

APRIL 23-24, 2013
SAN DIEGO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





CONTRACTORS STATE LICENSE BOARD

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STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

NOTICE OF BOARD MEETING

The Contractors State License Board (CSLB) will hold a Board Meeting on Tuesday April 23, 2013, from 1:00 p.m. to 5:00 p.m. and on Wednesday April 24, 2013, from 8:00 a.m. to 3:00 p.m. at the Best Western Hotel, 2051 Shelter Island Drive, San Diego, CA 92106, (619) 222-0561.

All times are approximate and subject to change. Items may be taken out of order to maintain a quorum, accommodate a speaker, or for convenience. The meeting may be canceled without notice. For verification of the meeting, call (916) 255-4000 or access the Board's website at <http://www.cslb.ca.gov>. Action may be taken on any item listed on this agenda, including information-only items. Public comments will be taken on agenda items at the time the item is heard. Total time allocated for public comment may be limited.

The meeting is accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Erin Echard at (916) 255-4000 or by sending a written request to the CSLB Executive Office, 9821 Business Park Drive, Sacramento, CA 95827. Submitting your request at least five (5) business days prior to the meeting will help ensure availability of the requested accommodation.

AGENDA

Day 1

April 23, 2013

1:00 p.m. – 5:00 p.m.

- A. Call to Order – Establishment of Quorum
- B. Chair's Remarks and Board Member Comments
- C. Public Comment Session
- D. Review and Approval of February 26, 2013, Board Meeting Minutes
- E. Review and Approval of Recommended Positions on Proposed Legislation, including AB 44, AB 186, AB 811, AB 834, AB 993, SB 261, SB 262, SB 263, SB 822
- F. Program Updates
 - 1. Licensing
 - 2. Testing

- 3. Enforcement
 - a. Review and Approval of March 26, 2013, Enforcement Committee Summary Report
 - b. Review of 2012 Consumer Satisfaction Survey
- 4. Public Affairs
- 5. Administration and Information Technology
- G. Strategic Planning Session
- H. Adjournment

AGENDA
Day 2
April 24, 2013
8:00 a.m. – 3:00 p.m.

- A. Call to Order – Establishment of Quorum
- B. Chair's Remarks and Board Member Comments
- C. Public Comment Session
- D. Strategic Planning Session (continued)
- E. Review of Tentative Schedule
- F. Adjournment

APRIL 23, 2013
SAN DIEGO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting

DAY 1



AGENDA ITEM A

Call to Order Establishment of Quorum

Roll is called by the Board Chair or, in his/her absence, by the Board Vice-Chair or, in his/her absence, by a Board member designated by the Board Chair.

Eight members constitute a quorum at a CSLB Board meeting, per Business and Professions Code section 7007.

BOARD MEMBER ROSTER

DAVID DIAS	LISA MILLER-STRUNK
JOAN HANCOCK	JOHN O'ROURKE
PASTOR HERRERA JR.	BRUCE RUST
MATTHEW KELLY	FRANK SCHETTER
ROBERT LAMB	PAUL SCHIFINO
ED LANG	MARK A. THURMAN
JAMES MILLER	



AGENDA ITEM B

Chair's Remarks and Board Member Comments

Board Chair Paul Schifino will review the scheduled Board actions and make appropriate announcements.

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



AGENDA ITEM C

Public Comment Session

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

BOARD AND COMMITTEE MEETING PROCEDURES

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

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



AGENDA ITEM D

Review and Approval of February 26, 2013, Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

MEETING MINUTES

February 26, 2013

A. CALL TO ORDER

Board Chair Paul Schifino called the meeting of the Contractors State License Board (CSLB) to order at 10:00 a.m. on Tuesday, February 26, 2013, in the John C. Hall Hearing Room at CSLB headquarters, 9821 Business Park Drive, Sacramento, CA 95827. A quorum was established.

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

Board Members Present

Paul Schifino, Chair
Joan Hancock, Vice Chair
Mark Thurman, Secretary
David Dias
Matthew Kelly
Pastor Herrera Jr.

Frank Schetter
Bruce Rust
Ed Lang
James Miller
Lisa Miller-Strunk
John O'Rourke

Board Members Excused

Robert Lamb

Staff Present

Stephen Sands, Registrar
Cindi Christenson, Chief Deputy Registrar
Don Chang, Legal Counsel
Rick Lopes, Public Affairs Chief
Larry Parrott, Administrative Chief

Erin Echard, Executive Office
Karen Robinson, Licensing Chief
David Fogt, Enforcement Chief
Heidi Lincer-Hill, Testing Chief
Raju Sah, IT Chief

Public Visitors

Brad Diede
Derek Noack
Richard Markuson
Ken Grossbart
Daniel Cohen
Greg Armstrong
Jose Vaca
Larry Rohlfes
Ruben Barba
Clifford Burg
David Kala

Joe Upchurch
Julie Russell
Steve Kuhlic
Karen Hughes
Juan Arbelaez
Alex Beltran
Frank Redle
Mike Ely
Phil Vermeulen
Leroy Adams
Victor Parra

**B. CHAIR'S REMARKS AND BOARD MEMBER COMMENTS**

Board Chair Paul Schifino opened the meeting by describing the upcoming year as hopeful due to an upward trend in construction industry activity. He mentioned that each committee chair will need to present his or her own committee's motions. Mr. Schifino then asked if there were additional comments to be made by Board members.

Board Member Lisa Miller-Strunk said she was delighted to have attended a graduation for two new CSLB peace officers and congratulated them on their success in training.

Board Member Pastor Herrera Jr. encouraged CSLB to consider where field offices are located compared to population projections reported by the Department of Finance (DOF). He also was pleased to have attended the graduation of a new CSLB peace officer in San Diego.

Board Chair Schifino then recognized CSLB Outreach Coordinator Jane Kriedler for exemplary service. Ms. Kriedler, on staff in the Public Affairs Office, has doubled the number of Senior Scam StopperSM seminars and also is helping to build a Consumer Scam StopperSM program.

C. PUBLIC COMMENT

Karen Hughes extended a personal thank you to Enforcement Chief David Fogt and Missy Vickrey for working with her to fix loopholes in Contractors License Law.

Brad Diede thanked CSLB for ongoing efforts to stop unlicensed activity. He provided a copy of the letter his coalition sent to Governor Edmund G. Brown, Jr., for further support.

Davi Rodriguez asked the Board for a change in the length of time that complaints remain public record for a contractor license.

Leroy Adams asked the Board for a change that would "red flag" contractors with civil judgments, and recommended that specialty contractors fulfill a continuing education requirement.

D. REVIEW AND APPROVAL OF THE DECEMBER 11, 2012, BOARD MEETING MINUTES

Motion to Approve the December 11, 2012, Board Meeting Minutes

MOTION: A motion was made by Board Member Matthew Kelly and seconded by Board Member Ed Lang to approve the December 11, 2012, Board Meeting Minutes. The motion carried unanimously, 12-0.

**E. ENFORCEMENT COMMITTEE REPORT**

Enforcement Committee Chair David Dias thanked the Public Affairs Office for creating the new brochure “Caught for Illegal Contracting – What Happens Now?”

1. Enforcement Program Update

Enforcement Chief David Fogt informed the Board about Bay Area staffing challenges, and also pointed out that Intake and Mediation Centers have exceeded the goal of settling 30 percent of cases received. Mr. Fogt also highlighted statistics from the Investigative Centers and SWIFT. He said several new peace officers have completed training and are a welcome addition to CSLB. Enforcement Committee Chair David Dias commended Enforcement staff’s professional demeanor during a recent sting operation.

2. Review and Approval of Disclosure by CSLB of a Partnering Agency’s Disciplinary Action

As part of the CSLB Strategic Plan, the Board was asked to approve disclosure of a partnering agency’s administrative action through an electronic link on CSLB’s website. Disclosure of the administrative action will only be made upon verification of the information and with an advisory statement to verify the status of the allegation with the partnering agency.

Motion to Approve the Review and Approval of Disclosure by CSLB of a Partnering Agency’s Disciplinary Action

MOTION: A motion was made by Board Member Matthew Kelly and seconded by Board Member Joan Hancock to approve the Review and Approval of Disclosure by CSLB of a Partnering Agency’s Disciplinary Action. The motion carried unanimously, 12-0.

F. PUBLIC AFFAIRS PROGRAM REPORT

Public Affairs Committee Chair Pastor Herrera Jr. provided the Public Affairs Committee report. Mr. Herrera asked Board members to keep former Public Affairs student assistant Sarah Martin in their thoughts. Ms. Martin is currently hospitalized with a serious medical condition. Mr. Herrera also noted that two new publications have been completed: the *2013 California Contractors License Law & Reference Book* and CSLB’s “2012 Accomplishments and Activities” report.

Public Affairs Program Update

Public Affairs Chief Rick Lopes informed the Board that the Public Affairs Office (PAO) is now fully staffed. Mr. Lopes also told the Board that the winter edition of *California Licensed Contractor* newsletter is available online, and the spring edition is being developed. With the increasing need for representatives to speak on behalf of CSLB, PAO staff members Melanie Bedwell and Jane Kreidler have developed and conducted Speakers Bureau training for about 50 staff members in Sacramento and Norwalk.



Staff also is working with Licensing to determine if the new instructional video about how to properly complete a license application will reduce the number of applications being rejected. Finally, Mr. Lopes updated Board members on the contractors outreach campaign and the Senior Scam StopperSM program.

G. LEGISLATIVE COMMITTEE REPORT

Legislative Committee Chair Lisa Miller-Strunk gave the Legislative Committee Report. Ms. Miller-Strunk thanked Retired Annuitant Mike Brown for all of his help and noted that Legislative Chief Laura Zuniga soon will return from maternity leave.

1. Status of Legislative Proposals to Amend the Business and Professions Code

a. Section 7027.3 (Illegal Use of License Information)

Currently in Committee

b. Section 7031 and Others (Definition of Unlicensed Activity)

Senate Bill 263 will be further amended

c. Section 7068.1 (License Qualifiers)

SB 262

d. Section 7085.5 (Arbitration)

AB 993 (Linder) will be further amended

e. Section 7114 (Aiding and Abetting Unlicensed Activity)

SB 261

f. Section 7141 (Delinquency Renewal Fee)

Currently in Committee

H. LICENSING COMMITTEE REPORT

Licensing Committee Chair Ed Lang provided the Licensing Committee report:

1. Licensing Program Update

Licensing Chief Karen Robinson provided an update on the Criminal Background and Judgments Units. Call volumes and wait times in the call center are down from last year, and the center is nearly at full staff. New license applications received continue to decline, but Ms. Robinson noted this is not a peak time of the year. Ms. Robinson also mentioned the success of the LLC program, which has been in place for more than a year. She noted that workers' compensation insurance recertification is now required annually.

**2. Testing Division Update**

Testing Chief Heidi Lincer-Hill informed the Board that CSLB's testing centers also will be used for other projects involving the Department of Consumer Affairs (DCA), as well as to give the Enforcement Representative (ER) exam. The Oakland testing center will soon move to Berkeley. Employees in the Examination Development unit are assisting with occupational analysis since DCA is short-staffed.

3. Consideration of an Asbestos Abatement Specialty Classification

Mike Ely, of the Association of Environmental Contractors (ACE), requested establishment of a new specialty license classification for hazardous material abatement and asbestos. Mr. Ely believes the kind of work that his group handles in hazardous materials suppression and mitigation does not seem to fit the criteria for any current license classification.

Motion to Approve a Consideration of an Asbestos Abatement Specialty Classification

MOTION: A motion was made by Board Member Lisa Miller-Strunk and seconded by Board Member David Dias to approve the Board Policy on Asbestos. The motion carried unanimously, 12-0.

I. EXECUTIVE COMMITTEE REPORT**1. Administration and Information Technology Update**

Administrative Chief Larry Parrott gave the Administration report. He provided updates on vacancies and the Business Services unit, which included relocation of Fresno SWIFT staff, and the purging of more than 100,000 files from the file room.

Information Technology Chief Raju Sah gave the IT report. The BreEZe project "go live" date has been further delayed, and is now estimated to be complete in 2014. The Help Desk staff currently manages about 367 help tickets each month. IT is reducing CSLB's carbon footprint by consolidating single-function equipment into multifunction equipment.

2. Budget Update

Chief Deputy Registrar Cindi Christenson provided information about revenue and CMEA funds. The final budget has been adjusted to account for furloughs, IT changes, and retirements.

3. 2012-2013 Strategic Plan Update

Registrar Steve Sands gave an update on the status of each objective the Board has established. Most already have been completed or are on track.

**4. Discussion Regarding Strategic Planning Process**

DCA's SOLID Solutions Unit will be facilitating CSLB's strategic planning session in April. An email already has been distributed to stakeholders. Board Member interviews will begin after a focus group with CSLB senior staff.

J. REVIEW OF TENTATIVE SCHEDULE

Registrar Sands pointed out that the next Board Meeting will be held Tuesday, April 23, 2013, and Wednesday, April 24, 2013, in San Diego. This will be combined with CSLB's annual strategic planning meeting. Day one will begin in the afternoon.

K. ADJOURNMENT

Board Chair Paul Schifino adjourned the meeting at 12:38 p.m.

Paul Schifino, Chair

Date

Stephen P. Sands, Registrar

Date

AGENDA ITEM E

Review and Approval of Recommended Positions on Proposed Legislation



CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 44 (Buchanan)
Status/Location: Amended 4/4/13 – Assembly Appropriations
Committee
Sponsor: Northern California Carpenters Regional Council
Subject: Subletting and Subcontracting Fair Practices Act
Code Section: Public Contract Code Section 4104

Summary:

Existing Law:

The Subletting and Subcontracting Fair practices Act requires the entity taking bids for the construction of any public work or improvement to specify that any person making a bid or offer to perform the work shall include specified information, including the name and location of the place of business of each subcontractor who will perform work or labor or render service to the prime contractor in or about the work of improvement.

This Bill:

1. Requires each bidder, in his/her bid, to set forth the portion of the work to be done by each subcontractor. The prime subcontractor shall only list one subcontractor for each portion as defined by the prime contractor in his/her bid; and
2. For bids received after July 1, 2014, provides that the bid specification shall require any person making a bid to list the California contractor license number of each subcontractor who will perform work or render services to the prime contractor in or about the construction.

Fiscal Impact for CSLB:

No significant impact.

Staff Recommendation and Comments:

SUPPORT. This bill does not have a direct impact on the Contractors State License Board (CSLB), but may assist enforcement efforts by making it easier to identify whether subcontractors on public works are licensed.

The Subletting and Subcontracting Fair Practices Act (Act) is intended to ensure fair competition between prime and subcontractors who bid public works projects. The Act requires a listing of all subcontractors who perform more than one-half of 1 percent of the prime contract amount.

According to the author, the current requirement of name and location is not always sufficient to determine the exact identity of the subcontractor. In large urban areas, multiple contractors could have the same or very similar names, making differentiating between them difficult or impossible.

Additionally, often times subcontractor names are easily abbreviated or replaced with acronyms on the bid list. In big cities this can lead to confusion when a search of the name and city results in multiple companies. Determining who the actual subcontractor is can be difficult without a unique identifier like a license number.

This proposed change may make it easier for interested parties to identify and ensure that subcontractors are licensed, and assist with compliance of the Act's requirements.

Date: April 5, 2013

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number:	AB 186 (Maienschein)
Status/Location:	Amended 4/01/13 – Assembly Business, Professions and Consumer Protection Committee
Sponsor:	Author
Subject:	Military Spouses: Temporary Licenses
Code Section:	Business and Professions Code Section 115.5

Summary:

This bill would:

1. Require a board within the Department of Consumer Affairs (DCA) to issue a provisional license to the spouse or partner of an active duty member of the military, if that person meets both of the following requirements:
 - (a) The applicant shall not have committed an act in any jurisdiction that would have constituted grounds for denial, suspension, or revocation of the license.
 - (b) The applicant shall not have been disciplined by a licensing entity in another jurisdiction and shall not be the subject of an unresolved complaint, review procedure, or disciplinary proceeding conducted by a licensing entity in another jurisdiction;
2. Provide that the provisional license would expire 18 months after issuance; and
3. Authorize the adoption of regulations.

Fiscal Impact for CSLB:

CSLB's Information Technology division estimates it would take 500 hours of programming to implement these changes to CSLB's existing system. Work would be performed by a Senior Programmer Analyst classification at an hourly cost of \$40.36. Total cost, with benefits (assumed at the 36 percent) would be \$27,444.80 (500 hours x \$40.36/hour x 1.36 benefits rate). Due to the current project backlog and staffing shortages, this extra workload would mean CSLB would need an additional staff person to meet the effective date deadline.

Staff Recommendation and Comments:

OPPOSE. CSLB does not believe this bill is necessary. As noted, applications for military spouses already receive expedited processing and the process for CSLB licensure is not so long as to require the need for a provisional license.

Additionally, the bill indicates that a board shall issue the provisional license at the point that the other state's verification has just been *requested*, but elsewhere says that the applicant shall not have been disciplined by another licensing entity, which will require that the verification has not only been requested but *received and reviewed*.

The bill does not mention exams, so it is not clear whether the exam is waived for the provisional license, but then required for a regular license, after the provision period ends.

The language also appears to require CSLB to issue a provisional license to an applicant from any state. However, CSLB only has limited reciprocity with three states, and those applicants must still complete the law and business exam.

AB 1904 (Block, Chapter 399, Statutes of 2012) required a board within DCA to expedite the licensure process for the spouse of an active duty member of the US Armed Forces who is stationed in California, under the following conditions:

- (a) Supplies satisfactory evidence that he or she is married to, or is in a domestic partnership or other legal union with, an active duty member of the US Armed Forces who is assigned to a duty station in California under official active duty military orders; and
- (b) Holds a current license in another state, district, or territory of the US in the profession for which he or she is seeking licensure.

CSLB did not take a position on AB 1904, as it had no significant impact on CSLB's workload.

According to the author, a recent study by the California Research Bureau found that California has around 72,000 military spouses at any given time. It is estimated that over one-third of these individuals are involved in a profession that requires some sort of licensing requirement. Working in a licensed profession can be particularly difficult for spouses of military personnel, as the process can take months after appropriate documentation has been submitted, fees paid and tests taken. This has contributed to an estimated 26 percent of military spouses being unemployed and seeking work.

CSLB does not issue provisional licenses. Staff notes that the bill uses the term provisional, which usually means a license issued with restrictions. The term temporary may be more appropriate.

Date: April 5, 2013

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number:	AB 811 (Lowenthal)
Status/Location:	Amended 4/9/13 – Assembly Judiciary Committee
Sponsor:	Underground Service Alert of Northern California and Nevada, Underground Service Alert of Southern California
Subject:	Excavations: Contractor Certification
Code Section:	Government Code Sections 4216.6

Summary:

Requires statewide information provided by operators and excavators regarding violations of excavation requirements to be posted on regional notification center websites.

Existing Law:

1. Business and Professions Code section 7110 provides CSLB the authority to discipline a contractor for failing to call a regional notification center before excavating.
2. Requires any person planning to conduct an excavation to contact a regional notification center prior to excavation.

Fiscal Impact for CSLB:

No impact.

Staff Recommendation and Comments:

WATCH. The prior version of this bill prohibited a contractor and his/her employees from performing excavation without completing an approved training program. However, as amended April 9, 2013, the bill no longer impacts the Contractors State License Board or its licensees.

Background:

Existing law requires all operators of subsurface facilities located in public rights-of-way to be members of the Underground Service Alert (USA) call center providing coverage in the area where the facilities are located. The law is intended to prevent damage to subsurface gas, electric, and communication infrastructure.

It also requires all persons digging in public rights-of-way to notify the USA and provide details at least two business days prior to the start of excavation. After receiving notice from the excavator, USA notifies owners or operators of subsurface facilities to enable them to locate and mark their facilities, or otherwise inform the excavator of the presence or absence of their facilities near the excavation location.

According to the author's office:

While the USA process is fairly straightforward, violations of existing law are very common. Many excavators fail to notify the call centers of their intent to perform excavation activity. In addition, many fail to properly excavate near the properly marked

subsurface facilities. The most significant violation is beginning excavation prior to receiving a response (markings, verbal, etc.) detailing any subsurface facilities. These violations cause millions of dollars in damages and service outages. In some cases, serious injuries and fatalities have occurred.

Date: April 11, 2013

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number:	AB 834 (Williams)
Status/Location:	Amended 4/10/13 – Assembly Judiciary Committee
Sponsor:	Author
Subject:	Energy Efficiency Standards
Code Section:	Public Resources Code Section 25402.11

Summary:

This bill authorizes the State Energy Resources Conservation and Development Commission to establish an administrative process to enforce existing regulations that establish building construction and design standards and energy and water efficiency standards.

Fiscal Impact for CSLB:

No impact.

Staff Recommendation and Comments:

WATCH. The prior version of this bill provided that a contractor's failure to comply with energy efficiency building standards constituted a cause for disciplinary action; and required the State Energy Resources Conservation and Development Commission (Energy Commission) to collaborate with the Contractors State License Board (CSLB) to identify and investigate the failure of licensees and unlicensed contractors to comply with building energy efficiency standards and to obtain building permits, and conduct an education and awareness campaign to increase knowledge of permitting requirements among contractors and consumers. It also contained findings and declarations, which appeared to infer that CSLB is not doing adequate enforcement in this area.

However, as amended April 10, 2013, the bill will not impact CSLB.

Opposition (to introduced version):

California Building Industry Association
California Business Properties Association
California Association of Realtors
California Manufacturers & Technology Association
California Chamber of Commerce

Date: April 11, 2013

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number:	AB 993 (Linder)
Status/Location:	Introduced
Sponsor:	Contractors State License Board (CSLB)
Subject:	Arbitration
Code Section:	Business and Professions Code Section 7085.5

Summary:

AB 993 will make several changes to the existing arbitration program, to clarify and improve the process for both consumers and contractors.

This Bill Would:

1. Prohibit the arbitrator from awarding specific performance of any project, and from making a determination relative to any remedy not expressly authorized under these provisions, including attorney's fees, monetary damages for personal injury, and punitive damages;
2. Eliminate a requirement in existing law that the participating parties notify the arbitrator of the convenient times and dates of the hearing;
3. Require a party making a recording of a hearing to provide a copy of the recording to the arbitrator;
4. Authorize the arbitrator to reopen a hearing prior to rendering of an award; and
5. Eliminate an existing requirement that CSLB advise the parties in an arbitration that names of industry experts may be obtained by requesting this information from the Registrar.

Fiscal Impact for CSLB:

No significant impact.

Staff Recommendation and Comments:

SPONSOR/SUPPORT. CSLB's Arbitration Program is governed by Business and Professions Code sections 7085 – 7085.9. The program provides an alternative dispute resolution process, the purpose of which is to resolve consumer complaints equitably and efficiently. Although the relevant law provides a detailed guide for the arbitration process, there are practical changes that could improve and clarify the process for both consumers and contractors.

Contractors' License Law is currently silent or lacks clarity on several pertinent issues, including the authority of arbitrators, the award of attorney fees and other civil remedies. Although these issues are now managed through internal procedures, statutory changes are needed to provide more explicit guidance for CSLB Arbitration Program participants.

This bill will be amended to provide that a party that submits a dispute to arbitration pursuant to this section waives any statutory or contractual right to recover or request attorney's fees in a civil action regarding that dispute.

Date: April 5, 2013

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: SB 261 (Monning)
Status/Location: Introduced 2/12/13 – Senate Business, Professions and Economic Development Committee
Sponsor: Contractors State License Board (CSLB)
Subject: Contractors: Fraudulent Use of License
Code Section: Business and Professions (B&P) Code Section 7114.2

Summary:

Existing Law (B&P Code section 119): makes it a misdemeanor to do any of the following:

1. Display or cause permits to be displayed or have in his or her possession either (a) a canceled, revoked, suspended, or fraudulently altered license or (b) a fictitious license or any document simulating a license or purporting to be or have been issued as a license;
2. Lend his or her license to any other person or knowingly permits the use thereof by another;
3. Display or represent any license not issued to him or her as being his or her license;
4. Fail or refuse to surrender to the issuing authority upon its lawful written demand any license, registration, permit, or certificate which has been suspended, revoked, or canceled;
5. Knowingly permit any unlawful use of a license issued to him or her;
6. Photograph, photostat, duplicate, manufacture, or in any way reproduce any license or facsimile thereof in a manner that it could be mistaken for a valid license, or display or have in his or her possession of any such reproduction unless authorized by the Business & Professions Code; or
7. Buy or receive a fraudulent, forged, or counterfeited license knowing that it is fraudulent, forged, or counterfeited.

This Bill authorizes CSLB to take administrative action for violations of B&P 119.

Fiscal Impact for CSLB:

Minor and absorbable.

Staff Recommendation and Comments:

SPONSOR/SUPPORT. Although individuals who commit violations listed in B&P Code 119 represent a risk to the public and legitimate licensees, workload considerations may prevent some district attorneys from pursuing criminal charges. Consequently, individuals who have, in fact, violated the law may avoid having a specific record of these violations since CSLB has no authority to expressly cite for them.

If this bill is enacted, it would allow CSLB to take administrative action for violations of B&P Code 119. CSLB will be permitted to issue administrative citations whether or not

these violations are pursued for criminal prosecution by a DA, thereby enabling CSLB to establish a relevant record against licensed and unlicensed individuals who commit these egregious violations.

Support:

American Subcontractors Association

California Landscape Contractors Association

California Legislative Conference of the Plumbing, Heating and Piping Industry

Golden State Builders Exchange

National Electrical Contractors Association, California Chapter

Northern California Tile Industry Joint Labor-Management Cooperation Trust

Date: March 4, 2013

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: SB 262 (Monning)
Status/Location: Amended 4/1/13 – Senate Business, Professions and Economic Development Committee
Sponsor: Contractors State License Board (CSLB)
Subject: Supervision and Control of a Contractor's Business
Code Section: Business and Professions Code Section 7068.1

Summary:

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

Existing Law:

1. Authorizes an applicant for a license to qualify the applicant's knowledge and experience with a responsible managing officer, employee, member, or manager who has certain qualifications.
2. Provides that the person qualifying on behalf of an individual or firm is responsible for exercising direct supervision and control of his or her employer's or principal's construction operations as necessary to secure full compliance with the Contractors' State License Law and CSLB regulations relating to construction operations.

Fiscal Impact for CSLB:

Minor and absorbable.

Staff Recommendation and Comments:

SPONSOR/SUPPORT. CSLB has determined that many qualifiers do not perform the direct supervision and control duties as required under the law. In fact, CSLB has encountered several cases where "retired" licensees are serving as a responsible managing officer (RMO) on a corporate license for a monthly fee, but have no direct involvement in the construction and business activities. CSLB has filed accusations against licensees for these violations. Multiple consumers filed complaints against the licensees, and the investigations determined that the RMOs were unaware of the projects as well as the illegal and fraudulent acts being committed by the officers running the corporations. Consumers suffered significant financial injury that far exceeded the \$12,500 contractor bond.

Existing law requires CSLB to prove that a qualifier did not provide sufficient supervision and control, AND that a violation of the Contractors' Law occurred. If successful in proving the qualifier's failure to comply with his/her statutory duty, CSLB can take disciplinary action against the license but does not have authority to take any action directly against the qualifier who has failed to exercise his/her duties, regardless of the harm or potential harm to consumers.

Additional Amendment Needed

The April 1 amendments inadvertently delete a sentence from existing law that will need to be replaced.

Support:

Associated General Contractors
California Legislative Conference of the Plumbing, Heating and Piping Industry
Golden State Builders Exchange
National Electrical Contractors Association, California Chapter
Northern California Tile Industry Joint Labor-Management Cooperation Trust

Date: April 3, 2013

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: SB 263 (Monning)
Status/Location: Amended 4/1/13 – Senate Business, Professions and Economic Development Committee
Sponsor: Contractors State License Board (CSLB)
Subject: Unlicensed Activity
Code Section: Business and Professions Code (BPC) Section 7028, 7031, 7114, 7118

Summary:

This bill:

1. Specifies that it is a misdemeanor for a person to act as a contractor if that person has never been licensed or if that person was licensed but performed work under a license that was inactive, expired, revoked, or under suspension for any reason;
2. Repeals the existing BPC 7031, which prohibits a contractor from seeking to recover payment for work performed on a contract if he/she was unlicensed at any point during performance of the work;
3. Instead, provides that if a contractor was licensed at the time a contract is executed, but subsequently works out of class, or under a suspended, inactive, or expired license, he/she may seek to recover compensation for work performed during the period in which he/she was properly licensed; and
4. For purposes of existing law, which makes it a cause for disciplinary action to aid an unlicensed person to evade licensing requirements, defines “unlicensed person” to apply only to a person that has never been licensed, or has performed acts under a license that was inactive, expired, revoked, or under suspension for any reason.

Fiscal Impact for CSLB:

Minor and absorbable.

Staff Recommendation and Comments:

SPONSOR/SUPPORT.

Some contractors are continuing to contract with consumers even though their contractor licenses have either expired, been suspended or have been renewed as an inactive license. In addition, some licensed contractors are aiding and abetting these individuals by entering into subcontract agreements with them. BPC sections 7114 and 7118 allows the Registrar to discipline a contractor for doing business with an “unlicensed” contractor, but do not adequately address a situation wherein a licensed entity enters into a contract with a licensee whose license is suspended or inactive.

Currently, anyone who hires an unlicensed contractor can sue to recover compensation for the amount of the entire contract, regardless of whether the person or entity had knowledge that the contractor was unlicensed and the quality of work performed. This can allow a person or entity to potentially have a large-scale project completed without

any payment, even if there are no problems with the quality of the work performed. While the contractor would certainly be penalized, subcontractors and suppliers may also go without payment, due to circumstances over which they had no control.

CSLB is sponsoring this bill to accomplish two of CSLB's strategic objectives, to (1) identify ways to simplify laws in order to allow more contractors to practice/work; and (2) limit restrictions where possible in order to make it easier for applicants and licensees to comply with contracting laws. CSLB believes this proposal, by clarifying the law, benefits consumers, as well as aids contractors in receiving money owed for work and services rendered while properly licensed. This change will benefit all parties by clearly stating that contractors who are unlicensed at the time a contract is signed are not entitled to any payment for work performed under that contract. Consumers will know when they need to pay and when they do not, rather than having the standard vary on a case-by-case basis, depending on a court's interpretation.

Support:

Associated General Contractors

California Legislative Conference of the Plumbing, Heating and Piping Industry

National Electrical Contractors Association, California Chapter

Date: April 3, 2013

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number:	SB 822 (Committee on Business, Professions and Economic Development)
Status/Location:	Introduced 3/20/13 - Committee on Business, Professions and Economic Development
Sponsor:	Author
Subject:	Delinquency Fee
Code Section:	Business and Professions Code Section 7114 and 7141

Summary:

This bill makes two changes pertaining to the Contractors State License Board (CSLB):

1. Deletes an unnecessary code reference in the section of law that prohibits a licensee from aiding or abetting an unlicensed person to evade licensing requirements; and
2. Provides that an incomplete renewal application that had originally been submitted on or before the license expiration date shall be returned to the licensee with an explanation, and the licensee shall have 30 days to correct and resubmit, and shall not be required to pay the renewal delinquency fee.

Fiscal Impact for CSLB:

Pending.

Staff Recommendation and Comments:

SUPPORT. Under current law, CSLB does not have the authority to waive the delinquency fee. Licensees in these circumstances are making a good faith effort to complete their renewal on time and should not be penalized with a delinquency fee.

Date: April 5, 2013

AGENDA ITEM F

Program Updates



AGENDA ITEM F-1

Licensing Update





CONTRACTORS STATE LICENSE BOARD

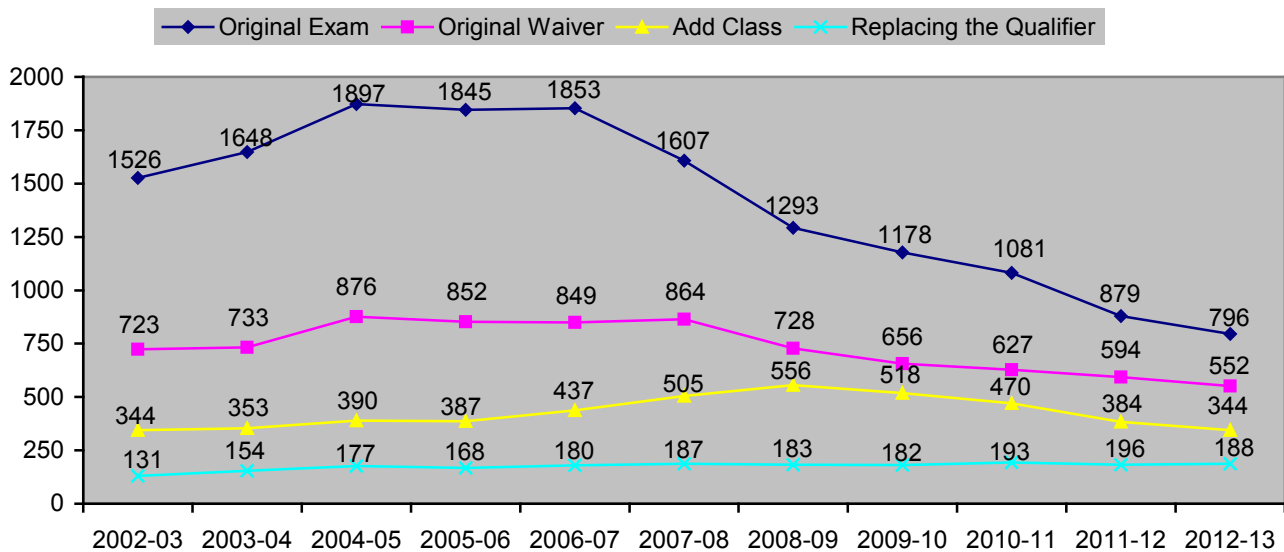
LICENSING PROGRAM UPDATE

License Application Workload

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

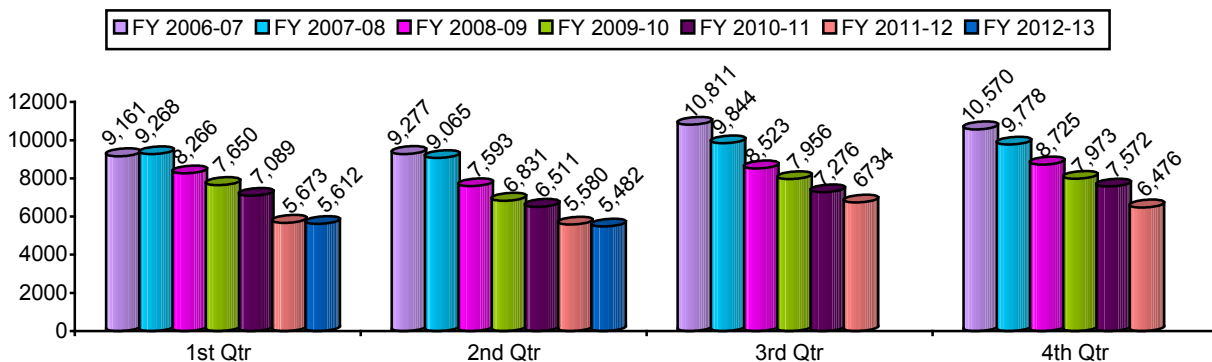
The number of applications received continues to decline due to the economic recession and housing downturn. The average number of original applications received per month for FY 2011-12 is down 8 percent from the overall average for FY 2010-11.

