

SEPTEMBER 23, 2014
MONTEREY, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Board Meeting





CONTRACTORS STATE LICENSE BOARD

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

STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

NOTICE OF BOARD MEETING

The Contractors State License Board (CSLB) will hold a Board Meeting at 9:00 a.m. on Tuesday, September 23, 2014, in the Colton Room at the Monterey Conference Center, One Portola Plaza, Monterey, CA 93940, phone (831) 646-3770. There will be a live webcast of the meeting.

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 23, 2014

9:00 a.m. – 5:00 p.m.

- A. Call to Order – Establishment of Quorum
- B. Chair's Remarks and Board Member Comments
- C. Public Comment Session
- D. Review and Approval of June 5 - 6, 2014, Board Meeting Minutes
- E. Update on CSLB Response to Napa Earthquake
- F. Update on CSLB Response to C-57 Water Well Drilling Contractor Shortage
- G. Enforcement Committee Report
 - 1. Review and Approval of August 18, 2014, Enforcement Committee Meeting Summary Report
 - 2. Enforcement Program Update
 - 3. Review and Approval of Peace Officer Training Curriculum

CONTINUED

4. Briefing on the Enforcement Program's Forensic Auditing
 5. Predatory Service and Repair Task Force Update
- H. Public Affairs Committee Report
1. Review and Approval of August 18, 2014, Public Affairs Committee Meeting Summary Report
 2. Public Affairs Program Update
 3. Review and Approval of 2014-17 CSLB Communications Plan
- I. Legislative Committee Report
1. Review and Approval of September 11, 2014, Legislative Committee Meeting Summary Report
 2. Legislative Program Update
- J. Licensing Committee Report
1. Review and Approval of August 18, 2014, Licensing Committee Meeting Summary Report
 2. Licensing Program Update
 3. Testing Program Update
- K. Executive Committee Report
1. Review and Approval of July 30, 2014, Executive Committee Meeting Summary Report
 2. Administration Update
 3. Information Technology Update
 4. Budget Update
 5. Strategic Plan Update
 6. Update on Registrar Appointment Process
- L. Review and Approval of Sunset Review Report and Recommendations
- M. Future Agenda Items
- N. Tentative Board Meeting Schedule
- O. 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

AGUSTIN BELTRAN

LINDA CLIFFORD

DAVID DIAS

JOAN HANCOCK

PASTOR HERRERA JR.

ROBERT LAMB

ED LANG

JOHN O'ROURKE

BRUCE RUST

FRANK SCHETTER

PAUL SCHIFINO

NANCY SPRINGER



AGENDA ITEM B

Chair's Remarks and Board Member Comments

Board Chair David Dias will review the scheduled Board actions and make appropriate announcements.

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



AGENDA ITEM C

Public Comment Session

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

BOARD AND COMMITTEE MEETING PROCEDURES

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

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



AGENDA ITEM D

Review and Approval of June 5-6, 2014, Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

BOARD MEETING MINUTES

June 5 - 6, 2014

Thursday, June 5, 2014

A. CALL TO ORDER

Board Chair Joan Hancock called the meeting of the Contractors State License Board (CSLB) to order at 1:30 p.m. on Thursday, June 5, 2014, in the Salon 4 Room of the Marriott Hotel, 900 Newport Center Drive, Newport Beach, CA 92660. A quorum was established.

Board Member Ed Lang led the Board in the Pledge of Allegiance.

Board Members Present

Joan Hancock, Chair
David Dias, Vice Chair
Ed Lang, Secretary
Paul Schifino
Nancy Springer

John O'Rourke
Robert Lamb
Pastor Herrera Jr.
Linda Clifford
Agustin Beltran

Board Members Excused

Bruce Rust
Kevin J. Albanese

Frank Schetter

CSLB/DCA Staff Present

Stephen Sands, Registrar
Cindi Christenson, Chief Deputy Registrar
Betsy Figuiera, Licensing Management
Laura Zuniga, Legislation Chief
Wendi Balvanz, Testing Chief

David Fogt, Enforcement Chief
Rick Lopes, Public Affairs Chief
Raju Sah, Chief Technology Officer
Don Chang, Legal Counsel
Erin Echard, Executive Staff

Public Visitors

Tony Alley
Kevin Gonzalves
Jennifer Bohl
Cher Danley
Joe Upchurch
W R Dildine

Gabe Alley
Beatrice Alley
Gal Bigaleizn
Ken Grossbart
Anjelika Austin
Allan Gilat



B. CHAIR’S REMARKS AND BOARD MEMBER COMMENTS

Board Chair Joan Hancock welcomed the audience and asked for Board member comments; there were none. A moment of silence was observed to memorialize the U.C. Santa Barbara shooting tragedy. A special certificate of appreciation was presented to Don Kass, retired Supervising Los Angeles City Attorney, for his 30-year partnership with CSLB.

C. PUBLIC COMMENT SESSION

W R Dildine recommended that the Board hold a discussion about public works funding, citing Business and Professions (B&P) Code section 7137.5, Transfer of Funds (1990).

D. REVIEW AND APPROVAL OF APRIL 24, 2014, BOARD MEETING MINUTES

Motion to Approve the April 24, 2014, Board Meeting Minutes

MOTION: A motion was made by Board Member David Dias and seconded by Board Member Robert Lamb to approve the April 24, 2014, Board Meeting Minutes. The motion carried unanimously, 10-0.

E. ENFORCEMENT COMMITTEE REPORT

1. Enforcement Program Update

Chief of Enforcement David Fogt presented highlights from the Intake and Mediation Center, Investigative Centers, Case Management, Statewide Investigative Fraud Teams, as well as general complaint-handling statistics. In May, CSLB held its first Investigation Academy, and recently completed a Peace Officer workshop.

2. Review and Discussion of CSLB’s HVAC Outreach Campaign

As part of CSLB’s Strategic Plan, a new Ambassador Program was launched in May 2014, to help legitimate HVAC licensees build successfully-operated businesses. Shortly after the launch, a Service and Repair Investigation workshop was held to teach effective strategies for investigating predatory service and repair complaints in cases where contractors are engaged in complex criminal behavior.

F. PUBLIC AFFAIRS COMMITTEE REPORT

1. Public Affairs Program Update

Public Affairs Chief Rick Lopes provided social media statistics and highlights on media relations, outreach, and publications. The CSLB website is currently being redesigned. There are presently two vacancies in the unit.

G. LEGISLATIVE PROGRAM COMMITTEE REPORT

Legislative Chief Laura Zuniga presented an overview of Senate Bill 315, which includes three amendments to B&P Code section 7011.4 subsection (b), 7027.2 and 7110.5.



1. Review and Approval of Recommended “Support” Position on SB 315

- SB 315 – “Support”

MOTION: A motion was made by Board Member David Dias and seconded by Board Member Agustin Beltran to adopt the recommended “Support” position on SB 315. The motion carried unanimously, 10-0.

Board Member Linda Clifford suggested that CSLB consider defining unlicensed contractors at the Committee level.

2. Legislative Program Update

- AB 1702 Professions and Vocations: Incarceration – “Watch”
- AB 2165 Professions and Vocations: Licenses – “Watch”
- AB 2396 Convictions: Expungement: Licenses – “Oppose”
- SB 1467 Professions and Vocations – “Support”

H. LICENSING PROGRAM COMMITTEE REPORT

1. LICENSING PROGRAM UPDATE

Licensing Manager Betsy Figueira informed the Board that very little has changed since the April Board meeting. Updates were given on the Workers’ Compensation, Criminal Background, and Judgment units. The number of applications in FY 2013-14 increased from the previous fiscal year. The call center has increased staff training and hired two new employees.

2. TESTING DIVISION UPDATE

Chief Deputy Registrar Cindi Christenson informed the Board that the Berkeley office is now operational and that the Oakland office has been closed. Three new exams were released for C-5 Framing and Rough Carpentry, C-45 Sign, and C-50 Reinforcing Steel classifications.

I. EXECUTIVE PROGRAM COMMITTEE REPORT

Board Chair Joan Hancock announced that Governor Brown reappointed three Board Members: Linda Clifford, Ed Lang, and Pastor Herrera Jr.

1. Administration Division Update

Ms. Christenson informed the Board that two vehicles are being replaced, and that polo shirts for Peace Officers have been ordered.



2. Information Technology Division Update

Chief Technology Officer Raju Sah updated the Board on the BreEZe project, and provided statistics on the Service Desk and IVR system.

3. Budget Update

Ms. Christenson gave an update on budget revenue and expenditures, and detailed the condition of the Construction Management Education Account fund.

4. Review and Approval of the 2014-2015 Strategic Plan

Motion to Approve 2014-2015 CSLB Strategic Plan

MOTION: A motion was made by Board Member Pastor Herrera Jr. and seconded by Board Member John O'Rourke to approve the 2014-2015 CSLB Strategic Plan. The motion carried unanimously, 10-0.

5. Election of Board Officers

The nomination committee consisted of Board Members Paul Schifino and Robert Lamb. Mr. Schifino provided the recommended slate of officers for Board consideration:

- David Dias – Board Chair
- Ed Lang – Board Vice Chair
- Agustin Beltran – Secretary

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

Motion to Approve the 2014-2015 Board Officers

MOTION: A motion was made by Board Member Paul Schifino and seconded by Board Member Robert Lamb to approve the 2014-2015 Board Officers. The motion carried unanimously, 10-0.

J. ADJOURNMENT

Board Chair Joan Hancock adjourned the Board meeting at 4:00 p.m.

Friday, June 6, 2013

A. CALL TO ORDER

Board Chair Joan Hancock called the meeting of the Contractors State License Board (CSLB) to order at 8:30 a.m. on Friday June 6, 2014, in the Salon 4 Room of the Marriott Hotel, 900 Newport Center Drive, Newport Beach, CA 92660. A quorum was established.



B. PUBLIC COMMENT

Kevin Gonzales asked the Board to consider issuing provisional licenses during emergency situations (specifically for well drilling).

Gabriel Alley said that he feels the residential HVAC industry is being heavily targeted and asked that more education be conducted and more evidence assembled before prosecutions are pursued.

Tony Alley expressed his concern that CSLB investigators frequently side with homeowners regarding pricing disputes with contractors without a full appreciation of how the costs involved in securing the required permits for a given job affect the cost to the consumer.

Board Chair Joan Hancock swore in newly reappointed Board members Ed Lang, Linda Clifford, and Pastor Herrera Jr.

Mr. Sah and Mr. Lopes gave a brief presentation on the new look and feel of the CSLB website that is being redesigned.

C. 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
- New Partnering and Outreach Efforts
- Enhancing Board Efficiency and Contractor Compliance

D. ADJOURNMENT

Board Chair Joan Hancock adjourned the Board meeting at 11:30 a.m.

David Dias, Chair

Date

Stephen P. Sands, Registrar

Date

AGENDA ITEM E

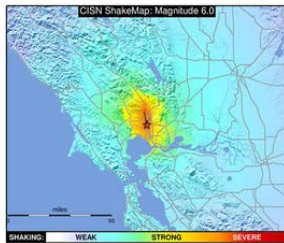
CSLB Response to Napa Earthquake





CONTRACTORS STATE LICENSE BOARD

UPDATE ON CSLB RESPONSE TO NAPA EARTHQUAKE



The Contractors State License Board (CSLB) began its disaster response efforts within hours of the 6.0 earthquake that struck the Napa region on Sunday, August 24, 2014 at 3:20 a.m., to protect property owners from becoming victimized a second time.

California Department of Insurance Partnership

CSLB and the California Department of Insurance (CDI) recognize the mutual benefit of collaborating to educate earthquake victims and enforce licensee and consumer protection laws. The two agencies have a long-standing partnership and work effectively together in the wake of natural disasters.



CDI has direct responsibility for insurance claims, adjuster license requirements, and restrictions on public adjusters immediately after a disaster. CSLB is the lead in matters pertaining to construction.

Consumer Outreach

CSLB issued a news release on August 24 to warn victims that unlicensed or unscrupulous contractors may try to scam them. The release also warned unlicensed contractors that they could face a felony charge if caught contracting without a license after the declaration of a state of emergency.



On Tuesday, August 26, three response teams comprised of enforcement staff from CSLB and CDI met with property owners and provided outreach materials. The teams met with dozens of earthquake victims at the



Napa Valley Mobile Home Park, where a number of mobile homes were destroyed or damaged by the quake, and a resulting gas leak and fire.

The news media was invited to accompany the teams. Resulting





coverage helped CSLB’s educational message reach tens of thousands of additional people, including countless earthquake victims.

Dozens of yard signs were placed in the mobile home park and at other locations throughout the earthquake area, including downtown Napa, where some of the most significant damage occurred.

CDI and CSLB also distributed educational materials at an information table at the Red Cross Disaster Relief Center in Napa.

The two agencies maintained a presence in the Napa and Vallejo areas throughout the week following the earthquake and have continued to do so.



Disaster Hotline

CSLB activated its Disaster Hotline to assist and answer questions from earthquake victims. The Disaster Hotline, staffed by CSLB’s Licensing Information Center, operates Monday-Friday from 8 a.m. to 5 p.m. The hotline number is 1-800-962-1125.

Assistance Centers

During the week of September 1, staff from the Sacramento Intake and Mediation Center was on duty at an information center set up at Vallejo City Hall. During the week of September 8, staff from the Statewide Investigative Fraud Team and Santa Rosa Branch Office, staffed a table at a Local Assistance Center set up by the Governor’s Office of Emergency Services.

Media Outreach



CSLB’s Public Affairs Office (PAO) reached agreements with two local cable companies to air the CSLB video, “Rebuilding After a Natural Disaster.”

Napa Valley TV began airing the video immediately following city of Napa news conferences. The video currently airs every Monday at 1:30 p.m. and Thursday at 4:30 p.m.



Through the month of September, Comcast is showing the program on its “Comcast Hometown Network” channel in the earthquake area on Wednesdays at 9:30 a.m. and 9:30 p.m.

The video also is available “On Demand” to Comcast viewers for the next three months.

PAO also provided copy for Public Service Announcements to all local English and Spanish language radio stations in the earthquake area.

Legislator, Government Officials, and Building Official Outreach

On August 25, CSLB sent post-disaster educational materials to all Senate and Assembly legislative offices in the affected region; on August 26, the same information was sent to



Napa and Sonoma County Building Departments; an e-blast was sent to area Chambers of Commerce on August 27 with a request to distribute post-disaster rebuilding information to their membership or use CSLB's online resources. Outreach efforts also extended to builders' exchanges, as well as city and county code enforcement officers to educate them about Contractors State License Law, and to partner on enforcement of construction laws in the earthquake area.

Enforcement Activities

Historically, unlicensed and predatory individuals are drawn to disasters to make a quick dollar. Fortunately, Business and Professions (B&P) Code section 7028.16 provides for felony prosecution of unlicensed people who act as contractors in a state or federally-declared disaster area.

CSLB will continue to monitor construction sites in the earthquake area for unlicensed and other illegal activity. On August 27, a CSLB investigator, on a sweep with a Napa County District Attorney's Office investigator, identified an unlicensed operator working in a mobile home park. Felony charges pursuant to B&P Code §7028.16 will be filed.

In addition, CSLB staff has compiled illegal advertisements and will partner with the Napa County District Attorney to conduct an undercover sting operation during September.

Additional Photographs



CSLB/CDI information table at Red Cross Disaster Relief Center in Napa



CSLB table at Vallejo City Hall Information Center



CSLB/CDI meeting with earthquake victims at Napa mobile home park



CSLB investigator identifies illegal ads placed in community room at Napa mobile home park



CSLB warning signs placed throughout the earthquake area

AGENDA ITEM F

CSLB Response to C-57 Well Drilling Contractor Shortage





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CSLB PARTICIPATION IN CALIFORNIA DROUGHT RELIEF EFFORTS

CSLB is supporting the Governor's Office of Emergency Services (OES) efforts to mitigate issues associated with California's drought by streamlining processes to license C-57 Well Drilling contractors and "A" General Engineering contractors who want to add a C-57 classification to their license. CSLB also determined that it will expedite licensing for the C-61 Limited Specialty, D-21 Machinery and Pumps classification.

Following multiple discussions among representatives from CSLB, OES, Governor's Office of Planning and Research (OPR), Air Resources Board (ARB), and Department of Water Resources (DWR), CSLB provided the following:

- Early August: CSLB Licensing division established the expedited processing of C-57 Well Drilling applications by the Classifications Deputy
- August 25: PAO created CSLB *Fast Facts* sheet, "How to Contract for Well Drilling in California" and posted to CSLB's online "Disaster Help Center" section (example enclosed)
- August 27: CSLB created a dedicated email address, www.waterwellinfo.ca.gov, for contractors or any other interested parties to contact the Classifications Deputy
- August 28-Sept 3: Created multiple versions of a CSLB Industry Bulletin, with partner agency input, that explained licensing guidelines for California-based and out-of-state contractors who are interested in C-57 work, titled "Agencies Expediting Well Drilling Licensing during California Drought" and "How to Contract for Well Drilling in California"; the in-state bulletin highlighted a teleconference with state representatives about the drought and contracting guidelines scheduled for September 11 at 7 a.m. PDT, and the out-of-state bulletin highlighted a similar teleconference on September 12 at 7 a.m. PDT (examples enclosed)
- August 29: Submitted duplication and mailing work order for C-57 (**784**) and "A" (**14,842**) contractor address database to be merged with CSLB industry bulletin and two ARB fact sheets for direct mail to contractor addresses of record
- September 3: Posted in-state industry bulletin to CSLB website
- September 3: Requested that the Nevada State Contractors Board and the National Association of State Contractors Licensing Agencies share the out-of-state industry bulletin with their membership and email databases (example enclosed); each gladly complied and re-blasted bulletin on September 5
- September 5-9: All direct-mail pieces distributed to C-57s and "A's"
- September 11-12: Teleconferences
- September 12, 2014: Determined that C-61 Limited Specialty, D-21 Machinery and Pumps classification applications also would be expedited, along with C-57's; issued new CSLB Industry Bulletin September 15.
- Of CSLB's Facebook followers, about **400** initially viewed the September 3rd IB message; CSLB also Tweeted and Re-tweeted the information on its Twitter account.
- An article about CSLB's well drilling licensing efforts is being included in CSLB's *California Licensed Contractor* e-newsletter in late September.



Fast Facts

The Contractors State License Board, which operates under the umbrella of the California Department of Consumer Affairs, licenses and regulates California's 300,000 contractors, and is regarded as one of the leading consumer protection agencies in the United States.

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HOW TO CONTRACT FOR WELL DRILLING IN CALIFORNIA

California [drought conditions](#) have contributed to a shortage of available [C-57 Well Drilling](#) and [C-61 Limited Specialty/D-21 Machinery and Pumps](#) contractors.

Government agencies are encouraging out-of-state drillers to consider working in California to help reduce public health and safety issues caused by drinking water shortages.

In response, **CSLB is expediting C-57 and C-61/D-21 Machinery and Pumps license applications**; however, California state contracting laws still must be followed, and water well drilling contractors still must: 1) adhere to [Department of Water Resources](#) (DWR) well standards and file well completion reports; and 2) meet applicable [Air Resources Board](#) standards and guidelines.

To legally contract in California, individuals and companies must be licensed by CSLB:

C-57 Well Drilling

California Code of Regulations

Title 16, Division 8, Article 3. Classifications, 832.57

A well drilling contractor installs and repairs water wells and pumps by boring, drilling, excavating, casing, cementing and cleaning to provide a supply of uncontaminated water.

Authority cited: Sections 7008 and 7059, Reference: Sections 7058 and 7059 (Business and Professions Code)

C-61/D-21 - Machinery and Pumps Contractor

California Code of Regulations

Title 16, Division 8, Article 3. Classifications, 832.61/D-21

A machinery and pumps contractor installs, removes, modifies or repairs:

- (a)** Pumps, conveyors, cranes, dock levelers, various hoisting and material handling equipment, and meters;
- (b)** Dumb waiters, handicap lifting and assistance equipment, automated speed rail trolley systems for garment hanging; or
- (c)** Automatic car washing racks and auto body paint finishing booth equipment.

NOTE: Construction of buildings and/or roof structures for this equipment is not included.

- **Currently licensed contractors who work on water well projects or water well machinery can only subcontract to California-licensed C-57 and/or C-61/D-21 contractors.**
- **C-61/D-21 contractors can only work on pump maintenance and/or replacement, not the actual water well drilling.**

Water well drillers and machinery/pump contractors who want to work in California must follow these steps to apply for a license:

- ✓ Submit an "[Application for Original License](#)" to CSLB.
- ✓ Document four (4) years of journey-level experience in the classification within the 10 years immediately preceding the application submission.

- ✓ Take and pass the trade and law examinations (CSLB has a reciprocity agreement with Nevada; some examinations may be waived for individuals who are licensed contractors in Nevada.).

How to apply for reciprocity: <http://cslb.ca.gov/Applicants/Reciprocity/>

- ✓ Undergo a fingerprint background check.
- ✓ Submit a contractor bond of \$12,500.
- ✓ Provide proof of a workers' compensation insurance policy for employees.

(Bond and insurance requirements may differ for various types of business entities and qualifying individuals.)

Pertinent California contractor licensing fees:

- Original application: \$300
- Initial license fee (2 years): \$180
- Adding a classification: \$ 75

CSLB established an email address, waterwellinfo@cslb.ca.gov, specifically to respond to well drilling and/or machinery and pump information.

Check CSLB's online resources or toll-free automated line for additional information.

**September 15, 2014****CSLB #14-13**

CSLB Expediting Well Drilling and Machinery/Pump Licensing During California Drought

SACRAMENTO – In addition to expediting [C-57 Well Drilling](#) contractor applications during California's drought, the Contractors State License Board ([CSLB](#)) is quickly processing applications for [C-61/D-21 Limited Specialty Machinery and Pumps](#) contractors while the [State of Emergency](#) that was declared by Governor Edmund G. Brown Jr. is in effect.

These steps are being taken to help reduce public health and safety issues caused by drinking water shortages and safety concerns for families who rely on well water. State researchers have identified several pockets of concern in the central valley and some southern California regions.

CSLB has encouraged currently licensed ["A" General Engineering](#) contractors to consider adding the C-57 classification to their license. "A's" are authorized to perform water supply projects but not well drilling unless they hold the C-57 classification. To get that classification, "A" licensees need to have four years of verifiable journey-level C-57 experience, take the C-57 exam, and pass a criminal background check (unless previously completed with CSLB), but don't have to re-take the business and law examination. Questions about this licensure effort can be directed to CSLB's Classifications Deputy at 916.255.4118 or waterwellinfo@cslb.ca.gov.

CSLB has a reciprocity agreement in place for well drillers who are licensed in Nevada, which will further accelerate the California licensing process.

Anyone currently performing well drilling services in California must have a CSLB license; CSLB encourages unlicensed individuals to complete their CSLB application process and become properly licensed. The California Employment Training Panel (CETP) funds job training for "emergency needs related to drinking water" in eligible counties. Employers interested in accessing this fund to train and hire additional employees under the [new pilot program](#) are encouraged to visit the CETP website.

CSLB and partner agencies – the Governor's Office of Emergency Services ([OES](#)), California Air Resources Board ([ARB](#)), Department of Water Resources ([DWR](#)), and the Governor's Office of Planning and Research ([OPR](#)) – are taking steps to identify and reduce bottlenecks in the regulatory processes that would enable well drillers to perform their trade, or for qualified out-of-state well drillers to assist during California's drought.

ARB has identified an existing process to allow drilling rigs that do not meet current air standards to operate in the state for [emergency operations](#); the ARB [fact sheet](#) explains air quality standards during a state emergency.

To legally contract for water well drilling or work on pumps and machinery in California, companies must be licensed by CSLB, and all employees must be covered by workers' compensation insurance.

**C-57 Well Drilling
California Code of Regulations**

Title 16, Division 8, Article 3. Classifications, 832.57

A well drilling contractor installs and repairs water wells and pumps by boring, drilling, excavating, casing, cementing and cleaning to provide a supply of uncontaminated water.

Authority cited: Sections 7008 and 7059, Reference: Sections 7058 and 7059 (Business and Professions Code)

**C-61/D-21 - Machinery and Pumps Contractor
California Code of Regulations**

Title 16, Division 8, Article 3. Classifications, 832.61/D-21

A machinery and pumps contractor installs, removes, modifies or repairs:

(a) Pumps, conveyors, cranes, dock levelers, various hoisting and material handling equipment, and meters;

(b) Dumb waiters, handicap lifting and assistance equipment, automated speed rail trolley systems for garment hanging; or

(c) Automatic car washing racks and auto body paint finishing booth equipment.

NOTE: Construction of buildings and/or roof structures for this equipment is not included.

Currently licensees who work on water well projects or water well machinery can only subcontract to California-licensed C-57 and/or C-61/D-21 contractors; C-61/D-21 contractors can only work on pump maintenance and/or replacement, not the actual water well drilling.

Water well drillers and machinery/pump contractors who want to work in California must follow these steps to apply for a license:

- ✓ Submit an "[Application for Original License](#)" to CSLB.
- ✓ Document four (4) years of journey-level experience in the classification within the 10 years immediately preceding the application submission.
- ✓ Take and pass the trade and law examinations (CSLB has a reciprocity agreement with Nevada; some examinations may be waived for individuals who are licensed contractors in Nevada.).
How to apply for reciprocity: <http://cslb.ca.gov/Applicants/Reciprocity/>
- ✓ Undergo a criminal background check.
- ✓ Submit a contractor bond of \$12,500.
- ✓ Provide proof of a workers' compensation insurance policy for employees.

(Bond and insurance requirements may differ for various types of business entities and qualifying individuals.)

Pertinent California contractor licensing fees:

- Original application: \$300
- Initial license fee (2 years): \$180
- Adding a classification: \$ 75

Drillers who are out of compliance with licensing or other regulatory violations can be reported to CSLB using its [Consumer Complaint form](#).

#

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**September 3, 2014****CSLB #14-11a**

Agencies Expediting Well Drilling Licensing During California Drought

SACRAMENTO – California continues to face water shortfalls during this driest year in recorded state history. Governor Edmund G. Brown Jr. [proclaimed a State of Emergency](#) and directed state officials to take all necessary actions to prepare for these drought conditions.

With the drought now posing health and safety concerns for families who rely on well water and businesses that need ground water resources, the Contractors State License Board ([CSLB](#)) is [expediting applications](#) for [C-57 Well Drilling](#) contractors.

CSLB also encourages [“A” General Engineering](#) contractors that are authorized to perform water supply projects (but not well drilling unless they possess a C-57 Well Drilling classification) to add the C-57 classification to their license. “A” contractors who would like assistance expediting this addition can contact CSLB’s Classifications Deputy at 916.255.4118 or waterwellinfo@cslb.ca.gov.

CSLB has a reciprocity agreement in place for well drillers who are licensed in Nevada, which will further expedite the California licensing process.

Anyone currently performing well drilling services in California must be state-licensed; CSLB encourages unlicensed individuals to complete their CSLB application process and become properly licensed. The California Employment Training Panel (CETP) funds job training for “emergency needs related to drinking water” in eligible counties. Employers interested in accessing this fund to train and hire additional employees under the [new pilot program](#) are encouraged to visit the CETP website.

CSLB and partner agencies – the Governor’s Office of Emergency Services ([OES](#)), California Air Resources Board ([ARB](#)), Department of Water Resources ([DWR](#)), and the Governor’s Office of Planning and Research ([OPR](#)) – are identifying potential bottlenecks that might slow the regulatory processes enabling well drillers to perform their trade, or for out-of-state well drillers to assist during California’s drought.

