

OCTOBER 21, 2013
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Enforcement & Licensing
Committee Meetings





CONTRACTORS STATE LICENSE BOARD

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STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

NOTICE OF ENFORCEMENT AND LICENSING COMMITTEE MEETINGS

The Contractors State License Board (CSLB) will hold two committee meetings on October 21, 2013, from 1:30 p.m. to 4:30 p.m. in the John C. Hall Hearing Room located at CSLB Headquarters, 9821 Business Park Drive, Sacramento, CA 95827; phone: (916) 255-4000, facsimile: (916) 364-0130.

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 Board's 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 meetings are open and the public is invited to attend. Meetings are 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 calling (916) 255-4000 or by sending a written request to the CSLB Executive Office, 9821 Business Park Drive, Sacramento, CA 95827. Providing your request at least five (5) business days prior to the meeting will help ensure availability of the requested accommodation.

Members of the Board who are not members of the Committee may attend the Committee meeting.

ENFORCEMENT COMMITTEE MEETING

1:30 p.m.

Enforcement Committee Members

Ed Lang, Chair / Linda Clifford / Robert Lamb / John O'Rourke / Bruce Rust / Frank Schetter

- A. Call to Order – Chair's Remarks
- B. Public Comment Session
- C. Recognition of CSLB Law Enforcement Partners
- D. Review and Discussion of CSLB Peace Officer Duties and Responsibilities
- E. Review and Discussion of Enforcement Representatives' Authority to Issue a Written Notice to Appear in Criminal Court
- F. Review and Discussion of Disclosure by CSLB of a Partnering Agency's Disciplinary Action

G. Enforcement Program Update

H. Adjournment

LICENSING COMMITTEE MEETING

Immediately Following the Enforcement Committee Meeting

Licensing Committee Members

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

A. Call to Order – Chair's Remarks

B. Public Comment Session

C. Licensing Program Update

D. Testing Program Update

E. Application Experience Verification Process

F. Adjournment

OCTOBER 21, 2013
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Enforcement
Committee Meeting



AGENDA ITEM A

Call to Order – Chair’s Remarks

Roll is called by the Committee Chair.

ENFORCEMENT COMMITTEE MEMBERS:

ED LANG, CHAIR

LINDA CLIFFORD

ROBERT LAMB

JOHN O’ROURKE

BRUCE RUST

FRANK SCHETTER

Committee Chair Ed Lang will review the scheduled Board actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session

Members of the public may address the committee at this time.
The Committee Chair may allow public participation
during other agenda items.



AGENDA ITEM C

Recognition of CSLB Law Enforcement Partners





CONTRACTORS STATE LICENSE BOARD

RECOGNITION OF CSLB LAW ENFORCEMENT PARTNERS

Law Enforcement Partners

CSLB has a long history of successful, proactive enforcement operations, including stings, sweeps, and response to industry leads. Vital to many of these operations are local law enforcement partners, who routinely accompany CSLB investigators on compliance checks and provide armed back-up during undercover operations.

Staff continues to develop and foster close working relationships with law enforcement partners to identify wanted individuals and other high-profile targets in addition to routine verification of licensure and WC compliance at active job sites.

CSLB takes this opportunity to publically recognize and express appreciation to its law enforcement partners, representing the following district attorneys' offices:

- Karen Wold, Ventura County
- Tom Haselton, Alameda County
- Tom Milner, Alameda County
- Chris Lindholm, El Dorado County
- Jack Cooper, Marin County
- Gene Fahey, Marin County
- Mike Miller, Marin County
- Andy Lewis, Napa County
- Tom Sage, Placer/Amador/Calaveras Counties
- Jim Walshaw, Placer/Amador/Calaveras Counties
- Mike Martin, Placer/Amador/Calaveras Counties
- Frank Hernandez, Santa Clara County
- Russ Howard, Santa Clara County

AGENDA ITEM D

Review and Discussion of CSLB Peace Officer Duties and Responsibilities





CSLB Peace Officer Duties and Responsibilities

CSLB Peace Officers (POs) are a vital part of the Enforcement division as their expertise, skills, knowledge, and abilities are vital to combat construction-related crimes.

CSLB POs possess unique training and education that enables the use of advanced techniques when investigating construction-related elder abuse, fraud, and unlicensed activity. Because POs are sworn officers, they have training beyond Contractors' State License Law, including working knowledge of California Penal Code (PC), Labor Code, Health and Safety Code, and Vehicle Code. Their Peace Officer Standards and Training (POST) Commission academy training also includes chain-of-custody issues, 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 (HIPPA requirements), obtain bank records through search warrant or via written authorization, and complete preliminary financial audits, making it easier for district attorneys (DAs) to file elder abuse charges. Additionally, POs have more credibility when 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 investigations, and joint undercover operations often targeting revoked licensees who continue to practice illegal contracting. When Stop Orders are issued, POs often follow up with local law enforcement partners, performing undercover surveillance and, when appropriate, arrest individuals suspected of illegal activity. They often perform site inspection and/or compliance checks with local law enforcement and agency partners, such as the California Department of Insurance (CDI) and district attorney investigators. POs participate 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’s Latest Peace Officers are Sworn In

On Tuesday, September 3, 2013, San Francisco Investigative Center Peace Officer Peter Keown and Sacramento - North Investigative Center Peace Officer Hugh Henderson were presented with their badges by CSLB Board Member Ed Lang.

PO Keown comes to CSLB from the California Department of Corrections and Rehabilitation (CDCR) where he was a correctional officer since October 2010. Prior to that, he spent 31 years in the construction industry.

PO Henderson has a 21-year military career where he retired as a Senior Master Sergeant. He also came to CSLB from CDCR where he worked as a Youth Correctional Counsel and a Correctional Officer.

On Friday, September 27, 2013, Southern SWIFT ERII Eugenia Canchola was read her oath and presented with her Peace Officer badge by Board Member Pastor Herrera Jr. Peace Officer Canchola comes to us from the Department of Corrections and Rehabilitation where she worked as a Correctional Officer at Donovan State Prison. Ms. Canchola has been with the State of California for over five years and, prior to that, was a Deputy Probation Officer for Los Angeles County. Ms. Canchola has a Bachelor of Science degree in Criminal Justice from California State University, Los Angeles. Ms. Canchola’s extensive experience in law enforcement will be an asset to Southern SWIFT and CSLB.



ER Henderson receives his badge from Registrar Steve Sands, Board Member Ed Lang and Chief of Enforcement David Fogt.



ER Keown receives his badge from Registrar Steve Sands, Board Member Ed Lang and Chief of Enforcement David Fogt.



Board Member Pastor Herrera Jr., Peace Officer Eugenia Canchola and SWIFT Supervisor Soledad Gutierrez

**Grand Jury Indicts Revokee after Elaborate Scheme to Defraud Consumers**

CSLB Southern California investigators, led by CSLB Peace Officer (PO) Bernard Lim, played a major role in an 18-month investigation that led to two license revocations and three arrests, with suspects facing more than two dozen felony charges. A Ventura County Grand Jury indicted 13 people – including notorious revoked licensee Avi Gozlan – for their roles in an elaborate scheme that may have defrauded thousands of Southern California consumers out of millions of dollars.

Gozlan was indicted on 32 felony counts, including 22 counts of money laundering, five counts of theft from an elder or dependent adult, four counts of grand theft, and one count of conspiracy to commit a crime. The Grand Jury indictments allege Gozlan oversaw a fraudulent remodeling and home improvement scheme that operated under the names AMCO, Liberty Construction, Universal Remodeling, VIP Home Design, and Vista Home Improvements.

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

These calls led to home improvement work that, in some cases, never was provided, was substandard, or only partially completed. It is believed that Gozlan's operation generated millions of dollars in annual revenue.

Gozlan was arrested by Ventura County DA investigators on October 18, 2012, with indictments totaling 51 felony counts, including 32 against the alleged mastermind.

It is believed that Gozlan hid behind a group of shell companies by "renting" legitimate licenses from other contractors for a monthly fee of up to \$1,000. In reality, licensed contractors were not overseeing or participating in these contracting businesses, as is required by California law (Business and Professions Code section 7068.1). Gozlan was licensed with CSLB in the 1990s, but the four licenses he was associated with (#623475, #588258, #657792, #706308) were revoked by 2000 after similar illegal activities.

On September 10, 2013, RMO Stephen Ritz of Vista pled guilty to a conspiracy charge (PC 182). The bench order to revoke the license brings the total to three RMOs who already have been revoked and who will testify against Gozlan.

Revokee Gets Caught...Again!

Norwalk Investigation Center PO Deidre Green investigated an alleged elder abuse case involving a 90-year-old consumer who suffered a flood when a flex line in her kitchen burst. With the help of her grandson, she contacted her insurance company. The insurance company referred them to revoked licensee Sung "Sam" Yul Choi. Choi misrepresented a license number and duped the elderly woman into entering a written home improvement agreement for \$15,000 to demolish and remodel the kitchen. Choi requested and received a down payment of \$5,000.00, was paid a total of \$10,000.00, and never completed the project.

Choi began the work in early November 2012 with the help of two employees. The victim was hoping to have the project ready by Thanksgiving. PO Green interviewed Choi, whose license



was revoked in March 2011, after having been licensed 20 years, and he admitted to using a contractor's license that did not belong to him.

PO Green referred this case to the Los Angeles (L.A.) County DA's Office to file criminal charges including felony burglary, and misdemeanor charges of contracting without a license, misuse of a license number, and receiving payment that exceeds the value of the work/materials. It is anticipated that the L.A. DA will be filing an elder abuse enhancement.

Unlicensed Contractor Violates Probation

PO John Anderson recently investigated two complaints filed by Riverside residents against a repeat unlicensed offender and convicted felon, Vake Tupou. Tupou previously was issued three administrative citations for unlicensed contracting in 2004, 2006, and 2007, and in March 2012, he pled guilty to felony grand theft and contracting without a license in Riverside County for previous CSLB referrals. Riverside County Deputy District Attorney (DDA) Loren Dossey secured the plea bargain, which included the provisions that Tupou be committed into the custody of the Riverside County Sheriff's Department for 180 days, pay victim restitution, pay fines, and serve formal probation for 36 months. As part of the plea bargain, Tupou was allowed to enroll in the electronic monitoring program (ankle bracelet) in mid-April 2012.

In November 2012, a month after having the ankle bracelet removed, Tupou entered into two separate contracts with Riverside residents who happened to be distant relatives. In addition, Tupou used a license number and name style that belonged to a licensee who also happens to be a distant relative of his. However, the licensee was unavailable to provide a statement, as he was allegedly out of the country for an extended period of time.

The first contract included construction of a patio cover, concrete walkways, an outside barbecue, a retaining wall, and backyard landscaping that totalled \$14,800.00. The second contract was for installation of a stamped concrete walkway, a patio cover, a masonry block wall, and backyard landscaping for \$6,200.00. Tupou secured day laborers to perform the work on both projects, which were completed, but neither homeowner was pleased with the substandard workmanship. Despite the inferior work, both owners paid Tupou in full.

PO Anderson immediately advised the Riverside County DA's Office that Tupou was in violation of his probation and requested that criminal charges be filed for violation of probation (PC 1203.2), fraudulent use of a license number, contracting without a license, excessive deposit, and failure to maintain WC for employees. Additionally, the licensee, whose license number was used, is being investigated to determine if he was aiding and abetting his distant relative.

Elderly Homeowner Ripped Off by Unlicensed Contractor

PO Joseph Martinez investigated a complaint filed by an elderly homeowner, who entered into a verbal contract with an unlicensed contractor for electrical work, including installation of wiring and lighting in the basement of her Richmond home for \$2,450.00. After work commenced, the unlicensed contractor inspected other areas of the house and convinced the homeowner that additional work was necessary, resulting in several additional verbal change orders that increased the total contract price to \$39,026.00.

During the investigation, PO Martinez was able to obtain the illegal operator's admission that he employed four workers on the project and did not have a workers' compensation (WC) insurance policy. PO Martinez also had an industry expert (IE) perform an inspection to place a



value on the work performed and estimate the cost to correct/complete the project, as the elderly victim paid \$36,581.00 and much appeared to be unfinished or substandard. The IE report valued the work completed at a mere \$2,445.00 and estimated the cost to correct/complete to be \$38,352.00.

The case was referred to the Contra Costa DA's Office, recommending that felony criminal charges be filed against the unlicensed contractor for financial elder abuse, burglary, grand theft, and theft by false pretenses as well as for misdemeanor charges of contracting without a license, and failure to maintain WC for employees.

Father, Son Caught Contracting Without a License Will Face Criminal Charges

PO Shelby Brooks investigated a case involving a father and son who teamed up to form their own construction company, claiming to be licensed contractors. An unsuspecting homeowner hired the duo to install kitchen cabinets and remove a wall to expand a room in a condominium for \$79,500.00. The pair subcontracted some of the cabinet work to another unlicensed contractor for \$6,700.00 only paying \$3,000.00, leaving the homeowner to pay the balance, despite the fact the owner had already paid the father/son duo the entire contract amount of \$79,500.00.

After the wall was removed to expand the opening between two rooms, the residents who live directly above the homeowner advised that the removal of the wall in the lower unit caused the upstairs floor to sag and threatened further damage due to the instability of her ceiling. To repair the structural damage, the homeowner had to hire another contractor as well as a structural engineer to correct and complete the project for an additional \$25,000.00. However, the upstairs neighbors filed a civil suit against the homeowner and homeowners' association, which was eventually settled for \$45,000.00.

Both father and son refused to cooperate in the investigation. The matter was referred to Los Angeles City Attorney Don Kass, who has accepted the case and will be filing charges against the pair for contracting without a license and fraudulent use of a license number.

Repeat and Multiple Offender Sefo Tovo

San Francisco Investigative Center PO Peter Keown concluded five of six investigations against Sefo Kavakiholeva Tovo and referred his reports to the Santa Clara County DA's Office, requesting prosecution for contracting without a license, fraudulent use of a license, obtaining an excessive down payment, diversion of construction funds and failure to have WC insurance coverage for employees. Tovo has an extensive complaint history, including a prior conviction and incarceration for contracting without a license.

The current spree of complaints involves projects that are similar in nature and stem from work done predominately within the same Santa Clara neighborhood. Tovo approached residents, offering his concrete services and representing himself as a licensed contractor by fraudulently using a contractor's license as his own. He required an excessive down payment and progress payments in advance of work performed. Concrete debris was left behind, and any new concrete work actually performed was substandard. Funds received for materials were diverted, and liens were filed by the concrete supply company.

**Criminal Filing for Insurance Fraud**

PO Bernard Lim investigated a complaint filed by a Yorba Linda homeowner who sustained substantial water damage to his house. In August 2012, the homeowner entered into a verbal agreement with licensee James Pittman of PacCon General Contractors (PacCon) to restore and remodel his home. The insurance claim was through State Farm, and there was not a fixed contract amount.

Work started in September 2012 and, as the months progressed, the homeowner became more confused and frustrated with his the lack of clarity regarding the scope of work and cost of the project due to not having a written contract. The homeowner told PacCon to stop work until proof of WC insurance could be provided to him.

Pittman complied with the homeowner's request, providing a certificate of WC insurance from Zenith. Later on, Pittman provided another WC certificate of insurance from Zurich. However, the owner did not allow Pittman to continue working and filed a complaint with CSLB, alleging that both the Zenith and Zurich WC certificates were false documents.

PO Lim verified with Zenith and Zurich that both certificates of insurance were, in fact, false documents. Zenith stated to PO Lim that there was no such policy number as the number listed on the certificate of insurance. The representative from Zurich Insurance told PO Lim that the insured on the policy number does not belong to Pittman or PacCon but to Kruse Staffing Inc., with an alternate employer endorsement to Prime Staff.

Prime Staff stated in writing that Pittman and PacCon leased employees for the period that work was being done on the consumer's home; however, the policy did not cover construction operations. When confronted with the evidence that there was not a WC policy in place for construction workers, Pittman and his wife asked for mercy and compassion, saying that they were experiencing financial issues and that disciplinary action would be detrimental to Pittman's legal issues.

The homeowner never allowed Pittman back on his project. When work ceased, approximately 85 percent of the rough work was completed for which Pittman was paid a total of \$87,001.57. In January 2013, Pittman recorded a mechanics lien in the amount of \$207,569.50; however, the breakdown of how the lien amount was calculated that Pittman provided to PO Lim totaled only \$141,715.60.

PO Bernard Lim recommended that an administrative disciplinary action for the following violations for failure to maintain WC, willful or fraudulent act (excessive mechanics lien), misrepresentation, fraud in execution of document (false WC certificate), and failure to have a written home improvement contract. In addition, a referral was made to the Orange County DA's Office, regarding possible insurance fraud.

AGENDA ITEM E

Review and Discussion of Enforcement Representatives' Authority to Issue a Written Notice to Appear in Criminal Court





ER Authority to Issue a Notice to Appear in Criminal Court

Pursuant to Business and Professions (B&P) Code section 7011.4, CSLB is mandated to have a separate enforcement unit to combat unlicensed activity. Enforcement representatives (ERs) employed by that unit and designated by the Director of the Department of Consumers Affairs, who are not peace officers, are able to issue a written Notice to Appear (NTA). Currently, the unit that focuses on unlicensed practice is the Statewide Investigative Fraud Team (SWIFT). SWIFT ERs can only issue NTAs for misdemeanor violations of unlicensed activity; they cannot issue an NTA to a licensee.

CSLB has a 32-year history of investigating unlicensed activity, and NTAs continue to be one of the most effective tools in the ongoing battle against unlicensed operators.

CSLB History of Investigating Unlicensed Activity

- **Prior to 1981** – CSLB did not have the authority to issue an administrative citation for contracting without a license. Consequently, complaints alleging a violation of contracting without a license were investigated and submitted to a local city or county district attorney for misdemeanor prosecution. Only the most egregious cases were accepted for prosecution.
- **1981** – B&P Code section 7028.7 gave CSLB the authority to administratively cite unlicensed contractors. CSLB continued to refer the most egregious cases for criminal prosecution. CSLB has been issuing administrative citations that contain a civil penalty and a cease and desist order since 1981.
- **1982** – B&P Code section 7011.5 provided CSLB with the authority to appoint three sworn peace officers. A portion of these peace officers' duties included investigating unlicensed contractor activity by conducting stings and working closely with the state's multi-agency underground economy task force.
- **1989** – B&P Code section 7011.4 gave CSLB the authority to create a unit that would "rigorously enforce this chapter prohibiting all forms of unlicensed activity." The unit was initially called the "Unlicensed Activity Unit (UAU)."
- **July 1, 1989** – The newly created UAU was funded. The Southern California demonstration project unit began operations in October 1989. Within UAU was the Special Investigations Unit (SIU), teams of one peace officer and one non-sworn enforcement staff member in northern, central, and southern California. SIUs assisted the Regional Deputy with sensitive and/or high-profile cases and provided a peace officer for stings, search warrants, and interaction with law enforcement agencies.
- **Summer 1990** *California Licensed Contractor* newsletter: "One of the strengths of this [UAU] unit is its ability to issue criminal citations. These citations differ from our administrative citations in that they require the cited person to appear in court. Failure to appear will result in a bench warrant being issued for the person's arrest."



