supervisor, Michelle Desmangles, retired in April 2013 after 35 years at the Board. LIC has hired a new front counter supervisor, Mary Jo Battilana, who started in June 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

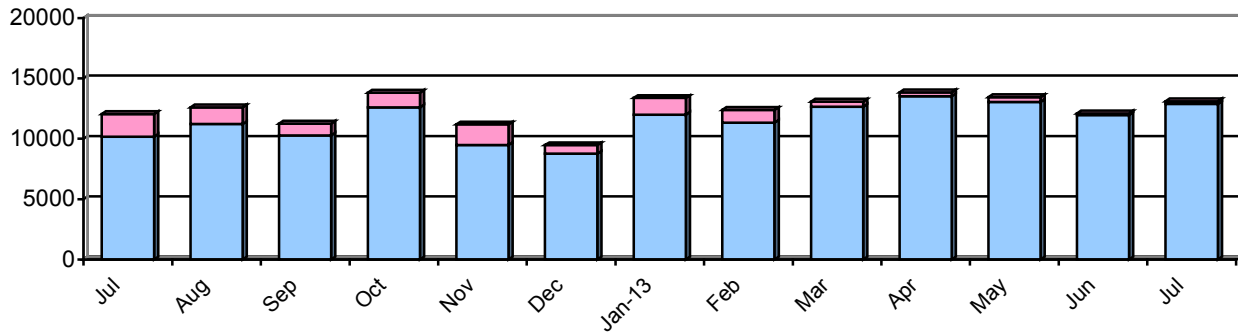
LIC continues to strive to provide timely, efficient, and professional services to its customers. In working toward this goal, LIC established a position to serve as a trainer and expert resource to other LIC staff. New employees have spent a significant amount of time getting one-on-one training with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



Licensing Information Center Call Data

	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr	May	Jun	Jul
Calls Received	12,044	12,061	11,259	13,821	11,202	9,473	13,385	12,399	13,079	13,839	13,441	12,096	13,104
Calls Answered	10,176	11,211	10,271	12,598	9,485	8,758	12,000	11,327	12,652	13,525	13,053	11,971	12,881
Calls Abandoned	1,867	1,386	987	1,223	1,702	715	1,383	1,072	421	314	387	124	221
Longest Wait Time	16:29	16:41	13:20	11:04	19:39	13:27	16:17	13:54	10:17	5:30	8:23	0:48	4:07
Shortest Wait Time	3:10	1:37	1:42	0:59	2:15	0:10	2:50	1:27	0:14	0:15	0:13	0:11	0:16
Average Wait Time	9:03	6:07	4:56	5:24	9:11	4:49	6:12	5:45	2:07	1:34	3:58	3:52	1:02

■ Calls Answered ■ Calls Abandoned





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.

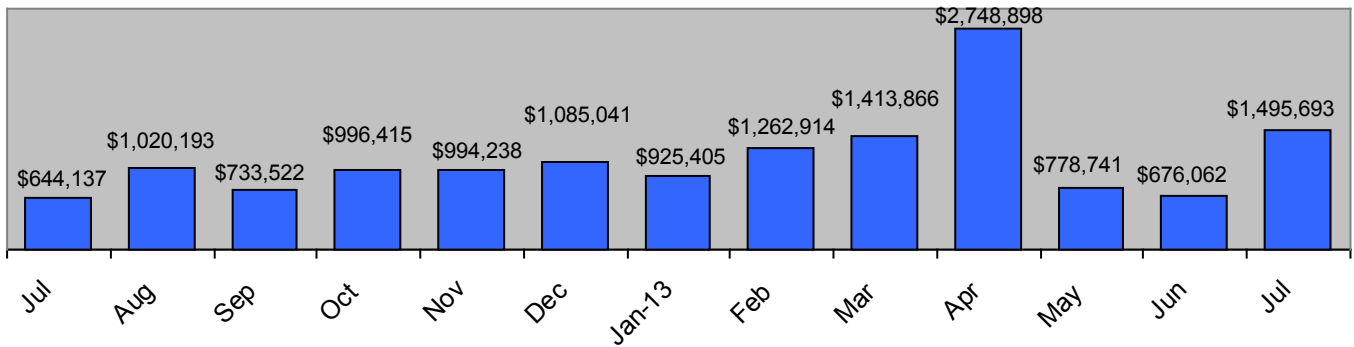
If compliance is not obtained within the allowed time frame, the license is suspended and a suspend letter is sent to the contractor. A reinstatement letter is sent upon compliance.



OUTSTANDING LIABILITIES

Letter Type Sent	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr	May	Jun	Jul
Initial	69	80	54	114	67	33	98	45	62	47	70	58	80
Suspend	45	42	56	88	46	68	79	29	40	50	53	37	65
Reinstate	35	32	35	98	24	28	48	29	85	53	36	28	27

SAVINGS TO THE PUBLIC

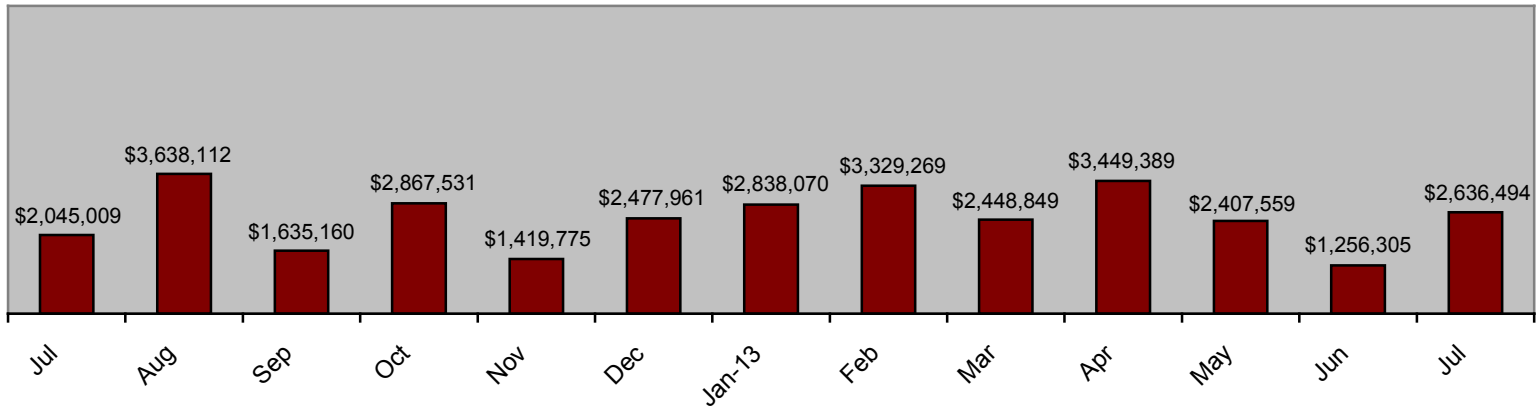




JUDGMENTS

Letter Type Sent	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr	May	Jun	Jul
Initial	185	184	158	224	132	166	164	145	136	135	158	138	143
Suspend	70	75	65	79	62	87	76	56	62	68	67	50	69
Reinstate	173	158	107	172	113	119	142	135	120	129	129	109	120

