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# ACCOMPLISHMENTS & ACTIVITIES





JOAN HANCOCK, *Chair, Contractor Member*

DAVID DIAS, *Vice Chair, Labor Member*

ED LANG, *Secretary, Public Member*

KEVIN J. ALBANESE, *Contractor Member*

AGUSTIN "AUGIE" BELTRAN, *Public Member*

LINDA CLIFFORD, *Contractor Member*

PASTOR HERRERA, JR., *Public Member*

MATTHEW KELLY, *Public Member*

ROBERT J. LAMB II, *Public Member*

JOHN J. O'ROURKE, *Public Member*

BRUCE RUST, *Public Member*

FRANK SCHETTER, *Contractor Member*

PAUL SCHIFINO, *Contractor Member*

NANCY SPRINGER, *Public Member*

EDMUND G. BROWN JR.

*Governor*

ANNA M. CABALLERO

*Secretary*

*Business, Consumer Services, and Housing Agency*

DENISE BROWN

*Director*

*Department of Consumer Affairs*

STEPHEN P. SANDS

*Registrar*

*Contractors State License Board*

## Recovered Funds, Restitution, Cost Savings Highlight 2013

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Progressive state, local, and industry partnerships have resulted in another record year of savings, restitution to the public, and recovered state funds. These achievements are directly related to the Contractors State License Board's (CSLB) innovative efforts to maximize resources and protect consumers.

Applications for new licenses were down just 2 percent as the economy and housing market stabilizes; however, there was a 2 percent increase in monies recovered related to licensure, business, labor, and tax laws – a direct result of committed working relationships with local prosecutors and state agency partnerships with the Department of Industrial Relations, Secretary of State, Employment Development Department, and Franchise Tax Board.

CSLB has nine additional peace officer positions that further our ability to monitor and enforce state contracting laws and protect consumers through various prosecution measures carried out by local district attorneys.

CSLB also has added an important feature to the license detail pages of its website to help assure that public funds are not being misused; links that redirect the user to a partner agency's website for improved transparency through disclosure about contractors who have been disciplined by another agency on a public works project.

I am pleased to report that CSLB's leadership and staff continue to streamline operations yet maintain valuable services to the state's nearly 300,000 law-abiding licensed contractors who have struggled to maintain their financial footing because of illegal competition in the underground economy.

Consumer services also were improved, as evidenced by a 17 percent increase in the number of calls fielded by staff and a seven-minute decline in call wait times.

CSLB's Board members and staff will continue to improve processes that best serve our state's consumers and contractors. All who partner with or are served by CSLB can count on continued efficient, professional service.

Many thanks to all who assisted and supported CSLB's efforts in 2013.

A handwritten signature in black ink that reads "Joan M. Hancock". The signature is written in a cursive, flowing style.

Joan Hancock, Board Chair

# CSLB MISSION

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



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# CSLB V I S I O N

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



# LEADERSHIP

## CSLB Registrar and Board Members

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A 15-member board appoints the CSLB executive officer, or Registrar of Contractors, and directs administrative policy for CSLB operations. The Board is comprised of five contractor members and 10 public members. The public members include one labor representative, one local building official, and one representative of a statewide senior citizen organization. The governor and state legislature make these appointments.

### JOAN HANCOCK, Chair

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#### Governor Appointee “B” Contractor Member

Joan Hancock, of Sacramento, was appointed to CSLB by Governor Arnold Schwarzenegger in November 2007, and reappointed by Governor Edmund G. Brown Jr. in July 2011. Since 1983, Ms. Hancock has owned Her Land Enterprises, a general contracting firm. From 1977 to 1983, she co-owned Hancock & Colyer Construction. Ms. Hancock earned a Juris Doctorate in 1982, and a California State Teaching Credential in 1979. She also is a member of the Sacramento Mediation Center. Ms. Hancock’s term continues through June 1, 2015.

### DAVID DIAS, Vice Chair

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#### Governor Appointee Labor Member

David Dias, of Napa, was appointed to CSLB by Governor Edmund G. Brown Jr. in April 2011 and reappointed in June 2012. Mr. Dias has been a business representative for Sheet Metal Workers’ Local Union No. 104 since 2005, and previously was an apprentice instructor at Foothill Community College from 1998 to 2005, a field supervisor at Therma Inc. from 1997 to 2005, and a sheet metal worker foreman at RH Tinney from 1990 to 1997, after serving as an apprentice from 1986 to 1990. He is a trustee of the Bay Area Industry Training Fund, a member of the U.S. Green Building Council, and a member of the Joint Committee for Energy and Environmental Policy. Mr. Dias’ term continues through June 1, 2016.

**ED LANG, SECRETARY**

**Governor Appointee**  
**Public Member**  
**Senior Citizen Organization**

Ed Lang, of Rancho Cordova, was appointed by Governor Arnold Schwarzenegger in January 2007, and reappointed in July 2010. Mr. Lang retired as supervisor of the Corporation Collections Unit for the California Franchise Tax Board, where he worked in various positions from 1980 to 2003. Previously, he was an adult education instructor for the Folsom-Cordova Unified School District from 1976 to 1982, and served in the U.S. Air Force from 1960 to 1980. Mr. Lang serves on the Board of Directors for the InnerCity Housing Corporation and HELPS Family Foster Agency, and is a member of the American Association of Retired People. Mr. Lang’s term continues through June 1, 2014.

**KEVIN J. ALBANESE**

**Governor Appointee**  
**“B” Contractor Member**

Kevin J. Albanese, of San Jose, was appointed by Governor Edmund G. Brown Jr. in July 2013. Since 2004, Mr. Albanese has served as vice president and chief operating officer at Joseph J. Albanese Inc. Prior to his current role, he served in multiple management positions

throughout the organization. In addition, Mr. Albanese graduated magna cum laude from the Santa Clara University School of Law and, since 2009, has operated a solo law practice. Mr. Albanese is a longtime member, officer, and now President of the United Contractors association, and he also serves as a management Trustee for the Operating Engineers Local 3 Trust Funds. Mr. Albanese’s term continues through June 1, 2017.

**AGUSTIN “AUGIE” BELTRAN \***

**Senate Appointee**  
**Public Member**

Augie Beltran, of Oakdale, was appointed by the Senate Rules Committee in January 2014. Mr. Beltran served in the United States Marine Corps Reserve from 1985-1993. Since beginning his career as a carpenter apprentice, Mr. Beltran has worked in various facets of the construction industry for 25 years. Mr. Beltran has served on several government boards since 1997, including the Lathrop City Council from 2000-2004 and the Delta Protection Commission from 2002-2004. He currently serves as the President and Director of Public and Governmental Relations for the Northern California Carpenters Regional Council. Mr. Beltran’s term continues through June 1, 2017.



## LINDA CLIFFORD

### Governor Appointee “A” Contractor Member

Linda Clifford, of Sacramento, was appointed by Governor Edmund G. Brown Jr. in July 2013. Ms. Clifford has been chief financial officer at C.C. Myers Inc. since 1986. She also held multiple accounting positions at Continental Heller-Tecon Pacific from 1972-1986. Ms. Clifford is Treasurer and a board member of the California Transportation Foundation, and Secretary and a commissioner at the California Uniform Construction Cost Accounting Commission. Ms. Clifford’s term continues through June 1, 2014.

## PASTOR HERRERA JR.

### Governor Appointee Public Member

Pastor Herrera, of Los Angeles, was appointed by Governor Arnold Schwarzenegger in July 2010. Mr. Herrera began serving as the Los Angeles County Director of Consumer Affairs in 1991. He previously served L.A. County as Assistant Director of Consumer Affairs from 1981 to 1991, head of staff services from 1980 to 1981, head Consumer Affairs Department representative from 1977 to 1980, and as a Consumer Affairs investigator

from 1976 to 1977. Mr. Herrera is a member of the University of California, Los Angeles Latino Alumni Association, National Association of Consumer Affairs Administrators, Consumer Federation of California, Los Angeles Financial Credit Union Board of Directors, National Consumers League, and a founding member of the Los Angeles County Hispanic Managers. Mr. Herrera’s term continues through June 1, 2014.

## MATTHEW KELLY

### Senate Appointee Public Member

Matt Kelly, of Sacramento, was appointed by the Senate Rules Committee in April 2003. He was reappointed in October 2005, and again in 2009. Mr. Kelly’s 20-year construction industry career began as a carpenter apprentice. He has since worked on a variety of commercial and residential projects, has been in construction management for a large general contractor, and served as the Executive Secretary Treasurer of the Sacramento-Sierras Building and Construction Trades Council. Mr. Kelly served as Board Chair from 2006-2007. His term continued through June 1, 2013; Mr. Kelly continued to serve until Mr. Beltran’s appointment.



**ROBERT J. LAMB II**

**Assembly Appointee  
Public Member**

Robert Lamb, of Cypress, was appointed by Assembly Speaker Fabian Núñez in May 2006. Mr. Lamb is a certified plumber and pipefitter. He has been a member of the United Association for more than 30 years, has held numerous positions in the construction industry, and has worked on a variety of construction projects. Mr. Lamb was the business manager and financial secretary/treasurer for the Plumbers and Steamfitters U.A. Local 582 in Santa Ana, and was also a representative for the Southern California Pipe Trades District Council 16. Mr. Lamb earned a Bachelor’s degree in Union Leadership and Administration from the National Labor College in Silver Springs, MD. He serves as an international representative for the United Association of Plumbers and Steamfitters. In October 2008, Assembly Speaker Karen Bass reappointed Mr. Lamb, and in 2012 Assembly Speaker John Perez reappointed Mr. Lamb for a term that continues through June 1, 2016.

**JOHN J. O’ROURKE**

**Senate Appointee  
“C” Public Member**

John O’Rourke, of Novato, was appointed by the Senate Rules Committee in June 2011. Mr. O’Rourke is Business Manager/Financial Secretary

for the International Brotherhood of Electrical Workers (IBEW) Local 6 San Francisco and has served in that position since 1999, having recently been re-elected to his fifth term. Mr. O’Rourke is a 32-year IBEW member and holds a Journeyman Inside Wireman Certificate. This is the third time Mr. O’Rourke has served as a Board member; former Governor Gray Davis appointed him as a labor representative in September 2001 and Assembly Speaker Fabian Núñez appointed him as a public member in December 2004. Mr. O’Rourke also is Chairman of the San Francisco Joint Apprenticeship Committee and Training Trust, and a member of the Olympic Club and the United Irish Cultural Center. Mr. O’Rourke’s term continues through June 1, 2015.

**BRUCE RUST**

**Assembly Appointee  
Public Member**

Bruce Rust, of Clovis, was appointed by Assembly Speaker Fabian Núñez on April 2, 2008, and reappointed in May 2012 by Assembly Speaker John Perez. Mr. Rust is the Business Manager of Laborers Local #294 in Fresno. He has worked in construction in California and Arizona, and as a tunnel miner, helping to build the Metro Subway System in Washington, D.C. Mr. Rust’s term continues through June 1, 2016.

## FRANK SCHETTER

### Governor Appointee “C” Contractor Member

Frank Schetter, of Sacramento, was appointed by Governor Edmund G. Brown Jr. in August 2011. Mr. Schetter has been the CEO of Schetter Electric since 2006 and was president from 1983 to 2005. He is currently a governor of the National Electrical Contractors Association and a member of the National Joint Apprenticeship and Training Committee. Mr. Schetter’s term continues through June 1, 2015.