- **Summer 1990** *California Licensed Contractor* newsletter: “These improvements did not happen by chance. An active Board with a highly motivated enforcement staff, legislative support, a Governor (Deukmejian) interested in doing away with the underground economy and, most significantly, the active involvement by licensed contractors, have all joined in what we believe is the beginning of a successful, organized effort to reduce unlicensed contracting.”
- **1990** – B&P Code section 7028.16 established a felony for contracting without a license in a state- or nationally-declared disaster area.
- **Winter 1994** *California Licensed Contractor* newsletter, CSLB Registrar David Phillips: “It gives me great pleasure to announce that because of the fee increases enacted by the Legislature last year, as of 1994...Unlicensed Activity Units are now operating statewide... In my 29 years with the Board, I do not believe I have seen a regulatory program that will benefit the legitimate contractor more than this statewide expansion of the Unlicensed Activity Unit.”
- **Winter 1995** *California Licensed Contractor* newsletter, CSLB Registrar Gail Jesswein: “The Legislature’s 1993 mandate to increase our enforcement efforts against these rogue contractors has paid off in a very big way...Having three Unlicensed Activity Units operating statewide has made it possible to arrest or cite close to 10 times as many illegal contractors as we were able to apprehend last year.”
- **October 26, 1993** – The Joint Enforcement Strike Force (JESF) was created when Governor Pete Wilson signed Executive Order W-66-93. The Governor subsequently signed Senate Bill 1490, which placed the provisions of the Executive Order into law as Section 329 of the California Unemployment Insurance Code (CUIC), effective January 1, 1995. JESF was responsible for enhancing the development and sharing of information necessary to combat the underground economy, to improve the coordination of enforcement activities, and to develop methods to pool, focus, and target enforcement resources. The Strike Force was empowered and authorized to form joint enforcement teams, when appropriate, to utilize the collective investigative and enforcement capabilities of the Strike Force members. CSLB is a member of JESF.
- **January 1996** – “Unlicensed Activity Units” name changed to “Underground Economy Enforcement Units” (UEEU). UEEU was comprised of supervisors and several non-sworn investigators in northern and southern regions who worked with industry and other governmental agencies to combat the underground economy.
- **1999** – Per a May 21, 1999 memo, UEEU was formed into northern and southern “Statewide Investigative Fraud Teams” (SWIFT). A Central SWIFT unit was added in 2009. Staff members assigned to SWIFT units were allowed to issue written Notices to Appear in Superior Court.
- **January 1, 2004** – B&P Code section 7028 was amended to dictate that except in unusual cases, repeat offenders (for contracting without a license) must be confined to the county jail for not less than 90 days.
- **2005** – Governor Arnold Schwarzenegger launched the Economic and Employment Enforcement Coalition (EEEC), a partnership of state and federal agencies charged with overlapping jurisdiction in the area of labor law enforcement. EEEEC was created to make a concerted, consistent, and vigorous effort to combat illegal and unscrupulous operators in the underground economy. In addition to CSLB, participating agencies include the United States Department of Labor, the California Department of Industrial Relations’ (DIR) Division of Labor Standards Enforcement (DLSE) and Division of Occupational Safety and Health (DOSH), and the Employment Development Department (EDD).



- **January 2006** – CSLB established a partnership with the Los Angeles City Attorney’s Office to streamline the procedure for processing consumer complaints against unlicensed perpetrators, enabling CSLB to refer cases to the L.A. City Attorney’s Office within 60 days of receipt. To expedite the investigation, industry expert testimony is not used to establish the financial injury; instead, the L.A. City Attorney argues for restitution to the complainant for all monies paid pursuant to Business and Professions (B&P) Code section 7131(b), which precludes compensation to unlicensed individuals.
- **November 2011** – B&P Code section 7127 gave CSLB authority to issue job site stop orders where employee workers' compensation insurance is lacking, regardless of whether or not the contractor is licensed.
- **2012** – Governor Edmund G. Brown, Jr. established the Labor Enforcement Task Force (LETF) to combat the underground economy and to ensure safe working conditions and proper payment of worker wages, create an environment where legitimate businesses can thrive, and support the collection of all California taxes, fees, and penalties due from employers. In addition to CSLB, task force members include:
 - Labor & Workforce Development Agency (LWDA)
 - Department of Industrial Relations (DIR), including Division of Labor Standards Enforcement (DLSE) and
 - Division of Occupational Safety and Health (DOSH)
 - Employment Development Department (EDD)
 - California Department of Insurance (CDI)
 - Board of Equalization (BOE)
 - Bureau of Automotive Repair (BAR)
 - State Attorney General and district attorneys throughout California
 - Agricultural Labor Relations Board (ALRB)

AGENDA ITEM F

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





CONTRACTORS STATE LICENSE BOARD

PARTNERING AGENCY DISCIPLINARY ACTION DISCLOSURE

Project Background and Implementation

During a January 2013 Public Works Stakeholder meeting in Los Angeles,(attended by major awarding agencies for state and local government public works projects, including school districts), all attendees voiced the same frustration: there is not a centralized information source to identify licensees that may have a history of problems with public agencies but are not subject to CSLB complaint disclosure. On September 6, 2013, CSLB Board members unanimously approved disclosing partner agencies' disciplinary actions on the CSLB website. As a result, CSLB will flag licensees on the website by including an advisory statement and an electronic link to the partner agencies' websites.

Using CSLB's website to disclose actions by partner agencies provides an easily accessible means to awarding authorities and prime contractors to vet responsible, responsive bidders for public works projects. Further, CSLB is meeting its strategic objective without legislation – a win-win!

To get the project up and running, CSLB identified two partner agencies: the Department of Industrial Relations' Division of Labor Standards Enforcement (DLSE) and the California Department of Transportation (Caltrans). DLSE issues Civil Wage and Penalty Assessments (CWPAs) for Labor Code violations on public works projects, and Caltrans issues Stop Notices for non-payment of monies due for project issues that include project labor, services, equipment or materials. However, CSLB will only disclose CWPAs that involve significant amounts of money owed to employees and Stop Notices that 1) result in a civil court filing or 2) are issued to contractors with a significant history of Stop Notices.

Disclosure Project Goals:

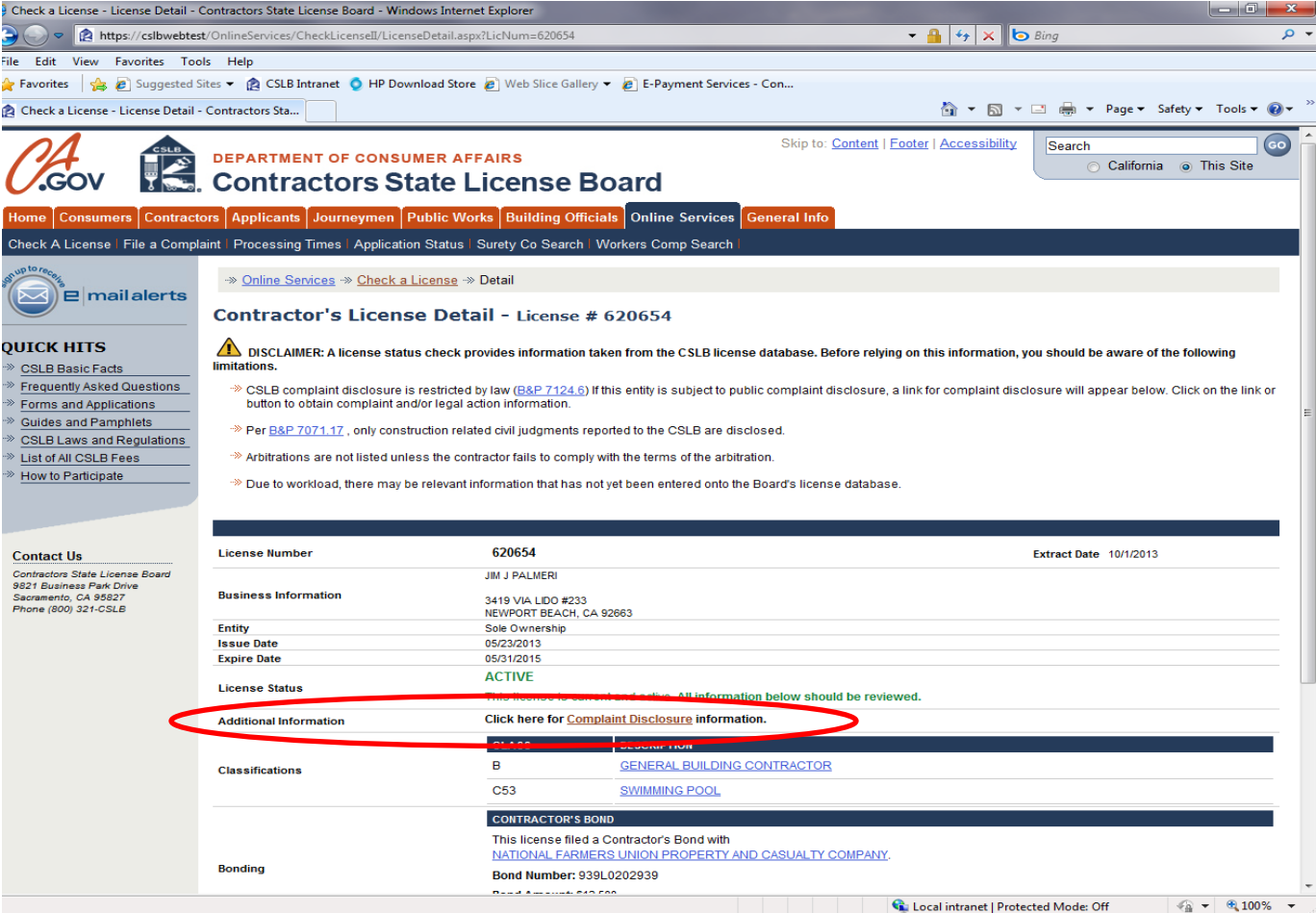
- Partner with other public/government agencies
- Provide consistency in information provided to consumers on all public outreach platforms that include:
 - CSLB website
 - Teale Data Center mainframe
 - Interactive Voice Response (IVR) system and CSLB call center

IVR Script language includes:

- *“CSLB is aware of a potential Labor Code violation, relating to a Civil Wage and Penalty Assessment (CWPA) by the Labor Commissioner on one or more public works projects. Please refer to the following link for additional information and to verify the status of the CWPA: http://www.dir.ca.gov/dlse/transparency/trans_lisy2012.asp.”*
- *“CSLB is aware of a potential Stop Notice filed with Caltrans. Please refer to the following link for additional information from Caltrans and to verify the status of the allegation, <http://www.dot.ca.gov/hq/asc/oap/payments/public/sn071190e4.htm>.”*

Proposed CSLB Website Screens:

License Detail Page (disclosure link)



Check a License - License Detail - Contractors State License Board - Windows Internet Explorer

https://cslbwebtest/OnlineServices/CheckLicense/Detail.aspx?LicNum=620654

DEPARTMENT OF CONSUMER AFFAIRS
Contractors State License Board

Home Consumers Contractors Applicants Journeymen Public Works Building Officials Online Services General Info

Check A License | File a Complaint | Processing Times | Application Status | Surety Co Search | Workers Comp Search

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QUICK HITS

- CSLB Basic Facts
- Frequently Asked Questions
- Forms and Applications
- Guides and Pamphlets
- CSLB Laws and Regulations
- List of All CSLB Fees
- How to Participate

Contact Us
Contractors State License Board
9521 Business Park Drive
Sacramento, CA 95827
Phone (800) 321-CSLB

Online Services → Check a License → Detail

Contractor's License Detail - License # 620654

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- CSLB complaint disclosure is restricted by law (B&P 7124.6) if this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- Per B&P 7071.17, only construction related civil judgments reported to the CSLB are disclosed.
- Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.
- Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

License Number	620654	Extract Date	10/1/2013
Business Information	JIM J PALMERI 3419 VIA LIDO #233 NEWPORT BEACH, CA 92663		
Entity	Sole Ownership		
Issue Date	05/23/2013		
Expire Date	05/31/2015		
License Status	ACTIVE		
Additional Information	<p>This license is current and active. All information below should be reviewed.</p> <p>Click here for Complaint Disclosure information.</p>		
Classifications	<p>B GENERAL BUILDING CONTRACTOR</p> <p>C53 SWIMMING POOL</p>		
Bonding	<p>CONTRACTOR'S BOND</p> <p>This license filed a Contractor's Bond with NATIONAL FARMERS UNION PROPERTY AND CASUALTY COMPANY.</p> <p>Bond Number: 939L0202939</p>		

Local intranet | Protected Mode: Off | 100%



CSLB

PARTNERING AGENCY DISCIPLINARY ACTION DISCLOSURE

Cautionary Complaint Disclosure Language - Caltrans

Check a License or Home Improvement Salesperson (HIS) Registration - Contractors State License - Windows Internet Explorer

https://cslbwebtest/OnlineServices/CheckLicenseII/ComplaintDisclosure.aspx?LicType=LIC&LicNum=620654&LmfPre=

File Edit View Favorites Tools Help

CSLB Intranet HP Download Store Web Slice Gallery E-Payment Services - Con...

Check a License or Home Improvement Salespers...

CA.GOV DEPARTMENT OF CONSUMER AFFAIRS
Contractors State License Board

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- Frequently Asked Questions
- Forms and Applications
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Contact Us

Contractors State License Board
9821 Business Park Drive
Sacramento, CA 95827
Phone (800) 321-CSLB

Online Services -> Check a License -> License Detail -> Detail

Contractor's License Detail (Complaint Disclosure)

Contractor License #: 620654
Contractor Name: PALMERI JIM J

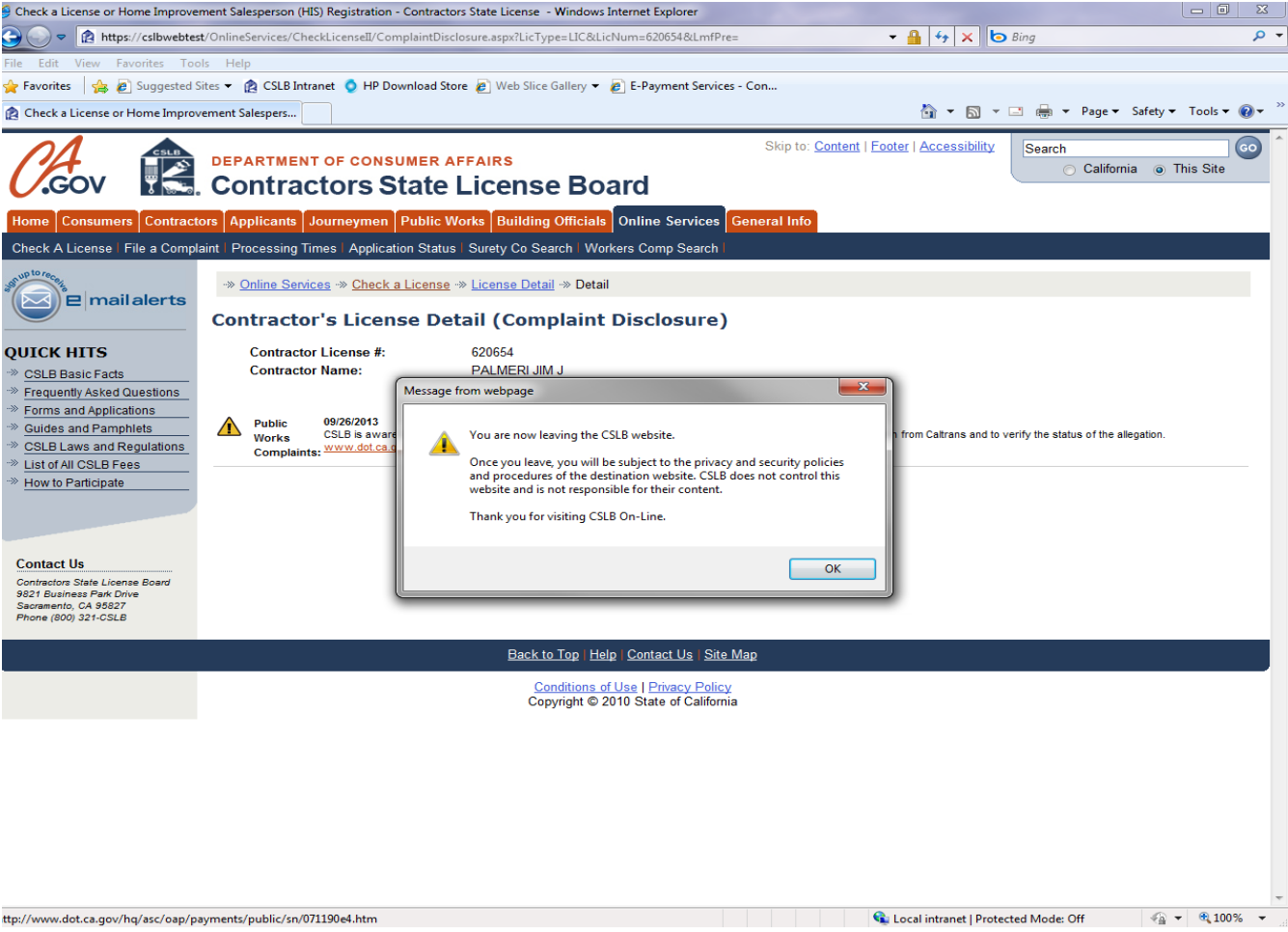
Public Works 09/26/2013
CSLB is aware of a potential Stop Notice filed with Caltrans. Please refer to the following link for additional information from Caltrans and to verify the status of the allegation.
Complaints: www.dot.ca.gov/hq/ascc/oap/payments/public/sn/071190e4.htm

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Disclaimer Statement



The screenshot shows a web browser window displaying the CSLB website. The browser's address bar shows the URL: <https://cslbwebtest/OnlineServices/CheckLicense/ComplaintDisclosure.aspx?LicType=LIC&LicNum=620654&LmfPre=>. The website header includes the CSLB logo and the text "DEPARTMENT OF CONSUMER AFFAIRS Contractors State License Board". A navigation menu contains links for Home, Consumers, Contractors, Applicants, Journeymen, Public Works, Building Officials, Online Services, and General Info. Below the menu, there are links for "Check A License", "File a Complaint", "Processing Times", "Application Status", "Surety Co Search", and "Workers Comp Search".