AVERAGE NUMBER OF APPLICATIONS RECEIVED PER MONTH



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

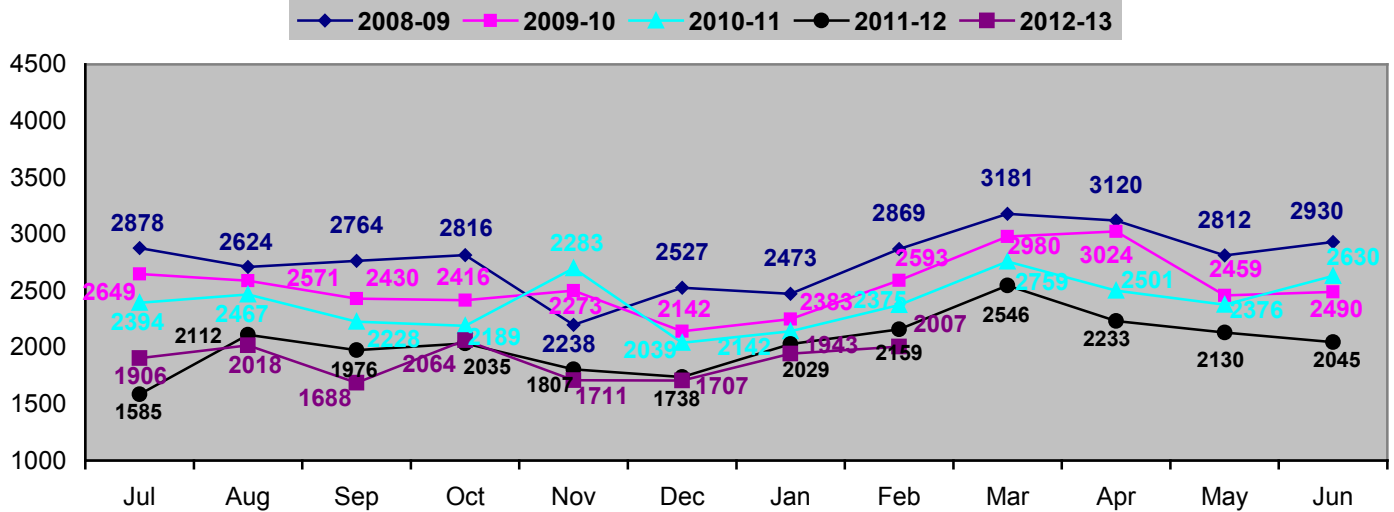
COMPARISON OF APPLICATIONS RECEIVED PER QUARTER
(Original Exam, Original Waiver, Add Class, Replacing the Qualifier)



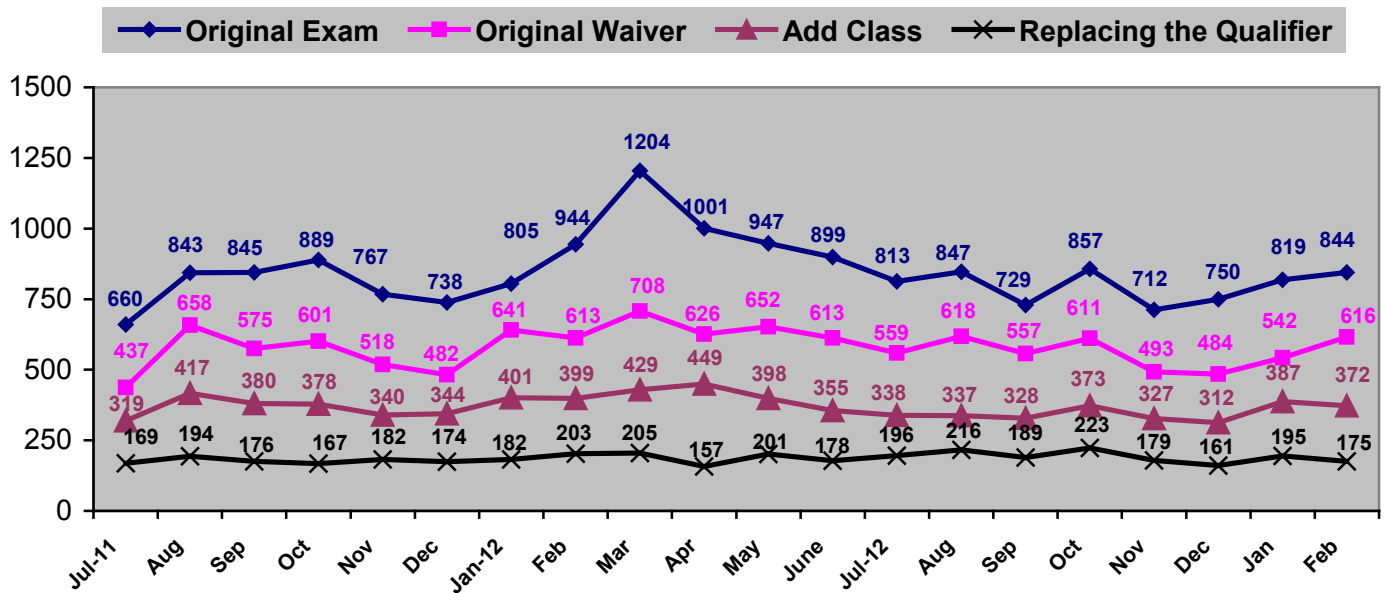
Decrease of 14% for total applications received for 2011-12 as compared with 2010-11



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



NUMBER OF APPLICATIONS RECEIVED





Limited Liability Companies (LLCs)

A new law (SB 392) that authorized CSLB to issue licenses to LLCs became effective January 1, 2012. During the first year of implementation, 169 LLC licenses were issued.

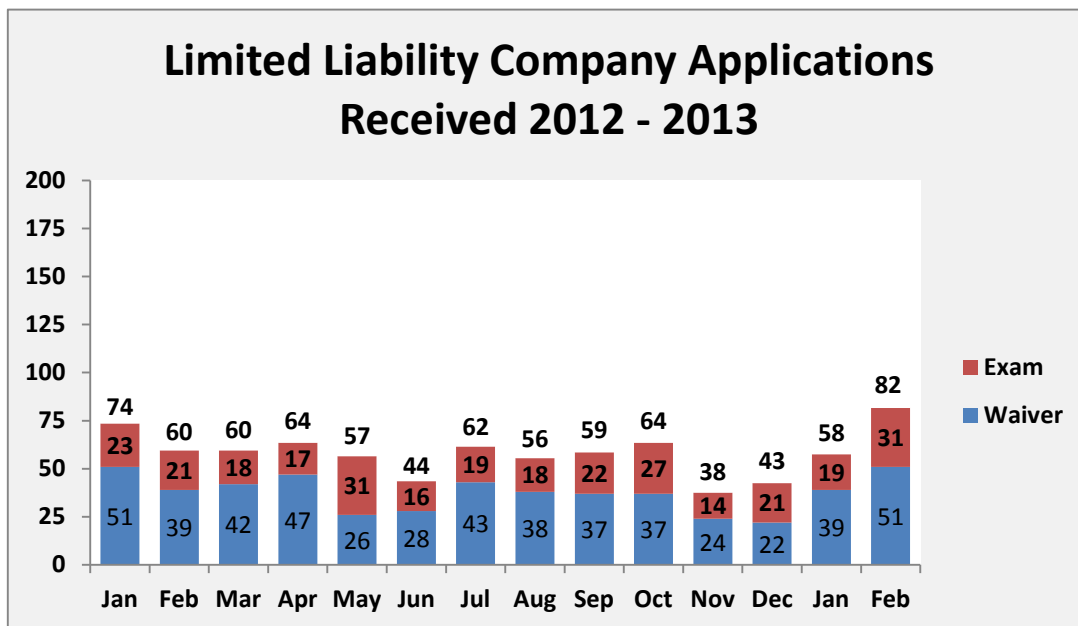
The legislation noted that contractors have been allowed to operate as corporations, and to be designated as “S” or “C” corporations for many years, with well-established case law regarding the ability to “pierce the corporate veil.” It was the intent of the Legislature to also apply this doctrine to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

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

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

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

The chart below illustrates the number of LLC applications received from January 1, 2012, through February 28, 2013.



**LLC APPLICATION PROCESSING — FY 2012-13**

	Exm	Wvr	Exm	Wvr	Exm	Wvr	Exm	Wvr	Exm	Wvr	Exm	Wvr	Exm	Wvr	Exm	Wvr
Received	19	43	18	38	22	37	27	37	14	24	21	22	19	39	33	51
Rejected	16	27	14	27	17	28	20	25	10	11	11	9	9	14	25	33
Issued as Submitted	0	1	0	1	0	5	0	1	0	2	0	2	0	10	0	1
Post & Schedule Exam no reject	2	0	0	0	1	0	2	0	0	0	6	0	5	0	1	0
Post & Schedule Exam after reject	1	0	2	0	4	0	5	0	4	0	4	0	5	0	4	0
Post, Bond & Fee Sent, no reject	0	4	0	5	0	3	0	3	0	2	0	3	0	7	0	10
Post, Bond & Fee Sent after reject	0	6	0	4	0	1	0	8	0	8	0	6	0	7	0	6
App Void or Withdrawn	0	5	2	1	0	0	0	0	0	1	0	2	0	1	2	0
App Not Processed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB	

The Most Common Reasons for Rejection:

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

Of the 807 LLC applications received through February 28, 2013, 220 limited liability company contractors' licenses have been issued. As shown by the chart above, the most common reasons for rejection continues to be staff's inability to confirm the required LLC business name and/or LLC registration number provided by the Office of Secretary of State and match the name(s) title(s) and total count of LLC personnel. SOS is still experiencing a delay in entering Statements of Information (SOI) into its database. This four-month backlog is beyond CSLB's control. The SOI information is required for processing the LLC application: It provides staff with the total number and names of LLC personnel, crucial in determining the appropriate amount for the LLC liability insurance requirement (between \$1 million and \$5 million). SOS offers expedited 24-hour processing of SOI for an additional fee.

**Workers Compensation Recertification**

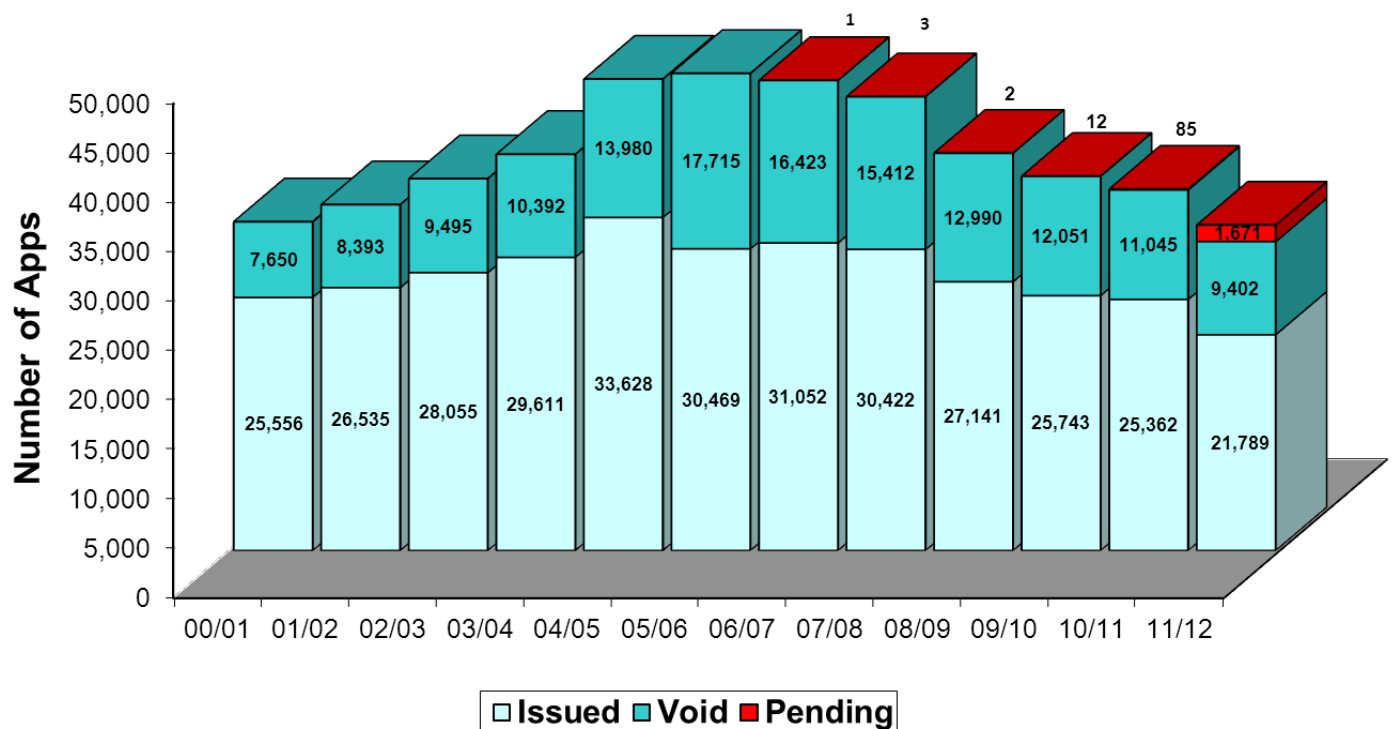
Business & Professions Code § 7125.5 (Assembly Bill 397) took effect on January 1, 2012. This new law requires, at the time of renewal, that an active contractor licensee with an exemption for workers' compensation insurance on file with CSLB to either recertify the licensee's exemption or to provide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

In January 2013, Licensing implemented the requirements of the new law, effective for licensees expiring March 31, 2013, by sending notification to approximately 8,000 currently exempt licensees.



Disposition of Applications by Fiscal Year Teale Report S724: Run Date 03-01-2013

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



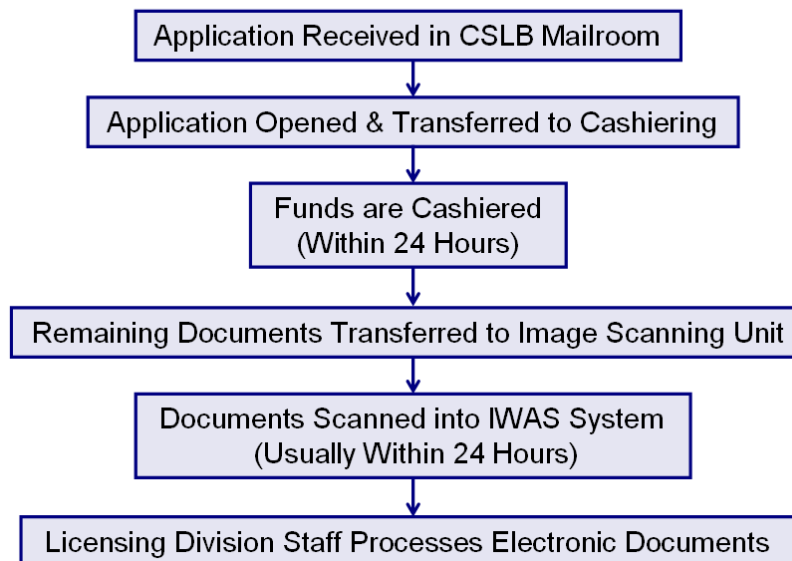
CSLB management continues to monitor processing times for the various units on a weekly and monthly basis. The charts on pages 15-18 track the “weeks to process” for the various application and license maintenance/transaction units.

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

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



CSLB Application Processing Route



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

Fingerprinting/Criminal Background Unit

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

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

Since the fingerprint program began, CSLB has received more than 273,000 transmittals from DOJ. These include clear codes and conviction information.



Of the applicants who were fingerprinted during that time period, CSLB's Criminal Background Unit (CBU) received CORI for more than 48,000 applicants. That means DOJ and/or the Federal Bureau of Investigation reported that the individual had a criminal conviction(s) on record.

As a result of CORI files received through February 28, 2013, CBU denied 1,139 applications and issued 1,272 probationary licenses. Of the denied licenses, 571 applicants appealed their denials.

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

Below is a breakdown of CBU statistics by fiscal year:

Criminal Background Unit Statistics										
	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	TOTALS
DOJ Records Received	9,524	58,007	46,735	39,361	35,220	27,330	24,730	18,805	13,077	274,386
CORI RAPP Received	949	8,410	8,057	6,484	6,253	5,254	5,201	3,997	2,696	48,598
Denials	224	219	237	88	76	63	108	70	46	1,139
Appeals	71	113	130	45	47	29	62	39	26	571
Probationary Licenses Issued	0	0	126	290	206	203	243	146	46	1,272

Licensing Information Center (LIC)

Call Center Workload

The volume of incoming calls during the fourth quarter of 2012 (calendar year) increased approximately 7.8 percent compared with the fourth quarter of 2011. Call wait times and abandoned calls marginally increased. This can be attributed to the higher call volume, backlogs in workers' compensation processing, and time dedicated to train new staff.

Time Period	Incoming Calls	Wait Time	Abandoned Calls
Oct – Dec 2011	32,009	4:59	9%
Oct – Dec 2012	34,496	6:24	11%

LIC expects call volume to increase at the beginning of each quarter due to the large influx of contractor workers' compensation policy renewals. Workers' compensation processing backlogs create additional calls and negatively affect call wait times. Once the backlogs are eliminated, call volumes are expected to return to normal levels.

***Staffing Update***

LIC has recruited and filled its remaining Program Technician II vacancies (one call center position is pending approval). The front counter's longtime supervisor, Michelle Desmangles, retired in April 2013 after 35 years at the Board. LIC is currently recruiting a new front counter supervisor and hopes to make the final selection in May 2013. The call center has retained two part-time retired annuitants who work during peak call hours (10 a.m.–2 p.m.). Both retired annuitants have previously worked in CSLB's call center and are trained on CSLB laws and policies. LIC will continue to recruit the most qualified Program Technician IIs to fill remaining vacancies.

LIC previously had four student assistants who provided support in a number of areas, including assisting customers at the front counter, handling return mail, processing forms and publication requests, research, and special projects. Due to a side letter agreement with the Service Employees International Union (SEIU), all LIC student assistant positions were eliminated August 30, 2012. This has posed new challenges for LIC as the student assistant workload has been shifted to full-time staff. LIC has hired one seasonal clerk to help with the increased clerical workload.

Increased Training

LIC continues to strive to provide timely, efficient, and professional services to its customers. In working toward this goal, LIC established a position to serve as a trainer and expert resource to other LIC staff. On July 23-25, 2012, LIC held a Board Orientation and Licensing Training program for 30 new employees. The training proved to be an effective way to provide new employees with an in-depth look at CSLB and the roles of the various units. LIC wants to stage another orientation for new employees during the second quarter of 2013.

CSLB's Classification Deputy also has set up bimonthly classification training for call center and front counter employees.

Call Center Processing

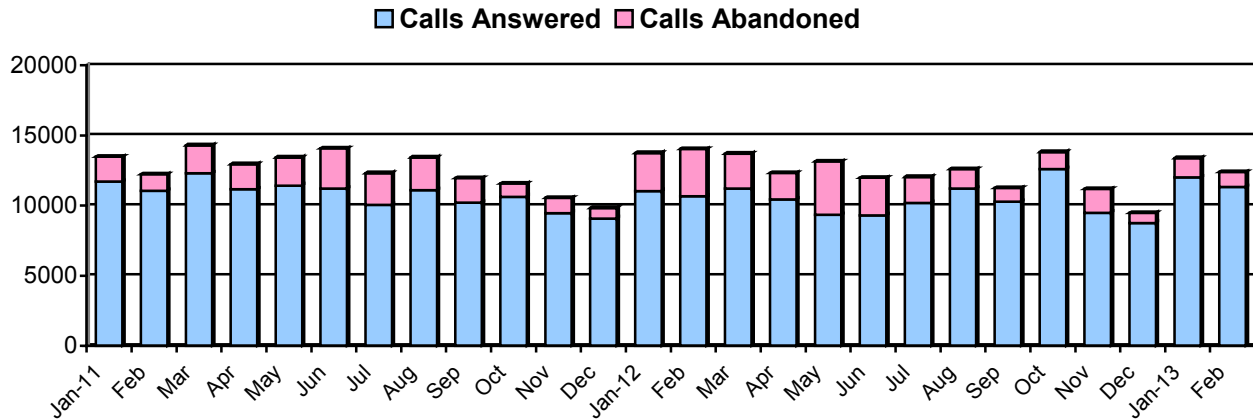
A call center processing email inbox (callcenterprocessing@cslb.ca.gov) has been established as a full-service resolution program for licensees who need their licenses updated to satisfy a suspension or to avoid a suspension. These are urgent matters that often require immediate resolution. In certain circumstances, this capability has kept contractors working and enabled them to pull local building permits. Having this processing capability allows these matters to be resolved on the spot and prevents these types of callers from being transferred to other processing units. Additionally, the call center now has the ability to scan and email renewal applications to licensees whose licenses are due to expire within the month. Requests are processed within 24-48 hours at the call center level, and licensees have been pleased with the increased level of service.

LIC must dedicate staffing resources to keep up with the urgent processing requests, which may temporarily affect call wait times. However, taking care of these requests



within 24 hours ultimately helps decrease call volume because licensees do not need to call back numerous times to check the status of their processing request.

Licensing Information Center Call Data



	Jan 2012	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb
Calls Received	13,698	14,042	13,705	12,337	13,150	11,985	12,044	12,061	11,259	13,821	11,202	9,473	13,385	12,399
Calls Answered	11,036	10,667	11,220	10,427	9,334	9,309	10,176	11,211	10,271	12,598	9,485	8,758	12,000	11,327
Calls Abandoned	2,714	3,372	2,484	1,903	3,815	2,675	1,867	1,386	987	1,223	1,702	715	1,383	1,072
Longest Wait Time	25:20	39:00	26:14	16:17	27:22	22:44	16:29	16:41	13:20	11:04	19:39	13:27	16:17	13:54
Shortest Wait Time	4:41	4:03	2:47	2:54	7:29	6:02	3:10	1:37	1:42	0:59	2:15	0:10	2:50	1:27
Average Wait Time	7:44	14:38	8:49	8:59	16:33	9:49	9:03	6:07	4:56	5:24	9:11	4:49	6:12	5:45



Judgment Unit

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

Outstanding liabilities are reported to CSLB by:

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

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

Payments of claims are reported to CSLB by:

- Bonding companies

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

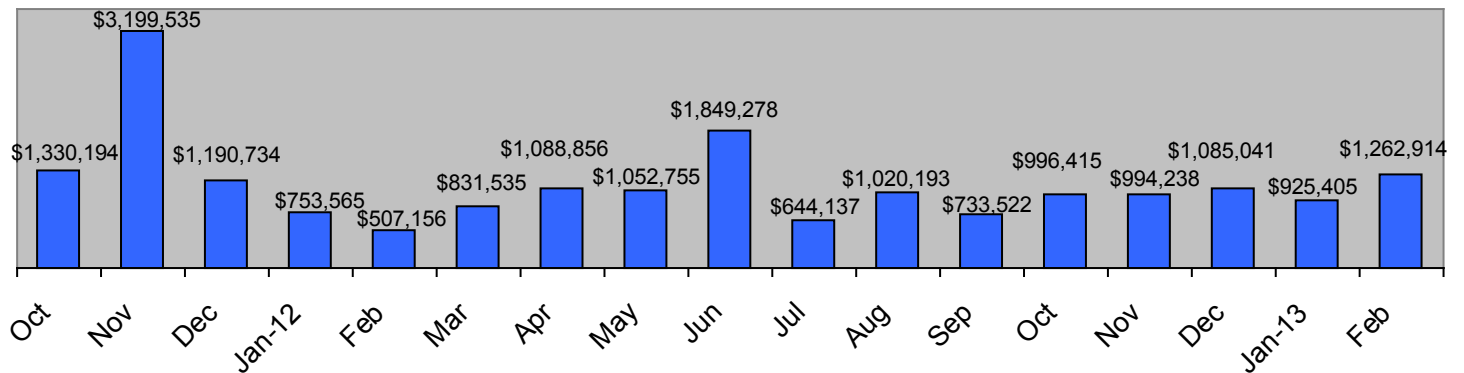
If compliance is not obtained within the allowed time frame, the license is suspended and a suspend letter is sent to the contractor. A reinstatement letter is sent upon compliance.



OUTSTANDING LIABILITIES

Letter Type Sent	Oct	Nov	Dec	Jan 2012	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb
Initial	48	71	174	98	56	52	39	56	48	69	80	54	114	67	33	98	45
Suspend	64	42	89	79	66	53	52	48	35	45	42	56	88	46	68	79	29
Reinstate	41	32	117	48	35	32	48	44	31	35	32	35	98	24	28	48	29

SAVINGS TO THE PUBLIC

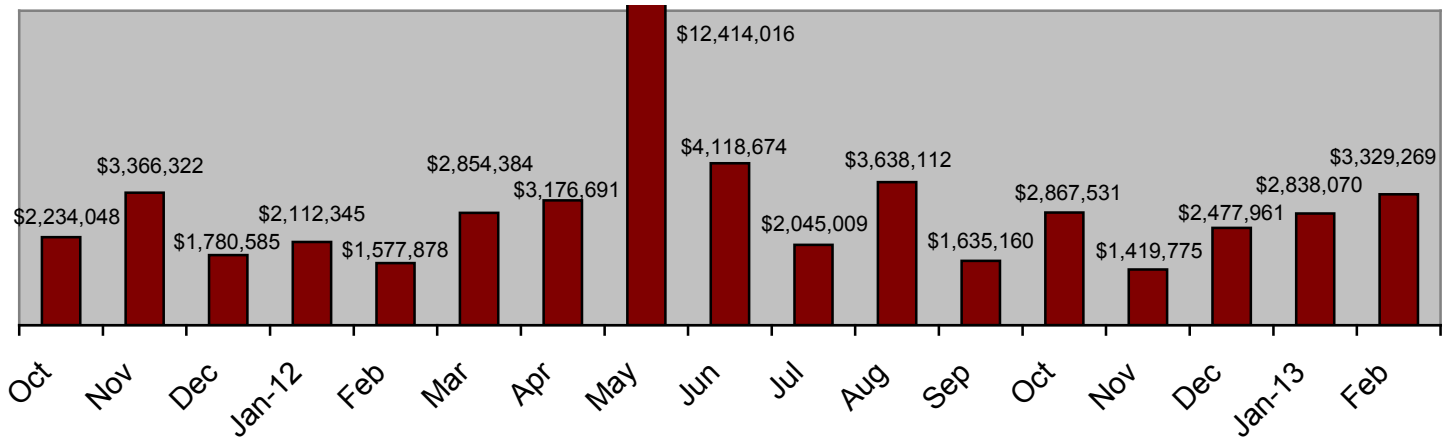




JUDGMENTS

Letter Type Sent	Oct	Nov	Dec	Jan 2012	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb
Initial	219	170	192	186	177	204	190	188	180	185	184	158	224	132	166	164	145
Suspend	84	81	93	85	74	79	75	75	64	70	75	65	79	62	87	76	56
Reinstate	162	132	127	156	153	169	194	165	163	173	158	107	172	113	119	142	135

SAVINGS TO THE PUBLIC

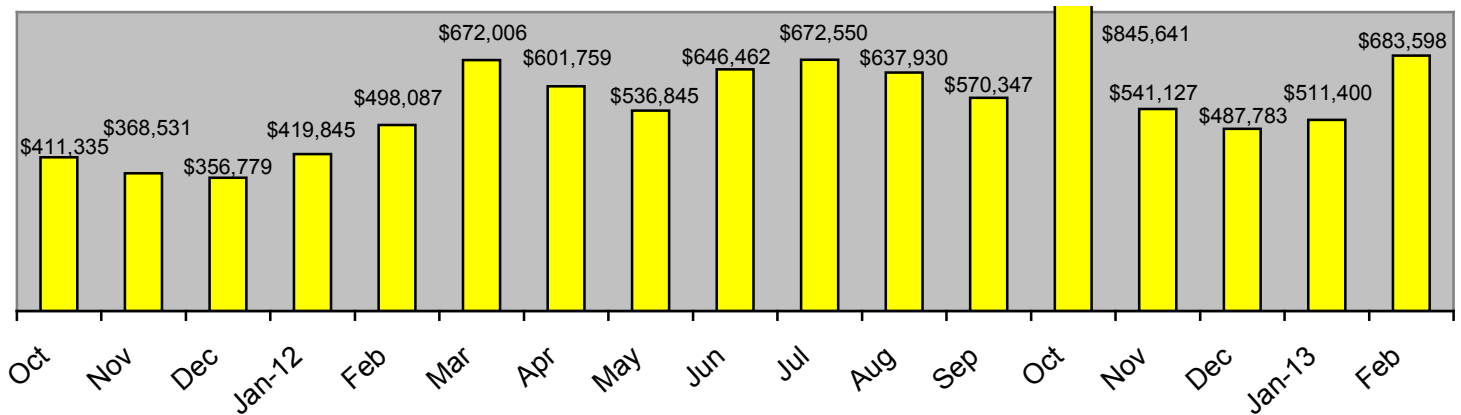




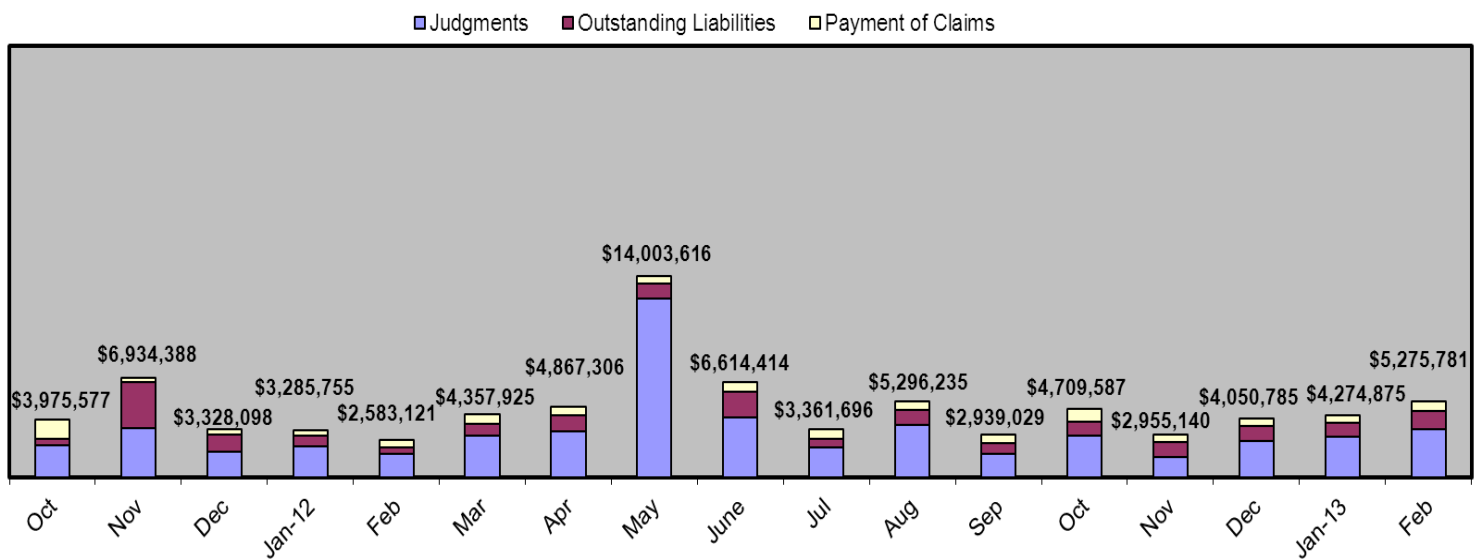
PAYMENT OF CLAIMS

Letter Type Sent	Oct	Nov	Dec	Jan 2012	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2013	Feb
Initial	224	155	152	106	124	241	165	150	223	146	220	209	170	105	197	105	127
Suspend	139	103	86	174	99	103	92	87	127	113	71	128	79	113	120	98	35
Reinstate	84	78	85	87	116	130	124	112	119	128	125	111	139	97	99	107	126

SAVINGS TO THE PUBLIC



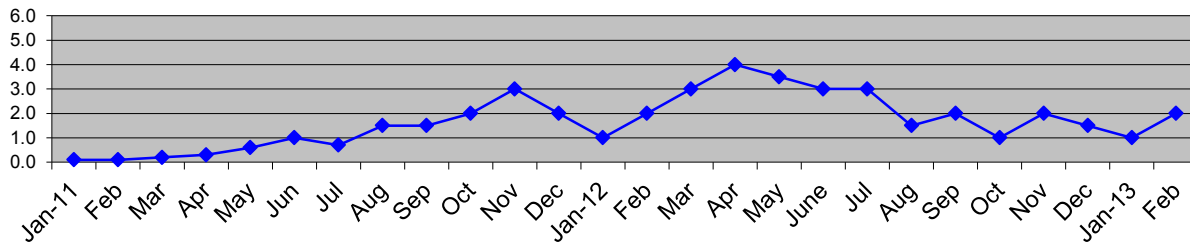
TOTAL SAVINGS TO PUBLIC



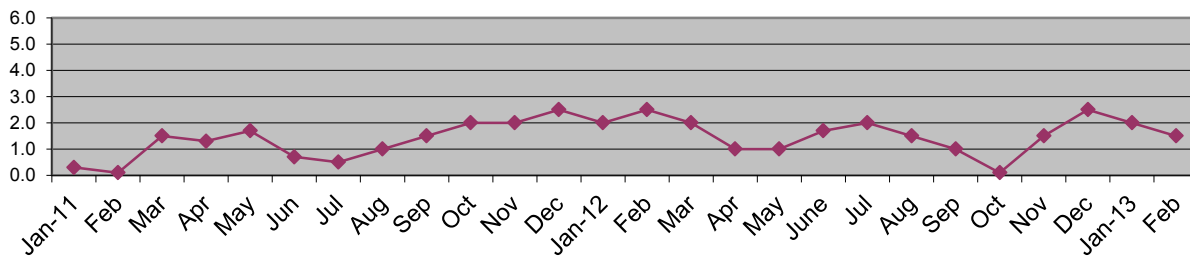


Number of Weeks Before Being Pulled for Processing

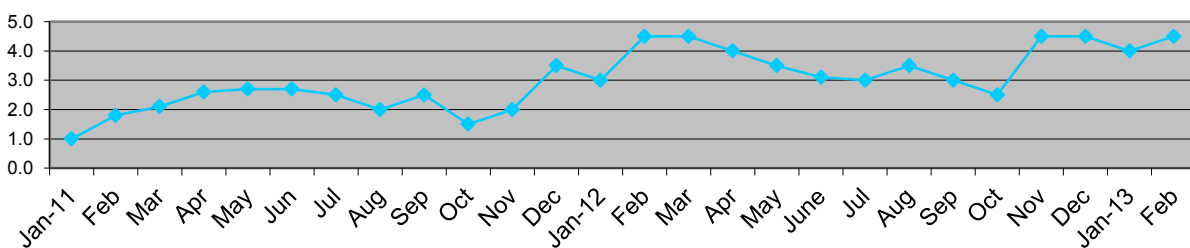
Application for Original License - Exam



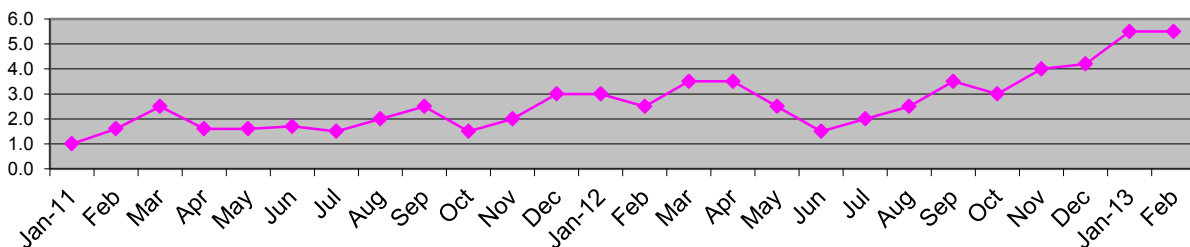
Application for Original License - Waiver