ARB has identified an existing process to allow drilling rigs that do not meet current air standards to operate in the state for [emergency operations](#); the ARB [fact sheet](#) explains air quality standards during a state emergency.

Drillers who are out of compliance with licensing or other regulatory violations can be reported to CSLB using its [Consumer Complaint form](#).

You are encouraged to call in to a special teleconference discussion with state agencies about well drilling regulations and expanding access to ground water:

September 11, 2014, 7:00 a.m. PDT

1-866-640-4044

Passcode: **622248**

#

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CSLB and partner agencies – the Governor’s Office of Emergency Services (www.caloes.ca.gov), California Air Resources Board (www.arb.ca.gov), Department of Water Resources (www.water.ca.gov), and the Governor’s Office of Planning and Research (www.opr.ca.gov) – are identifying potential bottlenecks that might slow the regulatory processes enabling well drillers to perform their trade, or for out-of-state well drillers to assist during California’s drought.

ARB has identified an existing process to allow drilling rigs that do not meet current air standards to operate in the state for emergency operations; the ARB fact sheet, “Emergency Operation of One- and Two-Engine Water-Well Drilling Rigs During the Drought State of Emergency,” explains air quality standards during a state emergency.

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be reported to CSLB using its Consumer Complaint form.

You are encouraged to call in to a special teleconference discussion with state agencies about well drilling regulations and expanding access to ground water:

September 11, 2014, 7:00 a.m. PDT

1-866-640-4044

Passcode: **622248**

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Visit CSLB's Industry Bulletin section at www.cslb.ca.gov to view online hyperlinks to references in this document.

www.cslb.ca.govCheckTheLicenseFirst.comSeniorScamStopper.com**September 3, 2014****CSLB #14-11b**

How to Contract for Well Drilling in California

SACRAMENTO – California continues to face water shortfalls during this driest year in recorded state history. Governor Edmund G. Brown Jr. [proclaimed a State of Emergency](#) and directed state officials to take all necessary actions to offset these drought conditions.

With the drought now posing health and safety concerns for families who rely on well water and businesses that need ground water resources, the Contractors State License Board ([CSLB](#)) is [expediting applications](#) for [C-57 Well Drilling](#) contractors.

To legally contract for well drilling projects in California, individuals and companies must be licensed by CSLB and possess the C-57 Well Drilling classification. Contractors that want assistance expediting process can contact CSLB's Classifications Deputy at 916.255.4118 or waterwellinfo@cslb.ca.gov.

CSLB is encouraging California ["A" General Engineering](#) contractors that are authorized to perform water supply projects (but not well drilling unless they possess a C-57 Well Drilling classification) to add the C-57 classification to their license.

CSLB also encourages well drilling contractors licensed in other states to consider working in California to help reduce its public health and safety issues. CSLB has a reciprocity agreement in place for well drillers who are licensed in Nevada, which will further expedite the California licensing process.

The California Employment Training Panel (CETP) funds job training for "emergency needs related to drinking water" in eligible counties. Employers interested in accessing this fund to train and hire additional employees under the [new pilot program](#) are encouraged to visit the CETP website.

CSLB and partner agencies – the Governor's Office of Emergency Services ([OES](#)), California Air Resources Board ([ARB](#)), Department of Water Resources ([DWR](#)), and the Governor's Office of Planning and Research ([OPR](#)) – are identifying potential bottlenecks that might slow the regulatory processes enabling well drillers to perform their trade, or for out-of-state well drillers to assist.

ARB has identified an existing process to allow drilling rigs that do not meet current air standards to operate in the state for [emergency operations](#); an ARB [fact sheet](#) explains air quality standards during a state emergency.

You are encouraged to call in to a special teleconference discussion with state agencies about well drilling regulations and expanding access to ground water:

September 12, 2014, 7:00 a.m. PDT
1-866-640-4044
Passcode: **622248**

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AGENDA ITEM G

Enforcement Committee Report



AGENDA ITEM G-1

Review and Approval of
August 18, 2014,
Enforcement Committee Meeting
Summary Report





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT COMMITTEE SUMMARY REPORT

ENFORCEMENT COMMITTEE MEETING

August 18, 2014

Sacramento, CA

A. CALL TO ORDER

Enforcement Committee Chair Bob Lamb called the Enforcement Committee meeting to order at 10:30 a.m. in the John C. Hall Hearing Room, located at CSLB Headquarters, 9821 Business Park Drive, Sacramento, California 95827. A quorum was established.

Committee Members Present:

Bob Lamb, Committee Chair
Kevin Albanese, Committee Member
Pastor Herrera Jr., Committee Member
John O'Rourke, Committee Member
Bruce Rust, Committee Member
Frank Schetter, Committee Member

Board Members Present:

David Dias
Joan Hancock
Linda Clifford

CSLB Board Staff Present:

Stephen Sands, Registrar
Cindi Christenson, Chief Deputy Registrar
David Fogt, Enforcement Chief
Rick Lopes, Public Affairs Chief
Laura Zuniga, Legislation Chief
Raju Sah, Chief Technology Officer
Hugh Henderson, Enforcement Staff
Peter Keown, Enforcement Staff
Adriana Marin, Enforcement Staff
Caleb Cameron, Enforcement Staff
Steve Grove, Enforcement Staff

Doug Galbraith, Enforcement Staff
Melanie Bedwell, Public Affairs Staff
Candis Cohen, Public Affairs Staff
Steve Breen, Public Affairs Staff
Ana Rodriguez, Enforcement Staff
Deirdre Greene, Enforcement Staff
Joseph Martinez, Enforcement Staff
Donald Bartunek, Enforcement Staff
Gina Canchola, Enforcement Staff
Heather Young, Enforcement Staff
Missy Vickrey, Enforcement Staff

Others Present

Daniel Cohen, Television Education Inc.
Beverly Carr, Politico Group
Daryl Robertson, Contractor
Phil Vermeulen, Governmental Relations Advocate
Richard Markuson, Pacific Advocacy
Ron Givens, CA Strategy Inc.
Shauna Krause, Capitol Services



CHAIR'S REMARKS

Chair Bob Lamb recognized Kern County Fire Department Engineer Anthony Romero. Mr. Romero partnered with Enforcement staff to address multiple complaints made by Southern California Fire Department Chiefs and Captains involving several fire protection contractors that were impersonating fire fighters to gain access to restaurants and conduct a service and repair of the automatic fire suppression hood systems.

Chair Lamb also recognized Sacramento-South Investigative Center Enforcement Representative Caleb Cameron for his impressive performance in his first year with CSLB.

B. PUBLIC COMMENT

Daryl Robertson commended the Enforcement Division for their work statewide but is requesting CSLB review the process for reporting non-licensee violations. He feels it is much easier to report a licensed contractor than a non-licensed operator. Public Affairs Chief Rick Lopes gave a quick demonstration showing how a lead against a non-licensed operator can be emailed to the appropriate SWIFT office online.

Barbara Dagele, Contractor, voiced her concern with an investigation against her license. Chief Fogt committed to researching the matter and having Enforcement staff contact Mrs. Dagele for resolution.

C. REVIEW AND APPROVAL OF PEACE OFFICER TRAINING CURRICULUM; RECOMMENDATION TO FULL BOARD

At the April 24th Board Meeting, the Board approved developing training that would assist peace officers in partnering with law enforcement agencies and prosecutors to establish strategies and enhance prosecution of construction-related crimes. Chief Fogt presented an overview of a proposed peace officer training curriculum. The training curriculum would include peace officer module training, monthly training sessions, consumer protection training provided by the California District Attorneys Association and quarterly Defensive Tactics training provided by DCA's Division of Investigation.

Motion to approve Peace Officer Training Curriculum

MOTION: A motion was made by Board Member John O'Rourke and seconded by Board Member Pastor Herrera to approve the Peace Officer Training Curriculum and recommend its approval by the full Board at its September 23, 2014 meeting. The motion carried unanimously, 6-0.

D. ENFORCEMENT PROGRAM UPDATE

Enforcement Chief David Fogt provided the Enforcement Program Update. He provided highlights for the Intake and Mediation Center (IMC) which showed the importance of obtaining the proper building permits. Investigative Center highlights included a case where a peace officer was able to video record testimony from an elderly victim who was diagnosed with Alzheimer's disease. The unlicensed operator received jail time and was ordered to pay restitution.



Chief Fogt also provided the Committee with a summary of a Labor Enforcement Task Force (LETF) Executive meeting held on August 13th. Attendees discussed approaches and best practices to maintain and enhance LETF efforts to combat the underground economy. Division of Industrial Relations (DIR) Director Christine Baker, Employment Development Department (EDD) Director Patrick Henning, CSLB Registrar Steve Sands, and Chief Deputy Registrar Cindi Christenson were some of the participants. From January 1, 2014 through June 30, 2014, LETF inspected 336 active construction sites, which have resulted in 277 businesses, or 82 percent, that were found have labor, tax, health and safety, and/or construction-related violations. These inspections resulted in \$815,019 in citation penalties and assessments.

E. REVIEW OF SUNSET REVIEW REPORT

Registrar Sands provided Committee members with an opportunity to offer input on a draft of CSLB's Sunset Review Report. The report is due to the state Legislature on November 1, 2014.

Board Member Pastor Herrera commended staff for their accomplishments and commented he had formatting edits that he would email to Registrar Sands.

F. PREDATORY SERVICE AND REPAIR TASK FORCE UPDATE

Chief Fogt provided an update on the Predatory Service and Repair Task Force. The Enforcement Division directed staff to partner with district attorneys, the Better Business Bureau, the FBI, and industry partners to establish strategies and develop protocol to research and perform criminal investigation of construction-related violations committed by predatory HVAC contractors. Four Enforcement Representatives and a retired annuitant (who is a forensic auditor) have been designated to serve on the Predatory Service and Repair Task Force.

The Committee was shown a video taken during an undercover sting operation focusing on HVAC service and repair calls which was conducted July 30, 2014.

F. ADJOURNMENT

Having no further business, Chair Bob Lamb adjourned the meeting at 11:45 a.m.

AGENDA ITEM G-2

Enforcement Program Update





INTAKE / MEDIATION CENTERS (IMCs)

IMCs
Financial Settlement Amount
June 2013 – July 2014

• \$ 9,735,941.03

Elderly Homeowner Receives Price Reduction

An elderly homeowner contracted for a sewer line replacement. She had no knowledge of construction but was concerned about the \$28,000 price tag. She paid \$14,000 of the contract but second thoughts prompted a call to her nephew in Nevada for assistance. He contacted several area plumbers who all agreed that the price was very high for the work performed, so the nephew had his aunt file a complaint. A Norwalk Consumer Services Representative (CSR) discussed the work with the contractor who said that he had prior dealings with the homeowner and that they have a good relationship. He said he did not file a lien for the remaining \$14,000 on the contract and was willing to forgive the balance. The case has now been referred to the Investigative Center (IC) for investigation of potential elder abuse.

Underperforming Solar System Warrants Full Refund

A homeowner purchased a solar system for \$23,000. The homeowner claimed that after multiple delays the contractor had not completed the solar project, which led him to file a complaint with CSLB. Prior to contacting the contractor, a Sacramento CSR checked with the building department and learned that a permit had been obtained and a final inspection completed for the work. The contractor stated that he tried to do everything he could to satisfy the homeowner but the system did not meet the homeowner's expectations. Ultimately, the contractor resolved the complaint by removing the solar system, repairing all roof tiles that the homeowner claimed were broken, and refunding the entire \$23,000 to the homeowner.

Excessive Down Payment Fully Refunded

A homeowner contracted to have his clogged sewer line repaired. The contractor ran a camera to an area with a clog and told the homeowner that the line itself had not been properly hooked-up. The contractor suggested his son, a licensed plumber, perform the work. The homeowner agreed and paid \$4,000 to the contractor's son, with the requirement that he obtain a permit. When the contractor's son attempted to obtain the necessary permits, the homeowner was contacted and informed that the city would cover the repair. When the homeowner contacted the contractor with the news, he agreed to refund only \$2,500. The homeowner filed a complaint with CSLB, and a Norwalk CSR contacted the contractor to discuss the excessive down payment and why the contractor bid a job the city would do. The contractor claimed that the homeowner said the city would not do the work and offered to refund the entire \$4,000.



Solar Company Loses Job Over Price Match Claim

A homeowner entered into a contract for a solar system for \$29,000. The homeowner claimed that the contractor said they have a price match guarantee, so he solicited other bids after signing the contract. After obtaining a bid for thousands of dollars less, the homeowner requested that the contractor match the lower price. When the contractor refused, the homeowner asked to rescind the contract, which the contractor also refused. The homeowner filed a complaint and a Sacramento CSR contacted the contractor, who claimed he never mentioned price matching. The contractor did agree to rescind the contract.

Dispute Over Remodel Leads to Full Refund

A consumer entered into a contract to repair several portions of an apartment complex to bring the units up to building code for \$40,000. The consumer claimed that almost immediately workers were left unsupervised, the proper work and inspections were not conducted, and that the building department issued a stop notice. After the consumer had already paid \$30,000, an evaluation of the work performed to that point revealed that the project was nowhere near completion. The consumer filed a complaint requesting a refund of the entire \$30,000. A Sacramento CSR contacted the contractor who claimed that the consumer was directing his workers and making changes without change orders and, although the consumer had pestered inspectors, there was no stop notice issued. The contractor agreed to settle with the consumer and refund the \$30,000.

2004 Stucco Job Repaired by Builder

In 2004, a homeowner contracted for the addition of a guest house for \$250,000. The homeowner claimed that the stucco did not match the main house and fell off in chunks. The homeowner said that the contractor did some corrective work in 2010, but the problems remained. The homeowner hired another contractor to repair the stucco and filed a complaint with CSLB to recoup the cost. A Sacramento CSR contacted the contractor about the work and the correcting contractor's repair. The original contractor agreed to reimburse the homeowner \$15,000 for the stucco repair, with an agreement that he assume no future responsibility for the work.



INVESTIGATIVE CENTERS (ICs)

<p>ICs Financial Settlement Amount July 2013 – July 2014</p>	<p>• \$ 4,051,895.05</p>
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“Guilty on All Counts”

A San Bernardino IC Enforcement Representative (ER) investigated a complaint filed against a repeat unlicensed offender and convicted felon, Din Van Nguyen. Nguyen previously received two administrative citations for unlicensed contracting in 1999 and 2000, and was recently incarcerated for alleged criminal threats on separate domestic violence and child endangerment charges. Combined efforts of the ER and IC peace officer, coupled with the skilled prosecution of the Riverside County District Attorney’s Office, brought Nguyen to justice for his unlicensed contracting activities, as well.

In November 2011, a Moreno Valley resident entered into a contract for \$14,000 with Din Van Nguyen to perform several home improvement projects that included patio cover repair, drywall installation in the garage, rebuilding an outside barbeque, replacing and painting wooden trim on the front of the house, and replacing an electrical outlet in the master bedroom. Nguyen used a valid license number that belonged to his former employer to deceive the consumer into believing that he was properly licensed. Nguyen requested and received a deposit check of \$5,375 to start the project. Soon after work began, Nguyen told the consumer that he could not cash the deposit check and demanded a cashier’s check in the amount of \$10,000, plus \$300 cash to complete the project. The consumer complied. From November 2011 to February 2012, Nguyen worked a total of six days before abandoning the project. The consumer also realized that Nguyen had damaged pool equipment and irrigation lines. In addition, Nguyen allegedly stole and destroyed tools that belonged to the homeowner. The aggrieved consumer filed a police report with the Moreno Valley Police Department and filed a civil suit against Nguyen. Estimates that the consumer has received to complete and correct Nguyen’s work exceed \$26,000.

The ER referred her investigation findings to the Riverside County District Attorney’s office for prosecution. Nguyen forced the matter to trial by rejecting a plea deal offered by the Riverside County District Attorney’s Office for a 10-year state prison term. On June 10, 2014, the IC Peace Officer testified as CSLB’s expert witness. So convincing was the evidence and the witness testimony, that the jury quickly found Nguyen guilty on all counts: violations of Business & Professions (B&P) Code section 7028(a), unlicensed transaction of business (misdemeanor); B&P Code §7027.3, fraudulent use of incorrect license number (felony); and B&P Code §7159.5(a)(3), excessive deposit (misdemeanor); Penal Code (PC) §459, burglary (felony); PC §487(a) grand theft



(felony); and PC §484(b), diversion of construction funds (felony). On August 29, 2014, Nguyen was sentenced to 17 years in state prison. He also is now considered a “three strikes” candidate, so if arrested for a new serious or violent felony after his prison term, he could potentially be sentenced to 25-years-to-life.

House Flipper Cut Corners

A San Francisco IC investigator conducted an investigation into Chong Sophia Sunny Han’s house flipping business and found that she had conspired with her uncle, licensee Chan Young Park, to use his license over an 18-month period to obtain 11 building permits with construction valuations totaling \$1.2 million. Han employed workers for the various projects and directed their activities but failed to obtain workers’ compensation insurance coverage or register as an employer with the Employment Development Department and pay employer taxes. Han’s bank records, obtained through a search warrant, show she had multiple employees, eight of whom were interviewed during the investigation. The investigator personally observed one active jobsite with four employees and issued a Stop Order due to the absence of workers’ compensation. On another project, Han received a safety violation from Cal/OSHA.

Han conducted her business through four corporations, and had purchased 40 properties. She used Park’s contractor’s license to obtain permits after the Oakland building department, pursuant to B&P Code section 7044, limited her owner-builder permits to no more than four. The investigator submitted her investigation report to the Alameda County District Attorney, requesting prosecution against Han for fraudulent use of a contractor license, contracting without a license, failure to provide workers’ compensation insurance, filing a false document, conspiracy, failure to file an employer return, and failure to pay employer taxes. A request for criminal prosecution for conspiracy also was requested against Park, as well as disciplinary action against his license for aiding and abetting, failure to maintain workers’ compensation insurance, and Unemployment Insurance Code violations.

Planning Commissioner Failed to Obtain Permit

A San Diego investigator received a complaint filed by San Diego Planning Commissioner Anthony Wagner after a dispute arose with the contractor with whom he had contracted to remodel his bathroom. Mr. Wagner failed to disclose that he had not secured the proper building permits from the San Diego City Building Department.

After being approached by the *San Diego Union Tribune* “Watchdog,” Wagner admitted his mistake, obtained the necessary permit, and the project passed inspection. Wagner acknowledged the oversight and claimed that it only happened because he did much of the remodeling work himself. According to Wagner, company officials threatened to expose his failure to acquire a permit if he did not withdraw the complaint.

Building officials confirm that Wagner secured the appropriate permits in May 2014, and that, generally, residents who come forward to apply for permits after construction has



begun are not penalized. CSLB is investigating the contractor Mr. Wagner initially hired who performed the unpermitted work.

Palo Alto Contractor Gets Jail Time

Palo Alto contractor Richard James Smith, owner of R.J. Smith & Associates, was accused of defrauding an Atherton homeowner who had contracted for major construction by over-billing him by thousands of dollars and diverting money owed to a project subcontractor. The alleged fraud came to light when fixtures were late and the homeowner contacted the subcontractor directly. According to local law enforcement, the alleged fraud was originally estimated at \$400,000.

On August 15, 2014, Smith pleaded no contest to one misdemeanor charge of grand theft and was sentenced to 60 days in county jail under a plea agreement accepted by San Mateo County Superior Court. In addition, Smith was sentenced to two years of probation and must pay \$7,000 in restitution to the victim. Smith's contractor license was revoked on February 11, 2013, and he may not reapply for a new license until at least five years from that date.

Phone Records Connect Licensee to Aiding and Abetting

In September 2013, a Belmont homeowner received an unsolicited telephone call offering construction services and subsequently entered into a \$22,000 contract for the remodeling of two bathrooms with Elishu Ohana, an unlicensed contractor who used the name style and license number of Expert Builder, Inc. Despite concerns about the quality of the workmanship, the homeowner complied with Ohana's demands for more money and, by the end of one month, had paid \$31,800 before terminating the contract. A legitimate licensed contractor then inspected the project and determined that because of poor workmanship the only solution was to start over at a cost of \$64,000.

After terminating the contract with Ohana, the homeowner cancelled payment on the last \$2,800 check. A week later the homeowner received two voicemail messages from the Responsible Managing Officer (RMO) of Expert Builder, Inc. inquiring about resolving the problem. During the investigation's initial phase, conducted by the San Francisco IC Peace Officer, the RMO submitted a non-permission declaration and stated that Ohana was a former employee, but he and Ohana had no communication for a year. The RMO also said that all of his business is conducted in southern California and he had no knowledge of a northern California construction project.

Through a search warrant, the peace officer obtained both bank and telephone records and found that the funds received from the homeowner were deposited into an account solely owned by Ohana. However, telephone records show that during a six-month period, which includes the dates Ohana performed work at the Belmont residence, Ohana telephoned the RMO 117 times and the RMO called Ohana 80 times. When confronted with the information from the telephone records, the RMO told the peace officer that he had tried to reach Ohana to see what was going on with his license, and



added that his son may have used his phone to also contact Ohana. The RMO acknowledged that he had spoken with the homeowner's attorney but denied any participation, financial gain, or responsibility related to the work.

CSLB referred the case to the San Mateo County DA and requested prosecution against Ohana for fraudulent use of a contractor license, contracting without a license, obtaining an excessive down payment, misrepresentation to obtain a contract, failure to secure workers' compensation insurance for employees, burglary, and grand theft. A referral for accusation against the license also was made for aiding and abetting an unlicensed contractor, poor workmanship, failure to complete the project for the contract price, failure to maintain workers' compensation insurance, and receiving an excessive down payment.

Contractor Facing Revocation and Jail for Buying Flowers

Notwithstanding his suspended license for an outstanding \$23,000 Franchise Tax Board liability, Jason Stuckrath entered into a \$50,000 contract to remodel a Pacifica residence and received advance payments totaling \$11,000. Pursuant to a clause in the contract, the homeowner had a credit card issued to Stuckrath to purchase materials for the project. No work was performed and Stuckrath did not provide any materials for the project. He did, however, use the credit card at restaurants, gas stations, grocery stores, and to buy flowers for his girlfriend. The credit card charges were all personal expenses unrelated to the construction project. Before the homeowner realized this, canceled the card, and terminated the contract with Stuckrath, he had racked up purchases totaling \$5,370 and obtained cash advances for \$1,300.

Stuckrath was forthcoming when interviewed during the investigation. He said the \$11,000 in checks were, at his request, made payable to and cashed for him by his mother, explaining that he had closed his bank account to avoid further levies for unpaid child support. He said he could not provide documentation for the use of the \$11,000 because he has other more pressing problems, but he readily admitted in an email message that the funds covered living expenses, debts, bills, and Christmas presents. Stuckrath also said he thinks the homeowner may have had romantic intentions toward him, which explains her anger when she found out he used her credit card to buy flowers for his girlfriend. He rationalized that the money he received was his to spend because the payment schedule in the contract provided for a payment of \$15,000 prior to beginning work. A San Francisco IC ER conducted the investigation and referred the matter for an accusation and criminal prosecution.

Fingerprints Don't Lie

In 2008, Joele Cohen obtained CSLB license #915922 for Silver Star Construction Inc., listing herself as the CEO/President. She failed to disclose that her husband, Simon Cohen (then called Jacob Simon Esudri Levi) had previously had his license revoked.



During the course of his investigation, the West Covina IC Peace Officer discovered that in 2005 Simon Cohen was convicted of federal drug trafficking charges and released from prison in 2007. In 2008, Simon Cohen incorporated Silver Star. In 2013, he admitted before the Ventura County Grand Jury that he, not his wife, is the actual owner and operator of Silver Star Construction Inc.

Simon Cohen was arrested and charged with multiple felony violations, including conspiring with notorious revokee Avi Gozlan and defrauding several victims. Sometime in July 2014, Mr. Cohen violated the Ventura County court order and fled to Morocco.

In connection with her husband's and Silver Star's activities, Mrs. Cohen was arrested and charged with being an accessory to a crime after the fact. Bail was set at \$1,000,000. Mrs. Cohen denied her involvement in the scheme and the cover up. During the DA interview, she said her signatures were forged on the CSLB applications and that she lied to the authorities after her husband fled the country because she feared for her life. She said she had suffered domestic violence at the hands of her husband from whom she was now estranged.

CSLB provided the Ventura DA with Mrs. Cohen's Livescan fingerprint from the 2007 application. At the preliminary hearing, the Ventura County DA told Mrs. Cohen that the Livescan fingerprint matched that taken at the time of her booking. Additionally, the Ventura County DA, having obtained phone and text message records between Joele and Simon Cohen after he fled to Morocco, cast doubt on the truthfulness of the allegations of domestic violence.

On August 27, 2014, Joele Cohen pleaded guilty. Through her attorneys, she agreed to pay \$300,000 for victim restitution. She handed a cashier's check for \$225,000 to the Ventura District Attorney while still in court and agreed to deliver the \$75,000 balance within days. Joele Cohen will serve 70 days in Ventura County jail and be under formal probation for five years.

Update on CSLB's Most Wanted Alex Pike Mitchell

CSLB investigations in central and southern California resulted in felony convictions against Alex Mitchell for grand theft, theft by false pretense, contracting without a license, and failure to secure workers' compensation insurance. On May 20, 2014, Mitchell pled guilty in a third case against him in San Diego County. Mitchell agreed to a stipulated four year prison term with a 50/50 sentence split (two years of custody and two years on mandatory supervision). Mitchell also was ordered to pay \$9,300 in restitution.

Mitchell often targeted elderly homeowners throughout the state, telling them that he had leftover paving material from work in the area. Once the contract was signed, Mitchell would collect the down payment, often ranging from \$1,000-\$2,500, and never return to perform the work.



Facing similar charges in the Santa Cruz area, on August 26, 2014, Mitchell received an additional 40-month prison sentence, to be served consecutively with his two-year sentence. He also was ordered to pay restitution to seven victims, totaling \$17,575. When confronted with inconsistencies in his explanations, he told the probation officer, "I am a compulsive liar. I tell people what I think they want to hear."

Special Investigations Unit Update

At the April 24, 2014, Board Meeting, the Board approved establishing a Special Investigations Unit (SIU) comprised of one Enforcement Supervisor I (ESI) to provide leadership, guidance, and oversight to 11 CSLB Peace Officers in an effort to ensure standardized, professional conduct and methods of operation when investigating complex elder abuse cases. CSLB recently received final approval from the Department of Consumer Affairs to proceed with implementing the unit. The recruitment process for the ES I position is underway and expected to be complete November 1, 2014.



**GENERAL COMPLAINT-HANDLING STATISTICS
(JULY 2013 – JULY 2014)**

A manageable level of pending complaints for all current CSLB Enforcement staff is considered **3,185**. As of July 2014, the pending caseload was **3,142**.

The Board objective is for Enforcement Representative’s (ER) assigned to the nine Investigative Centers (IC) to investigate and appropriately disposition 10 complaints per month. A maximum working case load of **35** for IC ERs has been established. CSLB has 59 IC ER’s, for a maximum capacity of **2,065** open complaints across its nine ICs. As of July 1, 2014, the ICs had **2,022 open** complaints under investigation.

This 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	59	10	4	35	2,065
CSRs	28	30	2	40	1,120
TOTAL					3,185

The Board has adopted specific Enforcement Objectives regarding complaint-handling. Staff’s success in achieving these objectives follows:

- **MAINTAIN ER 1 CLOSURE OF 10 COMPLAINTS PER MONTH**
ERs close an average of 10 complaints each month.
- **INCREASE TO 30 PERCENT LICENSEE COMPLAINTS SETTLED**
Consumer Services Representatives currently settled an average of 42 percent of licensee complaints.
- **ACCOMPLISH IMC LICENSEE COMPLAINT DISCLOSURE OF 70 PERCENT**
Consumer Services Representatives are maintaining a licensee closing disposition of 71 percent.
- **REDUCE 270-DAY-OLD COMPLAINTS TO 100 OR LESS**
Staff’s effective management of pending complaints has resulted in consistently maintaining the Board’s goal. At the end of July 2014, there were only 82 aged cases.

