

JUNE 5, 2014
NEWPORT BEACH, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





CONTRACTORS STATE LICENSE BOARD

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www.cslb.ca.gov • CheckTheLicenseFirst.com

STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

******* AMENDED NOTICE OF BOARD MEETING*******
(Please note new Agenda Item G. 2. a.)
(Please note new start time on June 6 of 8:30 am)

The Contractors State License Board (CSLB) will hold a Board Meeting on Thursday June 5, 2014 from 1:30 p.m. to 5:00 p.m. and on Friday, June 6, 2014, from 8:30 a.m. to 1:00 p.m. in the Salon 4 Room at the Marriott Hotel, 900 Newport Center Drive, Newport Beach, CA 92660, (949) 640-4000.

All times are approximate and subject to change. Items may be taken out of order to maintain a quorum, accommodate a speaker, or for convenience. The meeting may be canceled without notice. For verification of the meeting, call (916) 255-4000 or access the CSLB website at 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. Providing your request at least five (5) business days prior to the meeting will help ensure availability of the requested accommodation.

AGENDA
Day 1
June 5, 2014
1:30 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 April 24, 2014 Board Meeting Minutes
- E. Enforcement Committee Report
 - 1. Enforcement Program Update
 - 2. Review and Discussion of CSLB's HVAC Outreach Campaign
- F. Public Affairs Committee Report

CONTINUED

1. Public Affairs Program Update
- G. Legislative Committee Report
 1. Review and Approval of Recommended Position on Senate Bill 315
 2. Legislative Program Update
 - *****a. **Bill Updates: AB 1702, AB 2165, AB 2396, and SB 1467*******
- H. Licensing Committee Report
 1. Licensing Program Update
 2. Testing Division Update
- I. Executive Committee Report
 1. Administration Update
 2. Information Technology Update
 3. Budget Update
 4. Review and Approval of 2014-15 Strategic Plan
 5. Election of Board Officers
- J. Review of Tentative Schedule
- K. Adjournment

AGENDA
Day 2
June 6, 2014
8:30 a.m. – 1:00 p.m.

- A. Call to Order – Establishment of Quorum
- B. Public Comment Session
- C. Discussion with Nevada State Contractors Board
 - Review of Multi-State Partnering Accomplishments
 - Enforcement Strategies
 - Licensing Strategies
- D. Adjournment

AGENDA ITEM A

Call to Order Establishment of Quorum

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

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

Board Member Roster

KEVIN J. ALBANESE

AGUSTIN BELTRAN

LINDA CLIFFORD

DAVID DIAS

JOAN HANCOCK

PASTOR HERRERA JR.

ROBERT LAMB

ED LANG

JOHN O'ROURKE

BRUCE RUST

FRANK SCHETTER

PAUL SCHIFINO

NANCY SPRINGER



AGENDA ITEM B

Chair's Remarks and Board Member Comments

Board Chair Joan Hancock 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 April 24, 2014, Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

Thursday, April 24, 2014

A. CALL TO ORDER

Board Chair Joan Hancock called the meeting of the Contractors State License Board (CSLB) to order at 8:00 a.m. on Thursday, April 24, 2014, in the Catalina/Silvergate Room at the Holiday Inn, 4875 North Harbor Drive, San Diego, CA 92106. A quorum was established.

Board Member David Dias led the Board in the Pledge of Allegiance.

Board Members Present

Joan Hancock, Chair
David Dias, Vice Chair
Ed Lang, Secretary
Pastor Herrera Jr.
Robert Lamb

Agustin Beltran
Frank Schetter
Nancy Springer
Paul Schifino

Board Members Excused

Kevin J. Albanese
John O'Rourke

Bruce Rust
Linda Clifford

CSLB Staff Present

Stephen P. Sands, Registrar
Cindi Christenson, Chief Deputy Registrar
Erin Echard, Analyst, Executive Office
Laura Zuniga, Legislative Chief
Kurt Heppler, DCA Legal Counsel
Wendi Balvanz, Testing Chief

David Fogt, Enforcement Chief
Rick Lopes, Public Affairs Chief
Larry Parrott, Administration Chief
Raju Sah, Information Technology Chief
Stacey Paul, Budget Analyst
Christina Delp, Chief Deputy of Enforcement

Public Visitors

Bruce Rudman
Rick Pires
Eric Crandall
Gal Bigaleizn
Mark Connerly
Gary Almond

Frank Belio
Alex Beltran
Angelika Austin
Ayllon Giladi
Chuck Shippey
Danielle Dorsey

B. CHAIR'S REMARKS AND BOARD MEMBER COMMENTS

There were none.

C. PUBLIC COMMENT SESSION

There were none.



D. REVIEW AND APPROVAL OF THE FEBRUARY 19, 2014, BOARD MEETING MINUTES

Motion to Approve the February 19, 2014, Board Meeting Minutes

MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member Pastor Herrera Jr. to Approve the February 19, 2014, Board Meeting Minutes. The motion carried unanimously, 9-0.

E. UPDATE ON BOARD ACTIVITIES

Chief Deputy Registrar Cindi Christenson highlighted a Public Affairs Office news conference in Southern California to announce results of the Spring Blitz, and congratulated Peace Officer Bernard Lim on his success which helped a senior get his home back. Ms. Christenson encouraged the Board to review each of the program updates in the Board packets and added that there will be a full review at the next board meeting June 5 and 6 in Newport Beach.

F. LEGISLATION

Legislation Committee Chair Paul Schifino clarified that we will need a motion on each legislative proposal.

1. Review and Approval of April 16, 2014 Legislative Committee Meeting Summary Report

Motion to Approve the April 16, 2014, Legislative Committee Meeting Summary Report

MOTION: A motion was made by Board Member Pastor Herrera Jr. and seconded by Board Member Agustin Beltran to Approve the April 16, 2014, Legislative Committee Meeting Summary Report. The motion carried unanimously, 9-0.

2. Review and Approval of Recommended "Watch" Position on AB 1702

Motion to Approve the Recommended "Watch" Position on AB 1702

MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member Pastor Herrera Jr. to Approve the Recommended "Watch" Position on AB 1702. The motion carried unanimously, 9-0.

3. Review and Approval of Recommended "Oppose" Position on AB 2165

After a discussion, the Board adopted a "Watch" position.

Motion to Approve the "Watch" Position on AB 2165

MOTION: A motion was made by Board Member Pastor Herrera Jr. and seconded by Board Member Frank Schetter to Approve the "Watch" Position on AB 2165. The motion carried unanimously, 9-0.



4. Review and Approval of Recommended “Oppose” Position on AB 2396

Motion to Approve the Recommended “Oppose” Position on AB 2396

MOTION: A motion was made by Board Member David Dias and seconded by Board Member Robert Lamb to Approve the Recommended “Oppose” Position on AB 2396. The motion carried unanimously, 9-0.

5. Review and Approval of Recommended “Support” Position on SB 1467

Motion to Approve the Recommended “Support” Position on SB 1467

MOTION: A motion was made by Board Member David Dias and seconded by Board Member Ed Lang Approve the Recommended “Support” Position on SB 1467. The motion carried unanimously, 9-0.

6. Review and Approval of Recommended “Support” Position on AB 1918

Motion to Approve the Recommended “Support” Position on AB 1918

MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member Frank Schetter to Approve the Recommended “Support” Position on AB 1918. The motion carried unanimously, 9-0.

G. LICENSING

Cindi Christenson gave a brief overview of a new Asbestos Contractor Classification.

1. Review and Approval of the Regulatory Proposal to Adopt Class C – Asbestos Contractor

Motion to Approve the Regulatory Proposal to Adopt Class C – Asbestos Contractor

MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member Ed Lang to Approve the Regulatory Proposal to Adopt Class C – Asbestos Contractor. The motion carried unanimously, 9-0.

PUBLIC COMMENT: Bruce Rudman believed this regulation is counterproductive.

PUBLIC COMMENT: Eric Randall requested further information regarding classification determinations.

PUBLIC COMMENT: Mark Connelly was disappointed that the roofing industry wasn’t contacted prior to the hearing. Steve Sands explains that specific procedures were followed.



H. ENFORCEMENT

Enforcement Committee Chair Ed Lang informed the Board that Butte County Supervisor Maureen Kirk had been recognized for her support of CSLB's enforcement efforts and turned the discussion to David Fogt to review the agenda items.

1. Review and Approval of April 1, 2014 Enforcement Committee Meeting Summary Report

Motion to Approve the April 1, 2014, Enforcement Committee Meeting Summary Report

MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member Paul Schifino to Approve the April 1, 2014, Enforcement Committee Meeting Summary Report. The motion carried unanimously, 9-0.

2. Discussion Regarding Predatory Service and Repair Contractors

Gary Almond lead the discussion on the recent increase in predatory service and repair scams and a newly formed partnership with CSLB to educate consumers and address the contractors who prey on the public, often targeting the elderly.

3. Review and Approval of Peace Officer Special Investigations Unit

The peace officers in the new Special Investigations Unit would report to one Enforcement Supervisor who would report to the Deputy Chief of Enforcement and focus on elderly abuse cases and persons engaged in complex criminal activity.

Motion to Approve the Peace Officer Special Investigations Unit

MOTION: A motion was made by Board Member Robert Lamb and seconded by Board Member Agustin Beltran to Approve the Peace Officer Special Investigations Unit. The motion carried unanimously, 9-0.

4. Review and Approval of Peace Officer Training Curriculum

Staff would establish training modules for CSLB peace officers that will identify partner law enforcement agencies and prosecutors to develop enforcement strategies and enhance prosecution of construction related crimes.

Motion to Approve the Peace Officer Training Curriculum

MOTION: A motion was made by Board Member Pastor Herrera Jr. and seconded by Board Member David Dias to Approve the Peace Officer Training Curriculum. The motion carried unanimously, 9-0.

5. Review and Approval of a Waiver Application Task Force

Designation of two enforcement representatives to research and investigate suspected fraudulent qualifier applications.



Motion to Approve the Waiver Application Task Force

MOTION: A motion was made by Board Member Agustin Beltran and seconded by Board Member Nancy Springer to Approve the Waiver Application Task Force. The motion carried unanimously, 9-0.

PUBLIC COMMENT: Gal Bigaleizn of RMO Agency requested CSLB complaint information to prequalify their RMOs and a meeting with CSLB staff. Ed Lang directed David Fogt to schedule a meeting with Ms. Bigaleizn.

6. Review of Little Hoover Commission Hearing Written Testimony

Enforcement Chief David Fogt referred the Board to read the handout in the Board packet, in the interest of saving time.

7. Review of 2013 Consumer Satisfaction Survey

Wendi Balvanz gave a brief overview of the results of the 2013 Consumer Satisfaction Survey.

I. DISCUSSION AND PREPARATION OF THE BOARD'S 2014-15 STRATEGIC PLAN

Strategic Planning Facilitators Tom Roy and Elisa Chohan, of DCA's SOLID Unit took over.

J. ADJOURNMENT

Board Vice Chair David Dias adjourned the Board meeting at 3:34 p.m.

Joan Hancock, Chair

Date

Stephen P. Sands, Registrar

Date

AGENDA ITEM E

Enforcement Committee Report



AGENDA ITEM E-1

Enforcement Program Update





INTAKE / MEDIATION CENTERS (IMCs)

IMCs
Financial Settlement Amount
(FY13-14)

\$ 7,363,114.13

Cracks in Pool Result in Suspended License

A homeowner hired a contractor to do more than \$70,000 in extensive backyard landscaping, which included installation of a pool and spa. The contractor started work in May 2013, and the work was completed by August 2013. The homeowner noticed several cracks in the pool and spa and requested that the contractor return to make the necessary repairs. The contractor never responded, so the frustrated homeowner contacted CSLB to open a complaint. A Norwalk CSR contacted the contractor, who promptly returned to the job site to remove and replace the plaster to the homeowner's satisfaction. The homeowner received a settlement totalling \$8,000 in corrective work and is now happy with the job. During the mediation, the CSR obtained an admission from the contractor about the use of employee labor without having a valid workers' compensation (WC) insurance policy. The contractor's license was suspended, and he is unable to contract until a WC policy is obtained.

Homeowner Obtains Removal of \$38K Lien

A homeowner agreed to a \$192,000 contract for a large home remodel in August 2013. After less than a quarter of the job was completed, the homeowner questioned the contractor's ability after being fined \$7,000 by the building department because of the contractor's failure to obtain a permit for a portable toilet. The homeowner fired the contractor, who then filed a lien against the property. The homeowner filed a complaint with CSLB. A Sacramento CSR contacted the contractor and was able to negotiate a settlement, resulting in cancellation of the contract, a \$38,000 lien removal and an \$8,000 reduction in the balance owed for the work completed.

Elderly Homeowner Obtains Full Refund

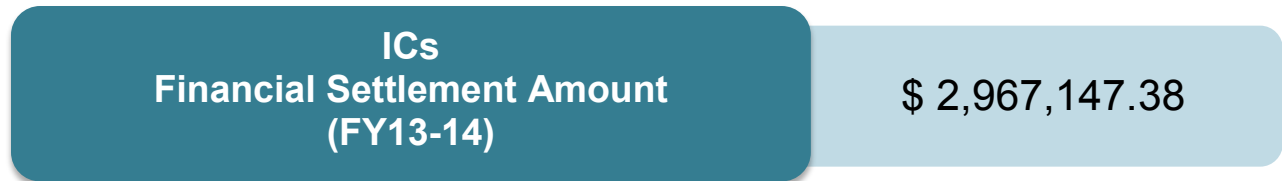
An elderly homeowner's husband entered into a \$20,000 contract for a patio enclosure. An \$8,000 deposit was paid for materials, but no work was ever performed. After the homeowner's husband died, she was no longer interested in the patio enclosure and wanted to rescind the contract. A CSR in Norwalk contacted the contractor to discuss allegations of an excessive deposit, improperly informing the consumer that a building permit was not required, and the use of employee labor while having a WC exemption on file with CSLB. The contractor agreed to refund the full \$8,000 deposit to the homeowner and cancel the contract. The contractor was informed that his exemption from WC insurance was being cancelled. After the WC exemption was cancelled, the contractor cancelled the license and is now unable to contract.



Contractor Gets Legal after Full Refund

A homeowner hired a contractor to replace his countertops with granite. When the \$4,000 project was finished, the homeowner was unhappy that one of the slabs used did not match the others. The contractor assured the homeowner the difference would not be noticeable after the countertops were polished. After realizing the polish made no difference, the homeowner demanded a full refund and filed a complaint with CSLB. A Sacramento CSR contacted the contractor to discuss the excessive down payment and the use of employees without securing a valid WC policy. The contractor refunded the entire contract amount and agreed to obtain a WC policy. The suspension process was started on the license, which prompted the contractor to obtain WC.

INVESTIGATIVE CENTERS (ICs)



Contractor Destroys Elderly Couple’s Home; Damages Exceed \$760,000

A man with power of attorney for his elderly parents sought to have their Burlingame home remodeled to accommodate in-home care equipment and services. It was an extensive project that required moving his parents into rental housing and putting their furnishings into storage during construction. In August 2011, Dennis Lehane Construction was contracted to perform the work for \$262,000. The contract required weekly progress payments of \$10,000 and those payments were made despite the slow pace of work and extended completion dates. By February 2012, the entire contract amount had been paid, plus additional sums for “unforeseen damages” for a total of \$308,300. That’s when Lehane requested another \$145,000 to complete the work. He abandoned the project when the owners refused to pay.

Lehane left the owners with an overwhelming mess. The house had been fully gutted, including demolition of the kitchen that was supposed to be left intact. The only new construction performed was some incomplete foundation work. The owners had obtained a loan for the project, but paid it all to Lehane and could not afford to hire another contractor. The home was essentially destroyed, and there was no alternative but to sell the property for the \$1.2 million value of the lot. The funds paid to Lehane, combined with the loss of property value, resulted in a financial injury of over \$760,000. Adding insult to injury, the owners had to pay \$12,500 to have a subcontractor’s lien removed to complete the sale of the property.

The investigation was conducted by a San Francisco ER who referred the case for an accusation in April 2014. Violations include contracting with a suspended license, failure



to obtain a building permit, abandonment, diversion of funds, and fraud. The ER also referred the matter to the San Mateo County District Attorney's Office for criminal prosecution. Perhaps thinking he could avoid being held accountable, Lehane, during the investigation, cancelled his contractor's license.

A Helpful Mother

Despite having an expired license, Vidal Sanchez, sole owner of Ferreira Construction, was awarded a contract in April 2013 to remove and replace a roof at a Hayward residence for \$8,500. Sanchez received a \$5,950 down payment, and then abandoned the project after working just a few hours – but not before causing a significant problem by partially tearing off the existing roof and leaving the interior of the home exposed to the weather. The homeowner had to hire another contractor to complete the work at a cost of \$8,400. The homeowner's attempts to reach Sanchez to resolve the matter were unsuccessful. However, Sanchez's mother assisted by going to her son's residence when he was not home, where she found \$3,130 in cash and delivered the money to the homeowner.