## PAUL SCHIFINO

### Governor Appointee “C” Contractor Member

Paul Schifino, of Los Angeles, was appointed by Governor Arnold Schwarzenegger in January 2010, and reappointed by Governor Edmund G. Brown Jr. in April 2011. Mr. Schifino is owner and president of both Anvil Steel Corporation and Junior Steel Company. Mr. Schifino was a partner for the law firm of Schifino and Lindon from 1992 to 2006, associate attorney for Strook and Strook and Lavan from 1990 to 1992, and adjunct professor at Georgetown University from 1987 to 1989. He also is a member of the American Institute of Steel Construction (AISC). Mr. Schifino and his wife are both ambassadors of the Weizmann Institute of Science, an international

center of scientific research located in Israel. Mr. Schifino’s term continues through June 1, 2017.

## NANCY SPRINGER

### Governor Appointee Public Member Building Official

Nancy Springer, of Browns Valley, was appointed by Governor Edmund G. Brown Jr. in September 2013. Ms. Springer has served in multiple positions for Butte County since 2007 that include a building division manager, interim building division manager, and building official assistant. She held multiple positions at Willdan Engineering from 2003 to 2007 that include a building safety services supervisor, office manager and senior plans examiner. Prior, Ms. Springer was a plans examiner at Linhart Peterson Powers and Associates from 1998 to 2003 and a building inspector for the Sutter County Community Services Department from 1992 to 1998. She was a building inspector for the City of Colusa from 1991 to 1992 and for the City of Palmdale from 1989 to 1991. Ms. Springer was an electrician apprentice at the National Electrical Contractors Association from 1984 to 1987 and an aircraft electrical systems specialist for the U.S. Air Force from 1980 to 1985. Ms. Springer’s term continues through June 1, 2017.



## STEPHEN P. SANDS

### Registrar of Contractors

Stephen P. Sands has served as Registrar of Contractors since January 1, 2001. He serves as the CSLB executive officer and oversees a \$60 million budget and more than 400 employees at CSLB headquarters in Sacramento and 10 other offices around the state.

Under Mr. Sands' leadership, CSLB has been recognized as a leader in proactive enforcement programs and partnerships with state and local agencies that help curb the underground economy. CSLB's Licensing, Examination, Enforcement, and Public Affairs programs have been used as models for the National Association of State Contractors

Licensing Agencies (NASCLA) and other agencies within the Department of Consumer Affairs.

From 1986-2000, Mr. Sands was Executive Officer of the California Architects Board. From 1978-1986, he worked in the Department of Consumer Affairs Executive and Legislative Offices.

Mr. Sands earned a Bachelor of Science degree in International Affairs from the United States Air Force Academy, and a Master's degree in Public Administration from Golden Gate University.



*September 6, 2013 Board meeting in Sacramento*

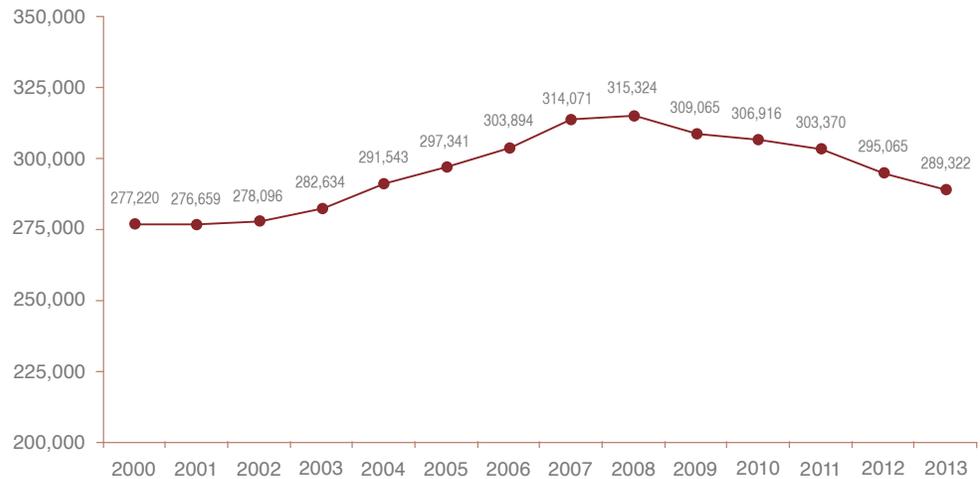
\*Appointed 2014



# LICENSING

## Number of Licenses

As of December 31, 2013, there were 289,322 licenses, a decrease of about 2 percent from 2012. Of those, 224,510 were active licenses; 64,812 were inactive.



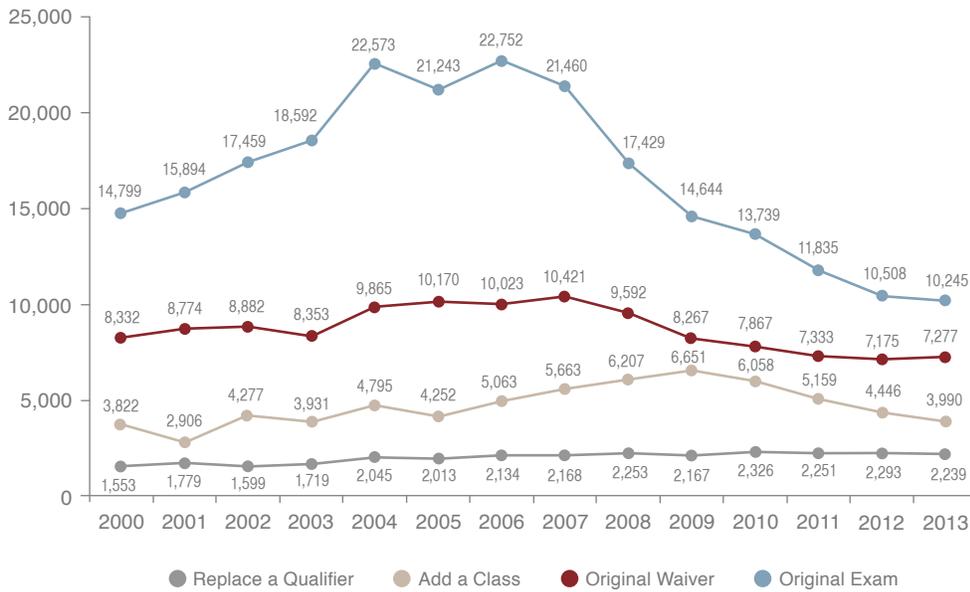
## 2013 TOP TEN LICENSE CLASSIFICATIONS

CLASSIFICATION	TOTAL
"B" General Building Contractor	140,048
C-10 Electrical	32,196
"A" General Engineering Contractor	20,405
C-36 Plumbing	18,758
C-33 Painting and Decorating	18,510
C-20 Warm-Air Heating, Ventilating and Air-Conditioning	14,122
C-27 Landscaping	13,706
C-15 Flooring and Floor Covering	8,415
C-8 Concrete	7,788
C-54 Tile	7,270

## Workload

Until 2006, the number of applications received by CSLB steadily increased. It is believed that the 2004 spike was the result of new fingerprinting requirements that became effective in January 2005. The chart below displays the number of license applications received for calendar years 2000 through 2013. In 2012, 24,422 applications were received; 23,751 were received in 2013, a decrease of approximately 3 percent. Original license applications (exams and waivers) decreased only 1 percent. Applications to add a classification to an existing license decreased by about 10 percent and applications to replace the qualifying individual on an existing license decreased by less than 2 percent.

APPLICATIONS RECEIVED BY CALENDAR YEAR



## Processing Timelines

Throughout 2013, the CSLB Licensing division maintained acceptable processing times for licensure and renewal applications, and other documents. Acceptable processing times can be partly attributed to the decreased number of applications, as shown in the chart below.

### WEEKS BEFORE BEING PULLED FOR PROCESSING

TYPE OF APPLICATION / DOCUMENT	2012 AVERAGE	2013 AVERAGE
Original Exam	2.3	1.8
Original Waiver	1.6	2.9
Add a Class	3.7	5.1
Replace the Qualifier	3.0	4.5
Home Improvement Salesperson	3.5	4.6
Renewal	0.5	1.5
Contractor Bond/Bond of Qualifying Individual	0.6	0.5
Workers' Compensation Certificates and Exemptions	2.3	0.9

## Statistical Reporting and Analysis Project

An Application Disposition Report was established in November 2005 to identify the number of applications received within a fiscal year and final disposition of those applications, regardless of the year they were processed. This report allows staff to monitor the disposition of applications and identify any applications that may need special attention.

The chart shown below illustrates the number of applications received in fiscal year 2012-13 and the disposition of those applications.

There are many reasons for an application to be classified as "pending." These include, but are not limited to:

- The applicant not passing the exam, but still being within the 18-month time period during which he or she must pass the examination;



- The application being in the field investigation process or not yet cleared by CSLB’s Criminal Background Unit; or
- Final documents (bond, workers’ compensation insurance policy) or fees have not been submitted.

The Licensing division continues to work closely with Information Technology staff to develop reports that will be used to determine necessary application processing improvements.

FISCAL YEAR 2012-13

TYPE OF APPLICATION	RECEIVED	ISSUED	VOID	PENDING
Original Exam	10,105	5,312	2,889	1,904
Original Waiver	7,009	5,731	1,142	136
Add a Class	4,162	2,446	1,385	331
Replace the Qualifier	2,310	1,738	520	52
Home Improvement Salesperson	7,346	3,965	3,215	166
Change of Officers	1,911	1,416	490	5

## Veterans Application Assistance Program

CSLB offers a Veterans Application Assistance Program for those who are transitioning from military service to civilian employment. In many cases, veterans possess transferable skills that help meet minimum experience and training requirements for state contractor licensure. This program offers priority services to veteran applicants by evaluating transferable military experience and training, as well as education.

### CSLB assists veterans by providing:

- Program technicians specially trained to evaluate transferable military training and experience from all branches of the military that meet minimum licensure requirements;
- Automatic priority application processing;
- Evaluation of college transcripts to help verify acceptable educational credit (in addition to military experience and training);
- Direct telephone and email contact with CSLB staff; and
- Live Scan fingerprinting requirements.



## Experience Verification

An application experience verification workshop was provided to Licensing staff and contractor licensing schools in California to improve understanding about acceptable forms of documentation that should be submitted to support an applicant's claimed journey-level experience. Better understanding of the experience verification process enables CSLB staff and licensing schools to work together to help applicants streamline their application process.

Schools were advised of the eight critical classifications that pose a threat to consumer health and safety if the work is performed by unqualified individuals:

• "A" General Engineering	• C-20 HVAC
• "B" General Building	• C-36 Plumbing
• C-10 Electrical	• C-38 Refrigeration
• C-16 Fire Protection	• C-57 Well Drilling

To streamline the application experience verification process, the Licensing division requested and obtained approval to assign a full-time Staff Services Analyst to review the submitted documentation and to hire an additional Classification Deputy (ERII) to assist with the verification process along with the deputy's other regular duties.

A webcast of this highly informative training seminar is available for viewing on CSLB's YouTube channel.



## Workers' Compensation Recertification

Business & Professions Code §7125.5 (Assembly Bill 397) took effect on January 1, 2012, requiring (at the time of renewal) 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 these requirements January 2013, effective for licenses expiring March 31, 2013. In 2013, of the 67,958 renewal applications mailed that require recertification of the exemption or a current, valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance to renew the license, 61 percent have complied.

## New Laws

### Renewal/Registration Fee Waiver for Active Military Personnel

Effective January 1, 2013, Business & Professions Code §114.3 (Assembly Bill 1588) was added. The passage of this bill authorizes CSLB to waive renewal requirements for military personnel when they are called to active duty. To qualify for a waiver of the renewal/registration fee(s), the licensee/registrant must:

- Possess a current and valid license when called to active duty; and
- Provide written documentation that substantiates the licensee's/registrant's call to active duty.