**CASE MANAGEMENT
(JULY 2013 – JULY 2014)**

CITATIONS ISSUED		
	Licensee	Non-Licensee
Citations Issued	1,525	976
Citations Appealed	714	411
Citation Compliance	927	398
MANDATORY SETTLEMENT CONFERENCES		
Scheduled		413
Settled		233
Civil Penalties Collected		\$1,303,742
Legal Fee Savings		\$1,868,234

ARBITRATION	
Arbitration Cases Initiated	382
Arbitration Decisions Received	311
Licenses Revoked for Non-Compliance	21
Arbitration Savings to the Public – Restitution	\$1,381,786.00
ACCUSATIONS / STATEMENT OF ISSUES	
Revocations by Accusation (Applicants Revoked)	382
Accusation Restitution Paid to Injured Persons	\$625,763.00
Statement of Issues (Applicants Denied)	55
Cost Recovery Received	\$260,751.37
Number of Cases Opened	381
Number of Accusations/Statement of Issues Filed	420
Number of Proposed Decisions Received	91
Number of Stipulations Received	96
Number of Defaults Received	197
Number of Decisions Mailed	390



**STATEWIDE INVESTIGATIVE FRAUD TEAM (SWIFT)
(JULY 2013 – JULY 2014)**

Contractors State License Board Labor Enforcement Task Force Update

Launched in January 2012, the Labor Enforcement Task Force (LETF) combats the underground economy in California so legitimate businesses can compete in a fair environment, employees are afforded a safe workplace, and California receives its tax revenue in order to provide essential state services. The “underground economy” refers to businesses that deal in cash and/or use other schemes to cover up their true tax liability to licensing, regulatory, and taxing governmental agencies. Common practices in the underground economy include tax evasion, tax fraud, cash pay, wage theft, under-the-table payments, and off-the-books and unlicensed activity.

Though difficult to quantify, the size of the underground economy is believed to have more than doubled between 1970 and 2000, and encompasses the manufacturing, distribution industries, and retailing of products, services, and technology. In California, the Employment Development Department estimates that the underground economy generates \$60 to \$140 billion per year in economic activity and employs about 15-17 percent of the state’s labor force. Because of its very nature, assessments of the costs to the state of the underground economy differ, but it is believed that un- and underreported economic revenue in California leads to an annual loss of anywhere between \$8.5 billion and \$28 billion in corporate, personal, and sales and use tax.

Partners in the Labor Enforcement Task Force (LETF) include the Contractors State License Board (CSLB), the Department of Industrial Relations’ Division of Safety and Health (DOSH) and Division of Labor Standard Enforcement (DLSE), the Employment Development Department (EDD), the California Department of Insurance (CDI), and the California Attorney General (AG).

In this unprecedented collaboration of multiple state agencies with authority over workplace and labor enforcement, participants share information and resources to ensure that hard-working, compliant business owners compete on a level playing field and that their employees receive proper payment of wages and work in a safe environment. On its own, each agency does not have access to the full range of material regarding business activities that LETF teams can gather collectively, including data regarding licensing, wage claims, tax records, and leads from community-based organizations about labor and safety violations. While most of the businesses investigated by LETF are out of compliance with one agency, many receive citations from two or three agencies. Most often, LETF partners issue administrative actions.

For those businesses that operate legally and follow license requirements and labor laws, an inspection from LETF – because it includes members from various agencies – is less disruptive than multiple inspections by each individual entity. But, for those



businesses engaged in egregious violations of the law, the ensuing publicity that results from an LETF investigation acts as a much more powerful deterrent than the actions of single agency acting alone.

With dedicated personnel, LETF primarily conducts coordinated sweeps at active job sites to verify employee wages and compliance with licensing, workers' compensation insurance, tax, and job safety requirements. Since its inception, LETF has overseen 8,062 inspections of 3,901 businesses. LETF responds not only to complaints, but also proactively identifies targets for investigation through shared data analysis.

Although LETF examines a variety of business types throughout California (garment, restaurant, agriculture, and automotive), in 2012, nearly 50 percent of its inspections focused on construction, with an emphasis on active construction sites; in 2013, construction comprised 64 percent of LETF enforcement activity. In part, these numbers reflect the large proportion (21 percent) of California's workforce employed in construction-related fields, as well as strong support from industry leaders concerned about contractors who seek an unfair competitive advantage by circumventing safety, tax, payroll, labor, and licensing laws.

Generally, staff members from each agency identify potential targets through statistical reporting derived from their respective databases and other sources. Within CSLB, targets are frequently ascertained by industry partners, led by the Construction Enforcement Coalition, made up of 42 individual building industry associations. These leads are then vetted by CSLB's Statewide Investigative Fraud Team (SWIFT). Prior to conducting sweeps, each LETF team locates a potential offenders' active job sites, researches his or her workers' compensation history, payroll tax history, and license status, and conducts pre-surveillance, all of which has increased the number and efficiency of enforcement actions undertaken by CSLB Enforcement Representatives.

Through the Labor Enforcement Task Force, CSLB has focused on larger contractors and those engaged in public works projects who fail to pay the prevailing wage.

In 2013, working as members of LETF, CSLB Enforcement investigators achieved record success and discovered that 80 percent of the construction businesses contacted as active job sites were out of compliance with state licensing, labor, health and safety, insurance, and/or tax requirements. LETF citation penalties and assessments exceeded \$9.3 million. These high numbers indicate that CSLB, through its participation in LETF, is effectively identifying contractors engaged in illegal practices while not disrupting businesses that abide by the law.

Beyond inspection and enforcement, the work of LETF encompasses education and outreach. A multi-year plan has been developed and UC Berkeley has contracted to provide campaign design and to consult on program implementation. Educational materials are produced in multiple languages, with a regional emphasis on low-wage



workers and their employers, as well as community-based organizations that serve low-wage workers. Presentations have been made to statewide chambers of commerce and employer organizations, along with television and radio broadcasts. In addition, fact sheets and brochures are being put together for distribution to key audiences. This outreach effort also includes a media component intended to reach traditional news sources, as well as social media outlets.

In early 2014, LETF began to coordinate its activities with the Joint Enforcement Task Force (JESF) in order to refine effective strategies and identify best practices in regard to training, administration of operations, and strategic planning. This joint effort has helped to streamline program administration and mitigate overlap.

Stings and Sweeps

From July 2013 – July 2014, SWIFT conducted many successful undercover sweep and sting operations, and developed new strategies and partnerships to combat the underground economy:

- **STINGS/SWEEPS**

Each month, CSLB Enforcement conducts undercover sting and sweep operations throughout the state. From July 2013 to July 2014, SWIFT conducted **353** sting and sweep days, efforts that resulted in over **1,654** legal actions (total of all legal actions), including written notice to appear in criminal court (NTAs) and citations.

- Between July 2013 and July 2014, SWIFT performed **126** sting days, partnering with law enforcement, DAs, building department and code enforcement officials, industry leaders, and other state agencies. These sting operations targeted unlicensed repeat offenders and wanted criminals working in the construction industry.

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

777	Suspects received NTAs for contracting without a license, illegal advertising, and workers' compensation (WC) insurance violations
33	Licensed individuals referred to District Attorneys for criminal prosecution of WC violations
862	Licensed and unlicensed individuals received administrative citations for licensure, advertising, aiding and abetting, and WC violations
603	Stop Orders served upon a construction employer prohibiting use of employee labor until acquisition of workers' compensation insurance



CSLB ENFORCEMENT ACADEMY

The second CSLB Enforcement Academy was held September 15-19, 2014, in Sacramento. Enforcement management, in conjunction with the Attorney General's Office, developed the five-day academy. CSLB retired annuitant Doug Galbraith and Deputy Attorney General Michael Franklin instructed staff on investigative techniques, interviewing techniques, report writing, Business & Professions Code training, and time management skills. Board Member Ed Lang attended on the final day and presented graduates of the academy certificates of completion.

TRAINING UPDATE

As part of CSLB's Strategic Plan, Enforcement has an ongoing commitment to create a training curriculum for staff that includes basic enforcement procedures, a mentoring program, and specialized training. Below is a list of training that has been conducted:

1. Peace Officer Workshop May 2014

Riverside Deputy District Attorney Homan Hosseinioun hosted a workshop for CSLB Peace Officers during which he outlined effective investigation strategies against service and repair contractors engaged in criminal behavior. Staff was asked to bring two active predatory service and repair investigations to discuss with the group. DDA Hosseinioun answered the Peace Officers' questions pertaining to their active investigations.

2. Module 4: Code Training, Phone Tactics & Time Management Ongoing

Developed by CSLB management staff in conjunction with CSLB retired annuitant Doug Galbraith and Deputy Attorney General Michael Franklin, this eight-hour block of instruction provided staff with knowledge of 11 routinely used Business and Profession Code sections. Specific elements, supporting evidence needed, and case law were discussed.

This course also included separate training sessions on effective phone tactics and the development of time management skills.

3. Professional Assistants Academy II March 2014

This two-day course, offered by the Centre for Organization Effectiveness, included presentations and group activities on the following topics: team building, time management, conflict resolution, customer service skills, and presentation skills. Offered to Office Assistants, Office Technicians, and Program Technicians in Northern California, the course also will be offered to Southern California staff. [?]

4. Successful Promotional Interviewing Training March 2014

Norwalk staff attended the Successful Promotional Interviewing Class taught by Career Counselor Judy Kaplan-Baron. This training covered many facets of successful interviewing, including how to deal with anxiety and nervousness, identify skills and



accomplishments, best answer the most frequently asked interview questions, and what interviewers really look for.

5. Supervisors Training**January 2014**

Northern California Enforcement Supervisors received training, provided by Doug Galbraith, Mike Franklin, ESII Missy Vickrey, and Deputy Enforcement Chief Christina Delp. During the two-day course, supervisors received training that focused on specific challenges they face on a daily basis and discussed the importance of timely Individual Development Plans and performance evaluations. Supervisors provided positive feedback and appreciated the strategies and real-life examples discussed during class.

6. Elder Abuse Training with San Diego County DDA**August 2013**

CSLB Peace Officers met with San Diego County DDA Attorney Paul Greenwood to discuss his experiences in prosecuting elder abuse investigations. Greenwood has served as the supervisor of San Diego County DA's Elder Abuse Unit for 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 must be present in a case. He also reviewed relevant case law. The information provided to staff was intended to foster success in the prosecution of elder abuse cases.

7. Department of Consumer Affairs' (DCA) Division of Investigation Peace Officer Training**June 2013**

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

8. 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 for Enforcement staff. The workshop offered practical exercises designed to develop the skills 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 pre-writing; and revising and proofreading your work.

9. 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 DA Elise Farrell, DDA Homan Hosseinioun, and Senior DA 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.



10. CSLB's Penal Code 832 Equivalent Course **January/February 2013**

This four-day course focused on laws related to arrest, search and seizure. The class was offered to both northern and southern California staff. The course is similar to the Commission on Peace Officer Standards and Training (POST) class, 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 Doug Galbraith, who has instructed POST's PC 832 class for many years at a community college.

AGENDA ITEM G-3

Review and Approval of Peace Officer Training Curriculum





CONTRACTORS STATE LICENSE BOARD

PEACE OFFICER TRAINING CURRICULUM

At its August 18, 2014 meeting, the Enforcement Committee voted unanimously to present the full Board with a motion to establish a Peace Officer Training Curriculum. The curriculum would include peace officer module training, monthly training sessions, consumer protection training provided by the California District Attorneys Association, and quarterly Defensive Tactics training provided by DCA's Division of Investigation. The Board is being asked to review and approve the following training curriculum outline.

Background

Authority for Special Investigations Unit (SIU)

California Business and Professions Code section 7011.5 states, in part:

“ . . . persons employed as investigators of the Special Investigations Unit of the Contractors' State License Board and designated by the Director of Consumer Affairs have the authority of peace officers while engaged in exercising the powers granted or performing the duties imposed upon them in investigating the laws administered by the Contractors' State License Board or commencing directly or indirectly any criminal prosecution arising from any investigation conducted under these laws. . . .”

Special Investigations Unit

CSLB's mission is to protect consumers by licensing and regulating the construction industry through policies that promote the health, safety, and general welfare of the public in matters related to construction. CSLB's Enforcement division carries out this objective by enforcing laws, regulations, and standards to ensure construction activities are conducted in a fair and uniform manner.

One Enforcement objective that supports this mission is to protect elderly Californians from unscrupulous contractors who maliciously take advantage of them through fraud and deception. Unseemly acts include misusing a senior's money or assets for personal gain by insisting that they contract for unnecessary construction projects/repairs, including replacement of heating and air-conditioning units, as well as other service and repairs.

CSLB Peace Officer Duties and Responsibilities

CSLB Peace Officers (POs) provide the Board with the unique ability to investigate construction-related elder abuse, fraud, and unlicensed activity. CSLB has increased from three to 11 the number of PO positions. Because POs are sworn officers, they have additional training in violations outside of Contractors' State License Law, including knowledge of the Penal, Labor, Health and Safety, and Vehicle Codes. Their academy training also includes chain of custody, as well as other specialized training



such as expert testimony, dealing with aggressive/angry/argumentative people, and interpreting body language.

POs are able to videotape elder abuse victims, establish the victim's mental capacity, obtain medical records (bypass HIPPA requirements), obtain bank records through search warrant or via written authorization, and complete preliminary financial audits, all of which makes it easier for district attorneys (DAs) to file elder abuse charges. Additionally, POs have more credibility testifying at pretrial hearings than their non-sworn counterparts, and are able to obtain expedited records from courts and the DMV Law Enforcement counter.

CSLB POs work with multiple jurisdictions to perform complex criminal investigations, and joint undercover operations, often targeting revoked licensees who continue to illegally contract. When Stop Orders are issued, POs often follow up with local law enforcement partners, perform undercover surveillance and, when appropriate, arrest individuals suspected of illegal activity. They often perform site inspections/compliance checks with local law enforcement and agency partners, such as the California Department of Insurance (CDI) and the DA investigators. POs participate in and lead multi-jurisdictional criminal investigation task forces. When a natural disaster occurs, CSLB POs are among the first responders because, as sworn officers, they are able to access disaster areas. CSLB POs are a vital part of the Enforcement division, as their expertise, skills, knowledge, and abilities are vital to combat construction-related crimes.

SIU Program Goals

- Investigate construction-related elder abuse cases
- Target repeat offenders that prey upon elderly citizens
- Become subject matter experts in the field of elder abuse and construction fraud
- Increase the number of criminal case filings for elder abuse and construction fraud with DA offices
- Develop ongoing relationships and approaches with partner agencies to combat and prosecute construction-related crime

Proposed Training Curriculum

The Board is being asked to review and approve a specialized training curriculum:

Training Module

CSLB will provide the training necessary to investigate complex criminal cases, which typically require search warrants, surveillance, examination of evidence, interviewing victims and witnesses, and partnering with other law enforcement



agencies. This training will enhance POs' investigation of construction-related elder abuse cases. Upcoming PO training for the next 12 months includes:

- Review of construction-related statutes that provide for felony charges
- Interview techniques
- Criminal report-writing formats
- How to present cases to prosecutors to file criminal charges
- Mock trials to develop and strengthen POs' confidence and enhance their ability to testify before jurors
- POST investigation responsibilities

Monthly Training Sessions

During 2014, CSLB will continue to conduct monthly meetings that POs will attend, both in person and via conference calls, which will provide a forum to discuss issues that arise, best practices, and share information. The monthly meetings also will include speakers from district attorneys' (DAs) offices who will make presentations and answer questions to further develop and enhance peace officers' criminal investigation skills.

California District Attorney Association Consumer Protection Training

Consumer protection prosecutors throughout the state have offered to provide CSLB Peace Officers training about how to identify, investigate, and successfully refer completed investigations for criminal prosecution. Training will include learning to recognize elder abuse and partnering with allied law enforcement agencies.

DCA Division of Investigation (DoI)

POs will continue to participate in DoI's quarterly Defensive Tactics training.

AGENDA ITEM G-4

Briefing on the Enforcement Program's Forensic Auditing



AGENDA ITEM G-5

Predatory Service and Repair Task Force Update





CASES AND PARTNERSHIP EFFORTS

As part of the 2014-15 Strategic Plan, the Enforcement division committed to establishing an enforcement strategy to address predatory service and repair scams. Predatory companies pursue fraudulent contracts by making false statements regarding needed work and often request and receive substantial money without performing the contracted work. An increase in the number of complaints over the last 18 months against licensed and unlicensed service and repair companies who solicit work through common marketing techniques compelled Enforcement to take an aggressive approach in combatting these individuals.

In August 2014, Enforcement formed a task force comprised of four CSLB Peace Officers, one Enforcement Representative (ER), and a retired annuitant who is a forensic auditor. The task force also included representatives from the Federal Bureau of Investigation (FBI), district attorney (DA) offices, and local law enforcement.

CSLB's Norwalk IC Peace Officer investigated a case involving unlicensed operators Eldad Syton and Yair Zilberman. Syton and Zilberman were arrested in July 2014 by the Los Angeles Police Department (LAPD), for posing as contractors and charging elderly victims thousands of dollars for unnecessary home repairs and extermination. The pair allegedly intimidated elderly victims in the San Fernando Valley and convinced them to pay thousands of dollars without providing proof of the work they claimed to have performed. If a homeowner refused to pay, they would threaten him or her with foreclosure.

In one case, Syton convinced an 84-year-old man with dementia, along with his wife, to apply for a reverse mortgage, the proceeds of which were used to pay him an additional \$50,000 on top of the \$50,000 they had already paid.

On June 17, 2014, the Los Angeles County District Attorney's Office filed 42 felony counts against Syton and Ziberman, including burglary, forgery and grand theft from an elder or dependent adult. Bail was set at \$1.4 million for Syton and \$1.3 million for Zilberman. Unfortunately, affiliates of Eldad and Yair continue to defraud consumers.

To effectively investigate the growing number of consumer complaints similar to the one above and to hold those responsible accountable, the task force will hold regular meetings to share investigative techniques and best practices. The first in-person meeting was held August 29, 2014, in Norwalk, and attendees discussed strategies for identifying culpable parties and conducting surveillance. Participants included the LAPD, FBI, Franchise Tax Board, Employment Development Department, and assigned CSLB Peace Officers and non-sworn staff.

Staff will update the Board on recent events and evolving investigation strategy.

AGENDA ITEM H

Public Affairs Committee Report



AGENDA ITEM H-1

Review and Approval of
August 18, 2014,
Public Affairs Committee Meeting
Summary Report





CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS COMMITTEE SUMMARY REPORT

PUBLIC AFFAIRS COMMITTEE MEETING

August 18, 2014

Sacramento, CA

A. CALL TO ORDER

Public Affairs Committee Chair Pastor Herrera Jr. called the meeting to order at 11:58 a.m. in the John C. Hall Hearing Room at CSLB's Sacramento Headquarters, 9821 Business Park Drive, Sacramento, California. A quorum was established.

Committee Members Present:

Pastor Herrera Jr., Committee Chair
Joan Hancock, Committee Member
Robert Lamb, Committee Member

Committee Members Excused:

Ed Lang, Committee Member
Nancy Springer, Committee Member

Board Members Present:

David Dias

CSLB Staff Present:

Stephen P. Sands, Registrar
Cindi Christenson, Chief Deputy Registrar
David Fogt, Enforcement Chief
Rick Lopes, Public Affairs Chief
Karen Robinson, Licensing Chief
Laura Zuniga, Legislative Chief
Melanie Bedwell, Public Affairs Office
Steve Breen, Public Affairs Office
Candis Cohen, Public Affairs Office
Amber Foreman, Public Affairs Office
Jane Kreidler, Public Affairs Office
Tom O'Hair, Public Affairs Office

B. PUBLIC COMMENT

There was no public comment.



C. CHAIR'S REMARKS

Mr. Herrera welcomed the Public Affairs Office's (PAO) newest employee, Amber Foreman, who was recently hired as a Graphic Designer. Ms. Foreman briefly described her background for the Committee.

Mr. Herrera next noted that PAO is currently working with the Governor's Office of Emergency Services and Office of Planning and Research to create outreach materials about well drilling. The current drought has led to an influx of out-of-state well drillers to California. Mr. Herrera stated that there are currently 774 licensed well drillers in the state. PAO is producing materials to inform unlicensed well drillers about how to become properly licensed in California. It was also noted that the Licensing division is expediting all applications for well drilling licenses.

Mr. Herrera reported on successful media events following recent wildfires in San Diego County, El Dorado, and Amador counties.

Mr. Herrera also noted the ongoing success of CSLB's popular Senior Scam StopperSM seminar program. Twenty-four seminars have been conducted since the June 2014 Board meeting.

Public Affairs Chief Mr. Lopes provided the PAO program update. Mr. Lopes reported that PAO currently has one staff vacancy, for a part-time Student Assistant, which is expected to be filled in the next two weeks.

Mr. Lopes also reported that PAO has begun to use the website www.flickr.com, to share photos with the general public and the news media. He also noted the slow, but steady growth in Facebook "Likes," Twitter "Followers," and in the numbers who receive CSLB's Email Alerts.

He also informed the Committee about the recent purchase of professional video equipment and expects an increase in video projects. To date, projects have included videos of a town hall meeting conducted by Enforcement staff in San Leandro, a recording of Service and Repair Enforcement Operations, and a video to inform staff about how to utilize the Board's new Help Desk ticket feature.

Mr. Lopes reported on a media event that publicized the results of CSLB's Summer California Blitz, and noted the close working relationship between PAO and the Enforcement division.

Mr. Lopes also expanded upon information presented by Mr. Herrera on PAO's Senior Scam StopperSM seminar program, outlining the two dozen seminars conducted since June 2014. He also outlined PAO's responsibility for overseeing the Board's employee-only intranet.

Finally, Mr. Lopes updated Committee members on PAO's progress on implementing action items outlined in the Board's 2014-15 Strategic Plan, and noted that a delay in filling the graphic designer vacancy also delayed progress on two of the action items.



D. REVIEW & APPROVAL OF 2014-17 CSLB COMMUNICATIONS PLAN

Mr. Lopes reviewed a draft of the 2014-17 CSLB Communications Plan for the Committee, and noted that it differs from the specifics of the strategic plan, in that it provides an overview of PAO's outreach efforts. He also commented on its similarity to the Communications Plan the Board approved in 2011.

Mr. Herrera suggested three minor edits to the plan, which will be made.

Motion to approve 2014-17 CSLB Communications Plan

MOTION: A motion was made by Board member Robert Lamb and seconded by Board member Joan Hancock to approve the 2014-17 CSLB Communications Plan and recommend its approval by the full Board at its September 23, 2014, meeting. The motion carried unanimously, 3-0.

If approved by the Board, the 2014-17 CSLB Communications Plan will replace the 2011-14 CSLB Communications Plan.

E. REVIEW OF SUNSET REVIEW REPORT

Registrar Sands provided Committee members with an opportunity to offer input on a draft of CSLB's Sunset Review Report. The report is due to the state Legislature on November 1, 2014.

Ms. Hancock questioned whether three suggested recommendations in the report had previously been addressed by CSLB's Legislative Committee. Mr. Sands noted that the suggested recommendations reflect previous discussions among Board members, with the exception of the specific recommendation to simplify the home improvement contract law.

Mr. Sands also explained that the recommendations in the report are meant to memorialize issues that CSLB believes the Legislature should consider and may become topics for the Sunset Review hearings scheduled for spring 2015. Mr. Sands further clarified that even if a possible legislative recommendation is presented in the Sunset Review Report, in order for it to move forward, it must first be discussed and vetted by CSLB's Legislative Committee and, then forwarded to the full Board for consideration and approval.

F. ADJOURNMENT

Committee Chair Pastor Herrera Jr. adjourned the Committee meeting at 12:42 p.m.

AGENDA ITEM H-2

Public Affairs Program Update





CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS PROGRAM UPDATE

CSLB's Public Affairs Office (PAO) is responsible for media, industry, licensee, consumer relations, and outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, featuring 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 and intranet content.

STAFFING UPDATE

PAO is staffed with six full-time positions and one part-time Student Assistant (currently vacant).

ONLINE HIGHLIGHTS

Website Redesign Project



PAO staff worked with Information Technology (IT) division staff to design and rebuild CSLB's public website. The new site includes the latest state template and technology, and is optimized for computers, tablets, and smart phones. CSLB is one of the first state agencies to adopt the new technology and template.

The new website was successfully launched on September 5, 2014.

VIDEO/DIGITAL SERVICES

Predatory Service and Repair Task Force

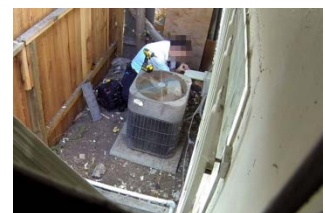
- **San Leandro Licensee Town Hall Meeting**

On July 10, 2014, PAO staff traveled to San Leandro to assist with a town hall meeting about service and repair contracting. PAO produced two videos for the meeting, and video recorded Enforcement Chief David Fogt's presentation. The presentation is available for view on CSLB's YouTube page.



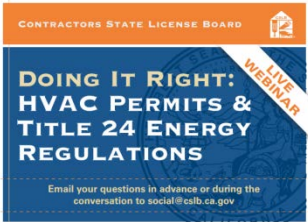
- **Service and Repair Enforcement Operations**

PAO is playing an important behind-the-scenes role in Enforcement's Service and Repair Task Force efforts. PAO staff video recorded undercover operations for consumer outreach and potential suspect prosecution. Video also will be taken during future enforcement operations.



- **Live Webinar**

As this report is being compiled, PAO is finalizing production of a live webinar scheduled for September 19, 2014. Featuring Board Member Nancy Springer and Enforcement Chief David Fogt, the webinar will focus on heating, ventilation and air-conditioning (HVAC) Permits and Title 24 energy regulations.



Public Meetings

- *Committee Meeting Live Web Streams*

Since the June 2014 Board meeting, PAO has produced live web streams for four committee meetings.

August 18, 2014: Licensing Committee
 Enforcement Committee
 Public Affairs Committee

September 11, 2014: Legislative Committee

Staff Instruction Video

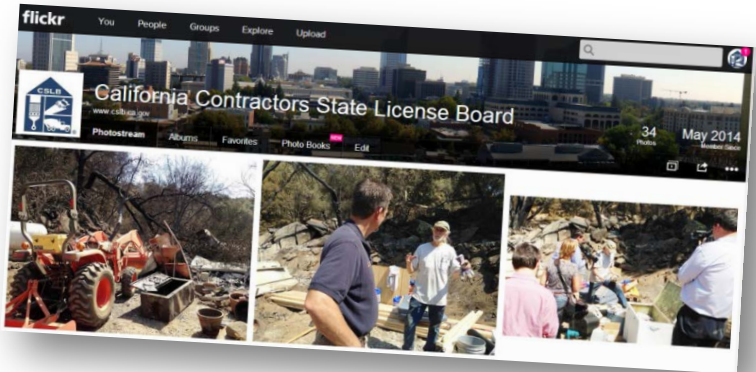
PAO staff partnered with IT to produce, tape, and edit a “Help Desk” instructional video. The video is intended to help ease the transition for staff to a new online help desk system. The short video now resides on the CSLB intranet site.