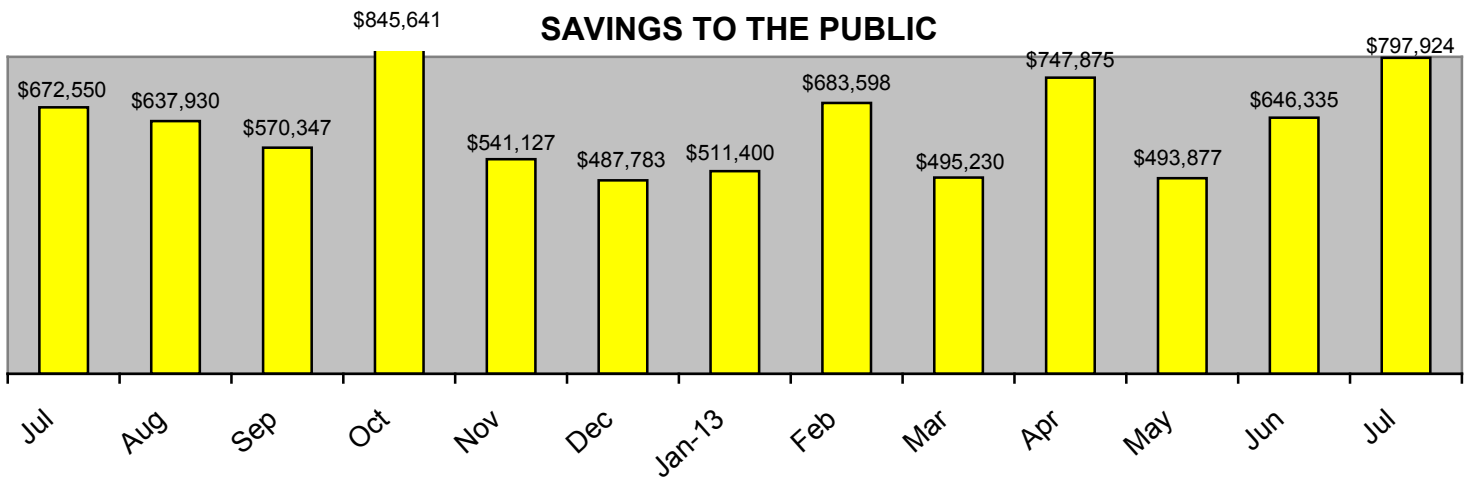
SAVINGS TO THE PUBLIC





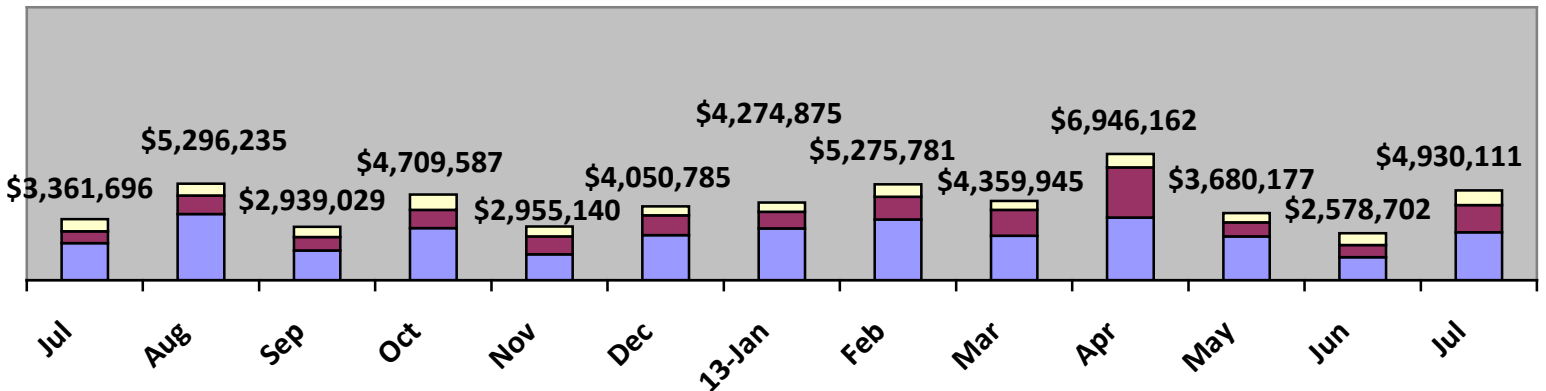
BOND PAYMENT OF CLAIMS

Letter Type Sent	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr	May	Jun	Jul
Initial	146	220	209	170	105	197	105	127	77	252	56	178	160
Suspend	113	71	128	79	113	120	98	35	123	44	66	25	180
Reinstate	128	125	111	139	97	99	107	126	105	132	93	107	133



TOTAL SAVINGS TO THE PUBLIC

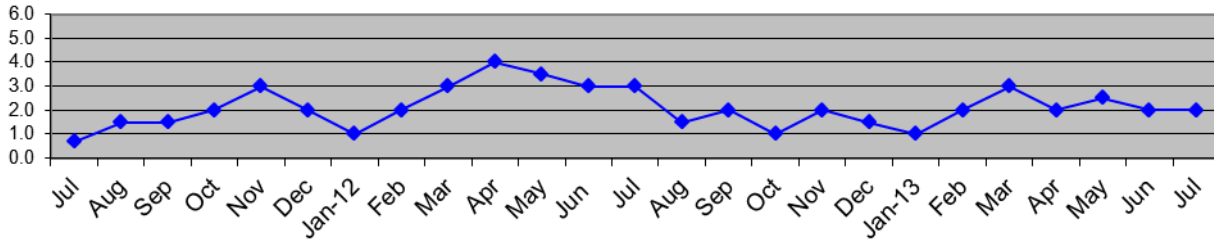
■ Judgments
 ■ Outstanding Liabilities
 ■ Payment of Claims