The investigation was conducted by a San Francisco IC ER, who referred the complaint for a citation for alleged abandonment, working out-of-class (performing roofing work while licensed only as a general building contractor), contracting with an expired license, and receiving an excessive down payment. Sanchez's recent application to replace the qualifier on another license was blocked, pending compliance with the citation. On March 25, 2014, the citation was issued. Two days later, Sanchez submitted proof that full restitution was paid to the homeowner, and he also paid a \$2,600 citation civil penalty. The application block was lifted and Sanchez received the approval he was seeking to become a Responsible Managing Employee. It was a costly lesson for not resolving a consumer's complaint during an investigation.

Father and Son Revokees

When Brent Douglas Walker contracted with homeowners to perform window covering work, he requested and received 50 percent deposits from many of the victims and performed minimal or no work. Walker's license was revoked in 1998, so he began using the license of his father, James Walker, to contract. James Walker, who was very ill, allowed his son, Brent, to use his license.

In January 2013, a San Diego IC ER made nine criminal referrals to the San Diego DA's Office. Brent Walker pleaded guilty April 23, 2013, to one count of excessive deposit and three felony counts of grand theft. He was ordered to pay \$26,289.16 to seven victims at the restitution hearing on December 10, 2013. Due to the ER's thorough investigation and referring these multiple complaints to accusation, James Walker's license was revoked effective June 28, 2013.



HVAC Contractor Attempts to Scam Elderly Woman

On a cold December day, a frail 90-year-old South San Francisco woman received an unsolicited call from an unregistered salesperson representing an HVAC contractor and accepted his offer for a \$35 furnace inspection. After performing the inspection, the salesperson announced that the heat exchanger was bad, and that a crack in the vent was hazardous and could cause a fire. The salesperson shut off the gas, leaving the furnace inoperable, and proceeded with a sales pitch to install a new furnace for \$3,500. The following day, another contractor performed an inspection and found nothing wrong with the system and turned the furnace back on.

A San Francisco IC ER conducted the investigation and recommended a formal administrative action against the original contractor for failure to maintain WC insurance, employing an unregistered salesperson and misrepresentation in the procurement of a contract. He also submitted his report to the San Mateo County DA's Office, requesting criminal prosecution for the WC and misrepresentation violations.

A Front for Unlicensed Contracting

Staff investigated complaints filed against a repeat unlicensed offender, Najib Mohammad Samara. Samara operated a storefront business named the Tile Gallery Plus, LLC, in the city of Hesperia. On a website, he advertised the sale and installation of tile, carpet, cabinets, countertops, and baseboards. At his store, Samara employed an office staff as well as a group of installers, yet he failed to maintain WC coverage for his employees.

In February 2013, a Victorville resident purchased tile for their bathroom, a granite countertop, and two bathroom sinks from Tile Gallery Plus. The consumer later returned to Tile Gallery Plus for a recommendation on installation of the materials. An employee provided a \$2,000 estimate for the installation, and the consumer agreed. After the installation, the consumer noticed the workmanship was substandard. Samara reviewed the workmanship issues with the consumer at the residence and agreed to make the corrections, but only if he received an additional \$400. The consumer asked Samara to leave his residence, and was forced to hire another contractor to correct the work for an additional \$1,028.

In March 2013, an Apple Valley resident went to the Tile Gallery Plus store and signed contracts with Samara to perform several home improvement projects that included the installation of granite kitchen countertops, carpet throughout the home, baseboards, and crown molding for \$6,295. Samara requested and received a check for \$3,000 as a deposit to start the project. Several days later, the consumer was notified by one of Samara's employees that the deposit had been stolen by a former employee. Upon further investigation, it was discovered that Samara's WC policy had expired and that he was not a licensed contractor. The consumer requested that the deposit be returned,



but Samara refused. The consumer has since prevailed in Superior Court against Samara and received a \$3,560 judgment.

In March 2013, a third Apple Valley consumer entered into a labor and materials contract with Samara at Tile Gallery Plus for the installation of a bathroom counter, shower, and tile flooring for \$14,500. The consumer was required to pay a \$2,450 deposit. After about a week and a half, the consumer stopped the project because of ongoing workmanship issues.

The San Bernardino ERs referred their investigation findings to the San Bernardino County DA's Office for consideration of filing criminal charges for contracting without a license, illegal advertisement, requesting excessive deposits, and failing to maintain WC for employees. In addition, Samara had recently applied for a contractor license, and the application has been blocked and referred for an application investigation.

Getting Soaked

During their stay at a luxury resort in Big Sur, a Mill Valley couple admired the custom artwork on the property and obtained contact information for the artist, Larry Berk. After a meeting with Berk and the couple's architect and general contractor, he was hired to build a greenhouse and an outdoor stainless steel soaking tub at their residence for \$52,000. Berk was given a \$10,000 down payment. Despite very little work done, he requested another \$15,000, promising to finish within two weeks. After receiving the \$15,000 payment, Berk abandoned the project. Subsequent litigation concluded with a judgment against Berk in the amount of \$140,000, which included damages stemming from an art sculpture and water feature project at one of the couple's commercial properties.

A San Francisco IC ER conducted the investigation and referred the matter to the Marin County DA's Office, resulting in a criminal complaint filed November 2013 for violations that included construction theft, contracting without a license, illegal advertising, failure to maintain WC for employees, and accepting payment in excess of the value of the work performed or materials provided. Berk failed to appear for the arraignment, and a warrant was issued in February 2014, which remains outstanding.

Salvage Project

A San Bernardino ER recently investigated a complaint filed by a commercial property owner in Hesperia against longtime repeat unlicensed offender Rudolfo Cupa. Cupa had previously received two administrative citations for contracting without a license in 1997 and 1998, and in August 2001, he pleaded guilty to criminal charges of contracting without a license. In 2006, he was convicted in San Bernardino County Superior Court for felony diversion of construction funds (PC 484b).



In April 2013, an unrepentant Cupa entered into a \$55,000 written contract with the Hesperia resident to construct four free-standing steel carports at a commercial property intended as a vehicle salvage yard. The property owner obtained the plans and the city permit as an owner-builder. Cupa commenced work in mid-April 2013 with the assistance of three employees for whom he failed to secure WC insurance. Cupa ceased working on the project in June 2013, leaving it incomplete. The owner, who had already invested \$48,900, was then advised by the city building department that the structures Cupa built be substantially removed and replaced, forcing the property owner to hire another contractor to correct and complete the project for an additional \$43,000.

The ER's investigative report was referred to the San Bernardino County DA's Office, recommending that criminal charge be filed against this repeat offender, who already is facing criminal charges for grand theft and elder abuse due to an unrelated CSLB referral in November 2013.

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

It has been determined that a manageable level of pending complaints for all current CSLB Enforcement staff is **3,045**. As of April 2014, the pending caseload was **2,716**.

The Board's objective is for ERs assigned to the nine ICs to investigate and appropriately disposition 10 complaints per month. The maximum working caseload for IC ERs has been established at **35** per ER. CSLB has 55 IC ERs; therefore, the nine ICs have the capacity for **1,925** open complaints. As of April 1, 2014, the ICs had a total of **1,596** complaints open and under investigation.

It is anticipated that caseloads will rise with time 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	55	10	4	35	1,925
CSRs	28	30	2	40	1,120
TOTAL					3,045

The Board has adopted the following Enforcement Objectives regarding complaint-handling. Staff's success in accomplishing the Board's objectives follow:

• **MAINTAIN ERI PRODUCTION OF CLOSING 10 COMPLAINTS PER MONTH**

ERs are closing an average of 10 complaints.

• **INCREASE THE PERCENTAGE OF LICENSEE COMPLAINTS SETTLED TO 30 PERCENT**

Consumer Services Representatives are settling an average of 41 percent of licensee complaints.

• **ACCOMPLISH IMC LICENSEE COMPLAINT CLOSURE OF 70 PERCENT**

Consumer Services Representatives are maintaining a licensee closing disposition of 69 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 April 2014, there were only 63 aged cases.



CASE MANAGEMENT

(JULY 2013 – APRIL 2014)

CITATIONS ISSUED		
	Licensee	Non-Licensee
Citations Issued	1,197	733
Citations Appealed	542	310
Citation Compliance	680	302
MANDATORY SETTLEMENT CONFERENCES		
Scheduled	298	
Settled	176	
Civil Penalties Collected	\$940,274	
Legal Fee Savings	\$1,277,617	

ARBITRATION	
Arbitration Cases Initiated	287
Arbitration Decisions Received	197
Licenses Revoked for Non-Compliance	16
Arbitration Savings to the Public – Restitution	\$959,412
ACCUSATIONS / STATEMENT OF ISSUES	
Revocations by Accusation (Applicants Revoked)	319
Accusation Restitution Paid to Injured Persons	\$578,135
Statement of Issues (Applicants Denied)	46
Cost Recovery Received	\$219,212.92
Number of Cases Opened	377
Number of Accusations/Statement of Issues Filed	357
Number of Proposed Decisions Received	80
Number of Stipulations Received	76
Number of Defaults Received	167
Number of Decisions Mailed	324



STATEWIDE INVESTIGATIVE FRAUD TEAM (SWIFT)

(JULY 2013 – APRIL 2014)

During FY 2013/14, SWIFT conducted many successful undercover sweep and sting operations, and developed new strategies and partnerships to combat the underground economy.

• **STINGS / SWEEPS**

Each month, undercover sting and sweep operations are conducted throughout the state. To date in FY 2013/14, SWIFT has conducted 288 sting and sweep days, resulting in over 1,229 legal actions, including citations and written Notices to Appear (NTAs) in criminal court.

- SWIFT has conducted 94 sting days during FY 2013/14, partnering with law enforcement, DAs, building departments and code enforcement officials, industry leaders, and other state agencies. The sting operations target unlicensed repeat offenders and wanted criminals working in the construction industry.

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

553	Suspects received NTAs for contracting without a license, illegal advertising, and workers' compensation (WC) insurance violations.
23	Licensed individuals were referred to District Attorneys for criminal prosecution of WC insurance violations.
653	Licensed and unlicensed individuals received administrative citations for licensure, advertising, aiding and abetting, and WC violations.
474	Stop Orders served upon a construction employers prohibiting use of employee labor until WC insurance is obtained.

Sting in Bakersfield

Central SWIFT investigators **Kirsten Andreassend and Heidi Valenzuela** partnered with the Kern County District Attorney's Office and the California Highway Patrol to conduct a sting in Bakersfield on April 30, 2014. Investigators called unlicensed painters, tree trimmers, and patio builders illegally advertising on craigslist, Angie's List, and the Yellow Pages. One suspect who arrived with an employee and provided a bid to install a concrete pad for \$1,500 was cited for illegal contracting and issued a Stop



Order. He was then taken into custody for two pending arrest warrants totaling \$200,000 for domestic violence charges and a DUI case.

By the end of the day, investigators had issued nine NTAs, nine citations for failure to carry WC insurance for employees, and nine Stop Orders.

\$6 Million High-Rise Work Performed by Unlicensed Canadian Contractor

A Southern SWIFT investigator received a lead that an unlicensed subcontractor, Gerald Wallace Clay, dba Clayton Wall & Ceiling Systems Inc. (CWCS), was performing a \$6 million drywall job at a high-rise apartment building in San Diego. Clayton Wall & Ceiling Systems Inc. is based in Canada and in the process of trying to obtain a California contractor license. The prime contractor, Pinnacle International Development Inc., is a licensed California contractor with a valid license and a current WC certificate on file. The investigator visited the site with the San Diego County DA's Office and JESF partners.

At the job site, the team learned that the unlicensed subcontractor, CWCS, had 13 employees working there. After interviewing the employees, the Division of Labor Standards Enforcement (DLSE) issued the unlicensed contractor a citation and fine of \$64,000 for not having a valid contractor license and employing workers to perform services where a license is required.



Upon further investigation, the SWIFT investigator issued an administrative citation for contracting without a license. The total civil penalty assessed was \$15,000. In addition, the SWIFT

investigator plans on issuing an administrative citation to the prime contractor, Pinnacle International Development, for violation of B&P Code 7118, entering into a contract with an unlicensed subcontractor.

Second Canadian Drywall Company Fined Nearly \$200K by DLSE and CSLB

Acting on a tip, SWIFT teamed with DLSE again to conduct a compliance check on a retail center being built by the Onni Group, a Canadian developer, in downtown Los Angeles. Unlicensed drywall subcontractor Nova Drywall Systems Inc. (Nova) was found working on the project with 28 employees. Nova had a \$5.5 million subcontract with Onni Contracting California, a licensed contractor.



Nova applied for a license in January 2014, but the application has been referred for investigation. During the site inspection, DLSE issued Nova a citation and \$180,400 fine for performing work without a valid state contractor's license. CSLB cited Nova CEO/President Gary James Hackler Jr. for contracting without a license and issued the maximum civil penalty amount of \$15,000. In addition, Onni Contracting California was cited and fined \$10,800 by DLSE for contracting with an unlicensed contractor. Onni Contracting also received a citation from CSLB for contracting with an unlicensed contractor.

CSLB INVESTIGATION ACADEMY

The first CSLB Investigation Academy was held on May 12-16, 2014, in Norwalk. Enforcement management, in conjunction with the Attorney General's Office, developed the five-day Academy. CSLB retired annuitant Doug Galbraith and Deputy Attorney General Michael Franklin instructed staff on investigative techniques, interviewing techniques, report writing, B&P code training, and time management skills. Board Member Bob Lamb attended on the final day and presented graduates of the first CSLB Academy with their certificates of completion.





TRAINING UPDATE

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

1. Peace Officer Workshop **May 2014**

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

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

This course was developed by CSLB management staff in conjunction with retired annuitant Doug Galbraith and DAG Michael Franklin. This eight-hour block of instruction provided staff with knowledge of 11 routinely used Business and Profession Code sections. Specific elements, supporting evidence needed, and case law was discussed.

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

3. Professional Assistants Academy II **March 2014**

This two-day course, offered by the Centre for Organization Effectiveness, included presentations and group activities on the following topics: team building, time management, conflict resolution, customer service skills, and presentation skills. This course was offered to Office Assistants, Office Technicians, and Program Technicians in Northern California and was to be offered to Southern California staff in April 2014.

4. Successful Promotional Interviewing Training **March 2014**

Norwalk staff attended the Successful Promotional Interviewing Class provided by Career Counselor Judy Kaplan-Baron. This training covered many facets of successful interviewing including: dealing with anxiety and nervousness, identifying skills and accomplishments, how to best answer the most frequently asked interview questions, and what interviewers really look for.

5. Supervisors Training **January 2014**

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



positive feedback and appreciated the strategies and real-life examples provided during class.

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

CSLB peace officers met with San Diego County DDA Attorney Paul Greenwood to discuss his experiences in prosecuting elder abuse investigations. Greenwood has served as the supervisor of San Diego County DA's Elder Abuse Unit for the last 17 years. Each peace officer was encouraged to bring a pending elder abuse investigation to discuss with the group. DDA Greenwood dispelled several common myths regarding elder abuse investigations and provided a list of elements that need to be present. He also reviewed relevant case law. The information provided to staff will play a crucial role in having more success in the prosecution of these cases.

7. DCA's Division of Investigation Peace Officer Training June 2013

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

8. SOLID Writing Workshop May 2013

DCA's SOLID Training Solutions provided a writing workshop to nearly 50 Norwalk staff. SOLID customized the class, which was a blend of their Basic Writing Skills and Effective Business Writing courses specially developed for Enforcement staff. The workshop offered practical hands-on exercises designed to develop skills needed to write clear, complete content to convey a credible message and project a professional image. Class topics included preparing business letters, memos, and professional email; developing an appropriate tone for your audience and purpose; organizing information and prewriting; and revising and proofreading your work.

9. Criminal Investigation Meeting March 2013

Over 100 Enforcement staff attended Consumer Fraud Investigation and Case Filing presentations that were held throughout the state. Riverside County Senior Deputy DA (DDA) Elise Farrell, DDA Homan Hosseinioun, and Senior DA Investigator Paul Pantani presented an overview of identifying and investigating criminal violations, writing effective reports, and tips for successfully referring a criminal complaint to a local prosecutor.

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

This four-day course focused on the laws of arrest, search and seizure. The class was offered to both Northern and Southern California staff. The course is similar to the Commission on Peace Officer Standards and Training (POST) course, excluding the hands-on physical methods of arrest (handcuffing and control holds). Staff was required to pass a final exam. The course was taught by Doug Galbraith, who has instructed POST's PC832 class for many years at a community college.

**11. Professional Assistants Academy****December 2012**

This two-day course, offered by the Centre for Organization Effectiveness, included presentations and group activities on the following topics: the changing role of the office professional; understanding interpersonal style differences; creating a positive image; service orientation; organizational savvy; characteristics of high-performing teams; a writing, proofing and editing lab; career management; communication skills; and negotiation and conflict resolution skills. This course was successful in Southern California last year and is now being offered to Office Assistants, Office Technicians, and Program Technicians in Northern California.