Social Media

Welcome to Flickr

CSLB is now on Flickr, a no-cost, photo-sharing social media website. Flickr allows PAO staff to upload and post high-resolution photos as individual photographs, or in album format.

Flickr allows professional media and industry followers of CSLB to download photographs at the resolution level of their choosing.



As of September 9, 2014, CSLB has 38 photos on Flickr available for download.

Twitter Growth

Between May 23, 2014 and September 9, 2014, CSLB gained 56 followers on Twitter, growing from 1,506 to 1,562. PAO posted 19 new tweets during this time period, bringing our total tweets up to 583.



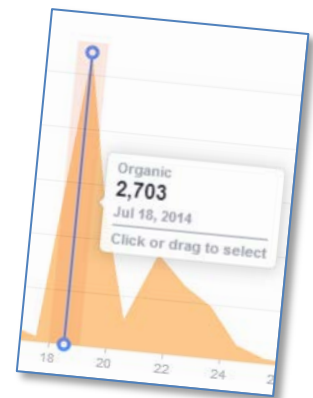
The most popular tweet was a link (shown above) to video from the San Marcos wildfire sting; 2,074 people have read this tweet.

Facebook Growth



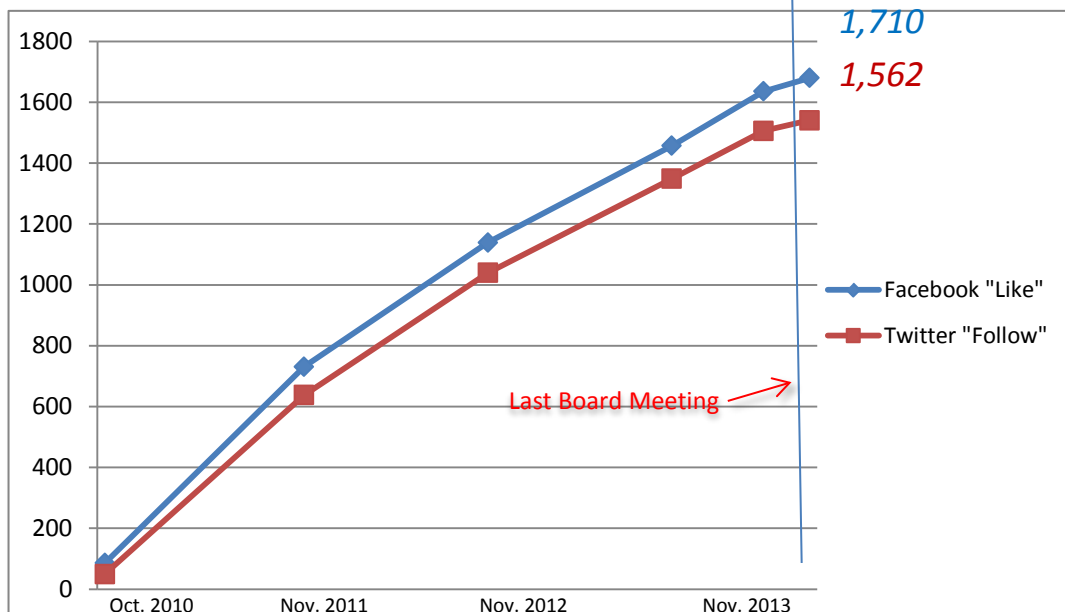
On May 23, 2014, CSLB had 1,636 likes on its Facebook page. On September 9, 2014, that number had grown to 1,710, an increase of about 74 new followers in 108 days.

During this same period, PAO staff added 42 new photographs and eight videos to the CSLB Facebook page. During this period, the California Summer Blitz video post from July 18, 2014 (at left), proved the most popular post, reaching 4,400 Facebook users.



On July 18, 2014, a period peak of 2,703 people visited our Facebook site and read a variety of posts. This represents the highest number of people ever to visit our Facebook site in a 24-hour period.

Social Media Growth





YouTube Growth

CSLB’s YouTube channel welcomed 15,629 visitors between May 23, 2014 and September 9, 2014, an average of 228 daily visits, and a 3.6 percent increase over the last period.

There have been a total of 262,214 views of the site, an increase of 99,081 over the last year.

Twenty percent of the viewers on CSLB’s YouTube site watch the video, “Completing a Contractor License Application.”



Email Alert Feature

PAO continues to publicize a website feature launched in May 2010 that allows people to subscribe to their choice of four types of CSLB email alerts:

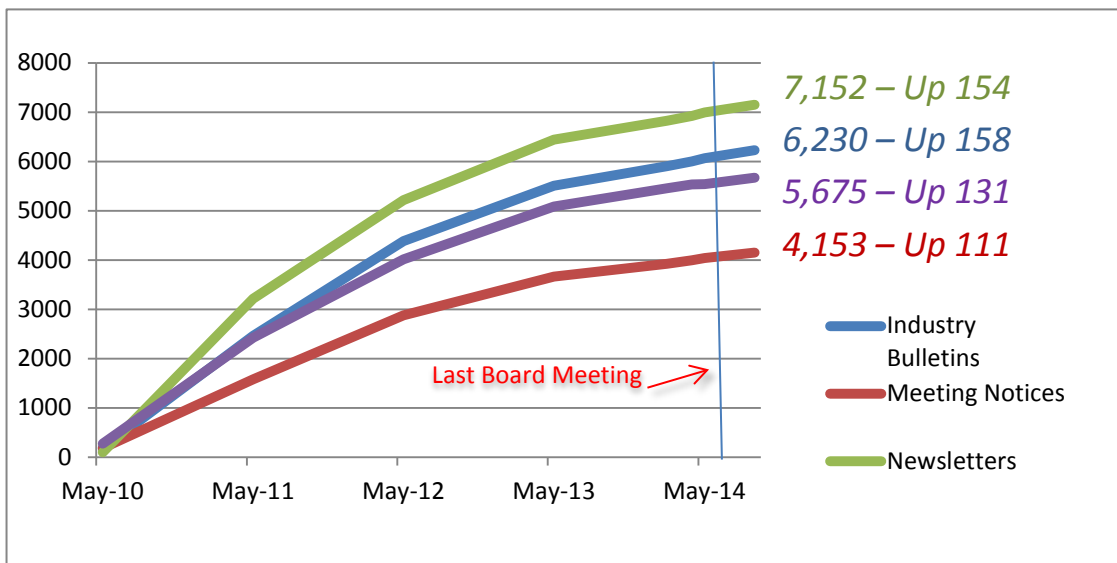
- California Licensed Contractor newsletters
- News Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas



The subscriber database continues slow, but steady growth, with a current total of 23,210 subscriptions, which includes 554 new accounts since the June 2014 Board meeting.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,429 active email addresses, which brings the combined email database to 101,639 addresses.

Email Alert Sign-Up Statistics





MEDIA RELATIONS HIGHLIGHTS

Media Calls

Between May 23, 2014 and September 9, 2014, PAO staff responded to more than five dozen media inquiries and provided interviews to a variety of online, newspaper, radio, magazine, and television outlets.

News Releases

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between May 23, 2014 and September 9, 2014, PAO distributed 11 news releases.

Release Date	Release Title
May 30, 2014	CSLB Sting Snares 12 Illegal Contracting Suspects in San Mateo County
June 3, 2014	CSLB Sting in Seaside Drives Home the Importance of Verifying a Contractor License Number
June 5, 2014	Ten Unlicensed Contractors Arrested in San Marcos Wildfire Area
June 25, 2014	CSLB Arrests 10 Illegal Contracting Suspects During Alameda County Undercover Sting
July 1, 2014	CSLB Undercover Sting in Folsom Draws Full House of Unlicensed Operators
July 18, 2014	Sex Offenders, Convicted Felons Snagged in Contractors State License Board Statewide Sting
July 22, 2014	CSLB Warns Consumers about Deceptive Home Improvement Offers, Contract Cancellation Rights
July 31, 2014	Contractors Board and Local District Attorneys Warn Unlicensed Contractors to Stay Away from Sand Fire Burn Areas
August 13, 2014	CSLB Uses Team Approach in Santa Monica Contractor Sting
August 21, 2014	CSLB Sting Uses Craigslist to Target Phony Contractors in Ventura County
August 24, 2014	Contractors State License Board Urges Napa Earthquake Victims to Only Hire Licensed Contractors for Repairs



News Media Events

Cocos Wildfire Sting Operation (San Diego County)

In early June, PAO held a news conference in San Marcos to publicize the results of a sting operation held in the wake of the previous month's Cocos wildfire, which destroyed three dozen dwellings.



CSLB's news conference received widespread coverage from nearly every San Diego-area media outlet.

Summer California Blitz Undercover Sting Operations



PAO worked with CSLB's Statewide Investigative Fraud Team (SWIFT) to publicize simultaneous undercover sting operations conducted in eight locations across the state.

Ninety-seven people were caught during the operation, including 11 repeat offenders, four sex offenders, four suspects with active arrest warrants, four suspects on probation, two former CSLB licensees, and a woman who received widespread media attention last year as a so-called "sweetheart swindler." Three of the suspects were taken to jail.

Among those who went to jail was Samantha Pham of Elk Grove. Ms. Pham was on probation after pleading guilty to various felonies last year, including theft from an elder and an aggravated white collar crime. Pham was convicted of swindling an older man out of a \$200,000 luxury car and his Bay Area home. Her sentence included three years of supervised probation. She now faces charges of contracting without a license, a potential violation of her probation.



Sand Fire Educational Outreach (El Dorado/Amador Counties)



In late July 2014, PAO worked with SWIFT to conduct outreach to Sacramento-area media in the aftermath of the Sand Fire. That wildfire burned more than 4,000 acres and destroyed dozens of structures. Media members accompanied CSLB and an investigator from the El Dorado County District Attorney's Office as they went through the fire area,



met with fire victims, and posted warning signs.

PAO also took video and still pictures of the educational outreach efforts and made the materials available online to media outlets not in attendance.

Napa Valley Earthquake (Napa/Solano Counties)

On August 26, 2014, PAO worked with SWIFT and the California Department of Insurance to conduct a press event in an area of Napa County hit two days earlier by a magnitude 6.0 earthquake.

Media accompanied investigators from both agencies as educational outreach was conducted in a Napa mobile home park.

An expanded description of this outreach effort was presented earlier in the Board meeting.



INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS

California Licensed Contractor Newsletter

The summer 2014 *California Licensed Contractor* quarterly newsletter was released online in mid-July. The publication is designed for CSLB’s nearly 300,000 licensees. To save costs, three issues are posted online; a fourth is printed and mailed to each licensee.

Industry Bulletins

PAO alerts industry members to important and interesting news by distributing industry bulletins. Bulletins are sent out via email on an as-needed basis to just over 6,000 people and groups, including those who have signed up to receive the bulletins via CSLB’s Email Alert system. Between May 23, 2014 and September 9, 2014, PAO distributed four industry bulletins.

Release Date	Bulletin Title
May 30, 2014	Cal/OSHA Targets Construction Sites for Inspections
June 3, 2014	CSLB Streamlines License Experience Review Process
June 18, 2014	Independent Contractor? Day Laborer? What’s the Correct Employee Classification?
September 3, 2014	Agencies Expediting Well Drilling Licensing During California Drought

**PUBLICATION HIGHLIGHTS**

CSLB publications (print and online) in production:

Completed

- September 23, 2014 Board Meeting Packet
- September 11, 2014 Legislative Committee Meeting Packet
- *Fast Facts*: How to Contract for Well Drilling in California
- *Fast Facts*: Fireplace Chimney Repair or Replacement
- August 18, 2014 Committee Meetings Packet
- July 30, 2014 Executive Committee Meeting Packet

In Production

- Industry Expert Handbook
- Contractor/Applicant Guide (booklet)
- Consumer Guide (booklet)
- Mechanics Lien (Spanish)

In Development

- 2015 Sunset Review Report
- 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
- Description of Classifications Booklet (Spanish)

CSLB Forms/Letters

PAO is working with the Executive Office and other CSLB divisions to review and update all forms and letters, and to ensure all distributed materials have received proper legal review and have been assigned a tracking number.

Contact from Foreign Country

PAO is coordinating a planned visit to CSLB Headquarters by a group from Saudi Arabia's Ministry of Municipal and Rural Affairs (MOMRA). The group has undertaken a three-year project to develop a system for contractors' classification in the Kingdom of Saudi Arabia, and wants a closer look at CSLB's operations.

The visit is expected to take place in either fall 2014 or winter 2015.

**COMMUNITY OUTREACH HIGHLIGHTS****Senior Scam StopperSM Seminars**

Forty Senior Scam StopperSM seminars have been conducted since the June 2014 Board meeting; at least 18 more events will occur between now and early December, including six conducted during the week of September 8.

Seminars since the Board's June meeting and upcoming calendar:

Date	Location	Legislative/Community Partner(s)
June 12, 2014	Union City	Asm. Bill Quirk
June 13, 2014 (am)	Hayward	Rep. Eric Swalwell
June 13, 2014 (pm)	San Lorenzo	Asm. Bill Quirk
June 20, 2014	Hayward	Asm. Bill Quirk
June 27, 2014	Castro Valley	Asm. Bill Quirk
June 30, 2014	Coronado	Rep. Scott Peters
July 7, 2014	Coronado	Sen. Marty Block
July 9, 2014	Oceano	Sen. Bill Monning/Asm. Katcho Achadjian
July 10, 2014	Fontana	Sen. Norma Torres
July 15, 2014	Perris	Sen. Richard Roth
July 18, 2014	Danville	Sen. Mark DeSaulnier
July 24, 2014 (am)	Buena Park	Asm. Sharon Quirk-Silva
July 24, 2014 (pm)	Glendale	Asm. Mike Gatto
July 29, 2014	Scotts Valley	Sen. Bill Monning/Asm. Mark Stone
July 30, 2014	Jurupa Valley	Sen. Richard Roth
July 31, 2014	Montclair	Sen. Norma Torres
August 1, 2014	Goleta	Asm. Das Williams
August 7, 2014 (am)	Stockton	Rep. Jerry McNerney
August 7, 2014 (pm)	Antioch	Rep. Jerry McNerney
August 8, 2014 (am)	Suisun City	Asm. Jim Frazier
August 8, 2014 (pm)	Orangevale	Asm. Beth Gaines
August 12, 2014	Lincoln	Asm. Beth Gaines
August 15, 2014 (pm)	Pittsburg	Sen. Mark DeSaulnier
August 15, 2014 (pm)	San Jose	Asm. Paul Fong
August 21, 2014 (am)	Redondo Beach	Asm. Al Muratsuchi
August 21, 2014 (pm)	Chino	Sen. Norma Torres/Asm. Curt Hagman
August 22, 2014	La Cañada Flintridge	Asm. Mike Gatto
August 25, 2014	Roseville	Asm. Beth Gaines
August 26, 2014 (am)	Citrus Heights	Lakeview MHP



Date	Location	Legislative/Community Partner(s)
August 26, 2014 (pm)	Milpitas	Rep. Mike Honda
August 28, 2014	Norwalk	Rep. Linda Sanchez
September 4, 2014	Menifee	Asm. Melissa Melendez
September 8, 2014	San Marino	Sen. Carol Liu
September 9, 2014	Sacramento	Asm. Roger Dickinson
September 10, 2014	Tulare	Asm. Connie Conway
September 11, 2014	South Orcutt	Asm. Katcho Achadjian
September 12, 2014 (am)	South Pasadena	Asm. Chris Holden
September 12, 2014 (pm)	Los Angeles	Asm. Jimmy Gomez
September 15, 2014	San Diego	Asm. Shirley Weber
September 16, 2014	Moreno Valley	Asm. Jose Medina
September 26, 2014	Sacramento	Asm. Roger Dickinson
September 29, 2014	South San Francisco	Asm. Kevin Mullin
October 1, 2014	Palo Alto	Asm. Rich Gordon
October 3, 2014	San Carlos	Asm. Kevin Mullin
October 15, 2014	Rancho Cordova	Neil Orchard Sr. Activities Center
October 17, 2014	Rio Vista	Asm. Jim Frazier
October 21, 2014	Glendora	Sen. Carol Liu
October 24, 2014	Cerritos	Rep. Linda Sanchez
October 27, 2014	San Diego	San Diego County DA
October 29, 2014	Tracy	Sen. Cathleen Galgiani
November 5, 2014	Cerritos	Asm. Cristina Garcia
November 6, 2014	Santa Monica	Asm. Richard Bloom
November 12, 2014	Manteca	Sen. Cathleen Galgiani
November 14, 2014	Delta – TBA	Asm. Jim Frazier
November 19, 2014 (am)	Upland	Sen. Carol Liu/Asm. Chris Holden
November 19, 2014 (pm)	Upland	Sen. Carol Liu/Asm. Chris Holden
November 20, 2014	San Jose	Asm. Nora Campos
December 9, 2014	Simi Valley	Sen. Fran Pavley

**EMPLOYEE RELATIONS****Intranet (CSLBin)**

In November 2013, PAO, with the assistance of IT staff, launched a new employee-only intranet site, called *CSLBin*. The site reorganized information used by employees on a daily basis.

Since its debut, *CSLBin* has posted dozens of stories and photos of CSLB employees around the state and their good deeds, as well as board highlights, including disaster response and enforcement operations.

News about employees and the organization are prominently featured on the *CSLBin* home page. Another section, "Employee Highlights," features more staff news such as awards, retirements, and promotions. There also is a photo gallery where multiple pictures are posted and a "10-Second Bio" that spotlights CSLB employees who stand out at work or in the community. An archive section houses older stories and photos that can be easily retrieved.

Staff reaction to the site has been very positive. Employees from around the state have supplied a steady stream of photos and news tips about colleagues and upcoming events.

CSLBin also functions as a resource center for employees, with easier-to-find forms, policies, training and safety information, and other information used by staff around the state. Other features include bios of all Board members, an enhanced staff phone list, event calendar, real-time weather updates, and photo slide shows.

AGENDA ITEM H-3

Review and Approval of 2014-17 CSLB Communications Plan





Public Affairs Office Communications Plan

I. Purpose

CSLB's Public Affairs Office (PAO) provides relevant, accurate, and consistent information to various stakeholders and audiences. Communications include all written, spoken, visual, and electronic (including Internet) interactions.

This plan supports CSLB's strategic objectives, and provides a framework for the variety of internal and external communications that will be developed and managed from 2015-2017.

PAO's range of distribution methods effectively relays the CSLB consumer protection and education messages to help gain support and cooperation from the general public and multiple stakeholder groups.

II. CSLB Mission Statement

The Contractors State License Board (CSLB) protects consumers by regulating the construction industry through policies that promote the health, safety, and general welfare of the public in matters relating to construction.

CSLB accomplishes this by:

- Ensuring that construction is performed in a safe, competent, and professional manner;
- Licensing contractors and enforcing licensing laws;
- Requiring licensure for any person practicing or offering to practice construction contracting;
- Enforcing the laws, regulations, and standards governing construction contracting in a fair and uniform manner;
- Providing resolution to disputes that arise from construction activities; and
- **Educating consumers so they can make informed choices.**

III. Public Affairs Office Mission Statement

PAO's mission is to provide timely, accurate, and useful information to CSLB's stakeholders, with a primary goal of protecting California consumers in matters relating to construction.

PAO accomplishes this by:

- Providing information and materials to educate consumers so they can make informed choices when hiring contractors and managing a construction project;
- Building and maintaining a positive, responsive, and professional relationship with news media outlets and reporters;
- Expanding CSLB's visibility with consumers, licensees, potential licensees, and the construction industry;
- Serving as an information conduit for CSLB's employees and Board members; and
- Partnering with other state and local government agencies, including trade organizations and other interested groups.



IV. Staff and Financial Resources

▪ **Public Affairs Staff**

Position Title	Name	Key Duties
Chief of Public Affairs	Rick Lopes	Lead for Public Affairs Office, Charts Direction of Communications Program, Leads Media Relations Efforts, Special Projects
Information Officer II	Melanie Bedwell	First-Level Supervisor, Contract Manager, PAO Project Manager, Publications Director, Special Projects, Media Relations
Information Officer I	Tom O’Hair	Media Relations, Video Production and Digital Coordinator, Social Media Outreach Coordinator
Information Officer I	Steve Breen	Publications Coordinator, Intranet Coordinator, Media Relations
Graphic Designer III	Amber Foreman	Graphic Design and Publication Production
Associate Government Program Analyst	Jane Kreidler	Outreach Coordinator, Senior Scam Stopper SM Program, Speakers Bureau Coordinator
Student Assistant	Vacant	Office Support

▪ **Financial Resources**

The Public Affairs Office has a \$700,000 budget allotted specifically for paid advertising and other outreach programs through an outside advertising/public relations agency. Other outreach costs (publications, travel, etc.) are part of CSLB’s operating budget. No paid advertising campaigns were conducted during the previous Communications Plan period (2011-2014).

V. Guiding Principles

PAO is committed to using its individual and collective experience, judgment, and talent to provide staff with the most effective and creative public relations counsel and services possible.

Staff proactively advocates for the interests of CSLB and California consumers, based on the belief that the board serves an important regulatory role for one of the state’s most important industries, and that educated consumers are in a better position to protect themselves from problems during a construction-related project. PAO believes in paying special attention to opportunities to offer an increased level of protection for vulnerable California populations, including those with a low income and older adults.



CSLB is mandated to ensure that contractors meet the minimum trade standards for licensure; PAO serves as an educational resource for licensees, providing information to help them understand laws and operate a successful business.

PAO provides Board members with CSLB information and facts to assist them when developing board policy and addressing the public.

PAO strives to use the newest and most effective communication channels and technology to reach its various stakeholders, utilizing the Internet whenever possible, and other cost-effective methods that provide wide audience reach.

The contributions of each PAO staff member is honored and the team that its success reflects individual and collective efforts.

VI. Target Audiences

- Consumers
 - Vulnerable Populations, Especially Seniors and Low-Income
- Licensees
- Unlicensed Contractors
- Industry and Trade Groups
- Building Officials/Departments
- State Elected and Appointed Officials and Representatives
- Prosecutorial Agencies
- Other Interested Groups

VII. Communication Messages

- Check The License First
- Consumers take a big risk when they hire an unlicensed contractor
- CSLB is a resource when hiring a contractor
- Know Your Rights
- Unlicensed or unscrupulous contractors may try to scam you (disaster)
- Benefits/How to become a licensed contractor
- Putting construction project success in consumers' hands

VIII. Communication Channels

The current message delivery environment is most successful through electronic-driven channels:

- CSLB Website
- Video
- Reality-Based Television Show(s)
- Social Media
- Publications (online and print)



- Media Outreach (news releases, industry bulletins, media events)
- Community Outreach (Senior Scam StopperSM seminars, CSLB Speakers Bureau)
- Paid Advertising
- Industry/Trade Publications

IX. Short-Term Goals

- Attract Media Attention to News Releases and Other Outreach
- Respond Quickly and Accurately to Media Inquiries
- Increase Video-Producing Capabilities, especially live Web streaming
- Build Social Media Presence
- Maintain Current Consumer Outreach Programs
- Develop New Opt-In Licensee Search Feature for CSLB Website
- Utilize Technology to Develop Opportunities to Interact with Various Stakeholders
- Regularly Update CSLB Website & Intranet Content
- Maintain Most Wanted Website Feature
- Help Re-establish CSLB Forms Committee

X. Long-Term Goals

- Build CSLB Awareness with Consumers
- Develop CSLB Brand as a Leading Consumer Protection Agency
- Expand Graphics Brand Across All Facets of CSLB
- Build Partnerships to Extend Outreach Budget
- Stay on the Leading Edge of Technology for Effective Communication
- Maintain Educational Materials Available to Licensees
- Develop Newsletter Committee (editorial board)
- Expand Partnerships with Other State, Federal, and Local Agencies, as well as Industry/Trade groups
- Provide Expanded Video and Printed Educational Materials
- Increase the Number of Foreign Language Print and Online Materials

XI. Timetable and Priorities

Specific timetables and priorities are determined and set by the Board during its annual strategic planning session.

**XII. Measurements of Success**

- Increase in Website License Look-Ups
- Increase in Visits to CheckTheLicenseFirst.com
- Conducting at Least Two Senior Scam StopperSM Seminars Per Month
- Number of Partnerships Created
- Number of Press Releases Issued
- Number of Press Events Conducted
- Number of Live Webcasts Produced
- Number of Videos Produced
- Increase in Facebook “Likes”
- Increase in Twitter “Followers”
- Feedback from Periodic Surveys
- Number of Chat Events Hosted
- Launch of Licensee Education Page
- Number of Foreign Language Materials Available and Distributed

Numeric values that represent improvement goals and results will be given to the above methods, such as percentages of increase, number of impressions, surveys, and other measurable tracking.

AGENDA ITEM I

Legislative Committee Report



AGENDA ITEM I-1

Review and Approval of September 11, 2014, Legislative Committee Meeting Summary Report





CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE COMMITTEE SUMMARY REPORT

LEGISLATIVE COMMITTEE MEETING

September 11, 2014

Sacramento, CA

A. CALL TO ORDER

Committee Chair Joan Hancock called the Contractors State License Board (CSLB) Legislative Committee to order at 9:08 a.m. on Thursday, September 11, 2014, in the John C. Hall Hearing Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, CA 95827.

Committee Members Present

Joan Hancock, Chair
Linda Clifford
Nancy Springer
Paul Schifino

Committee Members Absent

Agustin Beltran

Board Members Present

David Dias
Ed Lang

CSLB Staff Present

Stephen Sands, Registrar
Laura Zuniga, Chief of Legislation
David Fogt, Chief of Enforcement
Rick Lopes, Chief of Public Affairs
Karen Robinson, Chief of Licensing
Raju Sah, Chief Technology Officer
Tom O'Hair, Public Affairs

Chair Joan Hancock welcomed committee members Linda Clifford, Paul Schifino, and Nancy Springer, and noted the excused absence of Committee Member Agustin Beltran.

The meeting began with a moment of silence in remembrance of September 11, 2001.

B. PUBLIC COMMENT SESSION

There was no public comment.

C. LEGISLATIVE UPDATE

Chief of Legislation Laura Zuniga provided an update on significant 2014 legislation.



D. REVIEW AND CONSIDERATION OF SUNSET REVIEW REPORT AND RECOMMENDATIONS

Committee Chair Hancock summarized the Sunset Review Report and recommendations. She indicated that she would like to appoint a sub-committee to work on the recommendations.

Committee Member Linda Clifford stated that she had submitted comments on all three recommendations, and would like to make the recommendation regarding Business & Professions (B&P) Code section 7031 an “advisory issue,” since the Board already has sponsored legislation on this topic. Chair Hancock indicated that she would like more information about the background of that legislation.

Registrar Steve Sands reviewed the Sunset Review Report process, and stated that staff continues to review and revise the draft recommendations, which now will be presented as “issues” rather than “recommendations.”

Paul Schifino asked about the process to implement the recommendations from the Sunset Review Report and suggested that the Committee continue to make edits to the documents. Chair Hancock asked Members Linda Clifford and Paul Schifino to work further with Laura Zuniga to continue to modify the document.

Registrar Sands suggested that since everyone seemed to be on the same page, the discussion moved forward.

Joan Hancock asked for public comment on the B&P Code section 7031 recommendation. Phil Vermulen, of Phillip M. Vermulen Government Relations, discussed the legislative history, including a bill authored by Assemblyman Berryhill related to B&P Code section 7031. He cited an example of a firm that contracted with the State of California and had \$25 million disgorged. He indicated that the Board and industry need to continue to address this issue in the next legislative session.