The main content area displays "Contractor's License Detail (Complaint Disclosure)" for Contractor License # 620654, Contractor Name PALMERI JIM J. A table lists a public works complaint on 09/26/2013. A pop-up message box titled "Message from webpage" is overlaid on the page, containing the following text:

Message from webpage

 You are now leaving the CSLB website.

Once you leave, you will be subject to the privacy and security policies and procedures of the destination website. CSLB does not control this website and is not responsible for their content.

Thank you for visiting CSLB On-Line.

OK

The footer of the website includes links for "Back to Top", "Help", "Contact Us", and "Site Map", along with "Conditions of Use" and "Privacy Policy" links, and a copyright notice for 2010 State of California. The browser's status bar at the bottom shows the URL <http://www.dot.ca.gov/hq/asc/oap/payments/public/sn/071190e4.htm> and "Local intranet | Protected Mode: Off".



DLSE Civil Wage and Penalty Assessment

DLSE - Civil Wage and Penalty Assessments - Windows Internet Explorer

http://www.dir.ca.gov/dlse/transparency/trans_list2012.asp

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CSLB Intranet HP Download Store Web Slice Gallery E-Payment Services - Con...

DLSE - Civil Wage and Penalty Assessments

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Department of Industrial Relations

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Director's Office
Boards

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

Civil Wage and Penalty Assessments

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

As of 9/14/12

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

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- Wage claims
- Bureau of Field Enforcement
- Public works complaints

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Labor Commissioner's Office

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- [Verify a license or registration](#)
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CSLB

PARTNERING AGENCY DISCIPLINARY ACTION DISCLOSURE

Caltrans Stop Notice

Contract: 071190E4 Stop Notice History - Windows Internet Explorer
 http://www.dot.ca.gov/hq/ass/oap/payments/public/sn/071190e4.htm

File Edit View Favorites Tools Help
 Favorites Suggested Sites CSLB Intranet HP Download Store Web Slice Gallery E-Payment Services - Con...
 Contract: 071190E4 Stop Notice History Page Safety Tools

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 Caltrans... We're Here to Get You There
 Caltrans > Major Construction Payment & Information Home > Contract List > Contract: 071190E4 Stop Notice History

State of California
 DEPARTMENT OF TRANSPORTATION
 Major Construction Payment & Information System

Stop Notice History for Contract 071190E4

[\[Back to Contract #071190E4 \]](#) [\[Top of Page \]](#)

<p>Claimant: Truesdell Corporation of California, Inc. 1310 W. 23rd Street Tempe, AZ 85282</p>	<p>History: Claim established for \$14,250.00 on 02/06/2007 by Ivallejo Release Claim - Legal Dept. on 09/27/2007, by Ivallejo \$17,823.60 Paymt to contract payee Schedule: 7D99749 No lawsuit filed *** Claim Date: 02/05/2007</p>
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AGENDA ITEM G

Enforcement Program Update





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

VACANCY UPDATE

Staff continues to proactively advertise and recruit to fill vacant positions. The Enforcement division had 16 vacant positions as of October 15, 2013:

UNIT	CLASSIFICATION	# OF VACANCIES	CURRENT STATUS
Enforcement Executive	Staff Services Manager III	1	Interviews Held
Sacramento IMC	Consumer Services Representative	3	Recruitment in Progress
Sacramento IC - South	Enforcement Representative I	2	Recruitment in Progress
San Diego IC	Enforcement Representative I	1	Recruitment In Progress
San Diego IC	Enforcement Representative – Peace Officer	1	Currently Advertised
San Bernardino IC	Enforcement Representative I	4	Recruitment in Progress
Central SWIFT	Enforcement Supervisor I	1	Currently Advertised
Sacramento SWIFT	Associate Governmental Program Analyst	1	Recruitment in Progress
Southern SWIFT	Office Technician	1	Currently Advertised
Southern SWIFT	Enforcement Representative I	1	Interviews Scheduled



INTAKE AND MEDIATION CENTERS

IMCs
Financial Settlement Amount
(July 2012 - August 2013)

• \$ 9,766,383.33

New IMC Pilot Starts Strong

The Intake and Mediation Center (IMC) continues to explore new methods to curb illegal contracting. In early September, an Enforcement Representative I (ER I) was added to the Norwalk IMC. This month, the Sacramento IMC also added an ER I. The positions will be used as a complement to the IMC pilot programs, which are increasing enforcement in the areas of workers' compensation insurance, building permits, and illegal advertising. With the addition of the ERs, administrative citations now can be written in the IMC for complaints involving these types of violations. In the first month on the job, the Norwalk ER I closed just under 20 complaints and issued five administrative citations for building permit and advertising violations.

PG&E Partnership

In July, CSLB enforcement staff met with senior management from PG&E to discuss partnering to prevent public safety being jeopardized by contractors striking gas lines. Almost all strikes are due to contractors' negligence (failing to call in advance and have the gas lines properly marked). The main points agreed to were:

- Coordinate outreach efforts
- Include DOSH as a partner to enforce active jobsites where a gas line strike occurred
- Discipline contractors with a past history of failing to call the 811 service or when the failure to call results in severe health and safety issues

At a follow up meeting in September, PG&E reported success stories from their complaint-filing with CSLB. PG&E indicated that the involvement of CSLB has helped change contractor behavior. PG&E reported that two contractors where CSLB complaints were filed are now PG&E's spokespeople for the construction industry. One has participated in a training video, and accompanies PG&E at training events. The other has sent all of his employees to special PG&E training and distributes educational literature to other contractors about the need to call 811 prior to excavation.

CSLB and PG&E Partner On Gas Line Strike

In September, CSLB and PG&E partnered to take action against a contractor who failed to call and have gas lines marked before excavation. Gas line strikes are always serious, but this one was particularly hazardous. The contractor purposely dug up 75 feet of active gas line at a high school construction site. The gas line was severed by a tractor blade and the contractor brazenly stopped the high pressure gas leak by folding the pipe in half and wrapping a rope around the end of it. This created a very dangerous situation for the workers present, the high



school, and the entire neighborhood. PG&E has provided the necessary documentation to supplement CSLB's investigation. The complaint is on the way to the IC for appropriate disciplinary action against the contractor.



Workers' Compensation Suspension Program

The IMC currently investigates all reactive complaints for workers' compensation insurance violations where an exemption is on file and there are indications that employees were on site during the project. The CSR takes statements from the complainant as to the number of employees, names (if known), and work completed. The contractor is then contacted to discuss the employees and to obtain an admission. Once a violation is confirmed, the contractor's exemption from workers' compensation insurance is removed and an "Intent to Suspend" letter is sent. The contractor has 30 days from the date of the letter to either obtain a policy or submit a subsequent exemption. If no action is taken, the license becomes suspended. Following are the results since the suspension process started in April 2011:

- **1109** - Exemptions Cancelled
- **388** - Obtained Policies
- **230** – Licenses Suspended
- **491** – New Exemption Submitted

Complaint Resolution Statistics

CSLB's two IMCs are responsible for initiating consumer complaints filed against licensed and unlicensed contractors. IMCs are staffed with Consumer Services Representatives (CSRs) whose primary function is to intervene with the conflicting parties and promote reconciliation, compromise, or settlement of the issues. Complaints that cannot be settled and which include unlicensed practice or other violations of Contractors' State License Law are prepared for field investigation.



A recap of the productivity statistics for FY 2012-13 indicate that the IMC continues to meet Board objectives regarding complaint resolution:

- Licensee complaints closed in the IMC – **67%**
- Settled complaints – **40%**
- Monthly average of pending aged complaints over 60 days – **71**

Home Depot Complaint Resolution

Efficiently resolving Home Depot complaints was given priority in August as the CSLB’s Enforcement division management and staff and Home Depot management had a meeting of the minds to determine the most effective way to address consumer concerns. Meeting participants came up with effective suggestions that resulted in the following procedure:

DATE	October 8, 2013
TO	All Enforcement Staff Contractors State License Board
FROM	David Fogt, Chief Enforcement Division
SUBJECT	Handling of Home Depot Complaints

Overview

Home Depot is one of the State’s largest contractors, performing thousands of jobs in California each year. Relative to their activity, Home Depot has a low number of consumer complaints filed against its licenses: #602331 for Home Depot USA, Inc. and #836021 for THD At-Home Services, Inc. (collectively “Home Depot”). Most complaints are settled by Home Depot, often before any CSLB involvement. However, a recent incident demonstrated a need to reiterate CSLB’s procedures for handling homeowner/customer complaints involving Home Depot. These procedures are intended to (1) streamline the communications between the CSLB and Home Depot and (2) assist in bringing closure to homeowner/customer complaints involving Home Depot as soon as reasonably possible.

IMC Complaint Intake

All homeowner/customer complaints received against Home Depot will be screened in the Sacramento IMC, regardless of jobsite location. A specific consumer service representative (“CSR”) will always be designated to work Home Depot complaints, and CSR Lori Miles is currently serving in this capacity. Upon complaint assignment, the CSR will immediately inform Home Depot management of the complaint information and the issues, using the following contact list:

Mr. Edward Barrington, Services License Manager
 Email: edward_barrington@homedepot.com Telephone: (775) 450-1313

Mr. Robert Ross, Service License Manager
 Email: robert_ross@homedepot.com Telephone: (714) 931-0163



Mr. Gus Avalos, Branch Installation Manager

Email: gus_avalos@homedepot.com

Telephone: (858) 859-4156

In those rare instances when Home Depot is unable to reach a settlement with the homeowner/customer, the complaint file will be forwarded to the Sacramento Investigative Center ("IC") – North for further investigation, regardless of jobsite location.

IC Investigation

Homeowner/customer complaints against Home Depot will primarily be handled by enforcement representative (ER) Dawn Willis in Sacramento IC – North. If a Home Depot complaint is assigned to another ER by a Program Manager, the manager will ensure the ER is familiar with the contents of this memorandum. In all complaint investigations involving Home Depot, the following guidelines will apply:

- The ER should immediately make contact with the Home Depot representatives (listed above) to inform them of the ER assigned to the matter and to obtain a further status on the complaint issues if such has not already been provided to the ER by Home Depot or the CSR.
- The ER should stress to the homeowner/customer that Home Depot has the right to repair any deficient work and the homeowner/customer should reasonably cooperate with Home Depot's efforts to do so.
- Home Depot has confirmed its willingness to participate in on-site meetings with the homeowner, the ER and the CSLB's designated expert in an effort to bring closure to the homeowner's/customer's concerns. If reasonably appropriate under the circumstances, the ER may schedule such a meeting and also encourage the homeowner/customer to attend and participate in the meeting. More than one meeting may be scheduled, as deemed appropriate by the ER.
- The ER should consider mandatory or voluntary CSLB arbitration.
- Any citation or other legal action must have the prior approval of the IC Program Manager.

Please contact your immediate supervisor if you have any questions regarding this memorandum or how to handle homeowner/customer complaints involving Home Depot.



Investigative Centers

**ICs
Financial Settlement Amount
(July 2012- August 2013)**

• \$ 4,238,065.91

Theft Results in Revocation for Licensee

A Sacramento IC enforcement representative (ER) investigated a complaint submitted by an 84-year-old homeowner regarding a contract she entered into with a man whom she believed to be licensed contractor Mark Johnson of A-1 Asphalt. During the course of the investigation, it was discovered that the man she actually dealt with was Mark's unlicensed nephew, Shanadoa Johnson. Mark claimed to have no knowledge of the project and claimed that Shanadoa was fraudulently using his license. Shanadoa Johnson had approached the homeowner after stating he was doing work for her neighbor and offered to sweep the homeowner's roof; clean the gutters, glue down loose shingles, and replace the vent pipe for \$1,000. Additionally, Shanadoa said he would seal her driveway for no charge since he had some extra material. The homeowner was asked to write a deposit check of \$500 to Shandon's friend. The following day, when Shanadoa and his helper were "done," Shanadoa managed to take away the original invoice for \$1,000 from the homeowner and presented her with an invoice for \$4,895.00. Shanadoa would not leave so the homeowner wrote a check to Mark for \$2,300.00. Mark admitted to cashing the check, but said it was because Shanadoa owed him money. CSLB's industry expert valued the work performed at \$700.00, and established a cost to correct of \$675.00.

Mark and Shanadoa are believed to be transient criminals. Mark's name has come up previously in other Board investigations of Shanadoa. Unfortunately, the homeowner was not able to positively identify Shanadoa in a lineup. Shanadoa had a previous conviction for elder fraud in Montana, and was recently convicted in Sacramento County for one misdemeanor and one felony count of elder abuse in two separate filings. Mark has used several aliases, birthdates, and Social Security numbers. During the investigation it was discovered that Mark submitted fraudulent information to the Board to obtain HIS registrations under two of his known aliases. Additionally, Mark failed to disclose a felony conviction on his original application and was convicted of a second felony while licensed.

The complaint was submitted for accusation against Mark Johnson. Shortly thereafter, the ER received a phone call from the homeowner indicating Mark had been arrested by the Sutter County Sheriff's Office. The arrest made the local paper and local news because they had a large warehouse of stolen goods seized from Mark Johnson and his brother and co-defendant, Jerry Johnson. The Sheriff, J. Paul Parker, was quoted stating, "This is the biggest, one-time haul I've ever seen in 32 years of law enforcement." On July 18, 2013, the Sutter County District Attorney filed three felony counts of first degree burglary and one felony count of second degree burglary against Johnson. The Board filed a Penal Code 23 action, and the license revocation was granted effective August 27, 2013.

**HVAC Installation Was Not Cool**

A contractor who was licensed for just over a year entered into a verbal contract to install a HVAC system at a San Francisco residence for \$4,500. The work was performed without a permit and without workers' compensation insurance coverage for employees. The workmanship was grossly defective, including refrigerant lines that were installed inside the living space of the home rather than within the attic area. The lines were left unsupported and exposed, and holes punched through walls for the refrigerant lines were poorly patched. An industry expert estimated the cost to correct the work to be \$14,292. The investigation was conducted by a San Francisco IC ER and was referred for an accusation due to the respondent's obvious incompetence.

Small Job Turns Into Big Loss

In January 2011, a San Jose family contracted with Home Pro Construction to have their kitchen and family room remodeled for \$36,000. Shortly after work started, the contractor began talking the homeowners into expanding the scope of work until the contract price increased to over \$140,000. Although the contractor quickly demolished the kitchen and two bathrooms, the rest of the work – which was supposed to take only four to five weeks to complete – dragged on for nearly a year. In the meantime, the homeowners and their small child had to get by with a portable cooktop in their garage.

Desperate to get the project finished, the homeowners continued for several months to meet the contractor's demands for more money. They ended up paying in excess of \$175,000 – more than \$35,000 over the contract price, even though the project was far from completion. At that point, the contractor was still demanding more money, but the homeowners refused without some assurance when the work would be completed. That's when the contractor, in October 2011, sent the homeowners a notice alleging they had breached the contract. He stopped all work, removed his construction equipment and send the homeowners backdated change orders totaling \$43,000.

Not only did the contractor leave numerous incomplete items, but there also were serious workmanship defects, including exposed electrical wiring. It cost \$105,400 to hire another contractor to complete and correct the project, resulting in a financial injury of nearly \$140,000. A San Francisco IC ER conducted the investigation and referred the matter to accusation for violation of Business and Professions Code sections 7107, 7109(a), 7113, 7159(d), and 7159.5(a)(5).

The accusation was filed on January 31, 2013. An order was signed on July 9, 2013, adopting the stipulated settlement to revoke the license, with revocation stayed, with terms and conditions including payment of restitution in the amount of \$50,000, a stipulated judgment in the civil case, payment of investigative costs totaling \$3,013.13, and posting of a disciplinary bond in the amount of \$60,000 for three years.

“At What Cost Is this Project?”

A San Bernardino IC enforcement representative investigated a complainant filed by a consumer against a licensee who contracted to build a new custom home for the sum of \$500,000. The consumer relied on the recommendation of neighbors, who had previously hired the licensee to perform various home improvement projects. The consumer felt they had



adequately researched references and reviewed some of the licensee's past work before they entered into the contract.

In January 2010, the consumer entered into a written contract with the licensee to provide labor and materials to construct a custom home. Permits for the project were pulled by the licensee and construction of the home commenced in October 2010. The consumer was later placed on notice that the \$500,000.00 contract price was actually a "project estimate," and could increase due to material pricing or other additional costs. During the course of the project, the licensee failed to provide written change orders to the consumer.

Significant workmanship issues soon became apparent when the city's Building and Safety Department began issuing multiple correction notices that indicated deficiencies and variations in the construction that did not match the approved plans. These notices were ignored by the contractor and, in March 2012, the licensee abandoned the project. At that time, the consumer had paid the licensee \$625,955.00 for the still-incomplete project. With a second story deck that allowed water intrusion into the home, the bewildered consumer was forced to hire another licensed contractor to make corrections and complete the project. To date the consumer has paid an additional \$73,219.00 on a project, which was still incomplete. The total financial injury incurred by the consumer to date was calculated to be in excess of \$199,000.

At the conclusion of her investigation, the ER recommended an accusation against the licensee for egregious conduct, which included violations of B&P Code §7107 (Abandonment of contract); B&P Code §7109(a) & (b) (Departure from accepted trade standards; departure from plans or specifications); B&P Code §7164 (Contract and changes to be in writing); B&P Code §7113 (Failure to complete project for contract price); B&P Code §7110 (Disregard or violation of statutes); and B&P Code §7116 (Willful or fraudulent acts injuring another).

Surrender Your License

The diligent efforts of two San Bernardino IC ERs to thwart the unconscionable activities of a rogue contractor paid off. Multiple consumer complaints in Riverside County were investigated by the ERs. The complaints involved allegations of unregistered sales personnel, permit violations, lack of workers' compensation insurance, and misrepresentation. Between January 2010 and November 2011, the licensee targeted consumers, many of them elderly, who lived in manufactured homes. In many cases, consumers entered into multiple contracts with the contractor. The necessity of replacing various systems within the manufactured homes such as leveling piers, HVAC systems, and water heaters were questionable.