12. Enforcement Supervisor I and II Team-Building Workshop**October 2012**

This one-day course, offered by the Centre for Organization Effectiveness, was designed to assist with bridging and team-building between Enforcement Supervisors and Enforcement managers. Attendees learned ways to improve working relationships and develop strategies to ensure statewide continuity regarding employee hiring, case reviews, calendars, and work expectations.

13. DCA's Enforcement Academy**October/November 2012**

DCA's Enforcement Academy provides a strong foundation of knowledge and practices for employees who perform enforcement functions while creating an opportunity for individuals from all of DCA's boards, bureaus and divisions to network and learn from one another. The Academy is one week in length and must be attended in its entirety for successful completion.

14. Improving Employee Performance and Accountability**September/October 2012**

This two-day course, offered by CPS for Enforcement Supervisors and managers, stressed the importance of job documentation, communicating expectations, and coaching employees to ensure success. Participants learned steps to identify and establish performance measurements and conduct the Performance Appraisal/Individual Development Plan. Most important, participants learned how to motivate employees to change behavior, and the steps to sustain performance levels.

15. Elder Abuse Training**September 2012**

This two-day course offered to CSLB peace officers gave an in-depth look at gypsy and traveler crime, "non-traditional organized crime" groups, crimes committed against the elderly, ruse entry and impostor burglaries, and how to deal with investigative impediments.

16. Module 3: Effective Report Writing**Third Quarter 2012**

This course was designed to assist ERs by enhancing their writing skills to create professional, accurate, and complete investigative reports. Emphasis was given on credibility, proofreading, and ensuring findings will pass scrutiny during a trial or



hearing. The class included a practical report-writing exercise and an exercise where participants engaged in a mock trial.

17. Basic National Certified Investigator/Inspector Training (NCIT) June 2012

This three-day course provided hands-on training and a certification program in investigation and inspection techniques and procedures. Staff learned specifics regarding professional conduct, principles of administrative law and the regulatory process, the investigative process, and the principles of evidence. In addition, investigators were instructed on interview techniques, report writing, and testifying in administrative and criminal proceedings. Upon completion of the course and successful completion of the final exam, investigators received certification by the Council on Licensure, Enforcement and Regulation (CLEAR).

18. Supervisor Training June 2012

Enforcement Supervisors were invited to attend the Centre for Organizational Effectiveness' Enforcement Supervisor I training held in Sacramento and Norwalk. Supervisors brushed up on techniques to improve their supervisory skills. Enforcement managers served as presenters during the training and discussed CSLB challenges and changes.

19. Advanced Negotiation April 2012

This interactive seminar focused on advanced techniques and principles for improving negotiation effectiveness. Designated staff attended this training, which concentrated on sharpening existing skills and deepening practical and theoretical knowledge of fundamental principles of successful negotiation.

20. Improving Enforcement Skills April 2012

Enforcement staff was invited to learn about interpersonal dynamics and emotional intelligence in this course, given by Sommer Kehrl, Ph.D. Training highlights included personal and social competence skills along with self-management skills that play key roles in successful job performance.

21. Northern California Fraud Investigators Association March 2012

This three-day course brought together law enforcement, prosecutors, civil attorneys, corporate leaders, insurance personnel, and designated Enforcement staff to address common issues in the fight against fraud. The 2011 conference featured more than 40 guest speakers and had over 400 attendees. Annual anti-fraud education and networking are fundamental to prosecuting fraud and related crimes.

22. Security Assessments for Enforcement Staff February 2012

Dr. Steve Albrecht discussed workplace violence, as well as violence as a process. Staff learned techniques to identify "danger zones" in the field, the importance of



preplanning, scene containment, and scene management. This training helps staff effectively document threatening statements and behaviors.

23. Bankruptcy Case Law & Impact on Enforcement February 2012

This one-day course, provided by Supervising Deputy Attorney General Marc Greenbaum and his staff, included an overview of bankruptcy case law and the impact that a bankruptcy filing has on CSLB Enforcement actions as well as a consumer's ability to recover financial losses/restitution.

24. Module 2: Interview Techniques January – June 2012

This course was designed to enhance interview techniques of Enforcement Representatives, understand the importance of obtaining accurate statements, admissions, and confessions, and prepare ERs to provide expert testimony in court and at administrative hearings. The course included a workshop for participants to test their interview skills in several CSLB-related scenarios.

25. Module 1: Basic Investigative Techniques January – June 2012

This course was developed by CSLB management staff in conjunction with CSLB's Doug Galbraith and DAG Michael Franklin. The course was an eight-hour block of instruction about basic investigative techniques, roles and responsibilities of an investigator, effective case management, overview of rules of evidence, and elements to B&P Code sections: 7107 (abandonment), 7116 (fraud), and 7125.4 (false reporting of a WC insurance exemption certificate).

AGENDA ITEM E-2

Review and Discussion of CSLB's HVAC Outreach Campaign





CONTRACTORS STATE LICENSE BOARD

HVAC OUTREACH CAMPAIGN

CSLB's Ambassador Program

CSLB partnered with the California Energy Commission (CEC) to launch a new Ambassador Program at a well-attended event held May 7, 2014, at the Sheet Metal Workers' Local No. 104 Union hall in San Jose. CSLB brought together area HVAC contractors and building department officials to discuss permit requirements and the importance of obtaining workers' compensation insurance for employees.

Presenters included Scott Tsui from the Santa Clara County District Attorney's Office; Tav Commins from the CEC; CSLB Board Member Nancy Springer, who represented the County Building Officials Association; Michael Bachand from CalCERTS; and Mike Lee, manager of the multi-agency Joint Enforcement Strike Force. Board Member David Dias and Chief of Enforcement David Fogt represented CSLB.



Board Member Nancy Springer and Chief of Enforcement David Fogt introduce the Permit Compliance Ambassador Program to area HVAC industry representatives.

As part of the 2013-14 Strategic Plan, the Enforcement division committed to working with CEC to create the Ambassador Program that aims to help legitimate HVAC licensees build successful businesses and prepare for new Title 24 requirements that take effect July 1, 2014. Attendees were provided with informational materials and a sample client handout kit that can be shared with prospective customers during the bidding process. The information is intended to help educate consumers about the value of using licensed contractors, and the importance of securing the proper permits and inspections.



Board Member David Dias, right, and Santa Clara County Assistant District Attorney Scott Tsui welcome attendees to the HVAC Conference.

For contractors, proper installation and permit procedures for new HVAC systems will ensure compliance with California's Title 24 energy efficiency standards. For homeowners, that translates to a 300 percent return on their investment through significantly lower energy bills over the life of the equipment.

In addition to the Ambassador Program, CSLB has committed to conducting undercover sting operations in Santa Clara County, targeting HVAC contractors to verify compliance with permit and workers' compensation requirements. HVAC contractors that fail to meet these requirements will be subject to formal disciplinary actions.

If successful, CSLB will consider expanding this pilot Ambassador Program to other counties.

Service and Repair Investigation Strategies

On May 16, 2014, Riverside County Deputy District Attorney Homan Hosseinioun, Department of Insurance Captain Aaron McKenzie, and Chief of Enforcement David Fogt led a workshop for CSLB peace officers. The peace officers learned effective investigation strategies for predatory service and repair complaints in cases where contractors are engaged in complex criminal behavior. Attendees discussed an egregious example of fraud involving an elderly victim who paid \$250,000 for duct cleaning and other minor work, as well as topics such as obtaining evidence by search warrant, and the benefit of undercover operations to minimize the need for elderly victims to testify in criminal proceedings.

AGENDA ITEM F

Public Affairs Committee Report



AGENDA ITEM F-1

Public Affairs Program 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 and intranet content.

STAFFING UPDATE

PAO is staffed with six full-time positions and one part-time Student Assistant. There are currently two vacancies (Graphic Designer and Student Assistant).

WEBSITE HIGHLIGHTS

Website Redesign Project

PAO staff is working with Information Technology (IT) staff to finalize new CSLB website. The website will utilize the latest state templates, and be adaptable on smart phones and tablets.

The new website will allow an instant license check to be performed from the home page with one click.

The new template also will make content management more efficient.

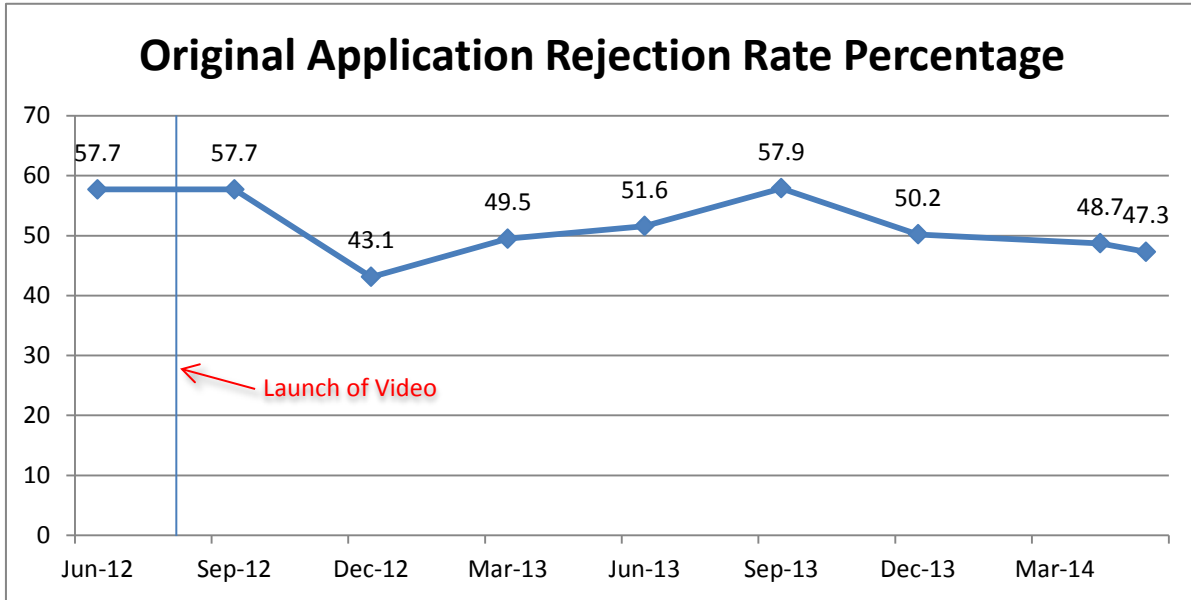
Application Instructional Video

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; it can be viewed in its entirety or in individual sections.

Through May 23, 2014, the entire video has been viewed 31,871 times, an increase of 2,780 viewings since the April Board meeting. Videos of individual sections have been viewed a total of 51,394 times, an increase of 3,862 since the April Board meeting. The total lifetime number of Application Instructional Video views is 83,265, an increase of 6,617.

Even with the video being viewed approximately 1,500 times every month, application rejection rates have continued to bounce up and down. The numbers are shown below.

The average rejection rate since the video was launched is 50.75, down from 51.2 percent reported at April Board meeting. The April 2014 rejection rate was 47.3 percent.



Social Media

Twitter Growth

CSLB gained 43 followers since April 8, 2014, growing from 1,463 to 1,506. A total of 550 tweets have been posted. The most favored Tweet ever was March 5, 2014 announcing the arrest of CSLB Most Wanted suspect Khalid Wilson.

★ **Tweets most favored**

CA Contractors Board @CSLB March 5, 2014, 12:21 pm via HootSuite 130 ★ 3

@CSLB Most Wanted Khalid Wilson arrested in Oakland on February 24, 2014. ow.ly/uh1r5 #cslb #contractor

Contractors State License Board

Good video as well parents spring into action and put their small kids from a condo pool. Inspectors say the shock was a result of an improperly grounded pool pump which malfunctioned and electrified the water. Children and adults in this video survived and are fine. [video](#)

Surveillance Video Shows Children Shocked in Swimming Pool

A surveillance video from a condominium complex in Florida shows an...

BY ABC NEWS

Like Comment Share 11 3 43

John Pirelo, Gunn Kim, Arnold Elsherman and 10 others like this

43 shares

View 1 more comment

Riggins Construction & Management, Inc. liked this 21 hours ago

Sam Kharusha, Licensed, non union electrician... liked this 14 hours ago

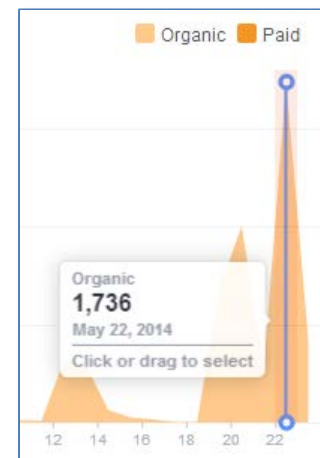
Write a comment...

This post was saved to 1,610 people

Facebook Growth

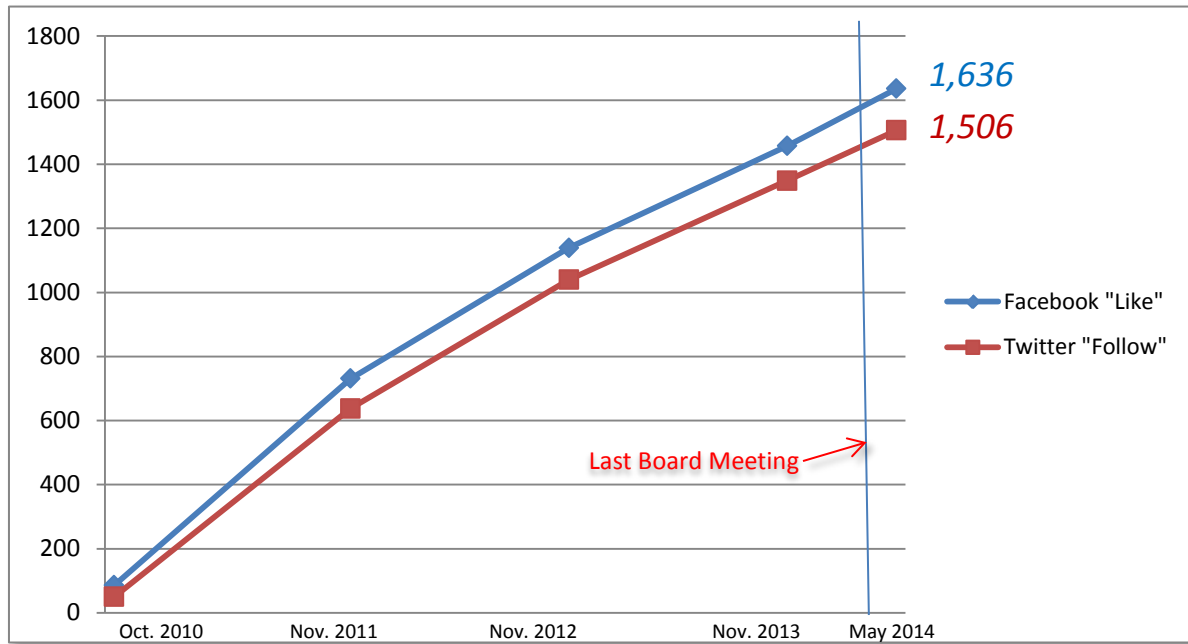
On April 8, 2014 we began with 1,595 likes, and by May 23, 2014, we have grown to 1,636; about 41 new followers in 45 days. During the same period, we added 12 new photographs, and six videos. Our most popular Facebook post during this period is the Electrified Pool Shocks Children video post from May 22, 2014 with 1,610 views.

On May 22, a period peak of 1,736 people visited our site and read a variety of posts. This is a boost of 319 visitors over the January 29, 2014 to April 7, 2014 reporting period.





Social Media Growth



YouTube

The CSLB YouTube channel welcomed 9,664 visitors during the April 8, 2014 to May 23, 2014 period, or about 214 visits daily. We have a total of 237,430 views to the site, a 70% increase in the last year. Visitors logged 33,573 minutes watching an assortment of 50 videos. Nearly 30% of our visitors watched the Contractor License Application Instructional Video. Seventy two percent of our YouTube visitors are men, and 75% of our viewers access our YouTube videos with their mobile device, 63% of those from the CSLB.ca.gov webpage.





VIDEO/DIGITAL SERVICES

Santa Clara County HVAC Conference

PAO staff travelled to San Jose on May 6, 2014 in support of the Santa Clara County HVAC Conference held May 7, 2014. Within hours of our arrival, PAO staff setup and captured the meeting using our mobile HD multi-camera video production gear. The presentation is now available for view on our CSLB YouTube page.