Chair Hancock briefly reviewed federal law and the impact of a recent Supreme Court case and the federal Miller Act, which supersedes B&P Code §7031. Mr. Schifino asked about examples of B&P Code §7031 cases. Mr. Sands explained the difficulty of getting contractors to come forward, as cases are generally settled with confidentiality agreements.

Laura Zuniga provided a brief overview of the arbitration recommendation and the Contractors State License Law revision. Linda Clifford stated that she believes the comprehensive review and redrafting of the Contractors State Licensing Law is a critical issue, and will take a significant amount of work. Paul Schifino asked about the process to achieve such changes. Steve Sands outlined a process involving public meetings and addressing changes to the law in several sections. Ms. Zuniga stated that it would be added to the next Legislative Committee agenda.



Mr. Sands suggested that the Committee Chair direct staff to make edits to the recommendations, and incorporate them into the Sunset Review Report.

E. ADJOURNMENT

Legislative Committee Chair Joan Hancock adjourned the meeting at 10:08 a.m.

AGENDA ITEM I-2

Legislative Program Update



AGENDA ITEM J

Licensing Committee Report



AGENDA ITEM J-1

Review and Approval of August 18, 2014, Licensing Committee Meeting Summary Report





CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

LICENSING COMMITTEE MEETING

August 18, 2014
Sacramento, CA

A. CALL TO ORDER

Licensing Committee Chair Linda Clifford called the Licensing Committee meeting to order at 9:30 a.m. in the John C. Hall Hearing Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, California. A quorum was established.

Licensing Committee Members Present

Linda Clifford, Chair
Kevin Albanese
John O'Rourke
Bruce Rust
Frank Schetter

Other Board Members Present

David Dias
Joan Hancock
Bob Lamb
Agustin Beltran
Pastor Herrera Jr.
Paul Schifino

CSLB Board Staff Present

Stephen J. Sands, Registrar
Cindi Christenson, Chief Deputy Registrar
Kurt Heppler, Legal Counsel
Kyle Muteff, Legal Counsel
Rick Lopes, Public Affairs Chief
David Fogt, Enforcement Chief
Laura Zuniga, Legislation Chief
Karen Robinson, Licensing Chief
Cindy Kanemoto, Chief Information Officer
Nicole Newman, Licensing Staff

Betsy Figueira, Licensing Staff
Rick Villucci, Licensing Staff
Hal Clay, Licensing Staff
Charlotte Allison, Licensing Staff
Melanie Bedwell, Public Affairs Staff
Tom O'Hair, Public Affairs Staff
Ana Rodriguez, Enforcement Staff
Wendi Balvanz, Testing Chief
Raju Sah, Chief Technology Officer
Andrew Balaam, IT Staff
Keith Kun, IT Staff

Others Present

Daniel Cohen, Television Education Inc.
Beverly Carr, Politico Group
Daryl Robertson, Contractor
Phil Vermeulen, Governmental Relations Advocate
Richard Marks, Pacific Advocacy
Ron Givens, CA Strategy Inc.



CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

Shauna Krause, Capitol Services

A. COMMITTEE CHAIR'S REMARKS AND COMMITTEE MEMBER COMMENTS

Licensing Committee Chair Linda Clifford offered introductions and welcomed everyone to the Licensing Committee Meeting. There were no committee member comments.

B. PUBLIC COMMENT

See Item C.*

C. LICENSING PROGRAM UPDATE

Licensing Chief Karen Robinson provided updates on the licensing Application and Transaction Unit's workload and processing times, indicating an upward trend of 2 percent in the overall number of new applications received. Call volumes and wait times in the call center continue to exceed the Board's goals. She also reported on the Judgment and Criminal Background Units, noting that the Criminal Background Unit is currently experiencing a pronounced increase in the number of fingerprint processing delays reported to CSLB by the Department of Justice. Chief Robinson also commented on the Licensing division resuming the duties of the Experience Verification Unit, including formal investigations. Licensing staff has received extensive training and successfully streamlined the verification process to effectively meet the 3 percent minimum application verification required by statute.

*Public comment by Daniel Cohen followed the Licensing division update. Mr. Cohen acknowledged that over the past year he has seen positive changes in the work experience verification program. He inquired as to the cost effectiveness of the process, and requested copies of the budget and any reports for that unit.

In response, Licensing Chief Robinson reminded Mr. Cohen that the Board's mission is to protect the consumer as mandated by legislation, which entails verifying that all applicants meet the minimum experience requirement. She also indicated that reporting (when established) and budgetary information could be made available.

D. TESTING DIVISION UPDATE

Testing Chief Wendy Balvanz provided updates on staff, examination development and administration, and the exam wait times at the eight testing centers. She also reported that the SCORE custom software upgrade has been well received by applicants and staff alike at the testing centers. A demonstration of the SCORE touch screen testing upgrade followed.

F. ADJOURNMENT

License Committee Chair Linda Clifford adjourned the meeting at 10:15 a.m.

AGENDA ITEM J-2

Licensing Program Update





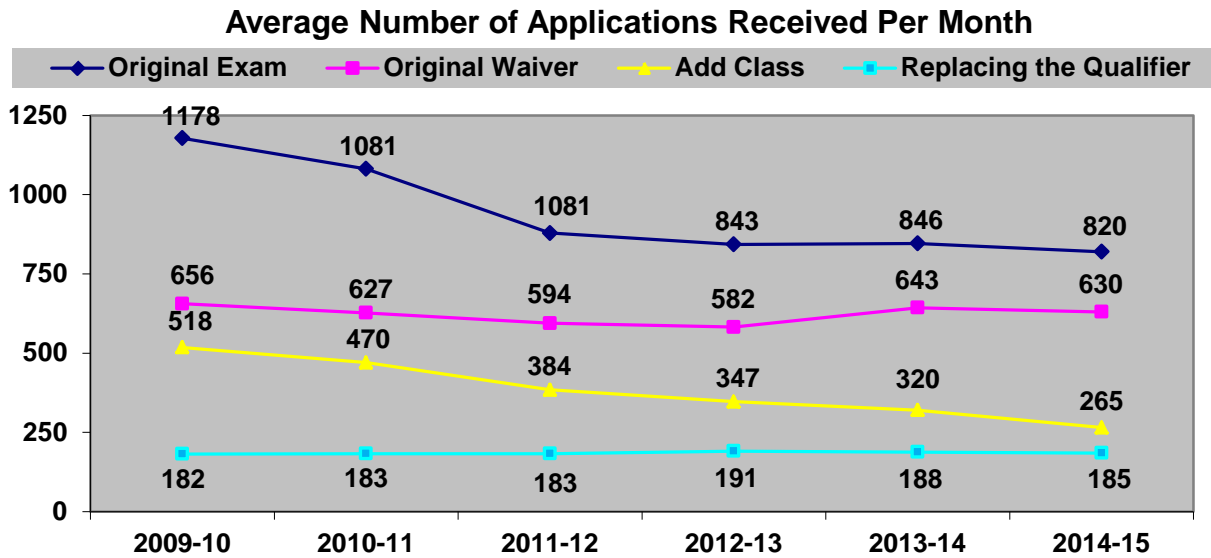
CONTRACTORS STATE LICENSE BOARD

LICENSING PROGRAM UPDATE

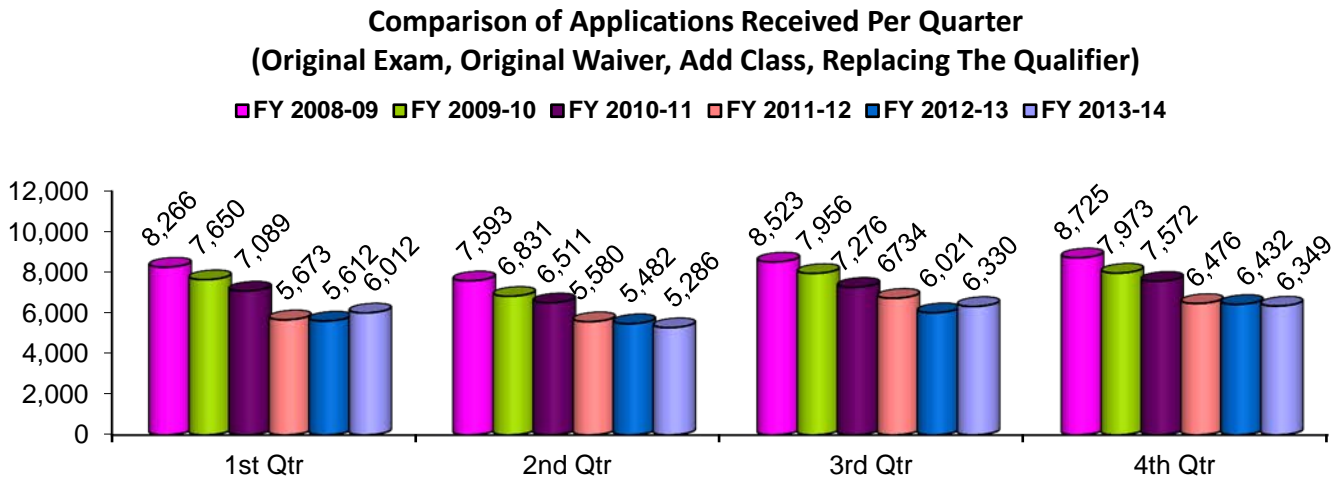
LICENSE APPLICATION WORKLOAD

The number of applications CSLB received in fiscal year (FY) 2013-14 trended upward 2 percent from the previous year, reversing the decline in recent years from the economic recession and housing downturn.

The average number of applications received per month for the past six fiscal years:



Total number of applications received by quarter for the past six fiscal years:

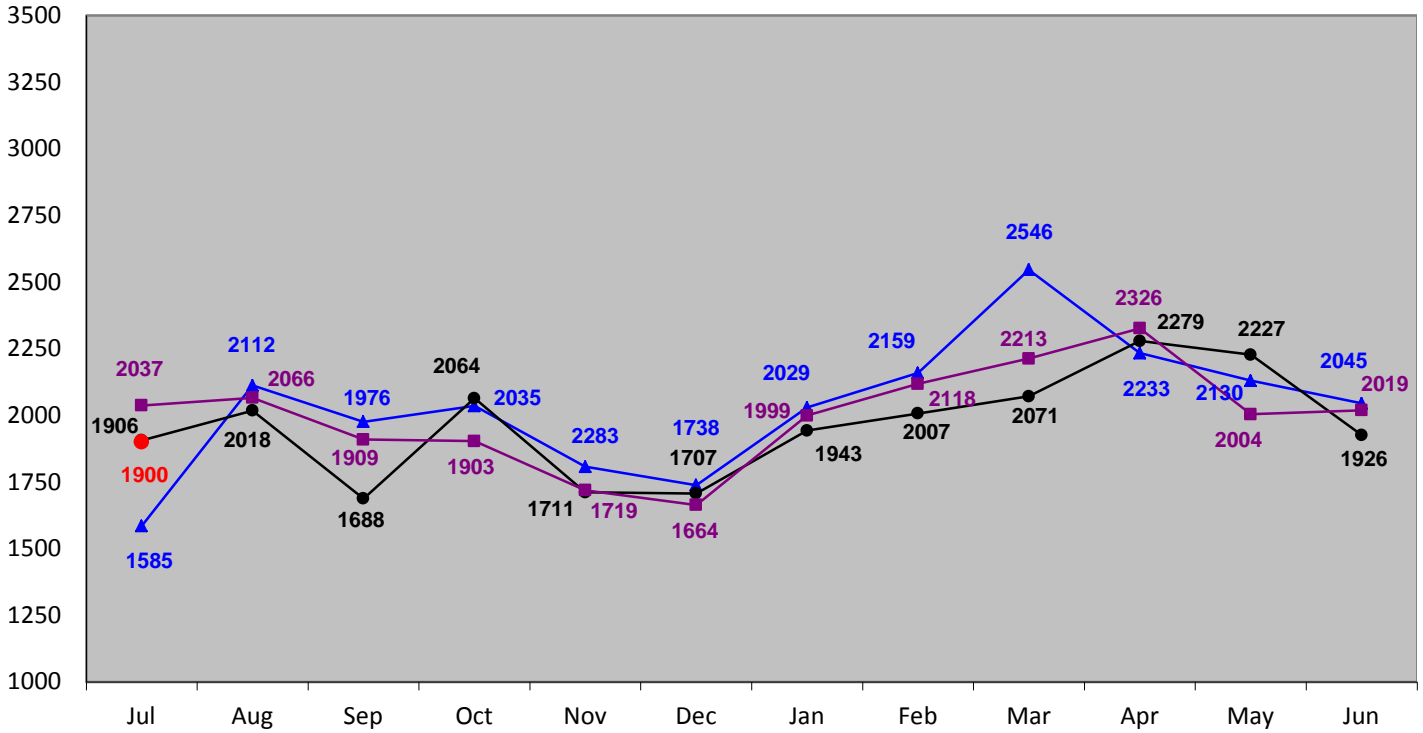


Increase of 2 percent in total applications received for FY 2013-14 compared with FY 2012-13



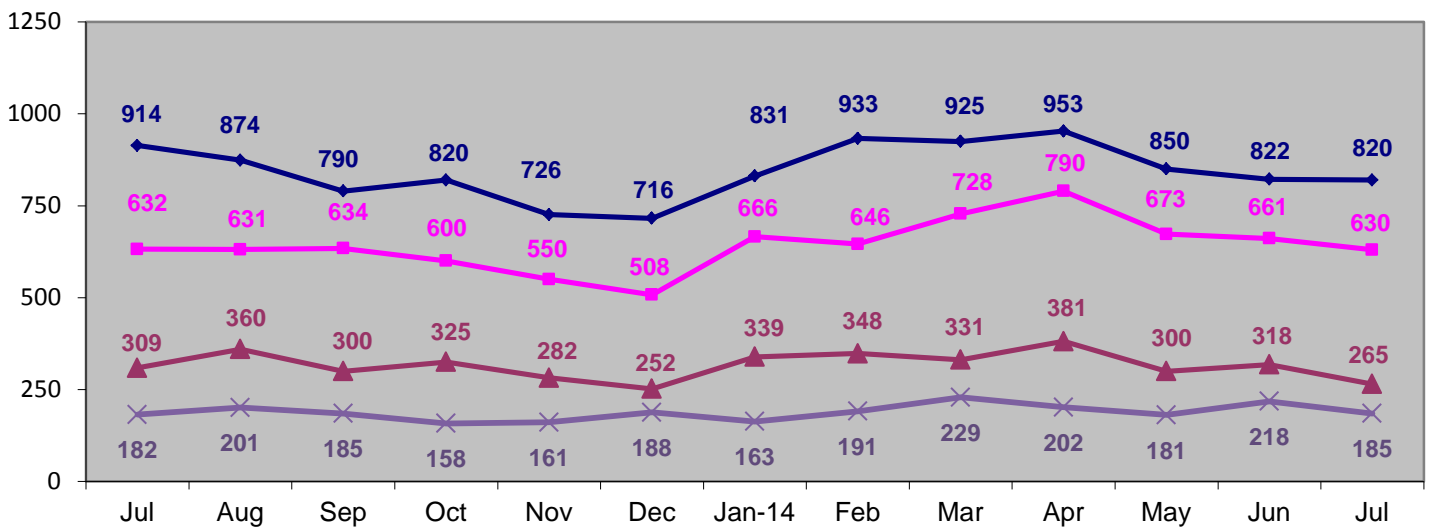
**Total Number of Applications Received Per Month
(Original Exam, Original Waiver, Add Class, Replacing the Qualifier)**

—▲— 2011-12 —●— 2012-13 —■— 2013-14 —●— 2014-15



Number of Applications Received

—◆— Original Exam —■— Original Waiver —▲— Add Class —×— Replacing the Qualifier





LIMITED LIABILITY COMPANIES

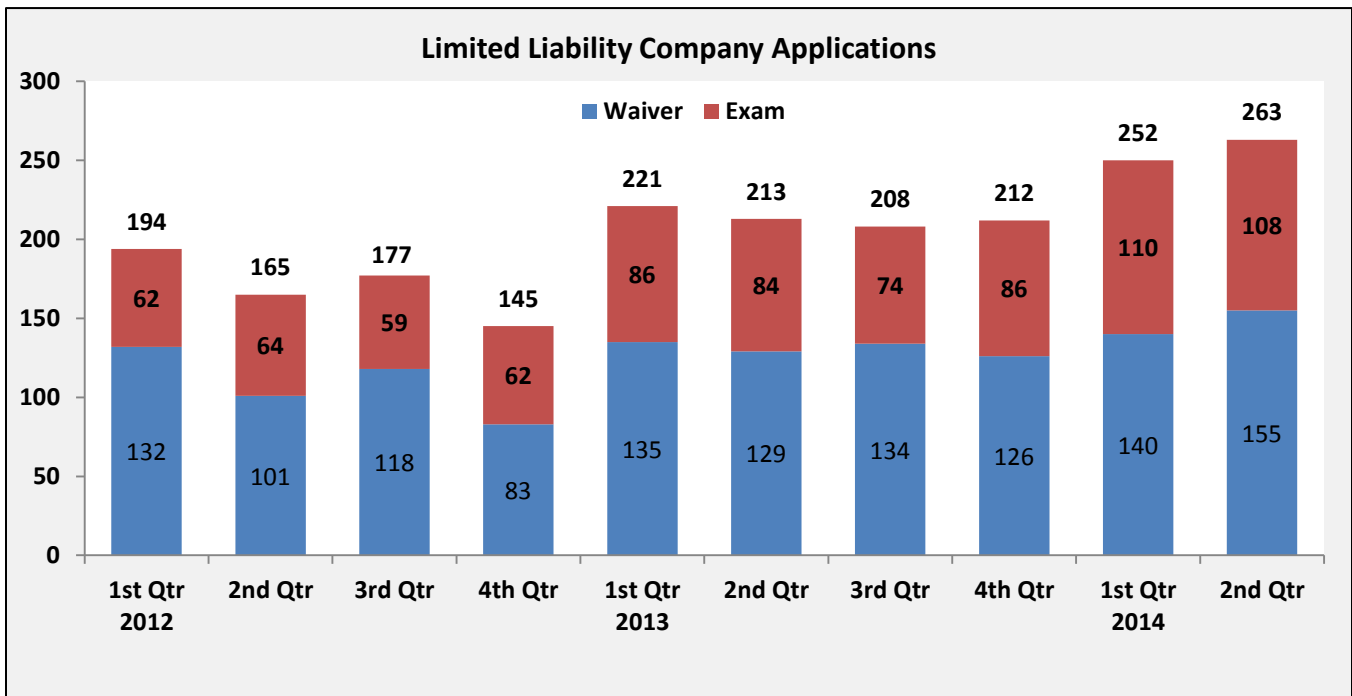
Effective January 1, 2012, a new law (Senate Bill 392) authorized CSLB to issue licenses to limited liability companies (LLCs).

The legislation noted that for many years contractors have legally operated as either “S” or “C” corporations, with well-established case law regarding the ability to “pierce the corporate veil.” With this law, the Legislature intended to also apply this doctrine to LLCs. Since case law has not yet established this principle in California in regard to LLCs, applicants are required to acquire an additional \$100,000 bond for the benefit of workers relative to the payment of wages and fringe benefits. This bond is in addition to the standard \$12,500 contractor bond.

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

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

Number of LLC applications received quarterly since January 2012:



LLC Application (Waivers and Exams Combined)



Quarterly Processing Data

Received	194	165	172	132	663	223	204	208	212	847	250	263
Rejected	113	99	129	86	427	134	133	134	126	527	156	152
Issued Upon Receipt	5	10	7	5	27	16	8	9	2	35	16	12
Processed	70	53	33	38	194	72	56	57	79	264	72	91
Void or Withdrawn	6	3	3	3	15	1	7	8	5	21	6	8
Not Yet Processed	0	0	0	0	0	0	0	0	0	0	0	0
	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	Yr. End Total	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	Yr. End Total	1 st Qtr.	2 nd Qtr.
Year	2012					2013					2014	

Most Common Reasons for Rejection:

1. Personnel listed on application does not match the personnel listed on SOS records
2. 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 section (page 2 of application, #10-14) is missing or incomplete

Of the 2,089 original LLC applications received through July 31, 2014, CSLB issued 670 limited liability company contractor licenses. 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 in the records of the Office of Secretary of State. The SOI information is required to process the LLC application and provides staff with the total number and names of LLC personnel, which is crucial in determining the appropriate liability insurance requirement (between \$1 million and \$5 million) for the LLC.

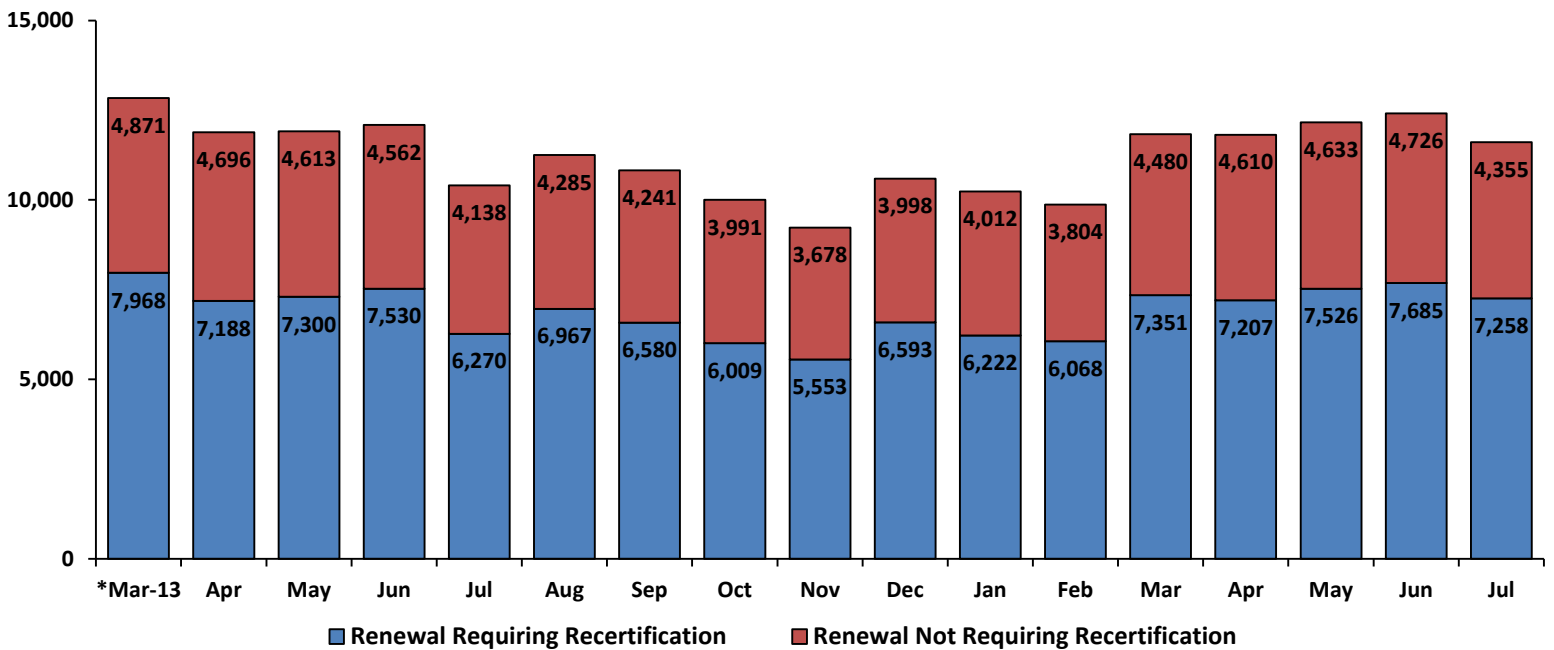


WORKERS' COMPENSATION INSURANCE RECERTIFICATION

Business and Professions Code § 7125.5 (Assembly Bill 397) took effect on January 1, 2012. This law requires that, at the time of renewal, an active contractor with an exemption for workers' compensation (WC) insurance on file with CSLB either recertify the exemption or provide a current and valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance. If, at the time of renewal, the licensee fails to recertify his or her exempt status or to provide a workers' compensation policy, resulting in an automatic denial of the renewal application [?] the law allows for the retroactive renewal of the license provided the licensee submits 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 licenses expiring March 31, 2013. The following chart shows the number of renewal applications mailed each month that required recertification of the workers' compensation exemption or a current, valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance to renew the license.