Application for Additional Classification



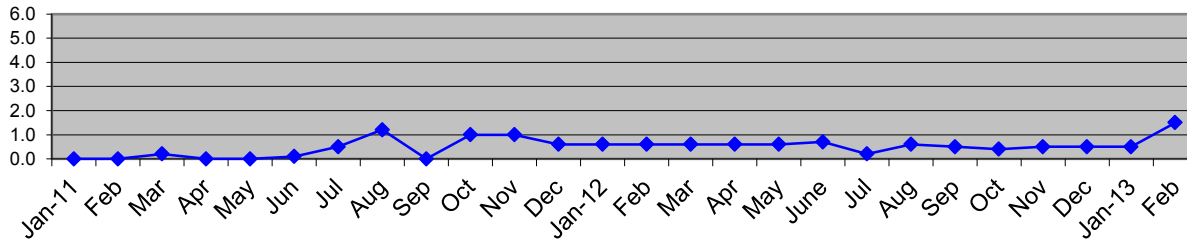
Application to Replace the Qualifier



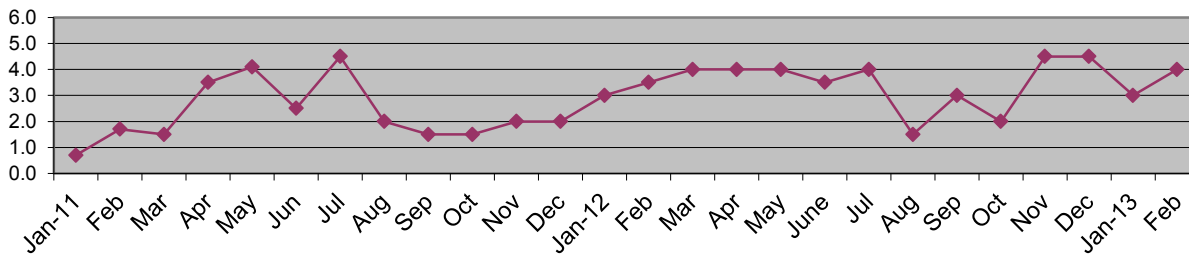


Number of Weeks Before Being Pulled for Processing

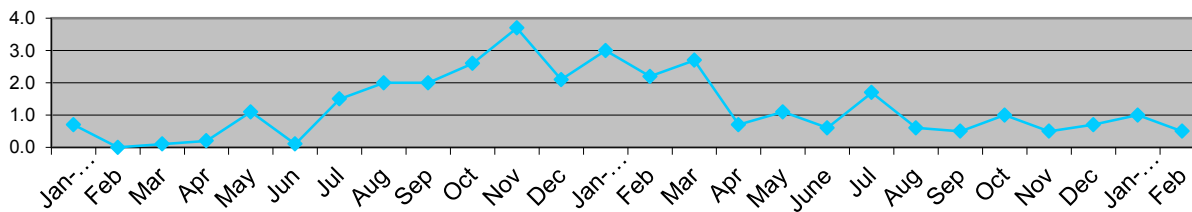
Application for Renewal



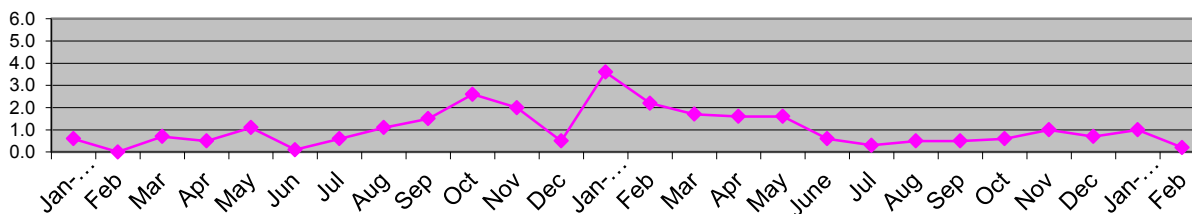
Home Improvement Salesperson (HIS) Application



Application to Report/Change Officers



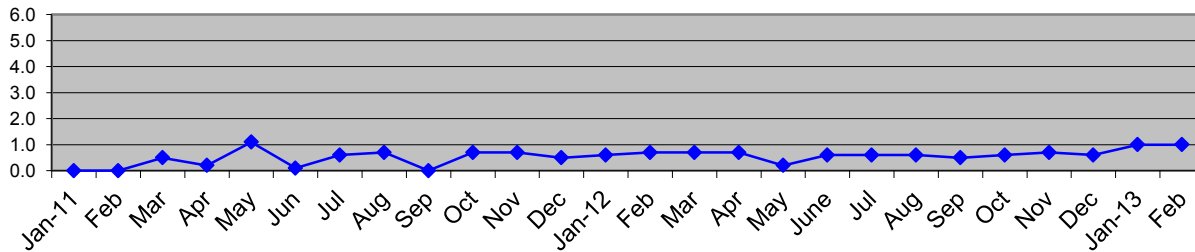
Application to Change Business Name or Address



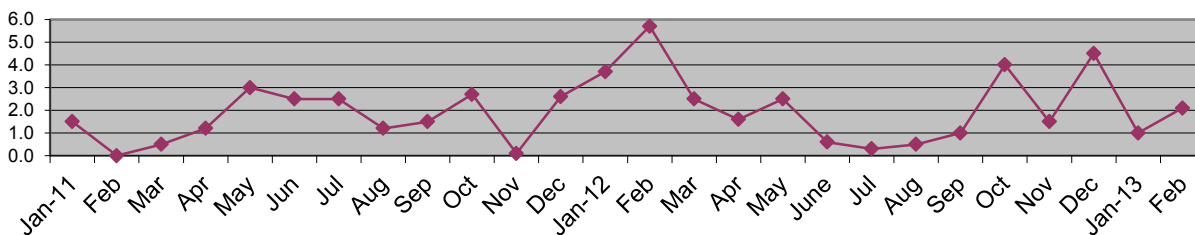


Number of Weeks Before Being Pulled for Processing

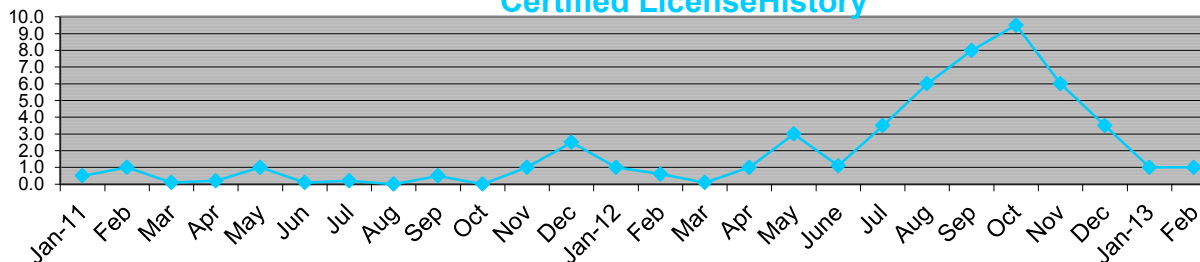
Contractor's Bond and Bond of Qualifying Individual



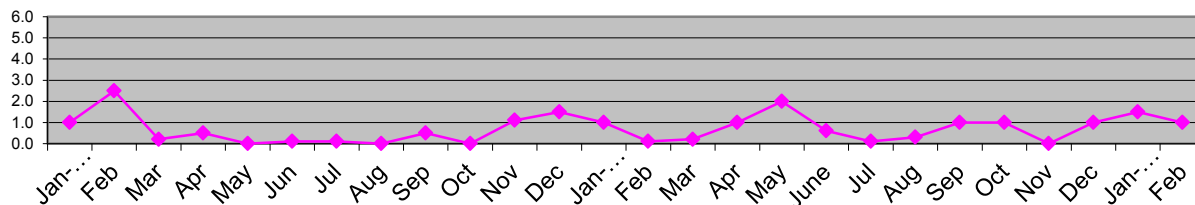
Workers' Compensation Certificates and Exemptions



Certified LicenseHistory

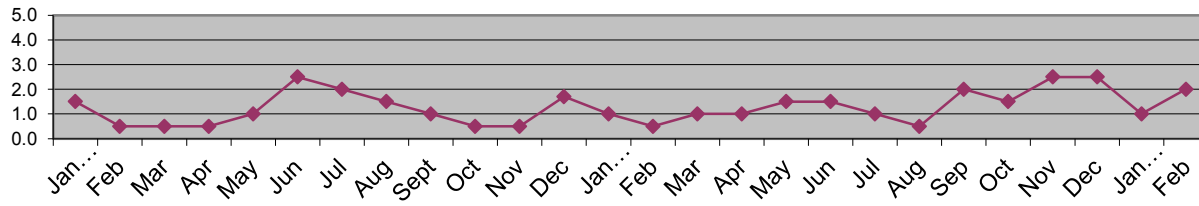


Request for Copies of Documents





Criminal Background Unit - CORI Review



AGENDA ITEM F-2

Testing Update

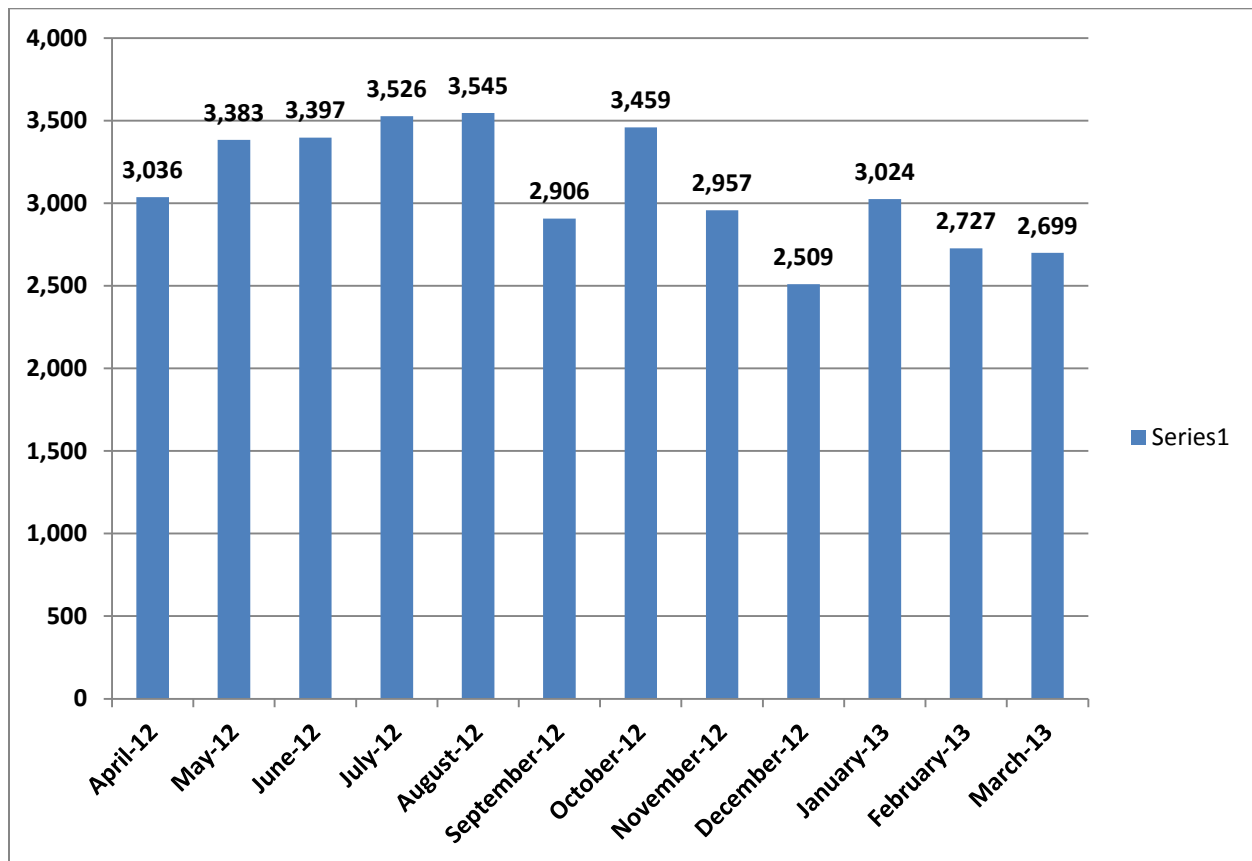




Examination Administration Unit

The Examination Administration Unit (EAU) is responsible for administering CSLB's 45 examinations at eight computer-based testing centers. The following chart shows the number of examinations scheduled at all testing centers for the last 12 months.

Number of Examinations Scheduled April 2012 - March 2013



Examination Administration Staffing

We are in the process of selecting an individual for the vacant Associate Governmental Program Analyst position. This position is responsible for conducting testing center audits, writing the EAU policy and procedure manual, maintaining applicant study guides, and handling applicant appeals.

We also have one test monitor vacancy in the San Jose Testing Center, and one employee on maternity leave. Due to the current low number of applicants who are taking tests, we have decided to wait to hire a new test monitor until the existing employee returns from maternity leave in June. We have reduced the testing center hours to two days per week, staffed with part-time proctors. Applicants who live closer to



the Bay Area have been reassigned to the Oakland Testing Center. All other testing centers are fully staffed with two test monitors.

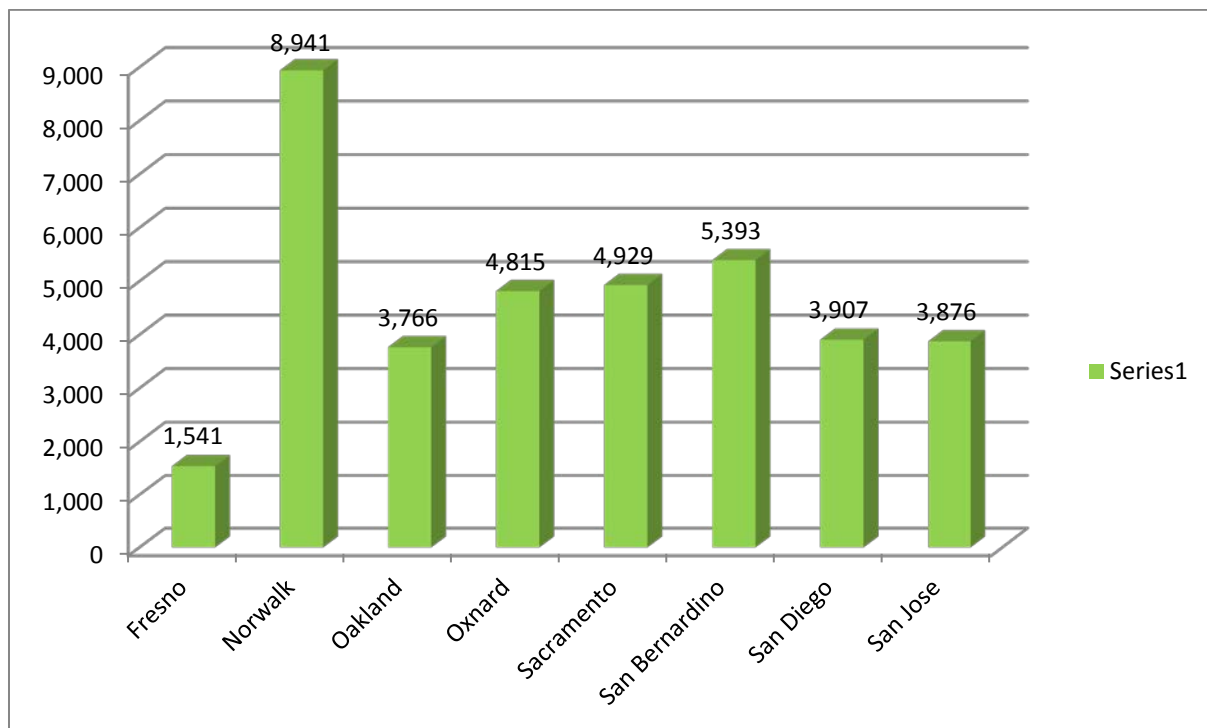
Testing Center Status

CSLB maintains eight testing centers:

1. Sacramento
2. Oakland
3. San Jose
4. Fresno
5. Oxnard
6. Norwalk
7. San Bernardino
8. San Diego

The Testing division is working with the Department of General Services to relocate the Oakland testing center to an office in Berkeley. The new office building is occupied by the Department of Toxic Substances Control and Cal/EPA. The move is tentatively scheduled for October. The following chart shows the number of examinations scheduled at each testing center for the last 12 months.

Number of Examinations Scheduled by Testing Centers April 2012 - March 2013



Examination Wait Time

The wait time for an examination date is three weeks statewide. On any given day, walk-in applicants have an excellent chance of finding an available seat in any CSLB testing center, with the exception of San Jose. The San Jose testing center is temporarily open only on Tuesdays and Wednesdays. There is a sign on the door notifying applicants of the new schedule.

Examination Development Unit

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

Examination Development Unit Staffing

The Testing division still has one vacant testing specialist position in the Examination Development Unit. This is a very specialized position that is difficult to recruit. One qualified applicant has been identified for this position, and we are moving forward with the hiring process.

Occupational Analysis and Examination Development Workload

The examination development process involves two phases: occupational analysis and new examination development, and must be completed every five to seven years for each of CSLB's examinations. The occupational analysis phase determines what information is relevant to each contractor classification, and in what proportions it should be tested. The new examination development phase involves reviewing and revising the existing test questions, writing new test questions, and determining the passing score for the new examination.

The EDU has completed a new examination for the C-46 Solar classification. The table that follows indicates occupational analysis and examination development projects currently under way:

Occupational Analyses in Progress	New Examinations in Progress
C-5 Carpentry	C-34 Pipeline
C-28 Lock & Security Equipment	C-45 Signs
C-38 Refrigeration	C-50 Reinforcing Steel
C-60 Welding	C-55 Water Conditioning
	C-57 Well Drilling
	Hazardous Certification

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

**Ongoing Consumer Satisfaction Survey**

The Testing division 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 on 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. The 2012 closed complaints report has just been completed.

AGENDA ITEM F-3

Enforcement Update





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PROGRAM UPDATE

INTAKE / MEDIATION CENTERS (IMC)

IMCs

**Financial Settlement Amount
FY 12-13 (July- February)**

• \$ 5,421,853.53

INVESTIGATIVE CENTERS (ICs)

ICs

**Financial Settlement Amount
FY 12-13 (July- February)**

• \$ 2,452,071.93

STATEWIDE INVESTIGATIVE FRAUD TEAM (SWIFT)

During 2012, SWIFT conducted many successful undercover sweep and sting operations, and developed new strategies and partnerships to combat the underground economy as follows:

- **STINGS / SWEEPS**

Each month, undercover sting and sweep operations are conducted throughout the state. During 2012, SWIFT conducted 273 sting and sweep days, resulting in more than 1,491 legal actions, including NTAs and citations.

- SWIFT performed 82 sting days during 2012, partnering with law enforcement, DAs, building departments and code enforcement officials, industry leaders, and other state agencies. The sting operations targeted unlicensed repeat offenders and wanted criminals working in the construction industry.
- SWIFT conducted 191 sweep days at active construction sites during 2012.

The extensive efforts to combat unlicensed operators resulted in SWIFT achieving the following:

764	Suspects received NTAs for contracting without a license, illegal advertising, and workers' compensation (WC) insurance violations.
693	Licensed and unlicensed individuals received administrative citations for licensure, advertising, aiding and abetting, and WC violations.

**CASE MANAGEMENT****FISCAL YEAR 2012-2013**

CITATIONS ISSUED		
	Licensee	Non-Licensee
Citations Issued	458	538
Citations Appealed	190	221
Citation Compliance	275	256
MANDATORY SETTLEMENT CONFERENCES		
Scheduled	161	
Settled	103	
Civil Penalties Collected	\$586,103	
Total Savings to the Public	\$774,434	

ARBITRATION	
Arbitration Cases Initiated	272
Arbitration Decisions Received	248
Licenses Revoked for Non-Compliance	52
Arbitration Savings to the Public – Restitution	\$963,119.10
ACCUSATIONS / STATEMENT OF ISSUES	
Revocations by Accusation (Applicants Revoked)	270
Restitution for Accusations	\$94,475.00
Statement of Issues (Applicants Denied)	35
Cost Recovery Received	\$105,119.82
Number of Cases Opened	292
Number of Accusations/Statement of Issues Filed	197
Number of Proposed Decisions Received	61
Number of Stipulations Received	54
Number of Defaults Received	102
Number of Decisions Mailed	247

**GENERAL COMPLAINT-HANDLING STATISTICS**

It has been determined that a manageable level of pending complaints for all current CSLB staff is **4,290**. As of February 2013, the pending caseload was **3,240**.

The Board objective is for ERs assigned to the nine Investigative Centers (ICs) to investigate and appropriately disposition nine complaints per month (10 per month when furloughs are eliminated). The maximum working case load for ERs has been established at 40 per ER. CSLB has 66 ERs; therefore, the nine ICs have the capacity for 2,640 open complaints. As of March 1, 2013, ICs had a total of 2,043 complaints open and under investigation.

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

The following chart outlines how CSLB determines manageable caseloads:

Job Classification	Current Number of Staff	Closure Goal per Month	Preferred Cycle Time (months)	Maximum Caseload per ER	Maximum Number of Cases per Classification
ERs	66	9	4	40	2,640
CSRs	33	30	2	50	1,650
TOTAL					4,290

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

- **MAINTAIN ER 1 PRODUCTION OF CLOSING 10 COMPLAINTS PER MONTH**
Pursuant to elimination of furlough days and implementation of a personal leave day, the Board increased the average number of complaints closed per ER to nine closures per month. In February 2013, ERs closed an average of 10 complaints.
- **INCREASE THE PERCENTAGE OF LICENSEE COMPLAINTS SETTLED TO 30 PERCENT**
Licensee complaints settled in February 2013 averaged 35 percent.
- **ACCOMPLISH IMC LICENSEE COMPLAINT DISCLOSURE OF 70 PERCENT**
The licensee disposition average in February 2013 was 67 percent.
- **REDUCE 270-DAY-OLD COMPLAINTS TO 100 OR LESS**
Staff's effective management of pending complaints has resulted in consistently maintaining the Board's goal. At the end of February 2013 there were only 91 aged cases.

AGENDA ITEM F-3A

Review and Approval of March 26, 2013, Enforcement Committee Summary Report





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT COMMITTEE SUMMARY REPORT

ENFORCEMENT COMMITTEE MEETING

March 26, 2013

Sacramento, CA

A. CALL TO ORDER

Enforcement Committee Chair David Dias called the Enforcement Committee meeting to order at 1:00 p.m. in the John C. Hall Hearing Room, located at CSLB Headquarters, 9821 Business Park Drive, Sacramento, California.

Enforcement Committee Members Present:

David Dias, Chair
Pastor Herrera
Ed Lang
Jim Miller
Frank Schetter

Enforcement Committee Members Not Present:

Matt Kelly

Other Board Members Present:

Joan Hancock
John O'Rourke
Bruce Rust

Board Staff Present:

Stephen Sands, Registrar
Cindi Christenson, Chief Deputy Registrar
Don Chang, DCA Legal Affairs
David Fogt, Enforcement Chief
Rick Lopes, Public Affairs Chief
Karen Robinson, Licensing Chief
Laura Zuniga, Legislation Chief
Tammy Borgman, Enforcement Staff
Stacy Paul, Executive Staff
Ana Rodriguez, Enforcement Staff
Missy Vickrey, Enforcement Staff
Scott Weber, Enforcement Staff

Others Present:

Eddie Bernacchi, National Electrical Contractors Association
Clifford Burg, Painting Contractors Association
Steve Brown, Kingsway Advisors
Mark Cooper, H&D Electric
Joseph Cruz, California State Council of Laborers
Michael Franklin, Attorney General's Office
Andre Gardner, Northern California Electrical Construction Industry
Dina Kimble, Royal Electric Company



Scott Kronland, Altshuler Berzon LLP
Jose Mejia, California State Council of Laborers
Brian Peters, SCS
Gary Provencher, Werenberg, Rogers and Rosenfeld
Jasmine Purscell, Power Factor
Davi Rodriguez, Save our State
Larry Rohlfes, California Landscape Contractors Association
Eric Rood, Division of Labor Standards Enforcement
J. David Sackman, Reich, Adell & Cvitan
Terry Seabury, Western Electrical Contractors Association, Inc.
Angela Shell, Caltrans
Phil Vermeulen
Scott Wetch, International Brotherhood of Electrical Workers

B. PUBLIC COMMENT SESSION

Davi Rodriguez, Save Our State, would like to see CSLB develop legislation to ensure Day Laborer Centers are not violating California Contractors License Law. He wrote a small initiative for the County of Sacramento that he would like CSLB to adopt. He offered to provide a copy of his initiative upon request.

C. ENFORCEMENT PROGRAM UPDATE

Enforcement Chief David Fogt provided the Enforcement Program Update and presented a Joint Enforcement Strike Force PowerPoint presentation that highlighted 2012 achievements and proposed 2013 goals.

Intake and Mediation Center (IMC) highlights included a CSLB Consumer Services Representative who was able to mediate a complaint between a consumer and a licensee who entered into a verbal contract to patch the homeowner's driveway for \$7,000, using "leftover asphalt." After a few months, the asphalt began to decompose and demand was made for a full refund. When the contractor refused to refund the full \$8,000, the homeowner filed a complaint with CSLB. The CSR reminded the contractor that he had failed to provide a written contract, and discussed the poor workmanship issues. The settlement reached provided a full refund to the homeowner with a warning letter to the contractor for the alleged contract and workmanship violations.

Investigative Center highlights included an unlicensed contractor that received a six-month jail sentence. Another highlight demonstrated how CSLB took an administrative action to revoke a licensee after determining the Responsible Managing Officer was not actively involved and the licensed entity had committed fraudulent acts, abandoned a construction project, and caused significant financial injury to a consumer.

SWIFT highlights included the spring California Blitz, held in March, where 78 violators were arrested in simultaneous statewide undercover sting operations. Another highlight involved partnering with the Nevada State Contractors Board to arrest one of its Most Wanted violators.

D. REVIEW AND DISCUSSION REGARDING CSLB AND CALTRANS INFORMATION SHARING AND ENFORCEMENT STRATEGIES

Caltrans Chief of Contract Compliance Angela Shell provided an overview of CSLB and Caltrans partnering efforts. Since its establishment in August 2012, the Caltrans Contract Compliance unit has played an instrumental role in the success of CSLB's Public Works unit. Ms. Shell discussed the current Memorandum of Understanding between CSLB and Caltrans



and how the information-sharing has been instrumental in the debarment of unscrupulous contractors.

Board Members Ed Lang and Pastor Herrera commended Ms. Shell on her presentation and Mr. Herrera thanked Registrar Steve Sands and Enforcement Chief David Fogt for forming a successful partnership with Caltrans.

E. REVIEW AND DISCUSSION REGARDING CSLB COMPLAINT PRIORITIZATION

Board Member Jim Miller was instrumental in the development of the Enforcement Prioritization chart. Board Member Miller summarized the chart for the Committee and stated that the chart will be beneficial for staff as it identifies where they should focus their time and resources. He suggested the chart be reviewed by the Board at the upcoming strategic planning session.

F. REVIEW AND RECOMMENDATION REGARDING ELECTRICIAN CERTIFICATION ENFORCEMENT STRATEGIES AND REVISION OF THE INDUSTRY BULLETIN

Chief David Fogt summarized CSLB's current role in electrician certification enforcement. CSLB was given authority to enforce Labor Code §108.2 in 2010. Since that time, CSLB has issued 40 citations, three of which were appealed with only one not sustained.

Chief Fogt explained that CSLB has only one ER designated to investigate electrician certification complaints, and current staffing levels are not sufficient to handle an additional workload. The existing policies and procedures seem to be working well and are consistent with the Board's consumer protection mandate and priorities. Staff has concluded that IBEW and NECA are correct that the industry bulletin is in need of clarification but have not reached consensus on the proposed language.

Division of Labor Standards Enforcement's (DLSE) Assistant Labor Commissioner Eric Rood provided an overview of DLSE's definition of prevailing wage requirements for electricians.

Chair David Dias presented the following two options for Committee consideration:

Option 1: Remove the industry bulletin from CSLB's website and replace it with information directing interested parties to DLSE to determine worker classification requirements, and require DLSE to review and certify that the evidence presented supports an administrative action. (This will lengthen the investigative process.)

Option 2: Replace the industry bulletin with a new industry bulletin as follows:

SACRAMENTO - The Contractors State License Board (CSLB) established a zero-tolerance enforcement policy in 2010 and now issues legal action against any C-10 Electrical contractor who willfully employs an uncertified electrician to perform work as an electrician. CSLB is legally required to open an investigation and initiate disciplinary action against the contractor (which may include license suspension or revocation) within 60 days of receipt of a referral or complaint from the Department of Industrial Relations' Division of Apprenticeship Standards (DAS).

Labor Code section 3099.2 stipulates that anyone who performs work as an electrician for C-10 Electrical contractors shall hold an electrical certification card issued by DAS; DAS is required by Labor Code section 3099.2 to report violations to CSLB.



Electricians are defined as those who engage in the connection of electrical devices for C-10 contractors. It is CSLB's position that electrical work must be performed by **either a state-licensed or a certified** electrician. An indentured apprentice or state-registered electrician trainee also may perform electrical work if supervised by a state-certified electrician.

For CSLB enforcement purposes, if an uncertified person is handling wire that is used or will be used in an electrical circuit, a disciplinary action may be pursued.

For additional information regarding the payment of wage rates or work related to trenching, concrete, framing or other work that does not involve handling of wire in an electrical circuit, please visit the Department of Industrial Relations, Division of Labor Standards of Enforcement at: <http://www.dir.ca.gov/dlse/>.

The following attendees provided public comment:

- Scott Wetch, International Brotherhood of Electrical Workers (IBEW) voiced his opposition to option two.
- Scott Kronland, Altshuler Berzon LLP, representing the IBEW, also rejected option two.
- Eddie Bernacchi, National Electrical Contractors Association, voiced his opposition to both options one and two. He felt a new bulletin with a clearer definition of who is required to be certified is needed.
- Andre Gardner, Northern California Electrical Construction Industry, supports option one.
- Jose Mejia, California State Council of Laborers, supports option two.
- Dina Kimble, Contractor, supports option two.
- J. David Sackman, Reich, Adell & Cvitan, prefers option two or the existing bulletin.

After much discussion the Committee was not prepared to make a recommendation on either the aforementioned options.

Board Member Ed Lang made a motion to:

- Continue to use the existing industry bulletin with only minor revisions made at the direction of DCA Legal Counsel, i.e. renumber Labor Code statute 3099 to 108.2 and ensure the bulletin is legally defensible.
- Obtain a formal Attorney General opinion regarding the Roadway decision and CSLB legal mandate for enforcement.

MOTION: The motion made by Board Member Ed Lang was seconded by Board Member Jim Miller. Motion carried unanimously, 5-0.

G. UPDATE ON THE QUALIFIER TASK FORCE

Chief Fogt updated the committee on the Qualifier Task Force. He summarized findings of a review of 92 suspected professional qualifiers:

- 59 percent of the qualifiers are qualifying two or more corporate licenses;
- More than 50 percent of the qualifiers have been on the license reviewed for less than one year;



- 62 percent of the qualifiers are 60 years in age or older;
- 22 percent of the licenses reviewed have received a consumer complaint, substantially higher than the 3 percent historical average; and
- 51 percent of the qualifiers live more than 200 miles from the license business address.

Staff will continue to work with industry leaders to identify license and enforcement strategies. CSLB has drafted legislation (SB 262) that would amend B&P Code section 7068.1 to authorize administrative discipline of a qualifier (directly), who fails to comply with the specified supervision and control requirements as well as misdemeanor prosecution for failing to exercise the duties of the qualifier, should other individuals on the license be subject to criminal prosecution for acts or omissions. This provision would directly increase the qualifier's burden for compliance with acceptable building practices and act as a deterrent to those who would violate the law relative to their duties as a qualifier.

Chief of Licensing Karen Robinson provided an overview of the current duties and responsibilities of a qualifier and summarized the need for the proposed legislation.

Contractor Association Lobbyist Phil Vermeulen agreed to continue to work with the Qualifier Task Force in an effort to gain compliance from some of the identified qualifiers.

H. ADJOURNMENT

Having no further business, Committee Chair David Dias adjourned the meeting at 3:30 p.m.

AGENDA ITEM F-3_B

Review of 2012 Consumer Satisfaction Survey





**CONTRACTORS STATE LICENSE BOARD
REPORT ON THE
CONSUMER SATISFACTION SURVEY:
2012 COMPLAINT CLOSURES
(January to December)**

Report Date: April 2013

Executive Summary

The Consumer Satisfaction Survey Reports are based on surveys of individuals who have filed complaints with the Contractors State License Board's (CSLB's) enforcement program against licensed or unlicensed contractors. These surveys assess the public's satisfaction with the CSLB's handling of their complaints. The original benchmark survey began with complaints that were closed in 1993, and assessment of consumer satisfaction has continued since that time. The present report assesses consumer satisfaction for complaints closed in the calendar year of 2012.

Eight of the nine questions on the 2012 survey were identical to the questions used since 1993. The same seven point agreement scale was used. From 1993-2009, a total of 4800 complainants (400 per month) were randomly selected to receive surveys. In 2010 the survey's format and sampling method were changed. Beginning with 2010, the survey was emailed to all consumers with closed complaints who provided email addresses to the CSLB. In 2012, the total number of complainants who provided email addresses was 5062, 1000 less than in 2011. Surveys were sent out in individual monthly batches throughout 2012 and early 2013.

Additional questions have historically been included to ask consumers about other CSLB issues. In 2007 one of the additional questions was changed from "Before hiring, I inquired about my contractor's *qualifications* with the Contractors State License Board," to "Before hiring, I inquired about my contractor's *license status* with the CSLB." The answer choices for this question were also changed from the agreement scale to a yes-no format. In addition, an open-ended question was included to assess the reasons why respondents who said "No" to the earlier question were not inquiring about their contractor's license status with the CSLB. In 2007 the survey questions were also reordered so that the two questions regarding checking the contractor's license status became Questions 9 and 10. In 2010 and 2011, the open-ended question that was a follow-up to Question 9 was eliminated.

A total of 862 complainants, 17% of those surveyed, responded to the questionnaire. This response rate is 8% lower than the response rate for the 2011 survey, and 14% lower than the response rate in 2010.

Major Findings and Comparison with Previous Years

The results from surveying consumers with complaints closed in 2012 are summarized in Table 1 on the following page along with the ratings on the eight questions related to consumer satisfaction (service categories) for the last five years.

In 2008 the lowest percent agreement (54%) was for the question "The action taken in my case was appropriate," whereas the highest percent agreement (79%) was found for the question related to being treated courteously. This pattern has remained for the last five years. From 2010 to 2011, two service categories showed a 6% increase, three service categories showed a 4% increase, two service categories showed a 2% increase, and one service category showed a 2% increase.

TABLE 1: HISTORICAL RESULTS OF THE CONSUMER SATISFACTION SURVEY (2008 - 2012)

Questionnaire Statements	Percent Agreement by Calendar Year				
	2012	2011	2010	2009	2008
1. The CSLB contacted me promptly after I filed my complaint.	81%	80%	78%	75%	73%
2. The procedures for investigating my complaint were clearly explained to me.	75%	73%	69%	69%	71%
3. The CSLB kept me informed of my case's progress during the investigation.	68%	65%	61%	60%	60%
4. I was treated courteously by the CSLB's representative(s).	84%	82%	79%	80%	79%
5. My complaint was processed in a timely manner.	66%	67%	61%	58%	63%
6. I understand the outcome of the investigation (whether or not I agree with the action taken).	68%	65%	62%	61%	64%
7. The action taken in my case was appropriate.	56%	50%	46%	50%	54%
8. I am satisfied with the service provided by the CSLB.	60%	57%	51%	53%	57%

With regard to the most recent data, the following service category showed a 6% increase in satisfaction from 2011 to 2012:

- Question 7 “action taken in my case was appropriate.”

The following service categories showed a 3% increase in satisfaction from 2011 to 2012:

- Question 3 “was kept informed.”
- Question 6 “understand the outcome of the investigation.”
- Question 8 “satisfied with service.”

The following service categories showed a 2% increase in satisfaction from 2011 to 2012:

- Question 2 “procedures clearly explained.”
- Question 4 “was treated courteously.”

The following service category showed a 1% increase in satisfaction from 2011 to 2012:

- Question 1 “was contacted promptly.”

The following service category showed a 1% decrease in satisfaction from 2011 to 2012:

- Question 5 “complaint processed in timely manner.”

Thirty-eight percent of survey respondents selected “Yes” to Question 9 “Before hiring, I inquired about my contractor’s license status with the CSLB.” This is 5% less than the 2011 results.

The majority of complaints have retained the same characteristics as in the previous years. The following attributes define the typical complaint:

- filed by a non-industry consumer (97%)
- involved a licensed contractor (81%)
- processed within six months (78%)
- addressed home improvement repairs or remodeling (76%)
- was not construction type-specific (62%).

In prior surveys a disproportionate number of responses came from complainants who received outcomes in their favor. In order to examine possible response bias, a profile of complaint characteristics was developed for the 5062 surveyed complainants, including whether or not their complaint outcome was considered positive by the CSLB. This profile was then compared to the group of 862 complainants who responded to the survey. The complaint profile of the survey sample compared with the complaint profile of the respondent sample showed the same percentage (59%) of positive outcomes. The absence of a discrepancy between percentage of complaints closed in favor of the complainant and the number of survey responses from these complainants indicates

that the respondent sample is very similar to the survey sample on this factor. Typically, there is a tendency for complainants who receive positive outcomes to be more likely to respond to the CSLB survey. The 2012 results show no indication of positive response bias.