Partnering with an investigator from the Riverside District Attorney's office, a statement of the licensee regarding the projects and questionable business practices was obtained.

Administrative legal actions were recommended by both ERs. Through the assistance of a CSLB ER II Peace Officer, the appearances of the Deputy Attorney General and the Riverside County District Attorney's Office were coordinated for the preliminary criminal hearing held on July 19, 2013. The contractor stipulated at the hearing to the revocation of his license pursuant to B&P Code §7106. The Stipulated Revocation of Contractor's License and Order was approved by Riverside County Superior Court Judge Dugan that day.

On August 15, 2013, the contractor pleaded guilty to 39 counts of B&P Code §7159.5(a)3 for excessive deposit and Labor Code section 3700.5(a) for lack of workers' compensation



insurance. Two of the company's sales personnel also pleaded guilty to 26 counts each of B&P Code §7153 for unregistered sales. The contractor was sentenced to one day in county jail and three years of informal probation. Both of the salespeople were sentenced to one day in county jail and to two years' informal probation.



GENERAL COMPLAINT-HANDLING STATISTICS

(JULY 2012 – AUGUST 2013)

It has been determined that a manageable level of pending complaints for all current CSLB staff is **3,015**. As of August 2013, the pending caseload was **3,010**.

The Board objective is for ERs assigned to the nine Investigative Centers (ICs) to investigate and appropriately disposition 10 complaints per month. The maximum working case load for ERs has been established at 35 per ER. CSLB has 53 ER's; therefore, the nine ICs have the capacity for 1,885 open complaints. As of August 1, 2013, the ICs had a total of 1,695 complaints open and under investigation.

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

The following chart outlines how CSLB determines manageable caseloads:

Job Classification	Current Number of Staff	Closure Goal per Month	Preferred Cycle Time (months)	Maximum Caseload per ER	Maximum Number of Cases per Classification
ERs	53	10	4	35	1,855
CSRs	29	30	2	40	1,160
TOTAL					3,015

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

- **MAINTAIN ER 1 PRODUCTION OF CLOSING 10 COMPLAINTS PER MONTH**
In August 2013, ERs closed an average of 10 complaints.
- **INCREASE THE PERCENTAGE OF LICENSEE COMPLAINTS SETTLED TO 30%**
Licensee complaints settled in IMCs in August 2013 averaged 45%.
- **ACCOMPLISH IMC LICENSEE COMPLAINT DISCLOSURE OF 70%**
The licensee disposition average in August 2013 was 69%.
- **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 August 2013 there were only 68 aged cases.



Public Works Update

Public Works Unit Expands to Three Full-Time Investigators

Enforcement Representatives Nyssa Smith and Melissa Thompson were selected as the two new ERs for the Public Works Unit. ERI Thompson will perform investigations of Northern California public works, and Smith will perform Southern investigations. They will work closely with awarding agencies to prequalify bidders, explore opportunities to disclose a partnering agency's disciplinary action, and identify egregious offenders that may deserve CSLB disciplinary action.

Civil Wage and Penalty Assessments (CWPA's)

The Department of Industrial Relations' Division of Labor Standards Enforcement (DLSE) will have Civil Wage and Penalty Assessments made into judgments against both the prime and offending subcontractor for non-payment of prevailing wages, overtime, travel, etc. to employees. CSLB then will suspend the licenses to compel payment to employees. However, primes will often work in good faith with DLSE to resolve unpaid liabilities owed to their subcontractors' employees.

Vetting Leads on Public Works Projects

Union representatives frequently call CSLB Public Works Unit staff to verify licensees' workers' compensation (WC) insurance on public works projects. Often, contractors, usually subcontractors, have filed an exemption from WC but have employees performing work on public works projects. Public Works investigators will check the Workers' Compensation Insurance Rating Bureau (WCIRB) to determine if the subject licensee has a WC policy. If a WC policy is verified through WCIRB but there is no record of such with CSLB, the identified contractor is contacted by phone and advised that it is a violation of B&P Code § 7125.4. The contractor is provided 10 days to add the WC information to the license history. The phone call is then followed-up with a letter, and there has been 100 percent success with compliance.

When a WC policy cannot be located through WCIRB, the union representative is asked to provide copies of certified payrolls (CPRs) and file a complaint. Through the Intake and Mediation Center, the exemption from WC is canceled; a Stop Order may be issued if appropriate. SWIFT may be notified to proactively address the WC violation if the job is ongoing.

Flags

The Public Works Unit flags individuals who violate the Labor Code and discharge debts in bankruptcy, including unpaid wages to employees. Often, corporate officers will discharge the debt under one corporation and then try to obtain a new license, using a new business name. The flags have proven highly successful, and the Public Works Unit also is taking actions against individuals who failed to disclose unpaid liabilities on their applications for licensure.

CWPA Results in Denying Corporate License and Stayed Revocation

A complaint was filed by Mario Salinas with the Center for Contract Compliance in October 2009 against Ayodeji Ogundare, dba Pacific Engineering Company. Ogundare was a subcontractor on several public works projects and failed to pay prevailing wages to employees, resulting in the Division of Labor Standards Enforcement (DLSE) issuing five Civil Wage and Penalty Assessments (CWPA's). These CWPA's for projects in Kern, Madera, and Tulare Counties



covered unpaid wages totaling \$440,124.33 and penalties of \$215,489.00. This complaint marked the beginning of CSLB initiating a disciplinary action based on CWPA's and pioneered what is now the Public Works Unit.

DLSE also obtained a civil judgment against Ogundare in Tulare County Superior Court for \$185,590.83, which was appealed to the Fifth District Court of Appeal and upheld in May 2011. The complaint was referred for an accusation to revoke, and Ogundare filed bankruptcy in August 2011. Ogundare applied for a new corporate contractor's license, but the assigned investigator blocked the application and recommended that it be denied based on the CWPA's.

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

Also of note, the administrative law judge noted the following in his decision: "The Contractors' Board and the Department of Industrial Relations are in privity, as both are state agencies that are acting to protect the public, and not to punish an errant contractor."

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

Vehicle Update

Fifteen of 25 new vehicles have been delivered to Enforcement division offices around the state. ER Nora Urias addressed the Board at the board meeting in Norwalk on December 11, 2012, voicing concerns regarding the condition of the fleet and the shortage of vehicles. ER Urias primarily drove a 2004 Ford Taurus at the time, and felt the condition of the vehicle posed a safety risk. The remaining new vehicles are expected to be delivered by the end of October.





CASE MANAGEMENT
(JULY 2012 – AUGUST 2013)

CITATIONS ISSUED		
	Licensee	Non-Licensee
Citations Issued	1,313	1,017
Citations Appealed	556	406
Citation Compliance	713	499
MANDATORY SETTLEMENT CONFERENCES		
Scheduled		368
Settled		217
Civil Penalties Collected		\$1,027,995
Legal Fee Savings		\$1,423,236

ARBITRATION	
Arbitration Cases Initiated	433
Arbitration Decisions Received	409
Licenses Revoked for Non-Compliance	82
Arbitration Savings to the Public – Restitution	\$1,926,413
ACCUSATIONS / STATEMENT OF ISSUES	
Revocations by Accusation (Applicants Revoked)	446
Restitution for Accusations	\$179,000
Statement of Issues (Applicants Denied)	64
Cost Recovery Received	\$245,544.15
Number of Cases Opened	483
Number of Accusations/Statement of Issues Filed	387
Number of Proposed Decisions Received	107
Number of Stipulations Received	105
Number of Defaults Received	212
Number of Decisions Mailed	452



STATEWIDE INVESTIGATIVE FRAUD TEAM

SWIFT STATS (JULY 2012 – AUGUST 2013)

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

- **STINGS / SWEEPS**

Each month, undercover sting and sweep operations are conducted throughout the state. From July 2012 to August 2013, SWIFT conducted 210 sting and sweep days, resulting in over 2,095 legal actions, including NTAs and citations.

- SWIFT performed 83 sting days from July 2012 - August 2013, partnering with law enforcement, DAs, building departments, code enforcement officials, industry leaders, and other state agencies. The sting operations targeted unlicensed repeat offenders and wanted criminals working in the construction industry.

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

1,012	Suspects received NTAs for contracting without a license, illegal advertising and workers' compensation (WC) insurance violations.
85	Licensed individuals were referred to district attorneys for criminal prosecution of WC violations.
1,469	Licensed and unlicensed individuals received administrative citations for licensure, advertising, aiding and abetting, and WC violations.
420	Stop Orders were served upon a construction employers prohibiting use of employee labor until workers' compensation insurance is obtained.

Santa Monica Sting

Southern SWIFT enforcement representatives (ERs) partnered with the Santa Monica Police Department, Santa Monica Code Enforcement Department, Santa Monica City Attorney's Office and the DCA Division of Investigation to conduct a sting in Santa Monica at an apartment complex, one mile from the Santa Monica Pier. Investigators issued eight Notices to Appear (NTAs) for contracting without a license. Three of the illegal operators also were cited for illegal advertising. A total of six suspects received additional NTAs for not having a Santa Monica city business license.

One of the ERs invited a suspected unlicensed contractor who was advertising on Craigslist to the sting. Although the suspect could not make it, he sent a licensed contractor in his place who brought an unregistered salesperson with him. The licensee was exempt from workers'



compensation insurance and did not have any registered salespersons. The licensee was cited for B&P Code §125(b) – Conspiring with an unlicensed operator and issued a Stop Order. The unregistered salesperson was cited for B&P Code §7153(a) – No home improvement registration. A Santa Monica code enforcement officer also issued an NTA to both of them for failure to obtain a city business license.



New Advertising Complaint Form

Construction industry partners requested a more efficient way to report unlicensed contractors who are soliciting work that should go to licensed contractors. Oftentimes, licensees don't know where the unlicensed contractor is working, only that they are soliciting business through the use of advertisements and business cards. Staff have developed a new complaint form to assist industry in streamlining the referral process:



CONTRACTORS STATE LICENSE BOARD

STATE OF CALIFORNIA

Northern California:
 Sacramento Intake & Mediation Center
 P.O. Box 269116, Sacramento, CA 95826-9116
 800.321.CSLB (2752)

Southern California:
 Norwalk Intake & Mediation Center
 12501 East Imperial Hwy, Suite 620, Norwalk, CA 90650
 800.321.CSLB (2752)

www.cslb.ca.gov

Advertising Complaint for Unlicensed Contractors

This form is to report an unlicensed contractor who is advertising illegally.

Advertisements must be current and show date of publication to meet statutory requirements. Submit one advertisement per complaint form.

COMPLAINANT				UNLICENSED CONTRACTOR INFORMATION			
PLEASE CHECK TO REMAIN CONFIDENTIAL <input type="checkbox"/>				UNLICENSED CONTRACTOR NAME			
NAME				BUSINESS NAME			
AGENCY OR COMPANY NAME (if applicable)				STREET ADDRESS			
STREET ADDRESS				CITY		STATE	ZIP CODE
CITY		STATE	ZIP CODE	OTHER IDENTIFYING INFORMATION			
PHONE NUMBER	E-MAIL ADDRESS						

ADVERTISEMENT INFORMATION (attach advertisement)	
SOURCE OF ADVERTISEMENT <input type="checkbox"/> Website <input type="checkbox"/> Pamphlet/Magazine <input type="checkbox"/> Flyer/Print Ad <input type="checkbox"/> Telephone Directory <input type="checkbox"/> Business Card <input type="checkbox"/> Other	DATE OF ADVERTISEMENT

How to Submit an Advertising Complaint

1. Gather all documentation related to the contractor's advertisement.
2. Make copies of support documentation requested on the form.
3. Mail complaint form and original documents (advertisements) to the appropriate address listed at the top of the page, based on which county in California the contractor appears to be located. For Imperial, Los Angeles, Orange, Riverside, San Diego, or Ventura counties, send complaint forms to the Norwalk Intake & Mediation Center. For California counties not mentioned above, send complaint forms to the Sacramento Intake & Mediation Center.

SOME COMPLAINTS MAY NOT BE SUFFICIENT FOR CSLB TO TAKE DISCIPLINARY ACTION; HOWEVER, ALL COMPLAINTS WILL BE USED AS POTENTIAL TARGETS FOR UNDERCOVER STING OPERATIONS.

FOR OFFICE USE ONLY																								
COMPLAINT NUMBER				TYPE	IN	OR	PRTY	DATE RECEIVED			SPECIAL	DT STAT EXP			CSR	ASSIGNED TO CSR			ER	ASSIGNED TO ER				
				CNST	V	G		MO	DA	YR	PROJECT	MO	DA	YR	INIT	MO	DA	YR	INIT	MO	DA	YR		
FY											A	D	V											
LICENSE NUMBER								CLOSURE LETTER		DISPOSITION		DATE CLOSED			STATUS CHANGE						STP			
								C		C		MO DA YR			C			C			C			C
SECTIONS VIOLATED								C		C														



Butte County Enforcement Partnership

A unique Enforcement partnership has been developed in Butte County among local contractors, building departments, and law enforcement. This successful partnership focuses on the underground economy. The partnership started with concerned contractors soliciting assistance from CSLB to help weed out illegal and unlicensed contractors in the area.

Butte County Board of Supervisors

On August 9, 2011, the Butte County Board of Supervisors approved a resolution adopting a pilot program and permitting measures to promote workers' compensation insurance coverage for contractors and owner-builders who obtained pool and roofing permits. The program initially ran for 12 months, expiring August 9, 2012.

The resolution included the following language:

- All pool permits shall require verifiable proof of active workers' compensation insurance coverage of all applicants: contractors, owner(s)/builder(s), etc.
- Roofing permits applied for by owner-builder(s) who claim exemption from workers' compensation coverage shall be advised that the Contractors State License Board will be notified when an exemption is claimed, which may result in a site visit by a CSLB investigator to verify their exempt status.
- Permits shall be required for "re-plastering" of both residential and commercial swimming pools at a flat fee, which will be \$64.50.

The pilot program's success resulted in the Board's resolution being extended for three more years, and a new termination date of December 31, 2015.

Butte County Building Department and DA

As a result of the Butte County Supervisors' resolution, CSLB developed a successful partnership with the Butte County DA and Building Department, resulting in prioritized enforcement of C-39 Roofing contractors, C-29 Masonry contractors, and C-53 Swimming Pool contractors. Butte County provides a link on its website for informants to file complaints against contractors. Additionally, the Butte County DA and Building Department routinely assist CSLB in investigating and enforcing licensure and WC requirements, identifying suspects, checking prior criminal activity, providing peace officer back-up for undercover operations, and providing permit records and leads relating to suspected owner-builder project sites.

A SWIFT ER works from the Butte County Building Department to assist with the county's prioritized enforcement, and to interact directly with contractors to obtain information regarding unpermitted project sites and contractors without proper WC insurance.

Citizen Volunteers Trained to Recognize and Report Unlicensed Practice

In March 1993, the Butte County Sheriff's Office started the Sheriff's Team of Active Retired Seniors (STARS), comprised of a small group of 16 volunteers. Since that time, the STARS program has blossomed into a team of 130 senior citizens, who are dedicated to serving their



communities. Volunteers must be 50 years of age or older, and be able to donate four hours of free time per week to the program. Senior volunteers work closely with law enforcement in a variety of non-hazardous activities, helping to make their communities a safer place.

On September 27, 2012, Enforcement Chief David Fogt and Northern SWIFT ER Tom Cunningham conducted three training sessions for more than 60 STARS volunteers to help them recognize and report unlicensed practices. The training included recognizing, reporting, and gathering evidence to report unlicensed practice, elder abuse, and fraudulent activity. STARS volunteers were provided with a *Quick Check* information sheet that outlines CSLB violations and where to report illegal activity. The training was such a success that Enforcement staff was asked to consider providing similar training to another 600+ volunteers.

New Butte County Enforcement Strategies for 2013

SWIFT's Butte County ER participates in the Joint Enforcement Strike Force (JESF), which is a coalition of government enforcement agencies established in January 1995. JESF members work together to share information and resources to enforce license, tax, and workers' compensation insurance requirements, in an effort to ensure a level playing field for California businesses. JESF members include CSLB, the Employment Development Department (EDD), Department of Insurance (CDI), Franchise Tax Board (FTB), Board of Equalization (BOE), and Department of Justice (DOJ). The following new JESF operations are proposed for 2013:

- **Weekend Operations** – To address unlawful construction activity that is reportedly performed on weekends, SWIFT staff is conducting weekend operations. Informants and other sources have shared that those operating within the underground economy are too familiar with the weekday method of operations of the SWIFT unit. To counteract this trend, and avoid detection, overtime compensation was approved by CSLB management that allows enforcement work to be conducted on Saturdays and Sundays. A minimum of one weekend operation in the northern, central, and southern part of the state are conducted each month.
- **Simultaneous Sting/Targeted Sweeps** – A new type of JESF operation is being conducted in Butte County during 2013 that includes simultaneous undercover sting and targeted sweep operations conducted by CSLB's SWIFT and partner agencies. Specific partners for these operations include CDI, EDD, and the Butte County DA's Office. The operations target the primary violations of unlicensed practice, failure to carry proper WC insurance, premium fraud, and failure to register and report employees.

Local Contractor Participation

Rick Clements, a Butte County contractor, has personally put forth a tremendous effort to combat the county's underground economy. Mr. Clements held meetings with Butte County Supervisors and Building Department officials and was instrumental in getting the aforementioned resolution passed for enhanced enforcement of WC requirements. During an appearance before the Butte County Board of Supervisors, Mr. Clements thanked Chief Fogt for his dedication to enforcement in Butte County and his assistance in getting the resolution passed.

The Valley Contractors Exchange, a nonprofit association of contractors and construction professionals, continues to assist enforcement efforts by reporting unpermitted projects.



Valley Contractors Exchange (VCE) is a member-operated, non-profit association of contractors and construction professionals in Butte, Yuba, and Sutter counties. Kate Leyden, VCE’s executive director, regularly attends Board meetings, Construction Enforcement Coalition meetings, as well as other industry meetings, providing relevant input, leads, and support for new initiatives. In addition, Ms. Leyden has assisted in securing sites to perform undercover sting operations, and she always seems to find new, innovative ways to assist CSLB in combatting the underground economy.

The active partnerships in Butte County require CSLB to respond promptly to leads and quickly communicate the disposition upon completion of the investigation. Although current resources do not always allow for immediate response times, CSLB places a high priority on responding to our Butte County partners and will continue to make every effort to strengthen and enhance joint enforcement efforts.