Email Alert Feature

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

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

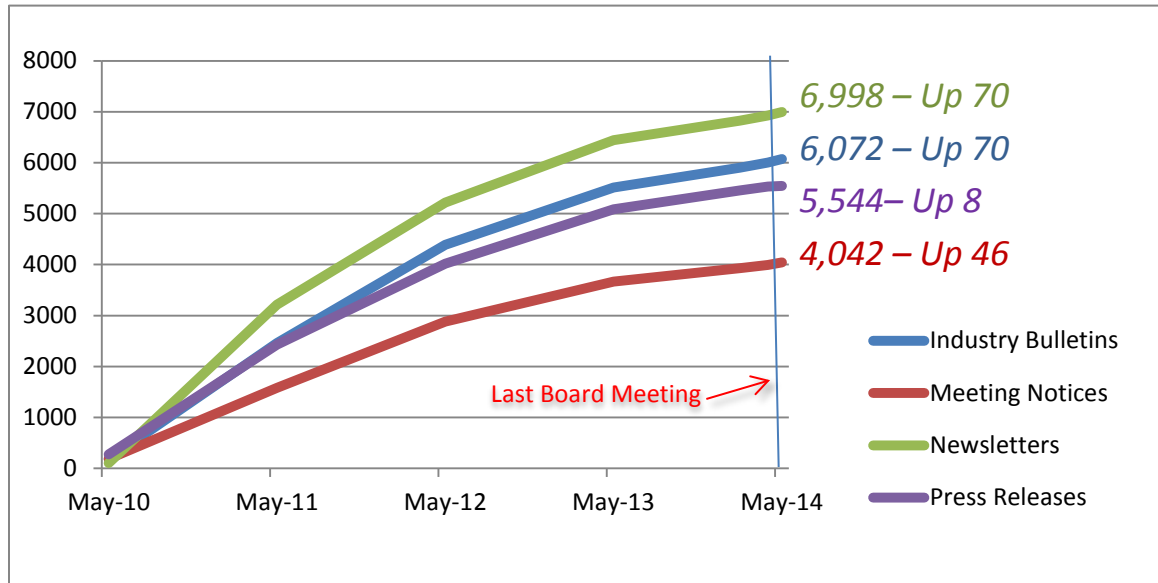
The subscriber database continues slow, but steady gains, with a current total of 22,656 subscriptions, and increase of 194 activated since the April Board meeting.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,434 active email addresses, which brings the combined email database to 101,090 addresses.





Email Alert Sign-Up Statistics



MEDIA RELATIONS HIGHLIGHTS

Media Calls

Between April 8, 2014 and May 23, 2014, PAO staff responded to more than three dozen media inquiries and provided interviews to a variety of online, newspaper, radio, magazine, and television outlets.

News Releases

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between April 2, 2014 and May 23, 2014, PAO distributed five news releases.

Release Date	Release Title
April 11, 2014	Part of \$150 Million San Diego Construction Project Stopped after Sub-Contractor Cited for Not Having Contractors License
April 30, 2014	Lesson Not Learned for Repeat Offenders Caught in CSLB Sting Operations
May 2, 2014	California, Nevada Stage 'Border Blitz' Against Phony Contractors
May 5, 2014	Illegal Contractor Wanted for DUI, Domestic Violence Arrested in Bakersfield CSLB Undercover Sting
May 13, 2014	Another Subcontractor on Large Southern California Project Told To Halt Work, Fined for Not Having Contractors License



News Media Events

Border Blitz Sting

CSLB PAO worked with the Nevada State Contractors Board, and investigators with the El Dorado County District Attorney’s Office on the third “Border Blitz.” Eleven non-licensed contractors were cited on the California side. Public Affairs included HD video and still photos with the news release.



INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS

Industry Bulletins

PAO alerts industry members to important and interesting news by distributing Industry Bulletins. Bulletins are sent out via email on an as-needed basis to just over 6,000 people and groups. Distribution includes those who have signed up to receive the bulletins via CSLB’s Email Alert system. Between April 2, 2014 and May 23, 2014, PAO distributed two industry bulletins.

Release Date	Bulletin Title
April 15, 2014	C-57 Licensees Must Abide by Air Rules for Central Valley Work
April 25, 2014	CSLB Registrar of Contractors Announces Upcoming Retirement

PUBLICATION HIGHLIGHTS

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

Completed

- June 2014 Board Meeting Packet
- 2014-15 Strategic Plan

In Production

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



In Development

- Sunset Review Report
- Contractor Outreach Materials
 - Checklist of Consumer Questions During Bid
 - Why You Should Hire a State-Licensed Contractor
 - Building Permit Information
 - Contractor Insurance and Bond Information
 - Contractor Reference form
- Description of Classifications Booklet (Spanish)

CSLB Forms/Letters

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

COMMUNITY OUTREACH HIGHLIGHTS

Senior Scam StopperSM Seminars

Ten Senior Scam StopperSM seminars have been conducted during the first quarter of 2014. Board members Joan Hancock, Pastor Herrera, and Kevin Albanese have attended.

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

Date	Location	Legislative/Community Partner(s)
April 25, 2014	Malibu	Asm. Richard Bloom
May 9, 2014	Bethel Island	Asm. Jim Frazier
May 16, 2014	Wilmington	Asm. Isadore Hall, III
May 20, 2014	St. Helena	Asm. Mariko Yamada
May 21, 2014 (am)	Paradise	Rep. Doug LaMalfa, Butte County
May 21, 2014 (pm)	Chico	Rep. Doug LaMalfa, Butte County
May 23, 2014	Fremont	Asm. Bill Quirk / Asm. Bob Wieckowski
June 5, 2014	Glendale	Asm. Mike Gatto
June 6, 2014	Hayward	Asm. Bill Quirk
June 12, 2014	Union City	Asm. Bill Quirk
June 13, 2014 (am)	Hayward	Rep. Eric Swalwell
June 13, 2014 (pm)	San Lorenzo	Asm. Bill Quirk
June 20, 2014	Hayward	Asm. Bill Quirk
June 27, 2014	Castro Valley	Asm. Bill Quirk
June 30, 2014	Coronado	Rep. Scott Peters



July 7, 2014	Coronado	Sen. Marty Block
July 10, 2014	San Bernardino County	Sen. Norma Torres
July 18, 2014	Contra Costa County	Sen. Mark DeSaulnier
July 25, 2014	Contra Costa County	Sen. Mark DeSaulnier
July 29, 2014	Santa Cruz County	Sen. Bill Monning/Asm. Mark Stone
July 31, 2014	San Bernardino County	Sen. Norma Torres
August 1, 2014	Goleta	Asm. Das Williams
August 8, 2014	Suisun City	Asm. Jim Frazier
August 15, 2014	Alameda County	Sen. Mark DeSaulnier
August 22, 2014	San Diego	Asm. Shirley Weber
September 4, 2014	Menifee	Asm. Melissa Melendez
September 9, 2014	Sacramento	Asm. Ken Cooley
September 12, 2014	Los Angeles	Asm. Chris Holden
September 26, 2014	Santa Monica	Asm. Richard Bloom
October 1, 2014	Palo Alto	Asm. Rich Gordon
October 3, 2014	San Carlos	Asm. Kevin Mullin
October 10, 2014	Santa Clara County	Asm. Paul Fong
October 17, 2014	Rio Vista	Asm. Jim Frazier
October 24, 2014	Cypress	Rep. Linda Sanchez

AGENDA ITEM G

Legislative Committee Report



AGENDA ITEM G-1

Review and Approval of Recommended Position on SB 315





Senate Bill (SB) 315 (Lieu) will be amended to contain the legislative proposals sponsored by the Contractors State License Board (CSLB), listed below:

1. 7011.4 – Modify Business and Professions (B&P) Code section 7011.4 subsection (b) to include the following text:

(b) Persons employed as enforcement representatives in this division and designated by the Director of Consumer Affairs are not peace officers and are not entitled to safety member retirement benefits. They do not have the power of arrest. However, they may issue a written notice to appear in court pursuant to Chapter 5c (commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code and shall have the legal authority to continue Joint Enforcement Strike Force activities independently from active participation of DLSE, to combat license, labor code, and insurance violations as defined in the provisions of the Unemployment Insurance Code section 329.

When enforcing provisions in Unemployment Insurance Code (UIC) section 329, CSLB Enforcement Representatives, as members of the Joint Enforcement Strike Force (JESF), have free access to all places of labor exhibiting underground economy behavior when the Division of Labor Standard Enforcement is present during the inspection. To reinforce CSLB's JESF authority to combat underground economy activity when not partnering with DLSE, CSLB proposes an amendment to B&P Code section 7011.4 to permit Enforcement Representatives with free access to enter places conducting construction work to investigate license, labor, and insurance violations.

2. 7027.2 – Amend B&P Code section 7027.2 to limit advertisements placed by unlicensed contractors.

7027.2 Notwithstanding any other provision of this chapter, any person not licensed pursuant to this chapter may only advertise for construction work or work of improvement covered by this chapter where the aggregate contract price for labor, material and all other items is less than \$500, and provided that he or she shall state in the advertisement that he or she is not licensed under this chapter.

Current law requires that a person declare in their advertisement that "he or she is not licensed." CSLB is proposing that unlicensed contractors only be allowed to advertise for work under \$500.



3. § 7110.5 – Amend B&P Code section 7110.5 regarding Labor Code violations

Upon receipt of a certified copy of the Labor Commissioner's finding of a willful or deliberate violation of the Labor Code by a licensee, pursuant to Section 98.9 of the Labor Code, the registrar ~~shall~~ may initiate disciplinary action against the licensee within ~~30~~ 180 days of notification.

CSLB does not have the resources to comply with the 30-day time frame under current law. CSLB recently began disclosing partnering agency's disciplinary action against CSLB licensees, including actions taken by DLSE.

AMENDMENTS TO SENATE BILL NO. 315
AS AMENDED IN SENATE APRIL 30, 2013

Amendment 1

In the title, in line 1, strike out "Section 367.5 of the Code of Civil Procedure,"
strike out line 2 and insert:

Sections 7011.4, 7027.2, 7028, and 7110.5 of the Business and Professions Code,
relating to contractors.

Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 7011.4 of the Business and Professions Code is amended
to read:

7011.4. (a) Notwithstanding Section 7011, there is in the Contractors' State
License Board, a separate enforcement division which shall rigorously enforce this
chapter prohibiting all forms of unlicensed activity.

(b) Persons employed as enforcement representatives in this division and
designated by the Director of Consumer Affairs are not peace officers and are not
entitled to safety member retirement benefits. They do not have the power of arrest.
However, they may issue a written notice to appear in court pursuant to Chapter 5c
(commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code and may
continue to participate in activities of the Joint Enforcement Strike Force on the
Underground Economy to carry out the duties specified in Section 329 of the
Unemployment Insurance Code independent of the Division of Labor Standards
Enforcement.

SEC. 2. Section 7027.2 of the Business and Professions Code is amended to
read:

7027.2. Notwithstanding any other provision of this chapter, ~~any person~~ a person
who is not licensed pursuant to this chapter may advertise for construction work or a
work of improvement covered by this chapter, provided that only if the aggregate
contract price for labor, material, and all other items on a project or undertaking is less
than five hundred dollars (\$500), and he or she shall state states in the advertisement
that he or she is not licensed under this chapter.

SEC. 3. Section 7028 of the Business and Professions Code is amended to read:

7028. (a) ~~It~~ Unless exempted from this chapter, it is a misdemeanor for a person
to engage in the business of, or act in the capacity of of, a contractor within this state
without having a license therefor, unless the person is particularly exempted from the
provisions of this chapter, under either of the following conditions:

(1) The person is not licensed in accordance with this chapter.

(2) The person performs acts covered by this chapter under a license that is under
suspension for failure to pay a civil penalty or to comply with an order of correction,
pursuant to Section 7090.1, or for failure to resolve all outstanding final liabilities,
pursuant to Section 7145.5.



(b) A first conviction for the offense described in this section is punishable by a fine not exceeding five thousand dollars (\$5,000) or by imprisonment in a county jail not exceeding six months, or by both that fine and imprisonment.

(c) If a person has been previously convicted of the offense described in this section, unless the provisions of subdivision (d) are applicable, the court shall impose a fine of 20 percent of the contract price, or 20 percent of the aggregate payments made to, or at the direction of, the ~~unlicensed contractor, person,~~ or five thousand dollars (\$5,000), whichever is greater, and, unless the sentence prescribed in subdivision (d) is imposed, the person shall be confined in a county jail for not less than 90 days, except in an unusual case where the interests of justice would be served by imposition of a lesser sentence or a fine. If the court imposes only a fine or a jail sentence of less than 90 days for second or subsequent convictions under this section, the court shall state the reasons for its sentencing choice on the record.

(d) A third or subsequent conviction for the offense described in this section is punishable by a fine of not less than five thousand dollars (\$5,000) nor more than the greater amount of ten thousand dollars (\$10,000) or 20 percent of the contract price, or 20 percent of the aggregate payments made to, or at the direction of, the ~~unlicensed contractor, person,~~ and by imprisonment in a county jail for not more than one year or less than 90 days. The penalty provided by this subdivision is cumulative to the penalties available under all other laws of this state.

(e) A person who violates this section is subject to the penalties prescribed in subdivision (d) if the person was named on a license that was previously revoked and, either in fact or under law, was held responsible for any act or omission resulting in the revocation.

(f) If the unlicensed person engaging in the business of or acting in the capacity of ~~an unlicensed~~ a contractor has agreed to furnish materials and labor on an hourly basis, "the contract price" for the purposes of this section means the aggregate sum of the cost of materials and labor furnished and the cost of completing the work to be performed.

(g) Notwithstanding any other ~~provision of law,~~ an indictment for any violation of this section by ~~the an unlicensed contractor person~~ shall be ~~found~~ found, or an information or a complaint ~~filed shall be filed,~~ within four years from the date of the contract proposal, contract, completion, or abandonment of the work, whichever occurs last.

(h) For any conviction under this section, a person who utilized the services of the ~~unlicensed contractor person~~ is a victim of crime and is eligible, pursuant to subdivision (f) of Section 1202.4 of the Penal Code, for restitution for economic losses, regardless of whether ~~that person he or she~~ had knowledge that the ~~contractor person~~ was unlicensed.

(i) The changes made to this section by the act adding this subdivision are declaratory of existing law.

SEC. 4. Section 7110.5 of the Business and Professions Code is amended to read:

7110.5. Upon receipt of a certified copy of the Labor Commissioner's finding of a willful or deliberate violation of the Labor Code by a licensee, pursuant to Section 98.9 of the Labor Code, the registrar ~~shall~~ may initiate disciplinary action against the licensee within ~~30~~ 180 days of notification.

39225

05/27/14 09:02 AM
RN 14 14111 PAGE 3
Substantive

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Amendment 3

On page 1, strike out lines 1 to 6, inclusive, and strike out pages 2 and 3

- 0 -

AGENDA ITEM G-2

Legislative Program Update



June 2014 Board Meeting

CA AB 1702	AUTHOR:	Maienschein [R]
	TITLE:	Professions and Vocations: Incarceration
	FISCAL COMMITTEE:	Yes
	URGENCY CLAUSE:	No
	INTRODUCED:	02/13/2014
	LAST AMEND:	04/23/2014
	DISPOSITION:	Pending
	COMMITTEE:	Senate Business, Professions & Economic Development Committee
	HEARING:	06/09/2014
	SUMMARY:	Provides that an individual who has satisfied requirements needed to obtain a license while incarcerated, who applies for that license upon release from incarceration, and who is otherwise eligible for the license shall not be subject to a delay in processing or a denial of the license solely on the basis that some or all of the licensure requirements were completed while the individual was incarcerated.
	STATUS:	
	05/22/2014	To SENATE Committee on BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT.
	POSITION:	WATCH
CA AB 2165	AUTHOR:	Patterson [R]
	TITLE:	Professions and Vocations: Licenses
	FISCAL COMMITTEE:	yes
	URGENCY CLAUSE:	no
	INTRODUCED:	02/20/2014
	LAST AMEND:	04/10/2014
	DISPOSITION:	Pending
	LOCATION:	Assembly Business, Professions and Consumer Protection Committee
	SUMMARY:	Relates to licensure of the healing arts, professions, vocations, and businesses. Requires each board to complete within a specified number of days the application review process to issue within the same number of days a license to an applicant who successfully satisfied all licensure requirements. Authorizes a person who has satisfied the educational requirements of the licensing act of which he or she seeks licensure to immediately apply for and take the professional examination.
	STATUS:	
	04/22/2014	In ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION: Not heard.
	POSITION:	WATCH
CA AB 2396	AUTHOR:	Bonta [D]
	TITLE:	Convictions: Expungement: Licenses
	FISCAL COMMITTEE:	yes
	URGENCY CLAUSE:	no
	INTRODUCED:	02/21/2014
	LAST AMEND:	05/15/2014
	DISPOSITION:	Pending
	LOCATION:	SENATE

SUMMARY:

Prohibits a vocational or professional licensing board under the Department of Consumer Affairs from denying a license based solely on a conviction that has been dismissed pursuant to certain provisions of existing law.

STATUS:

05/23/2014 In ASSEMBLY. Read third time. Passed ASSEMBLY.

*****To SENATE. (55-17)

POSITION:

OPPOSE

CA SB 1467

AUTHOR:

Lieu [D]

TITLE:

Professions and Vocations

FISCAL COMMITTEE:

yes

URGENCY CLAUSE:

no

INTRODUCED:

03/25/2014

LAST AMEND:

05/01/2014

DISPOSITION:

Pending

LOCATION:

Assembly Business, Professions and Consumer Protection Committee

SUMMARY:

Relates to the State Board of Accountancy collection of licensee email addresses and licensure educational requirements, and licensee reporting criminal charges, the Board of Professional Engineers, Land Surveyors, and Geologists licensure examination and registered petroleum engineers, the Contractors State License Board enforcement representatives and public safety member retirement.