CONTRACTORS STATE LICENSE BOARD

CONSUMER SATISFACTION SURVEY: JANUARY THROUGH DECEMBER 2012 COMPLAINT CLOSURES

History

In 1994 the Contractors State License Board began a program to improve consumer satisfaction with the CSLB's enforcement program. One of the cornerstones of this effort was a survey to solicit feedback from individuals who filed complaints with the Board. The first postcard survey, covering 1993 complaint closures, was designed to serve as a benchmark in an ongoing evaluation program as well as to identify areas in need of improvement. These ongoing surveys have been conducted by the CSLB Testing Division. The present report covers complaints closed between January and December 2012. When preparing the 2007 report, the CSLB decided to set a new benchmark of five years in order to ensure that the benchmark data remains current. Each year's data is now compared to data from the last five years.

In 2008 the lowest percent agreement (54%) was for the question "The action taken in my case was appropriate," whereas the highest percent agreement (79%) was found for the question related to being treated courteously. This pattern has remained for the last five years. The percent agreement for the other service categories in 2008 ranged from 57% to 73%. In 2009 two service categories showed a 1-2% increase, five service categories showed a 2-5% decrease, and one service category showed no change. In 2010 four service categories showed a 1-3% increase, three service categories showed a 1-4% decrease, and one service category showed no change. In 2011, two service categories showed a 6% increase, three service categories showed a 4% increase, two service categories showed a 3% increase, and one service category showed a 2% increase.

The Consumer Satisfaction Survey also provides a convenient method to poll consumers on other issues. Since 2000 one purpose of the survey was to estimate the percentage of complainants who had inquired about the contractor's qualifications with the CSLB. The percent agreement with this question has ranged from 29% in 2000 up to 37% in 2005 and 2006.

In 2007 this question was changed from "Before hiring, I inquired about my contractor's *qualifications* with the Contractors State License Board" to "Before hiring, I inquired about my contractor's *license status* with the CSLB." The rating scale for this question was also changed from the seven-point agreement scale to a forced choice (Yes/No) response. In addition, an open-ended, follow up Question 10 was added to assess the reasons why some consumers were not inquiring about the license status of their contractors with the CSLB. The responses to Question 10 were reviewed and sorted into twelve comment categories. The 2007 results showed that 43% of respondents selected "Yes," 51% selected "No," and 6% did not respond. In 2008, the results showed that 50% of respondents checked the contractor's license status with the CSLB, 44% did not, and 6% did not respond. In 2009, 45% of respondents selected "Yes," 48% selected "No," and 7% did not respond to this question. The 2010 results showed that 45% of respondents selected "Yes," 49% selected "No," and 6% did not respond.

In 2011, the results showed that 43% of respondents checked the contractor's license status with the CSLB, 53% did not, and 4% did not respond.

Project Design

Questionnaire Description

The nine-item 2012 questionnaire was developed in Survey Monkey and included eight questions assessing customer service related to specific aspects of the complaint process, with one question addressing overall satisfaction with service. These questions were virtually identical to those used since 1994. The complainants were asked to rate the questions on a seven-point agreement scale. The rating scale provided three levels of agreement with a question (Strongly Agree, Agree, and Mildly Agree), and three levels of disagreement (Strongly Disagree, Disagree, and Mildly Disagree). The rating scale also included a "Neutral" point. The final question addressed whether or not consumers inquired with the CSLB about their contractor's license status prior to hiring and used a forced choice (Yes/No) rating scale. The questionnaire also provided space for written comments. A copy of the questionnaire is attached as Appendix A.

Each complainant's email address was linked with their case number prior to emailing, allowing analyses of survey responses by the nature of the complaint. The information from complaint files also was used to determine whether the respondent sample was representative of the larger group of complainants.

Sampling Procedure

In the calendar year 2012, the CSLB completed the investigation or mediation process for 15,229 complaints filed by consumers against licensed and unlicensed contractors. This is 5,823 less than the total number in 2011. Complainants who provided the CSLB with an email address were selected from all of the closed complaint files in 2012. Duplicate complainants and clearly incorrect email addresses were removed from the sample prior to emailing, leaving a total sample of 5062. Monthly surveys of consumers whose complaints were closed in that month were emailed throughout 2012 and early 2013.

Analysis Procedure

The level of agreement with each service category question was determined by combining the three "Agreement" points, and then dividing this number by the total number of respondents. This procedure provides the proportion of respondents who agreed with the question.

The complaint number attached to each complainant's email address was used to link response ratings with specific characteristics of the complaint itself. This linkage was used to assess complainant satisfaction in the context of such factors as the ultimate outcome of the complaint, the processing time for the complaint, and the license status of the contractor.

The complaint files were also used to determine whether the consumers who responded to the survey were representative of the total sample. A profile of complaint characteristics was developed for the respondent group and compared to the profile for the total sample. Close correspondence between the two profiles would confirm a representative (unbiased) consumer response.

Complainants' Comments

In previous survey years, comments were hand-entered into a database and assigned one or more subject-specific code (comment category). The majority of the comments elaborated on the questionnaire statements; the remaining comments presented additional areas of consumer concern. Some complainants used the comment space to request contact by a CSLB representative, to indicate that they were unsure about the outcome of their case, or to provide positive remarks about CSLB representatives who handled their cases. These surveys were delivered to the CSLB Enforcement staff. Since 2010 all of the comments were typed by the complainants themselves, thereby reducing the need to first decipher handwriting and then enter and code the comments.

Results

Response Rate

The total number of survey responses, 862, was 17% of those selected for the sample. In 2011, the response rate was 25%. The response rate for this survey has previously ranged from 22-31%, which is considered standard for this type of survey. The lower response rate for the 2012 survey may be due to individuals becoming adverse to responding to increasing number of surveys from many sources requesting consumer opinions.

Consumer Agreement with Questionnaire Statements

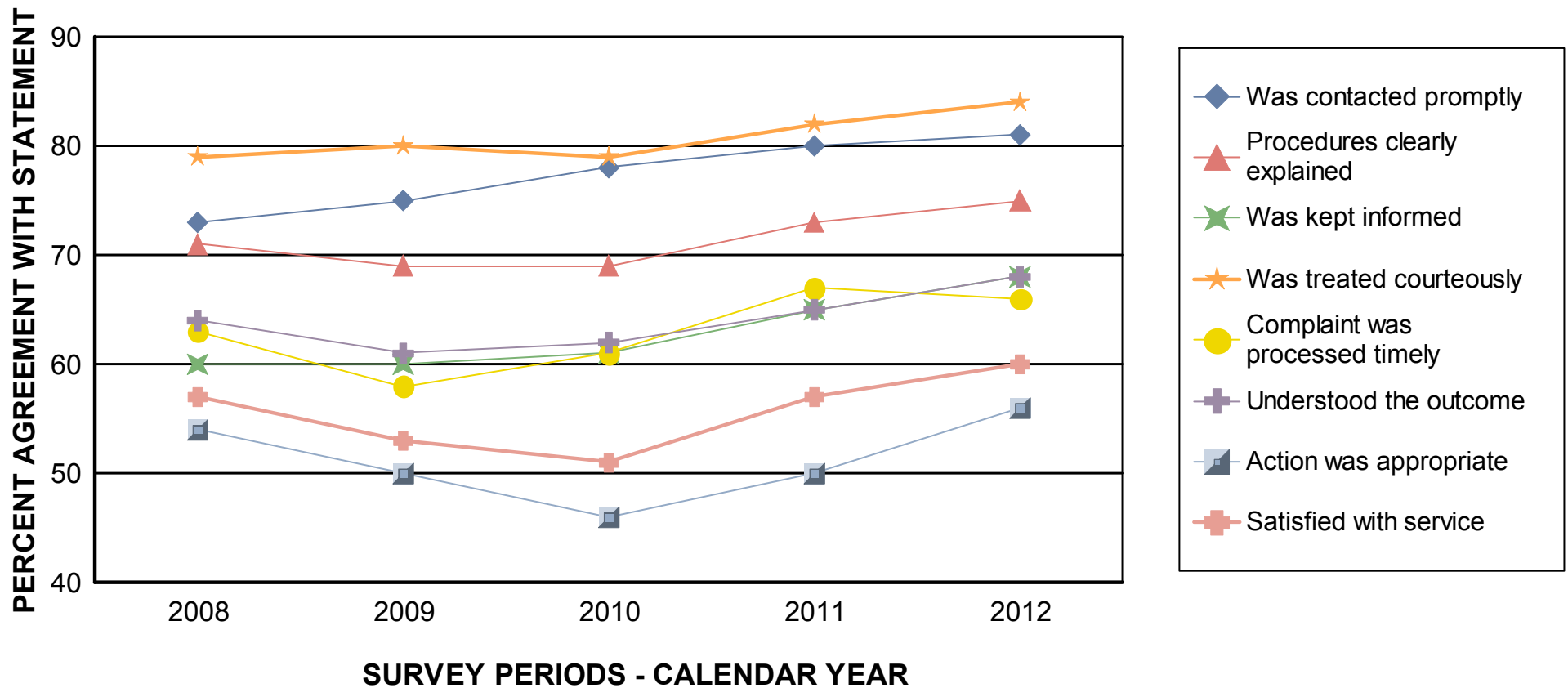
Appendix B (Table B-1) contains the detailed results for the 2012 Consumer Satisfaction Survey, indicating the individual percentages for each "Agreement" category. The satisfaction ratings for the 2012 survey are presented in Table 1 of the Executive Summary, along with the results from 2008-2011. This same information is presented in graph form (Figure 1) on the following page.

Contractor Qualifications

The question addressing contractor's qualifications was included to assess the need for public education in this area. Question 9 asked, "Before hiring, I inquired about my contractor's qualifications with the Contractors State License Board." In 2012, 38% of the respondents selected "Yes," 56% selected "No," and 5% did not respond. In 2011, 43% of the respondents selected "Yes," 53% selected "No," and 4% did not respond. In 2010, 45% of the respondents selected "Yes," 49% selected "No," and 6% did not respond. From 2007- 2009, an additional follow up Question 10 was included, "If #9 is NO, please state why." In 2009, the most frequent comments addressed the following issues: consumer did not know to check with the CSLB - 25%; contractor was referred by a friend, neighbor, or relative - 15%, and consumer checked for a license number

FIGURE 1:
HISTORICAL RESULTS OF THE CONSUMER SATISFACTION SURVEY (2008 - 2012)
LINE GRAPH PRESENTATION

AGREEMENT WITH STATEMENTS ON SURVEY -- ALL RESPONDENTS



only – 11%. In 2008, 23% of comments indicated that the consumer did not know to check with the CSLB; 15% checked for a license number only, and 9% indicated that the contractor was referred by a friend, neighbor, or relative. Between 2008 and 2009, there was also a 9% decrease in the percentage of comments indicating that complainants did not bother to check with the CSLB. This question was not included in the 2010-2012 surveys.

Complainant's Comments

Sixty-five percent of the responding complainants chose to include comments with their survey responses. This is consistent with the percentage of complainants who included comments in 2011 and 2010. As in previous years, the comments ranged from requests for follow up, additional information about the status of complainants' cases, and feedback regarding CSLB representatives. The comments also included suggestions for procedure changes regarding the CSLB complaint process. All comments were forwarded to the CSLB Enforcement staff for their review.

Sampling Validity

In survey research, those who respond to a survey may not be representative of the overall group. This can occur when a particular segment of the sample is more motivated to respond to the survey. In order to examine possible response bias, a profile of complaint characteristics was developed for the 5062 surveyed complainants. This profile was then compared to the group of 862 complainants who responded to the survey. The profile is contained in Appendix C. The profile clearly demonstrates that the responding group is very similar to the sample group.

Response Trend

In prior surveys a disproportionate number of responses came from complainants who received outcomes in their favor. This trend did not manifest in the 2012 results. The survey sample and the respondent group showed the same percentage (59%) of closing actions considered positive. The 2011 results also showed no evidence of response bias. In 2010, the results showed a 2% discrepancy in the direction indicating positive response bias. The lack of response bias may be due to the change in sampling method that was initiated in the last three years.

Change in Sampling Method

Beginning in 2010 the sampling method was changed from random sampling to convenience sampling. Random sampling is preferred for most surveys to ensure that the sample is representative of the overall population of interest. It assumes that characteristics such as gender, age, socioeconomic status, etc. are equally distributed across the population and therefore will be equally distributed across a random sample. Convenience sampling selects participants based on their availability to the researcher. As applied to the CSLB consumer satisfaction survey, a decision was made to reduce costs and staff time by using an emailed survey instead of a paper and pencil survey, thereby making the most convenient sample those complainants who had provided their email addresses. While convenience sampling can introduce bias in a survey,

depending on the survey topic, there is no reason to expect that consumers who provided their email addresses to the CSLB would have different opinions on the satisfaction measures assessed by the current survey.

TECHNICAL APPENDICES

Appendix A: CONSUMER SATISFACTION SURVEY QUESTIONNAIRE

Appendix B: DETAILED RESULTS OF CONSUMER SATISFACTION SURVEY

Appendix C: CONSUMER COMPLAINT PROFILES

APPENDIX A

Consumer Satisfaction Survey Questionnaire

1. Introduction Section

Dear Consumer:

As part of our ongoing efforts to improve service to consumers, we are conducting a survey to monitor the quality of service provided to consumers who have filed a complaint with the Contractors State License Board.

Your name was selected from our complaint files that were recently closed.

Would you please take a few minutes to respond to the following survey? We need to hear from you so that we can identify where improvements are needed. Of course, we would also like to hear how we are serving you well.

When you are done just click on the "DONE" button at the bottom of the last page to forward your responses on to the Board.

Thank you for taking the time to participate in this survey!

Contractors State License Board

2. Survey instructions and questions

Please have the person most familiar with the complaint complete the survey. Select the response that shows how much you agree with each statement on the survey.

We are identifying your response with your complaint number to provide specific information about CSLB operations. **YOUR IDENTITY WILL BE KEPT COMPLETELY CONFIDENTIAL UNLESS YOU REQUEST CONTACT FROM THE CSLB.**

	STRONGLY AGREE	AGREE	MILDLY AGREE	NEUTRAL	MILDLY DISAGREE	DISAGREE	STRONGLY DISAGREE
The CSLB contacted me promptly after I filed my complaint.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The procedures for investigating my complaint were clearly explained to me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The CSLB kept me informed of my complaint's progress during the investigation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I was treated courteously by the CSLB's representative(s).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My complaint was processed in a timely manner.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I understand the outcome of the investigation (whether or not I agree with the action taken).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The action taken in my case was appropriate.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am satisfied with the service provided by the CSLB.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Before hiring, I inquired about my contractor's license status with the CSLB.

☐ YES

☐ NO

Comments (please include any areas that you feel our staff could improve in and/or examples of superior service to you):

APPENDIX B

Detailed Results of Consumer Satisfaction Survey



Consumer Satisfaction Survey Report - Table B-1

Overall Results Of Consumer Satisfaction Survey 2012 Complaint Closures

QUESTION ASKED	STRONGLY AGREE	AGREE	MILDLY AGREE	NEUTRAL	MILDLY DISAGREE	DISAGREE	STRONGLY DISAGREE	NO RESPONSE
1. Was contacted promptly	329 38%	277 32%	92 11%	42 5%	31 4%	40 5%	46 5%	5 1%
2. Procedures clearly explained to me	299 35%	247 29%	97 11%	65 8%	35 4%	52 6%	58 7%	9 1%
3. Was kept informed	269 31%	209 24%	108 13%	70 8%	53 6%	55 6%	90 10%	8 1%
4. Was treated courteously	449 52%	241 28%	30 3%	56 6%	16 2%	21 2%	39 5%	10 1%
5. Complaint was processed timely	287 33%	212 25%	68 8%	72 8%	41 5%	53 6%	109 13%	20 2%
6. Understood the outcome	319 37%	229 27%	37 4%	74 9%	23 3%	45 5%	116 13%	19 2%
7. Action was appropriate	291 34%	137 16%	51 6%	84 10%	30 3%	61 7%	189 22%	19 2%
8. Satisfied with service	307 36%	157 18%	54 6%	64 7%	36 4%	61 7%	164 19%	19 2%
<div> <div>YES</div> <div>NO</div> <div>NO RESPONSE</div> </div>								
9. Checked contractor's license status with CSLB	331 38%	487 56%	44 5%					

Number of responses: 862

Appendix C

Complaint Profiles

Complaint Profiles
(January - December 2012)

TABLE C-1: ORIGIN OF COMPLAINT

Code	Description	% of Respondent Sample (862)	% of Survey Sample (5062)
C	Construction Industry	3%	3%
P	Public Consumer	97%	97%

TABLE C-2: COMPLAINT PRIORITY

Code	Description	% of Respondent Sample (862)	% of Survey Sample (5062)
D1	All Others	68%	67%
C7	Non-Licensees	17%	18%
B1	Multi-Complaints	15%	15%
E1	Priority Entered At Conversion Time	< 1%	< 1%

Complaint Profiles
(January - December 2012)

TABLE C-3: INVESTIGATION TYPE

Code	Description	% of Respondent Sample (862)	% of Survey Sample (5062)
L	Licensed Contractor	81%	81%
N	Non-Licensed Contractor	19%	19%

TABLE C-4: CONSTRUCTION TYPE

Code	Description	% of Respondent Sample (862)	% of Survey Sample (5062)
0	Electrical	2%	2%
1	All Trades	24%	24%
2	Roofing	5%	5%
3	Painting	3%	3%
4	Masonry and Cement	3%	4%
5	Stucco, Plastering, and Drywall	1%	1%
6	Heating and Air Conditioning	7%	6%
7	Plumbing	7%	6%
8	Cabinets	1%	1%
9	Landscaping	2%	3%
L	Other	40%	38%
M	Insulation	< 1%	< 1%
N	Solar	2%	1%
X	No Construction	4%	5%

Complaint Profiles
(January - December 2012)

TABLE C-5: CONSTRUCTION COST/CONTRACT

Description	% of Respondent Sample (862)	% of Survey Sample (5062)
No Contract	7%	8%
\$2,000 or less	23%	22%
\$2,001 to \$3,000	7%	7%
\$3,001 to \$4,000	6%	5%
\$4,001 to \$5,000	5%	4%
\$5,001 to \$6,000	3%	3%
\$6,001 to \$10,000	12%	11%
\$10,001 to \$30,000	19%	18%
\$30,001 to \$100,000	10%	12%
\$100,001 to \$500,000	6%	7%
\$500,001 to \$1,000,000	2%	1%
\$1,000,001 or more	1%	1%

Complaint Profiles
(January - December 2012)

TABLE C-6: FINANCIAL INJURY AMOUNT

Description	% of Respondent Sample (862)	% of Survey Sample (5062)
No Amount Reported	97%	98%
\$2,000 or less	1%	1%
\$10,001 to \$30,000	1%	1%
\$5,001 to \$10,000	< 1%	< 1%
\$30,001 or more	< 1%	< 1%
\$2,001 to \$5,000	< 1%	< 1%

TABLE C-7: PROJECT TYPE

Code	Description	% of Respondent Sample (862)	% of Survey Sample (5062)
J	Repairs and Remodeling	77%	76%
L	Other	11%	11%
X	No Construction	5%	6%
F	Swimming Pool	3%	3%
B	New Construction (Single Unit-Custom)	2%	2%
A	New Construction (Single Unit-Tract)	1%	1%
E	New Construction (Home Improvement)	1%	1%
D	New Construction (Commercial)	< 1%	< 1%
C	New Construction (Multiple Units)	< 1%	< 1%
G	Mobile Home	< 1%	< 1%
K	Real Estate - Purchase	< 1%	< 1%

Complaint Profiles
(January - December 2012)

TABLE C-8: ELAPSED TIME OF COMPLAINT PROCESSING

Description	% of Respondent Sample (862)	% of Survey Sample (5062)
1 month or less	22%	32%
1 to 2 months	29%	23%
2 to 3 months	12%	11%
3 to 4 months	6%	4%
4 to 5 months	4%	4%
5 to 6 months	4%	4%
6 to 12 months	22%	20%
1 to 2 years	1%	1%

Complaint Profiles
(January - December 2012)

TABLE C-9: CLOSING ACTION

Code	Description	% of Respondent Sample (862)	% of Survey Sample (5062)
CL70	Settled in Screening (CSR) [+]	23%	27%
CL20	Insufficient Evidence	16%	15%
CL90	No Further Action	14%	13%
CL80	Minor Violation - Warning [+]	6%	7%
CN20	Insufficient Evidence (Non-Licensee)	5%	4%
CL1C	Citation [+]	5%	4%
CN10	Prosecutor (Non-Licensee) [+]	5%	4%
CL50	Settled in Investigation (Deputy) [+]	5%	4%
CN60	Citation (Non-License) [+]	5%	4%
CL7M	Mandatory Arbitration [+]	4%	4%
CL30	No Jurisdiction	4%	3%
CL1A	Accusation [+]	3%	2%
CN40	No Further Action (Non-Licensee)	2%	2%
CN30	No Jurisdiction (Non-Licensee)	1%	2%
CN50	No Further Action - Warning [+]	1%	1%
CL60	License Already Revoked [+]	1%	1%
CL7A	Voluntary Arbitration [+]	1%	1%
CL40	No Violation	1%	1%
CL7N	On-Site Negotiation [+]	< 1%	< 1%

AGENDA ITEM F-4

Public Affairs Update





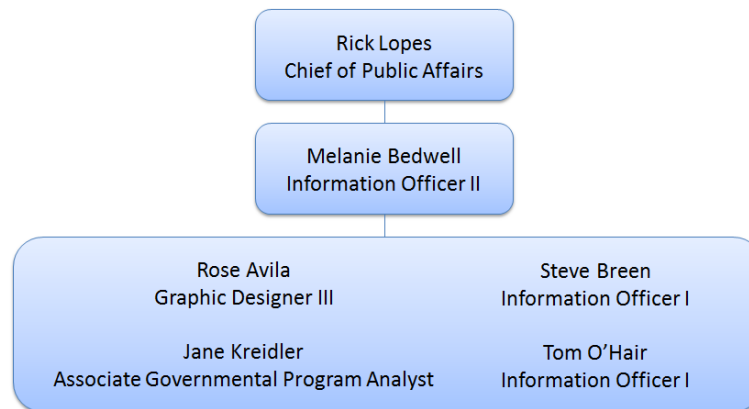
CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS PROGRAM UPDATE

CSLB's Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations and outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, including Senior Scam StopperSM and Consumer Scam StopperSM seminars, speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; social media outreach to consumers, the construction industry, and other government entities; and website content.

STAFFING UPDATE:

PAO is fully staffed with six positions.



WEBSITE HIGHLIGHTS:

Most Wanted

In early April, two new suspects were added to CSLB's Most Wanted website feature. Both are suspected of victimizing consumers in San Diego County. In addition, one of the Most Wanted suspects was arrested. The arrest took place in Fresno County.

A news release announcing the updated information was distributed statewide, with specific attention in the San Diego and Fresno markets. The release resulted in a number of media stories, including an interview for a San Diego television station.

Website Assistance Project

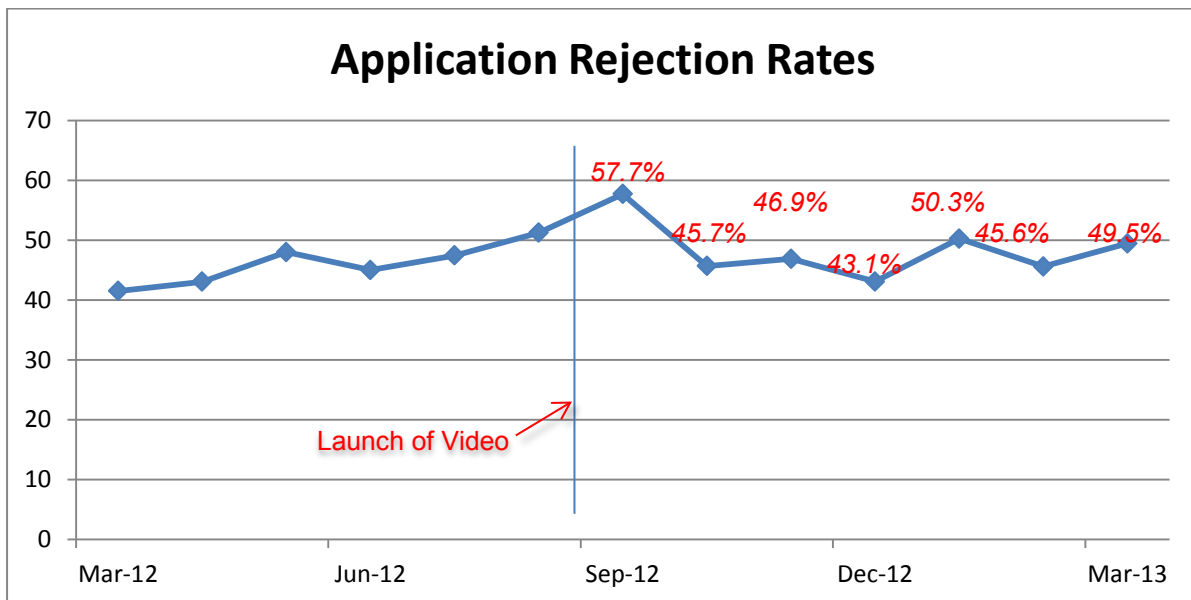
PAO staff continues to assist Information Technology (IT) staff in coding materials for CSLB's website. Website coding is the process of transferring written copy into HTML code. HTML is the language that is used to write Web pages; it determines how pages appear and function.

Application Instructional Video

PAO continues to work with Licensing division staff to track changes to the application rejection rate following release of a tutorial video that explains how to correctly fill out a CSLB license application. The video was launched August 28, 2012.

The video can be viewed in its entirety, or in individual sections.

Through April 4, 2013, the entire video has been viewed 11,571 times, an increase of 3,058 or 26 percent since the February Board meeting. Videos of individual sections have been viewed a total of 18,050 times, an increase of 5,175 or 29 percent since the February Board meeting.

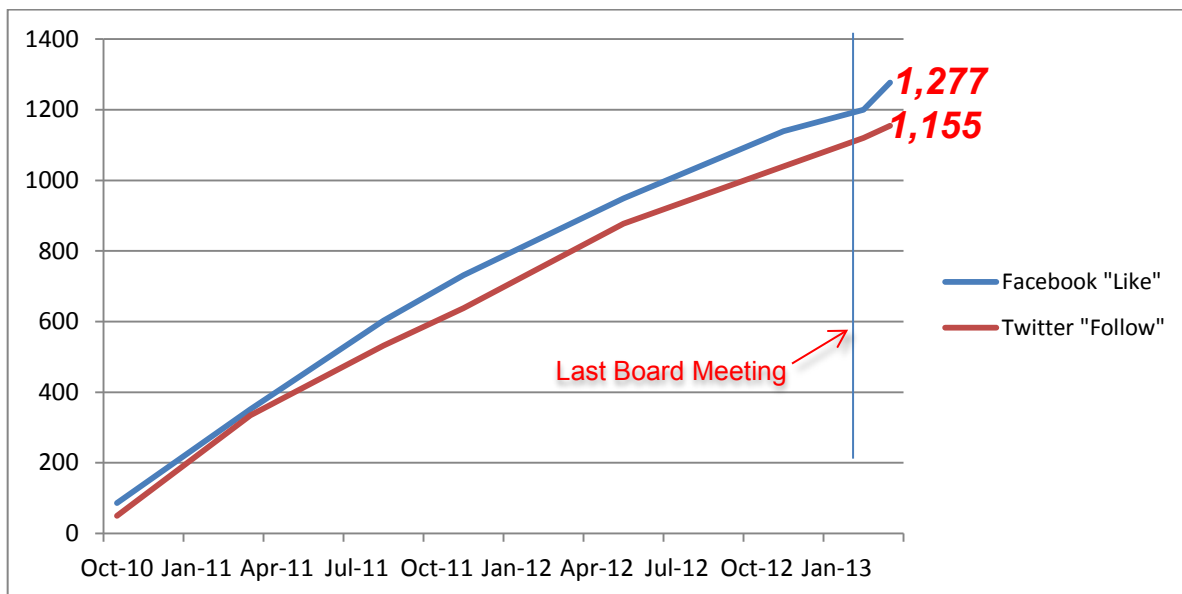


Social Media

CSLB steadily continues to gain followers of its Twitter posts and Facebook pages. PAO staff continues to monitor demographic data and track the number of “likes” and “followers.” As of April 6, 2013, 1,277 individuals, businesses or other government entities “like” CSLB’s Facebook page and 1,155 “follow” CSLB on Twitter. Growth is outlined on the following graph.

PAO also maintains a YouTube page, which includes videos of Board meetings, sting operations, and educational materials. As of April 4, 2013, there have been 119,851 views, an increase of 16,487 (14%) since the February Board meeting. There are now 27 videos posted on CSLB’s YouTube page, an increase of three (11%) since the February Board meeting.

Facebook “Likes” and Twitter “Followers”



On April 3, 2013, PAO staff members Melanie Bedwell and Tom O'Hair attended a half-day Social Media conference in Oakland that focused on refining social media strategies. CSLB is doing many things right, but there many opportunities for us to improve our reach.



It is projected that by 2017, about 70 percent of the world population will access the Internet with a mobile device, compared with the current 43 percent.

PAO staff also is working with the National Association of State Contractors Licensing Agencies (NASCLA) to help develop their social media strategies, and best practices that can be replicated by contractor boards in other states. Later this summer, Tom O'Hair may attend NASCLA's annual conference to speak about social media and new communication channels.

Building relationships with our followers is one of PAO's top social media goals. On March 18, 2013, PAO was contacted by a licensed contractor and Facebook "friend" who offered up several properties in Southern California for use in sting operations. Those operations are currently in the planning stages.

Email Alert Feature

PAO continues to publicize a website feature launched in May 2010 that allows people to sign up to receive up to four different email alerts from CSLB.

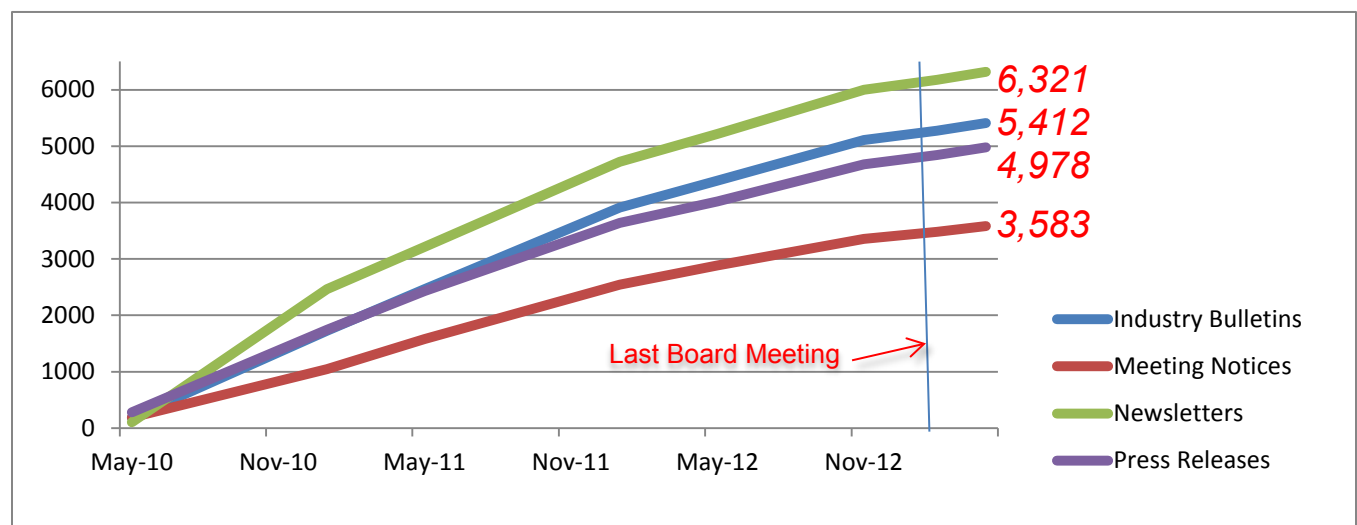
Subscribers can receive alerts for:

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

A total of 20,294 subscriptions were activated as of April 4, 2013 – an increase of 321 (16%) since the February Board meeting.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,487 active email addresses, which brings the combined email database to almost 99,000 addresses.

Email Alert Sign-Up Statistics



MEDIA RELATIONS HIGHLIGHTS:

Media Calls

Between February 6, 2013 and April 4, 2013, PAO staff responded to more than two dozen media inquiries and provided interviews to a variety of online, newspaper, radio, magazine, and television outlets.

Media Events

On March 15, 2013, PAO staff coordinated a media event to publicize the results of the annual spring California Blitz. The Blitz is a series of undercover sting operations conducted simultaneously in cities around the state.



The CSLB media event was held in the city of Orange and attracted media outlets from around Southern California. Interviews were conducted on-scene with PAO employees and a licensed contractor. Interviews also were coordinated for media with a victim of unlicensed contractor.



In addition, PAO mounted a coordinated Twitter, Facebook, YouTube, and Google Cloud Drive hi-tech offensive. Media outlets were given instant online access to video, audio, and still photos taken during the undercover operation. The videos have been viewed more than 2,400 times. Media contacts also were provided with a link to download video taken at CSLB's news conference. That video has been accessed by the media 68 times.



The Blitz was the source of CSLB's most popular social media post to date. The post included a short 165-word narrative and a still photograph of the Orange sting. It reached 2,785 unique users, 29 users shared it with their friends, and 80 "liked" it. The total of 2,785 hits is about five times as many views as an average post.

News Releases

PAO continued its policy of aggressively distributing news releases to the news media, especially to publicize enforcement actions and undercover sting operations. Between February 6, 2013 and April 4, 2013, PAO distributed eight news releases.

Release Date	Release Title
February 19, 2013	Contractors State License Board Investigation Leads to Arrest, Multiple Felony Charges in Multi-Million Dollar Case
February 19, 2013	No Love Lost for Valentine's Day Contracting Law Violators
February 23, 2013	CSLB's Oakdale Sting Turns Up DUI Violator, Illegal Contractors
February 28, 2013	CSLB Looking for Additional Victims in Growing Monterey County Elder Abuse Case
February 28, 2013	Eight Unlicensed Contractors Caught in San Jose Neighborhood
March 15, 2013	Contractors State License Board Cracks Down on Unlicensed Activity during California Blitz Operation
March 26, 2013	Arrest Made in Scam Targeting CSLB Applicants, Licensees
April 4, 2013	Two SoCal Men Added to CSLB's Most Wanted List, One Arrested in Fresno

INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS:***California Licensed Contractor Newsletter***

The spring 2013 online edition of the licensee newsletter, *California Licensed Contractor*, was posted to CSLB's website on March 26, 2013. A printable version also is available on CSLB's website. A printed edition of this quarterly contractor newsletter will be published before the end of the fiscal year.

**Industry Bulletins**

PAO continues to alert industry members to important and interesting news by distributing Industry Bulletins. Bulletins are sent out via email on an as-needed basis to more than 5,400 people and various groups. Distribution includes those who signed up to receive the bulletins via CSLB's new Email Alert system. One Industry Bulletin was distributed since the last Board meeting.

Release Date	Industry Bulletin Title
March 6, 2013	Specialty Contractors Needed for CSLB Industry Expert Program

VIDEO PRODUCTION HIGHLIGHTS:

In late March, PAO staff completed a training video for Enforcement staff on proper techniques during a targeted sweep operation. The Department of Consumer Affairs' Office of Public Affairs also assisted in the project.

PUBLICATION HIGHLIGHTS:

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

Completed

- Spring 2013 *California Licensed Contractor* Newsletter
- Sting/Sweep brochure
- Stop Order brochure (Spanish)

Translation – Final Review

- Description of License Classifications (Spanish)

PAO Development

- Consumer Guide (Booklet)
- Contractor/Applicant Guide (Booklet)
- Contractor Outreach Materials
 - Checklist of Consumer Questions During Bid
 - Why You Should Hire a State-Licensed Contractor
 - Building Permit Information
 - Contractor Insurance and Bond Information
 - Contractor Reference Form

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

PAO staff work with legislators, state and local agencies and community-based organizations on an ongoing basis to coordinate Senior Scam StopperSM (SSS) seminars and to participate in other community events around the state. Senior outreach helps inform and empower a vulnerable population against fraud at the local level, and brings government to the people.