LETF and JESF

SWIFT is comprised of 30 non-sworn investigators, who are assigned to either the Labor Enforcement Task Force (LETF) or the Joint Enforcement Strike Force (JESF).

LETF conducts sweeps with partner state agencies DLSE, DOSH, EDD, and FTB at active job sites to verify employee wages as well as compliance with licensing, WC insurance, tax, and job safety requirements. LETF partners generally issue administrative actions against violators. CSLB’s participation in JESF is primarily to enforce criminal sanctions against violators for licensure and WC insurance requirements with DA investigators and EDD. The majority of JESF actions are criminal.

Following are statistics for LETF and JESF operations for January through August, 2013:

LETF Legal Actions January – August 2013									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Accusations	0	0	1	0	1	0	0	1	3
Admin Licensee Cites	14	20	24	13	20	16	19	13	139
Criminal Referrals - Licensee	1	1	0	1	1	2	1	1	8
Criminal Referrals - Unlicensed	14	2	31	45	100	21	25	36	274
Admin Non-Licensee Cites	15	22	21	30	33	21	8	25	175
Stop Orders	19	23	25	30	39	23	13	27	199
Total Actions									599
2013 LETF STOP ORDERS									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Totals
Licensee Stop Orders	12	18	12	18	20	14	6	16	116
Unlicensed Operator Stop Orders	7	5	14	12	19	9	7	11	84
Policies Obtained	5	6	18	10	14	2	7	8	70
Licenses Suspended	11	4	3	5	2	1	8	3	37



MOU-Related Outstanding Liabilities (JESF)		
January – August 2013		
TOTAL LIABILITIES	Liability Suspension	Penalty Recovered
CSLB, EDD, DOSH, DLSE, & FTB	\$25,883,218.74	\$10,637,300.95
EDD Only	\$19,753,203.44	\$6,334,766.98

AGENDA ITEM H

Adjournment



OCTOBER 21, 2013
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Licensing
Committee Meeting



AGENDA ITEM A

Call to Order – Chair’s Remarks

Roll is called by the Committee Chair.

ENFORCEMENT COMMITTEE MEMBERS:

FRANK SCHETTER, CHAIR

KEVIN J. ALBANESE

JOHN O’ROURKE

BRUCE RUST

Committee Chair Frank Schetter will review the scheduled Board actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session

Members of the public may address the committee at this time.
The Committee Chair may allow public participation
during other agenda items.



AGENDA ITEM C

Licensing Program Update





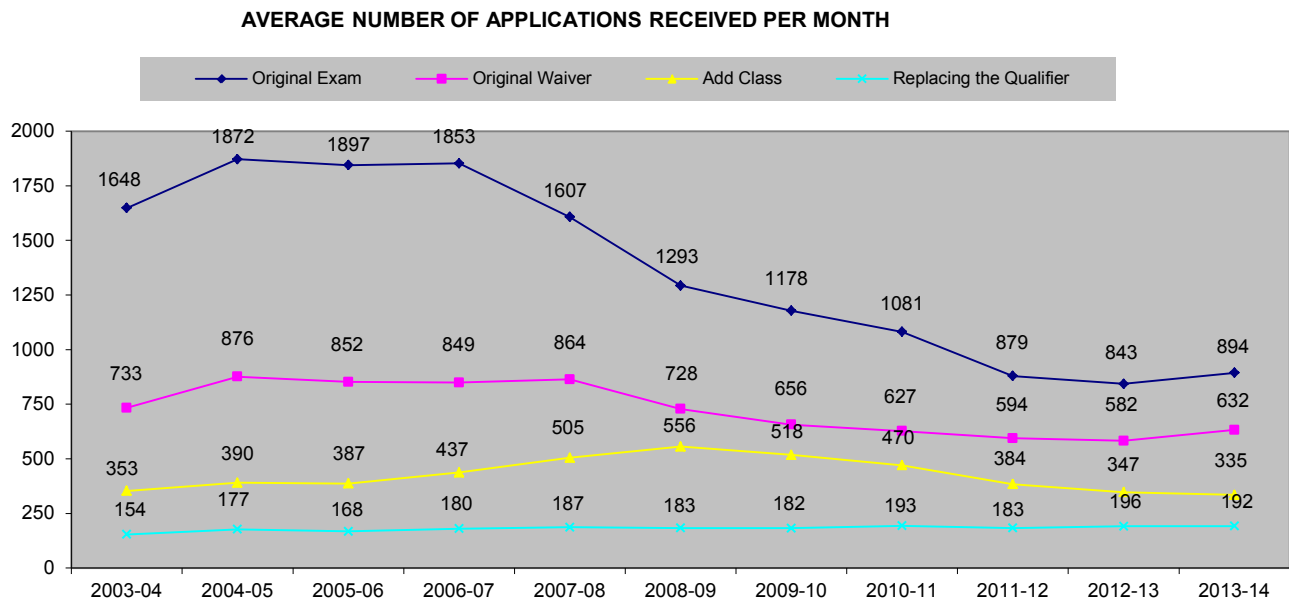
CONTRACTORS STATE LICENSE BOARD

LICENSING PROGRAM UPDATE

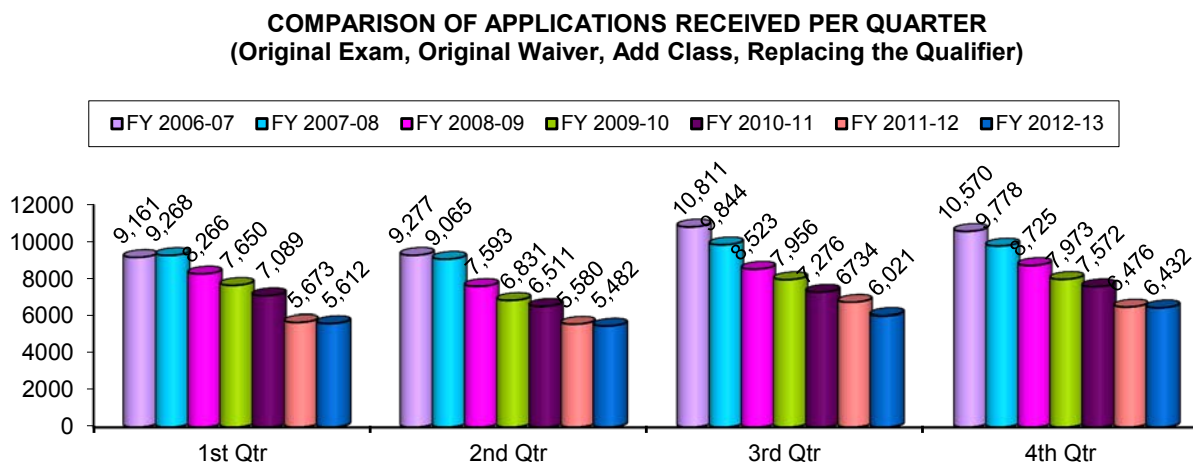
License Application Workload

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

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



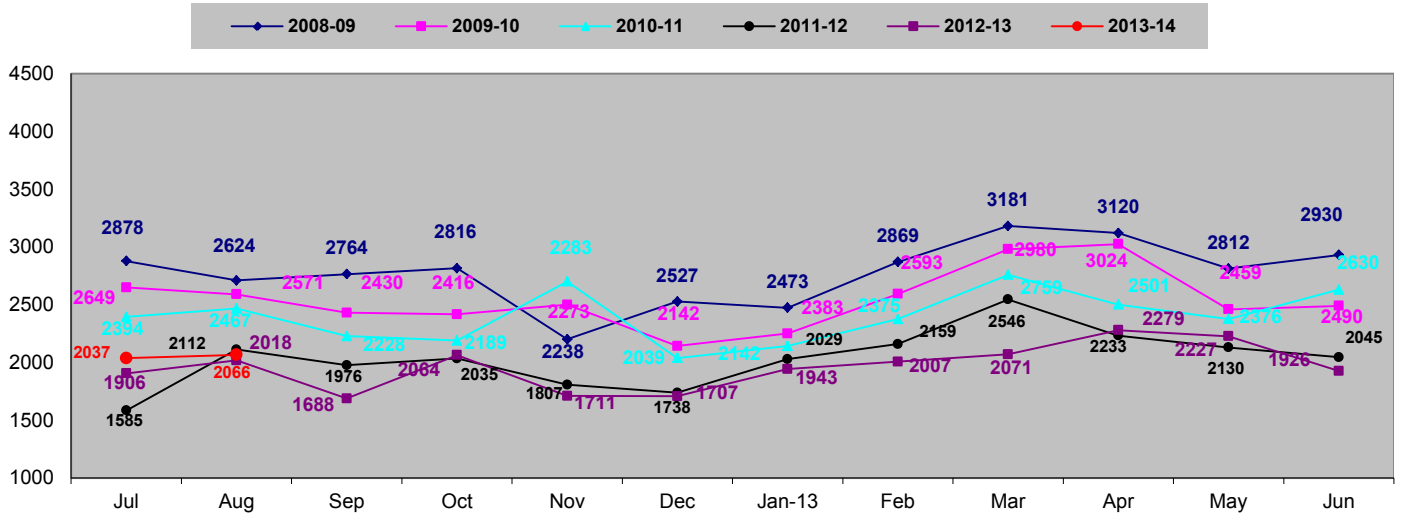
The following chart compares the total number of applications received by quarter for the past seven fiscal years.



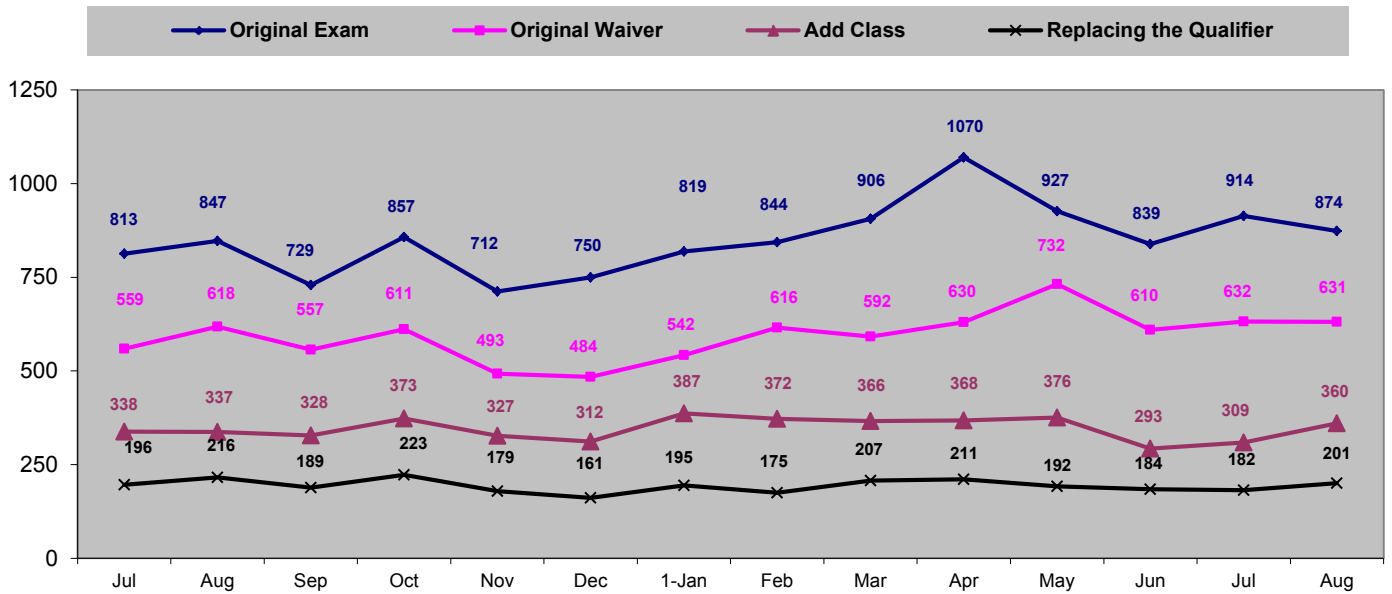
Decrease of 4% for total applications received for 2012-13 as compared with 2011-12



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



NUMBER OF APPLICATIONS RECEIVED





Limited Liability Companies (LLCs)

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

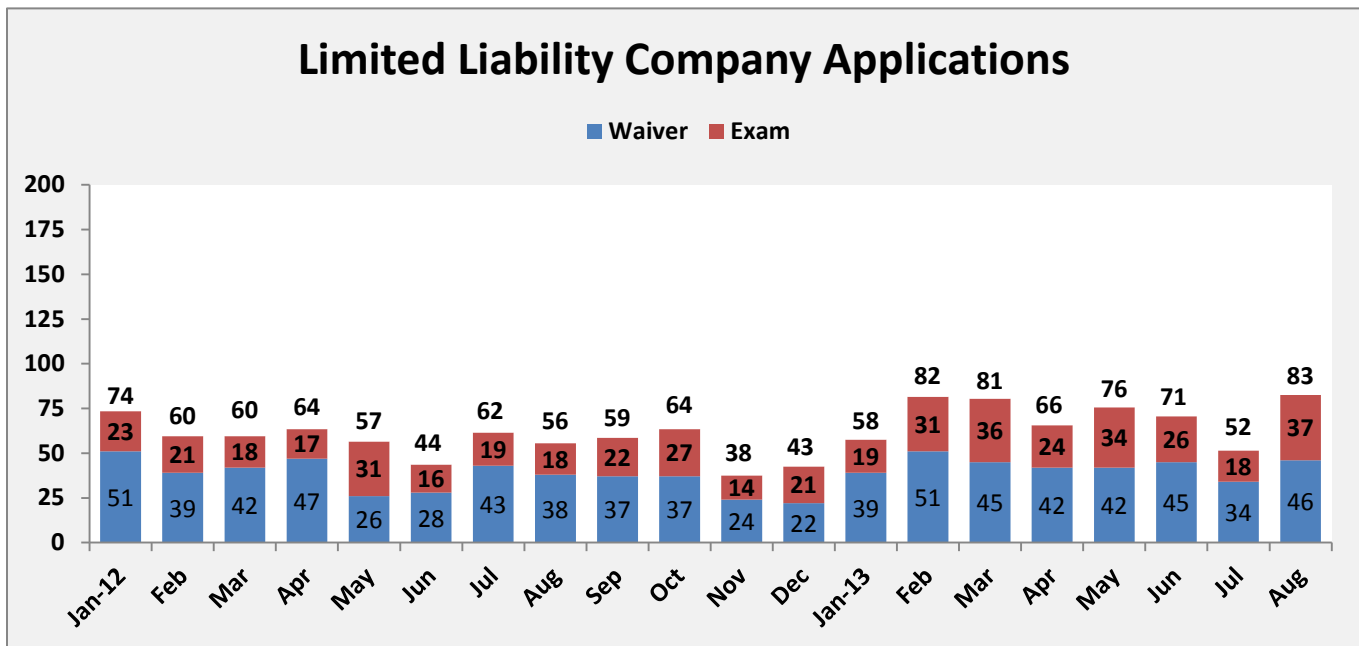
The legislation noted that contractors have been allowed to operate as corporations, and to be designated as “S” or “C” corporations for many years, with well-established case law regarding the ability to “pierce the corporate veil.” It was the intent of the Legislature to also apply this doctrine to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

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

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

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

The chart below illustrates the number of LLC applications received per month beginning in January 2012.





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

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

The Most Common Reasons for Rejection:

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

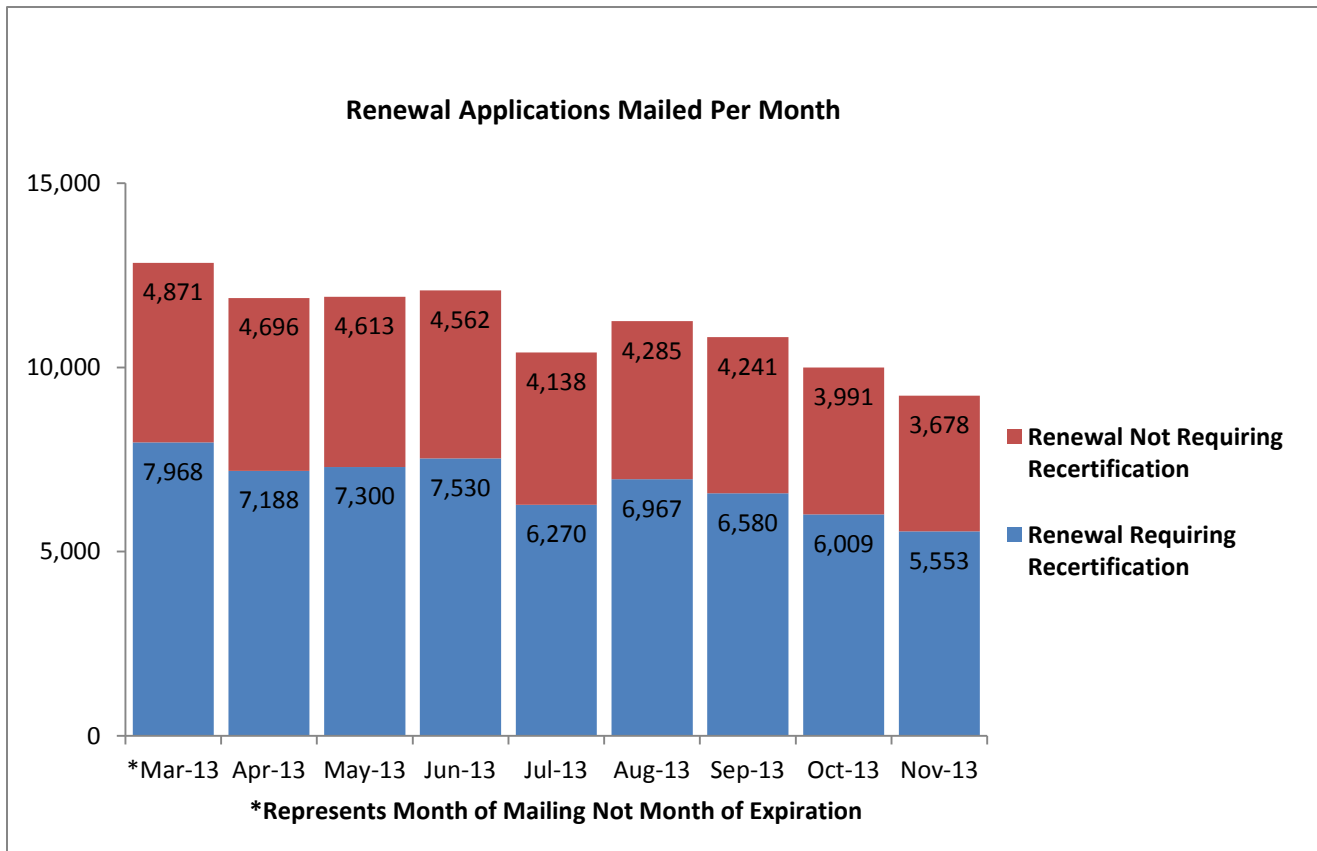
Of the 1,223 LLC applications received through August 31, 2013, 360 limited liability company contractor licenses have been issued. The most common reason for rejection continues to be staff's inability to match the name(s), title(s), and total count of LLC personnel on the application with the Statement of Information (SOI) provided on the records of the Office of Secretary of State. The SOI information is required for processing the LLC application: It provides staff with the total number and names of LLC personnel, crucial in determining the appropriate amount for the LLC liability insurance requirement (between \$1 million and \$5 million).