Renewal Applications Mailed Per Month

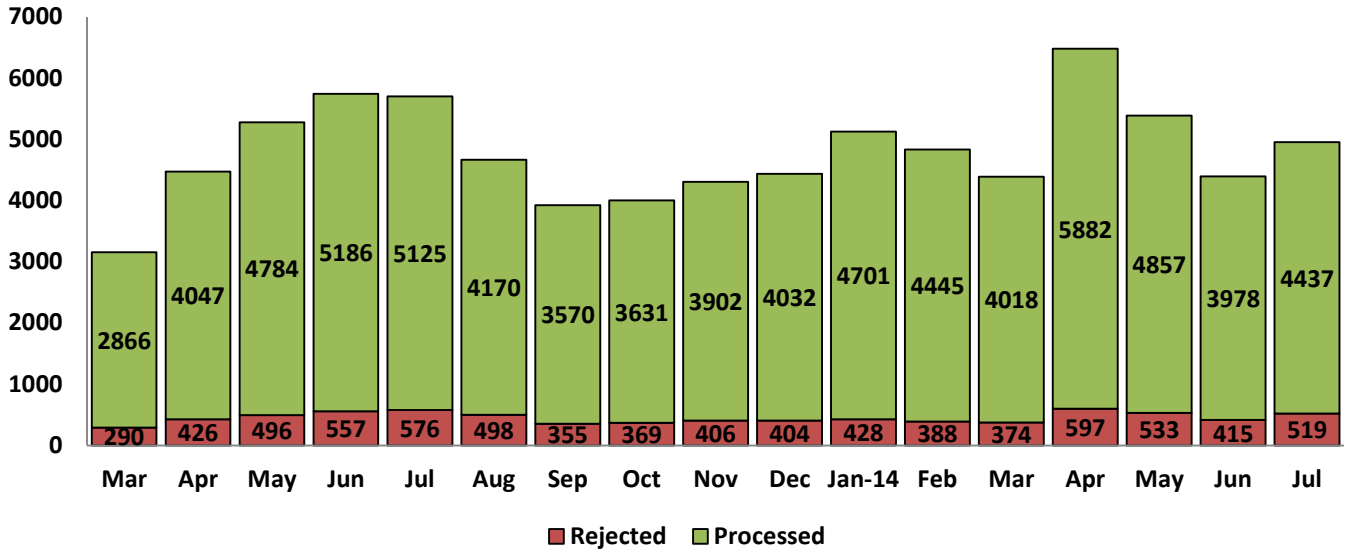


*Represents month of mailing, not month of license expiration



Number of renewal applications processed each month that required WC insurance recertification, beginning with licenses that expired on March 31, 2013:

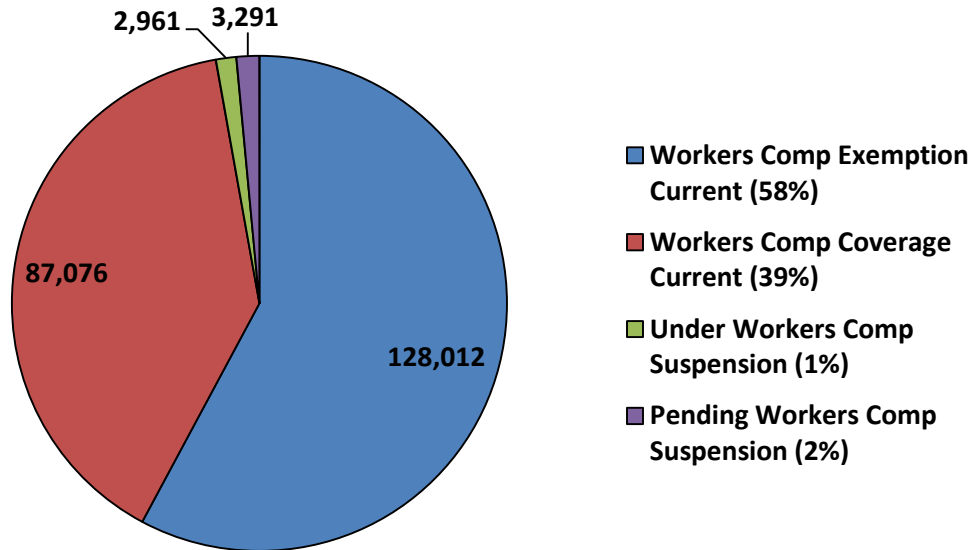
BPC Section 7125.5 Renewal Of License
Recertification Of Exemption For Workers' Compensation Insurance



Data obtained from L742-Renewal Notice Summary; effective 8-1-2013, L743-Renewal Statistics Report

Snapshot of workers' compensation coverage for active licenses:

Workers' Comp Coverage for Active Licenses - August 1, 2014



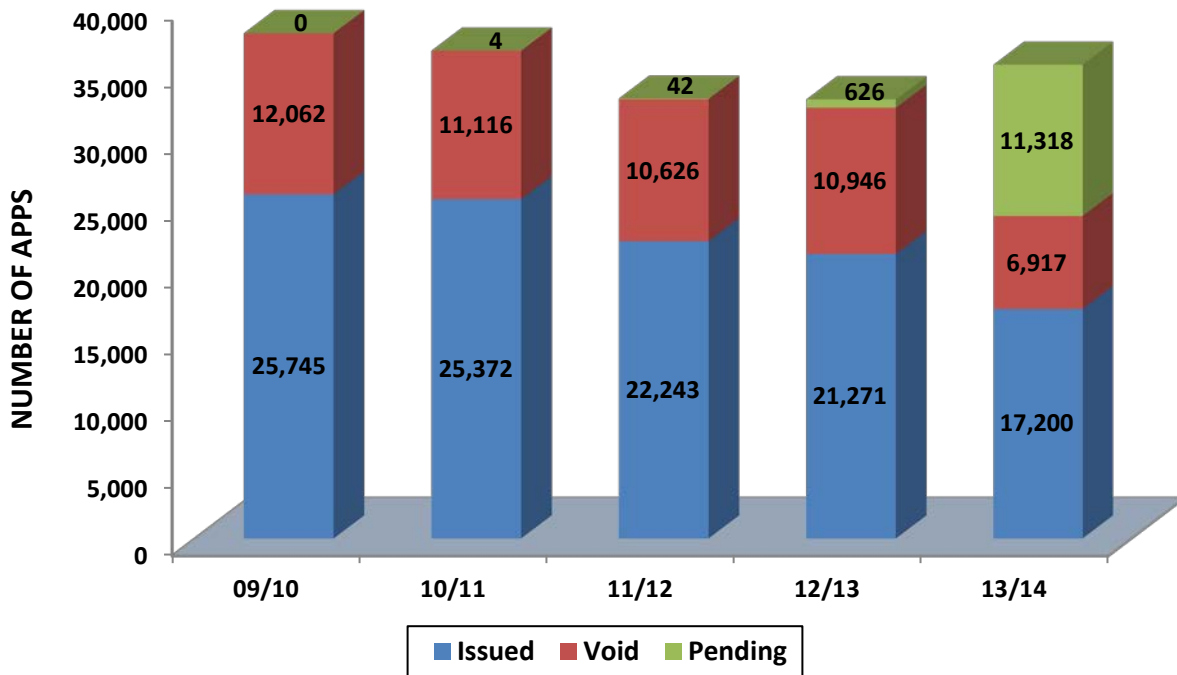
Total Number of Active Licenses: 221,340

Data obtained from Teale Program ACTLICWC



**Disposition of Applications by Fiscal Year
Teale Report S724: Run Date 8-21-2014**

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



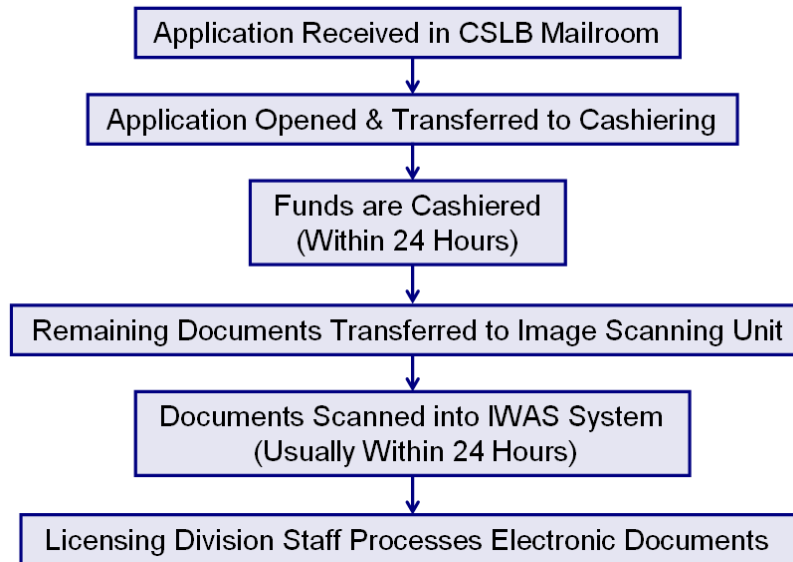
CSLB management continues to monitor processing times for the various licensing [?] units on both a weekly and monthly basis. The charts on pages 16-19 track the average monthly “weeks to process” for the application and license maintenance/transaction units.

“Weeks to process,” or processing times, refers to the average number of weeks before an application or document is initially pulled for processing by a technician after it has arrived at CSLB.

The time-to-process timelines for applications and renewals include an approximate two-day backlog that accounts for the required cashing and image-scanning tasks that must be completed before an application or document can be processed.



CSLB Application Processing Route



Since FY 2008-09, Licensing has used a diminished amount of overtime, in contrast to previous years when overtime was a regular occurrence due to furloughs. Throughout schedule and manpower fluctuations, Licensing has maintained acceptable processing times.

FINGERPRINTING/CRIMINAL BACKGROUND UNIT

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

Criminal Background Unit (CBU) staff begins to process Criminal Offender Record Information (CORI) on the same day it is received and conduct a triage to clear applicants with minor, clearable convictions, provided that the applicant honestly disclosed that information 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 lists 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 300,700 transmittals from DOJ, which include clear codes and conviction information.

Of the applicants fingerprinted during that time, CBU staff received CORI for approximately 52,400 applicants, an indication that the DOJ and/or the Federal Bureau of Investigation had a criminal conviction(s) on record for that individual.



As a result of CORI files, through July 31, 2014, CBU denied 1,192 applications and issued 1,370 probationary licenses; 597 applicants appealed their denials.

Below is a breakdown of CBU statistics by fiscal year:

CRIMINAL BACKGROUND UNIT STATISTICS								
	FY 04-05 thru FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	TOTALS
DOJ Records Received	188,847	27,330	24,730	18,805	18,270	20,395	2,345	300,722
CORI RAPP Received	30,153	5,254	5,201	3,997	3,663	3,768	394	52,430
Denials	844	63	108	70	67	37	3	1,192
Appeals	406	29	62	39	36	23	2	597
Probationary Licenses Issued	622	203	243	146	71	76	9	1,3670

EXPERIENCE VERIFICATION UNIT

CSLB is required by law to investigate a minimum of 3 percent of applications received to review applicants' claims of work experience. Until 2005, these formal investigations were performed by the Licensing division. However, in early 2005, when the fingerprinting requirements were implemented, Licensing requested that the work experience investigation workload be transferred to the Enforcement division. This enabled Licensing staff, who had previously conducted experience investigations, to review criminal histories. But, as of June 1, 2014, Licensing has reassumed the formal investigation of applicants' claims of work experience. Licensing will follow the same procedures as Enforcement.

In January 2013, in order to streamline the application process, as well as to reduce the time and expense of formal investigations, Licensing combined the work experience verification process with the standard application review. The goal of the program is to assist qualified applicants in becoming licensed and to ensure that all licensed contractors meet minimum qualifications. While this process is not a formal investigation, it is intended to verify the work experience claimed by the applicant. Applicants are provided with a number of options for verifying their experience. In instances when CSLB is unable to confirm the experience, three options are offered to the applicant:

- Identify a new qualifier who possesses the required work experience;
- Withdraw the application and reapply when the necessary work experience has been gained; or
- Request a formal experience investigation.



In December 2013, CSLB conducted a seminar for contractor schools to review the experience verification process so they could better help clients provide the necessary information to become licensed.

Also, in June 2014, application processing staff underwent training on procedures to verify experience. Following the training, 40 percent fewer applications were referred for formal investigation compared with the previous quarter.

Licensing will continue to track the number of applications reviewed, as well as those verified or denied, and report back to the Licensing Committee and the Board.

LICENSING INFORMATION CENTER

Licensing Information Center (LIC) Workload

LIC (call center) staff has continued to exceed Board goals. For fiscal year 2013-2014, call center agents answered a total of 153,417 calls. Call wait times averaged only 1:48, with 98 percent of all incoming calls answered. The average length of each call was 4:08.

These improved statistics can be attributed to staffing levels and training. Employees hired in 2013 continue to benefit from comprehensive training and are becoming more seasoned each day.

Staffing Update

Two new Program Technician IIs were hired July 21, 2014, and are now shadowing veteran LIC agents, listening and observing in preparation for taking live calls about contractor law and CSLB regulations. In addition, two staff members who began in May 2014 are now taking calls on their own and doing well. LIC also has hired a new Staff Services Analyst (SSA) to assist in training new staff, as well as to provide managers with hands-on assistance within the LIC program.

The call center has retained two part-time retired annuitants who work during peak call hours (10 a.m.-2 p.m.). Both individuals previously worked in the call center and are trained in contractor law and CSLB policies.

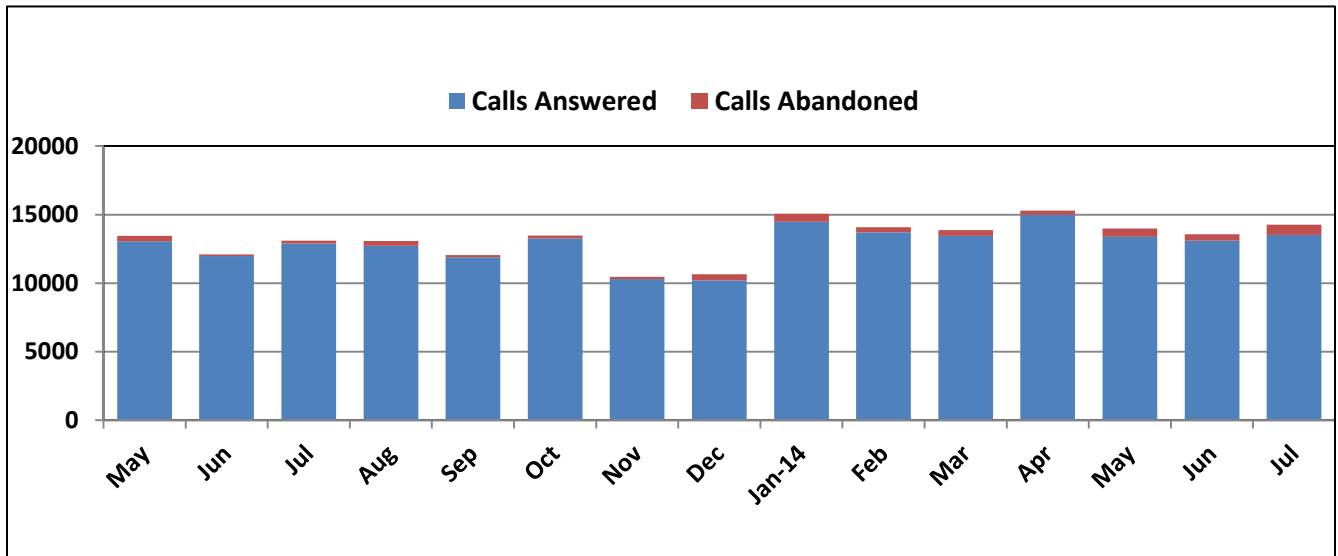
Increased Training

LIC continues to strive to provide timely, efficient, and professional services to its customers. New employees have spent significant time in one-on-one training with seasoned staff and supervisors. LIC also plans to schedule bi-monthly classification training with the CSLB Classification Deputy, as well as cross-training with other Licensing units. With the new SSA on staff, Licensing is preparing to conduct the next Board orientation for new employees, with the training date to be announced. The orientation will be webcast via CSLB's intranet for staff in Southern California offices.



LICENSING INFORMATION CENTER CALL DATA

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Calls Received	13,104	13,070	12,057	13,480	10,466	10,652	14,484	13,699	13,868	15,289	13,997	13,566	14,271
Calls Answered	12,881	12,735	11,876	13,264	10,304	10,204	13,919	13,325	13,456	14,983	13,370	13,100	13,521
Calls Abandoned	221	330	180	216	162	445	564	373	412	305	626	466	747
Longest Wait Time	4:07	3:51	2:14	4:37	2:30	10:04	10:46	4:46	4:39	5:48	8:37	5:49	10:50
Shortest Wait Time	0:16	0:14	0:13	0:17	0:18	0:11	0:27	0:26	0:17	0:18	0:27	:26	0:30
Average Wait Time	1:02	1:35	0:59	0:57	1:06	2:34	2:37	1:50	2:10	1:23	1:44	2:28	4:36



**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 the time frame for complying -- 90 days for judgments and payment of claims, and 60 days for outstanding liabilities.

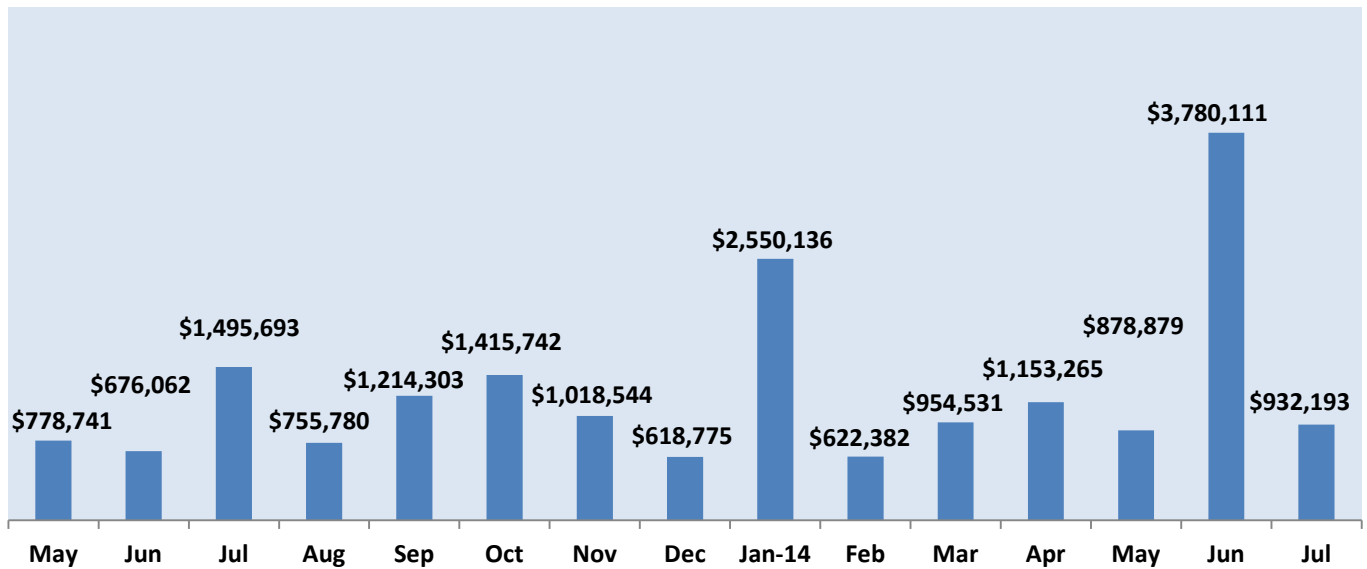
If the licensee fails to comply within the allotted time frame, the license is suspended and a notice of suspension is sent to the contractor. Upon compliance, a reinstatement letter is sent to the licensee.



Outstanding Liabilities

Letter Type Sent	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2014	Feb	Mar	Apr	May	Jun	Jul
Initial	70	58	80	51	34	41	67	39	75	80	42	82	54	41	91
Suspend	53	37	65	54	68	44	20	40	64	30	40	97	37	66	41
Reinstate	36	28	27	35	45	37	28	29	47	29	40	42	33	60	36

Savings to the Public

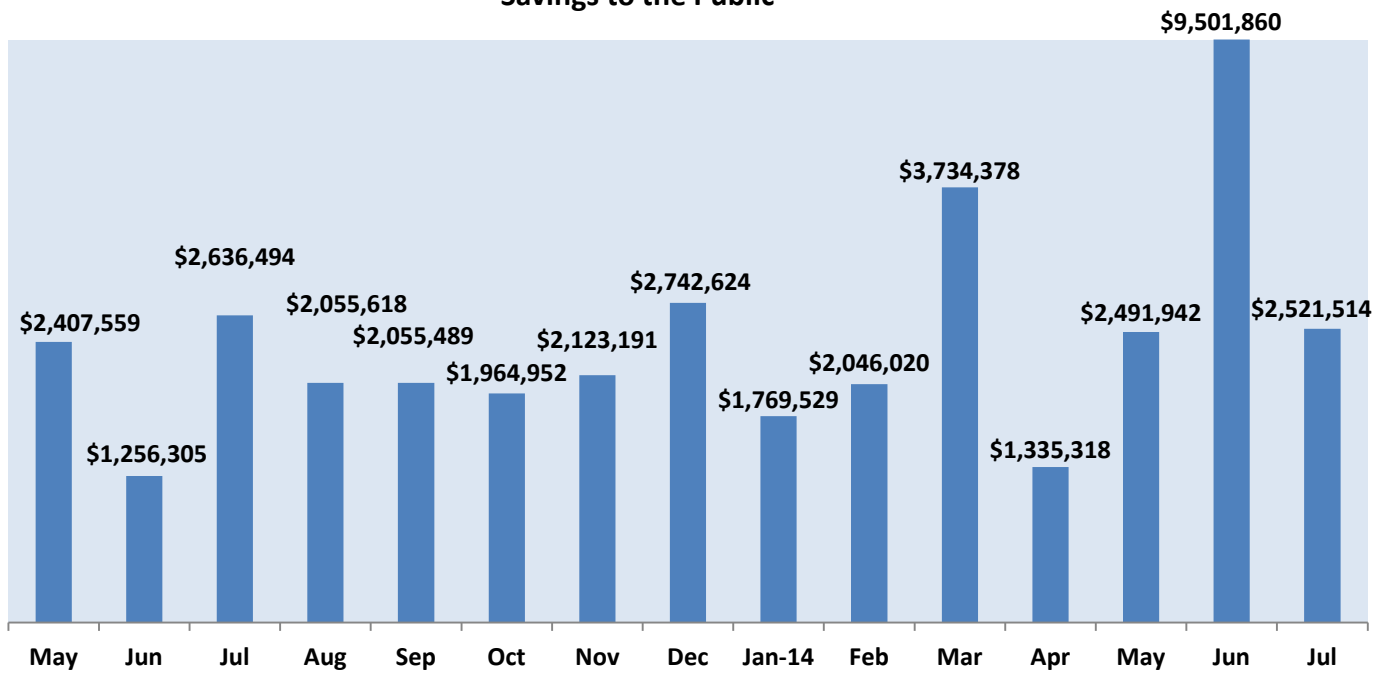




Judgments

Letter Type Sent	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2014	Feb	Mar	Apr	May	Jun	Jul
Initial	158	138	143	147	146	160	131	128	159	149	199	213	151	220	184
Suspend	67	50	69	57	53	51	47	57	48	56	52	54	33	72	86
Reinstate	129	109	120	130	132	138	108	122	108	115	137	128	118	118	118

Savings to the Public

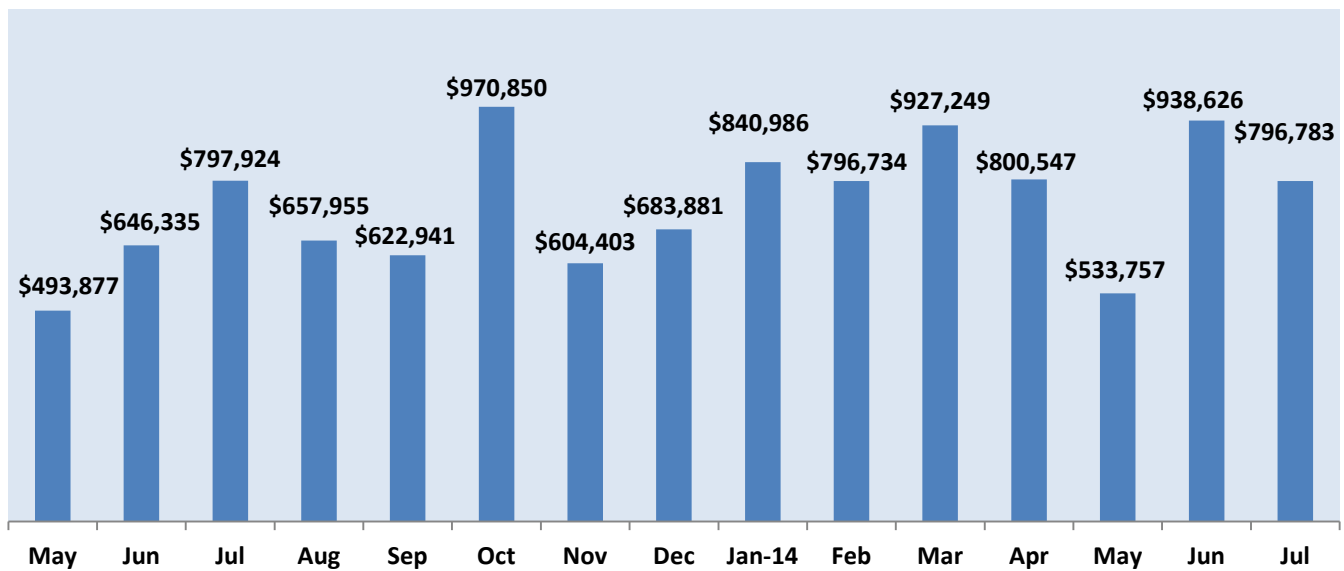




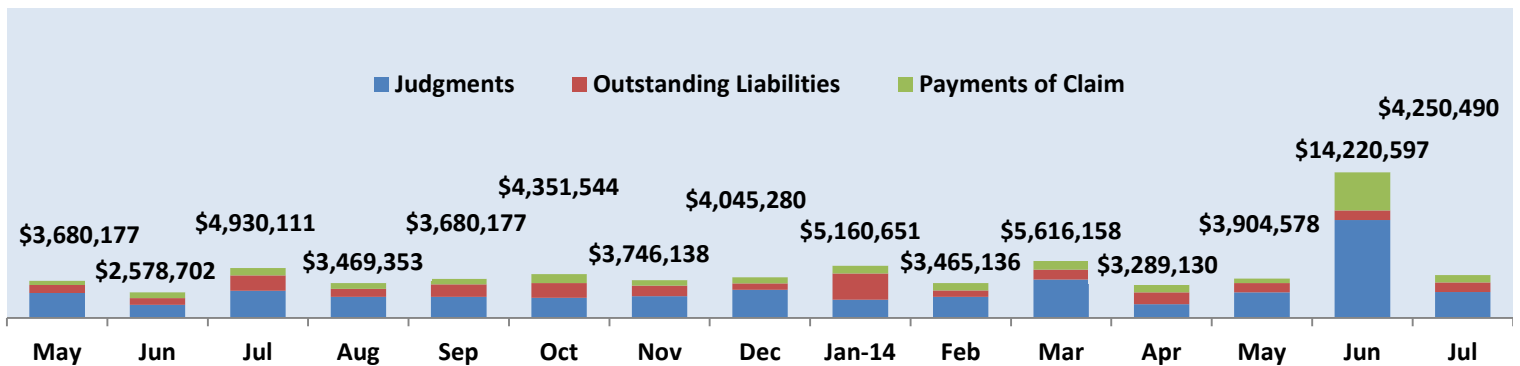
Bond Payment of Claims

Letter Type Sent	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2014	Feb	Mar	Apr	May	Jun	Jul
Initial	56	178	160	142	102	315	184	139	157	122	201	150	56	323	183
Suspend	66	25	180	88	89	68	68	51	173	106	41	60	62	98	57
Reinstate	93	107	133	124	111	154	118	128	154	135	144	133	90	176	147

Savings to the Public



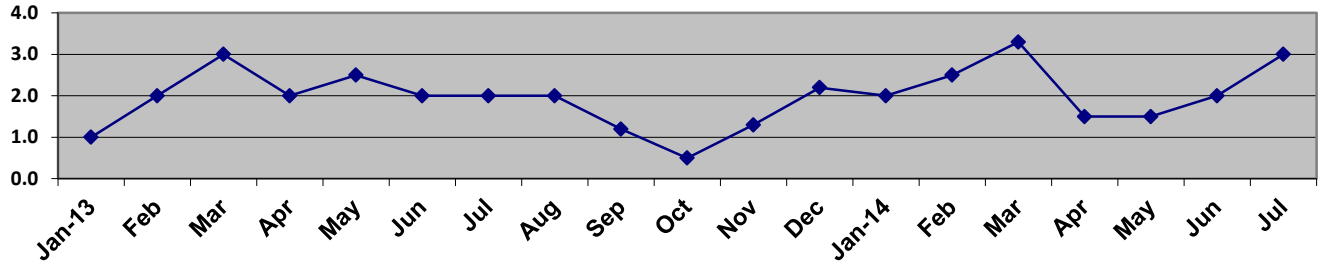
Total Savings to the Public



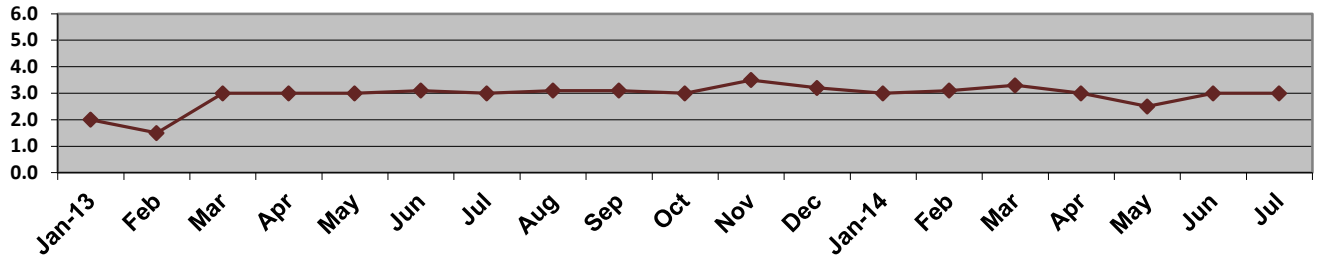


Number of Weeks before Being Pulled for Processing

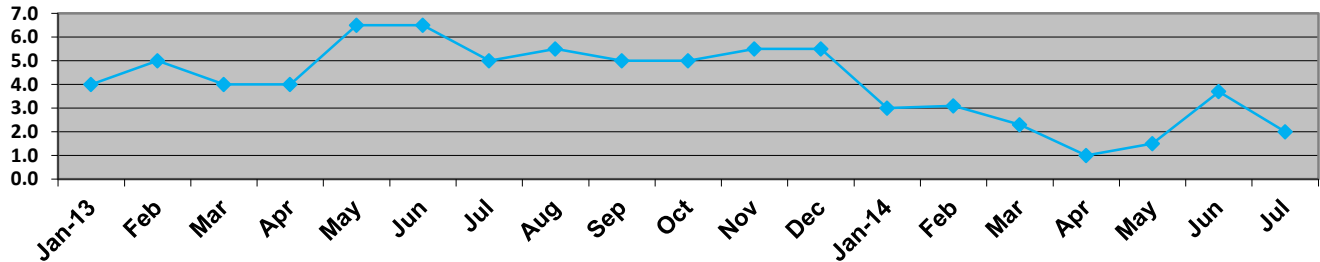
Application for Original License - Exam



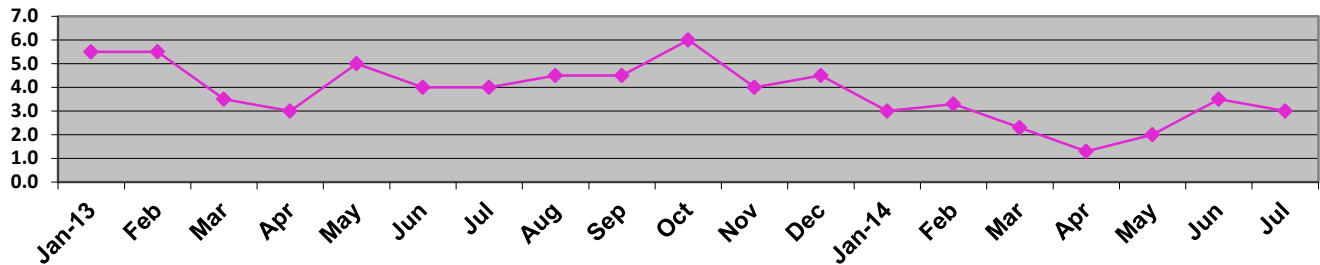
Application for Original License - Waiver