The following seminars have been conducted or were scheduled since the Board's February meeting:

Date	Location	Legislative/Community Partners
February 22, 2013	Pico Rivera	Sen. Ron Calderon
February 28, 2013	Los Angeles	Sen. Curren Price
Date	Location	Legislative/Community Partners
March 4, 2013	Vallejo	Florence Douglas Senior Center
March 8, 2013	West Hills	Sen. Fran Pavley
March 22, 2013	Commerce	Sen. Ron Calderon
April 9, 2013	Sacramento	Sylvan Oaks Library
April 12, 2013	Redlands	Asm. Mike Morrell
April 19, 2013	Wilmington	Asm. Isadore Hall III
April 26, 2013	South El Monte	Sen. Ron Calderon
May 3, 2013	Kern County	Asm. Rudy Salas
May 10, 2013	Kings County	Asm. Rudy Salas
May 17, 2013	Baldwin Park	Asm. Roger Hernandez
June 7, 2013	Thousand Oaks	Sen. Fran Pavley
June 14, 2013	Los Angeles	Sen. Ted Lieu
June 21, 2013	Castro Valley	Asm. Bill Quirk
July 17, 2013	Moreno Valley	Asm. Jose Medina
July 19, 2013	San Jose	Asm. Paul Fong
July 24, 2013	Buena Park	Asm. Sharon Quirk-Silva
July 25, 2013	Cypress	Asm. Sharon Quirk-Silva
July 30, 2013	Hayward	Asm. Bill Quirk



July 31, 2013	Fremont	Asm. Bill Quirk
August 1, 2013	Union City	Asm. Bill Quirk
August 2, 2013	Oakland	Asm. Rob Bonta

Consumer Scam StopperSM Program

The Consumer Scam StopperSM (CSS) program is an outgrowth of the Senior Scam StopperSM program, and was launched in September 2012. It is aligned with CSLB's mission to provide valuable information to help consumers make informed choices related to construction and home improvement.

CSS seminars are for all ages and audiences, and include a tailored one-hour presentation regarding identifying and reporting fraud. Most seminars will be conducted in the Sacramento area until other staff is trained.

Here are a list of programs conducted since the last Board meeting, and those already scheduled:

Date	Location	Legislative/Community Partners
March 6, 2013	Granite Bay	Granite Bay Library
March 7, 2013	Carmichael	Sylvan Oaks Library
April 18, 2013	Murrieta	Murrieta Public Library
April 23, 2013	Carmichael	Carmichael Parks & Recreation District
September 18, 2013	Knights Landing	Knights Landing Library
September 19, 2013	Esparto	Esparto Regional Library
October 10, 2013	Davis	Mary L. Stephens Davis Library
October 17, 2013	Yolo	Yolo Branch Library
October 24, 2013	Winters	Winters Community Library
August 14, 2013	Carmichael	Carmichael Parks & Recreation District

Speakers Bureau

CSLB speakers continue to be in demand. Since more requests are for enforcement-related topics, most of the requests are being accommodated by utilizing Enforcement division staff. In February 2013, PAO conducted training sessions for interested staff in Sacramento and Norwalk.

**Contractor Outreach Program**

The 2012-13 Public Affairs Committee Strategic Plan (Plan) calls for CSLB's Public Affairs Office (PAO) to develop a contractor outreach program.

The objective received Board approval on April 17, 2012.

Program Goal

The contractor outreach program goal is two-fold:

- Provide licensees with tools they can use to educate consumers/potential clients; and
- Provide licensees with resources that will help ensure that they are aware of laws and best business practices.

This program will encourage licensees to share ownership of CSLB's message that promotes the value of hiring a licensed contractor, and will further inform consumers about the risks they take when either hiring an unlicensed operator or a licensee who is cutting corners by operating in the underground economy. This will give law-abiding licensees a more competitive business platform and help CSLB achieve its consumer protection goal.

By participating in consumer education efforts, and by receiving information on laws and best business practices, licensees also would have a greater understanding of the direct benefit they receive from their license fee.

Campaign Elements

- Conduct Research
- Develop (update) Print/Web Materials
- Develop Online Contractor Resource Center
- Develop "State of California Licensed Contractor" Logo
- Develop Videos
- Other Web Elements

Current Status

An online survey has been completed; the survey results will assist PAO staff when developing outreach materials. Prospective logos have been developed, as well.

Next Steps/Timeline***Develop State of California Licensed Contractor logo***

Tentative Deadline: Spring-Summer 2013

Build website feature to display new/updated materials

Tentative Deadline: Summer 2013

Launch new contractor resources on CSLB website

Tentative Deadline: Fall 2013

Determine other program elements

Tentative Deadline: Winter 2013

- Print materials for licensee website
- Video communications with licensees
- Live Web chats on CSLB website
- Opt-in "Find a Contractor" feature

Determine if outside contracts are needed

Tentative Deadline: Fall 2013

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6:00am-11:59pm
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Limit 5 6-packs per promotion day

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YOU'RE IN THE TOP STORIES: TABLET SECTION

Sanger mayor Joshua Mitchell in financial trouble

By Pablo Lopez - The Fresno Bee

Tuesday, Apr. 09, 2013 | 11:34 PM

E-MAIL PRINT TEXT SIZE: ○ ○ ○

8 Comments

Mayor Joshua Mitchell, whose "Believe in Sanger" campaign brought him a wealth of big-name supporters, a landslide November election victory and a focus on his legal issues, continues to find himself in hot water.

The state elections watchdog agency still is looking at a \$25,000 gift from a Mexican company that paid Mitchell's way to the Super Bowl two years ago.

His contractor's license is suspended. A bank and several businesses have taken him to court over unpaid bills, and the city of Lindsay mistakenly leaned on the city of Sanger to collect rental fees on a water slide that Mitchell used at a campaign event.

Apparently to help pay that bill, Mitchell cashed a \$500 check that didn't belong to him. The check was made out to the city of Sanger, and it prompted a Fresno County Sheriff's Office investigation.

Sheriff's Capt. Steve Wilkins said last week that "no one wanted to press charges" against Mitchell. But the sheriff's investigation was sent to the state Fair Political Practices Commission for review, he said.



Joshua Mitchell

Picasa

An FPPC enforcement chief said this week the agency is reviewing the sheriff's investigation. The Super Bowl gift and other donations to Mitchell's campaign remain an open investigation, he said.

Mitchell, 31, did not return telephone calls for comment.

Mitchell, a graduate of Clovis High, jumped into Sanger politics three years ago when he ran unopposed to replace Mayor José Villarreal, who resigned because of health reasons.

In the recent November election, his endorsements included Fresno Mayor Ashley Swearengin, Sheriff Margaret Mims, Sanger Unified Superintendent Marc Johnson and the entire school board.

Supporters say Mitchell has been instrumental in turning the city's \$28 million budget from a deficit of nearly \$908,000 three years ago to a positive balance today. But court records suggest he hasn't had the same

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success in his private business as a landscape contractor.

He owes Fresno First Bank \$109,669 after defaulting on a loan, Superior Court records show. He stopped making payments in September 2011, documents show.

He owes John Deere Landscapes in Fresno \$19,016. He has a court hearing regarding that debt later this month.

In February, the Dowling Aaron law firm in Fresno sued Mitchell for breach of contract. The lawsuit contends Mitchell hired the firm in March 2011 to defend him against pending litigation but never paid for services.

In addition, Mitchell's landscape-contractor license has been suspended since September because he failed to pay two outstanding civil judgments, said Rick Lopes, spokesman for the Contractors State License Board, California Department of Consumer Affairs.

Renting a water slide

Mitchell's check-cashing troubles began with the water slide he rented from the city of Lindsay last summer for a campaign event that he advertised as a city-sponsored event. The sheriff's report, released last week by Mims, gives this account:

Mitchell asked a Sanger company for a donation, saying the water slide was for a community event. International Paper wrote a \$500 check to the city of Sanger.

Initially, a company official gave the check to City Manager Brian Haddix. But Haddix told the official, "I can't take that. That's between you and the mayor."

The official later gave the check to Mitchell, who cashed it Aug. 24 at the Buy & Bye Market in Sanger.

The owner of the store, Alex Hussein, never took the check to the bank because he didn't believe the bank would honor it. Instead, Hussein called Mitchell, who picked up the check and promised to return with a different one.

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PERRIS: Contractor suspected of bilking clients



A Text Size  

BY PETER SUROWSKI

April 05, 2013; 02:32 PM

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A Perris man is being sought by the Contractors State License Board's for allegedly bilking San Diego-area residents with a driveway construction scam.

Alex Pike Mitchell was added on Thursday, April 4, to the board's "most wanted" list. He is also the subject of an arrest warrant charging him with grand theft, diversion of funds, elder abuse, contracting without a license, requiring an excessive down payment and accepting payments exceeding the value of his work, according to a press release from the state agency.

Mitchell, who does business as Mitchell's Blacktop Service, targets homeowners in the rural parts of San Diego County. He tells the victims he is working on nearby homes and has left-over paving material. He offers to use the material to fix the victim's driveway, writes a contract and collects down-payments of \$1,000 to \$2,500.

He never shows up to do the work.

Mitchell was convicted of contracting without a license on seven previous occasions, according to the release. Anyone with information on the suspect's location is asked to call the Contractors State License Board at 562-345-7600.

###

CSLB "most wanted" contractor arrested in Fresno

Published on 04/05/2013 - 10:35 am

Written by Business Journal Staff



James Lewis Cunningham

A Contractors State License Board task force and Fresno County Sheriff deputies arrested James Lewis Cunningham – listed by the state license board as one of its most wanted contracting violators – in Fresno on April 3.

Cunningham, 37, who operated as Cunningham, The Repair Man, provided contracting services in the Visalia area of Tulare County.

He is charged with fraudulent use of a contractors license not issued to him, contracting without a license, having no workers' compensation insurance and advertising his services illegally. The state license board accused Cunningham of using a licensed contractor's license number to provide a contract to paint and repair the interior of a house being flipped by a funding company.

Because of records indicating a criminal history, the board issued a \$100,000 arrest warrant for Cunningham on Jan. 15, 2013.

Following his arrest, he was taken to Fresno County Jail.

Man arrested for illegal contract work

The Fresno Bee

Friday, Apr. 05, 2013 | 08:04 AM

Fresno police and sheriff's deputies arrested a 36-year-old man on Wednesday who was wanted by the [Contractors State License Board](#) for multiple violations.

James Lewis Cunningham, also known as Cunningham the Repair Man, is an unlicensed contractor and also suspected of using another contractor's license number to contract for work at a Visalia home, CSLB spokesman Rick Lopez said.

Cunningham was booked into the Fresno County Jail.

San Diego: Contractors State License Board seeks contractors who allegedly cheated customers

By City News Service, on April 4, 2013, at 6:44 pm

The Contractors State License Board asked the public today for help in tracking down two contractors who have allegedly bilked San Diego-area residents out of more than \$100,000 through substandard, deceptive and incomplete residential construction work.

The state agency recently added Ronald Wayne Holland of Bonita and Alex Pike Mitchell of Peris to its "most wanted" list due to their history of violations and an accumulation of new accusations against them.

Holland, doing business as Center Line Design, has been cited and convicted for illegal contracting on nine prior occasions, according to CSLB officials.

He currently is being sought by authorities on an arrest warrant stemming from numerous consumer complaints about illegally large down-payments —\$21,000 in one case — and for poor and unfinished contracting work.

The San Diego County District Attorney's Office has filed charges against Holland for felony grand theft, and for misdemeanor diversion of funds, contracting without a license and soliciting illegal down-payments. Prosecutors allege he typically preys on homeowners interested in swimming pools and landscaping improvements.

Holland is on probation from previous unlicensed contracting activities and owes one homeowner \$100,000 in restitution, according to the CSLB.

The second suspect newly added to the state board's most-wanted roster is Alex Pike Mitchell of Peris.

Mitchell, the subject of an arrest warrant charging him with grand theft, diversion of funds and elder abuse, allegedly has victimized residents in rural parts of San Diego County.

Investigators say the suspect, who operates as Mitchell's Blacktop Service, targets homeowners with long asphalt driveways, tells them he is working on jobs in the area and claims that he has left-over paving material he can use for their driveway.

He then allegedly writes a contract and collects down-payments of \$1,000 to \$2,500, but never shows up to do the work.

Mitchell has been convicted on seven previous occasions for contracting without a license, according to state officials.

Anyone with information on the whereabouts of either suspect is asked to call the CSLB at 562-345-7600.



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California Contractors Board's "Most Wanted"

Originally printed at <http://www.sandiego6.com/news/local/California-Contractors-Boards-Most-Wanted-201555991.html>

By Mike Wille
April 4, 2013

SAN DIEGO (CNS) - The Contractors State License Board asked the public's help Thursday in tracking down two contractors who have allegedly bilked San Diego-area residents out of more than \$100,000 through substandard, deceptive and incomplete residential construction work.

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Contractor on 'Most Wanted' list arrested in California

*Filed Under Business Small Business
Apr 01*

rgj.com

A member of the Nevada State Contractors Board's Most Wanted list in connection with a fencing job in the Reno area has been arrested in California, the board said Friday.

California investigators took Steve Charles Yon into custody at a relative's house near Sacramento earlier this week, the board said in a news release.

Yon is wanted on a warrant issued by the Justice Court of Incline in September 2009. The board said he was added to the Most Wanted list in January 2010 after his arrest on a felony charge for diversion of funds in failing to provide any materials or labor after obtaining a \$9,245 payment for the fencing job.

Yon, who was a licensed fencing contractor in Nevada and California working under the business name Alpine Fence, will be extradited to Nevada, according to the release.

Contractors and the public can go online at www.nscb.nv.gov and click "Ten Most Wanted" on the quick-link menu to review suspect profiles. The website includes contact numbers to provide information about the individuals profiled.

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Editorial: Home repairs come with rules

Chico Enterprise-Record

Posted: 03/26/2013 12:09:29 AM PDT

Our view: While unlicensed contractors learned a lesson from yet another sting, consumers need to catch on as well.

When it comes to dealing with unlicensed handymen, the state loves to respond with a tool the contractors know well — a hammer. It seems a bit overblown — killing a fly with a sledgehammer when a fly swatter will do — but the state certainly manages to get its point across.

The Contractors State License Board, a state agency, says it conducts stings every week somewhere in California. Chico and six other cities statewide were targeted March 13-14. With the help of investigators from the Butte County District Attorney's Office, the CSLB cited six contractors for not having a license while bidding on jobs. Seventy-seven citations were handed out statewide during those two days. A first-time violation carries a maximum penalty of up to six months in jail (not likely) or up to a \$5,000 fine (more likely).

The sting involved asking suspected unlicensed contractors to bid on landscaping, tree removal, fencing and painting. Any job over \$500 has to be performed by a licensed contractor. The six cited bid on jobs at a Chico home but did not have a license.

The CSLB makes sure the stings get publicized by sending out press releases after every one. The agency wants them to be high-profile events for two reasons: to encourage all unlicensed contractors to pay the fees to the state every year, and to warn citizens who need work done that

they shouldn't hire unlicensed people.

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The CSLB operates as an arm of the state Department of Consumer Affairs, meaning its most important objective should be looking out for

consumers. While the stings have some elements that make us uneasy — we wish the state paid as much attention to parolees released under prison realignment, for example — there are also some reasons for the average citizen to pay attention.

The most important is the reminder to make sure you hire a licensed contractor for any job over \$500. Having a licensed contractor provides protection for the homeowner in the event a worker gets injured doing the job, damages the house or performs unsatisfactory work.

The state makes some important recommendations, including to ask for a contractor's state license number and then to check and see if the license is current at www.cslb.ca.gov. The website also lists these reminders, which are good advice: Get at least three bids; get a detailed written contract; and do not pay more than 10 percent or \$1,000, whichever is less, as a down payment.

Wednesday, Mar 20 2013 04:04 PM

Dozens arrested in statewide undercover sting focusing on unlicensed contractors

By BREAKING NEWS BLOG

Nearly 80 people - including several in Bakersfield - face criminal charges after being caught in statewide undercover sting operations conducted this week by the California Contractors State License Board.

Among those arrested in Bakersfield were Benigno Arguelles Martinez, who has a prior conviction for statutory rape, and Juan Manuel Villanueva, who was taken into custody for having false identification and on an arrest warrant for corporal punishment of a minor child and vehicle theft. There were a total of 13 arrests in Bakersfield.

Others arrested in Bakersfield on violations including contracting without a license and illegal advertising were Sinmas Soberanis Acuna, Martin Guadalupe Gill Ortiz, Francisco Carabez Garcia, Daniel Ray Todd, Jerry Allen Henson, Gustavo Martinez, Juan Garcia Torres, Thomas Wayne Brown (whose offenses did not include illegal advertising), Israel Hernandez, Stuart Wayne Forsythe and Armando Alfonso Cobian.

The Contractors State License Board provided the following tips for residents:


- * Look for the contractor's state license number and, if there isn't one, the law states unlicensed people can't work on jobs valued at \$500 or more.
- * Check the license number on CSLB's website at www.cslb.ca.gov or www.CheckTheLicenseFirst.com to make sure the license is in good standing and that the contractor has workers' compensation insurance coverage for employees.
- * Ask to see a photo ID to verify the person's identity, and contractors are required to have their plastic pocket license or Home Improvement Salesperson registration card with them.
- * Get at least three bids, check references and previous work, and get a detailed written contract.
- * Don't pay more than 10 percent or \$1,000, whichever is less, as a down payment. Don't pay in cash and don't let payments get ahead of the work.

- California Contractors State License Board

NEXT STORY: Two wanted in connection with passing counterfeit money

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Senior safety: Murrieta library to host scam seminar

By Guest Contributor, on March 21, 2013, at 12:23 am

Assemblywoman Melissa Melendez, California Contractors State License Board, and the Murrieta Public Library will host a free Senior Scam Stopper seminar at 1 p.m. on Wednesday, March 27 in the Murrieta Library's Community Room.

This seminar will feature a panel of experts that will provide information to seniors on how they can protect themselves from becoming victims of fraud.

Participants can get vital information and answers to their questions, as well as obtain assistance if they have been a victim of a scam.

This event is free and open to the public and is sponsored by the Friends of the Murrieta Library.

The Murrieta Public Library is located at 8 Town Square (Adams Avenue and Kalmia Street).

For more information about the program call 951-304-BOOK (2665) or visit the Library's web page at www.murrietalibrary.info.

**Contributed by Murrieta Public Library*



Murrieta Public Library (Credit: Facebook.com)

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California News 

Dozens arrested in statewide unlicensed-contractors sting

Friday, March 15, 2013

TAGS: [arrest](#), [construction](#), [california news](#), [eileen frene](#)

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PLACENTIA, Calif. (KABC) -- Authorities launched a statewide sting targeting dozens of unlicensed contractors, arresting nearly 80 suspects.

If you've ever considered hiring an unlicensed contractor just because he's cheap, think again. Authorities say you could be putting more than your home and finances at risk.

Carol Dalman looks at the shoddy work left by a contractor who replaced about a dozen windows in her Placentia home.

"I lost about \$4- or \$5,000 and my windows are moldy, they've never been finished," said Dalman.

The contractor she hired was not licensed. Dalman, 66, says she never thought about it at the time since the contractor was recommended by a neighbor. She regrets not checking his background.

"Consumers don't realize the risk they run when they hire someone who doesn't have a contractor's license," said Rick Lopes, spokesman for the Contractors State License Board.

Video provided by the License Board shows investigators posing as homeowners getting bids for a range of services.

During a two-day sting, nearly 80 contractors were arrested in California for operating without a license. Even more alarming, some had serious criminal records.

"Some of these people who were coming out are convicted sex offenders, we had one guy with child trafficking and actually showed up at the sting with a kid," said Lopes.

Officials say homeowners need to check a contractor's license to make sure it's valid if the work they're doing is more than \$500; get more than three bids; and don't pay in cash.

Dalman learned the hard way. She's now taking the contractor in her case to small-claims court because of what he left her with in 2011.

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Friday, Mar. 15, 2013

Nearly 80 charged for unlicensed contracting in CA

The Associated Press

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SACRAMENTO, Calif. — California regulators say nearly 80 people face criminal charges for doing contracting work without a license following a broad-reaching undercover operation.

The California Contractors State License Board said Friday the stings were conducted this week in Orange, Los Angeles, San Bernardino and other counties.

Investigators posed as homeowners seeking bids for home improvement projects like painting, electrical work and masonry. Most of those caught had posted Craigslist advertisements for their services.

If convicted of misdemeanor contracting without a license, they face up to six months in jail and a \$5,000 fine.

Of the 78 arrested, 57 may also be charged with illegal advertising, and 24 others may be charged with requesting an excessive down payment.

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Posted on Fri, Mar. 15, 2013

Unlicensed contractors nabbed in Stanislaus County sting

last updated: March 15, 2013 11:10:24 PM

A registered sex offender from Ripon and a Copperopolis resident on federal probation were among 21 people arrested this week during a sting conducted by the Contractors State License Board and law enforcement officers in Stanislaus County.

It was part of a statewide effort that netted a total of 78 arrests in six areas of the state.

Authorities working in the Oakdale area nabbed Emilio Blaisdell Quackenbush, 33, of Ripon, who has been operating as an unlicensed drywall and flooring contractor. He is a Megan's law registrant, convicted of committing lewd or lascivious acts with a child 14 or 15 years of age and for being 10 years older than the victim.

He allegedly submitted a \$22,500 bid for a job in the Oakdale area without a license and had advertised illegally.

And they arrested Michael Anthony Giuiland — a Copperopolis man on federal probation stemming from a bribery conviction — for displaying a license that wasn't his.

All 21 face misdemeanor charges of contracting without a license and illegal advertising. Some merited other charges, including demanding an excessive down payment or worker compensation insurance violation.

Also scheduled to appear May 1 in Stanislaus County Superior Court are: Christian Villa, Rommell Martinez, Robert Anthony Miller, Corey Tate, Jose Eligio Gerra DeLaCruz, Tom Villalovos, Joel Perez, Stephen Dale Cooper, Eliseo Medina and Matteo Natale, all of Modesto; Robert Michael Bratton of Fresno; Alfred Luther Johnson Jr., Alberto Joe Yanez and Angel Trejo-Galan of Stockton; Juan Carlos Cortez of Riverbank; Juan Carlos Rios of Turlock; David Mathew Riccio of Copperopolis; and August Watkins and Hugh Roger Chase of Manteca.

The penalty for contracting without a license is up to six months in jail and-or a fine of up to \$5,000. The illegal advertising charges carry fines of \$700 to \$1,000. An unlicensed contractor can advertise for jobs up to \$500, but must state clearly in the ad that he or she is not licensed.

Those convicted of charging excessive down payments could get up to six months in jail and pay a fine up to \$5,000.

And those who violated orders to stop working until they provided worker compensation insurance for their employees could face 60 days in jail and-or as much as \$10,000 in fines.

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Sex Offender Among Arrestees In Raids On Unlicensed Contractors

March 15, 2013 8:26 AM

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CSLB Undercover Sting_3_13 &14_2013, Orange, CA



0:00 / 9:55

ORANGE (CBSLA.com) — Officials with the [California Contractors State License Board \(CSLB\)](#) targeted unlicensed contractors in Los Angeles and Orange counties in undercover sting operations conducted this week.

Video footage from one sting operation in the city of Orange showed suspects giving bids for work that require a state contractor license.

Other Southern California cities involved in the operation included Lawndale and San Bernardino. Sting operations were also conducted in Bakersfield, Chico and Oakdale.

The operation resulted in the arrests of at least one registered sex offender, repeat offenders, people with arrest warrants, revoked licensees, and people who illegally used the license of a legitimate contractor, CSLB officials said.

Anyone performing construction work in California that totals \$500 dollars or more in labor and materials must be licensed by CSLB, according to state law.

A news conference is planned for 10 a.m. to discuss the operation.

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Unlicensed contractors swept up statewide

SACRAMENTO

March 15, 2013 12:23pm

- **Blitz nabs repeat offenders**
- **“Unlicensed, illegal activity that puts homeowners at risk”**

Nearly 80 people – including many from the Central Valley – are facing criminal charges after being caught in simultaneous statewide undercover sting operations conducted this week by the Contractors State License Board (CSLB).

Among those arrested during CSLB’s blitz were a registered sex offender, a suspect with a prior conviction for statutory rape, an individual with an active arrest warrant for corporal punishment of a minor child, one on federal probation for bribery, and several caught using contractor license numbers not belonging to them.

Investigators from CSLB’s Statewide Investigative Fraud Team (SWIFT) conducted stings on March 13 and 14 in Orange (Orange County), Lawndale (Los Angeles County), San Bernardino (San Bernardino County), Chico (Butte County), Oakdale (Stanislaus County), and Bakersfield (Kern County).

SWIFT investigators posed as homeowners seeking bids for home improvements such as painting, electrical, landscaping, flooring, drywall, swimming pool maintenance, concrete, masonry, and tree removal work.

“CSLB and its partners in law enforcement are serious about enforcing our state’s consumer protection laws,” says CSLB Registrar Steve Sands. “Unlicensed, illegal activity that puts homeowners at risk and puts those who follow state laws at a competitive disadvantage will not be tolerated.”

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News from home

MARCH 17, 2013 12:00 AM

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Nearly 80 face counts of illegal contracting

SACRAMENTO- California regulators say nearly 80 people face criminal charges for doing contracting work without a license following a broad-reaching undercover operation.

The California Contractors State License Board said Friday the stings were conducted this week in Orange, Los Angeles, San Bernardino and other counties.

Investigators posed as homeowners seeking bids for home improvement projects like painting, electrical work and masonry. Most of those caught had posted Craigslist advertisements for their services.

If convicted of misdemeanor contracting without a license, they face up to six months in jail and a \$5,000 fine.

Of the 78 arrested, 57 may also be charged with illegal advertising, and 24 others may be charged with requesting an excessive down payment.

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US Energy Dept. backs uranium mining

GRAND JUNCTION - The U.S. Department of Energy is again proposing opening up 25,000 acres of land in western Colorado to uranium mining.

The department released the proposal Friday for 31 tracts it manages in Mesa, Montrose and San Miguel counties.

The area helped supply the uranium used to develop the first atomic bombs that ended World War II. But the mining boom collapsed with the end of the Cold War and the problems facing nuclear energy starting with Three Mile Island in 1979.

A federal judge in 2011 blocked the Energy Department's plans to relaunch mining there, saying it needed to conduct a detailed analysis of the plan and take public comment.

The department will hold hearings on the proposal during the week of April 22 in Grand Junction, Montrose, Telluride and Naturita.

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Nearly 80 charged for unlicensed contracting in CA

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Nearly 80 charged for unlicensed contracting in CA

The Associated Press

Published Friday, Mar. 15, 2013

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Nearly 80 charged for unlicensed contracting in CA

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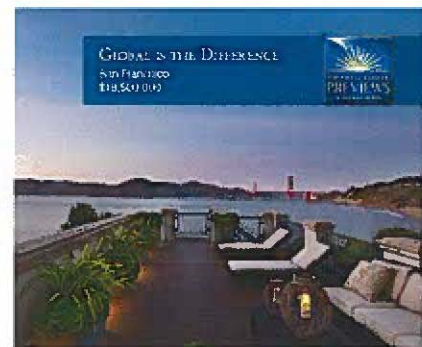
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Sting Operation Nets Dozens of Unlicensed Contractors



26 mins ago
by **Jennifer Gould**
KTLA 5 Reporter

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ORANGE, Calif. (KTLA) — A registered sex offender is among those arrested in a major crackdown against unlicensed general contractors.

A sting operation by the Contractors State Licensing Board netted nearly 80 people in 6 different cities, including 3 in Southern California.

Officials say people are putting their house and family at risk by trying to save some cash on home repairs.

"We had not only convicted sex offenders, we had someone convicted of human trafficking and someone who showed up to the sting with a child," said Rick Lopes of the Contractors State Licensing Board.

In the past two days investigators posing as homeowners invited suspected unlicensed operators to bid on work such as drywall, flooring and fencing.

"Many don't realize someone has to be licensed to do a job that's \$500 or more in California, that's including labor & materials," Lopes told KTLA.

Officials say many skirt the law and don't go for the license because they have a criminal past.

They prey on people by offering to do house work at bargain prices.

Lopes said unlicensed contractors can charge less because they use inferior products, skirt the laws and they're not covering workers with workman's comp.

Homeowners left with no recourse for shoddy work are putting their home, finances and family in danger.

The reason to hire a licensed contractor is there are a number of protectors in place, according to Lopes.

Licensed contractors have to undergo a background check and take exams to show they are minimally competent to do the work.

Officials advise homeowners to verify a contractor's license number, don't pay more than 10% down or \$1,000, check references, confirm they have workman's comp insurance and always get bid in writing.

Those arrested face a misdemeanor charge for contracting without a license.



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 By CAROLYN SCHMITZ cschmitz@ledger-dispatch.com | 0 comments

The Amador County District Attorney's office, along with the Department of Insurance and the Amador Senior Center, invite one and all to attend the Amador County Fraud Awareness Seminar, on Tuesday, March 19, from 1:30 to 5 p.m., at the Amador Senior Center, located at 229 New York Ranch Road, in Jackson.

This is a free seminar that will bring in speakers from the Department of Insurance, the Contractors State License Board, and Health Insurance Care and Advocacy, who will educate the public about various types of fraud, including automobile insurance fraud, life insurance and annuity fraud, Medicare fraud, social media fraud (such as Facebook and Twitter), workers' compensation fraud, and unlicensed contractor and construction concerns.

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Assemblywoman Connie Conway is partnering with the California Contractors State License Board to host a free "Senior Scam Stopper" seminar later this month in Porterville.

A panel of experts will provide information to seniors on how they can protect themselves from becoming victims of fraud. Attendees can get answers to their questions and obtain assistance if they have been scammed.

"Too often, trusting seniors become victims of scams. This free workshop will give seniors the tools they need to turn the tables on these unscrupulous predators," Conway said.

"Senior Scam Stopper" seminars have been offered throughout the state since 1999 in cooperation with legislators, state and local agencies, law enforcement, district attorneys, and community-based organizations.

In addition to providing information about construction-related scams and how seniors can protect themselves when hiring a contractor, the seminars feature expert speakers from many local, state and federal

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agencies, who present broader topics, including identity theft, auto repair, and investments.

The free workshop will be held Thursday, March 28 from 10 a.m. to 11:45 a.m. at the Porterville Senior Center, which is located at 466 E. Putnam Avenue in Porterville. For more information, contact Assemblywoman Conway's district office at 636-3440.

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Nearly 80 charged for unlicensed contracting in California

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SACRAMENTO, CA (AP) - California regulators say nearly 80 people face criminal charges for doing contracting work without a license following a broad-reaching undercover operation.

The California Contractors State License Board said Friday the stings were conducted this week in Orange, Los Angeles, San Bernardino and other counties.

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If convicted of misdemeanor contracting without a license, they face up to six months in jail and a \$5,000 fine.

Of the 78 arrested, 57 may also be charged with illegal advertising,

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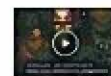
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Six unlicensed Butte County contractors caught in sting

By ALMENDRA CARPIZO-Staff Writer Oroville Mercury Register

Posted:

orovillemr.com

CHICO — Six alleged unlicensed contractors from Chico, Oroville, Palermo and Paradise were among those cited after the undercover sting operation "California Blitz" was conducted by the Butte County District Attorney's Office and the Contractors State License Board on Wednesday and Thursday.

Investigators from the CSLB's Statewide Investigative Fraud Team and the District Attorney's Office posed as potential clients at a private home in Chico, according to a press release from the DA's office. The investigators invited the alleged unlicensed contractors to place bids on landscaping, tree removal, fencing and painting.

The suspects were reportedly advertising their services in newspapers, Craigslist and by posting material at home improvement stores, according to the press release. The people that bid more than \$500 for labor and material were issued a notice to appear for contracting without a license.

The penalty for contracting without a license is up to six months in jail and/or a fine of up to \$5,000, according to the CSLB. Also, state law requires that contractors include their license number in advertisement. If the person does not have a license, they must disclose that in their advertisement and can only perform jobs that are valued at less than \$500. Violators may face a fine of up to \$1,000.

The following people were cited for contracting without a license and illegal advertisement — both misdemeanors:

- * Laslo Szontagh, 36 of Chico, bid \$1,200 to paint the exterior of the home.
- * Guillermo Serrano Tejas, 46 of Chico, bid more than \$500 for landscaping services.
- * Andrew Louis Colenzo, 52 of Paradise, bid \$1,300 to build an iron gate.
- * Herod Fred Miller, 33 of Oroville, bid \$850 to remove three to four trees from the property.
- * Jeffrey Gerald Steels, 48 of Oroville, bid \$800 to \$1,000 to paint the exterior of the home.
- * Juan Carlos Rodriguez, 31 of Palermo, bid more than \$500 for landscaping services.

"Homeowners need to be aware of the risk they take when they hire someone who is not licensed to do work in their home," said District Attorney Mike Ramsey in a press release. "What seems like a good deal almost always ends up costing a lot more."

Stings are done periodically to prevent "unscrupulous, unlicensed contractors from overbidding contractors who follow all regulations," Ramsey said.

The two-day sting, which was also conducted in Oakdale, Bakersfield, Lawndale, Orange and San Bernardino, resulted in 78 arrests total, according to the CSLB.

The CSLB encourages consumers to look for contractor's state license number, ask for identification, get at least three bids, check references and to remember that it's illegal to pay more than 10 percent of the

total cost of a project up front or \$1,000, whichever is less, for a home improvement contract.

For more information, people can go to the CSLB's website at www.cslb.ca.gov or call 1-800-321-2752.

Reach Almendra Carpizo at 896-7760, acarpizo@chicoer.com, or on Twitter [@almendracarpizo](https://twitter.com/almendracarpizo).

Scam Stopper Seminar Warns Seniors of Online Fraud and Identity Theft

March 21, 2013 - By Carolyn Chesler

Seniors hold 70 percent of the country's wealth and are often the easiest targets for scammers to defraud.

Numerous scams are being committed against seniors today, among them identity theft, mail fraud, lottery fraud, healthcare fraud and abuse, financial exploitation, home repair/contractor scams, real estate fraud and long-term care abuse issues.

Corresponding with National Consumer Protection Week, a "Senior Scam Stopper" panel addressed a gathering of about 60 people, mostly seniors and caregivers, at the First United Methodist Church of Canoga Park on Friday, Mar. 8.

The event, one of many being held throughout the state, was sponsored by State Senator Fran Pavley (D-Agoura Hills) and the Contractors State License Board (CSLB).

Following an introduction by Sen. Pavley, representatives from five agencies—California Health Advocates (CHA), L.A. County Dept. of Community & Senior Services, L.A. County Dept. of Consumer Affairs and the U.S. Postal Inspection Service (USPIS)—spoke about the scams targeting seniors today.

"Seniors are the number one group targeted by unscrupulous scammers because they hold 70 percent of the wealth and tend to be more trusting," said Jane Kreidler, Outreach Coordinator for CSLB and coordinator of the event.

Kreidler addressed issues of home repair fraud. "We license 300,000 contractors a year," she said, cautioning that, "There are many unlicensed operators that are outbidding the licensed contractors; if a stranger calls you, mails something to you, comes to your door without being solicited that is a red flag," Kreidler said. "Do not engage with them."

According to panelist John Merrill of the L.A. Dept. of Community & Senior Services, financial abuse is the fastest growing form of elder abuse today in California while remaining the most underreported.

"Only half of all crimes are reported," he said, adding that elder abuse is a crime punishable by four years in prison, a law that is attached to more severe felony penalties that can be brought to bear on a perpetrator.

In light of the problems facing the senior community today, the panel sought to arm attendees with knowledge and resources, and assurances they do not have to be conned or face devastating emotional or financial loss by scammers.

In the case of financial abuse, the perpetrators of these acts are punished under CA Penal Code 368, which covers physical abuse as a tool to commit financial abuse, abandonment, neglect, denial of food or medicine and isolation. Victims and those aware of such crimes at large can report them to Los Angeles Adult Protective Services, the largest agency of its kind in the United States.

AN OUNCE OF PREVENTION

"There is good news," said Renee Focht of the USPIS, speaking about lottery scams: "You have to be a willing participant to be a victim." Focht related that more than \$42 million dollars were lost in the last three years by those who participated in illegal foreign lottery scams and sweepstakes. These scams are conducted via the U.S. mail, by telephone and online.