"Called to active duty" includes licensees in all branches of the military who, on a temporary basis, travel to remote locations to engage in activity relating to war, national emergency, or other military operations.

Renewal requirements are only waived for the period of time the licensee/registrant is serving in the temporary assignment at the remote location, and the licensee/registrant must notify CSLB of receipt of a notice of discharge date within 60 days of receiving such a notice.

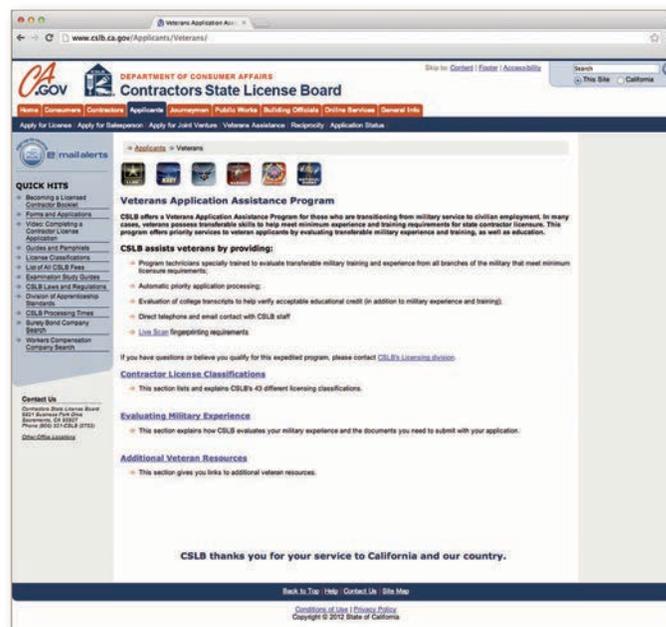


## Expedited Licensure Process for Spouse of Active Duty Military Personnel Stationed in California

Business & Professions Code §115.5 (Assembly Bill 1904) also was added, effective January 1, 2013, requiring CSLB to expedite the licensure/registration process for spouses and domestic partners of those on active duty in the Armed Forces. Those who qualify must:

- Supply evidence that they are married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States who is assigned to a duty station in California under official orders, and;
- Hold a current license/registration in another state, district or territory of the United States in the professions or vocation for which the applicant is seeking a license/registration.

Please note that this does not mean a license/registration must be issued, but simply requires the application process to be accelerated for spouses and domestic partners of active military personnel.



*CSLB Veteran's  
Application Assistance  
Program Web page at  
[www.cslb.ca.gov/  
Applicants/Veterans/](http://www.cslb.ca.gov/Applicants/Veterans/)*



### Incomplete License Renewal

Beginning January 1, 2014, a renewal application submitted with the appropriate fee on or before the expiration date that is incomplete shall be returned to the licensee by CSLB with an explanation for correction, allowing the licensee to return an acceptable completed renewal within 30 days without incurring the delinquency fee. This grace period was established through an amendment to B&P Code §7141 (SB 822).

### Fingerprinting

License applicants have been required, since January 2005, to submit fingerprints if they are listed as personnel on an original application, an application to add a classification to an existing license, an application to replace the qualifier, an application to report new officers, or an application for registration as a home improvement salesperson. CSLB fully implemented the program in April 2005. Fingerprints are compared to the records of the California Department of Justice (DOJ) and Federal Bureau of Investigation (FBI) to determine whether a criminal history exists.

CSLB staff review all criminal convictions to determine whether the crime is substantially related to the duties, qualifications, or functions of a contractor, and to determine whether the applicant has demonstrated his/her rehabilitation. Throughout 2013, the timeline for pulling the conviction records for review averaged just over one week. The following chart reflects fingerprinting statistics for 2013.

#### 2013 FINGERPRINT STATISTICS

18,047	Total number of applicants with fingerprint responses from DOJ and FBI
3,668	Number of applicants identified with a criminal history
58	Number of applicants denied licensure due to criminal convictions
79	Probationary licenses issued



## Licensing Information



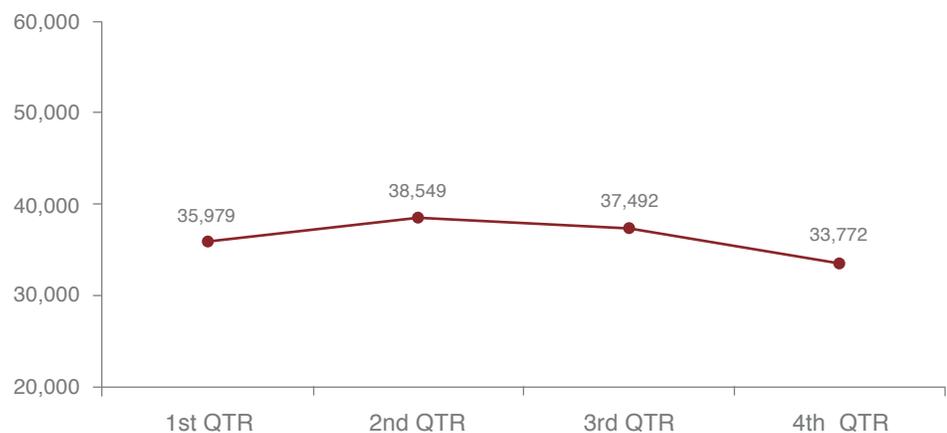
The Licensing Information Center (LIC), or call center, and front counter are primary resources for public information provided to contractors, applicants, and consumers.

The headquarters office public counter was remodeled in December, creating a more efficient workspace and providing better access for licensees and consumers.

The call center is fully staffed and agents have received more in-depth, on-the-job training, including phone shadowing, and cross-training in other unit processing functions, including working at the public counter. Additionally, the Board’s Classification Deputy holds regular meetings with LIC staff to educate them on license classification “scope of work” issues. The comprehensive training has made new call center agents much more knowledgeable and confident in their responses to the most complex licensing questions. The staffing level and investment in increased training has paid off – the LIC call wait time and abandoned call statistics are the best they have been in over six years and overall have met or exceeded CSLB’s goal of answering 80 percent of all calls in 4 minutes or less.

**Answered Calls** - A total of 124,492 calls were answered in 2012 and 145,792 calls were answered in 2013, a 17 percent increase.

2013 ANSWERED CALLS



**Average Wait Time** - The average call wait time for 2013 was 2:13 minutes, a decrease of approximately seven minutes from 2012.

AVERAGE WAIT TIME - CALENDAR YEAR 2013



# TESTING

## Examination Development

The Testing division is responsible for ensuring that CSLB examinations are current and relevant. In accordance with legal requirements and professional testing standards, an occupational analysis of each licensing classification is conducted to collect information from licensed contractors and identify current trade practices. Results of the occupational analyses are then used to update the licensing examinations. All examination development work relies on input from licensed contractors who serve as subject matter experts (SMEs). Exam specialists conduct two- and three-day workshops with SMEs at CSLB's Sacramento headquarters. CSLB's goal is to perform an occupational analysis for each classification every five years.

All of CSLB's occupational analyses currently meet the five-year goal. During 2013, the Examination Development Unit (EDU) completed eight occupational analyses and updated eight examinations. The workload was impacted by one exam specialist position being vacant for more than six months and the EDU supervisor doubling as acting division chief since September. The exam specialist and division chief positions have been filled.



*The Testing division received new equipment that helps expedite delivery of occupational analysis surveys sent out each year.*

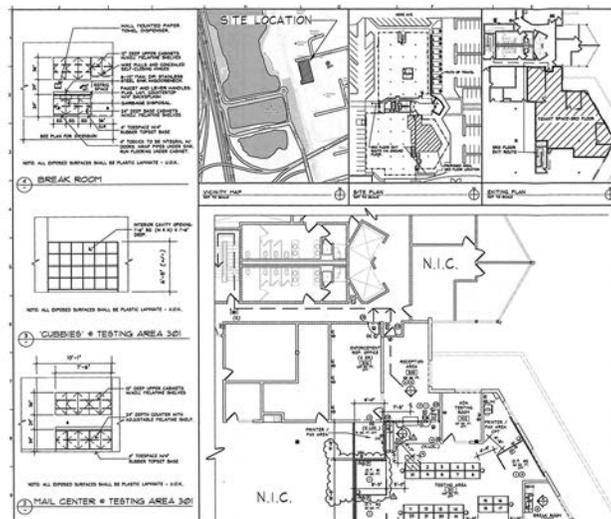
OCCUPATIONAL ANALYSES COMPLETED	NEW EXAMINATIONS COMPLETED
“B” General Building	C-34 Pipeline
C-5 Framing and Rough Carpentry	C-38 Refrigeration
C-10 Electrical	C-42 Sanitation System
C-13 Fencing	C-46 Solar
C-28 Lock and Security Equipment	C-47 General Manufactured Housing
C-35 Lathing and Plastering	C-55 Water Conditioning
C-38 Refrigeration	C-57 Well Drilling
C-60 Welding	Hazardous Substance Removal Certification

The Testing division continues to use email surveys for occupational analysis projects because they are quicker, less expensive, and eliminate data entry. CSLB does not have email addresses for all contractors so paper surveys are still being utilized to make sure CSLB reaches a large enough sample of licensees.

## Test Centers

CSLB administers computer-based examinations most weekdays at test centers in Fresno, Norwalk, Oakland, Oxnard, Sacramento, San Bernardino, San Diego, and San Jose. The Examination Administration Unit (EAU) was able to fill four vacancies during 2013 but still has one to fill in Fresno. EAU has hired additional proctors to fill in when permanent employees are unavailable.

The new Berkeley Test Center is currently under construction and will replace the Oakland site. It is expected to open in 2014. New translation equipment was deployed to the Fresno Test Center to accommodate English as a Second Language candidates.



*Diagram of the new Berkeley Test Center*



Additional security improvements have been implemented in the test centers. In October, staff received training from the state Department of Motor Vehicles on how to identify counterfeit driver licenses. Staff also received training on how to identify body-worn cameras. New policy has been established to regulate cell phones, water bottles with labels, and the wearing of baseball caps in the test centers.

## Special Projects

### Enforcement Representative I/II and Consumer Services Representative Examinations

Since 2009, the Testing division has been working on examinations for civil service classifications that are unique to CSLB. EAU administered the Enforcement Representative (ER) I examination twice in 2013, using the division's Statewide Contractors Official Regulatory Examination (SCORE) custom software system. With the aid of SMEs, EDU updated and wrote ER I examination multiple-choice questions and new, structured interview questions for the ER II examination. For the first time, EDU performed a job analysis and developed multiple-choice examination questions for the Consumer Services Representative classification.

### Consumer Satisfaction Survey

The Testing division conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement division's complaint-handling practices. Consumers who provide CSLB with their email address receive the survey within the first or second month after their complaint has been closed. Captured data is compiled into an annual report that the Enforcement division uses to benchmark performance improvement. Survey results are summarized on page 42.



*CSLB headquarters  
Testing division*

### Examination Development Staff Support DCA Projects

EDU responded to a request for assistance from the Architect’s Board to review its passing score procedures and to make recommendations.

## 2013 Examination Statistics

EXAMINATION TYPES	TOTAL
Trade	42
Certification	2
Law and Business	1
Number of Examinations Scheduled	30,373
Number of Misconduct Investigations	7
Number of Confirmed Misconduct Incidents	5
Overall Passing Percentage	52%



# ENFORCEMENT

## Introduction

CSLB's Enforcement division remained committed to its mission of protecting the public by resolving consumer complaints and promptly processing administrative actions. The division's units opened 17,543 cases in 2013, but closed an impressive 18,386.