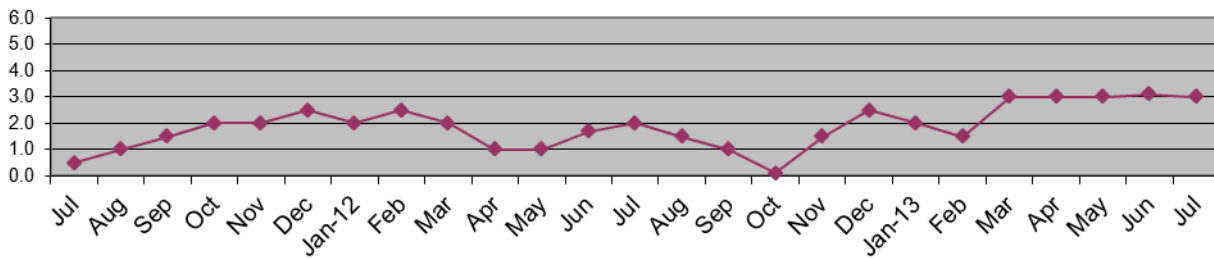


Number of Weeks Before Being Pulled for Processing

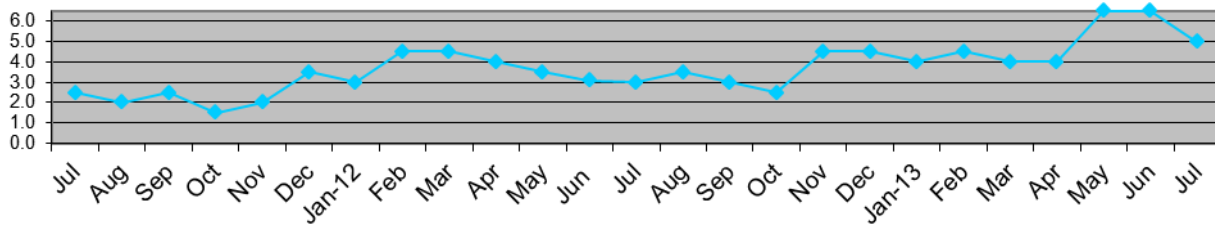
Application for Original License - Exam



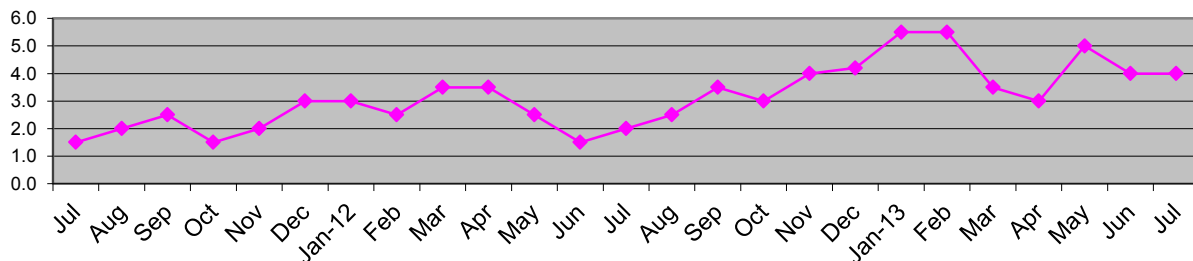
Application for Original License - Waiver



Application for Additional Classification



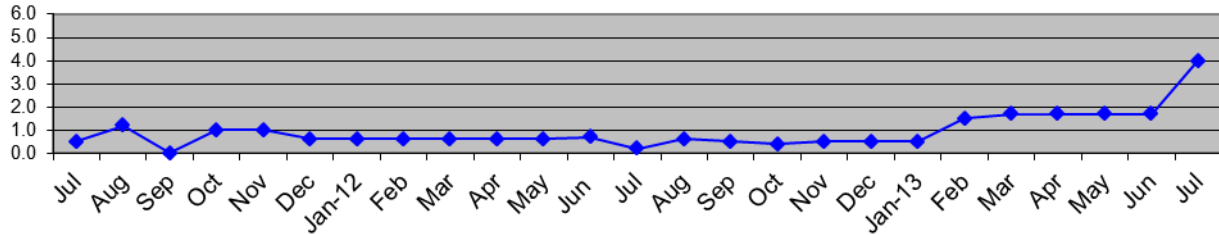
Application to Replace the Qualifier



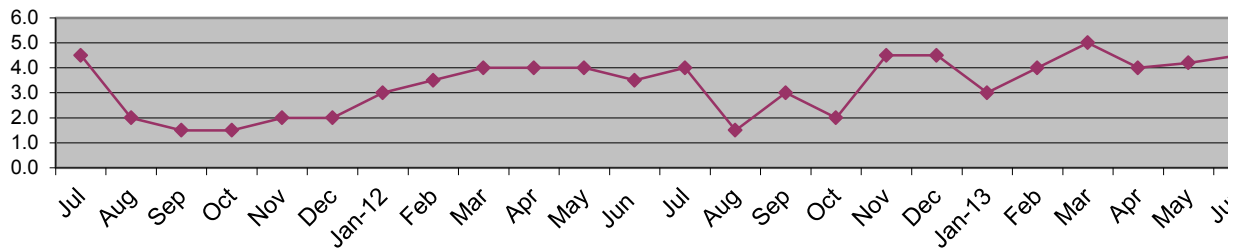


Number of Weeks Before Being Pulled for Processing

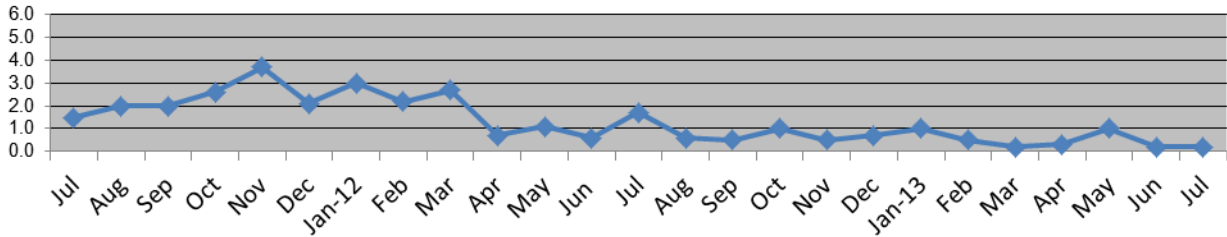
Application for Renewal



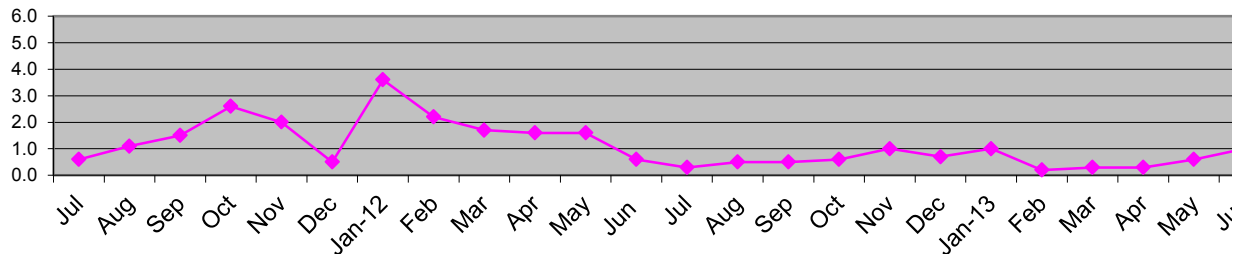
Home Improvement Salesperson (HIS) Application



Application to Report/Change Officers



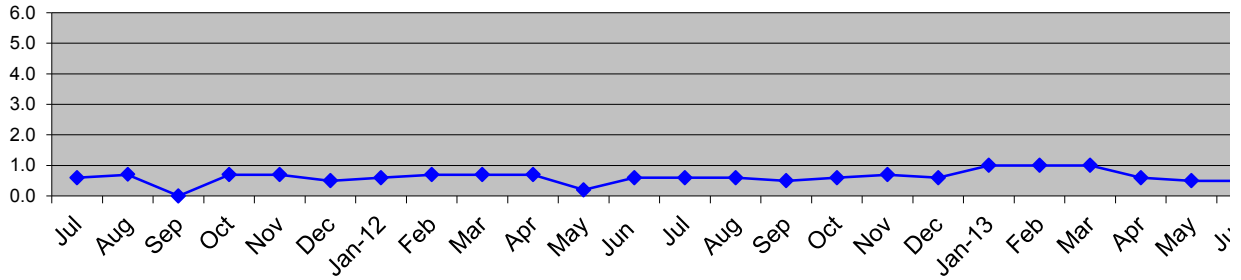
Application to Change Business Name or Address