STATUS:

05/23/2014

To ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION.

POSITION:

SUPPORT

AGENDA ITEM H

Licensing Committee Report



AGENDA ITEM H-1

Licensing Program Update





CONTRACTORS STATE LICENSE BOARD

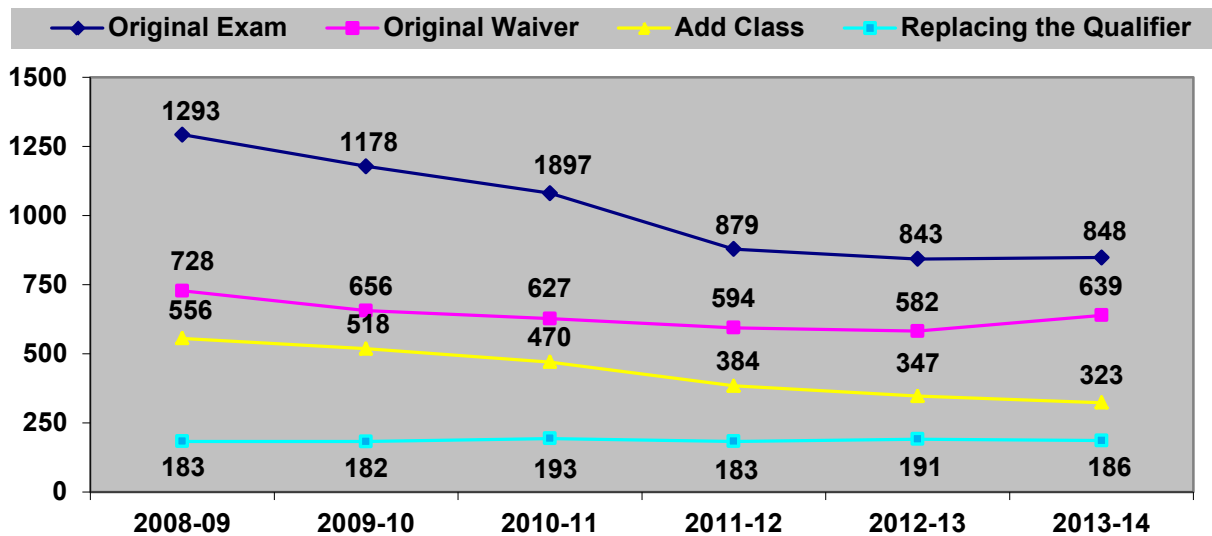
LICENSING PROGRAM UPDATE

LICENSE APPLICATION WORKLOAD

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

The number of applications CSLB received in FY 2012-13 continued to decline due to the economic recession and housing downturn. The average number of original applications received per month in FY 2012-13 was down 4 percent from the average for FY 2011-12. However, the number of applications is trending up in FY 2013-14. By the end of April – with two months left in the fiscal year – CSLB already had received more applications than in all of FY 2012-13.

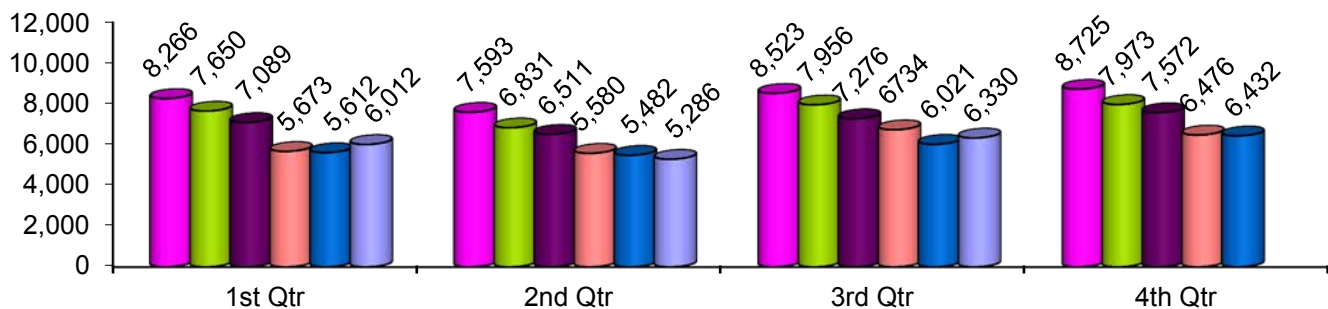
Average Number of Applications Received Per Month



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)**

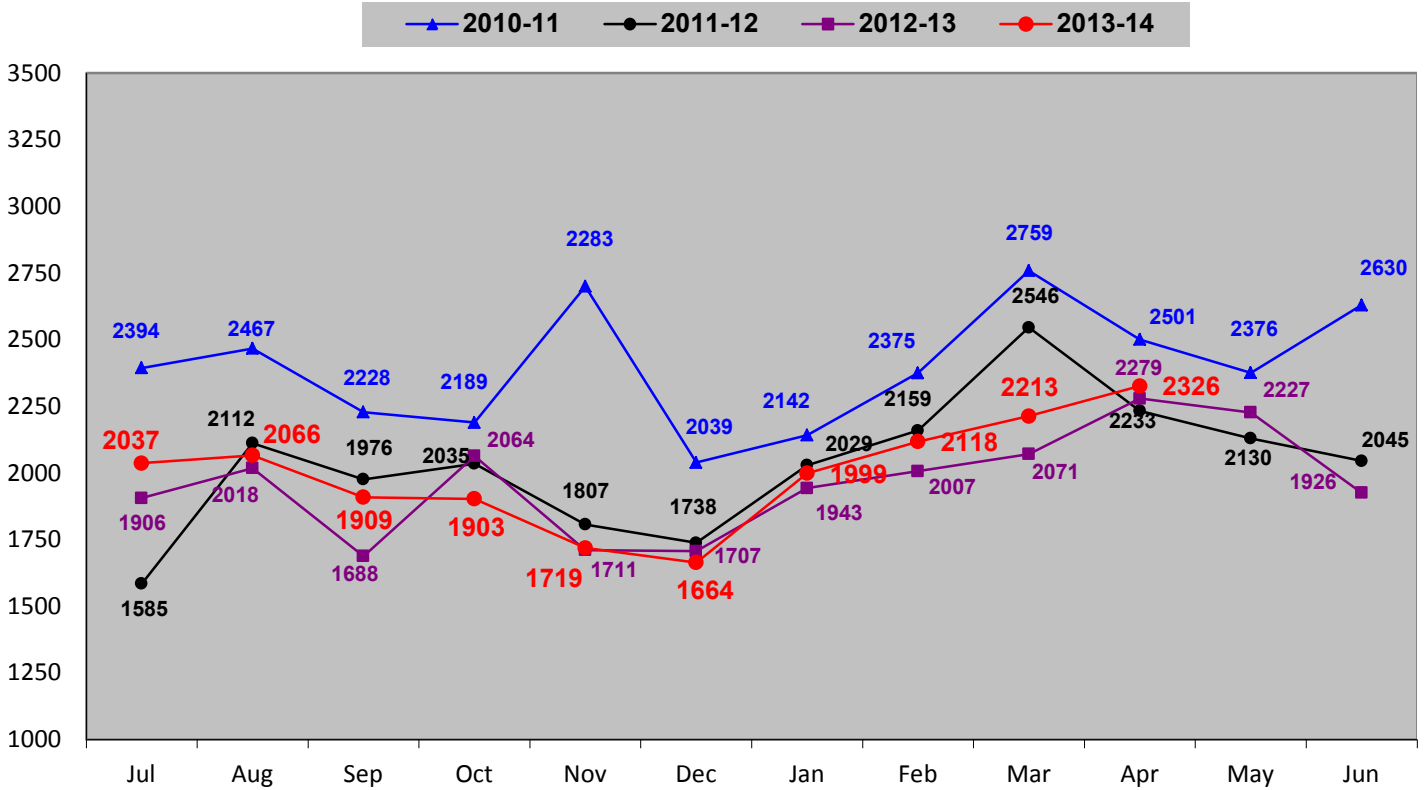
■ FY 2008-09 ■ FY 2009-10 ■ FY 2010-11 ■ FY 2011-12 ■ FY 2012-13 ■ FY 2013-14



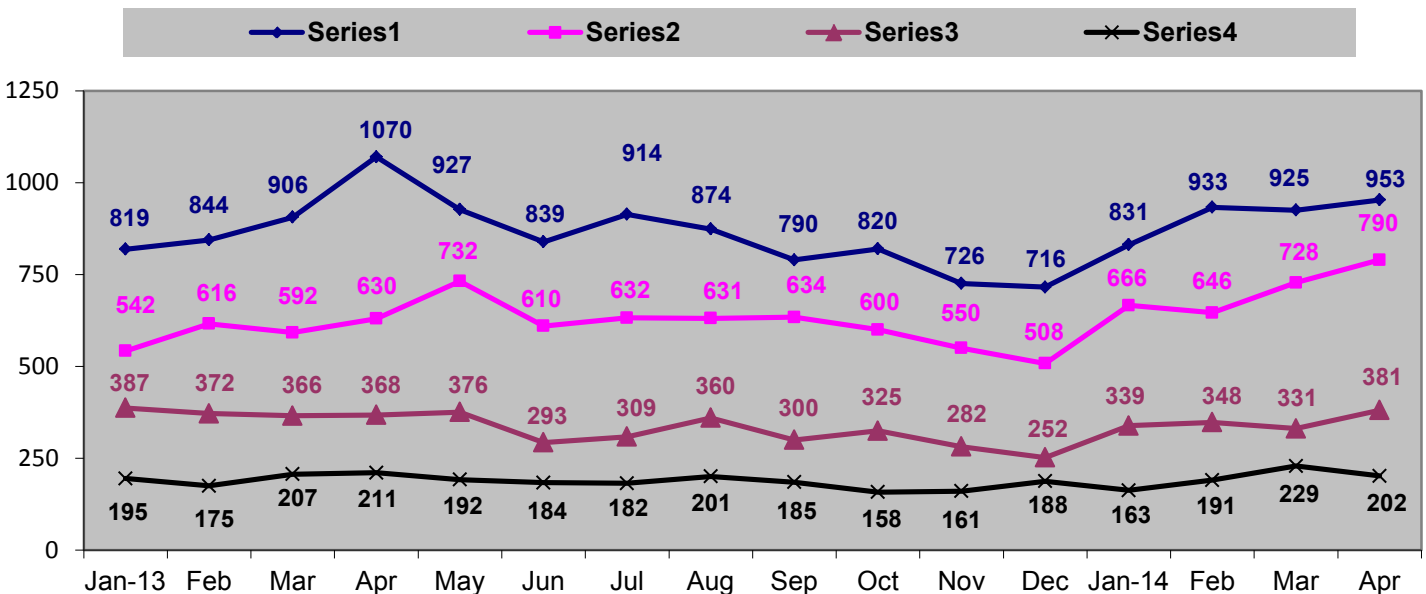
Decrease of 4 percent for total applications received for 2012-13 compared with 2011-12



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



Number of Applications Received





LIMITED LIABILITY COMPANIES (LLCs)

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

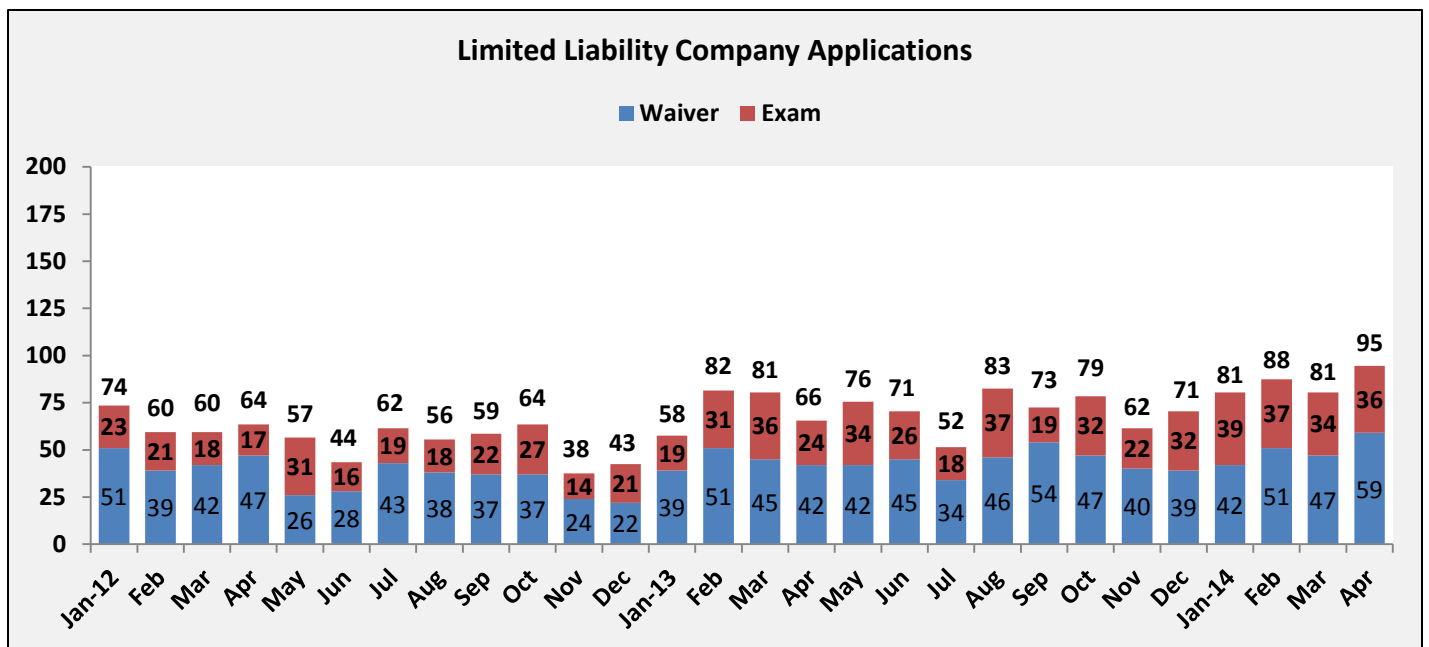
The legislation noted that contractors have been allowed to operate as corporations, and to be designated as “S” or “C” corporations for many years, with well-established case law regarding the ability to “pierce the corporate veil.” It was the intent of the Legislature to also apply this doctrine to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

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

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

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

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





LLC Application (Waivers and Exams Combined) Quarterly Processing Data

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

The Most Common Reasons for Rejection:

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

Of the 1,855 LLC applications received through April 30, 2014, 580 limited liability company contractor licenses have been issued. The most common reason for rejection continues to be staff's inability to match the name(s), title(s), and total count of LLC personnel on the application with the Statement of Information (SOI) provided in the records of the Office of Secretary of State. The SOI information is required for processing the LLC application: It provides staff with the total number and names of LLC personnel, which is crucial in determining the appropriate amount for the LLC liability insurance requirement (between \$1 million and \$5 million).