Working as a member of the Labor Enforcement Task Force (LETF), Enforcement investigators achieved record successes and discovered that 80 percent of the businesses contacted at active job sites were out of compliance with state licensing, labor, health and safety, and/or tax requirements; LETF citation penalties and assessments exceeded \$9.3 million.

The year's highlights include doubling the size of the Public Works Unit from two to four investigators, and developing innovative protocols and establishing the disclosure of partner agencies' disciplinary actions on public works projects. This was accomplished by redirecting CSLB website users from the license history page to the partner agency's website.

Adding nine (9) Peace Officer positions (for a total of 12) helped strengthen partnerships with law enforcement departments and enhanced state and local government agency partnerships. This resulted in an increase in the number of prosecutions for unlicensed practice and in the number prosecutions of licensed and unlicensed individuals involved in egregious construction-related crimes that caused financial harm.

Enforcement staff also achieved Board objectives to reduce consumer complaint investigation time frames. Consumer complaint cases aged over 270 days reached a record average low of 84.

A comprehensive internal training curriculum was developed and is credited for the increase in consumer restitution, which reached \$12,129,171, and helped Enforcement reach all-time high marks on the annual consumer satisfaction survey.



*CSLB Enforcement Representative hangs notices to warn unlicensed operators in a wildfire disaster area.*

## Significant Criminal Investigations

Egregious offenders with histories of elder abuse, sex crimes, predatory business practices, and/or unsafe work conditions for employees continued to be targeted by Enforcement’s consumer and industry protection task forces. Following are highlights of notable criminal convictions that resulted from CSLB investigations.

### Penny Estes: The Final Sentencing



Unlicensed contractor Penny Estes was sentenced to 11.8 years in state prison at a sentencing hearing on

January 8, 2014, for committing fraud while doing business as Green Building America in Santa Barbara and Riverside counties. Estes was arrested on May 10, 2013, and pleaded guilty in October 2013 to 28 felony counts and 21 special allegation counts of diverting construction funds (Penal Code §484b), grand theft (Penal Code §487(a)), theft by false pretenses (Penal Code §532(a)), theft from an elder dependent adult (Penal Code §368(d)), and failure to file state income tax returns from 2009 to 2011 (Tax Code §19706). Estes pleaded to the special allegation of defrauding victims of a declared natural disaster (Penal Code §667.16(a)), and admitted

to bilking fire victims in San Barbara County and an elderly property owner in Riverside County out of more than \$5.3 million dollars.

Prior to the sentencing hearing, Estes faced a maximum of 36 years in state prison. It was reported that the Santa Barbara Court likely would issue a sentence of eight years of imprisonment to Estes. However, during the sentencing hearing, Estes provided an unrepentant statement telling the court that she came to Santa Barbara to help the victims of the Jesusita and Tea Fires. She concluded by blaming a contractor associate and her attorney for leading her astray. Four victims, including an elderly couple from Cathedral City, next provided moving statements describing how they were all swindled by Estes. Victim testimony so moved the court that the judge responded directly to Estes as he declared her sentence by stating that she was a crook and that somewhere along the line she had lost her empathy gene.



### CSLB Most Wanted Arrested and Sentenced



Repeat offender James Lewis Cunningham was sentenced on May 23, 2013, to 32 months in state prison in a plea deal. Cunningham

used a legitimate contractor license number that belonged to another person to contract for interior paint and repair at a residence that was flipped by a funding company in the Visalia area. After being arrested on April 3, 2013, Cunningham pleaded guilty to one felony charge of fraudulent use of a contractor license, failure to maintain workers' compensation (WC) insurance, and illegal advertising, and was ordered to pay \$7,400 in restitution.

### Elder Abuse Conviction Results in Four-Year Prison Term



Unlicensed contractor Nito Kalisa Sefa was sentenced to four years in prison on September 3, 2013, after defrauding elderly

victims in Monterey County. Sefa met his victims by posing as a licensed contractor, distributing business cards printed with his name and using a contractor license number that was not

issued to him. Gaining access to victims' homes by offering to make repairs, Sefa stole some victims' checks and obtained loans from others, using lies about his ill or dying wife to play on the elderly homeowners' sympathies. After the media announced his arrest on February 19, 2013, additional victims came forward. Seven victims were identified and Sefa was convicted of ten felonies, including residential burglary, elder abuse, and forgery as well as a misdemeanor for fraudulent use of a contractor license. In addition to the four-year prison sentence, Sefa was ordered pay his victims over \$50,000 in restitution.

### Unlicensed Contractor Sentenced to Two Years in Jail



Felix "Eddie" Brown, 54, pleaded guilty in October 2013 to diversion of construction

funds and grand theft. Mr. Brown will spend two years in custody after taking more than \$150,000 from 16 victims for remodeling projects he did not complete. As part of a plea agreement, Brown will be allowed to serve his custody in county jail instead of state prison. A search warrant obtained by CSLB and an accounting performed by a CSLB forensic auditor played a significant role in the successful prosecution.



**Repeat Offender Pleads Guilty to Over 30 Criminal Charges**



Danny Jess Langley was arrested August 27, 2013, while appearing in Monterey Superior Court to address previous CSLB charges for

contracting without a license. Langley, who was placed on probation in 2011 for contracting without a license, was charged with 11 counts of premium insurance fraud, five counts of using a false contractor license number, filing a false document, grand theft, forgery, and failing to register with EDD as an employer. Langley is a convicted felon, having served time in San Quentin Prison, and he admitted to the special allegation of committing felonies while out on bail.



**Public Works Contractor Sentenced to Two Years in State Prison**



Between 2008 and 2010, Reza Mohammadi, dba Southland Construction, contracted on public works projects throughout Orange County, embezzling

over \$350,000 in employee wages and filing false tax returns to hide the theft. Hiring mostly undocumented Hispanic workers, Mohammadi falsely reported paying them prevailing wages but paid significantly less, threatening to call authorities if workers reported him. The CSLB Public Works Unit worked with partner agencies that included the Orange County DA's Office, Caltrans, DLSE, EDD, FTB, and the Center for Contract Compliance in a joint effort to unravel the complex scheme. In a plea deal on July 26, 2013, Mohammadi was sentenced to two years in state prison after he pleaded guilty to 15 felony counts of failing to file a return with the intent to evade taxes, 15 felony counts of willful failure to pay taxes, seven felony counts of taking and receiving a portion of a worker's wage on a public works project, six felony counts of recording false and forged documents, and three felony counts of filing false tax returns. He also admitted to the sentencing enhancement allegations for a loss exceeding \$100,000 and



property damage over \$200,000, and a prior strike conviction for criminal threats in 1999.

### **CSLB's Most Wanted Arrested – Ronald Wayne Holland**



Ronald Wayne Holland, an un-registered home improvement salesperson for a prominent pool contractor, was arrested at his

employer's place of business on May 21, 2013. Holland, who was cited for and convicted of illegal contracting on nine previous occasions, had a \$25,000 warrant issued for his arrest in San Diego County. The charges stem from numerous consumer complaints alleging that he took excessive down payments for contracting work, \$21,000 in one case, and that the work performed was substandard and/or incomplete.

The San Diego County District Attorney's Office filed felony charges against Holland for grand theft; and misdemeanor violations of diversion of funds, contracting without a license, and soliciting down payments that exceeded the maximum allowed by law. According to prosecutors, Holland preyed on homeowners interested in swimming pools and landscaping projects. Holland would promise a "great deal," then accept an excessive down payment and rent heavy construction equipment in the homeowner's name. The equipment would be left behind, building up rental charges in the unsuspecting homeowner's name, resulting in liens filed against the property. Holland was on probation from his previous unlicensed contracting activities at the time of his arrest, and, in one case Holland, was order to pay a victim \$100,000 in restitution.



## Enforcement Enhancements

### Public Works Unit

CSLB's Public Work Unit (PWU) was established in August 2010. It continues to strengthen partnerships with other state agencies, including the California Department of Insurance (CDI), the Department of Industrial Relations' Division of Labor Standards Enforcement (DLSE), and the State Department of Transportation (Caltrans), as well as with numerous labor compliance organizations throughout the state.

Two additional enforcement representatives (ERs) were hired as investigators in 2013. The unit worked with awarding agencies to prequalify project bidders, disclosed violations on CSLB's website against contractors that have been imposed by other agencies, and secured criminal and/or administrative actions against public works contractors that committed serious violations.

PWU closed 142 complaints in 2013—a 68 percent increase over 2012 statistics—with 41 complaints referred for administrative disciplinary actions and four referred to prosecutors to file charges for criminal violations. Additionally, licenses were not issued to known public works offenders: ten applicants withdrew applications and three were formally denied based on violations established by DLSE as well as other misrepresentations/omissions on the applications.

Additionally, PWU accomplished the following in 2013:

- Responded to numerous inquiries from awarding authorities to explain how to verify bidders for public works projects;
- Reached out to the Board of Equalization (BOE), resulting in BOE referring their outstanding liabilities to CSLB's Judgment Unit;
- Flagged more than 100 individuals associated with violations on public works projects for application investigations;
- Established relationships with WC insurance providers' Special Investigation Unit (SIU) investigators;
- Partnered with CDI, providing certified payroll records (CPRs) for more than 20 contractors for investigation for insurance and premium fraud;
- Identified public works contractors most likely to violate laws and made referrals to other state agencies, including CDI and the Employment Development Department (EDD);



Due to the success of the Public Works Unit, its investigators were invited to speak at the SIU Quarterly Meeting, which included SIU investigators for WC insurance providers, deputy district attorneys, and DA investigators, to educate them on Contractors State License Law and how CPRs can be tools to identify contractors that violate insurance, payroll, and tax laws. The presentation was well received, resulting in the Public Works Unit being asked to present at future SIU Quarterly Meetings.

### Partnering Government Agency Complaint Disclosure

On September 6, 2013, CSLB Board members approved disclosing partner agencies' disciplinary actions on CSLB's website. As a result, an innovative protocol was developed and established. CSLB now flags licensees on its website by including an advisory statement and an electronic link to the partner agency's website. This disclosure provides an easily accessible means for awarding authorities and prime contractors to determine if a contractor is a responsible/responsive bidder for public works projects.

Staff launched the project with two partner agencies, DLSE and Caltrans. DLSE issues Civil Wage and Penalty Assessments (CWPA's) for Labor Code violations; Caltrans issues Stop Notices for violations that include non-payment of labor, services, equipment or materials used at public work projects. CSLB accomplished this 2013-2014 strategic objective without new legislation.

### New Complaint Form Enhances Reporting of Illegal Advertising

A new advertising complaint form has streamlined the public's ability to report illegal advertisements as well as Enforcement's ability to effectively identify, target, and halt unlicensed operators. The new form is available on CSLB's website and allows the informant to confidentially file an advertising complaint without having a contract or active job site. Since the mid-year implementation, consumer services representatives (CSRs) have addressed 546 illegal advertising complaints, resulting in referrals to SWIFT for sting operations.

**CONTRACTORS STATE LICENSE BOARD**  
 Southern California: 900 North Hill Street, Suite 1000, Los Angeles, CA 90015  
 Northern California: 1000 California Street, Suite 1000, San Francisco, CA 94108

**Advertising Complaint for Unlicensed Contractors**  
 This form is to report an unlicensed contractor who is advertising illegally.