Workers' Compensation Recertification

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

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

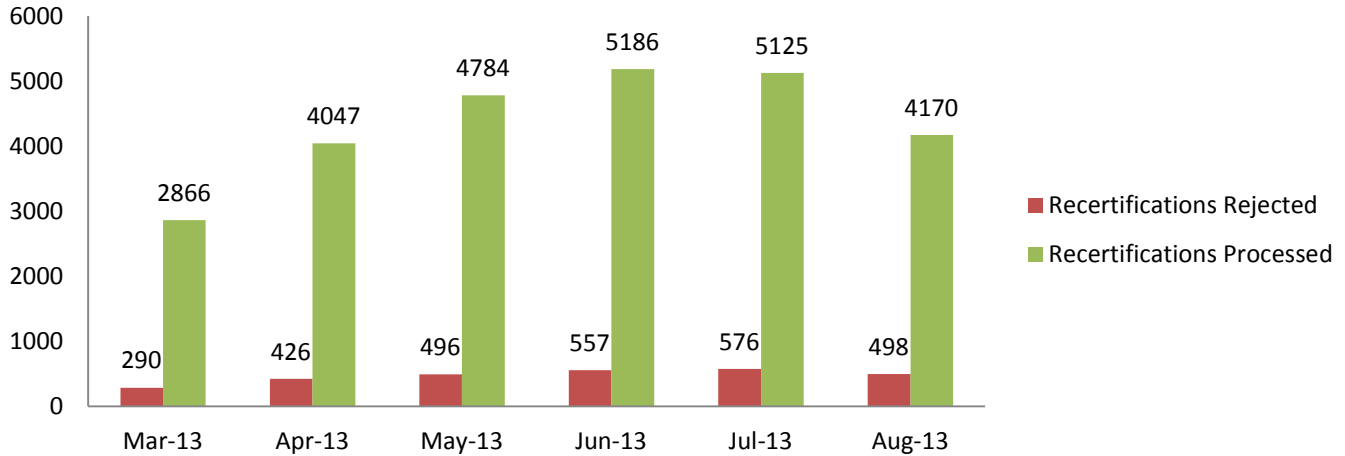


Statistics obtained from L742-Renewal Notice Summary



The chart below provides a snapshot of the number of renewal applications processed each month that required recertification, beginning with licenses that expired on March 31, 2013.

BPC Section 7125.5 Renewal of License Recertification of Exemption for Workers' Compensation Insurance

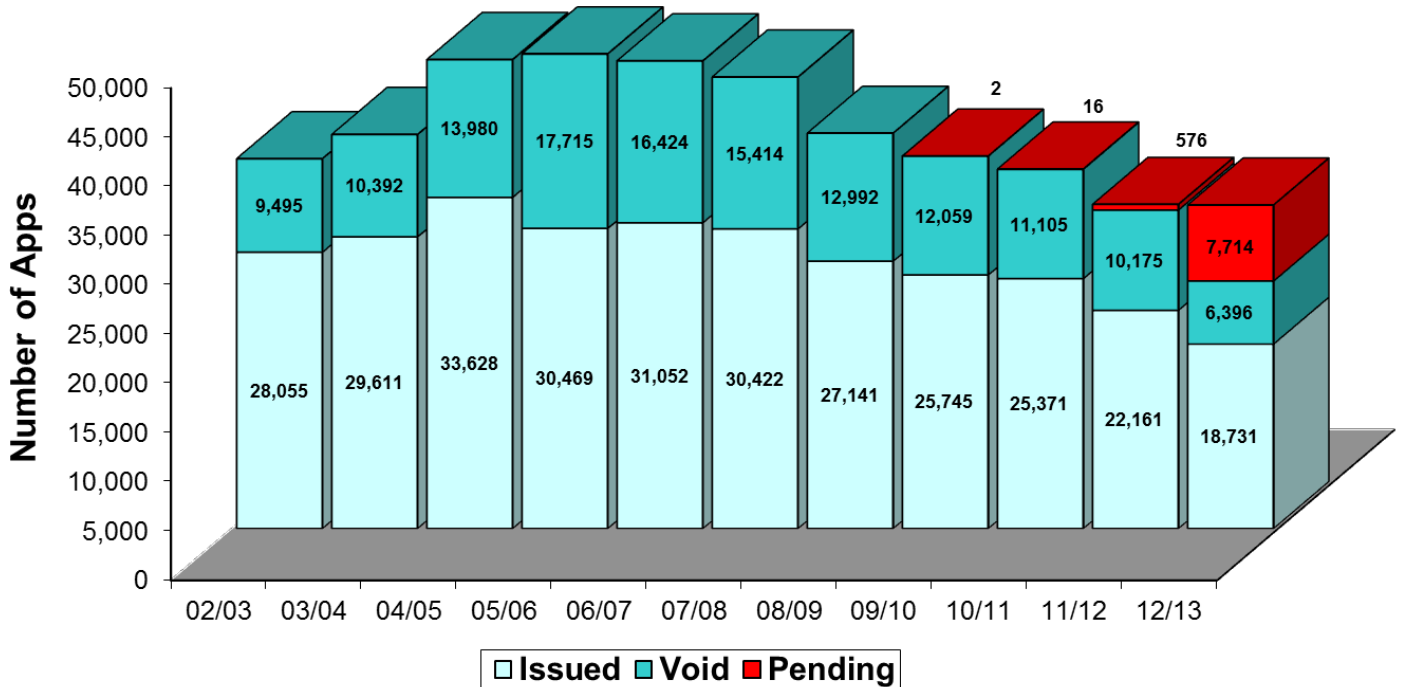


Statistics obtained from L742-Renewal Notice Summary; effective 8-1-2013, L73-Renewal Statistics Report



Disposition of Applications by Fiscal Year Teale Report S724: Run Date 09-01-2013

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



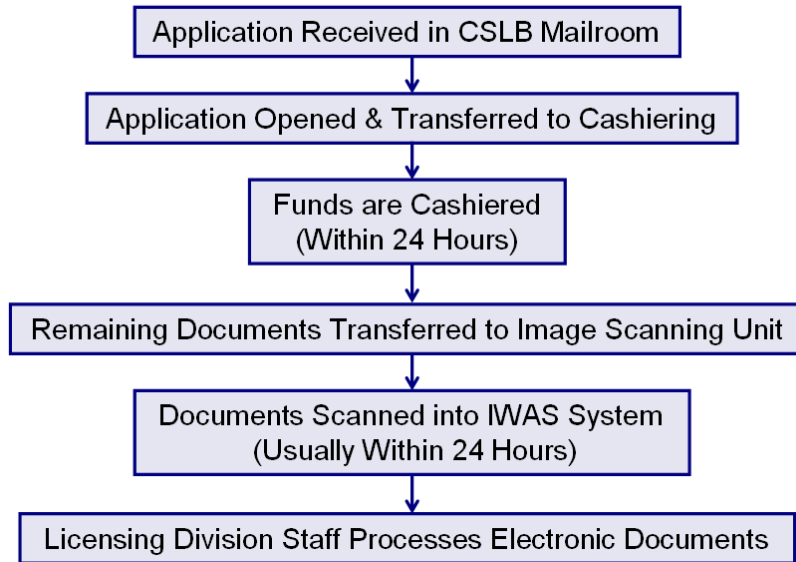
CSLB management continues to monitor processing times for the various units on a weekly and monthly basis. The charts on pages 15-18 track the “weeks to process” for the various application and license maintenance/transaction units.

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

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



CSLB Application Processing Route



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



Fingerprinting/Criminal Background Unit

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

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

Since the fingerprint program began, CSLB has received more than 282,000 transmittals from DOJ. These include clear codes and conviction information.

Of the applicants who were fingerprinted during that time period, CSLB's Criminal Background Unit (CBU) received CORI for more than 49,300 applicants. That means DOJ and/or the Federal Bureau of Investigation reported that the individual had a criminal conviction(s) on record.

As a result of CORI files received through August 31, 2013, CBU denied 1,165 applications and issued 1,381 probationary licenses. Of the denied licenses, 583 applicants appealed their denials.

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

Below is a breakdown of CBU statistics by fiscal year:

Criminal Background Unit Statistics											
	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	TOTALS
DOJ Records Received	9,524	58,007	46,735	39,361	35,220	27,330	24,730	18,805	18,270	3,397	282,976
CORI RAPP Received	949	8,410	8,057	6,484	6,253	5,254	5,201	3,997	3,663	641	50,206
Denials	224	219	237	88	76	63	108	70	67	5	1,165
Appeals	71	113	130	45	47	29	62	39	36	2	583
Probationary Licenses Issued	0	0	126	290	206	203	243	146	71	15	1,381

**Licensing Information Center (LIC)*****LIC Workload***

LIC (call center) staff has continued to exceed Board goals. During the past six months (March-August) call wait times have averaged 01:34 with 98 percent of all incoming calls answered.

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

Staffing Update

LIC currently has one Program Technician II vacancy; recruitment efforts have commenced.

The call center has retained two part-time retired annuitants who work during peak call hours (10 a.m.-2 p.m.). Both retired annuitants have previously worked in CSLB's call center and are trained in CSLB laws and policies. LIC currently has one seasonal clerk to handle clerical workload and mail forms and applications to licensees and consumers requested through our Interactive Voice Response (IVR) system.

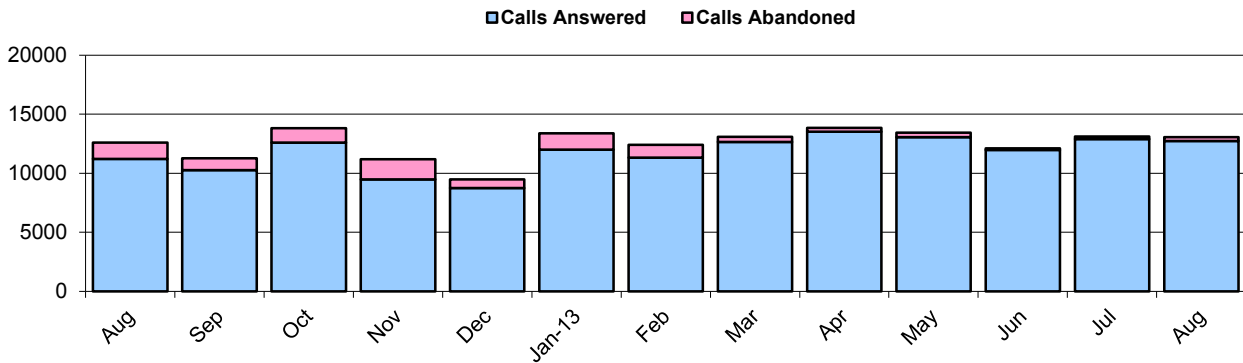
Increased Training

LIC continues to strive to provide timely, efficient, and professional services to its customers. New employees have spent a significant amount of time getting 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. LIC is planning Board orientation for new employees during the fourth quarter of 2013.



Licensing Information Center Call Data

	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr	May	Jun	Jul	Aug
Calls Received	12,061	11,259	13,821	11,202	9,473	13,385	12,399	13,079	13,839	13,441	12,096	13,104	13,070
Calls Answered	11,211	10,271	12,598	9,485	8,758	12,000	11,327	12,652	13,525	13,053	11,971	12,881	12,735
Calls Abandoned	1,386	987	1,223	1,702	715	1,383	1,072	421	314	387	124	221	330
Longest Wait Time	16:41	13:20	11:04	19:39	13:27	16:17	13:54	10:17	5:30	8:23	0:48	4:07	3:51
Shortest Wait Time	1:37	1:42	0:59	2:15	0:10	2:50	1:27	0:14	0:15	0:13	0:11	0:16	0:14
Average Wait Time	6:07	4:56	5:24	9:11	4:49	6:12	5:45	2:07	1:34	3:58	3:52	1:02	1:35





Judgment Unit

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

Outstanding liabilities are reported to CSLB by:

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

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

Payments of claims are reported to CSLB by:

- Bonding companies

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

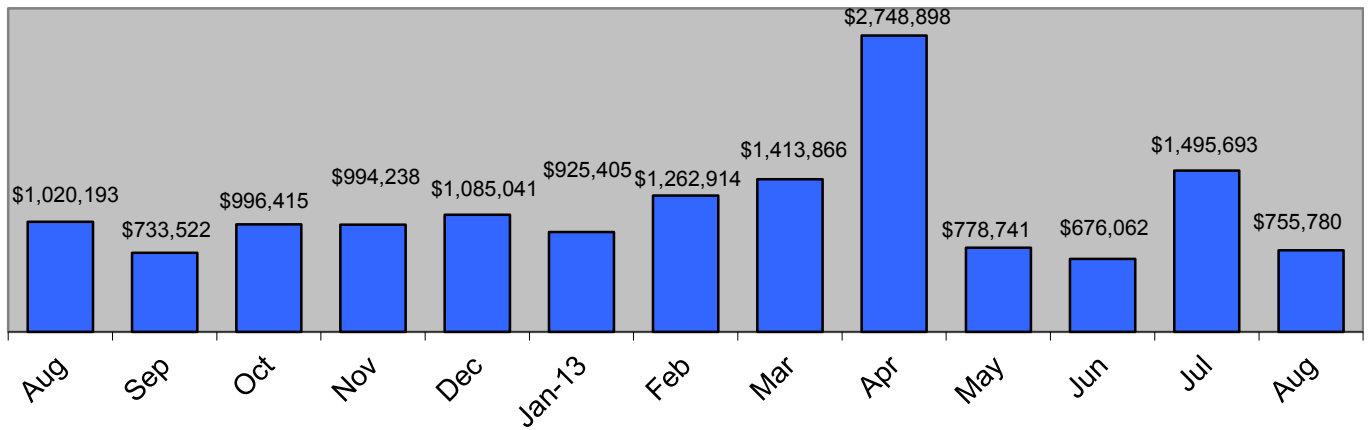
If compliance is not obtained within the allowed time frame, the license is suspended and a suspend letter is sent to the contractor. A reinstatement letter is sent upon compliance.



OUTSTANDING LIABILITIES

Letter Type Sent	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr	May	Jun	Jul	Aug
Initial	80	54	114	67	33	98	45	62	47	70	58	80	51
Suspend	42	56	88	46	68	79	29	40	50	53	37	65	54
Reinstate	32	35	98	24	28	48	29	85	53	36	28	27	35

SAVINGS TO THE PUBLIC

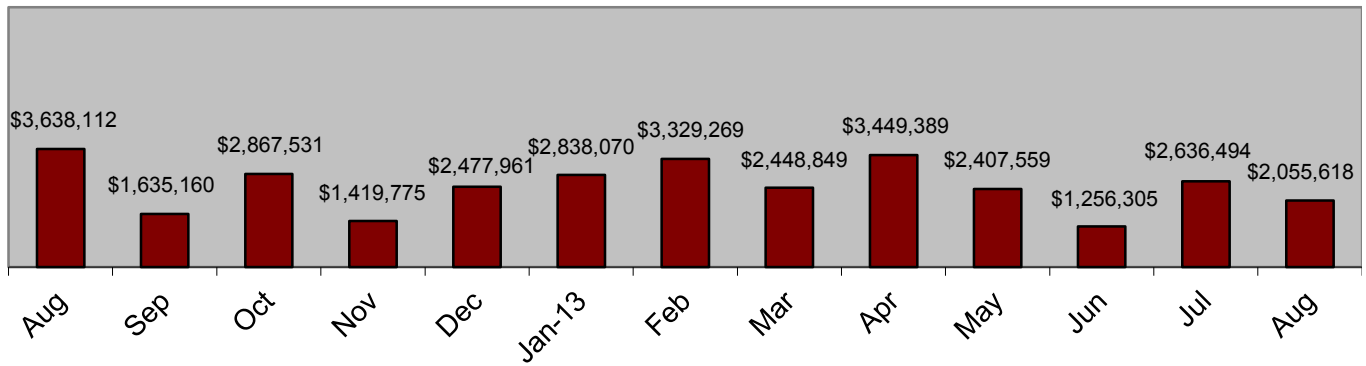




JUDGMENTS

Letter Type Sent	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr	May	Jun	Jul	Aug
Initial	184	158	224	132	166	164	145	136	135	158	138	143	147
Suspend	75	65	79	62	87	76	56	62	68	67	50	69	57
Reinstate	158	107	172	113	119	142	135	120	129	129	109	120	130