"Typically, the hook is a false claim alerting you that you have just won the foreign lottery," said Focht. However, to claim the "prize," the scammer will request a check for processing expenses.

Anyone who suspects they have been contacted by any party attempting to commit fraud, should contact the USPIS, who shares information directly with the Federal Trade Commission (FTC).

The FTC also supplies a hotline known as the National Do Not Call Registry (donotcall.gov), where you may opt out of receiving unsolicited calls simply by making a request. Another suggestion when you receive unwanted calls was to tie up their line by putting the phone down without hanging up and walking away. In the case of credit cards, you may even choose to opt out of being on a list to receive "firm offers" of credit by logging on to optoutprescreen.com.



“This is a free service in connection with all four major credit bureaus,” Merrill said. “An ounce of prevention goes a long way to help maintain your home and your pension.”

Panelist Dora Hernandez of California Health Advocates noted that Medicare benefits fraud costs consumers billions of dollars and offered the following tips:

- Do not carry your Medicare card with you because most of the time it is the same number as your social security number. This information should be kept confidential for your protection.
- If someone calls and says they are with Medicare, remember: Medicare never calls you; they only use the mail system, so never engage in a conversation with someone claiming to be with Medicare.
- Always read your Medicare summary notices, which are mailed to you every three months and check them for accuracy. A dishonest healthcare provider may try to charge you for more services than they actually gave you. Call your doctor, clinic or hospital immediately if you have questions and concerns.
- If you feel overwhelmed, have questions, suspect fraud or abuse, contact the California Senior Medicare Patrol (SMP), (855) 613-7080. For further assistance with Medicare, call HICAP: (800) 434-0222. Hernandez also offered tips regarding house repairs, saying seniors can deflect contractor’s scams by paying attention to a few important pieces of information.
- Hire only state-licensed contractors, get at least three bids, at least three references and reviews of previous work done, and get everything in writing regarding project expectations.
- Confirm their worker’s compensation insurance policy, ask about liability insurance to cover any property damage, don’t let payments get ahead of the work, never pay more than 10 percent down and don’t pay the final installment unless satisfied with the job.

“If you have a home repair that costs more than \$500, you are required to hire a licensed contractor,” Kreidler added.

“If you suspect a con artist is targeting you, don’t let them succeed,” Hernandez said. “Do report it. We are in this together!”

Following the panelists’ presentations, time was allowed for questions after which panelists stayed to mingle with attendees and continued the discussion with those who stayed.

IMPORTANT REFERENCE NUMBERS

LA County Department of Consumer Affairs hotlines:

- Consumer Protection: (800) 593-8222 (inside LA County); (213) 974-1452 (outside LA County); dca.lacounty.gov
- Small Claims Advisors: (213) 974-9759
- Real Estate Fraud and Homeowner Assistance: (800) 973-3370
- Dispute Settlement Service (mediators resolving disputes out of court): (213) 974-0825
- Identity Theft Unit: (213) 974-9459
- Senior Abuse and Fraud Protection: (213) 974-9778
- Public Information and Community Outreach: (213) 974-9699

Other Agencies:

- 911
- Los Angeles Adult Protective Services: (213) 351-5401
- LA County Dept. of Community & Senior Services: (800) 520-2020; css.lacounty.gov



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Los Gatos Home Building Fraud Defendant Arraigned Thursday

Restitution amount of alleged theft is nearly \$500,000.

By [Sheila Sanchez](#) [Email the author](#) 5:28 am



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Thoughts on this case? [Tell us in the comments.](#)

[A Santa Cruz woman appeared in Santa Clara County Superior Court Thursday afternoon to be formally arraigned on felony and misdemeanor charges related to a home building fraud case on Camino del Cerro in Los Gatos.](#)

Sandra Nora Greenwell, 56, was referred to the Santa Clara County Office of the Public Defender and the case was continued until 9 a.m. April 11 for her identification of counsel.

Greenwell faces one count of felony diversion of construction funds and one count of Business and Professions Code violation for felony fraudulent use of a contractor's license number.

She's also been accused of felony grand theft of personal property, or money and misdemeanor contracting without a license.

Santa Clara County Deputy District Attorney Lisa Schon, who appeared Thursday for the prosecution, said if convicted Greenwell could be sentenced to a maximum prison time of four years and four months.

"She opened up an LLC for the purpose of building a residential home in Los Gatos on Camino del Cerro and she's not a licensed contractor," Schon said. "She hired a number of unlicensed contractors to work on the project."

Schon also said Greenwell wrote herself checks from the LLC account, which is the alleged diversion of construction funds and she used another individual's contractor's license for the project without his permission.

The entire amount of restitution, including the diversion, is about \$470,000, Schon said.

Thursday's proceedings were heard by Santa Clara County Superior Court Judge Kenneth Shapero.

Schon said she will not be prosecuting the case, and just filled in for Deputy District Attorney Johnene Stebbins.

Greenwell was arrested Feb. 8 in Boulder Creek after a \$100,000 warrant was issued in Santa Clara County preceded by a lengthy investigation by the [Contractors State License Board](#).

The fraudulent \$3.2 million home project enlisted investors and the investigation found that in December 2010, Greenwell and her son formed Los Gatos Group LLC to build a house in town.

Investigators found that Greenwell used her position to divert at least \$46,500 in investors' money into the bank account of another company she ran, Eagle Consulting Team, authorities said in February in a press release.

"It's important to note that cases like this are the exception rather than the rule when it comes to the character of people in the construction industry," said [CSLB Registrar Steve Sands](#) in February about the case. "This complex investigation is another example of the lengths some unscrupulous people will go to in order to take advantage of consumers."

The CSLB operates under the umbrella of the California [Department of Consumer Affairs](#).

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Published March 27th, 2013

Hiring Licensed or Unlicensed Contractors: What You Should Know

By Don Odell



A local solar company installs, monitors, and finances residential and commercial energy systems. They are licensed to install, maintain and repair solar energy systems and for heating, ventilating and air conditioning. Some of the crew are pictured installing panels on a home in Moraga. Photos Cathy Tyson

The economy has hit the construction industry hard and many contractors and construction workers are out of work. This has proven to be a savings boom for property owners as the glut of construction workers looking for work has forced the price of construction down. However, for the unwary property owner, this savings can bring risk.

For the first time in perhaps a decade, highly skilled construction workers, many without licenses, are looking for work and are willing to significantly discount their prices. But at what cost to you, the property owner?

It is not unrealistic to hire an unlicensed contractor with as much or more experience as a licensed contractor for half the cost. But, before you do so, consider that the State of California requires that anyone performing work for which a contractor's license is required have a current contractor's license.

The license does not guarantee that the work performed will be good, it simply assures that the contractor has met certain basic standards and that the contractor has basic experience and knowledge of the work covered by the license. It also assures that the contractor has a minimum bond to help ensure that the work is completed, and, if the work contemplated is \$500 or more, it requires that the contractor enter into a contract with you for that work.

An unlicensed contractor, on the other hand, can not obtain worker's compensation insurance. So if someone working on your job is injured on the project, you could be personally liable.

Unlicensed contractors are not bonded, so if they do not complete the work, you will have to pay to finish it, even if you've already paid the contractor. Unlike most licensed contractors, unlicensed contractors do not carry errors and omissions insurance so if the contractor's work injures someone or damages your property, you will be faced with the difficult task of trying to recover your damages from the contractor. Also, their work is usually not documented under a written contract, leaving you with no clear statement of what is required of the contractor, and they often do not pay taxes on the money they receive, potentially exposing you to the risk of having to pay employment taxes and social security taxes for the contractor.

Further, many unlicensed contractors do not obtain permits for their work or have the work inspected by the local building inspectors. This creates a severe long term problem for the property owner, particularly where residential properties are concerned, because when the owner goes to sell the property, the owner is required to disclose that the work was done without permits, a disclosure that often negatively impacts the sale price.

So, while you can save money by hiring unlicensed contractors, doing so comes with risks and unless you are careful, you could end up paying far more in the long run for the work than if you hired a licensed contractor.

To be safe, before you hire anyone to work on your property, licensed or not, take the time to educate yourself on the risks and make sure that you have a contract in place that will protect you.

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With more than 20 years of experience under his tool belt, a Lafayette handyman finds plenty of work on a variety of projects around the area, from installing crown molding to building a pergola to working on recent real estate listings that need some TLC.

Donald Odell is a licensed California attorney with 19 years of experience representing businesses, homeowners and contractors throughout the Bay Area. He can be contacted at (925) 788-3089 or at donaodaodell@comcast.net.

More Contractor Facts

While the Contractors State License Board says that anyone performing construction work in California that totals \$500 or more in labor and materials must be licensed, unlicensed workers are easy to find, and for small jobs around the house, usually a good solution.

The Labor Enforcement Task Force (LETF), part of the California Department of Industrial Relations is out there to police what they call "an underground economy and improve the state's business environment" to enforce carrying workers' compensation insurance and provide a safe work environment, proper payment of wages and support the collection of all California taxes, fees and penalties. In 2012, a total of 635 construction businesses were inspected by the LETF. The California State License Board estimates there are about 300,000 licensed contractors in the state, so despite undercover sting operations, the likelihood of getting caught is fairly slim. Obviously it's hard to quantify how many unlicensed contractors there are.

C. Tyson

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Experts aim to keep seniors safe from scams

By Tom Sheridan (/staff/tom-sheridan/) 7:33 P.M. MARCH 29, 2013

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Scamming senior citizens is a dirty business. It's a lucrative one, too.

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The National Council on Aging calls financial scams targeting senior citizens "the crime of the 21st Century."

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Assemblywoman Melissa Melendez -- who headed up a panel from the construction, insurance, automobile repair and law enforcement industries at the Murrieta Public Library last week -- said this type of exploitation of the elderly can't be tolerated.

x

"Taking advantage of our seniors is something we have to stop ... immediately," she said. "It's terribly important to the folks who live in this community that they keep their money in their pockets, their life savings in their bank accounts, and that somebody doesn't come and swindle them out of it."

Murrieta residents Ruth Carter, 80, and Ken Herring, 72, attended the seminar. Both of them said they use caller ID to screen their calls at home to avoid telemarketers.

"If we don't know them, we just let it ring," said Herring, a retired heavy machinery operator.

Peter Meza is a compliance officer with the Department of Insurance who served on the panel. He said unscrupulous insurance agents target senior citizens with sophisticated-sounding pitches for financial products they don't need, such as annuities.

Meza explained that those types of investment products are not designed for people in their 70s or 80s.

"It takes what they call maturity time," Meza said. "You put money in and it takes 10 years, 15 years, whatever, to get" it out.

Depression-era bank robber Willie Sutton is credited with saying he robbed banks "because that's where the money is."

According to the Federal Reserve's Survey of Consumer Finances for 2010 -- households of people 65-and-older possessed about one-third of the wealth in the U.S. Households age 65 to 74 controlled 19.3 percent, and households age 75-and-over controlled 13.9 percent. Those statistics are not lost on chislers, con men and crooks.

Tracking those people and informing the public about their predatory practices has kept Jane Kreidler, an outreach coordinator with the Public Affairs Office of the Contractors State License Board, quite busy. She estimated that last year she did about 50 seminars like this.

Most of the fraud in the construction industry is perpetrated by unlicensed contractors, Kreidler said. She said they will monitor a neighborhood, determine where the elderly live and then knock on the door and make their pitch.

There are a couple of scams related to construction work. Some operators demand excessive down payments, then never come back. Others receive payment then abandon the job before it's done.

Kreidler said these unlicensed contractors prefer verbal agreements to contracts, and getting paid in cash.

Another panelist, Robert Snyder of the Bureau of Automotive Repair, said that if a person is having a hard time understanding what an auto mechanic is saying, ask them to explain it to you again. And if concerns or reservations persist, he said, "Don't be afraid to say, 'No.'"

"I want you to be wiser," Snyder said. "I don't want you to spend money on things you don't understand."



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Tom Sheridan
THE CALIFORNIAN

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CSLB: 1 arrested, 1 at large in contractors licensing scam

3:23 PM, Mar 26, 2013 | 0 comments



Maico Merdinand Dimla



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C. Johnson

SACRAMENTO, CA - One man has been arrested and a second suspect is sought in what the Contractors State License Board

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says was a scheme to defraud CSLB applicants and licensees out of money.

CSLB investigators say there have been at least 50 victims who've lost from \$98 to \$250 in the scam.

Two suspects, Maico Merdinand Dimla, 41, and Luis Manuel Flores, 50, are believed to have created a fraudulent business and website with a name very similar to CSLB and portrayed themselves as CSLB employees, according to a news release from the agency. CSLB applicants and licensees who contacted the site were told they needed to buy test study guides or additional courses or licensing exams - all requiring fees which had to be paid by credit card over the phone.

The investigation, which began last summer, found that even though the suspects were in Tijuana, Mexico, they had a phone number which appeared to victims as originating in the 916 Sacramento area code.

Flores was arrested in February as he crossed into the U.S. from Tijuana. He remains jailed at Rio Cosumnes Correctional Center on a charge of conspiracy to cheat or defraud another person of property.

Dimla hasn't been caught. There is an arrest warrant for him and CSLB investigators think he is in Tijuana.

CSLB reminds that CSLB fees can only be paid by mail or in person at its Sacramento headquarters.

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Consumer Tip: Choosing a contractor

Marin Independent Journal

Posted: 03/05/2013 06:30:00 AM PST

CONSUMER TIP CHOOSING A CONTRACTOR

The phone book and newspapers are full of ads of contractors who want your business, but which one should you choose?

Referrals from friends, family and neighbors are helpful. All contractors advertising should include a contractors state license board (CSLB) number. If the ad only lists a business license number or only states that the person is bonded, the contractor may be limited to minor improvements valued at less than \$500.

Verify a contractor's CSLB number with the board at 1-800-321-2752 or at its website of www.cslb.ca.gov. Check for license history.

Get written estimates from prospective contractors. Don't settle for one. Make sure the scope of the work is fully detailed in the estimate or proposed contract. Educate yourself before you make a final decision.

More information is available through the Marin County district attorney's consumer protection unit at 499-6495 or through its website at www.co.marin.ca.us/da.

— Marin County District Attorney

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California Contractors State License Board confirms asbestos certification does not authorize universal removal/abatement

Pillsbury Winthrop Shaw Pittman LLP

Amy L. Pierce

USA

February 1 2013

pillsbury



Author page »

Recently, the California Contractors State License Board (CLSB) issued an Industry Bulletin confirming that contractors may not perform asbestos removal or abatement work if the work is not performed within the contractor's license classification(s). An asbestos abatement certification by itself is not a **CSLB** contractor's license classification. To obtain such a certification, the applicant is not required to have four years of experience, the minimum experience requirement for the **CSLB** to issue a contractor's license.

Contractors who want to become certified to perform asbestos removal and/or abatement must be tested by **CSLB** and also register with the Department of Industrial Relations' Division of Occupational Safety and Health (Cal OSHA). Once registered, the contractor must submit verification of the Cal OSHA registration to the **CSLB**. The **CSLB** will then add "ASB" on the license to indicate that asbestos removal/abatement can be performed within the contractor's license classification(s).

To read the **CSLB**'s Industry Bulletin, click [here](#), and to read the related legal opinion, click [here](#).

Tags USA, Construction, Employment & Labor, Pillsbury Winthrop Shaw Pittman LLP

If you are interested in submitting an article to Lexology, please contact Andrew Teague at ateague@lexology.com.

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7 On Your Side **State agencies investigate Energy Upgrade Program**

Thursday, January 24, 2013

TAGS: [PG&E](#), [energy](#), [7 on your side](#), [michael finney](#)[Comment Now](#) [Email](#) [Print](#) [Report a typo](#) 

OAKLAND, Calif. (KGO) -- Questions are being raised as to whether some consumers are being misled into thinking energy upgrades done on their home are part of a government money and energy saving program.

As a result of our investigation, two state regulatory agencies have opened their own investigations into this issue. One Oakland grandmother we talked to is wondering just when the central heating she paid for will work the way she wants.

"You get too hot here in the bathroom. It's like a sauna. It's right there," said Arma Knight of Oakland.

Knight is talking about the central heating system installed in her Oakland home 11 months ago. Most of her house is too warm, while she says she has the opposite problem in the living room.

"In the living room there was no air, no warm air," said Knight.

Knight had agreed to pay for the installation of central heating and the removal the old fashion wall unit after receiving a call from a telemarketer.

"They identified themselves as calling from PG&E and wanted to know if you'd be interested in some of their energy upgrade saving program," said Knight.

A representative of the Energy Upgrade Program wrote out an estimate for \$7,650 during a home visit. The estimate was written on a form with a PG&E logo displayed on the top. Syntrol did the work, but charged \$9,200.

She figures after paying off her \$9,200 loan, the project will end up costing her \$19,000 after interest. We contacted PG&E to find out more about the Energy Upgrade Program and its relationship to the contractor - Syntrol.

"Syntrol is one of our contractors here to provide services for Energy Upgrade California program," said Monica Tell from PG&E.

Tell says Energy Upgrade California is a joint program of the California Energy Commission and California Public Utilities Commission. It's designed to encourage energy savings through rebates.

That's completely different from the Energy Upgrade Program that solicited the work for Knight's heating system. The Energy Upgrade Program is a private entity. A check of public records filed with the Secretary of State Office shows that Geoff Sandoval is listed as the public contact for the Energy Upgrade Program.

We reached Sandoval by phone. He said he was only with the company for less than two months and knew nothing about this situation. No one currently with the Energy Upgrade Program returned our calls for comment. PG&E tells us they are looking more closely into Syntrol.

"We are currently investigating complaint that Syntrol has misused our logo and have been promoting the Energy Upgrade Program which is not affiliated with any PG&E program," said Tell.

Syntrol is based in Roseville near Sacramento. Its owner declined to comment on camera, but by phone, owner Paul Bianchi told us that the Energy Upgrade Program provided leads on jobs in exchange for a fee. Syntrol denies representing themselves as part of a government sponsored program.

"We talk to customer about any or all rebate programs in their market. Whether they choose an upgrade that qualifies or not is up to them," said Bianchi.

Meanwhile, Syntrol did agree to do additional work for Knight. It installed an additional vent in her living room, but it remains a work in progress.

"It blows heat out and sideways. It doesn't blow down on you," said Knight.

Both the California Public Utilities Commission and Contractors State License Board have launched their own investigations. We'll keep you posted on this story as it develops.

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Thursday, January 24, 2013

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Q: My husband and I hired a licensed contractor to renovate a bathroom in our home about three months ago. About six weeks ago, he just stopped showing up altogether, and is not returning any of my calls. There is a lot of unfinished work, and a lot of the work done so far was done very badly. What can I do?

Thanks!
Cheryl

A: Contractor's State License Board (CSLB) is often a good place to start. They offer investigation, mediation, and arbitration services for construction disputes. The board can also take disciplinary action against the contractor, such as suspending his license, imposing fines, or ordering your contractor to correct his work (or pay to have someone else correct his work). More information about the CSLB's complaint process is available at <http://www.cslb.ca.gov/consumers/filingacomplaint/>.

The CSLB's focus is on resolving the dispute, rather than obtaining restitution for the complainant. If your primary focus is restitution, you may want to consider court action against the contractor. If your dispute could be resolved for \$10,000 or less, you could pursue your case in small claims court, where you will find streamlined procedures and a quicker resolution to your case. For

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Salinas man sentenced for contracting without a license

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Jose Gonzalez, age 59 and a resident of Salinas, today admitted charges that he had contracted without a license, failed to secure workers' compensation insurance for his employees and failed to register as an employer with the Employment Development Department, the Monterey County district attorney's office said. Gonzales was immediately sentenced by Judge Pamela Butler and placed on probation. Gonzalez owns Zalez 9004 LLC, a company involved in real estate investments.

According to prosecutors:

As part of his business, Gonzalez purchased homes at auction and then remodeled the homes before selling them for a profit. Gonzalez pulled permits as an "owner/builder" but used employee labor on the remodeling work without having workers' compensation insurance for his employees. Gonzalez was not registered as an employer with EDD, was not deducting payroll taxes and was not a licensed contractor. He did not use licensed contractors for the work nor did he qualify for any exceptions to the licensing requirement sometimes available to an owner engaged in remodeling.

Gonzalez was placed on misdemeanor probation for a period of three years. He was also ordered to serve 40 days in county jail, pay more than \$15,000 in fines and not to

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contract without a valid contractor's state license.

The case was investigated by Contractor State Licensing Board Investigator David Leary and Monterey County District Attorney Investigator Martin Sanchez. The public should be aware that licensed contractors can obtain a permit for work performed so they should not be asking the owner to get the permit. Additionally, providing and filing false or fraudulent information when obtaining a building permit is a crime. The Workers' Compensation Unit of the District Attorney's Office investigates and prosecutes cases involving applicant fraud, employer fraud, premium fraud, provider fraud and employers who do not carry workers' compensation insurance.

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Ag Theft in Salinas

Licensed contractor often required

By Bill Burnett and Kevin Burnett

Updated 3:48 pm, Tuesday, January 22, 2013

Q: I just heard that homeowners could be arrested for hiring unlicensed contractors. They say that it is illegal to hire anyone to do a job with a value of more than \$500 unless the contractor has a state license. Is this true? How do I make sure I'm hiring someone who has the right credentials? I was truly alarmed by this.

A: You don't have to worry about going to jail. No one is arresting homeowners, but unlicensed contractors had better watch out. The Contractors State License Board regularly conducts undercover sting operations to snare charlatans posing as contractors.

Under California law, any job estimated at more than \$500, including labor and materials, must be performed by someone with a state license. State law also requires contractors to include their license number in print, broadcast and online advertisements. Those without a license can advertise to perform jobs valued at less than \$500, but the ad must state that they are not licensed.

The board was established in 1929 at the behest of the construction industry to enhance the quality of work being performed for consumers. Check out their website (www.cslb.ca.gov) for some basic facts about hiring a contractor. The highlights are:

- Anyone performing construction work in California that totals \$500 or more in labor and materials must be licensed by CSLB.
- Licensed contractors must demonstrate at least four years of experience/education in the trade for which they are licensed, be fingerprinted, have an FBI background check, and be bonded.
- CSLB's Statewide Investigative Fraud Team conducts stings and sweeps somewhere in California each week.
- Unlicensed contractors are a large part of California's annual \$7 billion underground economy that does not pay taxes, have insurance or follow safety laws.
- First-time offenders often are issued a notice to appear for misdemeanor charges of contracting without a license or illegal advertising. This carries a maximum penalty of six months in jail and/or up to a \$5,000 fine.
- Additional convictions raise the fines to \$10,000 and a mandatory 90-day jail sentence.
- If an unlicensed contractor does work, the customer is under no legal obligation to pay.

We'd be remiss if we didn't include a cautionary note. Some folks won't heed this advice and hire an unlicensed person to try to save a few bucks. If you go this route, make sure you have a ton of liability insurance. Without adequate insurance coverage, and with a severe enough injury, the worker you thought was saving you money could end up owning your house.

Bottom line: It's just not worth it.

How to hire a contractor

The Contractors State License Board lists these 10 tips to help homeowners choose a competent contractor:

1. Hire only state-licensed contractors.
2. Check the contractor's license number at www.cslb.ca.gov to make sure it's active and to view any complaints.
3. Get at least three bids.
4. Get three references from each bidder and view past work in person. Talk to the customers and ask if the work was done satisfactorily and in a timely manner.
5. Make sure all project expectations are in writing and completely understand the terms before signing the contract.
6. Make sure the contractor is bonded for the appropriate amount for the job, that he or she has workman's compensation and liability insurance.
7. Never pay more than 10 percent or \$1,000 as a down payment - whichever is less. Never pay in cash.
8. Establish a payment schedule, stick to it and don't under any circumstances let payments get ahead of the work completed.
9. Keep a job file of all paperwork pertaining to the project, including the contract, invoices and records of payments.

10. Don't make the final payment until you're completely satisfied with the job.

The Burnett brothers are freelance writers. sweatequity@sfgate.com

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How to Find the Right Contractor for the Job

A home remodel is only as good as who you hire

By [DANIEL BORTZ](#)

October 18, 2012

Thinking about updating your contemporary kitchen to something more modern? Or maybe you want to give the master bathroom that Jacuzzi tub and steam shower you've been dreaming of? Whatever the [home renovation](#), you'll want to find the right contractor—someone you can trust to do a great job for a fair price.

More Americans are staying in their homes due to the [sluggish housing market](#), and many are choosing to remodel. Last year, the National Association of Home Builders' Remodeling Market Index (RMI), a good benchmark for judging the pulse of the remodeling industry, reached a five-year high and has stayed strong this year.

Ed Roskowsinski, the general manager and vice president of general contracting company Vujovich Design Build in Minneapolis, says while his company has seen an uptick from about 40 projects a year to 70, they're smaller in scale. "We're seeing a lot of smaller, repair-type projects, maybe a bathroom or a kitchen remodel, and not as many full-scale remodels," he says. Although more homeowners are hiring contractors, annual revenue for the contracting industry is still on the mend—placing hiring power in the hands of the consumer.



Take these steps to ensure you [choose the right contractor](#) for the job:

Vet the contractors and their bids. While you may hear of a good contractor through word of mouth, online customer reviews are also a good place to start. On its website, the Better Business Bureau (BBB) has compiled more than 100,000 reviews of general home contractors, many of which are accredited by the BBB—meaning they exhibit a good-faith effort to resolve consumer complaints. You can also read customer reviews on AngiesList.com to gauge a contractor's work ethic, but the site charges a monthly membership fee ranging from \$2.60 to \$6.80 depending on where you live, plus a \$5 to \$10 initiation fee. Unlike other websites, Angie's List doesn't allow anonymous reviews, which founder Angie Hicks says "enhances the accuracy" of its reviews.

Before you make a hasty hiring decision, talk to several contractors in your area and get at least three bids, advises Rick Lopes, a spokesperson for the California Contractors State License Board (CCSLB). It's essential to have the contractors survey the property before making an offer so that the bids are as accurate as possible. To get an apples-to-apples comparison, make sure the bids are identical in their plans, all the way down to such specifics as what brands of materials will be used.

Lopes adds that you shouldn't necessarily go with the lowest estimate. "If two bids are the same and one is really low, ask yourself, 'Why is this person offering to do this for a lot less money?'" he says. "That low-ball bid may just be a way to get you to commit to them, and they're going to come back later and say things like, 'Oh, I didn't realize you needed this done,' or they may be providing you with inferior products."

The prospective contractor will likely supply you with a list of references, but odds are, those clients will only have good things to say. A better way to judge a contractor's [quality of work](#) is to visit one of their current job sites. Consider asking the homeowner there if the contractor is responsive to phone calls and if the workers show up on time.

Warning signs. With a large number of scam artists posing as contractors, homeowners should be suspicious if a contractor does any of the following:

- Pressures you for a quick hiring decision
- Accepts only cash (usually an indication he's trying to skirt paying taxes)
- Wants to skip the building permit (any major home-improvement project legally requires one)
- Solicits door to door (a few reliable contractors do, but be wary if they're not local)
- Tries to cut you a deal using materials left over from another project
- Quotes a final price without seeing the job

Confirm licensing and insurance. If your state licenses contractors, you can typically do an online license check. As for the insurance, Katherine Hutt, a spokesperson for the BBB, says the bureau's website indicates what the insurance requirements are for your state, so you'll know what to look for.

At a minimum, the contractor should have workers' compensation insurance so you're not financially liable if a worker is injured while on the job. To verify, ask to see a copy of the contractor's certificate of insurance or the name of their insurance carrier.

Although it's not typically required, Lopes says the CCSLB recommends people hire contractors with [general liability insurance](#), which covers damage they might do to your property, such as backing a truck into your garage.

Put everything in writing. Knowing exactly what the contract should include will help you avoid problems down the road. Some obvious things: the start and end date, what materials will be used, the warranty, who the subcontractors are, and the budget. Granted, the budget may change somewhere along the way because you realize you want something else done or for reasons outside your or the contractor's control, like the cost of a material rising. However, if that happens, a change order must be signed, in which both parties agree to the alteration.

The contract dictates the payment schedule, which is often divided into three categories: the down payment, progress payments, and the final payment. The down payment will likely be anywhere from 5 to 10 percent of the job. Lopes says contractors who ask for significantly more than that are trying to "frontload" the contract, meaning they're asking for a lump sum even though they haven't started any work.

Progress payments are payments made throughout the project as certain parts are completed. For example, if you're remodeling the kitchen, you might pay 25 percent once the flooring is finished, 25 percent after the appliances are installed, and 25 percent when finishings like the countertop and lighting are completed. You may want to write in penalties if parts aren't completed on time, but a good contractor may not agree to that.

The final payment is typically 15 percent and is made once you've thoroughly checked over the space and feel every part of the contract has been satisfied.

One important thing many people forget to include is the protocol for lien waivers. If the contractor doesn't pay his subcontractors, they can legally come after you for the money—meaning you would have to pay twice, since you would have already paid the contractor. To prevent this, the contract needs to require the general contractor to produce lien waivers throughout the process, confirming that both the general contractor and its subcontractors have been paid.

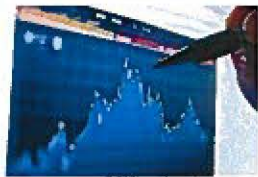
The bottom line. Finding a reliable contractor is the first step, but you'll need good communication throughout the project to ensure everything runs smoothly. Says contractor Roskowsinski: "Successful projects are really about the dialogue between the homeowner and the contractor."

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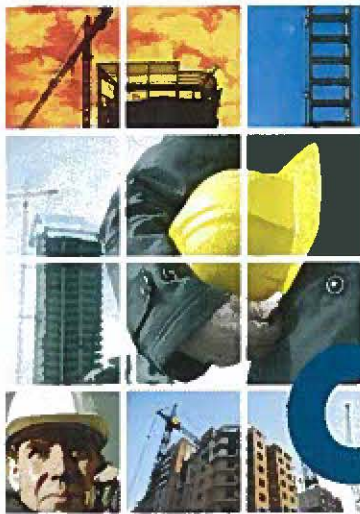
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CSLB Alert – Contractors Who Fail to Report New Employees Will Be Disciplined



Contractors Must Report New Employees to EDD within 20 Days

Contractors should be aware that employee reporting laws have been strengthened by the passage of [Assembly Bill 1794](#). In addition to the current 20-day reporting requirement, the new law, effective January 1, 2013, authorizes the Employment Development Department ([EDD](#)) to share new-hire employee information with agencies in the state's Joint Enforcement Strike Force on the Underground Economy ([JESF](#)) (of which the Contractors State License Board ([CSLB](#)) is a member) and the State Compensation Insurance Fund ([SCIF](#)). Efficient information-sharing among state offices will ensure that employers are accurately reporting their employee payroll to their insurance carrier for establishing their workers' compensation insurance premium.

With the newly shared information among the three agencies, CSLB can take disciplinary action against contractors who fail to accurately report new employee information within 20 days of the established hire date. AB 1794 (which amends Unemployment Insurance Code [section 1088.5](#)) specifically enables EDD, SCIF, and CSLB to establish a memorandum of understanding to audit, investigate, and prosecute those who violate tax withholding requirements and commit premium insurance fraud.

Contractors currently are required to carry adequate workers' compensation insurance for employees or submit to CSLB either an exemption or Certificate of Self Insurance. [C-39 Roofing](#) contractors are required to carry workers' compensation insurance even if they do not have employees. However, a CSLB study revealed that approximately half of licensed contractors either claim an exemption based on having no employees or maintain a minimum policy under which no employees are reported to their insurance carrier.

When a contractor underreports employees to obtain a lower workers' compensation premium, law-abiding contractors who report their employees correctly are placed at a competitive business disadvantage by having to pay up to five times more in workers' compensation insurance premiums.



"This landmark legislation benefits consumers, contractors, and employees," said CSLB Registrar Steve Sands. "When employers properly report and insure employees, consumers are protected by workers' compensation insurance coverage if an accident occurs on their property, businesses pay less in insurance premiums, and employees are eligible for unemployment insurance when they're properly listed on the payroll."

CSLB encourages all contractors to refresh their knowledge of new employee reporting requirements, and to use [EDD's online information](#) to assure that their employees are accurately reported.

THE SACRAMENTO BEE [sacbee.com](http://www.sacbee.com)

Contractors State License Board: Be cautious when selecting contractor to fix storm damage

blindelof@sacbee.com

Published Monday, Dec. 03, 2012

When it comes to fixing storm damage, it's better to be safe than sorry, according to the Contractors State License Board.

Consumers can use the board's website at www.cslb.ca.gov to review the license status of a contractor - and to find tips on the best approach to home repairs.

Any construction job costing \$500 or more in labor and materials must be done by a state-licensed contractor. Licensed contractors must carry workers' compensation insurance coverage for their employees and be bonded.

If a tree to be removed is 15 feet or taller, and the job costs more \$500, the contractor must be state-licensed. Code allows a gardener who does not have a state license to work on jobs if the tree is less than 15 feet and the job is under \$500.

State law requires all roofing contractors to carry workers' compensation insurance.

The CSLB urges consumers to get at least three bids, check references, get a written contract and don't pay more than 10 percent or \$1,000, whichever is less, as a down payment.

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Contractor License Compliance Operation

updated: Dec 03, 2012, 9:36 AM

Source: *Ventura County Sheriff's Department*

12 Issued Citations in Contractor License Compliance Operation

Nature of Incident: Contractor License Compliance Operation

Report Number: RB# 12-26686

Location: 400 Block of Durley Avenue, Camarillo, CA

Date & Time: November 28th & 29th, 2012

Unit Responsible: Contractors State License Board (CSLB)

Camarillo Special Enforcement Detail (SED)

(S)uspects, (V)ictims, (D)ecedent City of Residence Age

S-Pedroza, Daryl Ventura 47

S-Peters, Dave Westlake Village 50

S-Alarcon, Richard Cayucos 65

S-Steiger, Ronald Ventura 47

S-Calderon, Luis Oxnard 50

S-Ayala-Bravo, Cornelio Oxnard 40

S-Aguilar, Miguel Los Angeles 49

S-McKeen, Joseph Oak View 39

S-Marsh, James Camarillo 54

S-Huerta, Juan Oxnard 29

S-Ramirez, Jorge North Hollywood 42

S-MacLaury, Guy Thousand Oaks 63

Narrative:

Over the last several months, the Camarillo Police Department had received complaints of unlicensed contractors doing business within the City. On 11-28-12 and 11-29-12, agents from the Contractors State License Board (CSLB) and supported by members of the Camarillo Police Department Special Enforcement Detail (SED) investigated the allegations.

During the two day investigation, a sting operation at a commercial property in the city of Camarillo involved CSLB agents posing as potential customers. Persons advertising in local print and on-line media for contracting services were contacted via phone to provide bids for various types of work.

During the two day operation, 17 contractors were contacted and of those, 12 were determined to be unlicensed and were arrested, cited and released for 7028(a) of the Business & Professions Code - contracting without a license. One contractor was found to have a contractor's license that had expired about one month earlier and he was issued an administrative citation. Four contractors were found to be legally licensed and released.

Anyone having information about a possible unlicensed contractor should go to the



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website <http://www.cslb.ca.gov>

Deputy Preparing Media Release: Senior Deputy Matthew Young #3544
Media Release Date: November 30, 2012
Follow-Up Contact: Senior Deputy Matthew Young (805) 388-5117
Approved by: Captain Bruce Macedo

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Contractors arrested in Camarillo over license rules

By From staff reports

Friday, November 30, 2012

Camarillo police on Friday announced the arrest of a dozen contractors they said were working without a license.

Police said the arrests occurred Wednesday and Thursday.

Agents from the Contractors State License Board together with Camarillo police investigated the allegations, authorities said.

They said a sting operation was set up at a commercial property in Camarillo where agents posed as potential customers. Agents found the contractors through advertising local print and online media for contracting services, police said. The contractors were asked by phone to provide bids for various types of work, police said.

Of the 17 contractors contacted, 12 were found to be unlicensed, police said, adding that they were arrested, cited with contracting without a license, and released. Another contractor was found to have a contractor's license that had expired about one month earlier. He was issued an administrative citation, police said. Four contractors were found to be legally licensed and released, police said.

Anyone having information about a possible unlicensed contractor can go online to <http://www.cslb.ca.gov>, police said.