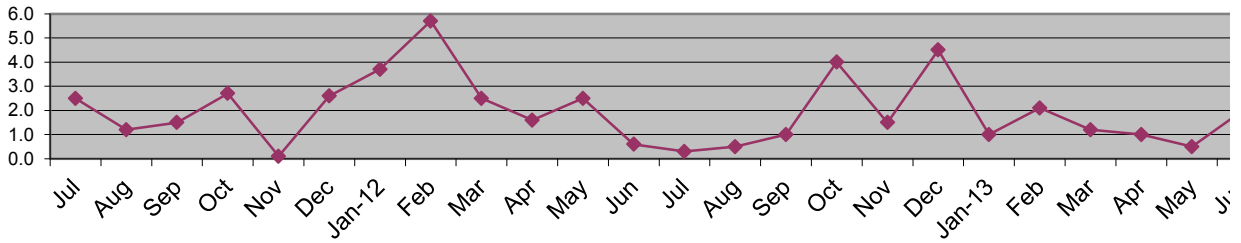


Number of Weeks Before Being Pulled for Processing

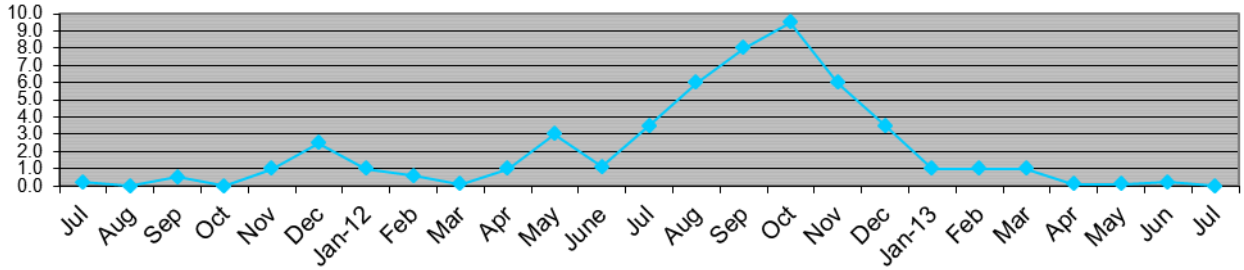
Contractors Bond, Bond of Qualifying Individual, LLC Worker Bond



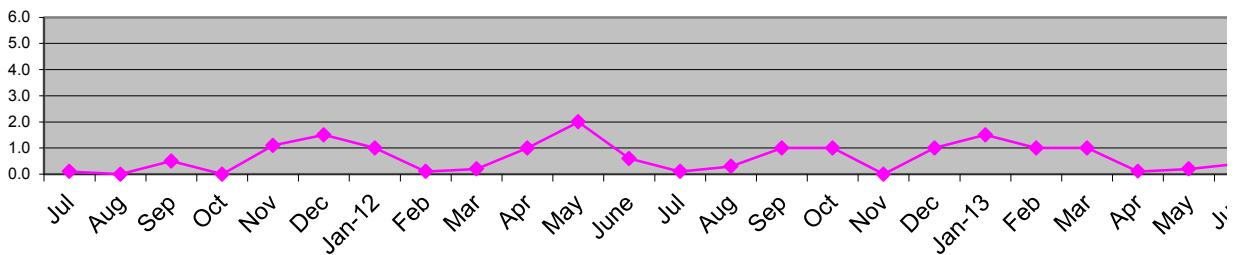
Workers Compensation Certificates and Exemptions



Certified License History



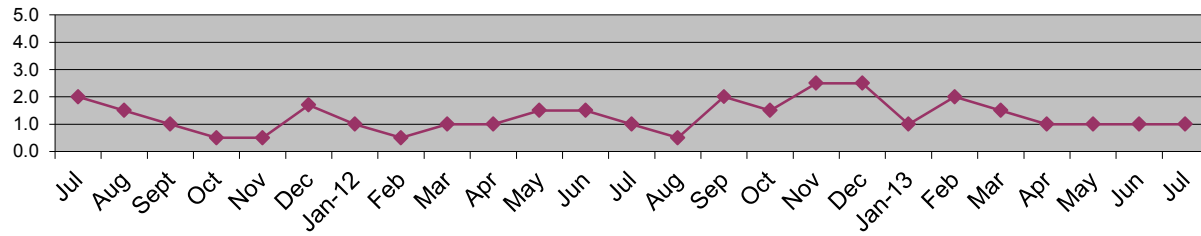
Request for Copies of Documents





Number of Weeks Before Being Pulled for Processing

Criminal Background Unit – CORI Review



AGENDA ITEM I-2

Testing Division Update

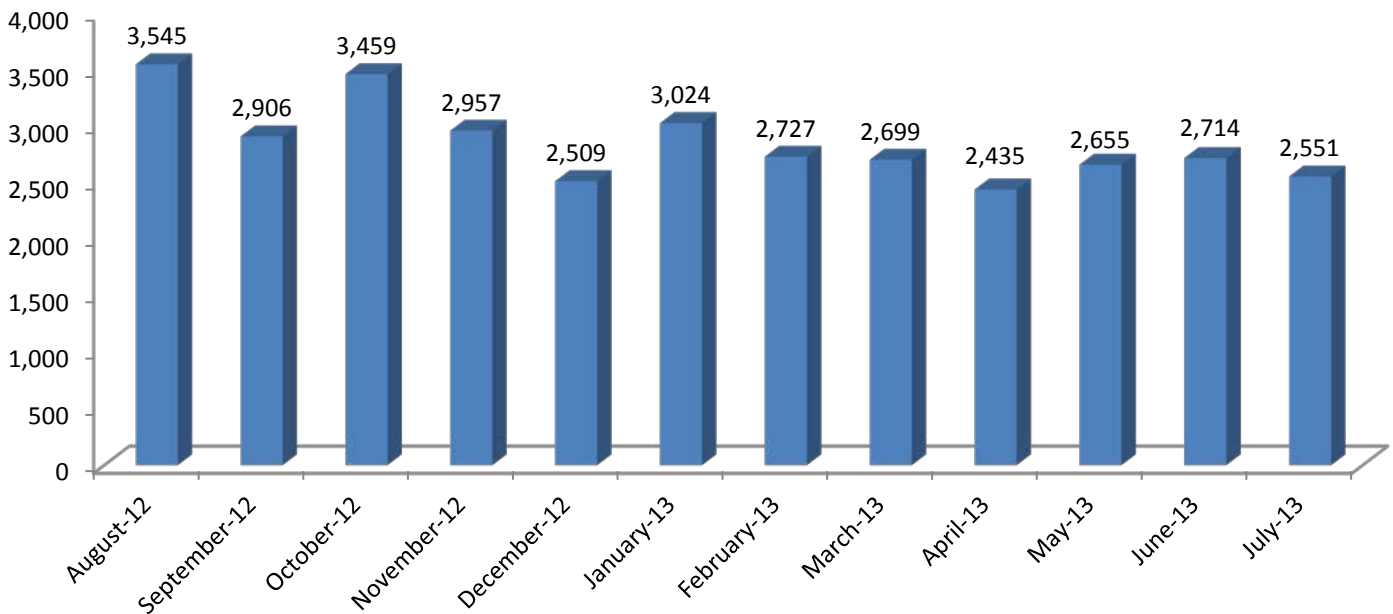




Examination Administration Unit

The Testing division's Examination Administration Unit (EAU) is responsible for administering CSLB's 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) calls that are received by CSLB.