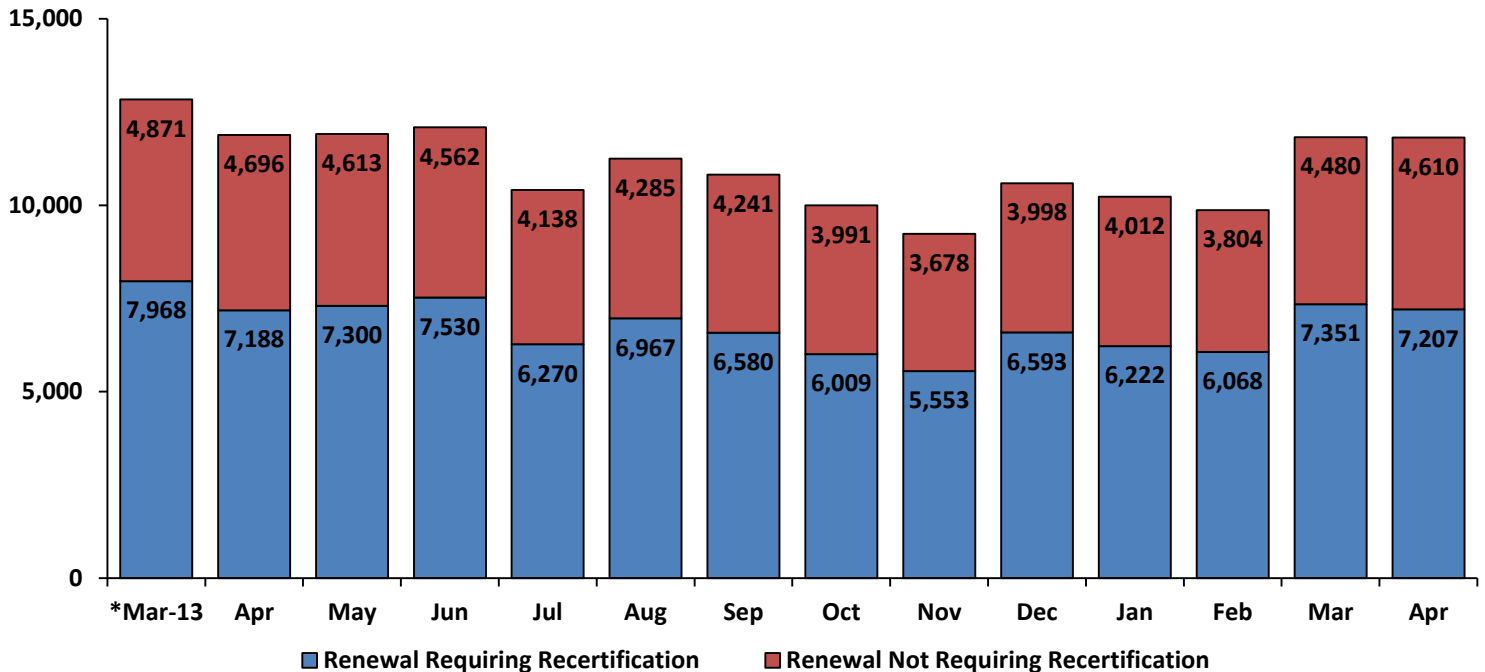


WORKERS' COMPENSATION RECERTIFICATION

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

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

Renewal Applications Mailed Per Month

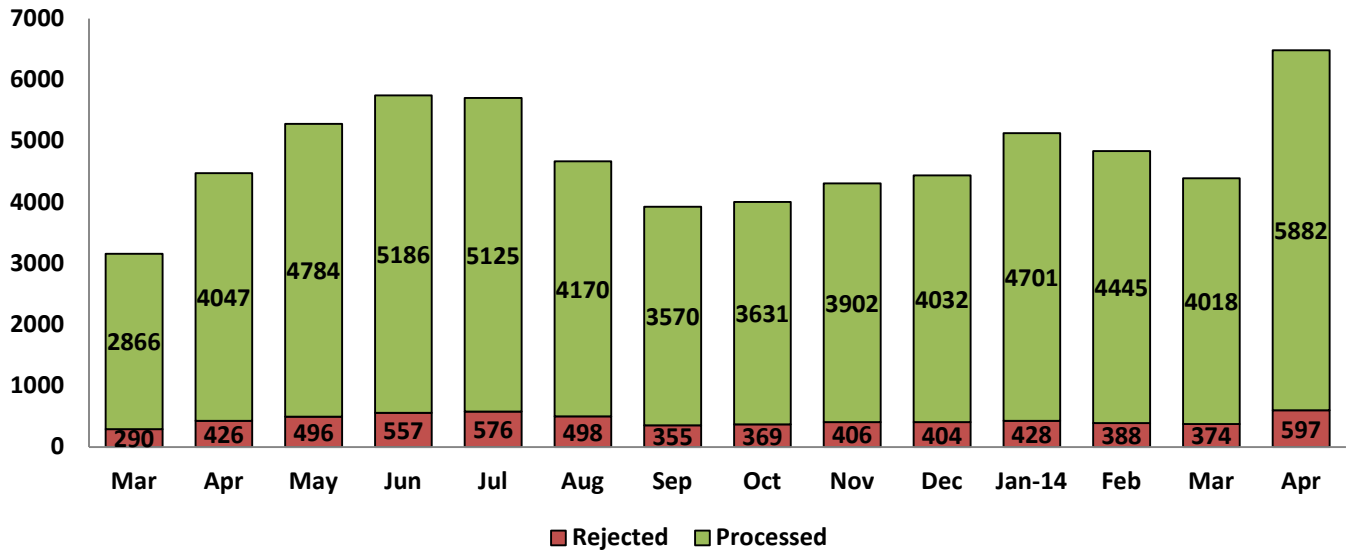


**Represents month of mailing, not month of license expiration*



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

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

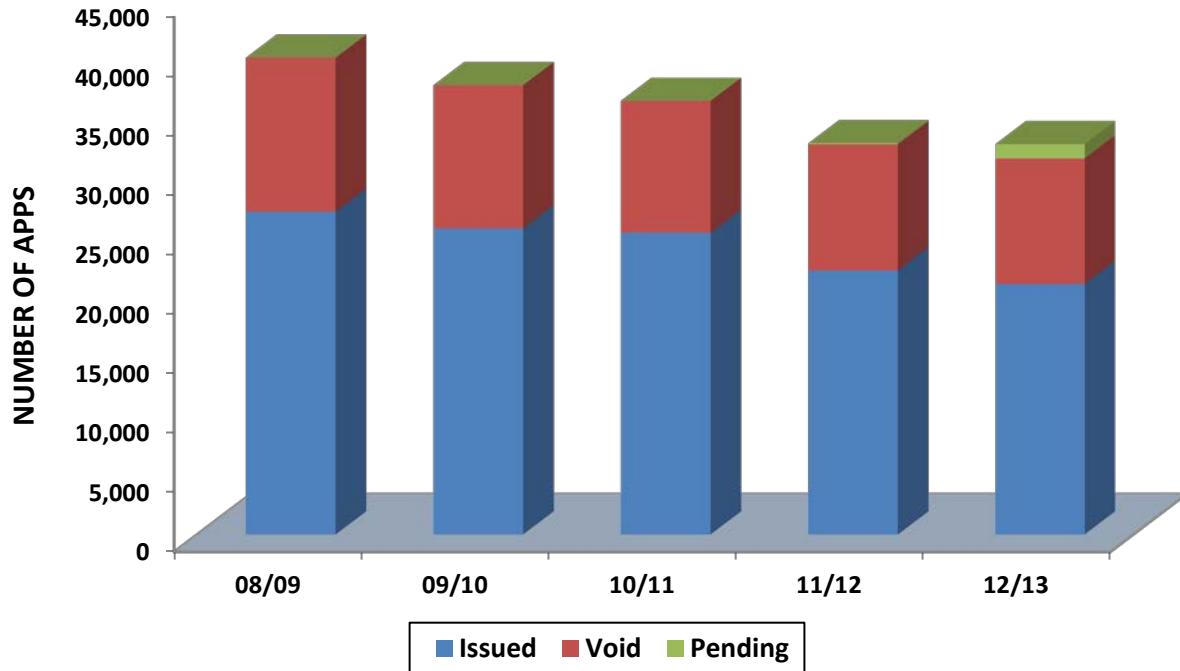


Statistics obtained from L742-Renewal Notice Summary; effective 8-1-2013, L743-Renewal Statistics Report



Disposition of Applications by Fiscal Year
Teale Report S724: Run Date 5-1-2014

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



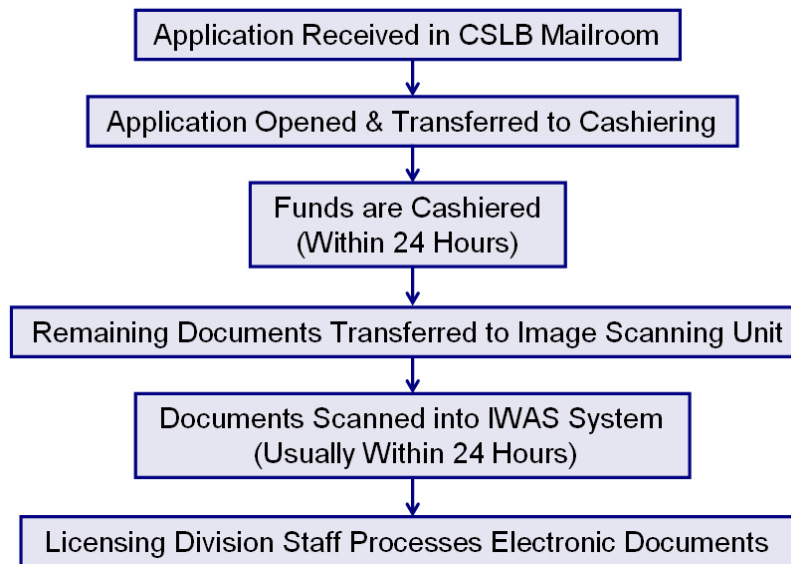
CSLB management continues to monitor processing times for the various units on a weekly and monthly basis. The charts on pages 16-19 track the “weeks to process” for the various application and license maintenance/transaction units.

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, please note that CSLB’s application and renewal processing schedule automatically builds about two days of backlog into the timelines because of cashiering and image-scanning tasks that must be done before an application or document can be processed.



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 previous reduction in staff hours due to furloughs, Licensing has maintained acceptable processing times. This can be attributed to the decrease in applications described 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.

Criminal Background Unit (CBU) staff begins processing Criminal Offender Record Information (CORI) on the same day it is received by conducting a triage and clearing 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 nearly 294,500 transmittals from DOJ. These include clear codes and conviction information.

Of the applicants who were fingerprinted during that time period, CBU staff received CORI for more than 52,300 applicants. That means DOJ and/or the Federal Bureau of Investigation reported that the individual had a criminal conviction(s) on record.

As a result of CORI files through April 30, 2014, CBU denied 1,191 applications and issued 1,469 probationary licenses. Of the denied licenses, 602 applicants appealed their denials.

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

Below is a breakdown of CBU statistics by fiscal year.

CRIMINAL BACKGROUND UNIT STATISTICS											
	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	TOTALS
DOJ Records Received	9,524	58,007	46,735	39,361	35,220	27,330	24,730	18,805	18,270	16,304	295,883
CORI RAPP Received	949	8,410	8,057	6,484	6,253	5,254	5,201	3,997	3,663	2,936	52,501
Denials	224	219	237	88	76	63	108	70	67	31	1,191
Appeals	71	113	130	45	47	29	62	39	36	21	602
Probationary Licenses Issued	0	0	126	290	206	203	243	146	71	67	1,469

**LICENSING INFORMATION CENTER (LIC)****LIC Workload**

LIC (call center) staff has continued to exceed Board goals. In April 2014, for example, call center agents answered 14,983 calls. Call wait times averaged only 1:23, with 98 percent of all incoming calls answered. The average length of each call was 4:00.

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

Staffing Update

Effective May 1, 2014, two new Program Technician IIs began working at LIC. The employees were shadowing veteran LIC agents, listening and observing in preparation to apply their CSLB knowledge to real call scenarios. The new staff members were to be ready to take calls on their own by the end of the month.

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

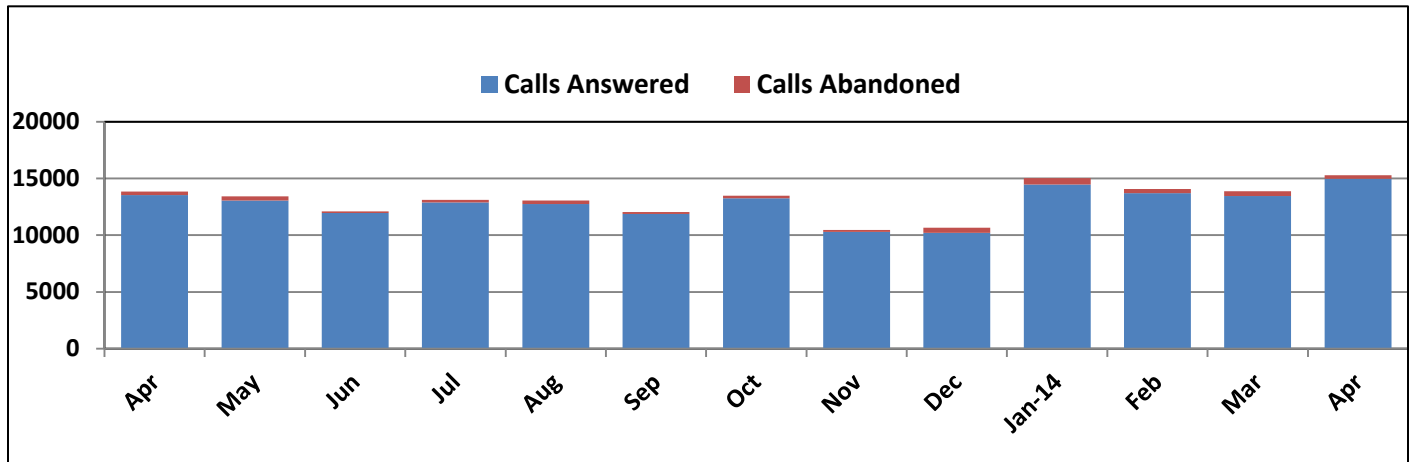
Increased Training

LIC continues to strive to provide timely, efficient, and professional services to its customers. New employees have spent a significant amount of time getting one-on-one training with seasoned staff and supervisors. LIC also plans to schedule bi-monthly classification training with the CSLB Classification Deputy, as well as cross-training with other Licensing units. LIC held a successful Board orientation for 35 new employees from January 7-9, 2014. The next orientation will be webcast via CSLB's intranet for staff in Southern California offices.



LICENSING INFORMATION CENTER CALL DATA

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Calls Received	13,839	13,441	12,096	13,104	13,070	12,057	13,480	10,466	10,652	14,484	13,699	13,868	15,289
Calls Answered	13,525	13,053	11,971	12,881	12,735	11,876	13,264	10,304	10,204	13,919	13,325	13,456	14,983
Calls Abandoned	314	387	124	221	330	180	216	162	445	564	373	412	305
Longest Wait Time	5:30	8:23	0:48	4:07	3:51	2:14	4:37	2:30	10:04	10:46	4:46	4:39	5:48
Shortest Wait Time	0:15	0:13	0:11	0:16	0:14	0:13	0:17	0:18	0:11	0:27	0:26	0:17	0:18
Average Wait Time	1:34	3:58	3:52	1:02	1:35	0:59	0:57	1:06	2:34	2:37	1:50	2:10	1:23



**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.

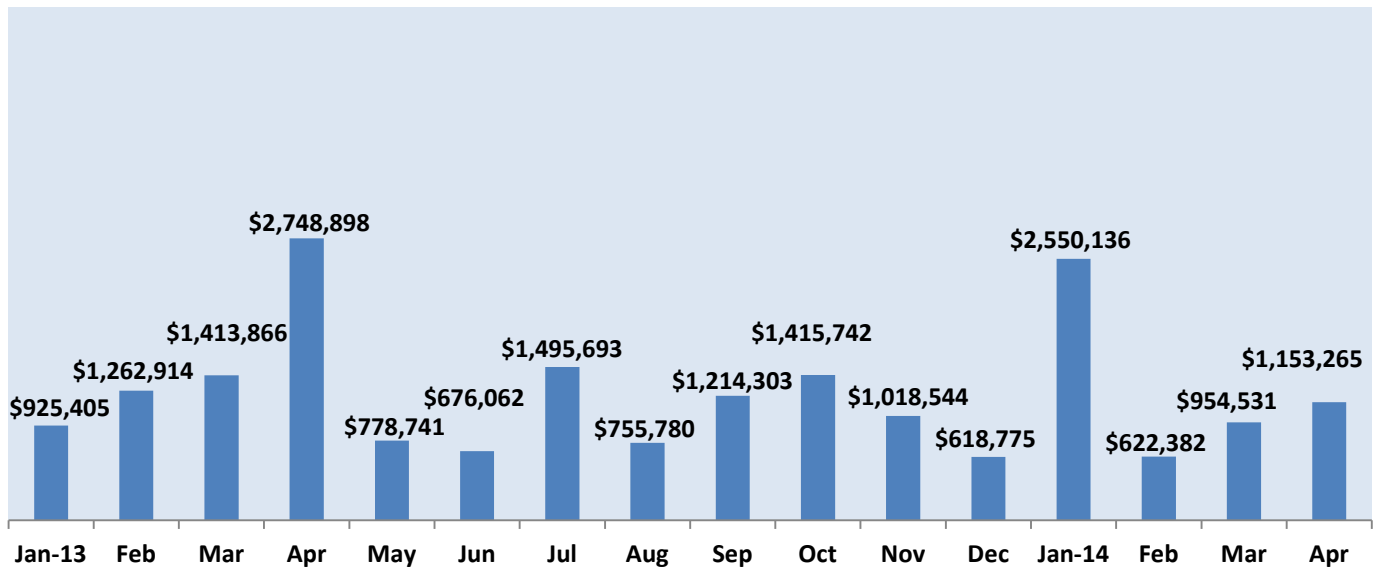
If compliance is not obtained within the allowed time frame, the license is suspended and a suspend letter is sent to the contractor. A reinstatement letter is sent upon compliance.