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AGENDA ITEM F-5

Administration and Information Technology Update





CONTACTORS STATE LICENSE BOARD

ADMINISTRATION PROGRAM UPDATE

PERSONNEL UPDATE

Examinations

DIVISION	EXAM	STATUS
Enforcement	Enforcement Representative I, CSLB	Continuous merge; statewide at CSLB testing centers
	Enforcement Representative II, CSLB	New certification list will be released in mid-May
Information Technology	Assistant Information Systems Analyst	Continuous filing, open exam
	Associate Information System Analyst	Continuous filing, open exam
Licensing	No examination in progress	N/A
Testing	Test Validation and Development Specialist I/II	Open examination; Final filing date: April 23, 2013
All CSLB	Associate Governmental Program Analyst	Continuous filing, open exam; Online testing
	Staff Services Manager I	Continuous filing, open exam; Online testing
	Staff Services Manager II	Continuous filing, open exam; Online testing
	Staff Services Manager III	Continuous filing, open exam; Online testing

Positions

As of April 10, 2013, there were **39** vacant positions at CSLB. Between February 5, 2013 and April 10, 2013, CSLB had **4** transfers from within CSLB, **5** transfers from another department, **4** promotions, and **3** new hires.

The following table illustrates the vacancy breakdown as of April 10, 2013:

DIVISION	AUTHORIZED PY'S	VACANCIES
Administration	30.85	2
Enforcement	208.5	23
Executive/Public Affairs	12.5	0
Information Technology	22.4	4
Licensing	97.5	8
Testing	25.5	2

BUSINESS SERVICES UPDATE

- Relocated the Bakersfield Office to a new building on March 27, 2013, that includes bullet-proof glass at the front counter, conference room, locking vehicle cage for state vehicles, and modular furniture.
- The Department of General Services (DGS) is working on the leasing documents for the Oakland testing center's move to a new office in Berkeley. The anticipated move date is October 2013.
- Purchased all new postage machines with maintenance agreements for headquarters and 14 field offices.
- Purchased 10 new copiers with maintenance agreements for headquarters and field offices. These new copiers are used for copying, scanning, printing and faxing.
- Executed service contracts: meeting rooms and sound system equipment for board meetings, and maintenance agreement contracts for mail inserter equipment.
- Currently, we are waiting for the Agency Secretary to approve the purchase of 23 vehicles for CSLB's Enforcement division. Two (2) of these vehicles will be purchased from the DMV to comply with a DGS request to purchase DMV's existing under-utilized vehicles. These vehicles are in "very good" condition per DGS and DCA, and CSLB will send inspectors for verification.
- File Room staff purged 40,000 files.



CONTACTORS STATE LICENSE BOARD

ADMINISTRATION AND IT PROGRAM UPDATE

INFORMATION TECHNOLOGY DIVISION UPDATE

BreEZe

When implemented, BreEZe, DCA's enterprise-wide licensing and enforcement system, will include e-payment/online licensure, renewals, and online complaints. Implementation will take place in three phases; CSLB is in Phase 3. The BreEZe project leadership team is working diligently with Accenture to produce a quality BreEZe product acceptable to DCA and the Release 1 Boards. The data (number of defects and opened tasks) is being reviewed; upon that review, the Phase I "go live" date will be announced.

CSLB staff continues to work with BreEZe project staff, preparing for the Phase 3 release by participating in discussions involving functions that will directly impact CSLB operations; working on data conversion; and preparing to conduct meetings with CSLB's users to discuss specific requirements for BreEZe. IT staff also continues to help DCA by assisting other boards and bureaus with Data Validation and Acceptance Testing.

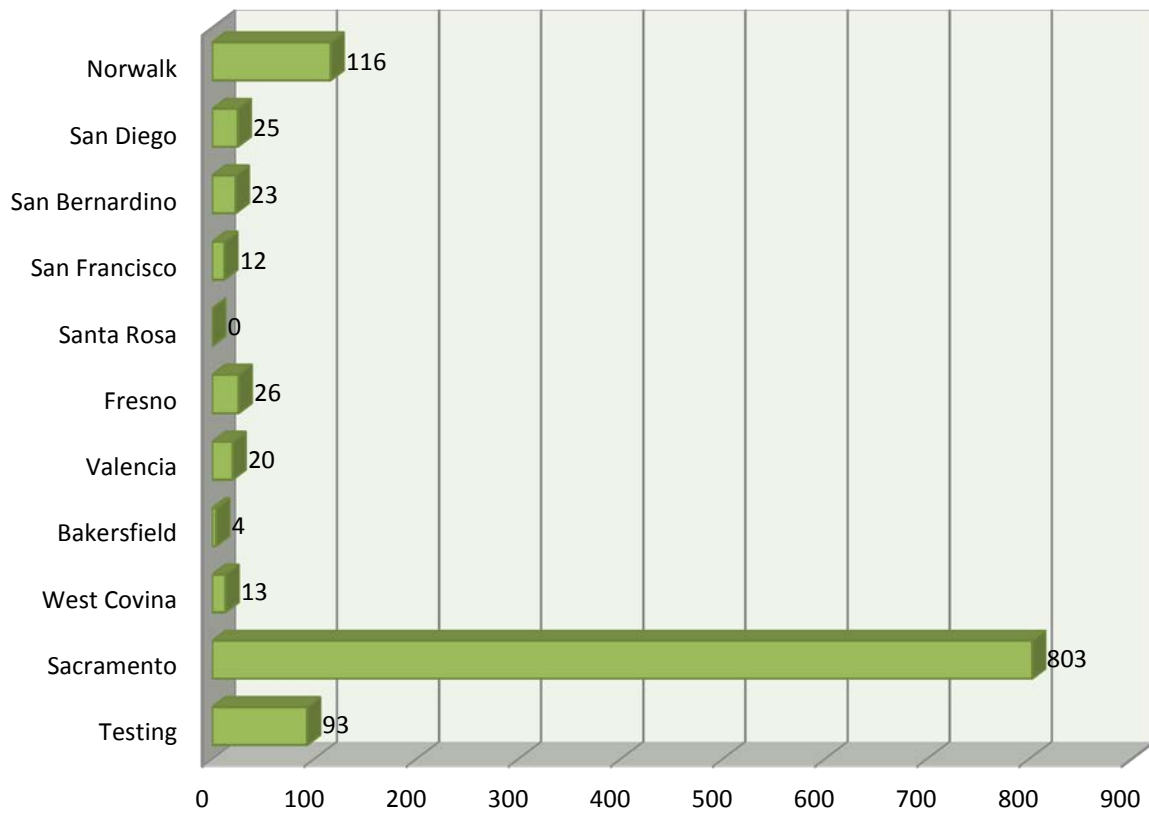
IT Service Desk

CSLB's IT Service Desk staff process an average of 367 tickets per month. Those tickets are generated by CSLB employees who need assistance with their desktops, laptops, printers, phones, etc. Tickets are generated via phone or the CSLB intranet site. Incoming tickets are reviewed and assigned within 15 minutes. The average Level-1 ("user down") priority tickets are resolved or fixed in under 30 minutes; Level-2, more complex tickets are queued and resolved in approximately 60 minutes.

During the first quarter of 2013, a total of 1,135 tickets (823 online and 312 via phone/walk-in) were processed by the IT Service Desk.



CSLB IT Service Desk - Q1



**Interactive Voice Response (IVR) System**

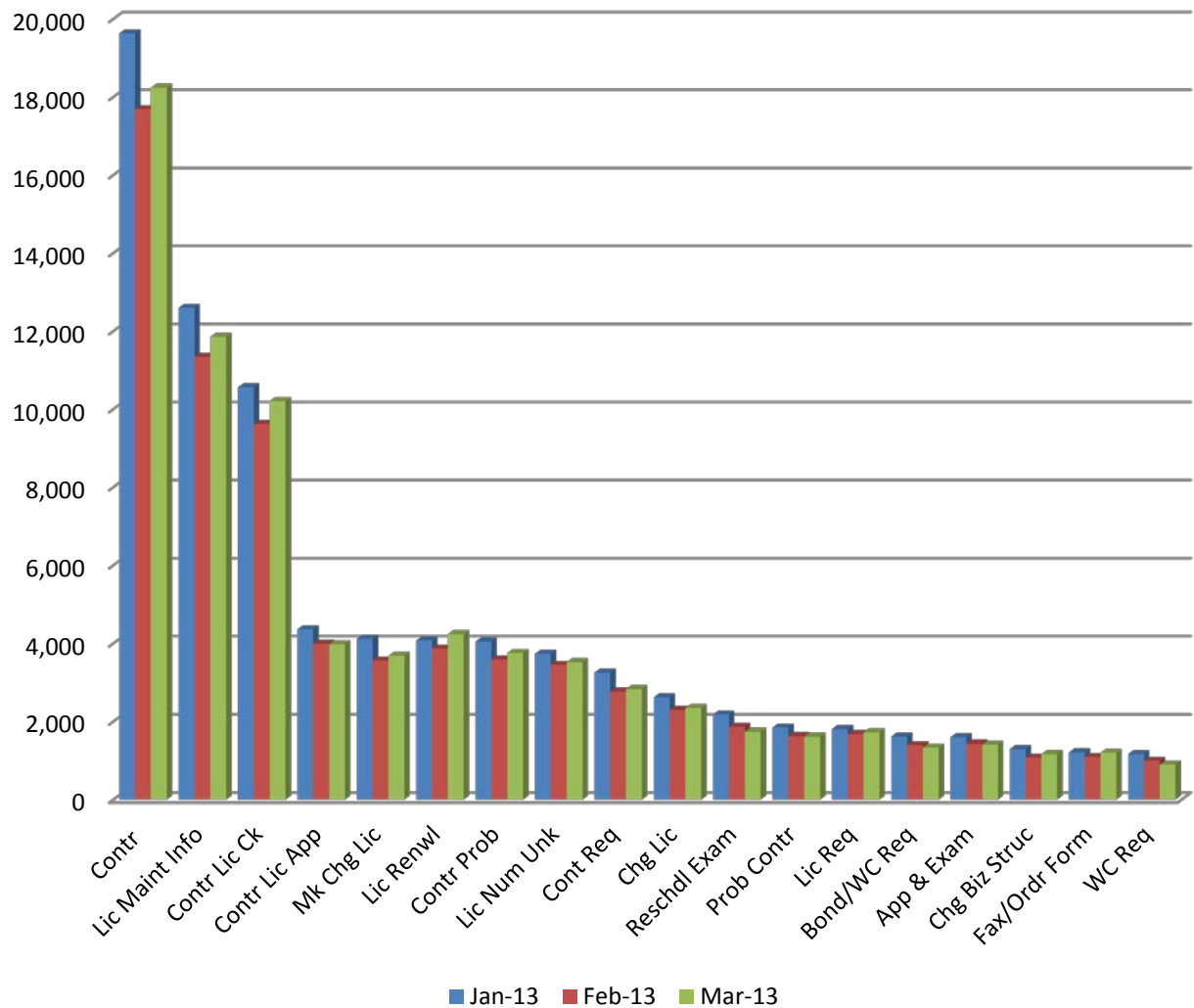
CSLB's IVR is an interactive, self-directed telephone system that is a valuable source of information for consumers, contractors, and others. It provides callers with the ability to request forms or pamphlets that are immediately faxed to them. Callers can look up a license, and applicants can check the status of their exam application. IVR provides consumers with information on how to file complaints as well as how to become a licensed contractor. In addition to providing recorded information, IVR gives callers an option to speak to call center agents in Sacramento or Norwalk. During the first quarter of 2013, CSLB IVR handled 37,758 calls on average a month; the system is available 24 hours a day, seven days a week.

There are dozens of possible menu options within IVR; following is a representative sample of the top IVR requests during the first quarter of 2013.

	Abbreviation	Jan-13	Feb-13	Mar-13
Contractor or Want to Become Contractor	Contr	19,631	17,687	18,239
Info on Maintaining or Changing License	Lic Maint Info	12,597	11,340	11,853
Contractor's License Check	Contr Lic Ck	10,562	9,622	10,207
Contractor License Application	Contr Lic App	4,360	3,990	3,974
About Making Changes to License	Mk Chg Lic	4,119	3,557	3,684
About License Renewal	Lic Renwl	4,075	3,865	4,239
Hire or Problem with Contractor	Contr Prob	4,048	3,588	3,754
License Number Not Known	Lic Num Unk	3,734	3,450	3,520
About Continuing Requirements	Cont Req	3,251	2,765	2,829
For Changes to Existing Licenses	Chg Lic	2,619	2,299	2,347
Reschedule Exam Date	Reschdl Exam	2,180	1,864	1,739
Info on Problems with Contractor	Prob Contr	1,846	1,628	1,613
License Requirements	Lic Req	1,805	1,678	1,725
Info about Bond or Workers' Comp Requirements	Bond/WC Req	1,616	1,396	1,333
General Application & Examination Info	App & Exam	1,601	1,435	1,409
For Changing the Business Structure of an Existing	Chg Biz Struc	1,293	1,076	1,164
To Fax Forms, or To Order Forms by Mail	Fax/Order Form	1,211	1,090	1,201
Info about Workers' Comp Requirements	WC Req	1,167	993	896



Top IVR Requests - Q1





CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

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

- Through February 28, 2013, CSLB spent and encumbered \$36.2 million, roughly 62 percent of its FY 2012-13 final budget. The following chart provides a summary of the FY 2012-13 CSLB budget, along with the FY 2012-13 expenditures through February 2013:

EXPENDITURE DESCRIPTION	FY 2012-13 REVISED BUDGET	FEBRUARY 2013 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	20,146,589	12,595,326	7,551,263	37.5%
Board Members	15,900	7,400	8,500	53.5%
Temp Help	812,100	546,837	265,263	32.7%
Exam Proctor	41,168	67,637	-26,469	-64.3%
Overtime	124,575	111,142	13,433	10.8%
Staff Benefits	8,924,620	5,727,920	3,196,700	35.8%
TOTALS, PERSONNEL	30,064,952	19,056,262	11,008,690	36.6%
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	20,032,425	14,179,265	5,853,160	29.2%
Exams	435,882	143,014	292,868	67.2%
Enforcement	8,296,033	3,106,149	5,189,884	62.6%
TOTALS, OE&E	28,764,340	17,428,428	11,335,912	39.4%
TOTALS	58,829,292	36,484,690	22,344,602	38.0%
Scheduled Reimbursements	-353,000	-103,203	-249,797	
Unscheduled Reimbursements		-113,471	113,471	
TOTALS, NET REIMBURSEMENTS	58,476,292	36,268,016	22,208,276	38.0%

❖ Revenue

- CSLB received the following revenue through February 28, 2013:

Revenue Category	Through 02/28/2013	Percentage of Revenue	Change from prior year (02/29/2012)
Duplicate License/Wall Certificate Fees	\$60,366	0.1%	-18.9%
New License and Application Fees	\$6,336,982	15.5%	-0.8%
License and Registration Renewal Fees	\$30,330,437	78.0%	6.2%
Delinquent Renewal Fees	\$1,757,485	4.3%	14.7%
Interest	\$45,867	0.1%	0.0%
Penalty Assessments	\$677,420	1.8%	12.1%
Misc. Revenue	\$73,815	0.2%	-8.3%
Total	\$39,282,372	100.00%	5.3%

❖ **CSLB Fund Condition**

- Below is the fund condition for the Contractors' License Fund, which shows the final FY 2011-12 reserve (over \$26 million – approximately 6 months' reserve), along with the projected reversion amounts for FY 2012-13 through FY 2014-15:

	Final FY 2011-12	Proj. FY 2012-13	Proj. FY 2013-14	Proj. FY 2014-15
Beginning Balance	\$14,859	\$26,678	\$28,071	\$20,381
Prior Year Adjustment	\$391	\$0	\$0	\$0
Adjusted Beginning Balance	\$15,250	\$26,678	\$28,071	\$20,381
Revenues and Transfers				
Revenue	\$54,917	\$56,934	\$53,929	\$56,614
Transfer from General Fund	\$10,000			
Totals, Resources	\$80,167	\$83,612	\$82,000	\$76,995
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$53,286	\$55,151	\$61,346	\$61,959
State Controller (State Operations)	\$64	\$72		
Financial Info System Charges	\$139	\$318		
13-14 Fi\$cal Assessment			\$273	
Total Expenditures	\$53,489	\$55,541	\$61,619	\$61,959
Fund Balance				
Reserve for economic uncertainties	\$26,678	\$28,071	\$20,381	\$15,036
Months in Reserve	5.8	5.5	3.9	2.9

Notes:

- 1) All dollars in thousands.
- 2) Revenue assumes 1% interest earned.
- 3) Assumes expenditure growth projected at 1% starting in FY 2013-14 and then ongoing.
- 4) Assumes Workload and Revenue Projections are realized for FY 2012-13 to 14-15.



❖ Construction Management Education Account (CMEA) FY 2012-13 Budget and Expenditures

- Through February 28, 2013, CMEA expended roughly \$10,000 in pro rata charges. The following chart provides a summary of the FY 2012-13 CMEA budget, along with the FY 2012-13 expenditures through February 2013:

EXPENDITURE DESCRIPTION	FY 2012-13 BUDGET	FEBRUARY 2013 EXPENSES	BALANCE	% OF BUDGET REMAINING
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	14,331	149	14,182	99.0%
Pro Rata	13,669	10,153	3,516	25.7%
TOTALS, OE&E	28,000	10,302	17,698	63.2%
GRANT AWARDS				
Grant Awards	150,000	120,645	29,355	19.6%
TOTALS, GRANT AWARDS	150,000	120,645	29,355	19.6%
TOTALS	178,000	130,947	47,053	26.4%

❖ CMEA Fund Condition

- Below is the CMEA fund condition, which shows the final FY 2011-12 reserve (\$259,000 – approximately 23 months' reserve), along with the projected reversion amounts for FY 2012-13 through FY 2014-15:

	Final FY 2011-12	Proj. FY 2012-13	Proj. FY 2013-14	Proj. FY 2014-15
Beginning Balance	\$338	\$259	\$182	\$105
Prior Year Adjustment	\$(2)	\$0	\$0	\$0
Adjusted Beginning Balance	\$ 338	\$ 259	\$ 182	\$ 105
Revenues and Transfers				
Revenue	\$57	\$58	\$58	\$58
Totals, Resources	\$ 393	\$ 317	\$ 240	\$ 163
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$13	\$13	\$13	\$13
Local Assistance Grant Disbursements	\$121	\$122	\$121	\$121
13-14 Fi\$cal Assessment			\$1	
Total Expenditures	\$ 134	\$ 135	\$ 135	\$ 134
Fund Balance				
Reserve for economic uncertainties	\$ 259	\$ 182	\$ 105	\$ 29
Months in Reserve	23.0	16.2	9.3	2.6

Notes:

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



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Applications Received

	2009-10	2010-11	2011-12	2012-13
July	3,154	2,966	2,082	2,564
August	3,105	3,137	2,801	2,786
September	2,953	2,904	2,572	2,408
October	2,914	2,702	2,688	2,857
November	2,736	2,852	2,257	2,431
December	2,453	2,531	2,269	2,266
January	2,806	2,705	2,599	2,736
February	3,113	2,973	2,884	2,780
Total	23,234	22,770	20,152	20,828
		<i>% Change from Prior FY</i>		3.4%

Original Licenses Issued

	2009-10	2010-11	2011-12	2012-13
July	1,090	1,134	1,278	925
August	1,210	1,138	1,395	1,013
September	1,115	1,140	1,247	1,249
October	1,295	1,067	1,055	1,138
November	787	1,108	885	762
December	1,237	1,089	1,021	922
January	1,425	1,106	935	1,095
February	1,058	1,108	945	692
Total	9,217	8,890	8,761	7,796
		<i>% Change from Prior FY</i>		-11.0%

Licenses Renewed

	2009-10	2010-11	2011-12	2012-13
July	9,287	13,287	9,291	11,125
August	9,439	10,710	11,856	11,273
September	9,957	10,816	9,863	9,868
October	10,735	9,772	9,634	10,167
November	6,600	8,364	8,373	8,988
December	8,913	10,365	8,828	7,335
January	10,456	9,552	9,850	11,439
February	9,812	9,377	9,062	8,108
Total	75,199	82,243	76,757	78,303
		<i>% Change from Peak FY 2010-11</i>		-4.8%

**HIS Registrations Renewed**

	2009-10	2010-11	2011-12	2012-13
July	108	132	99	115
August	89	110	139	180
September	117	113	114	130
October	95	82	120	136
November	70	117	89	104
December	93	100	121	100
January	21	131	113	132
February	166	154	155	164
Total	759	939	950	1061
		<i>% Change from Prior FY</i>		11.7%

License Population by Status

	February 2011	February 2012	February 2013
Active	239,015	232,844	226,965
Inactive	66,942	67,865	66,781
Subtotal	305,957	300,709	293,746
Other /1*	412,832	430,273	448,093
Expired	355,598	370,231	384,961
Expired % of Other	86.1%	86.0%	85.9%
Grand Total	718,789	730,982	741,839

* Other/1 includes the following license status categories: cancelled, cancelled due to death, expired, or revoked.

HIS Registration Population by Status

	February 2011	February 2012	February 2013
Active	7,966	8,625	8,909
Other	77,803	80,693	84,168
Total	85,769	89,318	93,077

**Complaints By Fiscal Year**

	2009-10	2010-11	2011-12
Received	19,876	21,320	19,239
Reopened	1,010	1,076	1,094
Closed	21,532	22,483	20,366
Pending (As of June 30)	3,958	3,891	3,901

CSLB Position Vacancies

	February 2012	February 2013
Administration	3.0	2.0
Executive/Public Affairs	3.0	0.0
IT	2.0	3.8
Licensing	21.0	8.0
Enforcement	29.8	15.0
Testing	4.5	2.5
Total	63.3	31.3

AGENDA ITEM G

Strategic Planning Session





CONTRACTORS STATE LICENSE BOARD

Strategic Plan 2012-13





MEMBERS OF THE BOARD

ROBERT BROWN, PUBLIC MEMBER

DAVID DIAS, PUBLIC MEMBER

JOAN HANCOCK, CONTRACTOR MEMBER

PASTOR HERRERA JR., PUBLIC MEMBER

MATTHEW KELLY, PUBLIC MEMBER

LOUISE KIRKBRIDE, PUBLIC MEMBER

ROBERT LAMB, PUBLIC MEMBER

ED LANG, PUBLIC MEMBER

JAMES MILLER, PUBLIC MEMBER

LISA MILLER-STRUNK, CONTRACTOR MEMBER

JOHN O'ROURKE, PUBLIC MEMBER

BRUCE RUST, PUBLIC MEMBER

FRANK SCHETTER, CONTRACTOR MEMBER

PAUL SCHIFINO, CONTRACTOR MEMBER

MARK A. THURMAN, CONTRACTOR MEMBER



EDMUND G. BROWN, JR.
Governor

ANNA M. CABALLERO
Secretary, State and Consumer Services Agency

DENISE D. BROWN
Director, Department of Consumer Affairs

STEPHEN P. SANDS
Registrar, Contractors State License Board

TABLE OF CONTENTS

	page
Overview	3
Significant 2011-2012 Accomplishments	4
Program Priorities	6
Challenges and Changes	7
Proactive Priorities	8
Mission, Vision, Values, Goals	10
Ongoing Goals and Objectives	12
Current Objectives	14





OVERVIEW

The California Contractors State License Board (CSLB) is the consumer protection board charged with licensing and regulating construction contractors who work in the state by:

- resolving consumer complaints;
- educating consumers; and
- enforcing state laws that pertain to contractors.

CSLB licenses or certifies contractors in 45 classifications and registers home improvement salespeople.

Created in 1929, and now an independent board within the California Department of Consumer Affairs (DCA), CSLB is governed by a 15-member board consisting of licensed contractors, a building official, members of the public, and a labor representative. The Registrar of Contractors, appointed by the Board, directs administrative policy.

CSLB activities include reviewing applicant qualifications; administering examinations to test prospective licensees; issuing licenses; informing licensees of new and changing laws, guidelines, and opportunities; investigating complaints against licensed and unlicensed contractors; issuing citations and suspending or revoking licenses; seeking administrative, criminal, and civil sanctions against violators; and informing consumers, contractors, and the industry about CSLB actions.

The construction industry in California is distinct from other states in terms of its breadth, magnitude, and complexity. California is one of the top 10 world economies, and construction has been one of the state's largest industries. California's physical size, large and diverse population, varied landscape and climate, frequent seismic activity, distinctive legal framework, and massive economy create an unusually demanding context for contractor licensing.

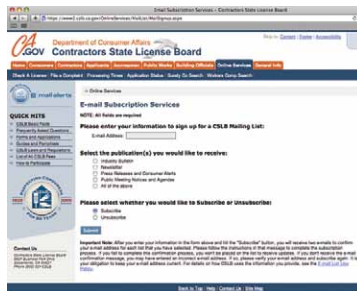


SIGNIFICANT 2011-2012 ACCOMPLISHMENTS

Board members develop CSLB's annual strategic plan after reviewing the previous fiscal year's accomplishments:

- CSLB actively and successfully expanded partnerships by leveraging Enforcement staff and resources.
- Despite the challenges associated with downsizing requirements, staff maintained productivity through continuous improvement efforts and re-invention.
- The Board maintained full membership and is adaptable, actively participates, and collaborates well.
- Staff displayed tenacity and passion for success in the intake-mediation process, and with memoranda of understanding (MOUs) with other state and local departments and organizations.
- The use of metrics and measurements contributed to continuous improvement methods.
- CSLB maintained an overall culture of continuous improvement, with outstanding morale and high competency among the Registrar and key staff.
- CSLB's information and education efforts for consumers and contractors continued to expand through regular news media attention and an effective website.
- CSLB implemented license applications for limited liability companies, per Business and Professions Code section 392 (Statutes of 2010, Chapter 698).
- CSLB forged strategic partnerships to implement legislation.
- Phase III electronic payment at CSLB Headquarters is under way (citation payments, public sales jobs, duplicate wall certificates, pocket cards, etc.). Phase II was completed in 2011-12 and expanded the initial four credit/debit card payment types to the current 11 transactions:
 - » Contractor license renewal
 - » HIS registration renewal
 - » Contractor license reactivation

- » Re-examination
 - » Original exam/Exam waiver application
 - » Initial license
 - » Additional classification application
 - » Asbestos certification application
 - » Hazardous certification application
 - » Application to replace qualifying individual
 - » Home improvement salesperson application
- CSLB's mobile website, which provides instant access to the CSLB website, had 483,743 visits that averaged 3 minutes, 15 seconds duration in its first year of operation (February 15, 2011 to February 14, 2012).
 - The database for CSLB's online Email Alert feature, developed by the Information Technology division and Public Affairs Office, continued to increase to the current 94,978 registrants who receive automatic emails related to news and Board activity.
 - CSLB enhanced its proactive consumer education and fraud prevention efforts through expanded Senior Scam StopperSM seminars with legislators and other agencies to inform, empower, and protect seniors from becoming victims of construction fraud and other scams.
 - CSLB social media followers continue to grow on both Facebook and Twitter. The effort gives interested parties a more interactive experience with the Board.





PROGRAM PRIORITIES

The Board has established the following priorities to direct program activities:

1. Focus on early enforcement intervention and high priority (health and safety) complaints.
2. Help keep licensees in business and maintain the collection of revenue by keeping renewals and license maintenance current.
3. License applicants by reviewing qualifications and criminal background, and administering legal and effective exams.
4. Educate consumers about their rights and responsibilities, and stress ways that consumers can protect themselves.
5. Stress early intervention and resolution of reactive complaints, and refer minor complaints to small claims court.
6. Provide services through the Licensing Information Center and the public counter.
7. Ensure that Administrative Services and Information Technology divisions provide the support necessary to maintain unit operations.



CHALLENGES AND CHANGES

California is one of the world's largest economies, and construction has consistently been one of the state's top industries. The importance of efficient and effective regulation of California's construction industry by the Contractors State License Board (CSLB) extends beyond the state's borders and affects the economic vitality of the country and beyond.

Given the current economic struggles, CSLB must continually adjust to dynamic initiatives, technologies and priorities to address the following in the coming fiscal year:

- Heightened issues and challenges during an election year
- State budget challenges that directly impact CSLB programs and staff
- Loss of staff positions; electronic communication devices; vehicles
- Workers' compensation (WC) insurance costs and the impact of WC fraud on the construction industry
- Green contracting, including solar, HVAC, and other climate-related trades that are creating licensing, classification, and enforcement issues
- Preparation of CSLB business processes and staff for BreEZe transitions
- Organizational development and training, and overall succession planning



PROACTIVE PRIORITIES

The Board has 30 allocated Enforcement Representative positions to investigate reactive industry complaints. Demands for CSLB resources to combat the underground economy and level the playing field for law-abiding contractors continues to increase. Consequently, the Board was compelled to prioritize proactive complaint investigations and approve process changes to manage workload.

Priority	Controls to Manage Workload
1. Unlicensed Practice at Active Job Sites	Respond to leads with a CSLB enforcement representative conducting a site visit.
2. Workers' Comp Insurance Violations at Active Job Sites	Respond to leads with a CSLB enforcement representative conducting a site visit.
3. Labor/Health and Safety Code (DOSH/DSLE MOUs)	CSLB enforcement representative and partnering agency investigator will conduct a site visit.
4. Out-of-Classification (Licensees)	If there is a health and safety issue or CSLB is unsure whether the contractor is licensed, a site visit may be warranted. Otherwise this will be addressed by IMC or IC staff.
5. Building Permit Enforcement	Investigate only when a jurisdiction is cooperative: <ul style="list-style-type: none"> • Building department must be willing to waive fees associated with conducting the investigation • Jurisdiction must provide CSLB with their work product. Evidence of no permit must be attained If work is in progress, possibly conduct a site visit.
6. Public Works Investigations	SWIFT will respond to leads and perform sweeps with other state agencies as applicable. Otherwise, leads will be referred to the CSLB Public Works Unit.

Priority	Controls to Manage Workload
7. Electrician Certification	Only conduct a site visit to verify certification if CSLB is responding with partnering agencies and/or observes workers' compensation violations. Otherwise, work product from a labor compliance agency is required.
8. Illegal Print Advertisements	Process through the IMC where a warning letter, stop order or telephone disconnect can be issued. The action taken is then referred to SWIFT for use in future stings.
9. Referral Fees/Kickbacks	Referral fee enforcement will be handled primarily by IMC. Contractors will be contacted and educated on B&P §7157 – Referral Fee Restrictions. Warning letters will then be issued and used for more stringent action. IC staff will conduct two stings per calendar year to target egregious offenders.
10. Outreach	Public Affairs Office will take the lead; the Enforcement division will develop a list of enforcement representatives available to assist PAO when necessary. To minimize impact on Enforcement work load, staff will work with EDD to develop an outreach packet to educate legislators, contractors, and consumers on the dangers of the underground economy.



MISSION

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

The Contractors State License Board accomplishes this by:

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

VISION

California consumers and contractors will have a safe, fair, and competitive marketplace.

- Contractors possess the knowledge, skills, and abilities necessary to provide clients and the general public with professional services and products.
- Consumers have access to adequate redress if they are harmed by incompetent or dishonest contractors.
- Consumers have information they need to make informed choices.
- Contractors have access to information they need to practice competently and honestly.



VALUES

The Contractors State License Board will strive for the highest possible quality throughout all of its programs. To that end:

- CSLB believes in treating all consumers and contractors fairly.
- CSLB supports its staff and their professional dedication.
- CSLB focuses on prevention, providing educational information to consumers and contractors.
- CSLB is progressive, attempting to utilize the most advanced means for providing services.

GOALS

The Contractors State License Board has established goals based upon its five main divisions, to provide the framework of its operational mission:

1. **Licensing** - Ensure that all applicants and licensees are qualified to provide construction services.
2. **Enforcement** – Prevent, reduce or eliminate unlicensed activity and unprofessional conduct that pose a threat to public health, safety, and welfare.
3. **Public Affairs** - Educate consumers to make informed choices about construction services, and ensure that licensed contractors strengthen their technical management and service skills.
4. **Legislation** - Ensure that statutes, regulations, policies, and procedures strengthen and support CSLB operations.
5. **Administration** - Enhance organizational effectiveness, and improve the quality of customer service in all programs.



ONGOING GOALS AND OBJECTIVES

LICENSING

Goal 1—Ensure that all applicants and licensees are qualified to provide construction services.

The **Licensing Committee** meets this goal by:

- Ensuring that exams are current and relevant;
- Ensuring that all licensed contractors meet experience and education requirements and exhibit basic business competency skills;
- Ensuring accuracy of information submitted by the applicant and applicant integrity; and
- Ensuring that all processes in Licensing are current and efficient.

ENFORCEMENT

Goal 2—Prevent, reduce or eliminate unlicensed activity and unprofessional conduct that pose a threat to public health, safety, and welfare.

The **Enforcement Committee** meets this goal by:

- Adopting policies and procedures that encourage voluntary compliance;
- Providing appropriate information to the public on the status of enforcement activities;
- Developing policies/procedures to work with other governmental and law enforcement agencies;
- Developing policies and procedures to improve the quality of legal actions; and
- Prioritizing enforcement activities and complaints from consumers and industry.

PUBLIC AFFAIRS

Goal 3—Educate consumers to make informed choices about construction services and ensure that licensed contractors strengthen their technical management and service skills.

The **Public Affairs Committee** meets this goal by:

- Informing the public about the role and function of CSLB;

- Educating the public about their rights and responsibilities in the contracting process;
- Educating consumers about the dangers of hiring unlicensed contractors;
- Educating contractors about building codes, construction methods, and business practices; and
- Ensuring that contractors understand their professional obligations and responsibilities.

LEGISLATION

Goal 4—Ensure that statutes, regulations, policies and procedures strengthen and support Board operations.

The **Legislative Committee** meets this goal by:

- Developing legislative proposals that support the Board’s mission and values;
- Creating and maintaining a legal and regulatory framework that ensures an appropriate level of consumer protection; and
- Monitoring legislation that impacts the construction industry as it relates to public health, safety, and welfare.

ADMINISTRATION

Goal 5—Enhance organizational effectiveness, and improve the quality of customer service in all programs.

The **Executive Committee** meets this goal by:

- Ensuring that CSLB has the resources it needs to achieve its mission and goals;
- Monitoring implementation of the CSLB Strategic Plan; and
- Monitoring and improving organizational effectiveness.



CURRENT OBJECTIVES

The Board has identified the following objectives to help meet its goals:

Objectives	Lead Responsibility	Target Date
1. Work with industry stakeholders regarding legislation that will provide for disclosure of a partnering agencies administrative action.	Enforcement	3rd Quarter 2012
2. Implement a workers' compensation insurance recertification process for contractors exempt from WC coverage.	Licensing	3rd Quarter 2012
3. Complete the flagship contractor and consumer publications.	Public Affairs	3rd Quarter 2012
4. Develop criteria and controls to monitor and prioritize proactive enforcement.	Enforcement	4th Quarter 2012
5. Develop an educational letter to consumers who repeatedly hire unlicensed operators. Work with IT to automate the letter.	Enforcement	4th Quarter 2012
6. Work with EDD to develop an outreach packet to educate legislators, contractors, and consumers about the dangers of the underground economy.	Enforcement	4th Quarter 2012
7. Develop a plan to explore licensure for solar/ alternative energy contractors.	Licensing, Enforcement	4th Quarter 2012
8. Increase examination testing sessions from 2.5 to 3.0 hours.	Testing	4th Quarter 2012
9. Evaluate the potential to expand use of CSLB testing centers for training and/or civil service exams.	Testing	4th Quarter 2012
10. Develop a contractor outreach program.	Public Affairs	4th Quarter 2012
11. Develop language for a regulation to clarify asbestos certification as trade-specific.	Licensing	1st Quarter 2013

Objectives	Lead Responsibility	Target Date
12. Identify strategies to collect licensee email addresses to improve contact for examination development surveys.	Testing	1st Quarter 2013
13. Develop a contractor presentation kit.	Public Affairs	2nd Quarter 2013
14. Create a website section with streamlined access to contractor outreach materials.	Public Affairs, Information Technology	2nd Quarter 2013
15. Develop CSLB style guide and identification standards manual.	Public Affairs	3rd Quarter 2013
16. Implement BreEZe for CSLB.	Information Technology	3rd Quarter 2013
17. Implement an online licensure tool for credit card payment.	Licensing	4th Quarter 2013
18. Staff a Subsequent Arrest Unit through the BCP process.	Executive	1st Quarter 2014
19. Review Contractors State License Law to simplify and update.	Legislative	1st Quarter 2014
20. Submit sunset review report.	Legislative	3rd Quarter 2014



CONTRACTORS STATE LICENSE BOARD

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www.cslb.ca.gov
CheckTheLicenseFirst.com
SeniorScamStopper.com





CONTRACTORS STATE LICENSE BOARD

SENIOR STAFF FOCUS GROUP – FEBRUARY 27, 2013

CSLB executive staff met on February 27, 2013, in preparation for the Board's Strategic Plan meeting on April 23-24, 2013.