Number of Examinations Scheduled August 2012 - July 2013



Testing Center Status

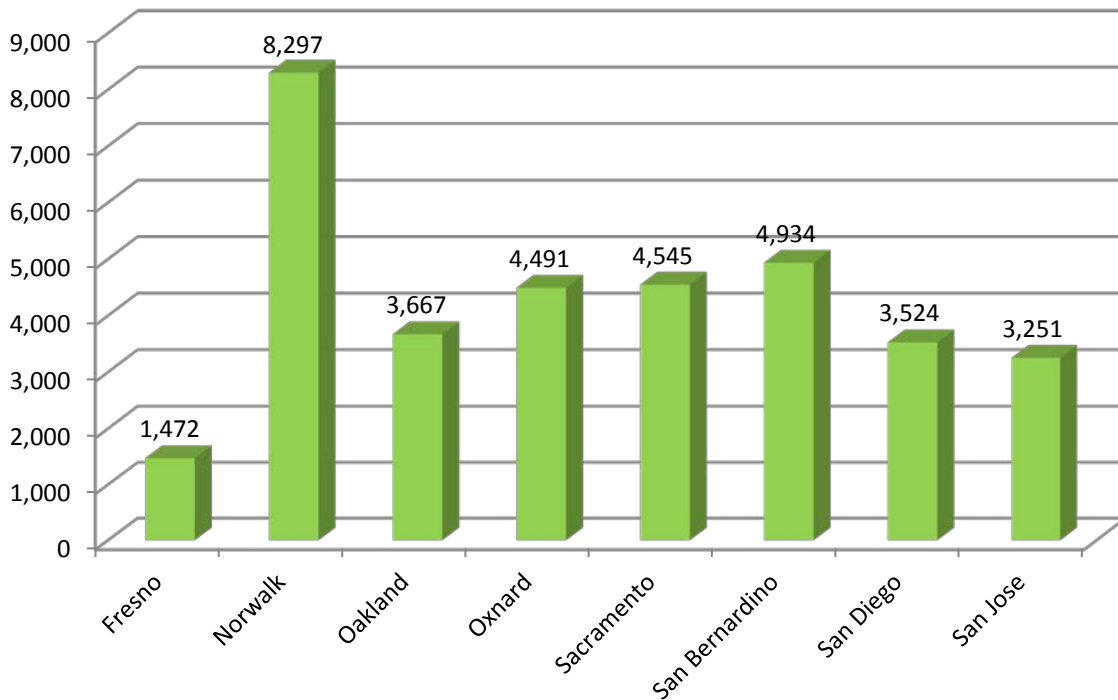
CSLB maintains eight testing centers in the following locations:

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



CSLB 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 has been delayed and is tentatively scheduled for December 2013.

Number of Examinations Scheduled by Testing Center August 2012 - July 2013



Examination Administration Staffing

A new test monitor has been hired for the San Diego Testing Center; filling the San Jose vacancy is still under way. Testing also has a new Office Technician vacancy in EAU at headquarters.

EAU continues to select and train new proctors currently on the Department of Consumer Affairs proctor list but who have not worked in CSLB’s testing centers. In addition, more individuals are being recruited to add to the list to ensure that an adequate proctor pool is available. Consistent with permanent staff, the top pay range for proctors was increased 3 percent on July 1.



Examination Administration Projects

The newly hired EAU analyst has conducted audits of three testing centers, and she is scheduled to audit one testing center each month. She also is writing the EAU Procedure Manual, beginning with sections on examination security.

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 proportion 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 has recently completed occupational analyses for the C-5 Framing and Rough Carpentry, C-28 Lock and Security Equipment, C-38 Refrigeration, and C-60 Welding classifications, in addition to a new examination for the Hazardous Substance Removal certification.

The following table shows the occupational analysis and examination development projects currently under way:

Occupational Analyses in Progress	New Examinations in Progress
B General Building	C-5 Framing and Rough Carpentry
C-10 Electrical	C-28 Lock and Security Equipment
C-13 Fencing	C-38 Refrigeration
C-35 Lathing and Plastering	C-45 Sign
	C-50 Reinforcing Steel
	C-55 Water Conditioning
	C-57 Well Drilling
	C-60 Welding

Testing 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.



Testing purchased a mail folder/insertion machine and custom address printer that will enable EDU to prepare paper occupational analysis surveys and return envelopes for mailing. Due to the large size of the outgoing envelope and the folded return envelope, CSLB's existing equipment is not designed to complete these projects. Testing previously contracted with the Office of State Publishing, but this resulted in delays due to their manual envelope insertion method and the frequent delays in the procurement process. Automating and streamlining this process will reduce the time to complete each occupational analysis project by at least three weeks. The new equipment also will be used as a backup for CSLB's existing folder/insertion, which is nearing the end of its life cycle.

Examination Development Unit Staffing

With the hiring of a new testing specialist, EDU is fully staffed. The new employee worked in this unit as a graduate student assistant in 2007, and has since received her master's degree.

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

AGENDA ITEM 1-3

Review and Approval of Language for Asbestos Classification Regulation



CONTRACTORS STATE LICENSE BOARD
ORIGINALLY PROPOSED LANGUAGE

Title 16, Division 8
Article 3. Classification

Add Section 832.22 as follows:

§832.22. Class C-22 – Asbestos Abatement Contractor.

(a) An asbestos abatement contractor performs abatement, including containment, encapsulation, or removal, and disposal of asbestos containing construction materials, as defined in Section 6501.8 of the Labor Code, in and on buildings and structures. All work performed and all documentation prepared by an asbestos abatement contractor shall be done in accordance with regulations and requirements of the Division of Occupational Safety and Health (DOSH) of the Department of Industrial Relations.

(b) The Board shall not issue an asbestos abatement contractor license unless the applicant or contractor is duly registered with DOSH pursuant to Section 6501.5 of the Labor Code or has an active application for registration in process with DOSH.

(c) Within 90 days after the asbestos abatement contractor license is issued, the contractor shall submit to the Board proof that he or she is duly registered with DOSH pursuant to Section 6501.5 of the Labor Code. Failure of a licensee to provide proof of current registration with DOSH within 90 days after issuance shall result in the automatic suspension of the license or removal of the C-22 – asbestos abatement contractor classification at the end of the 90 days.

(d) Every applicant for the C-22 – asbestos abatement contractor classification must have had, within the last 10 years immediately preceding the filing of the application, not less than four years of experience as a journeyman, foreman, or supervising employee working for a licensed contractor who holds the C-22 – asbestos abatement contractor classification or the asbestos certification, as defined in Section 7058.5 of the Code.

(e) The Board shall require as a condition precedent to the renewal of an asbestos abatement contractor license that the licensee have on file proof of current registration with DOSH pursuant to Section 6501.5 of the Labor Code.

(f) This classification does not include any addition to or alteration, repair, or rehabilitation of the permanently retained portions of such buildings and structures. Hazardous substance removal and remediation, as defined in Section 7058.7 (d) of the Business and Professions Code, are specifically not included in this classification.

Note: Authority cited: Sections 7008 and 7059, Business and Professions Code.
Reference: Sections 7058, 7058.7, and 7059, Business and Professions Code; and Sections 6501.5 and 6501.8, Labor Code.

Add Section 833 as follows:

§833. Asbestos Classification and Certification Limitations and Examination Requirement.

(a) The C-22 – asbestos abatement contractor classification shall operate as a stand-alone specialty contractor classification for asbestos abatement work, notwithstanding any other classification held by the licensed contractor.

(b) No general building contractor, as defined in Section 7057 of the Code, shall contract for any project that includes asbestos abatement work unless the general building contractor holds the C-22 – asbestos abatement contractor classification or the asbestos certification, as defined in Section 7058.5 of the Code, or unless the general building contractor subcontracts with an appropriately licensed contractor.

(c) The asbestos certification, as defined in Section 7058.5 of the Code, shall operate in conjunction with other classification(s) held by the licensed contractor. No licensed contractor who holds the asbestos certification shall contract for any project that includes asbestos abatement work in a trade for which the contractor is not licensed, unless the licensee also holds the C-22 – asbestos abatement contractor classification.