Outstanding Liabilities

Letter Type Sent	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2014	Feb	Mar	Apr
Initial	62	47	70	58	80	51	34	41	67	39	75	80	42	82
Suspend	40	50	53	37	65	54	68	44	20	40	64	30	40	97
Reinstate	85	53	36	28	27	35	45	37	28	29	47	29	40	42

Savings to the Public

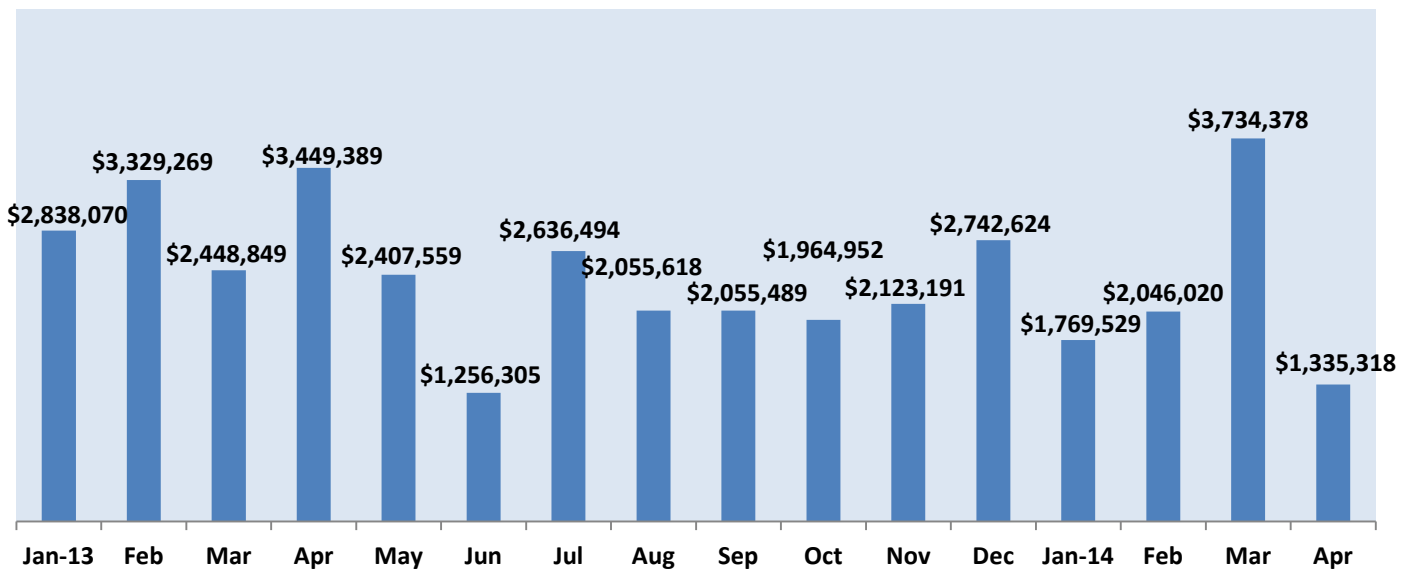




Judgments

Letter Type Sent	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2014	Feb	Mar	Apr
Initial	136	135	158	138	143	147	146	160	131	128	159	149	199	213
Suspend	62	68	67	50	69	57	53	51	47	57	48	56	52	54
Reinstate	120	129	129	109	120	130	132	138	108	122	108	115	137	128

Savings to the Public

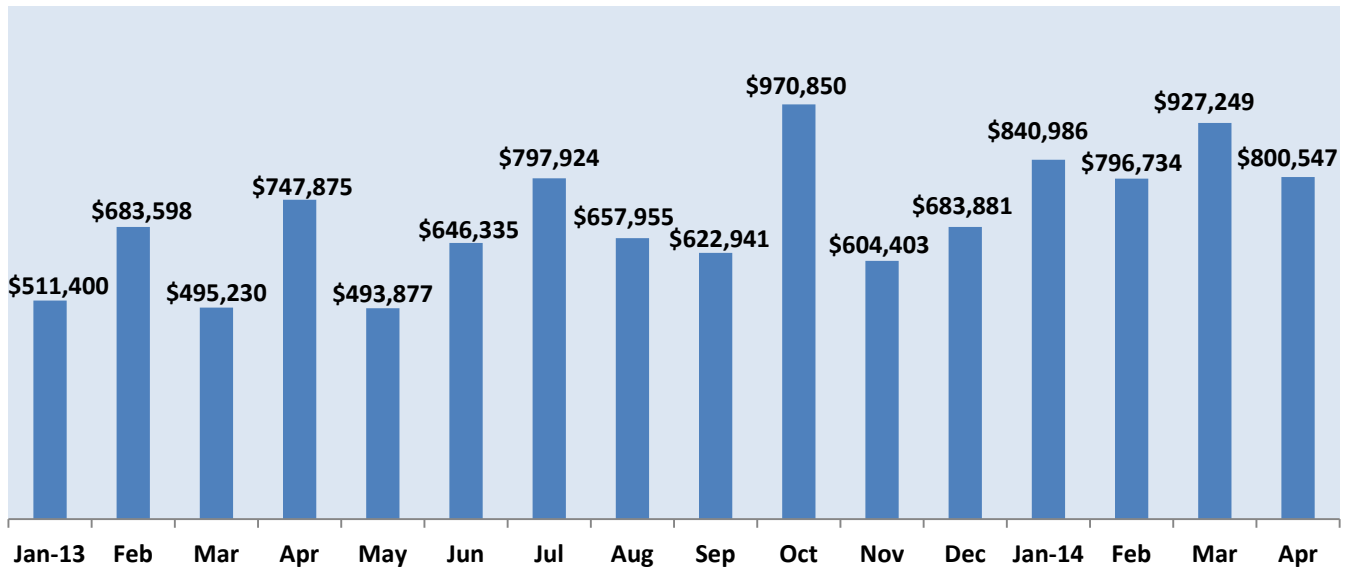




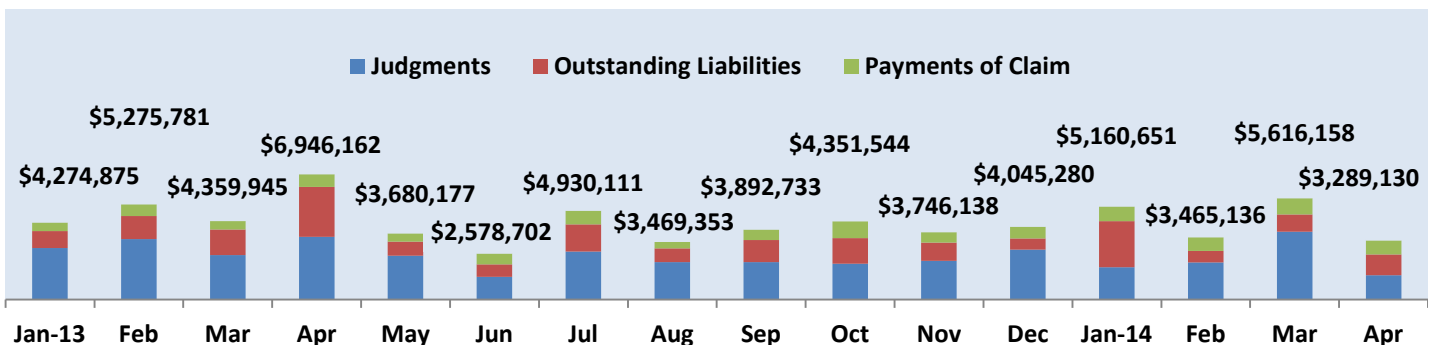
Bond Payment of Claims

Letter Type Sent	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2014	Feb	Mar	Apr
Initial	77	252	56	178	160	142	102	315	184	139	157	122	201	150
Suspend	123	44	66	25	180	88	89	68	68	51	173	106	41	60
Reinstate	105	132	93	107	133	124	111	154	118	128	154	135	144	133

Savings to the Public



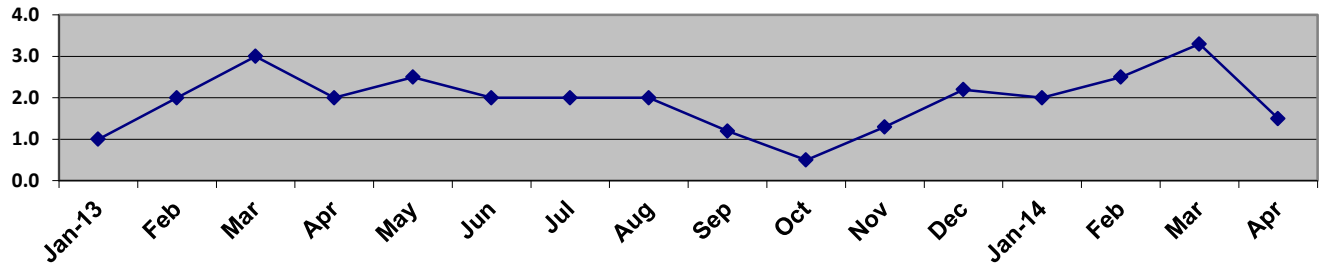
Total Savings to the Public



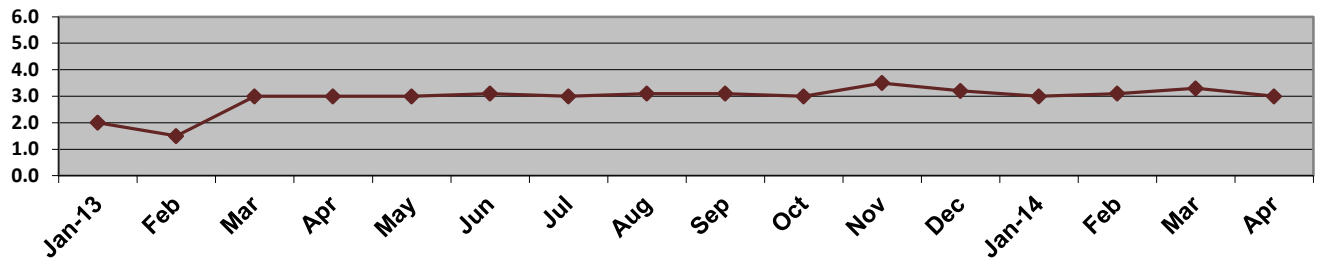


Number of Weeks Before Being Pulled for Processing

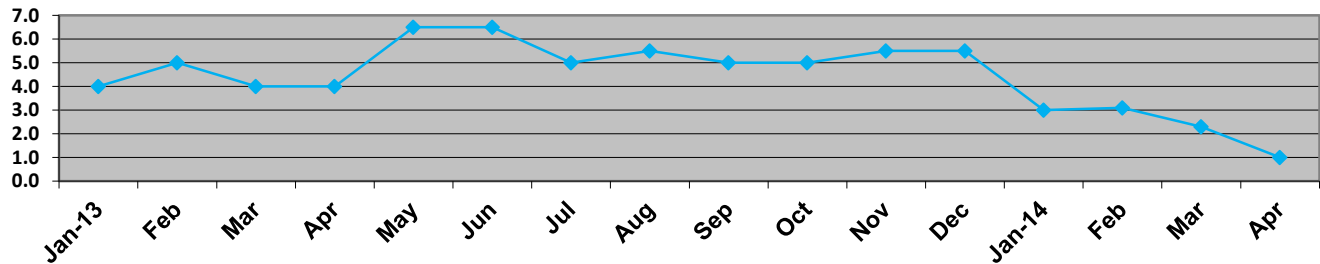
Application for Original License - Exam



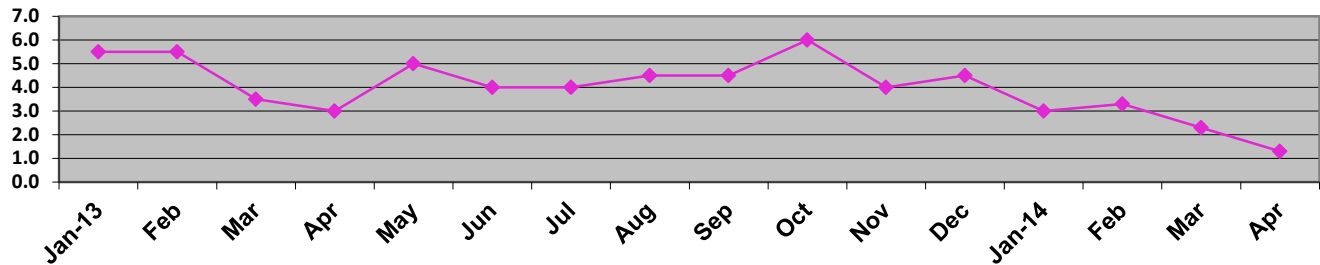
Application for Original License - Waiver



Application for Additional Classification



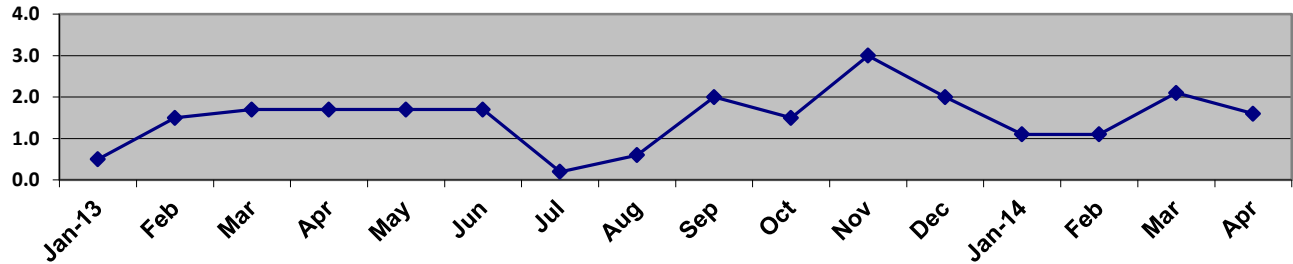
Application to Replace the Qualifier



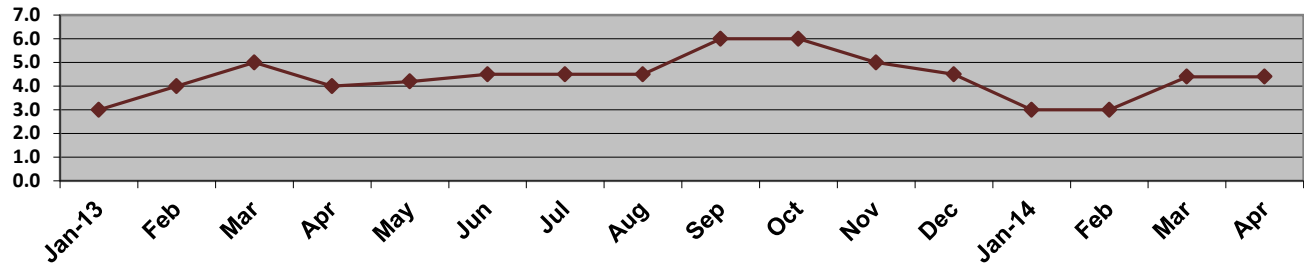


Number of Weeks Before Being Pulled for Processing

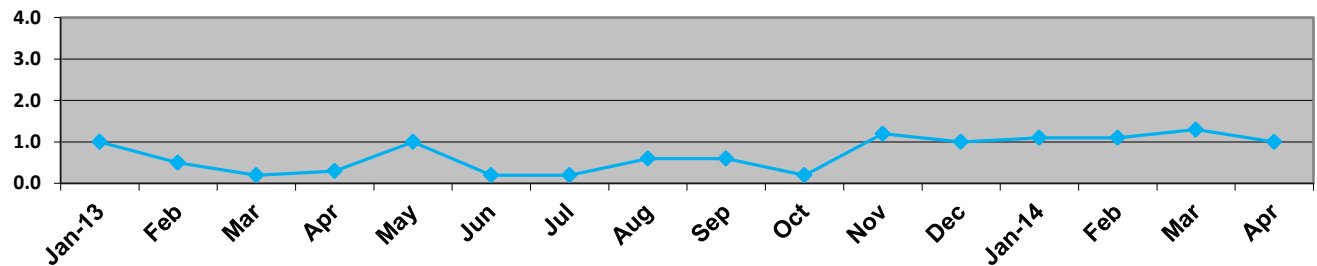
Application for Renewal



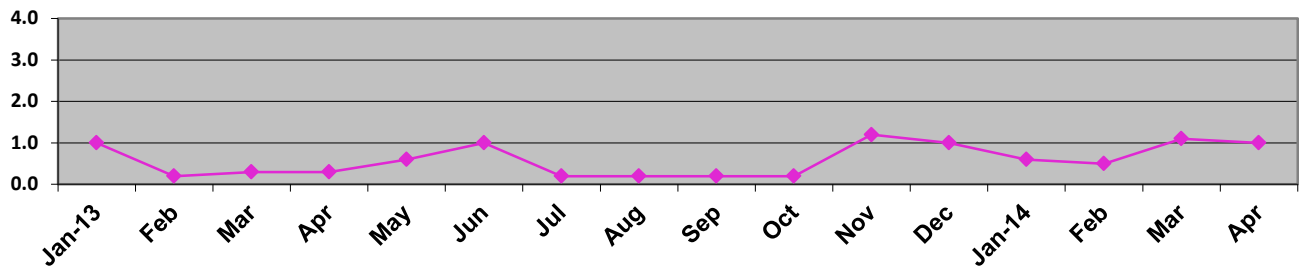
Home Improvement Salesperson (HIS) Application