**COMPLAINANT** / **UNLICENSED CONTRACTOR INFORMATION**

**ADVERTISING INFORMATION (attach advertisement)**

**How to Submit an Advertising Complaint**

Complaint Number	Date	Case File Number	Case Status	Case Type	Case Category	Case Subcategory	Case Description	Case Action	Case Outcome

CSLB Advertising Complaint form



### **Investigators Added to Expedite Disciplining Illegal Operators**

To further enhance and expedite discipline of illegal operators, two investigator positions were added to the Intake and Mediation Centers (IMCs), one in September and one in October. The new investigators complement IMC pilot programs in the areas of WC, building permits, and illegal advertising since they issue administrative citations for violations by licensed and unlicensed contractors. Each investigator is averaging approximately five administrative actions per month.

### **Peace Officer Resources Expanded**

Eight additional Peace Officers were sworn in to serve in CSLB's Enforcement division in 2013. The extensive hiring process included a comprehensive background investigation and completion of the Peace Officer Training Academy. Peace Officers enhance CSLB's ability to investigate construction-related crimes by acquiring medical records to support elder abuse investigations, obtaining and serving search warrants to support felony diversion of funds and construction theft, and for effective partnering with local law enforcement to investigate and prosecute multi-county financial crime investigations.

The additional Peace Officers strengthened partnerships with law enforcement and enhanced partnerships with state and local government agencies. This has resulted in an increase in the number of individuals prosecuted for unlicensed practice as well as an increase in the number of both licensed and unlicensed individuals prosecuted for construction-related crimes that resulted in egregious financial harm to victims.

### **Automated License Suspension for Lack of WC Insurance**

During 2013, Enforcement effectively addressed uninsured licensees who claimed to be exempt from workers' compensation (WC) insurance requirements. Uninsured contractors that were found to have employees were notified that they needed to submit proof of a valid WC policy within 30 days to avoid license suspension, and that filing a second WC exemption would subject them to verification of their exempt status by CSLB and partner agencies. The result: Enforcement cancelled 549 exemptions and mailed letters of intent to suspend the license; 195 WC insurance policies were obtained.

## **State Agency Partnering**

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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 primarily conducts sweeps with partner state agencies at active job sites to verify employee wages, and compliance with licensing, WC insurance, tax, and job safety requirements. Partners include the Department of Industrial Relations' Division of Safety and Health (DOSH) and DLSE, EDD, and the Franchise Tax Board (FTB). In general, LETF partners issue administrative actions against violators. SWIFT's vetting of leads and hard-targeting efforts paid record dividends: **80 percent of the construction businesses inspected were in violation of license, labor, tax, health and safety, or insurance requirements.**

LETF 2013 CONSTRUCTION RESULTS	
Number of Inspections	820
Businesses Out of Compliance	655
% of Businesses Out of Compliance	80%
<b>Total Citation Penalties and Assessments</b>	<b>\$2,654,527.40</b>

## Undercover Sting Operations

During 2013, undercover stings continued to be the most effective proactive method to identify and prosecute unlicensed persons acting in the capacity of a contractor without a license and committing other significant violations of Contractors State License Law. CSLB's Statewide Investigative Fraud Team (SWIFT) investigators partnered with local law enforcement and EDD to pose as homeowners seeking bids for home or commercial property improvements, such as roofing, HVAC, painting, landscaping, swimming pool construction, flooring, etc.

During 2013, SWIFT conducted 84 stings, resulting in 773 individuals being issued Notices to Appear (NTAs) in superior court on misdemeanor violations of state Business and Professions (B&P) Code that included:

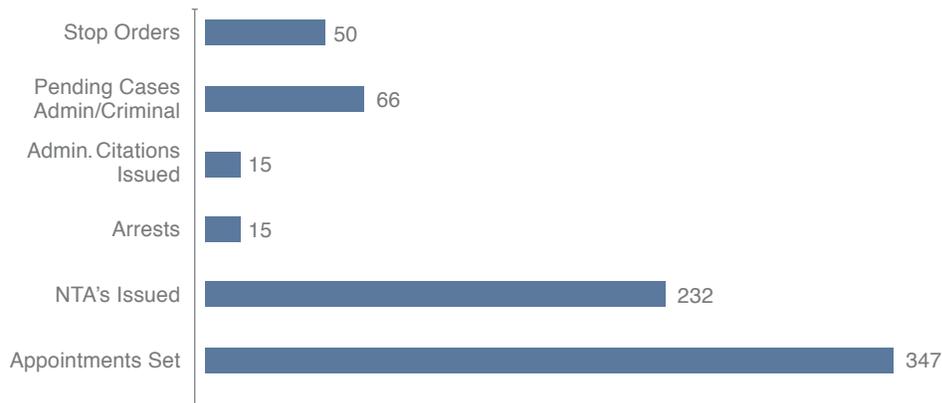
- Contracting without a license (B&P Code §7028)
- Failure to maintain workers' compensation insurance (B&P Code §7124.5 and Labor Code §3700.5)
- Excessive down payment (B&P Code §7159.5)
- Advertising without a license (B&P Code §7027.1)



*Arresting an unlicensed operator at a sting house April 20, 2013*

In addition to the weekly stings conducted throughout the state, SWIFT investigators performed three statewide blitzes in March, July, and October 2013. As a result, 232 individuals were issued NTAs.

STATEWIDE BLITZ TOTALS



Spring California Blitz

On March 13 and 14, SWIFT investigators conducted stings in: Orange, Lawndale, San Bernardino, Chico, Oakdale, and Bakersfield, and issued 78 NTAs.

2013 SPRING BLITZ TOTALS	
Contracting Without a License	78
Illegal Advertising	57
Excessive Down Payment	24
Stop Order	13

In addition, some individuals who provided bids had active arrest warrants for serious criminal violations; several others were arrested for using license numbers that did not belong to them (B&P Code §7027.3). Those arrested included:

- A registered sex offender, and a suspect with a prior conviction for statutory rape;
- An individual with an active arrest warrant for corporal punishment of a minor child; and
- An individual on federal probation for bribery.



### Summer California Blitz

On July 17 and 18, SWIFT investigators conducted stings in Artesia, Fresno, Long Beach, Oxnard, Redding, Sacramento, and South Lake Tahoe, and issued 79 NTAs.

2013 SUMMER BLITZ TOTALS	
Contracting Without a License	79
Illegal Advertising	52
Excessive Down Payment	13
Issued Stop Orders	13

Several individuals caught in the operation had prior criminal convictions, including:

- A registered sex offender, and
- Two suspects with illegal drugs in their possession that were booked into jail.

### Fall California Blitz

On October 9 and 10, SWIFT investigators conducted simultaneous undercover sting operations in Clovis, Ontario, Roseville, Seaside, South Lake Tahoe, and Banning, and issued 75 NTAs.

2013 FALL BLITZ TOTALS	
Contracting Without a License	72
Illegal Advertising	56
Excessive Down Payment	10
Issued Stop Orders	13

Those caught in the fall Blitz included:

- Two registered sex offenders;
- Two individuals with several prior felonies including robbery, rape, burglary, and drug possession;
- Three who had active arrest warrants; and
- Several who illegally used a contractor license number.

Three of the suspects were taken to jail; one vehicle was towed.



## Supply House Surveillance

Southern SWIFT ERs conducted surveillance of two construction material supply houses, one in Santa Monica and one in Culver City, to develop targets to invite to sting operations after a licensee complained about unlicensed operators purchasing materials from the same suppliers that he used. SWIFT ERs monitored the parking lots for vehicle advertisements and went inside the two supply houses, obtaining business cards of “good” contractors to call for work. Following are summaries of each sting and the results.

### Culver City Sting

On August 28, 2013, SWIFT ERs partnered with the Culver City Police Department (PD), targeting suspects identified through supply houses and also on craigslist.org. Six individuals were issued NTAs for various criminal violations, and three Stop Notices were issued. One individual was observed lighting up something prior to exiting his vehicle just before his appointment and, in addition to being cited for three misdemeanor violations, was transported to the Culver City PD to face possible arrest for possession of rock cocaine. One individual was an unregistered salesperson working for a licensed contractor; the employee was issued an NTA for selling without being registered (B&P Code §7153(a)) and, after further investigation, his employer also was referred to the prosecutor for criminal violations of excessive down payment and conspiring with an unlicensed person (B&P Code §125).

CULVER CITY STING TOTALS	
Contracting Without a License	5
Illegal Advertising	4
Excessive Down Payment	4
Issued Stop Orders	3
Unregistered Salesperson	1

### Santa Monica Sting

On September 26, 2013, Southern SWIFT ERs partnered with the Santa Monica PD, Santa Monica Code Enforcement Department, Santa Monica City Attorney’s Office, and the DCA Division of Investigation to conduct a sting at a Santa Monica apartment complex, one mile from the Santa Monica Pier. Six suspects received additional NTAs from Code Enforcement for not having a Santa Monica City business license.



SANTA MONICA STING TOTALS	
Contracting Without a License	7
Illegal Advertising	3
Illegal Use of License Number	1
Issued Stop Orders	2
Unregistered Salesperson	1
No City Business License	6

## CSLB-EDD Partnership

CSLB JESF partners include EDD, DLSE, and district attorney investigators. The primary focus of CSLB investigators assigned to JESF is pursuing criminal charges against contractors who violate license, tax withholding, and/or WC insurance requirements. CSLB prioritized partnering with EDD on all proactive investigations (leads, sweeps, and stings).

### CSLB-EDD 2013 Partnering Statistics

- 725 inspections at active construction sites
- 605 referrals to EDD Audits Division
- A record **\$207,521,183** in unreported tax withholding

During 2013, CSLB staff began partnering with EDD's Criminal Investigation division, which is comprised of EDD Peace Officers, to pursue criminal investigations against the most egregious contractors who violate tax withholding requirements.

Unfortunately, EDD did not categorize criminal investigations by industry; however, due to the successful partnership with CSLB, EDD will begin tracking construction-related criminal cases in 2014. The following statistics are the minimum number of construction-related cases for 2013; the actual number may be higher:

EDD/CSLB JOINT INVESTIGATIONS	
Convictions	4
Complaints Filed	6
Complaints Requested	3
Search Warrants Conducted	6



### 2013 Outstanding Tax and Civil Liability Suspensions

CSLB’s partnership with EDD, FTB, DLSE and DOSH resulted in the suspension of 553 licenses for outstanding liabilities totaling more than \$37 million. CSLB’s license suspension program resulted in payment of more than \$15 million to allied state agencies.

MOU-RELATED OUTSTANDING LIABILITIES (JESF)		
JANUARY – DECEMBER 2013		
TOTAL LIABILITIES	LIABILITY SUSPENSION	PENALTY RECOVERED
CSLB, EDD, DOSH, DLSE, & FTB	\$37,170,777.76	\$15,831,497.53
EDD Only	\$26,367,005.12	\$9,237,750.89

### Disciplinary Services Program

#### Administrative Citation Appeal Efficiencies

When a CSLB complaint investigation establishes that a serious violation has occurred, the Registrar of Contractors may issue an administrative citation against a license. The citation can include an order to correct a project, make restitution to an injured party, and pay a civil penalty of up to \$5,000 for violations by licensees and \$15,000 for unlicensed operators.

If the licensee complies with the citation orders, the Board takes no further action. If the licensee contests the citation, he or she will be given an opportunity to defend himself or herself at a formal hearing before an administrative law judge. If the matter is not settled and the licensee does not prevail and does not comply with a final citation order, the license may be suspended and then revoked.

To reduce CSLB and licensee legal representation expenses, staff routinely conducts mandatory settlement conferences (MSC) to avoid the need for formal administrative hearings. In 2013, 191 citations were resolved by means of a settlement conference, saving CSLB \$1,545,000 in Attorney General costs.