SAVINGS TO THE PUBLIC

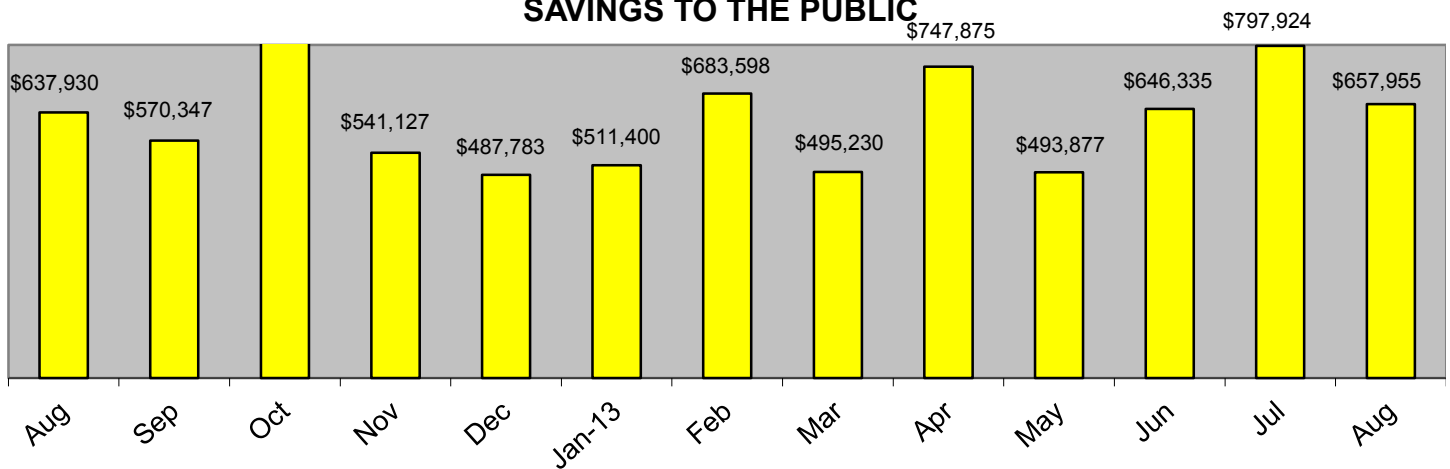




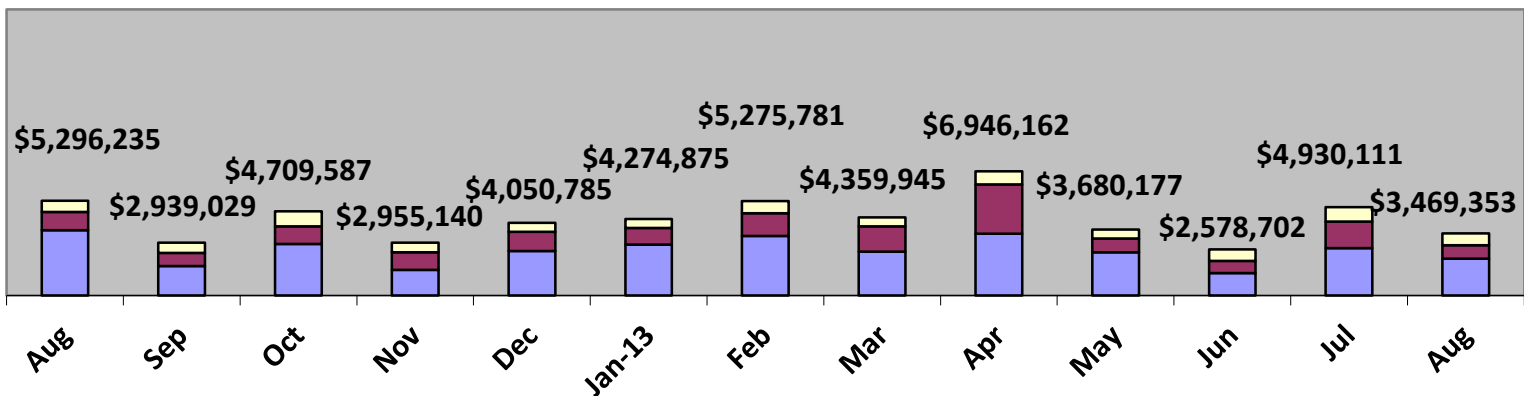
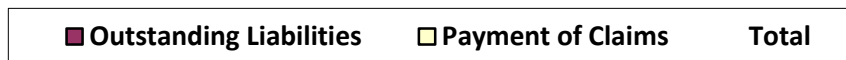
BOND PAYMENT OF CLAIMS

Letter Type Sent	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb	Mar	Apr	May	Jun	Jul	Aug
Initial	220	209	170	105	197	105	127	77	252	56	178	160	142
Suspend	71	128	79	113	120	98	35	123	44	66	25	180	88
Reinstate	125	111	139	97	99	107	126	105	132	93	107	133	124

SAVINGS TO THE PUBLIC



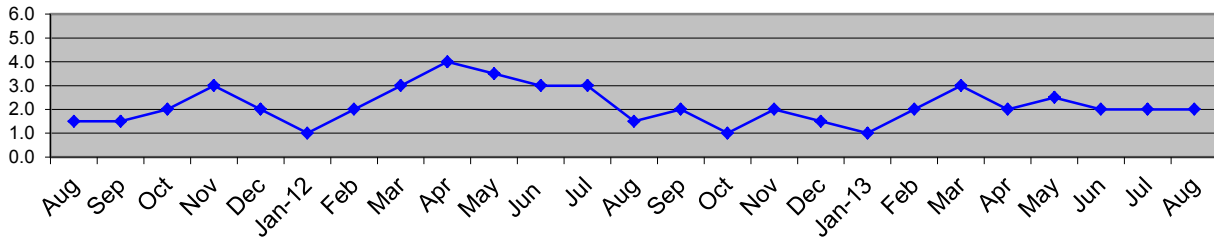
TOTAL SAVINGS TO THE PUBLIC



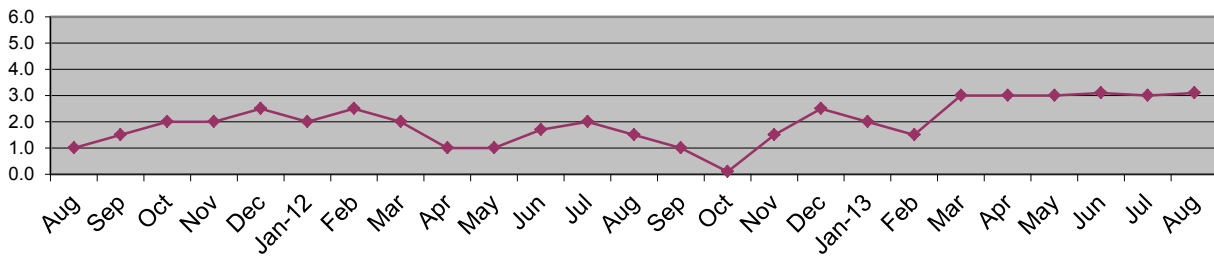


Number of Weeks Before Being Pulled for Processing

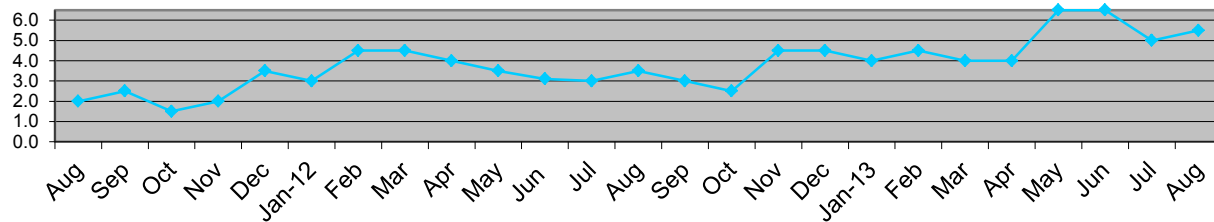
Application for Original License - Exam



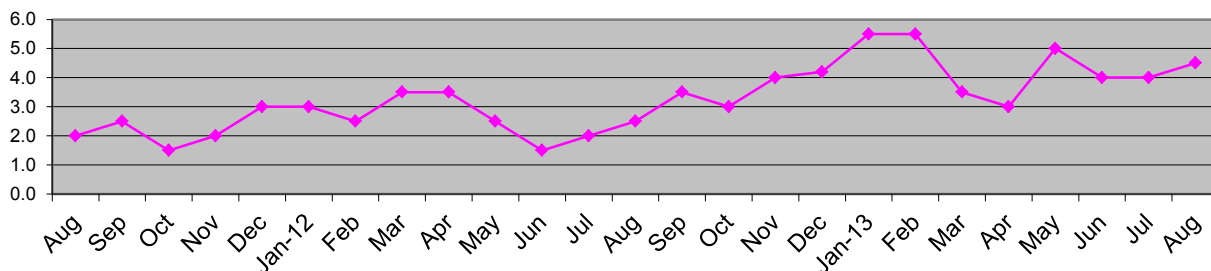
Application for Original License - Waiver



Application for Additional Classification



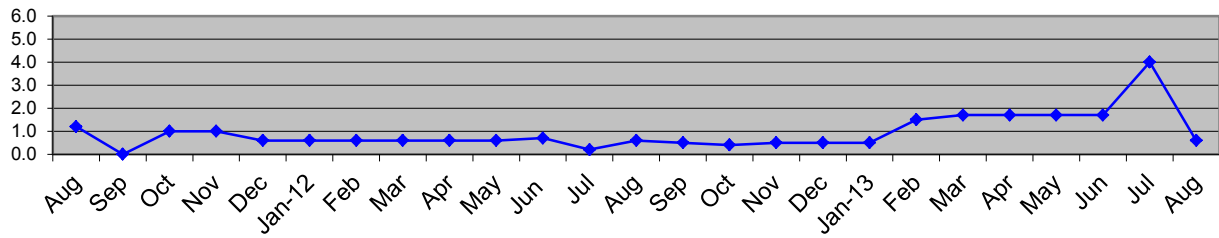
Application to Replace the Qualifier



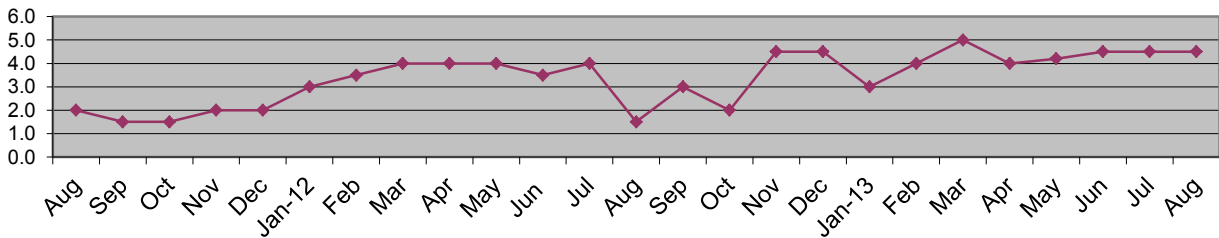


Number of Weeks Before Being Pulled for Processing

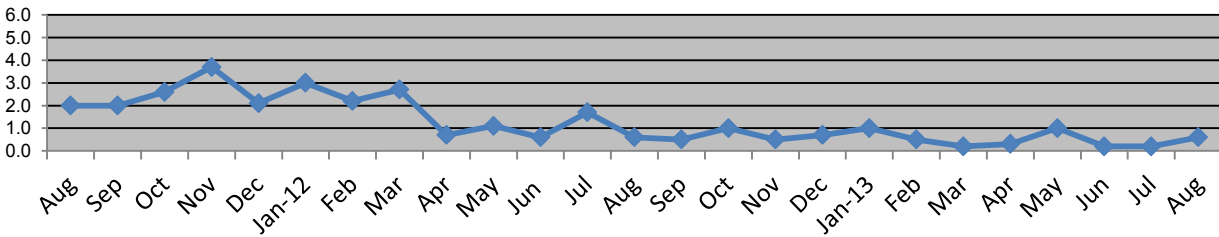
Application for Renewal



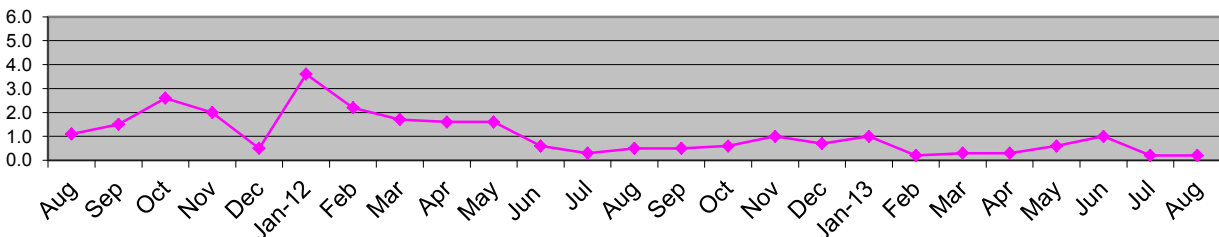
Home Improvement Salesperson (HIS) Application



Application to Report/Change Officers



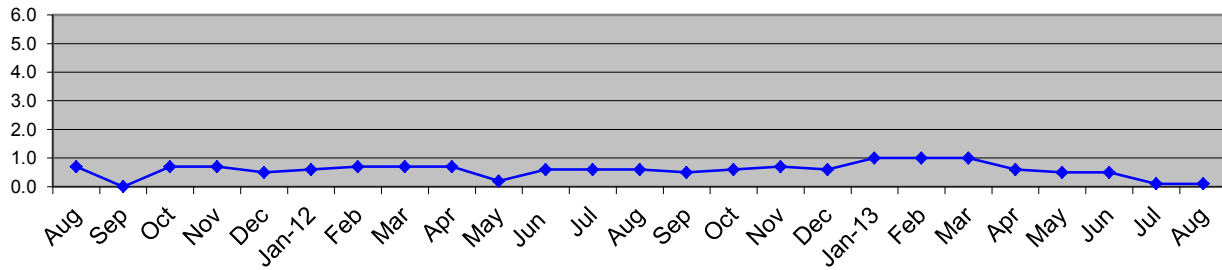
Application to Change Business Name or Address



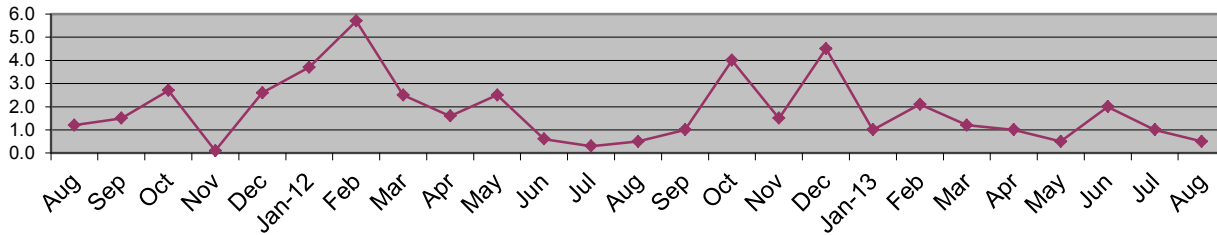


Number of Weeks Before Being Pulled for Processing

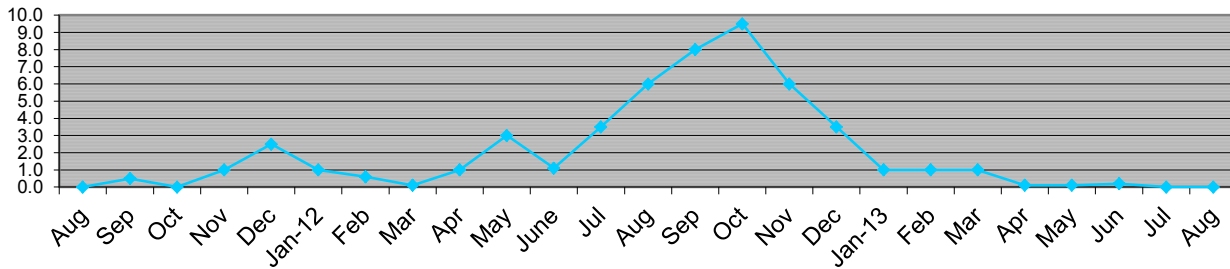
Contractors Bond, Bond of Qualifying Individual, LLC Worker Bond



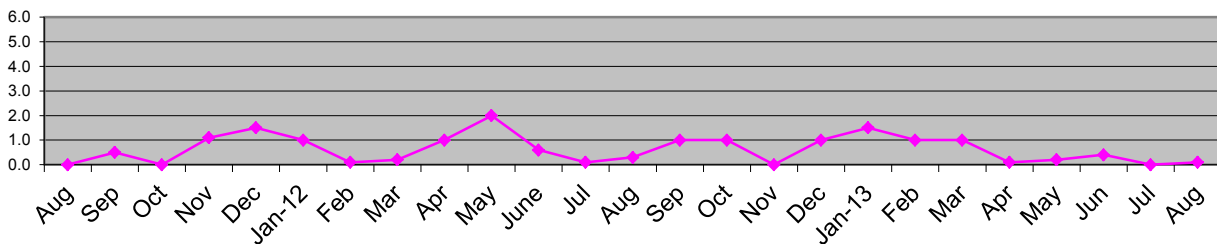
Workers Compensation Certificates and Exemptions



Certified License History



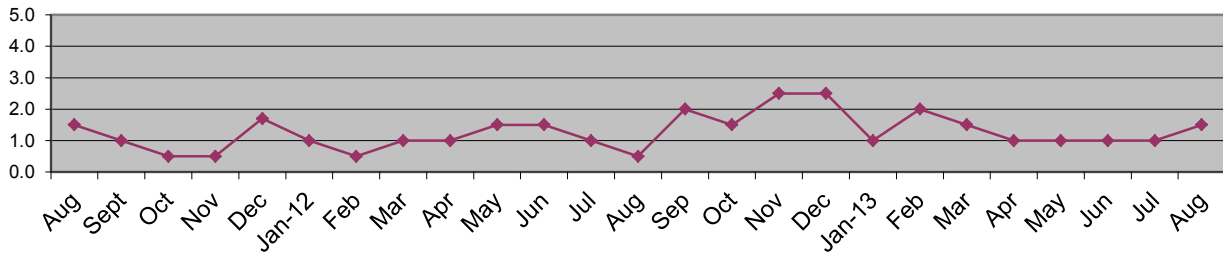
Request for Copies of Documents





Number of Weeks Before Being Pulled for Processing

Criminal Background Unit – CORI Review



AGENDA ITEM D

Testing Program Update





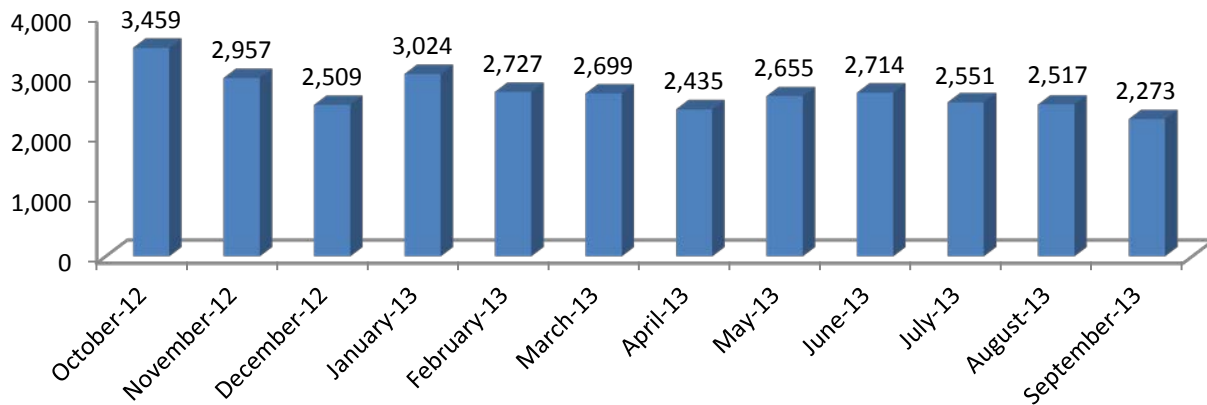
Testing Division

Testing Division Chief Heidi Lincer-Hill was promoted to manage DCA's Office of Professional Examination Services; her vacancy is in the process of being filled.