(d) The Registrar may waive the trade examination, pursuant to Section 7065.3, for the C-22 – asbestos abatement contractor classification for a licensed contractor who holds the asbestos certification, as defined in Section 7058.5 of the Code, upon application and conclusive showing by the licensee that he or she possesses not less than four years journey-level experience in the C-22 – asbestos abatement contractor classification within the last 10 years immediately preceding the filing of the application. The licensee shall have obtained the asbestos certification after having passed the written asbestos certification examination and shall have held the asbestos certification in active and good standing throughout the four-year experience period at a minimum.

Note: Authority cited: Sections 7008 and 7059, Business and Professions Code.
Reference: Sections 7057, 7058, 7058.5, 7059, and 7065.3, Business and Professions Code.

AGENDA ITEM J

Executive Committee Report



AGENDA ITEM J-1

Administration and
Information Technology Update





CONTRACTORS STATE LICENSE BOARD

ADMINISTRATIVE PROGRAM UPDATE

PERSONNEL UPDATE

Examinations

DIVISION	EXAM	STATUS
Enforcement	Enforcement Representative I, CSLB	Continuous Filing
	Enforcement Representative II, CSLB	Exam Planning scheduled for second quarter of 2014
	Enforcement Supervisor series	Exam Planning scheduled for Spring 2014
	Consumer Services Representative	Job analysis in progress
Information Technology	Assistant Information Systems Analyst	CalHR
	Associate Information System Analyst	CalHR
Licensing Division	Supervising Program Technician III	CalHR
	Program Technician series	CalHR
Testing	Test Validation and Development Specialist I/II	Continuous Filing
All CSLB	Staff Services Analyst/ Associate Governmental Program Analyst	CalHR
	Staff Services Manager series	CalHR
	Office Technician/Office Assistant	CalHR



Positions

Between June 10, 2013 and August 15, 2013, CSLB had six transfers from within CSLB, 15 transfers from other departments, eight promotions, and six new hires. CSLB encourages the use of Training and Development (T&D) assignments to: 1) provide employees with opportunities to broaden their work experience and skills; 2) prepare employees for career advancement and future promotion; or 3) facilitate entry into new occupational fields. During this period, the CSLB Personnel Office facilitated four T&D assignments in the Enforcement Representative and Staff Services Analyst classifications.

As of August 15, 2013, there were **31.25** vacant positions at CSLB:

DIVISION	AUTHORIZED PY'S	BL 12-03	VACANCIES
Administration	29.85	1	1
Enforcement	210.5	12	15.5
Executive	13.5	.5	1
Information Technology	23.15	0	4.75
Licensing	97.5	5	7
Testing	25	1	2

BUSINESS SERVICES UPDATE

- Out of the twenty five (25) vehicles approved for purchase by the Agency Secretary and the Department of General Services (DGS) for our Enforcement division, nine (9) already have been delivered and are in use. CSLB expects the remaining sixteen (16) vehicles to be delivered in September and October.
- DGS is processing leasing documents for the move of CSLB’s Oakland testing center to an office site in Berkeley. CSLB staff is working with DCA and DGS to finalize the interagency agreement with the Department of Toxic Substances Control (DTSC) from whom we are leasing the space. The anticipated move date has moved to December 2013.
- CSLB and DCA staff began drafting the Request for Proposal (RFP) <Number RFP CSLB-13-1, entitled “Arbitration Program”>. CSLB anticipates the agreement being executed in December 2013 for the term of two (2) years with



two (2) one-year options to renew. This contract will commence immediately after the existing Arbitration Program contract expires.

- New furniture was ordered for the Valencia and Oxnard field offices. The estimated shipping date is September 2013.
- A new mail inserter machine for the Testing division was delivered and installed last month. This equipment will eliminate the need to rely on the Office of State Printing to print and assemble mailers (questionnaires), and will significantly reduce 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 online complaints. Implementation will take place in three phases; CSLB is in Phase 3. The BreEZe project leadership team is working diligently with Accenture to produce a quality product that is acceptable to DCA and the Release 1 Boards. Ongoing testing is being conducted to identify defects and resolve open tasks. The proposed "go live" date for Phase 1 is October 2013 but could change if the open tasks are not resolved.

CSLB staff continues to work with the BreEZe project staff to prepare for the Phase 3 release by participating in discussions involving functions that will directly impact CSLB operations; working on data conversion; and conducting meetings with CSLB's staff to discuss specific BreEZe requirements. CSLB IT staff continues to help DCA by assisting other boards and bureaus with data validation and acceptance testing. CSLB also has provided its testing center for training DCA R1 staff on the BreEZe system.

RPA/Position Tracking Application

CSLB's Personnel and IT units are collaborating on an application for Personnel to track and monitor RPAs/positions within CSLB. Personnel is finalizing the business requirements and IT is developing the database structure as well as creating the design and functions of the application. This application will allow Personnel to input and track RPAs/positions in a timelier and more efficient manner while decreasing the possibility of data loss. The application also will allow Personnel to provide more accurate and precise business reports. CSLB IT expects to have the application fully functional for Personnel within the next quarter. Upon successful implementation of this application at CSLB, IT staff will begin researching the application's potential use throughout the Department of Consumer Affairs.