In addition, CSLB collected **\$1,000,282** in civil penalties and **\$1,767,508** was collected in restitution to financially injured persons.



CSLB's Citation Enforcement Section (CES) reported the following citation activity in 2013:

- 1,139 citations issued to licensees; 662 complied
- 284 revocations resulting from non-compliance of a citation
- 322 licenses suspended for non-compliance of a citation
- 822 citations issued to non-licensees; 363 complied

### **Accusations/Statement of Issues**

For flagrant violations of law, CSLB can take administrative action by filing an accusation with the Attorney General, stating the Board's intent to suspend or revoke the license. CSLB's investigation may result in one or more of the following remedies: revocation of the license, probation (stay of suspension or revocation), ordering restitution to a financially injured homeowner, recovery of an investigation and enforcement costs, injunction against unlawful activities, dismissal, or criminal charges.

In 2013, Disciplinary Services Section (DSS) staff reported the following administrative actions:

- 365 accusations filed
- 347 licenses revoked through the accusation process
- \$222,318 in cost recovery paid to CSLB

### **Arbitration Program**

For eight consecutive years, the Arbitration Mediation Conciliation Center (AMCC) continued to administer the CSLB arbitration program. During 2013, 313 complaints were referred to the arbitration program; 288 awards were rendered, with **\$1,254,767 in restitution ordered for financially injured persons**. Forty-five licenses were revoked for failure to comply with an arbitration award.

### **AMCC Program Improvements**

- Coordinated parties for hearing within ten days of receipt for military claimant being deployed
- Saturday arbitration dates for parties unable to participate in weekday hearings
- Coordinated multiple-party disputes among complainants, prime and subcontractors



- Arranged for unique hearing sites to comply with ADA requirements
- Implemented video conferencing protocols
- Conducted statewide joint CSLB/arbitrator trainings
- Created additional handouts to parties to assist in hearing preparation

**Arbitration Satisfaction Survey Results (1-5)**

Efficient Coordination Among Parties	4.74
Scheduling/Notice of Hearings	4.73
Case Management Overall	4.84
AMCC Professionalism	4.83
Case Manager Courtesy	4.84
Case Manager Efficiency	4.82

**Subsequent Arrest and Conviction Unit**

The Subsequent Arrest and Conviction Unit is tasked with investigating licensee and/or registrant arrest and/or conviction notifications received from the Department of Justice (DOJ). Investigations may result in the complaint being referred to the Office of the Attorney General for pursuit of a Penal Code (PC) §23 and/or Business and Professions (B&P) Code §7106 action against the respondent’s license/registration, or an administrative citation or accusation pursuant to B&P Code §7123, conviction of a crime substantially related to the qualifications, functions, and duties of a contractor constitutes a cause for disciplinary action.

During 2013, the Subsequent Arrest Unit reported the following:

- 366 convictions investigated for B&P Code §7123
- 104 cases referred for accusation
- 133 cases referred for citation
- 129 warning letters issued



## Administrative Developments

### Appointment of Deputy Chief of Enforcement

CSLB's first Deputy Chief of Enforcement was selected and began October 31, 2013. This new position has been long sought after to assist with the tremendous amount of administrative duties associated with the division's many units and field offices. The new deputy chief will support management of staffing and various internal and partnership programs.

### Purchase of New Vehicles

Significantly worn vehicles were replaced with 25 new models in 2013. Staff members appreciate the replacement vehicles and regularly comment on how energy-efficient they are. Business, Consumer Services, and Housing Agency Secretary Anna Caballero and Department of Consumer Affairs Director Denise Brown are recognized for their support and assistance in obtaining approval to purchase the vehicles.

### Training Conducted in 2013

The Enforcement division continued to expand its training program during 2013. The following courses were offered to staff:

- Module 1: Basic Investigative Techniques
- Module 2: Interviewing Techniques
- Module 3: Report Writing and Court Testimony
- Laws of Arrest, Search and Seizure
- Criminal Investigation Training
- Basic Writing Skills and Effective Business Writing
- CSLB Peace Officers training

*Enforcement staff attend a Basic Writing Skills and Effective Business Writing course in December 2013.*



## Consumer Satisfaction Survey

Consumer Satisfaction Survey results for 2013 evidenced the hard work and dedication of Enforcement staff. CSLB 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. Consumers are asked to rate CSLB on the following items:

- CSLB contacted me promptly after I filed my complaint.
- Procedures for investigating my complaint were clearly explained to me.
- CSLB kept me informed of my case's progress during the investigation.
- I was treated courteously by CSLB's representative(s).
- My complaint was processed in a timely manner.
- I understand the outcome of the investigation (whether or not I agree with the action taken).
- Action taken in my case was appropriate.
- I am satisfied with the service provided by CSLB.

To improve the survey's response rate, a reminder email is incorporated into the process, so consumers who do not initially respond to the survey receive an email reminder one month later. Surveys returned for 2013 included several positive comments regarding effective complaint-handling by Enforcement staff.



*Enforcement staff provide information at the Riverside County assistance center following the Mountain and Silver Fires.*



# LEGISLATIVE

## Development and Coordination of Sponsored Legislation

CSLB operates within state Business and Professions (B&P) Code, and sponsored the following legislation during the first half of the 2013-14 legislative session:

- AB 993
- SB 263
- SB 261
- SB 822
- SB 262



SB 261, SB 262 and SB 822 were signed into law by the Governor (AB 993 and SB 263 are two-year bills and can be taken up again in 2014). Below is a summary of the chaptered bills.

### **SB 261 (Monning) Chapter 163, Statutes of 2013**

This new law enables CSLB to take administrative action against licensed or unlicensed individuals who commit violations related to the fraudulent possession, alteration, or use of a contractor license. Previously, an offense could not be alleged administratively, as the law only allowed it to be charged as a misdemeanor by a prosecutor. Now, if a prosecutor does not file charges, CSLB has administrative authority to discipline violators. (B&P Code §7114.2)

### **SB 262 (Monning) Chapter 180, Statutes of 2013**

This B&P Code amendment now enables CSLB to discipline a license qualifier (and the licensed entity they are qualifying) when the qualifier is not actively involved in the construction activities of the license they are representing. In addition to administrative penalties, the individual falsely serving as a qualifier on the license can be charged with a misdemeanor, and be sentenced to serve up to six months in jail, and pay a fine from \$3,000 to \$5,000, or both, if convicted.

CSLB determined that many qualifiers do not perform the legally-required direct supervision and control duties, and has encountered several cases where “retired” licensees are serving as a responsible managing officer on a corporate license for a monthly fee, with no direct involvement in the construction and business activities. In these cases, consumers have suffered significant financial harm.

Under previous law, if successful in proving the qualifier’s failure to comply with his/her statutory duty, CSLB could take disciplinary action against the license but did not have authority to take any action directly against the qualifier who had failed to exercise his/her duties. The authority provided by this bill enhances consumer protection and ensures that licensees are fulfilling their supervision requirements. (B&P Code §7068.1)

**SB 822 (Business, Professions and Economic Development Committee) Chapter 319, Statutes of 2013**

This amendment to B&P Code sections associated with license fees and payment requirements gives a break to CSLB licensees who submit an incomplete renewal application and fee on or before the license expiration date. The new law allows the application to be returned by CSLB with an explanation, and the applicant has 30 days to correct and resubmit the renewal without having to pay a delinquency fee.

**Other Legislation Impacting CSLB Operations**

All bills introduced by the Legislature must be screened to determine whether they will have a relevant impact on the Board, consumers or the construction industry. The Legislative division engages continuously in the legislative process to influence legislation that impacts Board operations and/or relevant stakeholders. The following chaptered legislation, although not sponsored by CSLB, directly impacts or involves the agency.

**AB 44 (Buchanan) Chapter 258, Statutes of 2013** requires a contractor to include the contractor license number of each subcontractor listed in any bid or offer submitted after July 1, 2014, for the construction of any public work.

**AB 433 (Gordon) Chapter 377, Statutes of 2013** authorizes, until January 1, 2017, licensed plumbing contractors to install residential fire protection systems for single and two-family homes; authorizes the State Fire Marshal to propose, adopt and administer regulations to ensure fire safety in buildings and structures, and makes those regulations subject to certain requirements.

**AB 811 (Lowenthal) Chapter 250, Statutes of 2013** requires regional notification centers (underground service alert operators) to post on their websites, information provided by operators and excavators relating to violations of specified state laws governing subsurface excavations.

**AB 1236 (Hagman) Chapter 114, Statutes of 2013** authorizes a contractor licensed as a limited liability company (LLC) to obtain statutorily required liability insurance from a surplus line insurer.



# PUBLIC AFFAIRS

CSLB's Public Affairs Office (PAO) manages news media, industry, licensee, consumer, and employee relations. PAO provides a wide range of services, including proactive public relations and paid advertising campaigns; response to media inquiries; community outreach, including Senior Scam Stopper<sup>SM</sup> and Consumer Scam Stopper<sup>SM</sup> seminars, special events, and speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; and support for employee events.

During 2013, CSLB's Public Affairs Office:

- Distributed 37 news releases, including four joint news releases with other state and national agencies
- Distributed four industry bulletins
- Organized and conducted three media events
- Fielded approximately 150 media inquiries and requests for interviews
- Organized and conducted 155 Senior Scam Stopper<sup>SM</sup> and Consumer Scam Stopper<sup>SM</sup> seminars, speeches, and presentations
- Produced four *California Licensed Contractor* newsletters
- Produced 13 publications, including eight meeting packets, four reports, and the 1,000+ page *2014 California Contractors License Law & Reference Book*



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*CSLB Board Chair Joan Hancock; Business, Consumer Services, and Housing Agency Secretary Anna Caballero; Monterey County District Attorney Dean D. Flippo; and CSLB Public Affairs Chief Rick Lopes at a Salinas press conference.*

## CSLB Media Events

- **March 15, 2013 – Orange**  
PAO coordinated a media event to publicize the results of the annual spring California Blitz, which included six simultaneous undercover sting operations that targeted unlicensed activity. For the first time, PAO utilized new technology to

distribute video of the event to media outlets over the Internet. The video was accessed by the media 68 times. Video taken during the operation also was uploaded to CSLB's YouTube page and has been viewed more than 16,579 times.

- **July 19, 2013 – Sacramento**

PAO coordinated a media event to publicize the results of the annual summer California Blitz. During this blitz, seven different locations were used and 79 suspects faced contracting violation charges, including contracting without a license.

- **October 14, 2013 – Salinas**

PAO coordinated a media event to publicize the results of the annual fall California Blitz. The news conference was held at the Monterey County District Attorney's office. Attendees included Monterey County District Attorney Dean D. Flippo, Business, Consumer Services and Housing Agency Secretary Anna Caballero, CSLB Board Chair Joan Hancock, and a licensed contractor. Six different undercover sting operations were conducted during the operation.

## Senior Scam Stopper<sup>SM</sup>

In 1999, PAO created CSLB's Senior Scam Stopper<sup>SM</sup> (SSS) program to inform, empower, and educate senior consumers at the local level about unlicensed or unscrupulous contractors, and to bring government to the people.



Seminars are coordinated with legislative offices and feature presentations by a panel of experts from local, state, and federal agencies, and community-based organizations; distribution of consumer publications; and spirited question-and-answer sessions.

The seminars are becoming more popular, especially among newly-elected legislators. Legislators are pleased with seminar content and feedback from constituents, and often reschedule. More than a half-dozen legislators scheduled more than two seminars in 2013. Several others routinely schedule one to two events per year.

In 2013, 76 seminars were conducted (with an average attendance of 59), a 34 percent increase above the 50 seminars held in 2012 (that averaged 57 in attendance).