Application for Additional Classification



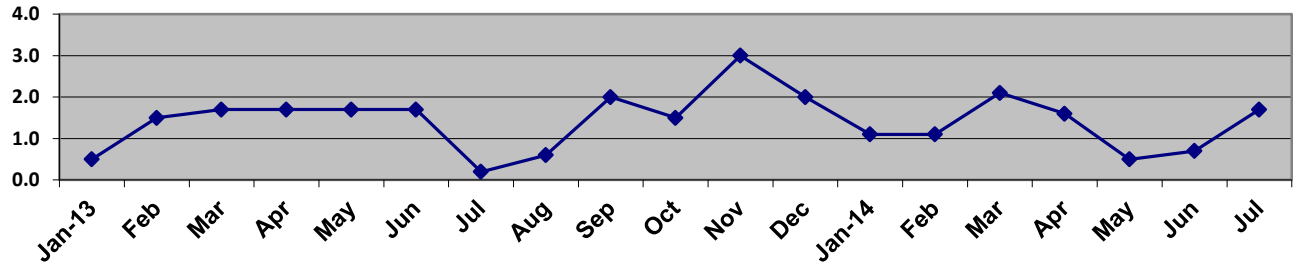
Application to Replace the Qualifier



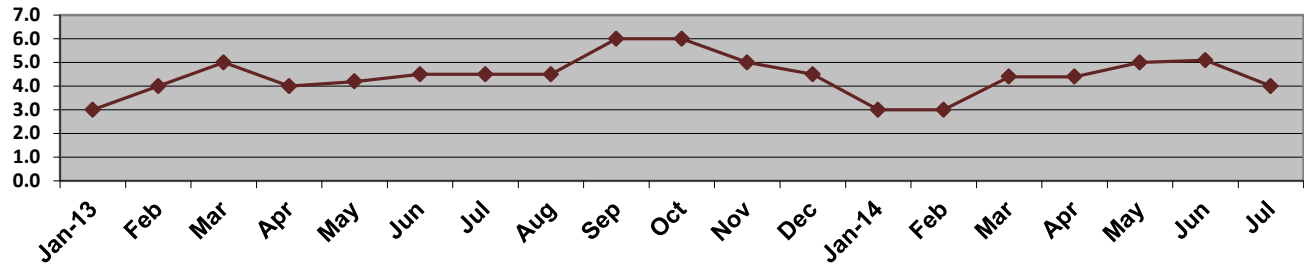


Number of Weeks before Being Pulled for Processing

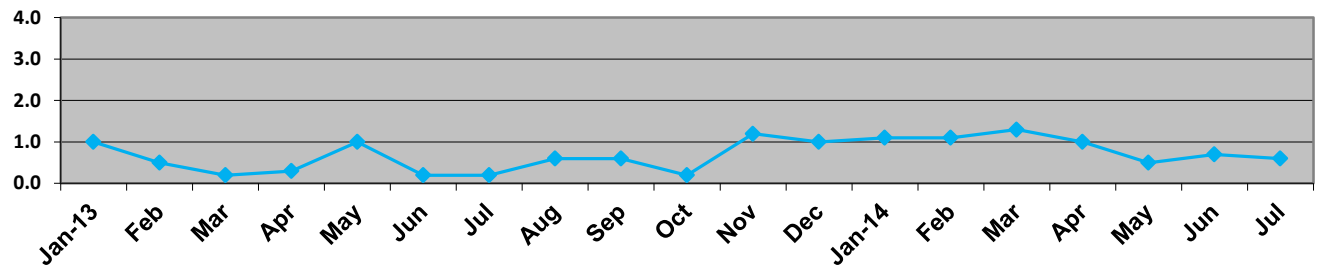
Application for Renewal



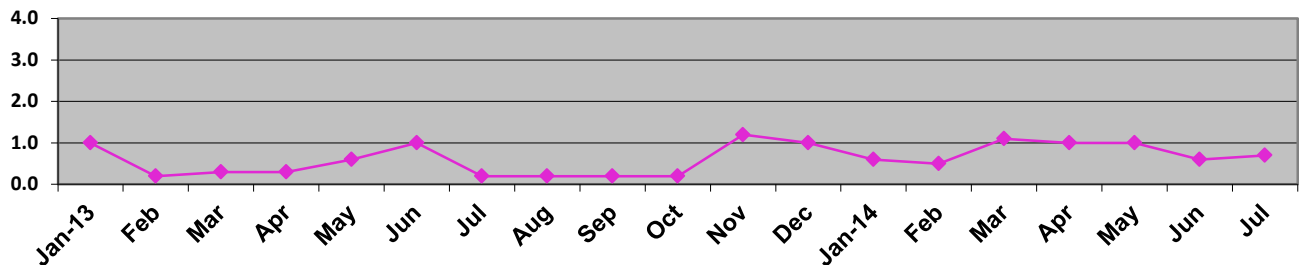
Home Improvement Salesperson (HIS) Application



Application to Add New Officer



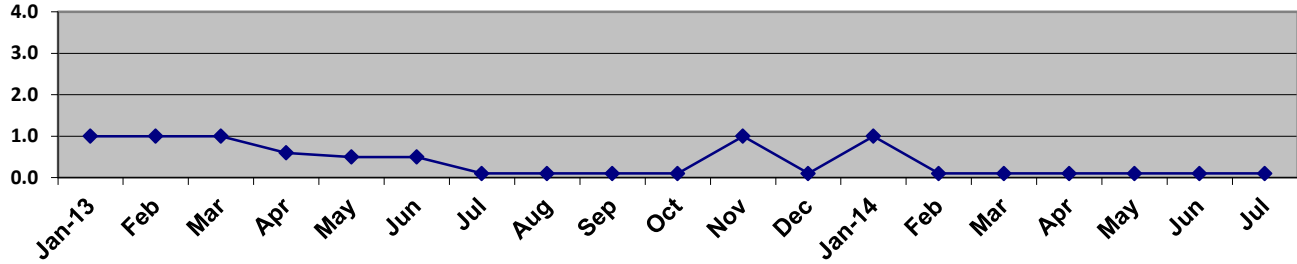
Application to Change Business Name or Address



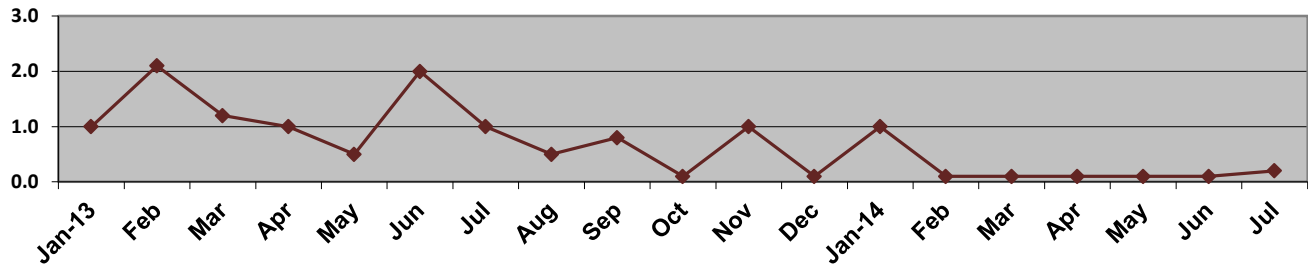


Number of Weeks before Being Pulled for Processing

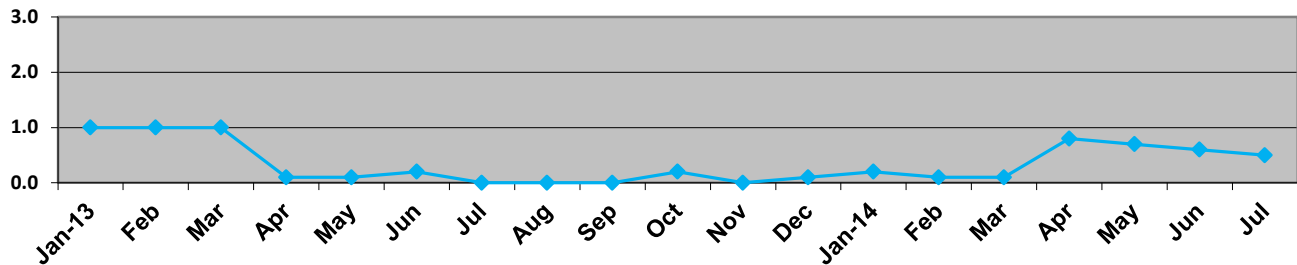
Contractors Bond, Bond of Qualifying Individual, LLC Worker Bond, Disciplinary Bond and Qualifier Exemptions



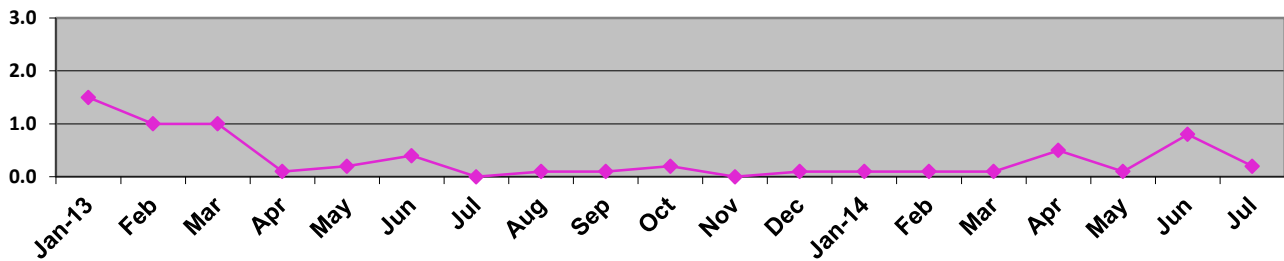
Workers' Compensation Certificates and Exemptions



Certified License History



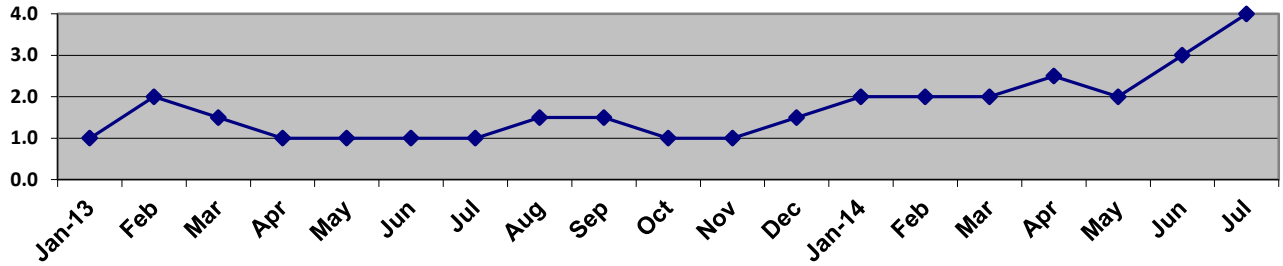
Request for Copies of Documents





Number of Weeks before Being Pulled for Processing

Criminal Background Unit – CORI Review



AGENDA ITEM J-3

Testing Program Update

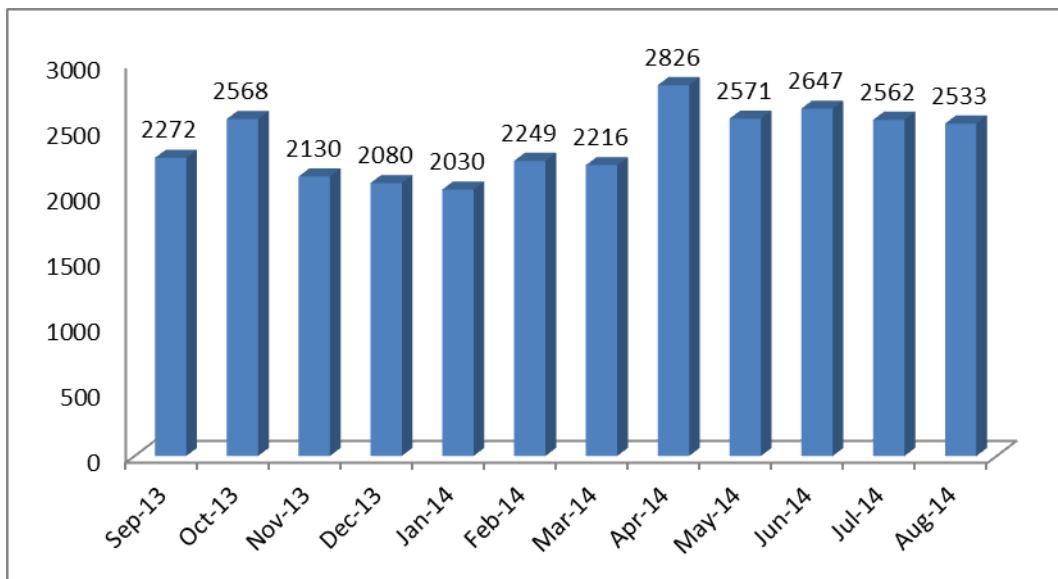




EXAMINATION ADMINISTRATION UNIT

The Testing division's Examination Administration Unit (EAU) administers CSLB's 45 examinations at eight computer-based test centers. Most test centers are allocated two full-time test monitor positions. Part-time proctors fill-in when needed. Test monitors respond to all of the testing-related interactive voice response (IVR) calls CSLB receives when not actively monitoring examinations.

Number of Examinations Scheduled September 2013 - August 2014



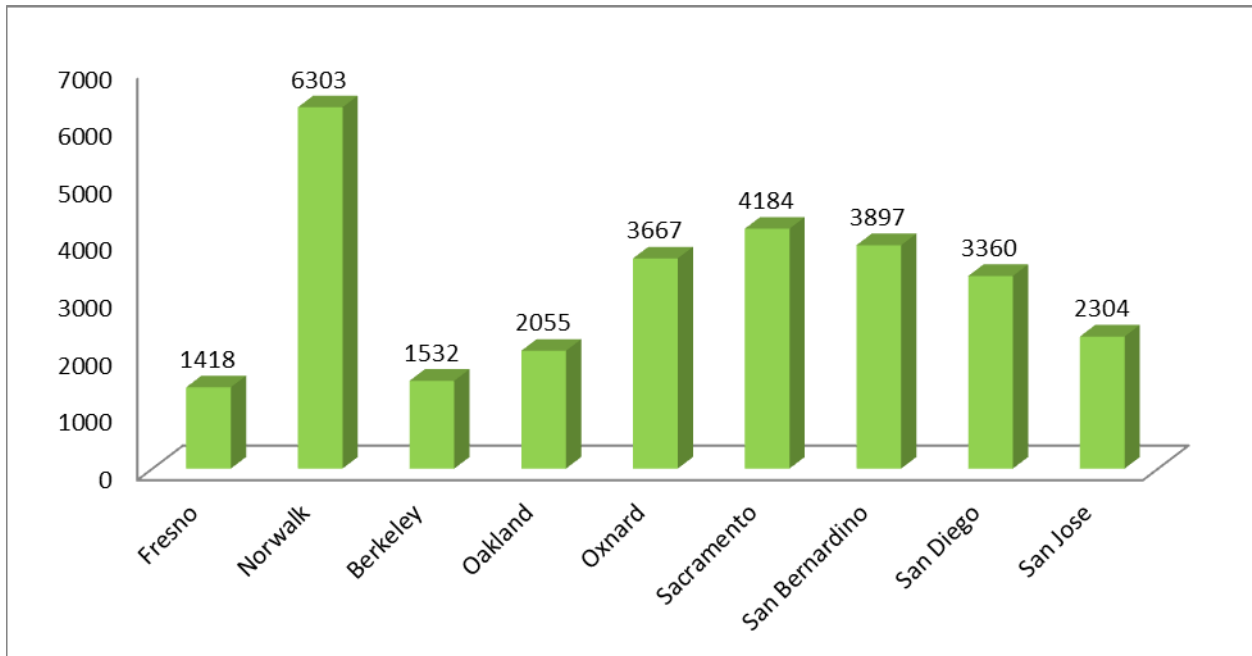
Test Center Status

CSLB maintains test centers in the following locations:

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



**Number of Examinations Scheduled by Test Centers
September 2013 - August 2014**



(This table includes data for both Oakland and Berkeley; the Oakland Test Center was relocated to Berkeley in April 2014.)

Examination Administration Staffing

Testing has one Office Technician vacancy in the Sacramento Test Center. Interviews are planned for late September.

Examination Administration Projects

In early July, the Sacramento Test Center successfully launched SCORE 1.5, an upgrade to its custom test development and administration software. SCORE 1.5 is scheduled to be functional at all eight test sites by mid-September. The software upgrade coincides with the implementation of touch-screen computers, a new function that candidates have welcomed. Shorter instructions allow candidates to begin their examinations sooner and the ease of the touchscreens, compared to the mouse, allows them to move through and complete the examinations more quickly. The SCORE upgrade also makes it easier to administer civil service examinations at our test centers.

The EAU analyst/editor has been auditing one test center each month and continues to write the EAU Procedure Manual for the test centers.



EXAMINATION DEVELOPMENT UNIT

The Testing division’s Examination Development Unit (EDU) ensures 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

Maintaining a licensure examination requires an ongoing cycle that involves two phases: 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. Occupational analysis includes gathering feedback from licensed contractors, collected, preferably, via email surveys because they are quicker, less expensive to administer, and require no data entry compared to paper surveys. However, paper surveys are sent to contractors for whom CSLB does not have email addresses to ensure a sufficient sample size of licensees.

The examination development phase involves reviewing and revising existing test questions, writing new test questions, and determining the passing score for examinations from that point forward.

EDU released two new examinations in August 2014: C-13 Fencing and C-60 Welding.

Occupational Analyses in Progress	New Examinations in Progress
C-6 Cabinet, Millwork and Finish Carpentry	A General Engineering
C-20 Warm-Air Heating, Ventilating and Air Conditioning	B General Building
C-23 Ornamental Metal	C-10 Electrical
C-43 Sheet Metal	C-11 Elevator
	C-15 Flooring and Floor Covering
	C-28 Lock and Security Equipment
	C-35 Lathing and Plastering
	C-36 Plumbing
	C-51 Structural Steel

Civil Service Examinations

In addition to licensure examinations, EDU administers examinations for civil service classifications that take place at CSLB. The Enforcement Representative I examination was given on June 19, 2014.



Examination Development Unit Staffing

EDU is fully staffed.

Ongoing Consumer Satisfaction Survey

EDU conducts an ongoing survey of consumers whose complaint cases have been closed 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 incorporated a reminder email into the process, so that non-responsive consumers now receive an email reminder one month after the initial request is sent.

AGENDA ITEM K

Executive Committee Report



AGENDA ITEM K-1

Review and Approval of
July 30, 2014,
Executive Committee Meeting
Summary Report





EXECUTIVE COMMITTEE MEETING

July 30, 2014

Fairfield, CA

A. CALL TO ORDER—CHAIRS REMARKS

Committee Chair David Dias called the meeting to order at 9:00 a.m. and a quorum was established. Self-introductions were made by Committee members, staff, and members of the audience.

Committee Members Present:

David Dias, Chair

Ed Lang

Agustin Beltran

Joan Hancock

Other Board Members Present:

Frank Schetter

Linda Clifford

Staff Present:

Stephen Sands, Registrar

Cindi Christenson, Chief Deputy Registrar

Others Present:

Daniel Cohen, Television Education, Inc.

Matthew Miller, Labor Compliance Investigator, Northern CA Carpenters Regional Council

B. PUBLIC COMMENT SESSION

There was no public comment.

C. ADMINISTRATION UPDATE

Ms. Cindi Christenson provided the Committee with updates on satellite office contract negotiations and other pending contracts. She also updated the Committee on the vacancy rate and indicated that the rate is within the state norm.

D. INFORMATION TECHNOLOGY AND CSLB WEBSITE UPDATE

Ms. Christenson provided the Committee with a status report on the BreZE project and advised that newly enacted statutes that pertain to military personnel and their spouses



will be implemented by the end of 2014. She indicated that there will be challenges for CSLB; Mr. Beltran volunteered to assist staff.

The redesigned website was discussed and it is anticipated that it will be launched later this summer.

E. BUDGET UPDATE

Ms. Christenson provided a brief update on the Board's revenue and expenditures through May 31, 2014. She also advised the Committee that the Board's fund condition has an approximate six-month reserve and the Board should continue to see this amount of reserve for the next few years. Ms. Christenson reviewed the Construction Management Education Act (CMEA) account and advised the Committee that the fund is running very low, and awards will be suspended until sufficient funds are available.

F. UPDATE ON STRATEGIC PLAN OBJECTIVES

Ms. Christenson reviewed the objectives and updated the Committee on estimated target dates and the current status. Registrar Sands highlighted the progress staff is making on the application evaluation criteria, which includes additional staff training.

G. HIRING PLAN FOR REGISTRAR

H. REVIEW OF CSLB STAFFING AND VACANCIES

Registrar Sands provided the Committee with an overview of the loss in staff since 2002. He advised that CSLB's reduced staff is expected to perform the same amount of work. Numerous attempts to regain these positions have been made through the budget change proposal process; CSLB is slowly being allowed to regain positions.

Mr. Sands provided background on the hiring process and "hard-to-fill" positions. He also informed the Committee about the reasons CSLB is unable to redirect staff to work in new programs.

Lastly, he informed the Committee that an audit is being conducted that will determine the level of compliance of various state agencies that have had vacant positions for more than six months. This could cause CSLB to lose more positions if it is found that these positions do not fit within the exemptions found in Government Code section 12439.

I. TENTATIVE BOARD MEETING SCHEDULE

The Committee discussed locations and dates of upcoming meetings. It was suggested that the December meeting be held close to Berkeley and that the March and April meeting dates be re-evaluated because they are too close together. It also was suggested that the joint meeting with the Nevada Board be held in Fairfield.

J. ADJOURNMENT

The Committee adjourned at 11:00 a.m.

AGENDA ITEM K-2

Administration Update





BUSINESS SERVICES UPDATE

Facilities

San Bernardino – CSLB is coordinating with the Department of General Services (DGS) to increase rental space and currently is reviewing plans and specifications for availability.

West Covina – Construction will begin within the next month to increase office space to accommodate two additional employees.

Norwalk – DGS is currently negotiating with the property management company to renew the Norwalk field office lease.

Headquarters

- Three (3) electric vehicle charging stations are being installed in September.
- Personnel office expansion to house all staff within one office is under way.

Contracts and Procurement

Contracts in Progress:

- Translation services for test centers
- Collection agency to pursue collection of monies owed by unlicensed contractors
- Maintenance contract for Energen Fire Suppression System in IT's computer room

Procurement in Progress:

- Wireless audio surveillance equipment for Enforcement division
- Thirty (30) surveillance cameras for Enforcement division

Executed Contracts/Procurement:

- Five (5) copiers with maintenance agreements for headquarters and field offices
- Ergonomic chairs for Berkeley Testing office

Fleet

Business Services will be purchasing two new vehicles (Ford Fusions) for the Sacramento Investigative Centers that are to be delivered within the next month.

Business Continuity Plan

The 2014 CSLB Business Continuity Plan is nearing completion and will be submitted to the Department of Consumer Affairs (DCA) prior to the September 30, 2014, due date.

Travel

DCA's required transition to the Concur CalTravelStore will begin in October 2014. All employees working for the State of California will be required to book their travel, air, rental car, and lodging reservations through CalTravelStore by the end of this transition, scheduled for December 2014.



PERSONNEL UPDATE

Examinations

DIVISION	EXAM	STATUS
Enforcement	Enforcement Representative I/II, CSLB	ERI Exam administered on 8/13/14 ERII Exam administered on 7/31/14
	Enforcement Supervisor I/II	DCA Continuous Filing
	Consumer Services Representative	DCA Continuous Filing
Information Technology	Assistant/Associate/Staff Information Systems Analyst	CaHR
	Systems Software Specialist I/II/III	CaHR
Licensing	Supervising Program Technician III	CaHR
	Program Technician series	PT self-scheduling 8/27/14 PTII/PTIII self-scheduling 9/10/14
Testing	Test Validation and Development Specialist I/II	DCA Continuous Filing
All CSLB	Staff Services Analyst/ Associate Governmental Program Analyst	CaHR
	Staff Services Manager series	CaHR
	Office Technician/Office Assistant	CaHR

Position Changes

Since May, 2014, CSLB has had **twelve (12)** internal transfers, **ten (10)** transfers from other state departments, **eleven (11)** new hires, and **five (5)** promotions.

Training and Development

There has been one training and development assignment since May 2014.



Vacant Positions

As of May 13, 2014, CSLB had **41** vacant positions.

DIVISION	AUTHORIZED PY'S	BL 12-03	VACANCIES
Administration	30	1	4
Enforcement	214	11	24
Executive	14	.5	1
Information Technology	24	0	3
Licensing	97.5	7	8
Testing	25	1	1

AGENDA ITEM K-3

Information Technology Update





BreEZe:

The Department of Consumer Affairs (DCA) continues to work with Accenture and the Release One boards to ensure that BreEZe meets operational needs according to system requirements or modifications.

Release Two boards/committees currently are in the design phase of the project, with an expected implementation of spring 2015.

CSLB staff continues to prepare for the Phase Three BreEZe release by working on data conversion cleanup, system documentation, and conducting meetings with other CSLB staff to discuss specific BreEZe requirements. CSLB's IT staff also continues to assist DCA in the identification of business requirements specific to other boards and bureaus.