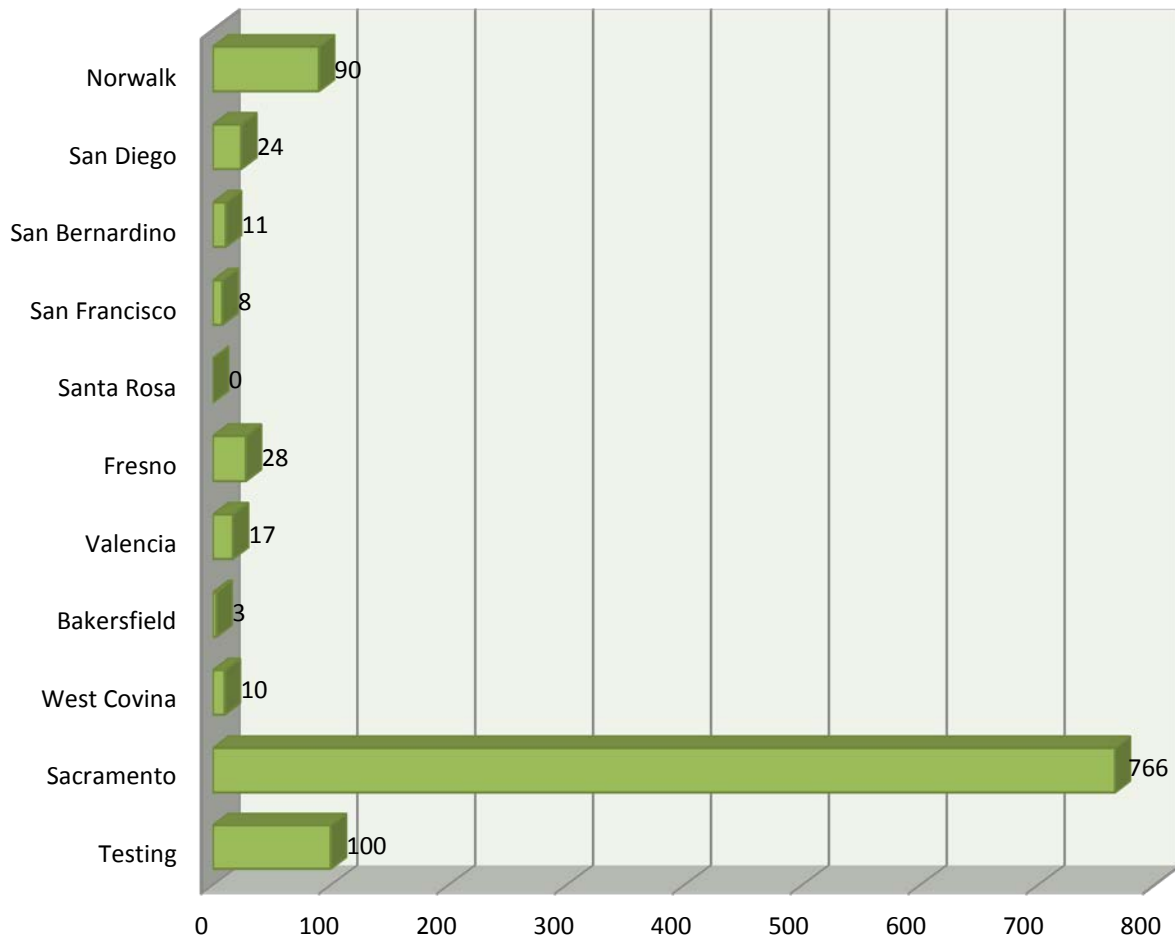
IT Service Desk

CSLB's IT Service Desk staff resolve Level-1 and Level-2 IT technical issues for all board staff. CSLB employees who need assistance with their desktops, laptops, printers, phones, etc. generate a ticket via phone or the CSLB intranet. Incoming tickets are reviewed and assigned within 15 minutes. The average Level-1 ("user down") priority tickets are resolved or fixed in under 30 minutes and Level-2, more complex tickets, are resolved in approximately 60 minutes.

From May through July 2013, a total of 1,057 tickets (717 online and 340 via phone/walk-in) were processed by the IT Service Desk.



CSLB IT Service Desk Activity • May - July 2013



Interactive Voice Response (IVR) System

CSLB's IVR is an interactive, self-directed telephone system that is a valuable source of information for consumers, contractors, and others. It provides callers with the ability to request forms or pamphlets that are immediately faxed to them. Callers can look up a license, and applicants can check the status of their exam application. IVR provides consumers with information on how to file complaints as well as how to become a licensed contractor. In addition to providing information, IVR gives callers an option to speak to call center agents in Sacramento or Norwalk. From May through July 2013, CSLB's IVR handled a total of 111,792 calls, which is an average of 37,264 calls per month; the system is available 24 hours a day, seven days a week.

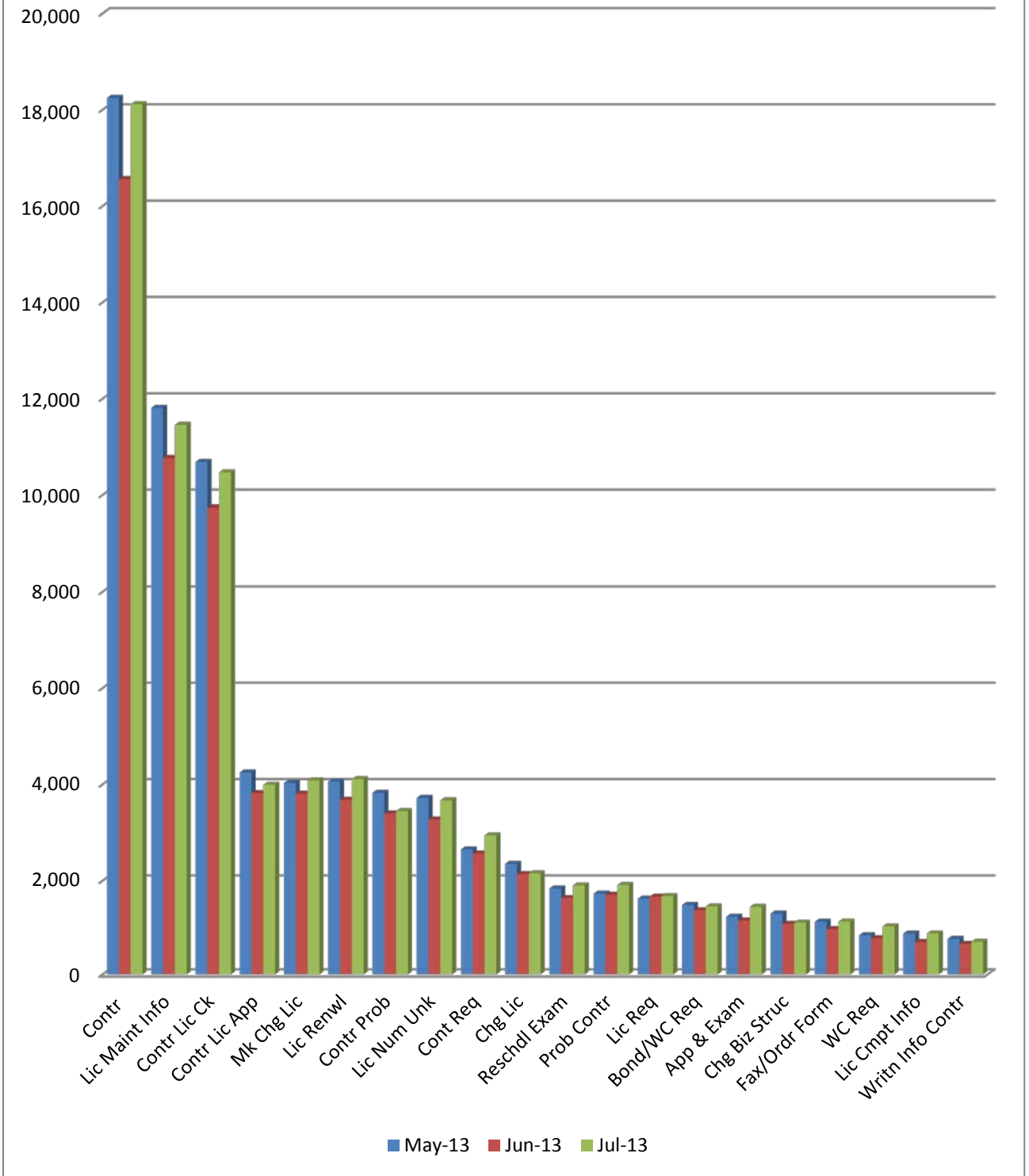


There are dozens of possible menu options within the IVR system; following is a representative sample of the top 20 IVR requests during May through July 2013.