The 300<sup>th</sup> SSS seminar was conducted in January 2014.



*CSLB held 76 SSS events in 2013.*



**2013 Senior Scam Stopper<sup>SM</sup> Seminars:**

DATE	LOCATION	LEGISLATOR PARTICIPATING
1/11/13	Sacramento	Asm. Roger Dickinson
1/15/13	Sacramento	Asian Community Center
1/18/13	Los Angeles	Sen. Curren Price
1/29/13	Whittier	Cong. Linda Sanchez
2/22/13	Pico Rivera	Sen. Ron Calderon
2/28/13	Los Angeles	Sen. Curren Price
3/8/13	West Hills	Sen. Fran Pavley
3/18/13	San Jose	Asm. Nora Campos
3/22/13	Commerce	Sen. Ron Calderon
3/27/13	Murrieta	Asm. Melissa Melendez
3/28/13	Porterville	Asm. Connie Conway
4/9/13	Citrus Heights	Sylvan Oaks Library
4/12/13	Redlands	Asm. Mike Morrell
4/18/13	La Cañada	Asm. Mike Gatto
4/19/13	Wilmington	Asm. Isadore Hall
4/26/13 AM	South El Monte	Sen. Ron Calderon, Asm. Ian Calderon
4/26/13 PM	Irvine	Asm. Allan Mansoor
4/30/13	San Diego	Cong. Scott Peters, Cong. Susan Davis
5/8/13	Los Angeles	Sen. Curren Price
5/9/13	Montclair	Asm. Norma Torres
5/10/13 AM	Huntington Park	Asm. Reggie Jones-Sawyer
5/10/13 PM	Los Angeles	Asm. Reggie Jones-Sawyer
5/17/13	Baldwin Park	Asm. Roger Hernandez
5/23/13	Citrus Heights	Asm. Ken Cooley
5/31/13	Hanford	Asm. Rudy Salas
6/7/13	Thousand Oaks	Sen. Fran Pavley
6/14/13	Redondo Beach	Sen. Ted Lieu
6/21/13	Castro Valley	Asm. Bill Quirk
7/16/13	Bakersfield	Asm. Rudy Salas
7/17/13	Moreno Valley	Asm. Jose Medina
7/18/13 AM	Brentwood	Asm. Jim Frazier
7/18/13 PM	Pittsburg	Asm. Jim Frazier
7/19/13	Saratoga	Asm. Paul Fong
7/22/13	Los Angeles	Asm. John Perez
7/23/13	Los Angeles	Asm. John Perez



CSLB ACCOMPLISHMENTS AND ACTIVITIES REPORT

DATE	LOCATION	LEGISLATOR PARTICIPATING
7/24/13	Buena Park	Asm. Sharon Quirk-Silva
7/25/13	Cypress	Asm. Sharon Quirk-Silva
7/26/13	Santa Fe Springs	Sen. Ron Calderon
7/29/13 AM	Lancaster	Asm. Steve Fox
7/29/13 PM	Huntington Park	Asm. John Perez
7/30/13	Hayward	Asm. Bill Quirk
7/31/13	Fremont	Asm. Bill Quirk
8/1/13	Union City	Asm. Bill Quirk
8/2/13	Los Angeles	Asm. John Perez
8/9/13	West Hollywood	Asm. Richard Bloom
8/23/13	San Jose	Sen. Jim Beall
9/6/13	Rolling Hills Estates	Asm. Al Muratsuchi
9/18/13	Hollister	Asm. Luis Alejo
9/19/13 AM	Los Angeles	Asm. Jimmy Gomez
9/19/13 PM	Whittier	Sen. Ron Calderon
9/20/13	San Leandro	Asm. Rob Bonta
9/25/13	Downey	Sen. Ron Calderon
9/26/13	Manhattan Beach	Sen. Ted Lieu
9/27/13	Redwood City	Sen. Jerry Hill, Asms. Richard Gordon and Kevin Mullin
10/3/13	Los Angeles	Asm. Mike Gatto
10/4/13	Brentwood	Asm. Richard Bloom
10/7/13	Pleasanton	Sen. Ellen Corbett
10/15/13	La Verne	Sen. Carol Liu, Asm. Chris Holden
10/16/13	San Lorenzo	Cong. Eric Swalwell, Asm. Bill Quirk
10/18/13	Millbrae	Asm. Kevin Mullin
10/21/13	San Leandro	Cong. Eric Swalwell, Asm. Bill Quirk
10/23/13	Antioch	Asm. Jim Frazier
10/24/13	Riverside	Asm. Jose Medina
10/25/13	Fountain Valley	Sen. Lou Correa
10/29/13	Palo Alto	Asm. Richard Gordon
10/30/13	Fairfield	Asm. Jim Frazier
10/31/13	Monterey Park	Asm. Ed Chau
11/4/13	San Diego	Cong. Scott Peters, Sen. Marty Block
11/7/13	San Dimas	Sen. Carol Liu, Asm. Chris Holden



DATE	LOCATION	LEGISLATOR PARTICIPATING
11/13/13	Fresno	Asm. Henry Perea
11/14/13	Downey	Barbara Riley Senior Center
11/18/13	South Pasadena	Sen. Carol Liu
11/19/13	Sunnyvale	Asm. Richard Gordon
11/22/13	San Mateo	Sen. Leland Yee
12/11/13	Agoura Hills	Asm. Richard Bloom
12/12/13	San Diego	Cong. Scott Peters

## Consumer Scam Stopper<sup>SM</sup> Program

The Consumer Scam Stopper<sup>SM</sup> (CSS) program was launched in September 2012 to target audiences of all ages. The program's pilot effort focused outreach in Sacramento, Placer and Yolo Counties, beginning in December 2012, with introduction letters mailed to libraries and community centers.

DATE	LOCATION	GROUP
1/24/13	North Hollywood	North Hollywood Public Library
2/21/13	Rossmoor	Rossmoor HOA
3/6/13	Granite Bay	Granite Bay Library
3/7/13	Citrus Heights	Sylvan Oaks Public Library
4/18/13	Murrieta	Murrieta Public Library
8/10/13	West Sacramento	Arthur Turner Library
9/18/13	Knights Landing	Knights Landing Library
10/10/13	Davis	Mary L. Stephens Library
10/17/13	Yolo	Yolo Branch Library
11/12/13	Visalia	Tulare County Library

## Speakers Bureau and Trade Shows

CSLB speakers continue to be in demand. Forty-one events were attended—18 in southern California and 23 in northern California. In addition, CSLB staffed booths at 28 home/trade shows during 2013.



## Social Media

PAO expanded information distribution through social media sources to better interact with licensees and other stakeholders. CSLB's primary social media vehicles continue to be Facebook, Twitter, and YouTube.

As of January 1, 2014, CSLB had:

- Facebook – 1,487 followers, a 26% increase over last year
- Twitter – 1,382 followers, a 25% increase over last year
- YouTube – 45 videos, with 206,768 views, an 88% increase over 2012 views

Videos of CSLB sting operations were the most viewed, receiving more than 30,000 individual YouTube views and downloads, with 61 percent of viewers watching the video through the CSLB website.

## New Video Production Equipment

In 2013, PAO purchased new equipment to expand its video production capabilities. The equipment, along with an increased use of cloud technology to distribute high-definition video, is enabling PAO to reach new and more varied statewide audiences.

The new equipment also enables CSLB to be more transparent, opening up its meetings to a wider audience. In addition, the equipment can be used to webcast training and other meeting sessions to reduce travel costs. For example, in December, PAO aired a live webcast of a Licensing division seminar for license instruction schools and other interested parties. The webcast originated at CSLB headquarters and was seen by more than 100 Internet viewers. The video remains archived on the website for ongoing reference and viewing.



*CSLB's Public Affairs Office staff broadcast a live Web stream of the November 18, 2013 Executive and Legislative Board Committee meetings with the help of high-definition cameras.*

## Email Alerts

In 2013, PAO continued to build its database of email addresses, allowing people to sign up to receive up to four different Email Alerts from CSLB.

Subscribers can receive alerts for:

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

A total of 21,994 subscriptions were activated as of December 31, 2013—an increase of 2,589 since the first of the year. Each of the four lists is growing at about the same rate, with the greatest number of subscribers requesting newsletters, followed by industry bulletins, press releases, and meeting notices.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,441 active email addresses, which brings the combined email database to just over 100,000 addresses.

## Intranet Redesign Project

A new employee-only intranet site was launched on November 18, 2013. The new site, called CSLBin, features the latest employee news and photos, along with easier-to-find forms, policies, and other information used by staff around the state.

The site also features biographies of all Board members, an enhanced staff phone list, event calendar, 10-second employee bio features, and photo slide shows.



## Website Redesign Project

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In 2013, PAO and Information Technology (IT) staff began design and development of an entirely new CSLB website. The website will utilize the latest state templates and make content management more efficient. Another benefit of the new site will be its adaptability to be viewed on smart phones and tablets. Currently, CSLB employs a mobile site with basic features, including a license look-up. As part of the project, every page on the current website will be recoded.

The new website launch takes place in spring 2014.

## CSLB's Most Wanted

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In its ongoing effort to protect California consumers, CSLB has identified the worst unlicensed violators who are known to prey on vulnerable and unsuspecting homeowners who are involved in new home or home improvement projects. These "worst of the worst" make up CSLB's Most Wanted website section. To make the list, there must be an active warrant for the person's arrest.

During 2013, four Most Wanted suspects were arrested, with one convicted before year-end. A fifth suspect was arrested in the first week of January 2014.

## Hispanic News Media Campaign

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

The campaign, titled "Say No to Unlicensed Contractors," was well-received by media outlets in Los Angeles, San Diego, Sacramento, and the San Francisco Bay Area. It is estimated that the resulting coverage was seen and/or read by more than three million people.



# ADMINISTRATION

## CSLB Purchasing Unit Receives State Recognition

CSLB received a prestigious state award for its emphasis on buying from small businesses and disabled veteran business enterprises (SB/DVBE) in fiscal year (FY) 2012-2013. CSLB's Business Services Unit (BSU) was presented with a bronze State Agency Recognition Award (SARA) at a ceremony in Citrus Heights in November. The SARA ceremony, in its 14<sup>th</sup> year, honors state departments for outstanding achievements in SB/DVBE advocacy and practices. The judging panel included representatives from SB/DVBE businesses, resource partners, and state representatives.



*Business Services Office staff helped CSLB achieve state recognition for contracting with SB/DVBE businesses.*

CSLB distinguished itself by significantly increasing DVBE purchases in FY 2012-13 from 1.11 percent to 6.4 percent, which far exceeded the Governor's statewide goal of a 3 percent participation rate for state agencies.

At the same time, CSLB improved its already-impressive rate of buying from small businesses. In FY 2012-13, CSLB spent 67 percent of its total procurement budget with certified small businesses, up from 54 percent the previous fiscal year. The Governor's goal in this category is 25 percent participation for state agencies.

The Department of Consumer Affairs (DCA), which oversees more than 40 boards and bureaus including CSLB, has made purchasing through SB/DVBE vendors a priority. With that goal in mind, CSLB staff focused on finding these vendors for every purchase, viewed DCA webinars on buying, and took personal responsibility for achieving participation goals.

## Facilities Projects

- The Oakland office is scheduled to relocate to Berkeley and sub-lease space from the Department of Toxic Substance Control for significant cost savings.
- The CSLB headquarters office front counter area was reconfigured and its entire security camera system was upgraded.
- The Modesto office building lease was renewed until June 30, 2021.