After all three releases are completed, BreEZe will be the largest enterprise licensing and enforcement solution in the world.

Three military-related legislative bills will impact state boards and bureaus (whether or not they are part of BreEZe); AB 1057 (requires the Board to ask all licensure applicants whether they currently serve or previously served in the military); AB 1588 (requires programs to exempt licensees on military deployment from completing renewal requirements until they return); and AB 1904 (requires an expedited licensing process for spouses of military personnel. CSLB IT staff is working with Licensing to implement these legislative changes by the end of 2014.

CSLB Website


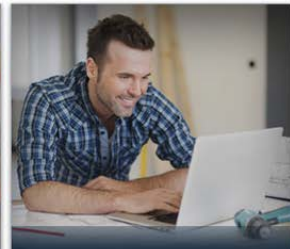






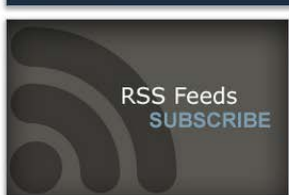
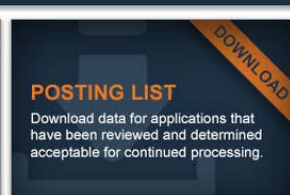

Together, CSLB's Public Affairs and IT staff redesigned the CSLB website, which was successfully launched on September 5, 2014. Along with significant technology updates, the organization of content was significantly modified to allow users to quickly and efficiently identify and navigate to desired information. This revision also brings CSLB's online presence up to the latest version of state website standards.

Users now can access more information on the website while using a multitude of electronic devices, such as tablets and smartphones. CSLB's Instant License Check has become truly "instant" with the ability to search a license number directly from the home page. A Google Translate feature was added to the website so users can quickly translate the text of the current page to their language of choice.



An example of CSLB’s new online services:

Online Services

 <p>Applications, Forms, Educational Guides Request that applications, forms, or contractor and consumer guides be mailed to you.</p>	 <p>CHECK YOUR License Application Status Check the processing stage of your application.</p>	 <p>CSLB Processing Times View current processing times for applications, renewals, certificates, and license changes.</p>	 <p>Workers' Compensation Insurance Companies Search the online database of workers' compensation insurance companies.</p>
 <p>SEARCH Check a Contractor or Home Improvement Salesperson (HIS) Find out if a contractor is licensed, insured, and in good standing; or whether a salesperson is registered with CSLB.</p>	 <p>File a COMPLAINT Follow important complaint process steps to submit your information online or by mail. CLICK HERE</p>	 <p>SIGN UP FOR Email Alerts</p>	 <p>Licensed Contractor SURVEY</p>
 <p>RSS Feeds SUBSCRIBE</p>	 <p>POSTING LIST Download data for applications that have been reviewed and determined acceptable for continued processing.</p>	 <p>Filed Accusations / Statement of Issues and Appealed Citations</p>	

SCORE 1.5 (Contractor Examination Software Upgrade)

CSLB’s IT Client Server Application Team successfully launched SCORE 1.5 in the Sacramento test center. SCORE (State Contractor Official Regulatory Examination) is CSLB’s custom software program for contractor examinations. The software upgrade was fully implemented in all eight test centers by September 12, 2014.

Candidate examinations now are administered using touchscreens. Upgrades to the infrastructure have allowed CSLB to capture higher resolution candidate images for security purposes. With larger monitors, a larger font can be used and other visual indicators were made more accessible, while still preventing neighboring candidates from copying answers from another candidate. Examinations are taking about 15 minutes less to complete with the new equipment and software program, and have received very positive comments from individuals taking the tests.



The previous version of SCORE and associated hardware had significant drawbacks:

1. With Windows XP transitioning to no longer support the operating system, a migration to Windows 7 was necessary. The previous version of SCORE could not be supported on Windows 7.
2. The hardware warranty had expired for every exam station computer at every exam site.
3. Ordering cameras and signature pads that were compatible with the previous version of SCORE was becoming exceedingly difficult.
4. Testing requested several software fixes that could not be provided using the outdated software, such as the application appearing “frozen” during parts of the examination and undefined error codes.
5. The administration of non-CSLB exams required a burdensome amount of software code changes.

Some of the key features of the newest release of SCORE include:

1. Windows 7-compliant software – this application was developed in C#.Net with operating system upgrades in mind; the newest version is also Windows 8.1-ready, and ready for the next Microsoft operating system;
2. A complete overhaul of the examination station hardware – every exam station has been replaced with an “all-in-one” touchscreen computer, each with a five-year warranty;
3. SCORE 1.5 was developed using an internal camera (replacing USB webcams) and has the candidate sign on-screen using either his/her finger or a touchscreen stylus (replacing USB signature pads);
4. Progress bars and other on-screen indicators provide candidates visual confirmation that the application is still responding and processing information; a comprehensive procedures guide was developed, allowing proctoring staff and developers to quickly access and correct application errors;
5. SCORE 1.5 was designed with the capacity to add non-CSLB examinations, such as civil service or departmental exams; most additional examinations will only require database entries to be fully functional.

Interactive Voice Response System

CSLB’s interactive voice response system (IVR) is an interactive, self-directed telephone system that is a valuable source of information for consumers, contractors, and others. It allows callers 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. The IVR provides consumers with information on how to file complaints as well as how to become a licensed contractor. In addition, the IVR gives callers an option to speak to call center agents in Sacramento or Norwalk. From June to August 2014, CSLB’s IVR handled 114,484 calls, an average of 38,161 calls per month. The system is available 24 hours a day, seven days a week.



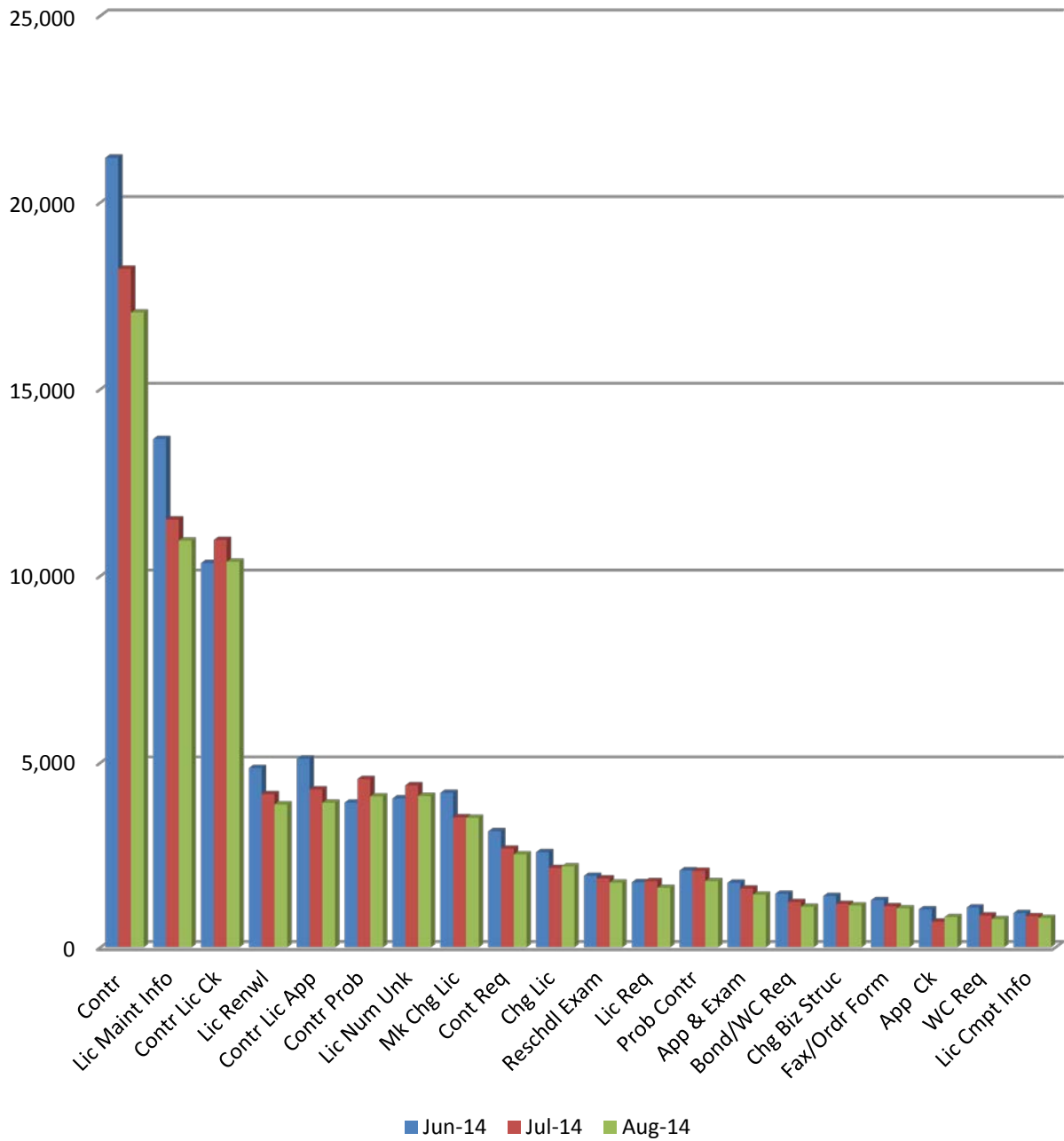
The IVR system offers dozens of possible menu options. Following is a representative sample of the top 20 IVR requests from June through August 2014:

Top 20 IVR Requests - Jun '14 - Aug '14

IVR Statistics		<u>Jun '14</u>	<u>Jul '14</u>	<u>Aug '14</u>	Three Month Totals
IVR Calls Received		37,862	39,192	37,430	114,484
Monthly Average					38,161
Top 20 IVR Requests	Abbreviation	<u>Jun '14</u>	<u>Jul '14</u>	<u>Aug '14</u>	Three Month Totals
Contractor or Want to Become Contractor	Contr	21,195	18,222	17,047	56,464
Info on Maintaining or Changing License	Lic Maint Info	13,663	11,506	10,944	36,113
Contractor's License Check	Contr Lic Ck	10,342	10,961	10,378	31,681
About License Renewal	Lic Renwl	4,854	4,152	3,879	12,885
Contractor License Application	Contr Lic App	5,106	4,279	3,922	13,307
Hire or Problem with Contractor	Contr Prob	3,928	4,558	4,093	12,579
License Number Not Known	Lic Num Unk	4,040	4,389	4,105	12,534
About Making Changes to License	Mk Chg Lic	4,189	3,533	3,520	11,242
About Continuing Requirements	Cont Req	3,160	2,695	2,542	8,397
For Changes to Existing Licenses	Chg Lic	2,601	2,167	2,211	6,979
Reschedule Exam Date	Reschdl Exam	1,953	1,881	1,770	5,604
License Requirements	Lic Req	1,777	1,808	1,623	5,208
Info on Problems with Contractor	Prob Contr	2,102	2,092	1,807	6,001
General Application & Examination Info	App & Exam	1,764	1,605	1,439	4,808
Info about Bond or Workers' Comp Requirements	Bond/WC Req	1,464	1,237	1,106	3,807
For Changing the Business Structure of an Existing	Chg Biz Struc	1,399	1,184	1,142	3,725
To Fax Forms, or To Order Forms by Mail	Fax/Ordr Form	1,289	1,121	1,065	3,475
Application Status Check	App Ck	1,039	701	824	2,564
Info about Workers' Comp Requirements	WC Req	1,087	867	768	2,722
License Complaint Information	Lic Cmpt Info	932	850	800	2,582



Top 20 IVR Requests - Jun '14 - Aug '14



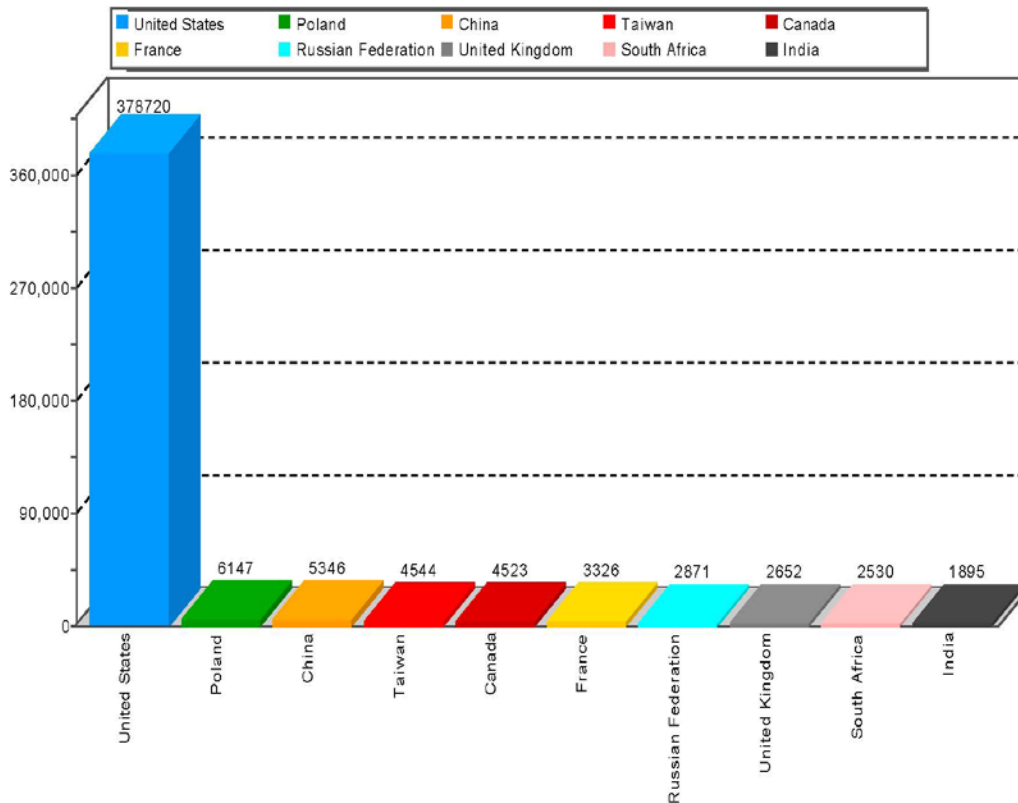


Enterprise IT Security – Firewall Hits

CSLB’s IT staff maintains high security for all of the board’s information technology systems and applications. Using a multi-layered defense that relies on various security products (firewall, anti-spam, anti-virus programs, event management and correlation tools), CSLB blocks/denies unauthorized attempts to access CSLB systems from all sources, including those emanating from foreign countries. The chart below represents the top 10 countries from where users have attempted to breach CSLB systems and applications between January 1, 2014 and September 5, 2014, all of which were successfully denied. To date, utilizing security best practices, CSLB’s IT security systems have successfully safeguarded CSLB information assets, and no unauthorized attempts to penetrate the system have succeeded.



Top 10 Countries - CSLB Firewall Hits



AGENDA ITEM K-4

Budget Update





CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

❖ Fiscal Year 2013-14 CSLB Budget and Expenditures

Through the end of fiscal year (FY) 2013-14 (June 30, 2014), CSLB spent or encumbered \$57.4 million, roughly 94 percent of its FY 2013-14 budget. This chart details the final CSLB FY 2013-14 budget, including final expenditures:

EXPENDITURE DESCRIPTION	FY 2013-14 FINAL BUDGET	FY 2013-14 FINAL EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	21,740,723	20,810,430	930,293	4.3%
Board Members	15,900	15,700	200	1.3%
Temp Help	860,000	588,953	271,047	31.5%
Exam Proctor	41,168	134,473	-93,305	-226.6%
Overtime	146,000	207,554	-61,554	-42.2%
Staff Benefits	9,604,982	9,294,856	310,126	3.2%
TOTALS, PERSONNEL	32,408,773	31,051,966	1,356,807	4.2%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	20,378,610	20,636,089	-257,479	-1.3%
Exams	435,882	346,750	89,132	20.4%
Enforcement	8,404,238	5,833,355	2,570,883	30.6%
TOTALS, OE&E	29,218,730	26,816,194	2,402,536	8.2%
TOTALS	61,627,503	57,868,160	3,759,343	6.1%
Scheduled Reimbursements	-353,000	-186,487	-166,513	
Unscheduled Reimbursements		-270,094	270,094	
TOTALS, NET REIMBURSEMENTS	61,274,503	57,411,579	3,862,924	6.3%

❖ Revenue

CSLB received the following revenue amounts for FY 2013-14:

Revenue Category	FY 2013-14 FINAL	Percentage of Revenue	Change from prior year (06/30/2013)*
Duplicate License/Wall Certificate Fees	\$107,821	0.2%	3.8%
New License and Application Fees	\$10,218,181	18.7%	2.5%
License and Registration Renewal Fees	\$39,875,669	72.5%	-0.5%
Delinquent Renewal Fees	\$3,101,804	5.6%	8.6%
Interest	\$63,876	0.1%	0.0%
Penalty Assessments	\$1,490,617	2.7%	30.7%
Misc. Revenue	\$133,632	0.2%	2.6%
Total	\$54,991,600	100.00%	1.2%

* License & Renewals are based on two-year cycle (comparative data is from FY 2011-12, a non-peak renewal year)



❖ **Fiscal Year 2014-15 CSLB Preliminary Budget**

This chart identifies the preliminary FY 2014-15 CSLB budget, included in the 2014 Budget Bill (Senate Bill 852, Chapter 25, Statutes of 2014):

EXPENDITURE DESCRIPTION	FY 2014-15 Approved Preliminary Budget
PERSONNEL SERVICES	
Salary & Wages (Staff)	22,233,596
Board Members	15,900
Temp Help	860,000
Exam Proctor	41,168
Overtime	146,000
Staff Benefits	9,743,121
TOTALS, PERSONNEL	33,039,785
OPERATING EXPENSES AND EQUIPMENT (OE&E)	
Operating Expenses	20,157,802
Exams	435,882
Enforcement	8,622,531
TOTALS, OE&E	29,216,215
TOTALS	62,256,000
Scheduled Reimbursements	-353,000
Unscheduled Reimbursements	
TOTALS, NET REIMBURSEMENTS	61,903,000



❖ **CSLB Fund Condition**

The FY 2013-14 Contractors' License Fund indicated a reserve of over \$26 million – approximately five months' reserve. Below are the projected reversion amounts for current year (CY) 2014-15 through budget year (BY) 2016-17:

	Final FY 2013-14	Projected CY 2014-15	Projected BY 2015-16	Projected BY+1 2016-17
Beginning Balance	\$28,953	\$26,257	\$20,288	\$13,286
Prior Year Adjustment	\$0	\$0	\$0	\$0
Adjusted Beginning Balance	\$28,953	\$26,257	\$20,288	\$13,286
Revenues and Transfers				
Revenue	\$54,992	\$55,984	\$55,211	\$56,364
Transfer from General Fund				
Totals, Resources	\$83,945	\$82,241	\$75,499	\$69,650
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$57,412	\$61,903	\$62,213	\$62,524
State Controller (State Operations)	\$3			
Financial Info System Charges	\$273	\$50		
Total Expenditures	\$57,688	\$61,953	\$62,213	\$62,524
Fund Balance				
Reserve for economic uncertainties	\$26,257	\$20,288	\$13,286	\$7,126
Months in Reserve	5.1	3.9	2.5	1.9

Notes:

- 1) All dollars in thousands
- 2) Revenue assumes 1% interest earned
- 3) Assumes expenditure growth projected at 0.5% starting in FY 2015-16 and then ongoing
- 4) Assumes Workload and Revenue Projections are realized for FY 2014-15 and FY 2015-16



❖ **Construction Management Education Account FY 2013-14 Budget and Expenditures**

Through the end of fiscal year (FY) 2013-14 (June 30, 2014), the Construction Management Education Account (CMEA) expended roughly \$8,000 in pro rata charges and awarded \$150,000 in grants. This chart provides a summary of the final CMEA budget, along with the final FY 2013-14 expenditures:

EXPENDITURE DESCRIPTION	FY 2013-14 FINAL BUDGET	FY 2013-14 FINAL EXPENSES	BALANCE	% OF BUDGET REMAINING
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	15,215	0	15,215	100.0%
Pro Rata	7,785	7,785	0	0.0%
TOTALS, OE&E	23,000	7,785	15,215	66.2%
GRANT AWARDS				
Grant Awards	150,000	150,000	0	0.0%
TOTALS, GRANT AWARDS	150,000	150,000	0	0.0%
TOTALS	173,000	157,785	15,215	8.8%

❖ **CMEA Fund Condition**

The 2013-14 CMEA fund indicated an ending balance of \$60,000—approximately four months’ reserve. Projected reversion amounts for current year (CY) 2014-15 through budget year (BY) 2016-17 are below:

	Final FY 2013-14	Projected CY 2014-15	Projected BY 2015-16	Projected BY+1 2016-17
Beginning Balance	\$ 165	\$ 60	\$ 114	\$ 169
Prior Year Adjustment	\$0	\$0	\$0	\$0
Adjusted Beginning Balance	\$ 165	\$ 60	\$ 114	\$ 169
Revenues and Transfers				
Revenue	\$53	\$55	\$56	\$58
Totals, Resources	\$ 218	\$ 115	\$ 170	\$ 227
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$8	\$1	\$1	\$1
Local Assistance Grant Disbursements	\$150			
2013-14 Fiscal Assessment				
Total Expenditures	\$ 158	\$ 1	\$ 1	\$ 1
Fund Balance				
Reserve for economic uncertainties	\$ 60	\$ 114	\$ 169	\$ 226
Months in Reserve	4.8	-3.2		

Notes:

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

AGENDA ITEM K-5

Strategic Plan Update





CONTRACTORS STATE LICENSE BOARD

STRATEGIC PLAN UPDATE

(E) “Essential”

(I) “Important”

(B) “Beneficial”

GOAL #1 LICENSING & TESTING OBJECTIVES	TARGET	STATUS
1. Increase high-tech security monitoring in test centers (I)	December 2014	Met with vendors; on-target
2. Establish task force to analyze application process and reduce rejection rates (I)	January 2015	Workload analysis of application units completed; recommendations under review for implementation in 2015
3. Develop and apply consistent application evaluation criteria (E)	July 2015	Training of all application staff conducted in May 2014 on existing evaluation criteria; task force to be appointed to develop regulation proposal(s) for evaluation criteria
4. Develop online smart application package to reduce application rejection rates (I)	January 2016	Tied to DCA BreEZe project
5. Fully automate bonds and workers' compensation insurance submission processes (I)	January 2016	Tied to DCA BreEZe project
6. Implement online licensure tool for credit card payment (B)	January 2016	Tied to DCA BreEZe project

GOAL #2 ENFORCEMENT OBJECTIVES	TARGET	STATUS
1. Establish enforcement strategy to address predatory service and repair scams (E)	July 2014	Completed. Through the Service and Repair Task Force, CSLB investigators partner with the Federal Bureau of Investigation (FBI), district attorney (DA) offices, and local law enforcement to focus on contractors using predatory scare tactics. The Task Force will continue to provide updates to the Board as required.
2. Update Industry Expert Training Program (I)	October 2014	Completed. The Enforcement division has updated the training program. Training sessions were held with industry experts in September 2014.



(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #2 (Cont.) ENFORCEMENT OBJECTIVES	TARGET	STATUS
3. Automate official educational letter to consumers who repeatedly hire unlicensed operators (B)	November 2014	IT staff currently is working to format the letter into a TEALE-compatible template to finalize the automation process.
4. Establish RMO/Application Waiver Task Force to identify issues and make enforcement strategy recommendations(E)	December 2014	Completed. The Application Waiver Task Force, comprised of two ERs, was established in August 2014.
5. Create Peace Officer Special Investigations Unit (I)	December 2014	CSLB received final approval from the Department of Consumer Affairs in August 2014 to establish the SIU. Recruitment to fill the Enforcement Supervisor I position is underway.
6. Implement Peace Officer Training Curriculum (I)	December 2014	At its August 18, 2014 meeting, the Enforcement Committee approved a recommendation to present the proposed training curriculum to the full Board. A copy of the proposal is included in this packet.
7. Provide for the disclosure of partnering agencies' administrative actions section on CSLB website (B)	December 2014	CSLB now discloses Division of Labor Standards Enforcement Civil Wage & Penalty judgments and contractors subject to egregious Stop Notices filed with Caltrans. Staff continues to work with IT to assess further programming needs to display additional state and local government disciplinary actions.
8. Partner with Public Affairs Office and California Energy Commission to create an energy efficiency campaign (B)	January 2015	This is an ongoing effort.



(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #3 PUBLIC AFFAIRS OBJECTIVES	TARGET	STATUS
1. Establish outreach strategy to address predatory service and repair scams (E)	August 2014	Completed – Ongoing adjustments
2. Complete flagship consumer publication (E)	September 2014 New Date December 2014	Delayed due to graphic designer vacancy
3. Complete flagship contractor publication (E)	December 2014 New Date March 2015	Delayed due to graphic designer vacancy
4. Work with Information Technology division to determine feasibility of developing opt-in "Find a Contractor" website feature (B)	December 2014	Preliminary meetings have occurred
5. Work with Information Technology division to determine feasibility/need to update pocket license cards (B)	December 2014	Preliminary meeting has occurred
6. Determine feasibility of developing system to send licensees renewal information and updates via text and email (B)	December 2014	Not started
7. Explore feasibility of obtaining a contract for advertising services to enhance media outreach opportunities (B)	December 2014	Not started
8. Develop contractor bid presentation kit (B)	March 2015	PAO has begun to develop a list of materials to include
9. Develop CSLB style guide and grand standards manual (B)	March 2015	Delayed due to graphic designer vacancy



(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #4 LEGISLATION OBJECTIVES	TARGET	STATUS
1. Prepare and submit Sunset Review Report to California Legislature (E)	November 2014	Draft report complete
2. Provide end-of-year training to staff on new laws that will take effect the next year (B)	December 2014	Will prepare in October, after final action complete on 2014 legislation
3. Pursue legislation to allow CSLB enforcement representatives to investigate active job sites (E)	January 2015	SB 315 approved by Legislature, pending Governor's signature
4. Pursue legislation to increase amount of surety bond to reflect homeowner risk (I)	December 2015	Included in Sunset Review Report as a new issue
5. Review CSLB's laws and rules (B)	Ongoing	In process

GOAL #5 IT & ADMINISTRATION OBJECTIVES	TARGET	STATUS
1. Request additional staff in Case Management (Citation Program) through the Budget Change Proposal (BCP) process to meet operational demands (E)	July 2015	BCP denied by Business, Consumer Services, and Housing Agency
2. Request additional Statewide Investigative Fraud Team (SWIFT) staff in remote locations through the BCP process to meet operational demands (E)	July 2015	On target
3. Request additional staff for the Public Works Program through the BCP process to meet operational demands (E)	July 2015	On target
4. Implement State Contractor Official Regulatory Exam (SCORE) 2.0 computer testing system to improve security and make exams more use-friendly (I)	December 2015	SCORE 2.0 will consist of six applications. IT rolled out SCORE 1.5 in September 2014 as a pre-cursor to 2.0, and has finished the development of the first application.
5. Prepare CSLB for implementation of BreEZe by actively working with Department of Consumer Affairs BreEZe team (E)	January 2017	In progress

AGENDA ITEM K-6

Update on Registrar Appointment Process



AGENDA ITEM L

Sunset Review Report and Recommendations



AGENDA ITEM M

Future Agenda Items



AGENDA ITEM N

Review of Tentative Schedule

Following is a list of Board meetings scheduled for 2014-2015:

December 2014..... Berkeley
March 2015 San Diego
June 2015..... SF Bay Area



AGENDA ITEM O

Adjournment