TOPIC	ABBREVIATION	MAY13	JUNE 13	JULY 13
Contractor or Want to Become Contractor	Contr	18,245	16,561	18,112
Info on Maintaining or Changing License	Lic Maint Info	11,808	10,765	11,455
Contractor's License Check	Contr Lic Ck	10,683	9,744	10,468
About License Renewal	Contr Lic App	4,246	3,818	3,990
Contractor License Application	Mk Chg Lic	4,030	3,804	4,079
Hire or Problem with Contractor	Lic Renwl	4,059	3,681	4,107
About Making Changes to License	Contr Prob	3,824	3,394	3,443
License Number Not Known	Lic Num Unk	3,719	3,271	3,668
About Continuing Requirements	Cont Req	2,648	2,564	2,938
For Changes to Existing Licenses	Chg Lic	2,348	2,135	2,150
Reschedule Exam Date	Reschdl Exam	1,837	1,637	1,901
Info on Problems with Contractor	Prob Contr	1,730	1,705	1,907
License Requirements	Lic Req	1,624	1,667	1,679
General Application & Examination Info	Bond/WC Req	1,488	1,375	1,457
Info about Bond or Workers' Comp Requirements	App & Exam	1,237	1,157	1,448
For Changing the Business Structure of an Existing License	Chg Biz Struc	1,303	1,085	1,109
To Fax Forms, or To Order Forms by Mail	Fax/Ordr Form	1,129	972	1,130
Info about Workers' Comp Requirements	WC Req	839	776	1030
License Complaint Information	Lic Cmpt Info	876	696	878
How to get Written Info on Contractor License	Writn Info Contr	762	655	699



Top 20 IVR Requests - May '13 - July '13



AGENDA ITEM J-2

Budget Update





CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

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

- Through the end of fiscal year (FY) 2012-13 (June 30, 2013), CSLB spent or encumbered \$53.6 million, roughly 92 percent of its FY 2012-13 final budget. The following chart summarizes the final CSLB budget, along with final FY 2012-13 expenditures:

EXPENDITURE DESCRIPTION	FY 2012-13 FINAL BUDGET	FY 2012-13 FINAL EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	20,146,589	18,903,536	1,243,053	6.2%
Board Members	15,900	12,700	3,200	20.1%
Temp Help	812,100	779,461	32,639	4.0%
Exam Proctor	41,168	112,161	-70,993	-172.4%
Overtime	124,575	199,959	-75,384	-60.5%
Staff Benefits	8,924,620	8,662,960	261,660	2.9%
TOTALS, PERSONNEL	30,064,952	28,670,777	1,394,175	4.6%
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	20,033,425	19,611,071	422,354	2.1%
Exams	435,882	257,217	178,665	41.0%
Enforcement	8,296,033	5,490,058	2,805,975	33.8%
TOTALS, OE&E	28,765,340	25,358,346	3,406,994	11.8%
TOTALS	58,830,292	54,029,123	4,801,169	8.2%
Scheduled Reimbursements	-353,000	-158,347	-194,653	
Unscheduled Reimbursements		-242,555	242,555	
TOTALS, NET REIMBURSEMENTS	58,477,292	53,628,221	4,849,071	8.3%

❖ Revenue

- CSLB received the following revenue amounts for FY 2012-13:

Revenue Category	FY 2012-13 Final	Percentage of Revenue	Change from prior year (06/30/2012)
Duplicate License/Wall Certificate Fees	\$103,850	0.2%	-14.3%
New License and Application Fees	\$9,966,331	17.9%	-3.6%
License and Registration Renewal Fees	\$41,303,695	74.3%	3.1%
Delinquent Renewal Fees	\$2,857,348	5.1%	14.5%
Interest	\$85,075	0.2%	0.0%
Penalty Assessments	\$1,140,651	2.1%	22.7%
Misc. Revenue	\$130,304	0.2%	-3.5%
Total	\$55,587,254	100.00%	1.2%



❖ **Fiscal Year 2013-14 CSLB Preliminary Budget**

- The following chart identifies the preliminary FY 2013-14 CSLB budget included in the 2013 Budget Bill (Assembly Bill 110, Chapter 20, Statutes of 2013):

EXPENDITURE DESCRIPTION	FY 2013-14 Approved Preliminary Budget
PERSONNEL SERVICES	
Salary & Wages (Staff)	21,420,545
Board Members	15,900
Temp Help	812,100
Exam Proctor	41,168
Overtime	124,575
Staff Benefits	9,320,455
TOTALS, PERSONNEL	31,734,743
OPERATING EXPENSES AND EQUIPMENT	
Operating Expenses	21,126,554
Exams	435,882
Enforcement	8,401,821
TOTALS, OE&E	29,964,257
TOTALS	61,699,000
Scheduled Reimbursements	-353,000
Unscheduled Reimbursements	
TOTALS, NET REIMBURSEMENTS	61,346,000



❖ **CSLB Fund Condition**

- Below is the fund condition for the Contractors' License Fund, which shows the final FY 2012-13 reserve (over \$28 million – approximately 6 months' reserve), along with the projected reversion amounts for FY 2013-14 through FY 2015-16:

	Final FY 2012-13	Proj. CY 2013-14	Proj. BY 2014-15	Proj. BY+1 2015-16
Beginning Balance	\$26,678	\$28,952	\$22,338	\$16,144
Prior Year Adjustment	\$643	\$0	\$0	\$0
Adjusted Beginning Balance	\$27,321	\$28,952	\$22,338	\$16,144
Revenues and Transfers				
Revenue	\$55,588	\$55,005	\$55,765	\$55,156
Transfer from General Fund				
Totals, Resources	\$82,909	\$83,957	\$78,103	\$71,300
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$53,628	\$61,346	\$61,959	\$62,579
State Controller (State Operations)	\$36			
Financial Info System Charges	\$293			
13-14 Fi\$cal Assessment		\$273		
Total Expenditures	\$53,957	\$61,619	\$61,959	\$62,579
Fund Balance				
Reserve for economic uncertainties	\$28,952	\$22,338	\$16,144	\$8,721
Months in Reserve	5.6	4.3	3.1	2.0

Notes:

- 1) All dollars in thousands
- 2) Revenue assumes 1% interest earned
- 3) Assumes expenditure growth projected at 1% starting in FY 2014-15 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 the end of FY 2012-13 (June 30, 2013), CMEA expended roughly \$14,000 in pro rata charges and approximately \$121,000 in grant awards. The following chart summarizes the final CMEA budget, along with the final FY 2012-13 expenditures:

EXPENDITURE DESCRIPTION	FINAL FY 2012-13 BUDGET	FINAL FY 2012-13 EXPENSES	BALANCE	% OF BUDGET REMAINING
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	14,973	155	14,818	99.0%
Pro Rata	14,027	13,537	490	3.5%
TOTALS, OE&E	29,000	13,692	15,308	52.8%
GRANT AWARDS				
Grant Awards	150,000	120,649	29,351	19.6%
TOTALS, GRANT AWARDS	150,000	120,649	29,351	19.6%
TOTALS	179,000	134,341	44,659	24.9%

❖ **CMEA Fund Condition**

- Below is the CMEA fund condition, which shows the final FY 2012-13 reserve (\$172,000 – approximately 16 months’ reserve), along with the projected reversion amounts for FY 2013-14 through FY 2015-16:

	Final FY 2012-13	Proj. CY 2013-14	Proj. BY 2014-15	Proj. BY+1 2015-16
Beginning Balance	\$ 259	\$ 165	\$ 84	\$ 4
Prior Year Adjustment	\$ (7)	\$0	\$0	\$0
Adjusted Beginning Balance	\$ 252	\$ 165	\$ 84	\$ 4
Revenues and Transfers				
Revenue	\$48	\$54	\$54	\$54
Totals, Resources	\$ 300	\$ 219	\$ 138	\$ 58
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$14	\$13	\$13	\$13
Local Assistance Grant Disbursements	\$121	\$121	\$121	\$121
13-14 Fi\$cal Assessment		\$1		
Total Expenditures	\$ 135	\$ 135	\$ 134	\$ 134
Fund Balance				
Reserve for economic uncertainties	\$ 165	\$ 84	\$ 4	\$ -76
Months in Reserve	14.7	7.5	0.4	- 6.8

Notes:

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

AGENDA ITEM K

Review of Tentative Schedule

Following is a list of Board meetings scheduled for 2013:

December 10, 2013	Norwalk
Late February-Early March 2014	San Francisco Bay Area
April 23-24, 2014	San Diego
June 5, 2014	Orange County



AGENDA ITEM L

Adjournment