## Contracts and Procurement

The following contracts and purchases were negotiated and executed:

- California Highway Patrol security services
- Printing of the annual *California Contractors License Law and Reference Book*
- Purchase of new mail machines for all offices including two-year maintenance contracts
- Purchase of fax machines including three-year maintenance agreements
- Document shredding services for headquarters and field offices
- Maintenance contracts to support CSLB office equipment
- Ergonomic evaluations for CSLB employees and purchase of required equipment recommended by the evaluations
- New ergonomic chairs and conference room furniture ordered for Oxnard, Valencia, Bakersfield, San Diego, Norwalk, and headquarters offices

## Training



Over 330 employees attended a variety of SOLID training classes at the Department of Consumer Affairs and 90 outside vendor training classes were attended. Classes included enforcement, computer, and business-related training, such as analytical studies, business writing, and customer service classes.

*CSLB staff graduate from Analyst Certification Training (ACT), one of several DCA-sponsored education courses.*



## Vehicles

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CSLB surveyed 25 vehicles in FY 2012-2013. Twenty-one of the 25 vehicles were replaced with new, fuel-efficient hybrid models approved by the Department of General Services.

## Records Management

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CSLB is in compliance with its established Records Retention Schedule; files are purged when identified as obsolete. CSLB continues to scan all new license files into the Imaging & Workflow Automation System (IWAS) system. The California Records Information Management (CalRIM) report was completed and submitted to DCA in October 2013.

## CSLB Staff

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CSLB had 420.95 authorized staff or Personnel Year (PY) positions during the 2013 calendar year. In 2012, Budget Letter 12-03 abolished 21.5 CSLB positions; however, the positions were re-established in 2013.

## 2013 Staffing Activity

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- 23 Promotions
- 25 Internal Transfers
- 26 Interdepartmental Transfers
- 16 New Hires
- 2 Reinstatements
- 4 Training & Development Appointments
- 14 Temporary/Seasonal Appointments
- 16 Retirements
- 18 Separations



## Exams Administered by DCA/CSLB:

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- Enforcement Representative I – continuous
- Consumer Services Representative – 2/2014
- Enforcement Representative II – (promotional 5/2014)
- Staff Services Analyst Transfer – continuous (quarterly)
- Testing Validation and Development Specialist I & II – continuous
- Enforcement Supervisor I & II – (promotional 2/2014)
- Personnel Selection Consultant I & II – (promotional 2/2014)

## Exams Administered by CalHR:

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- Associate Governmental Program Analyst
- Information Systems Analyst (series)
- Information Officer (series)
- Office Assistant (general & typing)
- Office Technician (general & typing)
- Program Technician (series)
- Supervising Program Technician (series)
- Staff Services Analyst (general)
- Staff Services Manager (series)
- Systems Software Specialist (series)
- Warehouse Worker



## Criminal Offender Record Information (CORI) Positions

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CSLB has 27 Criminal Offender Record Information (CORI)-designated positions; the recruitment process has begun to fill one vacant position, which is expected to be filled by the end of the 2013-14 fiscal year.



# INFORMATION TECHNOLOGY DIVISION

## Upgrading to Microsoft Windows 7

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CSLB's Information Technology (IT) division systematically replaced the Microsoft Windows XP Operating System (OS) with Windows 7. The software transition was vital since Microsoft plans to discontinue support for the Windows XP OS in spring 2014. Without support, users won't receive security updates, patches, bug fixes or technical support for the old OS; thus, making it vulnerable to malware, spyware, and other cyber attacks. CSLB IT also worked with home users of Windows XP to upgrade their OS.



## Information Security and Event Management

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IT staff implemented a security information and event management product, called HP ArcSight, to proactively “see” and prepare for evolving and persistent threats, and minimize the impact of those threats by enabling CSLB to collect, analyze, and assess security and non-security events for rapid identification, prioritization, and fast response. The program helps improve compliance management and safeguard against data breaches and fraud. ArcSight collects millions of log records from IT systems and security equipment, unifies the data for searching, indexing, analysis, and retention, and compares it to find critical real-time events via dashboards, email notifications, and reports so the IT Security team can accurately prioritize security risks and compliance violations.

## CSLB Website Redesign

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CSLB's website had over 9.8 million visitors in 2013, of which 1.1 million were mobile devices. To stay current with fast-changing Internet technologies, CSLB website administrators teamed with the Public Affairs Office to redesign CSLB's website and incorporate the state's 2013 standardized website template, designed for branding consistency across state websites. CSLB's revised website will provide a more



user-friendly experience, is more visually appealing, and is mobile device-friendly. In addition, it offers the following improvements:

- **Service Organization**  
Services are organized into subject areas from one location, using a single landing page.
- **User Interface Improvements**  
The number of Web pages have been significantly reduced by consolidating content. Format changes also make it much easier to navigate and locate specific services.
- **Standard Layout**  
The website layout and content has been standardized to ensure consistency.
- **Increased Speed and Performance**  
Website page-loading and response is faster.
- **Greater Accessibility via Google Translator**  
Web pages are available in multiple languages for diverse demographics.

Mobile users will have access to the same array of information that CSLB has had on its website. CSLB IT staff will no longer have to maintain two different websites (one for desktop computer users and one for mobile users), thus reducing maintenance time and costs.

The new website launches in spring 2014. At the end of 2013, CSLB web administrators had converted 85 percent of the website pages (approximately 1,200 pages) and were ahead of schedule to meet the project deadline.

## Personnel Tracking Application

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CSLB IT partnered with Personnel to finalize the creation of a software application that will allow Personnel staff to track and monitor Requests for Personnel Action (RPA). Currently, IT is in the final stages of completing the test launch of this application.

The application will allow Personnel to input and track RPA positions in a more timely and efficient manner. Data is backed-up nightly to improve information safety and security. The application also allows Personnel to provide more accurate reports. IT expects the application to be fully functional in the first quarter of 2014. After the program's successful completion and operation, CSLB will research the possibility of implementing the application throughout DCA.



## CSLB Enterprise Backup and Storage Systems

IT implemented the new EMC VNX Series storage and Avamar Enterprise Backup solution to provide enhanced performance, protection, compliance, and storage of critical data for all CSLB production computer systems.

A redundant data storage system with a backup center in Fresno was designed to prevent the loss of critical information and give CSLB a disaster recovery capacity it did not previously have. If the Sacramento system fails for any reason, including a natural disaster, the system automatically will switch to the Fresno backup system and vice versa. CSLB staff will be able to work without interruption of critical applications.

All CSLB production data and file systems, including user data files, are replicated (copied) continuously throughout the day from the headquarters site to the Fresno site and vice versa, keeping both systems in sync, and providing CSLB digital video recorder-like recovery in physical, virtual, and cloud infrastructures. CSLB now has the ability to restore applications to any specific point in time. This technology also reduces network bandwidth with its unique bandwidth compression and deduplication algorithms, which significantly reduce data replication time.

Implementation of this system saves time and money, as there is no longer a need for weekly tape backups, which were taken offsite to DCA.



*IT staff developed and established a critical back-up storage system.*

## Information Technology Service Desk

CSLB's IT Service Desk provides assistance to approximately 500 CSLB employees, business contractors, and vendors. Staff processed over 4,200 service tickets in 2013. Tickets were opened by CSLB staff members who had problems with testing stations, desktops, laptops, printers, land and cellular phones, access to various automated systems, adding or changing employee access levels, or forgotten passwords. Tickets are generated via phone or email. Incoming tickets are reviewed and assigned within five minutes. The average Level-1 (user "down") priority tickets are resolved or



fixed in under 30 minutes and more complex Level-2 tickets are resolved or fixed in under 60 minutes.

## **Interactive Voice Response (IVR) System**

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CSLB's IVR is an interactive, self-directed telephone system that is a valuable source of information for callers. It provides the ability to request forms or pamphlets that can be mailed or immediately faxed. Callers can look up a license and applicants can check the status of their exam application. IVR provides consumers with information on how to file complaints as well as how to become a licensed contractor, and gives callers an option to speak to call center agents in Sacramento or Norwalk. In 2013, IVR handled roughly 36,500 calls per month (438,000 in the year) and is available 24 hours a day, seven days a week, including holidays.

## **Information Security Risk Management**

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CSLB network administrators integrated a Cisco Access Control Server (ACS) to enforce access control over network infrastructure. The ACS solution helps CSLB comply with growing regulatory and corporate requirements, and will help improve productivity and contain costs. It simultaneously supports multiple scenarios including device administration (which authenticates administrators), command authorization, and audit trails of remote access.

## **Network Infrastructure Automation Tool**

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To enhance efficiency, CSLB IT network administrators implemented a network automation tool that centrally manages multiple network devices that address change management, configuration management, fault management, availability management, compliance, and process automation functions.

## **Intranet Redesign**

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CSLB's Public Affairs and IT staff worked together to redesign the employee intranet, creating a more efficient and user-friendly experience. The new site, titled CSLBin, is a portal of the same resources and reports that previously were available as well as enhanced features, including statewide employee news and CSLB internal and external events.

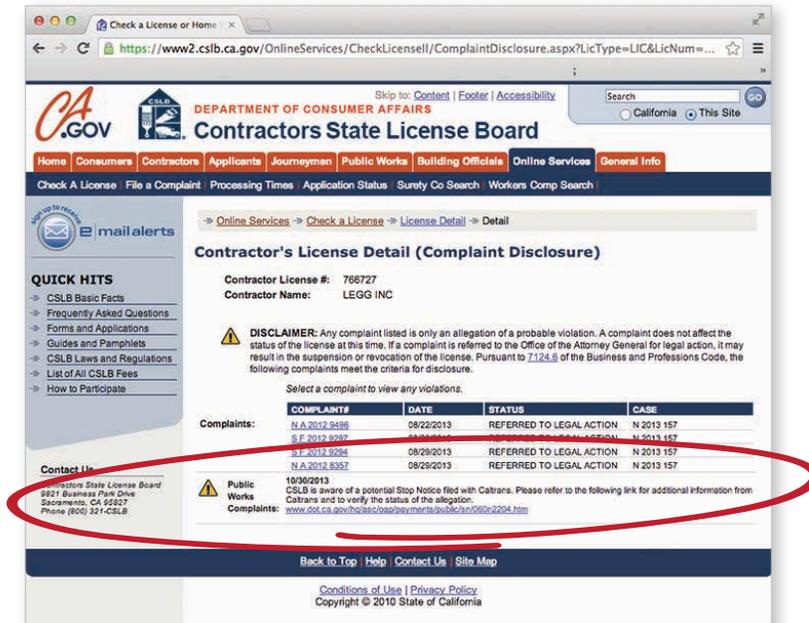


## Disclosure of a Partnering Agency's Disciplinary Action Project

At a January 2013 stakeholder meeting, attendees voiced frustration that no centralized information source existed to identify licensees who may have a history of disciplinary problems with other public agencies; per regulations, CSLB historically listed only CSLB-specific complaint disclosure on the contractor detail page. The creation of a one-stop website was especially important to contract awarding authorities and prime contractors.

At its September 2013 meeting, CSLB's Board unanimously approved website disclosure of disciplinary actions taken by partnering agencies. In collaboration with those agencies and CSLB's Enforcement division, IT staff took part in analysis, programming, and testing that was required to implement this project. CSLB disclosure now links to the Department of Industrial Relations' Division of Labor Standards Enforcement and the Department of Transportation.

This is accomplished by flagging licensees on the CSLB website with an advisory statement and an electronic link to a partnering agency's website.





**CONNECT WITH CSLB:**





## CONTRACTORS STATE LICENSE BOARD

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[www.cslb.ca.gov](http://www.cslb.ca.gov)

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