2012-13 Strategic Plan Accomplishments

Following are the existing objectives from the CSLB 2012-13 Strategic Plan. During a focus group, senior staff identified the objectives that were accomplished and which objectives were worthy of including in the next strategic plan.

Objective	Lead Responsibility	Status
1. Work with industry stakeholders toward legislation that will provide for disclosure of a partnering agency's administrative action.	Enforcement	In process; carry forward to 2013-14 strategic plan
2. Implement a workers' compensation (WC) insurance recertification process for contractors exempt from WC coverage.	Licensing	Completed
3. Complete the flagship contractor and consumer publications.	Public Affairs	In process; carry forward to 2013-14 strategic plan
4. Develop criteria and controls to monitor and prioritize proactive enforcement.	Enforcement	Continuous objective; consider dropping as an objective
5. Develop an educational letter to consumers who repeatedly hire unlicensed operators. Work with IT to automate the letter.	Enforcement	Completed. Letter automation needs to be implemented; carry forward to 2013-14 plan.
6. Work with EDD to develop an outreach packet to educate legislators, contractors, and consumers about the dangers of the underground economy.	Enforcement	Completed
7. Develop a plan to explore licensure for solar/alternative energy contractors.	Licensing, Enforcement	Delete
8. Increase examination testing sessions from 2.5 to 3.5 hours.	Testing	Completed
9. Evaluate the potential to expand use of CSLB testing centers for training and/or civil service exams.	Testing	Continuous objective; consider dropping as an objective
10. Develop a contractor outreach program.	Public Affairs	Completed, now being implemented
11. Develop language for a regulation to clarify asbestos certification as trade-specific.	Licensing	In process; carry forward to 2013-14 strategic plan
12. Identify strategies to collect licensee email addresses to improve contact for examination development surveys.	Testing	Completed
13. Develop a contractor presentation kit.	Public Affairs	In process; carry forward to 2013-14 strategic plan
14. Create a website section with streamlined access to contractor outreach materials.	Public Affairs, Information Technology	In process; carry forward to 2013-14 strategic plan
15. Develop CSLB style guide and identification standards manual.	Public Affairs	In process; carry forward to 2013-14 strategic plan
16. Implement BreEZe for CSLB.	Information Technology	In process; carry forward to 2013-14 strategic plan
17. Implement an online licensure tool for credit card payment.	Licensing	In process; carry forward to 2013-14 strategic plan
18. Staff a Subsequent Arrest Unit through the BCP process.	Executive	In process; carry forward to 2013-14 strategic plan



19. Review Contractors' State License Law to simplify and update.	Legislative	In process; carry forward to 2013-14 strategic plan
20. Submit sunset review report.	Legislative	In process; carry forward to 2013-14 strategic plan

Striving for Improvement – The Road to CSLB in the Year 2020

Executive staff provided the following vision of CSLB in 2020:

1. Licensing/Call Center

- Complete electronic/paperless application, renewal and license management process
- Fully automated bond, workers' compensation insurance submission process
- All communication with applicants and licensees via email
- Established Virtual Call Center with chat ability
- Established Email Unit

2. Enforcement

- Appropriate management structure
 - Deputy Enforcement Chief
- System for purchasing new vehicles
 - Utilize latest technology, including GPS and Bluetooth
- Improved, direct communication between CSLB headquarters and field offices
 - Video conferencing, Skype, online training, etc.
- Improved CSLB presence throughout the state
 - More small field offices (e.g.: San Luis Obispo, Barstow)
- Staff access to new communication equipment
 - Cellphones, texting, iPads
- Established and staffed in-house training program
- Established and staffed Subsequent Arrest Unit
- Pay differentials and adjustments for staff in high-cost areas of state
- Purchase of video equipment

3. Public Affairs

- State-of-the-art video/audio studio to communicate directly with media/stakeholders
- State-of-the-art social network communications
- Ability to quickly look up license information with smart phones
 - QR codes or other technology
- Ability to attend/participate in conferences (both inside and outside of California)

4. Administration and IT

- Methods for keeping vacancies at a minimum
 - Better retention and hiring practices
- Full Service Human Resources Unit
- VDI (Virtual Desktop)
- State-of-the-art security technology
- Attract and retain IT staff
- Enhance Tele-Work/Telecommuting in a Virtual Environment
 - Utilize technology, including Skype and webcasting
- Give supervisors real-time snapshot of work in progress



- e.g., enforcement cases, contracts, etc.
- Automation of all internal services using state-of-the-art technology

CSLB Strengths and Weaknesses

Executive staff was asked to provide input on the strengths and weaknesses of various CSLB divisions.

Strengths

Strengths mentioned for all divisions include staff and management, Board support, and relationships with various stakeholders. Following are specifics for each division:

1. Licensing/Call Center

- Use of technology, especially Interactive Voice Response (IVR) system and Image Workflow Automation System (IWAS)
- Clear path to licensing
- An outlined process for most jobs and a clear training program for others to follow

2. Enforcement

- Staff training program
- Widespread respect in industry and with partners and prosecutors
- Great relationship with industry experts

3. Public Affairs

- Successful outreach programs, including Senior Scam StopperSM seminars
- Innovative efforts to interact with stakeholders
- Ability to quickly react to any situation, respond timely, and control the story as it breaks
- Enhanced intranet site for employees

4. Administration and IT

- Fiscally sound (more than six months reserve)
- Ability to be almost completely self-sufficient, providing most necessary services
- Experienced and knowledgeable staff with strong sense of customer service
- Great work environment and facilities
- IT department staff are efficient, timely, and progressive

5. Legislation

- Well respected by Legislature
- Board member relationships in Legislature
- Awareness of legislation proposed that can or will affect CSLB

Weaknesses

1. Licensing

- Attrition of qualified staff and loss of instructional knowledge
- Difficulty recruiting for key positions and in key areas
- No ability to apply for license online or to renew online
- Licensing Information Center turnover
- Expected future resource shortage, resulting in delays in application processing
- High number of license applications rejected for incomplete information

**2. Enforcement**

- Lack of appropriate management structure
 - Need to establish Deputy Chief position
- Resource challenges, including vehicles, phones, and pay
- Difficulty recruiting staff in certain parts of state
- Difficulty getting prosecutions in certain counties due to lack of District Attorney funds
- Outdated procedure manuals
- Lack of industry experts in certain license classifications, in certain parts of state
- Limited ability to act upon subsequent arrest reports

3. Public Affairs

- Limited internal communications with Enforcement division staff
 - Many newsworthy items are never brought to Public Affairs staff attention
- Website can be difficult to navigate
- Limited Public Affairs and IT staff to implement new website standards
- Dated and limited intranet site

4. Administration and IT

- Additional layer of DCA approval needed for Human Resources, Accounting, Travel, and Procurement slows the process
- Staff perception that DCA has “control agency” mentality vs. “customer service” approach
- Competition from private sector and other state government agencies using specific and confusing job classifications makes it difficult to hire qualified candidates
- Losing key positions and institutional knowledge through attrition in Enforcement and Licensing divisions
- Staff frustration and low morale due to continuing delays and layers of bureaucracy

5. Legislation

- New legislators and inexperienced staff has led to a lack of knowledge in the Capitol
- Laws that are confusing and hard for licensees and applicants to understand
- Bills introduced by outside entities that would affect CSLB’s purview/mandate that are, at times, redundant

Possible Objectives for 2013-14 Strategic Plan**1. Licensing**

- Reduce application rejection rates
- Expand application video to other languages
- Inform applicants about the top reasons applications are rejected

2. Enforcement

- Create a Deputy Chief position
- Create an Industry Expert Training Program
- Create a Peace Officer Training Program
- Create a pilot program similar to law enforcement’s citizens patrol
- Partner with CEC to create an energy efficiency campaign
- Prioritize enforcement complaints
- Address vacancies in hard-to-fill geographic areas

**3. Administration and IT**

- Attract more knowledgeable staff
- Stay on cutting edge of technology
- Train BSO management to provide additional training
- Create and update procedure manuals
 - Identify key positions to make sure processes are documented

4. Public Affairs

- Create file of consumer stories for use in various outreach efforts
 - Educate staff on benefits of sharing information
- Move CSLB website to new “look and feel” standards
- Establish multimedia unit with focus on video production

5. Legislation

- Identify ways to simplify laws in order to allow more contractors to practice/work
- Cut red tape to make it easier for applicants and licensees to comply with laws



Environmental Scan and Trends Analysis

One of the first steps to help CSLB develop its 2013-14 Strategic Plan was to conduct a scan and analysis of the environment in which CSLB operates. This analysis will help the Board focus its efforts on important factors that can impact CSLB's success. It is important to consider these items while developing CSLB's strategic objectives for the next fiscal year.

This environmental scan was conducted by the Department of Consumer Affairs' SOLID Training Solutions team during February and March 2013.

The following methods were used to collect this information:

- Focus group discussion held on February 27, 2013 with CSLB senior staff, managers, and the Registrar;
- Interviews with 11 Board members conducted during March 2013; and
- Online survey sent to 25 CSLB stakeholders, including associations, industry organizations, and others who have expressed interest in CSLB's strategic direction. (Six stakeholders responded to the survey.)

Following are the most significant items collected during the environmental scan:

CSLB's Major Strengths

- Board Staff – Each interviewed Board member submitted positive comments about CSLB's executive leadership team and division staff, including Enforcement, Licensing, Public Affairs, Legislation, and Administration. Each division's management team and staff also were highlighted as achieving the highest levels of professionalism and service, setting the bar for other State agencies; even with roadblocks and constraints.

CSLB's Other Strengths

- CSLB ensures a clear path to licensing and access to the profession
(Staff focus group and Board member interviews)
- Widespread respect for CSLB within the construction industry and among partners and prosecutors who are involved in CSLB's enforcement efforts
(Staff focus group and Board member interviews)
- CSLB's innovative efforts to interact with stakeholders through various outreach methods, and enhanced social media presence through Facebook and Twitter
(Staff focus group and Board member interviews)
- Efficient, timely, and progressive IT department
(Staff focus group)
- CSLB maintains consistent awareness of pending legislation that could affect the Board or the industry
(Staff focus group and Board member interviews)



CSLB's Major Challenges

- **Unlicensed Activity** – Even though CSLB has made great strides, unlicensed activity remains a major concern statewide. Unlicensed and often unscrupulous contractors still are prevalent, posing harm to consumers who are unaware of the risks involved in doing business with them. This is particularly true for senior consumers.
(Staff focus group, Board member interviews, and stakeholder survey)
- **Underground Economy** – CSLB's Enforcement division has expanded its partnerships with other state agencies, particularly the Franchise Tax Board (FTB) and Employment Development Department (EDD). The cooperative effort of these partnerships, including the Labor Enforcement Task Force (LETf), have benefited the enforcement program, but may be creating a negative perception within the construction industry. While CSLB wants to ensure consumer safety, it also needs to remain mindful of the need to maintain a healthy and active construction industry within California. There also are concerns that CSLB's enforcement arm is being used for regulatory compliance issues that fall under the jurisdiction of other agencies (e.g. duplicative enforcement efforts with the California Energy Commission). In addition, a cost-benefit analysis of CSLB/EDD sting operations may be warranted to determine the effectiveness of this partnership.
(Staff focus group, Board member interviews, and stakeholder survey)
- **Licensing Information Center** – Over the past few years, CSLB and its employees have encountered a number of obstacles. These have included mandatory furloughs, hiring freezes, and the inability to keep student assistants and retired annuitants. This has impacted CSLB operations in many areas, but none more so than the Licensing Information Center (LIC) within the Licensing division. LIC staff is of critical importance since they often are the face of CSLB to licensees and consumers. Even in good years, it's difficult to recruit for LIC positions. It's also a challenge to retain staff due, in part, to the nature of the work and a low level of compensation. The high turnover has resulted in a significant drain on time and resources from the continual need to train new employees. This will continue to be a problem during the next year.
(Staff focus group, Board member interviews, and stakeholder survey)
- **Solar/ Green Energy** – The nationwide green energy trend has significantly expanded in recent years, particularly in California, attracting interest from many industry trades. As technology continues to advance, it is important for CSLB to stay educated about the technology, products, and services. CSLB needs to ensure appropriate regulations are in place so licensees working in this arena are qualified and consumers are protected. This newness also brings with it the opportunity for scams and shady practices (e.g. "efficiency evaluations"). There also are concerns about future methods of demolition and disposal of toxic material. A proactive approach is recommended and can only be accomplished by intense monitoring of all industry aspects and input from reputable green energy stakeholders.
(Staff focus group, Board member interviews, and stakeholder survey)



CSLB's Other Challenges

- Legislation and Regulation – Effective tracking and influence of legislation that could impact the Board or the industry.
(Staff focus group and Board member interviews)
- Continuing Education – Ensuring licensee competence weighed against the potential workload increase on an already heavily-burdened Board.
(Board member interviews)
- Arbitration Process – Is it necessary to expend time and resources evaluating this process versus other Board issues?
(Board member interviews)
- Resource Constraints – For example, purchase of new vehicles and equipment.
(Staff focus group, Board member interviews, and stakeholder survey)
- Adequate Enforcement Representation – The high cost of living in some state regions makes it prohibitive to hire staff to live and work in those areas. ***(Staff focus group)***
- Hiring Challenges – Retention difficulty due to competition from the private sector and other state agencies with higher pay scales for qualified candidates.
(Staff focus group and Board member interviews)
- Information and Technology – Keeping up with the pace of technology advancements. This includes updating website content quickly to enhance awareness of emerging issues. ***(Staff focus group, Board member interviews, and stakeholder survey)***
- Bureaucracy – Layers of bureaucracy negatively affect CSLB's ability to function efficiently (e.g. DCA, Agency, state control agencies).
(Staff focus group, Board member interviews)
- Looming institutional knowledge drain – More and more CSLB employees are becoming eligible for retirement.
(Staff focus group)

Major Trends

- End of Recession/CSLB Effects – CSLB may not be ready for an increase in license applications and enforcement actions as the state's economy recovers. With the current rise in home sales and residential building construction as an indicator, CSLB needs to address staffing questions in terms of how it will handle an increased workload, especially with difficulty of adding additional positions. An expansion plan is recommended in order to stay proactive.
(Board member interviews, and stakeholder survey)



- Seniors/Consumer Education – Seniors continue to be a primary target of unlicensed or unscrupulous contractors. Other consumer groups, such as money-conscious homeowners, also are susceptible to harm. Education and awareness is a key instrument to prevent these problems. Current travel, staffing, and budget constraints make it difficult to expand an effective outreach campaign.
(Staff focus group, Board member interviews, and stakeholder survey)
- Electrician Certification – Certification of apprentice/journeyman-level electricians to do work at a job without the presence of the licensed electrician is required. This layer of regulation protects consumers from potential harm or death due to the scope of electrical work (e.g. possible electrical fire, etc.). Should the certification of a tradesman be expanded beyond electricians?
(Board member interviews)
- Fingerprinting – Since 2005, all applicants for a CSLB license and each officer, partner, owner, and responsible managing employee, as well as home improvement salesperson applicants, must be fingerprinted for a criminal background check. There has been discussion about expanding the program to make sure every person on a job at a consumer's home has passed a criminal background check. This would increase CSLB staff workload and could appear as over-regulation of the various trades.
(Board member interviews)
- Public Works/ Prevailing Wages – There has been attention drawn to contractors making less than the prevailing wage set for public works projects, and how CSLB should address it. Should CSLB take a position or action on the issue of prevailing wages for public works projects? Or are CSLB's limited resources put to better use elsewhere?
(Board member interviews)

Other Trends

- Hazardous materials removal and the specific licenses and certifications required to do so. (e.g. asbestos removal)
(Board member interviews)
- Other agencies passing regulations that CSLB is expected to enforce. (FTB, EDD)
(Board member interviews)
- Consumers using unlicensed persons multiple times and/or habitually complaining about a contractor because the laws can favor the consumer could potentially lead to unnecessary strain on CSLB resources.
(Board member interviews)



Possible Solutions

The following suggestions were offered during the environmental scan as possible items to address in the strategic plan.

Board Member Suggestions

1. Increase interaction with the small contractor (educating vs. informing):
 - Create a hotline to assist licensees with time-sensitive issues where other avenues might not be available (e.g. answering workers' compensation questions).
 - Increase outreach to small contractors, educating them on helpful information as it relates to changes in the profession.
 - Investigate possible fee reduction or restructuring; changing fees to align with sales volume or providing a discounted renewal rate for long-term tradespeople.
 - Have a member of the construction industry report on current trends in the market at each Board meeting.
2. *Use technology to connect with consumers and licensees*
 - Use more webcasts and teleconferencing options for Board meetings or satellite meetings to create more dialogue with the construction industry.
 - Create a virtual 24-hour environment for consumers and licensees without requiring additional staff, such as: more online functionality, VoIP services with the call center, etc.
3. *Increase awareness of unscrupulous persons*
 - Publish warning information about repeat violators placed on the front page of CSLB website, to reduce harm to consumers.
4. *Additional Ideas*
 - Complete a succession plan to identify mission-critical positions. This always seems to be a discussion item but without definitive action.
 - Allow for more discussion at Board meetings regarding items that require a vote. Allow more questions and discussion to ensure all sides of the issue have been addressed before moving to a vote.

**Senior Staff Suggestions**

1. Improve licensing processes
 - Reduce application rejection rates
 - Expand application video to other languages
 - Inform applicants of the top reasons applications are rejected
2. Improve internal administration
 - Attract more knowledgeable staff
 - Stay on cutting edge of technology
 - Train CSLB management to provide additional training to staff
 - Create and update procedure manuals
 - Identify key positions to make sure processes are documented
3. Enhance outreach to public
 - Create file of consumer stories for use in various outreach efforts
 - Educate staff on benefits of sharing information
 - Move CSLB website to new government standard look and feel
 - Establish multimedia unit with focus on video production
4. Possible legislative and regulatory changes
 - Identify ways to simplify laws to allow more contractors to practice/work
5. Find ways to reduce red tape to make it easier for applicants and licensees to comply



CONTRACTORS STATE LICENSE BOARD

CREATING A DEPUTY CHIEF POSITION

Background

The Enforcement division continues to work diligently with DCA's Office of Human Resources and CalHR to establish a Deputy Chief position within the Enforcement division. If hired, the Deputy Chief will report to the Chief of Enforcement and manage various programs.

The Enforcement division – the largest division within CSLB – is responsible for protecting consumers through the regulation and enforcement of laws pertaining to California's construction industry. There are about 300,000 licensed contractors in 43 different licensing classifications in the state. Due to the diversity and complexity of the work, the Enforcement division is divided in four primary programs: Intake and Mediation, Investigative Centers, Statewide Investigative Fraud Team, and Case Management. These four programs, carried out by field offices throughout the state, employ more than 50 percent of the permanent employees at CSLB. Enforcement staff is responsible for investigating complaints against licensed and unlicensed contractors, resolving construction disputes, issuing citations, suspending or revoking licenses, and seeking administrative, criminal, and civil sanctions against violators. In fiscal year 2011-2012, CSLB Enforcement staff helped recover nearly \$36 million in ordered restitution for consumers.

The Chief of Enforcement has 12 direct reports, coupled with the day-to-day administrative guidance to other Enforcement supervisors and staff. Due to commitments in Sacramento and headquarters, and current travel restrictions, the Chief is unable to visit the Southern Regional office in Norwalk or the five Investigative Centers on a regular basis to ensure necessary statewide consistency and continuity.

In addition, the lack of a Deputy Chief to assist with Enforcement administrative issues has adversely impact the Chief's ability to spend time on program policymaking and carrying out his role as the principal enforcement liaison to CSLB Board members, the Governor's Office, legislators, federal, state and local agencies, etc.

The Deputy Chief's expertise and knowledge will provide management continuity when dealing with highly complex law enforcement investigative work, enable staff engagement, ensure optimum operations of the Enforcement division, and maintain consumer protection and trust.

Question for the Board's Consideration:

- Should staff continue to prioritize the creation and recruitment of a Deputy Chief of Enforcement?



CONTRACTORS STATE LICENSE BOARD

CREATING A TRAINING PROGRAM FOR INDUSTRY EXPERTS

Background

CSLB handles about 20,000 complaints each year. Most complaints are filed by consumers and relate to alleged incomplete projects or work performed below acceptable trade standards. To perform an unbiased and thorough investigation of workmanship complaint concerns, staff relies upon the assistance of industry experts (IEs), the majority of whom are CSLB-licensed professionals.

The Industry Expert Program (IEP) was initiated in 1985 after CSLB experienced a backlog of approximately 12,000 complaints. The backlog was, in part, directly related to the lack of CSLB investigative staff and consumers' inability to promptly secure the services of an expert witness to render an opinion on the workmanship of a construction job. Contractors' expertise helps ensure that an acceptable industry standard is maintained, and assists CSLB with an essential part of an investigation.

The IEP concept is simple. Experts in specific construction industry trade classifications are recruited. Investigators ask an IE to inspect a job and render an opinion on specific items of complaint. Investigators use an IE's opinion to help determine if a violation of the law has occurred. The industry expert testifies at a hearing, if necessary. Industry experts are expected to provide an unbiased opinion on specific items of the complaint and provide a detailed report that is well written and includes job site photographs.

All industry experts are provided basic training materials and instruction that includes CSLB performance expectations and grounds for removal from the program. However, many participants in the IEP have requested that CSLB establish a more formalized and continuous training program.

Question for the Board's Consideration:

- Should the Board establish an IEP training module that provides for a continuous training program for Industry Experts?



CONTRACTORS STATE LICENSE BOARD

CREATING A TRAINING PROGRAM FOR PEACE OFFICERS

Background

CSLB's Board adopted specific training requirements for CSLB peace officers at its December 11, 2012, Board meeting. It was agreed that all peace officers must complete the following Commission on Peace Officers Standards and Training (POST) courses:

- Penal Code 832 course (laws of arrest, search, and seizure); and
- Specialized Investigator Basic Course (SIBC) Academy through Golden West College in Huntington Beach (591 hour, entry-level academy), or, if the SBIC course is not available, POST Module III training within their first year of appointment.

The training courses provide a strong foundation for a peace officer; however, it is standard practice for peace officers to receive additional training. For this reason, POST offers a two-year Field Training Program focused on facilitating a peace officer's transition from the academic setting to the performance of general law enforcement uniformed patrol duties. While the POST course would not be well suited for CSLB peace officers due to its emphasis on police patrol techniques, traffic management, response to crimes in progress, use of emergency equipment, and use of force, there is a need for additional training.

The proposed CSLB-specific Peace Officer Training Program would introduce a newly assigned officer to:

- Procedures, policies, and purposes of the Enforcement division;
- Initial formal and informal training specific to the day-to-day duties; and
- A Field Training Program to provide a standardized program to assist management in the initial orientation and field training of newly assigned peace officers in such areas as stop orders, elder abuse, stings, sweeps, leads, search warrants, fraud investigations, and civil litigation.

Question for the Board's Consideration:

- Should the Board consider establishing a standard Peace Officer Training Program for all CSLB peace officers?



CONTRACTORS STATE LICENSE BOARD

VOLUNTEER INDUSTRY EXPERT PROGRAM PILOT

Background

CSLB received more than 18,830 complaints in 2012, most of which were investigated and resolved expeditiously. However, CSLB Enforcement Representatives (ERs) carry substantial caseloads, and complaints of illegal construction activity in progress are sometimes difficult to confirm before the activity has concluded. This problem is most acute in outlying geographic areas where CSLB has few assigned ERs.

To address this concern, two private contractors from Butte County have proposed implementation of a “Volunteer Industry Expert” program. Under their proposal, the program would be patterned after the senior volunteer program used by some local law enforcement agencies. The volunteer “Industry Experts” would assist ERs with site inspections, permit reviews, and other investigative steps in those instances when an ER is not readily available. It is believed that use of a volunteer “Industry Expert” would be particularly helpful in expediting a site inspection in remote locations. Local volunteers also would be useful for follow-up site inspections, when necessary.

Under the proposal, Enforcement division staff would select the volunteers, and provide appropriate training. Volunteers would ideally be contractors who retired in good standing (with an inactive or expired license). In addition to training, CSLB would provide distinctive business cards and mileage reimbursement for volunteers (up to \$500 per month).

Question for the Board’s Consideration:

- Should the Board consider implementing a “Volunteer Industry Expert” program on a one-year trial basis?



CONTRACTORS STATE LICENSE BOARD

ENERGY EFFICIENCY CAMPAIGN

The Enforcement division has been working closely with the California Energy Commission (CEC) to establish an Energy Efficiency Campaign. Highlights of the campaign are as follows:

Residential Energy Efficiency Standards (Standards) Include:

- Solar-ready roofs to allow homeowners to add solar photovoltaic panels at a future date;
- More efficient windows to allow increased sunlight, while decreasing heat gain;
- Insulated hot water pipes, to save money and energy, and reduce the time it takes to deliver hot water;
- Whole house fans to cool homes and attics with evening air, reducing the need for air conditioning load; and
- Air conditioning installation verification to ensure efficient operation.

Cost Benefit Analysis – New Residential Construction

- On average, the Standards will increase the cost of constructing a new home by \$2,290 but will return more than \$6,200 in energy savings over 30 years.
- Based on a 30-year mortgage, the standards will cost approximately \$11 per month for the average home, but save consumers \$27 on monthly heating, cooling, and lighting bills – an almost 300 percent return.

Additional Public Benefit

- Within the first year of implementation, the Standards are projected to add up to 3,500 new building industry jobs and save millions of gallons of water per year.
- When the Standards have been in effect 30 years, California will save nearly 14,000 megawatt hours — enough electricity to power 1.7 million homes — avoid the need to construct six new power plants.

Question for the Board's Consideration:

- Should the Board consider directing staff to work with CEC to establish an ambassador program that would assist contractors in educating consumers on the importance of complying with energy efficiency (Title 24) requirements?
- Should the Board direct staff to continue to work with the California Building Officials to achieve Title 24 permit compliance? Should CSLB work with building departments in exploring online permitting, self-certification, etc.?
- Should CSLB and CEC create an amnesty program to allow contractors to return to completed projects and comply with Title 24 requirements?
- Should staff meet with the Bureau of Automotive Repair (BAR) to explore development of an HVAC inspection protocol for industry experts modeled after BAR's auto body inspection program that includes clear benchmarks and measurements?



CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT PRIORITIZATION

The Enforcement division continuously reexamines its priorities and objectives to ensure that CSLB's mandate to protect consumers and Board objectives are being met. Current Enforcement challenges include an increase in demand and difficulty in retention of staff in certain geographic areas. Enforcement receives many leads involving alleged unlicensed practices, expired licenses, classification issues, as well as other Contractors' License Law violations, but is unable to respond to each one with available resources. During the October 24, 2012, Enforcement Committee meeting, staff was asked to provide a lead prioritization matrix in an effort to stabilize staff's workload.

Consumer Service Representatives (CSRs)

The Board's objective is for CSRs to mediate and or refer the majority of complaints received within 60 days and to have no complaints exceeding 90 days. Therefore, the maximum working caseload for CSRs has been established at 40 complaints per CSR per month. CSLB has 30 CSRs; resulting in the two Intake and Mediation Centers (IMCs) having the capacity for 1,200 open complaints. As of March 1, 2013, the IMCs' working caseload was 1,197 complaints.

Enforcement Representatives (ERs)

The Board's objective is for ERs assigned to the nine Investigative Centers (ICs) to investigate and appropriately disposition nine complaints per month, which will increase to 10 per month when mandatory furlough days are eliminated. The maximum working caseload for ERs has been established at 35 complaints per ER per month. CSLB has 60 ERs; therefore, the nine ICs have the capacity for 2,100 open complaints. As of March 1, 2013, the ICs had 2,043 open complaints under investigation.

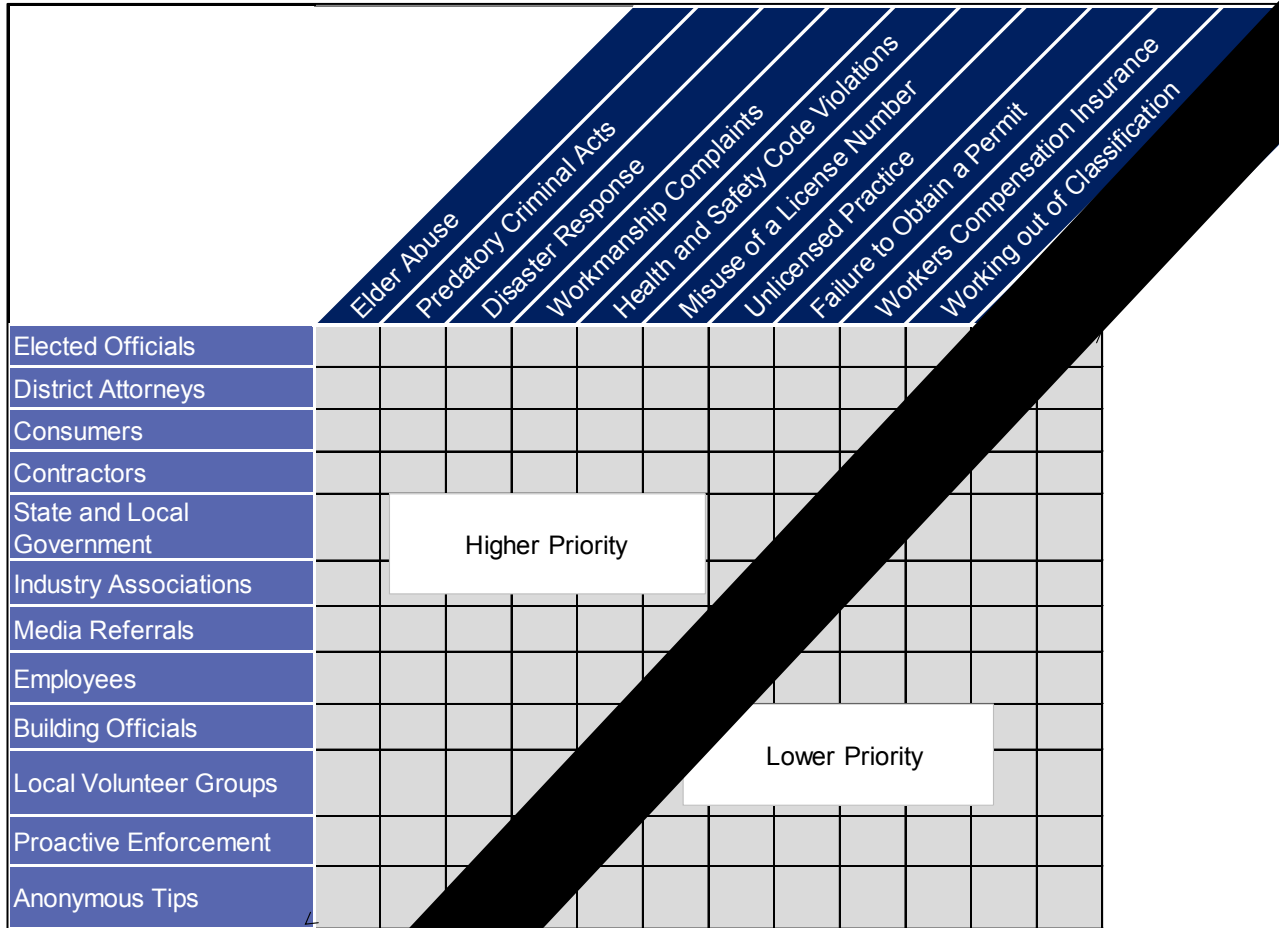
Total Consumer-Filed Complaint-Handling Capacity

As of March 1, 2013, the combined number of consumer-filed complaints opened in the IMCs and ICs totaled 3,240, which is only slightly below the complaint-handling capacity of 3,300.

Board Members' Strategic Planning Consideration

With the apparent economic upswing, an increase in the number of consumer complaints filed against licensed and unlicensed contractors is anticipated. Current resources are inadequate to address any significant increase; therefore, Enforcement is asking Board members to help prioritize complaints. Enforcement priorities are depicted in the following chart, and Board members are asked to review and rearrange/change priorities, as necessary:

CSLB Enforcement Prioritization





CONTRACTORS STATE LICENSE BOARD

FILLING VACANCIES BY GEOGRAPHIC LOCATIONS

Background

Historically, the Enforcement division has struggled to recruit and retain employees in certain geographic areas. For example, the high cost of living in the San Francisco Bay Area is severely affecting CSLB's ability to retain staff and fill vacant positions. A decade ago, CSLB operated three Bay Area Investigative Centers (ICs), staffed by more than 20 Enforcement Representatives (ERs).

Due to an inability to attract and hire qualified candidates, two ICs (San Jose and Oakland) were closed and the ER positions assigned to those offices were transferred to the Sacramento IC. While the position transfer has not negatively affected CSLB's ability to investigate complaints in the East Bay, staff currently is unable to efficiently investigate complaints in the North Bay, San Francisco, the Peninsula, and South Bay. CSLB's inability to fill positions in the San Francisco IC has increased commute time and expenses as ERs are forced to travel from Sacramento to the Bay Area to investigate complaints.

The current situation in the San Francisco IC is indicative of the challenges CSLB faces in retaining staff and filling vacancies. Currently, there are seven full-time ER positions in the San Francisco IC, 1.5 clerical positions, and one Enforcement Supervisor.

Over the last few months, job offers were made to four individuals. One candidate declined after accepting a position in Sacramento; one declined after initially accepting due to the lack of affordable housing in the Bay Area; and two others accepted the positions, but later reconsidered due to the high cost of living in the Bay Area. If nothing is done, CSLB may be forced to close the San Francisco IC, losing all presence in the Bay Area. CSLB has been unsuccessful at identifying a solution to this problem for more than a decade, beyond having Sacramento IC staff travel to the Bay Area.

The same is true for the San Luis Obispo area. Currently, the closest investigator assigned to investigate reactive complaints is headquartered more than 120 miles away. For this reason, complaints filed in this area are often neglected and go uninvestigated. When an ER is sent to investigate complaints in this area, CSLB and the state incur steep charges for travel.

CSLB presented these concerns to the Department of Consumer Affairs (DCA). DCA contacted CalHR to see if it would be possible to offer pay differentials to employees assigned to certain geographic areas. Unfortunately, the state is not currently in a position to establish any new differentials, nor expend additional money. However, CalHR is willing to work with DCA and CSLB to determine if there are other feasible, non-monetary alternatives available.

Questions for the Board's Consideration:

1. Should the Enforcement division advertise vacant position as "home-as-headquarters" designations, allowing staff to work from their home when the nearest CSLB office is located more than 50 miles away?
2. Should the Board consider opening satellite offices in remote locations (i.e., Walnut Creek or San Luis Obispo)?
3. Should CSLB specifically recruit in these hard-to-fill geographical locations and consider administering spot exams for the Enforcement Representative series in these regions?
4. What other non-monetary alternative solutions should be considered?

AGENDA ITEM H

Adjournment



APRIL 24, 2013
SAN DIEGO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting

DAY 2



AGENDA ITEM A

Call to Order Establishment of Quorum

Roll is called by the Board Chair or, in his/her absence, by the Board Vice-Chair or, in his/her absence, by a Board member designated by the Board Chair.

Eight members constitute a quorum at a CSLB Board meeting, per Business and Professions Code section 7007.

BOARD MEMBER ROSTER

DAVID DIAS	LISA MILLER-STRUNK
JOAN HANCOCK	JOHN O'ROURKE
PASTOR HERRERA JR.	BRUCE RUST
MATTHEW KELLY	FRANK SCHETTER
ROBERT LAMB	PAUL SCHIFINO
ED LANG	MARK A. THURMAN
JAMES MILLER	



AGENDA ITEM B

Chair's Remarks and Board Member Comments

Board Chair Paul Schifino will review the scheduled Board actions and make appropriate announcements.

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



AGENDA ITEM C

Public Comment Session

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

BOARD AND COMMITTEE MEETING PROCEDURES

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

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



AGENDA ITEM D

Strategic Planning Session (continued)



AGENDA ITEM E

Review of Tentative Schedule

The following is a list of Board meetings scheduled for 2013:

June 11Irvine



AGENDA ITEM F

Adjournment