Examination Administration Unit

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

Number of Examinations Scheduled October 2012 - September 2013





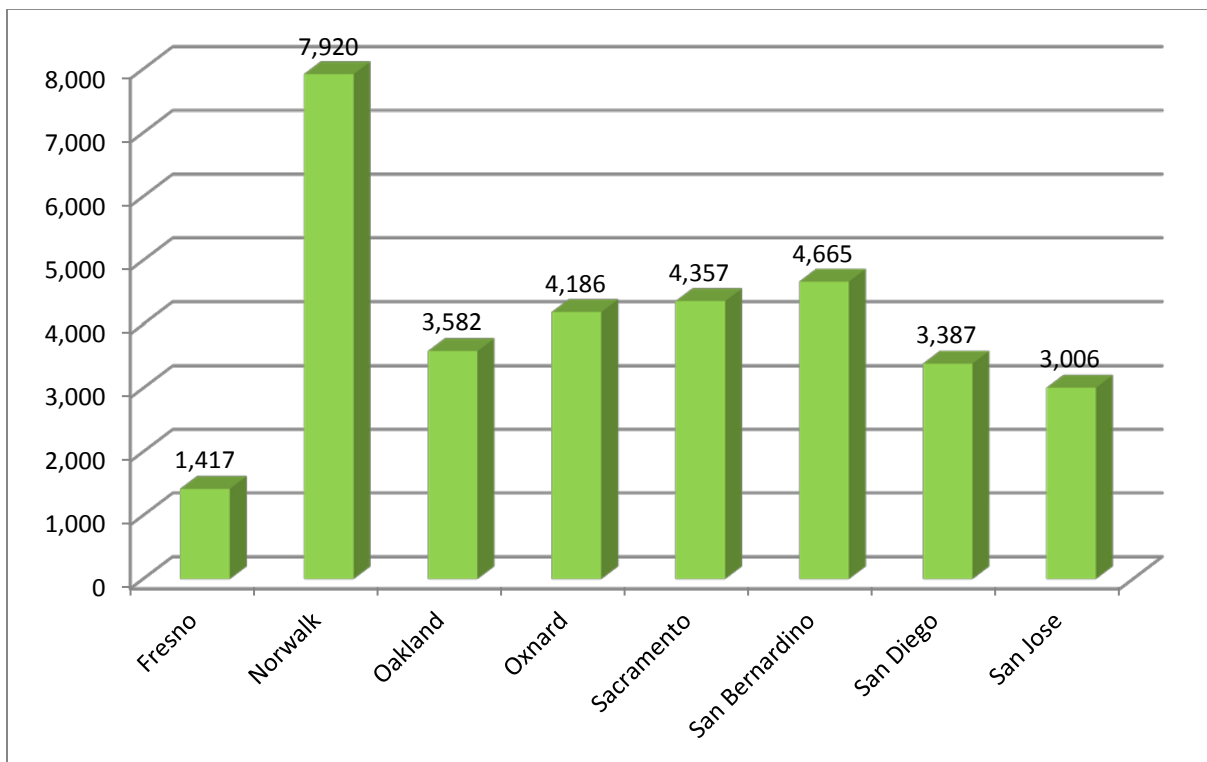
Testing Center Status

CSLB maintains eight testing centers in the following locations:

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

CSLB is working with the Department of General Services to relocate the Oakland testing center to Berkeley. The new office building is occupied by the Department of Toxic Substances Control and Cal/EPA. The move is scheduled for December 2013.

Scheduled Examinations by Location October 2012 - September 2013





Examination Administration Staffing

A new test monitor has been hired for the San Jose testing center. Testing also filled an EAU Office Technician vacancy at headquarters. Two test monitor vacancies in Fresno are in the process of being filled.

EAU continues to select and train new proctors who are currently on the Department of Consumer Affairs proctor list, and who have not previously worked in CSLB’s testing centers. In addition, more individuals are being recruited to add to the list to ensure that an adequate proctor pool is available.

Examination Development Unit

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

Occupational Analysis and Examination Development Workload

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

EDU recently completed new examinations for the C-55 Water Conditioning and C-57 Well Drilling classifications.

Occupational analysis and examination development projects currently under way:

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

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



Many additional workshops are in progress to bring the trade examinations current with the new 2013 California building codes. New codes become effective January 1, 2014.

Surveys and postcards for the C-35 Lathing and Plastering and the C-13 Fencing occupational analyses have been distributed with the use of the new mail folder/insertion machine and custom address printer.

Examination Development Unit Staffing

EDU's supervisor is the acting Testing division chief until that position is filled.

Ongoing Consumer Satisfaction Survey

EDU conducts an ongoing survey of consumers whose complaint cases have been closed. The survey is designed to assess overall satisfaction with the Enforcement division's handling of complaints related to eight customer service topics. The survey is emailed to all consumers with closed complaints who provide CSLB with their email address during the complaint process. Consumers receive the survey in the first or second month after their complaint is closed. To improve the survey's response rate, Testing recently incorporated a reminder email into the process. Consumers who do not initially respond to the survey are now receiving an email reminder one month later.

AGENDA ITEM E

Application Experience Verification Process





LICENSING COMMITTEE
CONTRACTORS STATE LICENSE BOARD

***Application Experience
Verification Process***



Presented by Rick Villucci
October 21, 2013



**Terms to Know
Before We Start**

- **Posted**
 - When CSLB accepts an application as complete
- **Critical Classifications**
 - License Classifications Where Work Done is Directly Connected to Consumers' Health & Safety



Terms to Know

- **Critical Classifications**
 1. A – General Engineering
 2. B – General Building
 3. C-10 – Electrical
 4. C-16 – Fire Suppression
 5. C-20 – HVAC
 6. C-36 – Plumbing
 7. C-38 – Refrigeration
 8. C-57 – Well Drilling



Board Rules & Regulations

825. Experience Requirement of Applicant

- (a) Every applicant for a contractor's license must have had, **within the last 10 years** immediately preceding the filing of the application, **not less than four years experience as a journeyman, foreman, supervising employee or contractor** in the particular class within which the applicant intends to engage as a contractor. For purposes of this section, "**journeyman**" means an **experienced worker in the trade who is fully qualified**, as opposed to a trainee, and is able to **perform the trade without supervision**; or one who has completed an apprenticeship program.

**Credit may be given for education in lieu of experience.*



Board Rules & Regulations

824. Application Investigation Required

In addition to a review and verification of all applications for licensure, the Registrar shall conduct a **comprehensive field investigation of a minimum of 3% of all such applications**. Such investigation shall include those areas of experience claimed and such other areas as the Registrar deems appropriate for the protection of the public.

All claimed experience shall be supportable by documentation satisfactory to the Board. The Registrar shall provide to the Board, for its approval, acceptable forms of such documentation and shall inform the applicant in the application form that such documentation may be requested by the Board.



Applicant's Experience

- **All Applications are Reviewed for Experience**
- **In Critical Classifications, CSLB Verifies All Questionable Experience**




Two Ways CSLB Verifies Experience

- **Experience Verification**
 - Conducted by Licensing Division
 - Conducted **Before** Application is Posted
 - If Experience is Not Verified, the **Applicant May Withdraw the Application**



Two Ways CSLB Verifies Experience

- **Formal Application Investigation**
 - Conducted by Enforcement Division
 - Conducted **After** Application is Posted
 - Minimum of 3% of Applications Received
 - If Experience is Not Verified, **the Application is Denied**
 - Applicant Will Not Be Able to Reapply for Minimum of One Year



Experience Verification Process

- Licensing Division Staff Will:
 - Identify Any Issues with the Application and/or Certification of Work Experience
 - Prepare Basic Reject Letter for Standard Issues
 - Failing to Sign Application
 - Certificate of Work Experience Not Completed Correctly
 - Name Style is Incompatible, etc.



Experience Verification Process

- Licensing Division Staff Will:
 - Determine if **Critical Class** or Any Other Experience Issues Exist
 - Prepare Letter Requesting Additional Verifiable Documentation



Experience Verification Process

- Applicant Has 90 Days to Respond to Licensing Staff Requests
- No Response = Application is Void (B&P 7074)



Experience Verification Process

- All **New** Documentation is Reviewed
 - If Sufficient, Application is Posted
 - If Not Sufficient, Applicant is Given the Following Three Choices:
 - Provide Additional Verifiable Documentation
 - Select a New Qualifier for the Application
 - Withdraw the Application
 - Refer the Application to Enforcement Division for Formal Investigation



Example of Questionable Experience

- Sample Situation:
 1. Application is in Critical Class
 2. Employer (Licensee) is Listed on Certification of Work Experience
 3. But, Experience is Certified by Someone Other Than License Qualifier or Any Current License Personnel



Example of Questionable Experience

- Licensing Division Staff Contacts the Licensee
 - The Licensee has the Ability to Determine Journey Level Experience of their Employee
 - **If Licensee Confirms** the Journey Level Experience, the Application is Posted



Example of Questionable Experience

- If Employer Does **Not** Confirm the Journey Level Experience, Applicant is Given the Following Options:
 - Provide Additional Verifiable Documentation
 - Select a New Qualifier for Application
 - Withdraw Application
- Refer the Application to Enforcement Division for Formal Investigation



What We Won't Accept

- Self-Certification
 - Completed by the Applicant
 - Signed by the Applicant
 - Submitted by the Applicant
- Photographs
- Testimonials



Why Photographs Are Not Acceptable

Here is a little project where I perfected my masonry skills...



Why Photographs Are Not Acceptable

Then I got a pretty big job near Las Vegas...





Why Photographs Are Not Acceptable

I started building houses...



Why Photographs Are Not Acceptable

I got pretty good at it...





Why Photographs Are Not Acceptable

I even built one for my dog during my lunch hour one day...




I'm fully qualified right?



Testimonials Are Not Acceptable *Even if it's written by Mom*

Dear CSLB,
John is a good boy and
does really wonderful
work.


Sincerely,
John's Mother



Examples of Acceptable Experience

Pieces of the Puzzle


- Wage or Tax Documentation
- Paycheck Stubs
- Permits/Inspection Records
- Contracts/Invoices
- Official College Transcripts
- Military Training Documents
- Employment Duty Statement



Examples of Acceptable Experience

Pieces of the Puzzle


- CFC Certificate/Electrical Certification
- Apprenticeship Certificate of Completion
- Union Journeyman Book
- Canceled Checks
- Itemized Bills and Invoices
- Material Receipts



Examples of Acceptable Experience

Pieces of the Puzzle

- Copies of Deeds, Proofs of Sale, and Permits
- Notarized Certificate or Letter of experience – Another State or Country
 - Officially Translated, if Necessary



Work Experience Certification

- Here are Three Actual Examples of Questionable Work Experience Certifications
 - These Certifications Raised Red Flags
 - The Names Have Been Changed to Protect the Guilty



Work Experience Certification Example #1

- **“Copy & Paste” Work Certification**
 - We Often Receive Certifications with the Exact Same Language
 - In This Example:
 - When Employer was Contacted and Asked What Duties Performed, Answers Did Not Match What Was Stated on Form

Work Experience Certification

Certification of Work Experience

PART 1 - QUALIFYING INDIVIDUAL INFORMATION

The qualifying individual must complete Part 1 in its entirety.

Page _____ of _____

That was obtained in the applicable classification(s) for an (8) years, enter "3 years" in the space above.)

IN THE SPACE BELOW LIST ALL SPECIFIC TRADE DUTIES APPLICANT PERFORMED OR SUPERVISED IN THE CLASSIFICATION FOR WHICH HE/SHE IS APPLICANT. PLEASE REFER TO THE DESCRIPTION OF CLASSIFICATION'S DOCUMENT.


Edward Andrew Page

Edward has done these trades on commercial and residential projects; Rough Framing; finish carpentry, roofing, form work; Electrical; AC/440v/110v/220v wiring, series/circuit/underground/low voltage wiring; Plumbing; installation & repair of gas, sewer & waterlines; HVAC; installation & repair of AC & heating units; installation of compressors & thermostats; Concrete; mixing, reinforcing, placing & pouring of concrete.

Edward Andrew Page


11/20/12

Certification of Work Experience - Page 2 of 2



Work Experience Certification Example #2

- Application for an “A” Classification
 - Signed by a Fellow Employee, Not the Licensee
 - In This Example:
 - When Licensee was Contacted, Stated Applicant is a “Senior Geologist,” and Only Performs Core Sample Studies in the Office



Work Experience Certification

Certification of Work Experience

PLEASE PRINT OR TYPE CLEARLY. SIGNATURES MUST BE IN INK. DO NOT WRITE IN THE SPACES ABOVE THE LINES.

FORMS CONTAINING STRIKETHROUGHS OR MODIFICATIONS MAY NOT BE ACCEPTED.

PART I - QUALIFYING INDIVIDUAL INFORMATION

The qualifying individual must complete this form by the following deadline: **10/21/2013**

NAME: **Montgomery** (Do not claim credit for full-time work if applicant worked only part-time. For example, if applicant worked only 60% of the time, write "60%" in the space above.)

FROM: **Montgomery** (Do not list office work or occasional project names.)

TO: **10/21/2013**

MONTH(S) and YEAR(S): **10** and **2013**

LEVEL OR HIGHER TIME-BASE WORKED WAS: FULL-TIME PART-TIME

4. IN THE SPACE BELOW LIST ALL SPECIFIC TRADE DUTIES APPLICANT PERFORMED OR SUPERVISED IN THE CLASSIFICATION FOR WHICH LICENSE IS BEING APPLIED FOR. PLEASE REFER TO THE DESCRIPTION OF CLASSIFICATIONS DOCUMENT FOR ASSISTANCE. (Do not list office work or occasional project names.)

All trade duties are related to General Engineering: Mr. Montgomery performed design and planned the execution of earthwork and environmental cleanups. He performed soil, air, and groundwater sampling, logged holes & test pits, and built piping manifolds. He oversaw pump installation, earthwork, fence and compound construction as well as plumbing, electrical and concrete placement work under Municipal & EAP oversight.

Signature: **Andrew Esquire, P.E.**

Signature: **Andrew Esquire, P.E.**

Certification of Work Experience - Page 2 of 2



Work Experience Certification Example #3

- Application for a C-27 Classification
 - Applicant is Female, Yet Form Stated That “He” Performed the Duties
 - When Verified, Applicant Submitted Documentation of Work Done by Her Father

CONTRACTORS STATE LICENSE BOARD
 1501 BROADWAY, SUITE 200, SACRAMENTO, CA 95811
 (916) 441-4500 • FAX (916) 441-4501 • WWW.CSLB.CA.GOV

Certification of Work Experience
 Please read the General Information section on the previous page before beginning.
 The qualifying individual must complete the Classification of Work Experience section of this form.
 Use a separate form for each employer. Do not use a separate form for each project.
 Please print or print neatly and legibly in black or dark blue ink. Please refer to the Instructions for the Applicant on the back of this form.
 FORMS COMPLETED INCORRECTLY OR INCOMPLETELY MAY NOT BE ACCEPTED.
 Classification of the Classification of Work Experience forms must be issued by the certifier.

PART I - QUALIFYING INDIVIDUAL INFORMATION
 The qualifying individual must complete Part I in its entirety.

1. QUALIFYING INDIVIDUAL NAME Last First Middle Initial
 Jones Amy Lynn


2. CHECK THE TYPE OF EMPLOYER YOU WERE EMPLOYED BY
 EMPLOYER'S NAME: _____

3. EMPLOYER'S CLASSIFICATION (For six (6) years, write "3 years" in the space above)
 THAT WAS OBTAINED IN THE APPLICABLE CLASSIFICATION(s) FOR WHICH HE/SHE IS
 BEING APPLIED FOR ASSISTANCE. (Do not list office work or individual project names.)

4. IN THE SPACE BELOW, LIST ALL SPECIFIC TRADE DUTIES APPLICANT PERFORMED OR SUPERVISED IN THE CLASSIFICATION FOR WHICH HE/SHE IS
 APPLYING. PLEASE REFER TO THE DESCRIPTION OF CLASSIFICATIONS DOCUMENT FOR ASSISTANCE.

*Amy has done these trade duties: plant & transplant shrubs, trees, flowers; gardening;
 tree trimming; maintain gardens; install lawns, decks, borders, planters, fountains,
 pavillions dences, walks, drainage systems, low voltage lighting, prepare soil, fertilize
 and construct decks. He reads blueprints & schematics, orders mats & inspects the
 work. He has performed work on commercial & residential projects.*

Amy Lynn Jones
 Owner Fellow Employee Foreman or Supervisor Assistant Other (check if not apply)
 CERTIFIER'S TRADE ADDRESS: _____
 CERTIFIER'S PHONE NUMBER: _____
 CERTIFIER'S SIGNATURE: _____
 CERTIFIER'S TITLE: _____
 DATE: _____
 Victor Cruz
 Certification of Work Experience - Page 2 of 2



Jan-Aug 2013 Statistics

	Average per Month	Percentage
Applications Received	2,059	---
Questionable Experience Applications Pulled for Review	196	9.5%
Out of Average of 196 Applications Pulled per Month:		
Experience Verified Applications Posted	21	10.7%
Applications Voided/Withdrawn	67	34.2%
Applications Sent to Formal Enforcement Division Investigation	74	37.8%
Applications Awaiting Additional Information	34	17.3%



Why Experience Verification is Working

- Ensures that Applicants Who Get a License Have the Required Experience
- Benefits the Applicant in Both Cost and Time During the Licensing Process



Why Experience Verification is Working

- Frees up Enforcement Division Resources to Pursue the Most Questionable Applications
- Takes Less Time Than a Formal Enforcement Division Application Investigation



Application Experience Verification Process

***Questions
&
Comments***

AGENDA ITEM F

Adjournment

