

## News Release

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December 29, 2022

CSLB #22-14

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### **Undercover Sting Exposes 10 Unlicensed Contractors in California's Capital City**

*Homeowners should only hire licensed contractors*

**SACRAMENTO** – As a result of a recent undercover sting operation, the [Contractors State License Board](http://www.cslb.ca.gov) (CSLB) is pursuing legal action against 10 unlicensed individuals. Contracting without a license in California is a misdemeanor and punishable by a fine of up to \$15,000.

This is an opportunity for homeowners to learn the importance of taking simple steps toward protecting themselves against construction fraud.

Investigators from the Statewide Investigative Fraud Team (SWIFT) went undercover and invited individuals to place home improvement bids in Sacramento. Of those who came to place bids, 10 suspects were caught contracting illegally and potentially scamming homeowners out of thousands of dollars.

One individual was referred to the Sacramento County District Attorney's Office for advertising the license of another contractor as their own, which could result in a penalty of up to \$15,000. The suspect fled the scene upon seeing law enforcement, but investigators had obtained the evidence necessary to pursue the case.

The bids ranged from \$1,500 to remove a tree, \$4,600 to pour concrete, and then as high as \$11,500 for landscaping – all above the \$500 threshold requiring a contractor's license. Construction projects are an investment and worth the extra research it takes to confirm the contractor you are considering hiring is a California licensed contractor.

All suspects could face charges for their illegal advertisements. In California, contractors are required to place their license number on all business-related materials (ads,

vehicles, business cards, etc.). Homeowners can use that information to [Check a License](#) on CSLB's website.

Of those who came to place a bid, three individuals requested excessive down payments. Contractors can only ask for 10% or \$1,000 of the contract price – whichever is less. Also, two of the quotes included labor, but neither suspect had a workers' compensation insurance policy.

"The best ways homeowners can protect themselves against construction fraud is to check a license on our website and always get at least three bids," said David R. Fogt, CSLB Registrar. "Consumers can also take a look at [tips we have available](#) to make sure their contractor measures up."

Consumers are often unaware unlicensed contractors have not completed background checks and usually do not carry workers' compensation insurance for their employees – which increases liability risks to homeowners.

### **Tips for Hiring a Contractor**

Hire only California-licensed contractors. Ask to see the license. The license number must be on all ads, contracts, and business cards.

Get three bids, check references, and get a written contract. Don't necessarily take the lowest bid, especially if it's much less than other bids.

Don't rush into decisions and don't hire the first contractor who comes along.

Don't pay more than 10 percent down or \$1,000 — whichever is less.

Don't pay cash, and don't let the payments get ahead of the work. Only pay for work as it is completed to your satisfaction.

Keep a job file of all project papers, including correspondence and copies of all payments.

Avoid making the final payment until you're satisfied with the job.

For more information, visit CSLB's [website](#), or connect with us on [Facebook](#), [Twitter](#), [Instagram](#), and [YouTube](#).

**About CSLB:** *CSLB operates under the umbrella of the Department of Consumer Affairs and licenses and regulates about 285,000 contractors in California. In 2022, CSLB helped consumers recover more than \$40 million in ordered restitution.*

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