Application to Report/Change Officers



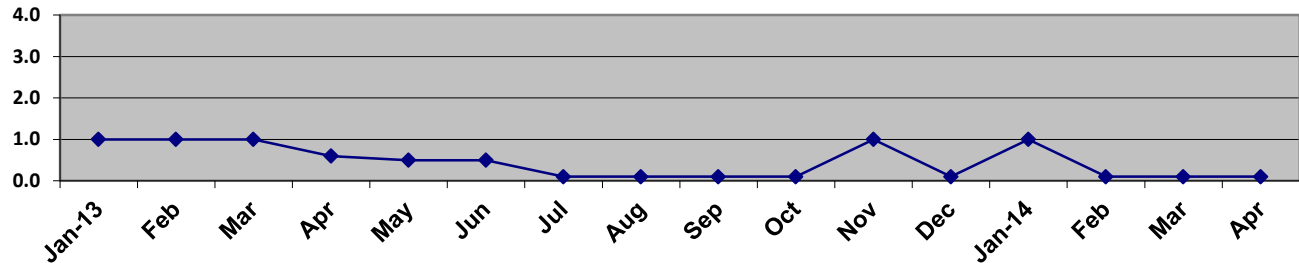
Application to Change Business Name or Address



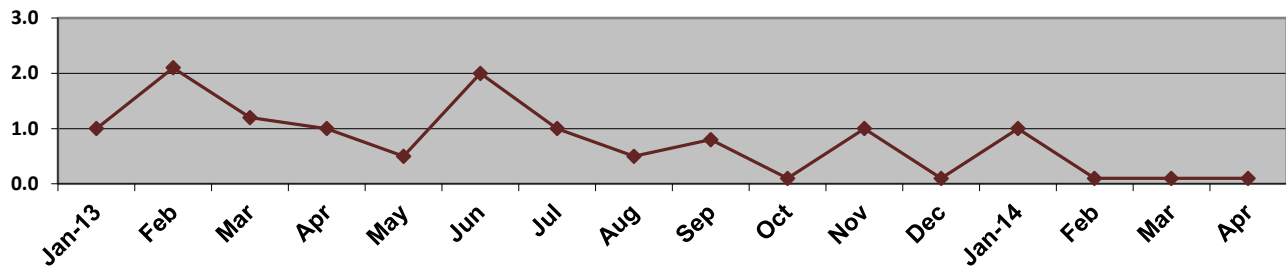


Number of Weeks Before Being Pulled for Processing

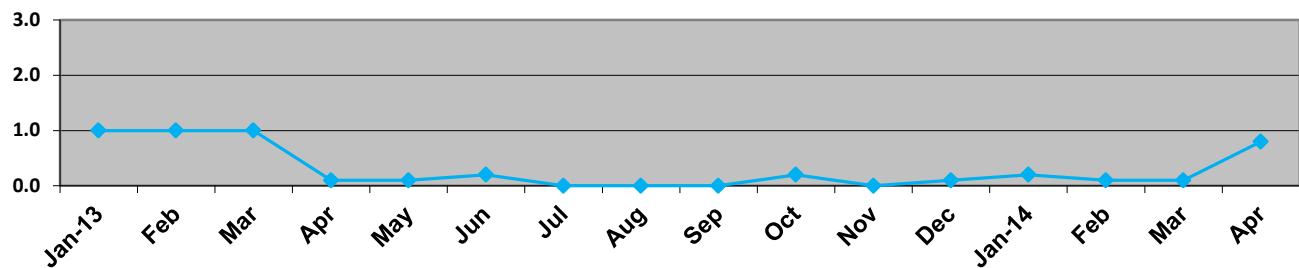
Contractors Bond, Bond of Qualifying Individual, LLC Worker Bond



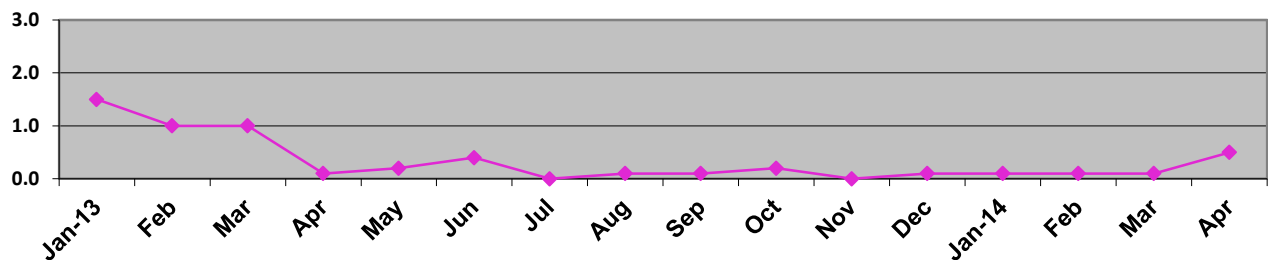
Workers' Compensation Certificates and Exemptions



Certified License History



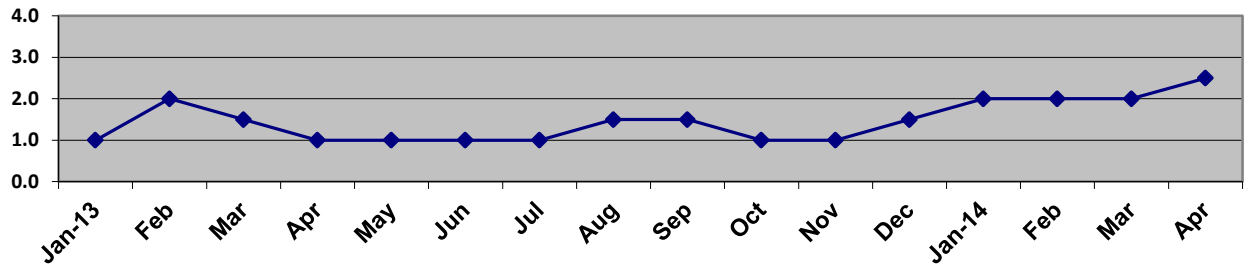
Request for Copies of Documents





Number of Weeks Before Being Pulled for Processing

Criminal Background Unit – CORI Review



AGENDA ITEM H-2

Testing Division Update

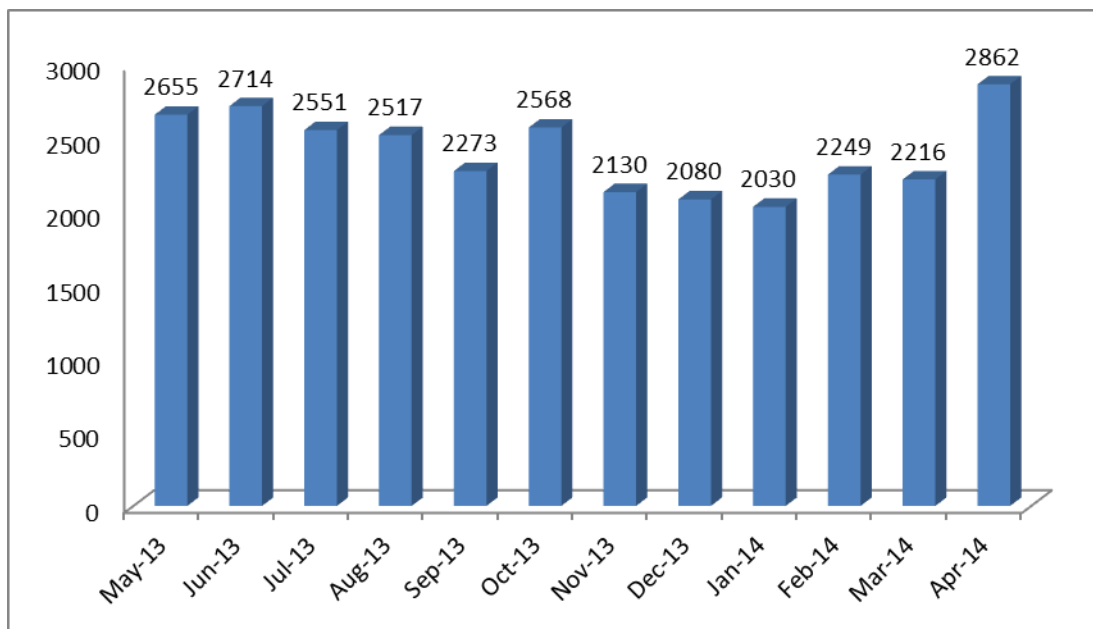




EXAMINATION ADMINISTRATION UNIT

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

Number of Examinations Scheduled May 2013-April 2014



Test Center Status

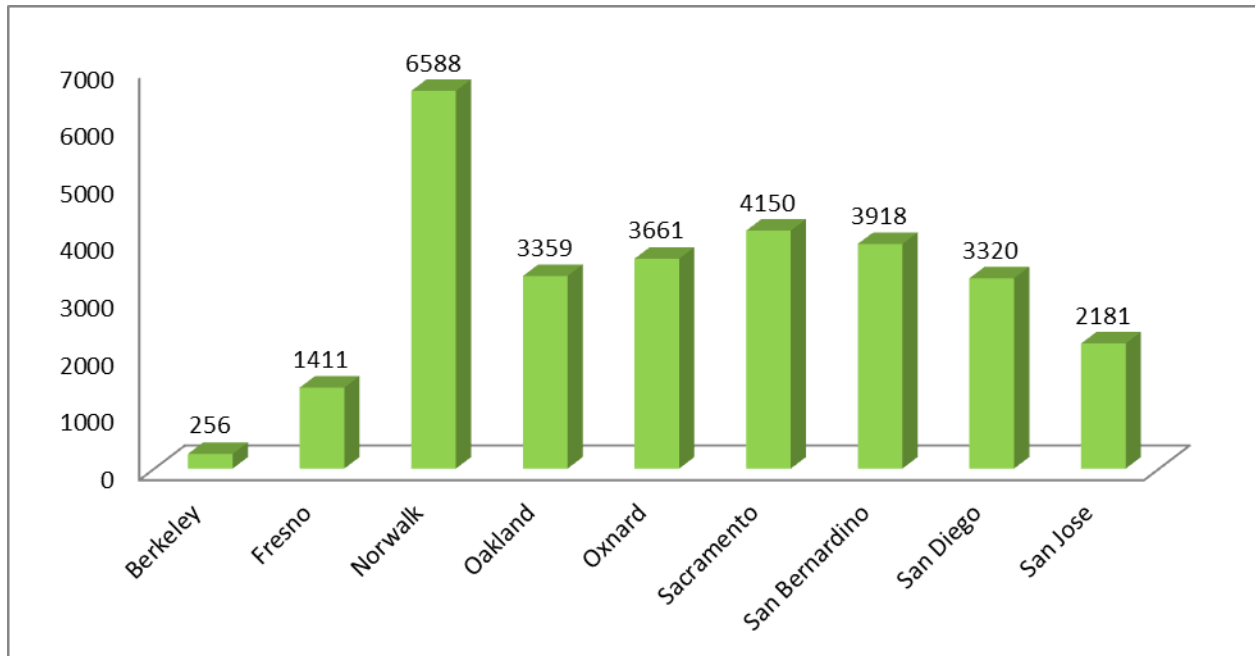
CSLB maintains these test centers:

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



CSLB relocated the Oakland Test Center to Berkeley in April 2014. Since the following table covers the most recent 12 months, both Oakland and Berkeley data are displayed.

Number of Examinations Scheduled by Test Centers May 2013-April 2014



Examination Administration Staffing

Testing has one Office Technician vacancy in the San Jose test center. The position is being re-advertised.

Examination Administration Projects

The EAU Editor/Auditor has been auditing one test center each month. She continues to write the EAU Procedure Manual for the test centers.



EXAMINATION DEVELOPMENT UNIT

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

Occupational Analysis and Examination Development Workload

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

EDU released three new examinations in April: C-5 Framing and Rough Carpentry, C-45 Signs, and C-50 Reinforcing Steel.

The following table shows the occupational analysis and examination development projects under way.

Occupational Analyses in Progress	New Examinations in Progress
“A” General Engineering	“B” General Building
C-11 Elevator	C-10 Electrical
C-15 Flooring and Floor Covering	C-13 Fencing
C-36 Plumbing	C-28 Lock and Security Equipment
C-51 Structural Steel	C-35 Lathing and Plastering
	C-60 Welding

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

Civil Service Examinations

In addition to licensure examinations, EDU works on examinations for civil service classifications used at CSLB. The Consumer Services Representative examination was administered in five CSLB test centers from April 29, 2014 to May 1, 2014.

Examination Development Unit Staffing

EDU has a Personnel Selection Consultant II vacancy that soon will be filled. A Test Validation and Development Specialist II (TVDS II) position is newly vacant. Examinations for the TVDS I and II classifications are scheduled for June 4, 2014. A



Student Assistant (Engineering and Architectural Sciences) position also is newly vacant. The position is being advertised.

Ongoing Consumer Satisfaction Survey

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

AGENDA ITEM I

Executive Committee Report



AGENDA ITEM I-1

Administration Update





BUSINESS SERVICES

Facilities

- **San Bernardino** – The Department of General Services (DGS) is working on plans to increase space.
- **West Covina** – DGS is in negotiations to renew the lease for five additional years, extending the lease to July 2020.
- **Norwalk** – In the process of renewing the lease, changes are being negotiated to include new card readers, video monitoring system, carpet, and paint.

Contracts and Procurement

Contracts in Progress:

- Alarm contract for the Modesto office
- Board meeting rental room
- CHP for standby security
- Shredding contract for new Berkeley office
- Six new copiers with maintenance agreements
- Transcription contract for Enforcement division
- West Publishing for electronic library services

Procurement in Progress:

- Ansul Inergen Fire Suppression System
- License card holders
- Perforated member ID cards

Executed Contracts/Procurement:

- Data card printer
- ID cards
- Media equipment for Public Affairs Office.
- Six AED defibrillators for various field offices
- Polo shirts – To ensure Enforcement staff is safely identified by the public and other law enforcement personnel while working in the field, CSLB has purchased polo shirts for our Enforcement Representatives. The shirts are embroidered with the CSLB law enforcement star on the chest, along with CSLB logo displayed on the arm.



Training

DCA, through the SOLID training center, has increased the training courses being offered to all DCA staff, promoting staff to continuously develop their knowledge and skills. The most notable additions to the SOLID training center are the increase in the amount of courses being offered in Southern California. At this time, SOLID is focusing on providing training that meets the requirements for the Analyst Certification Training (ACT) program, as requested by Southern California staff.

Property & Asset Management

We are currently in the developmental stage of purchasing a scanning system that will meet the business needs of our Warehouse, Business Services, and IT staff. This will allow us to properly track CSLB property and parcels at the headquarters office, along with the field offices, creating a more efficient property and asset management system.

Fleet

A vehicle acquisition plan has been submitted to DGS, requesting approval to replace two vehicles within the Enforcement division; one for the Sacramento North Investigative Center and one for the Sacramento South Investigative Center. Once approved, the vehicles will be replaced with Ford Fusion Hybrids.

PERSONNEL UPDATE

Position Changes

Since April 7, 2014, there have been four transfers within CSLB, five transfers from other state departments, and three new hires.

Training and Development

There were no training and development assignments during this time period.

**Vacant Positions**

As of May 13, 2014, there are **41** vacant positions at CSLB. The following table shows the vacancy breakdown as of May 13, 2014:

DIVISION	AUTHORIZED PY'S	BL 12-03	VACANCIES
Administration	30	1	1
Enforcement	210	11	19
Executive	13	.5	2
Information Technology	25	0	7
Licensing	97.5	7	9
Testing	25	1	3

Examinations

DIVISION	EXAM	STATUS
Enforcement	Enforcement Representative I, CSLB	Continuous Filing
	Enforcement Supervisor I/II	Exam will be administered in July/August 2014
	Consumer Services Representative	Exam was administered in April 2014
Information Technology	Assistant/Associate/Staff Information Systems Analyst	CalHR
	Systems Software Specialist I/II/III	CalHR
Licensing Division	Supervising Program Technician III	CalHR
	Program Technician series	CalHR
Testing	Test Validation and Development Specialist I/II	Continuous Filing
All CSLB	Staff Services Analyst/ Associate Governmental Program Analyst	CalHR
	Staff Services Manager series	CalHR
	Office Technician/Office Assistant	CalHR

AGENDA ITEM I-2

Information Technology Update





INFORMATION TECHNOLOGY UPDATE

BreEZe:

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

Meetings are being conducted with Release Two Boards/Committees to discuss BreEZe functionality, business needs, configuration and data conversion.

The Board/Committees in Release Two are:

- Dental Board
- Dental Hygiene Committee
- Board of Occupational Therapy
- Board of Optometry
- Pharmacy Board
- Physical Therapy Board
- Veterinary Medical Board and Veterinary Technician Examining Committee
- Board of Vocational Nursing and Psychiatric Technicians
- Bureau of Security and Investigative Services

CSLB staff continues to prepare for the Phase Three release by working on data conversion cleanup, system documentation, and conducting meetings with other CSLB staff to discuss specific BreEZe requirements. CSLB's IT staff continues to help DCA by assisting other Boards and Bureaus with identifying business requirements for their specific programs.

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

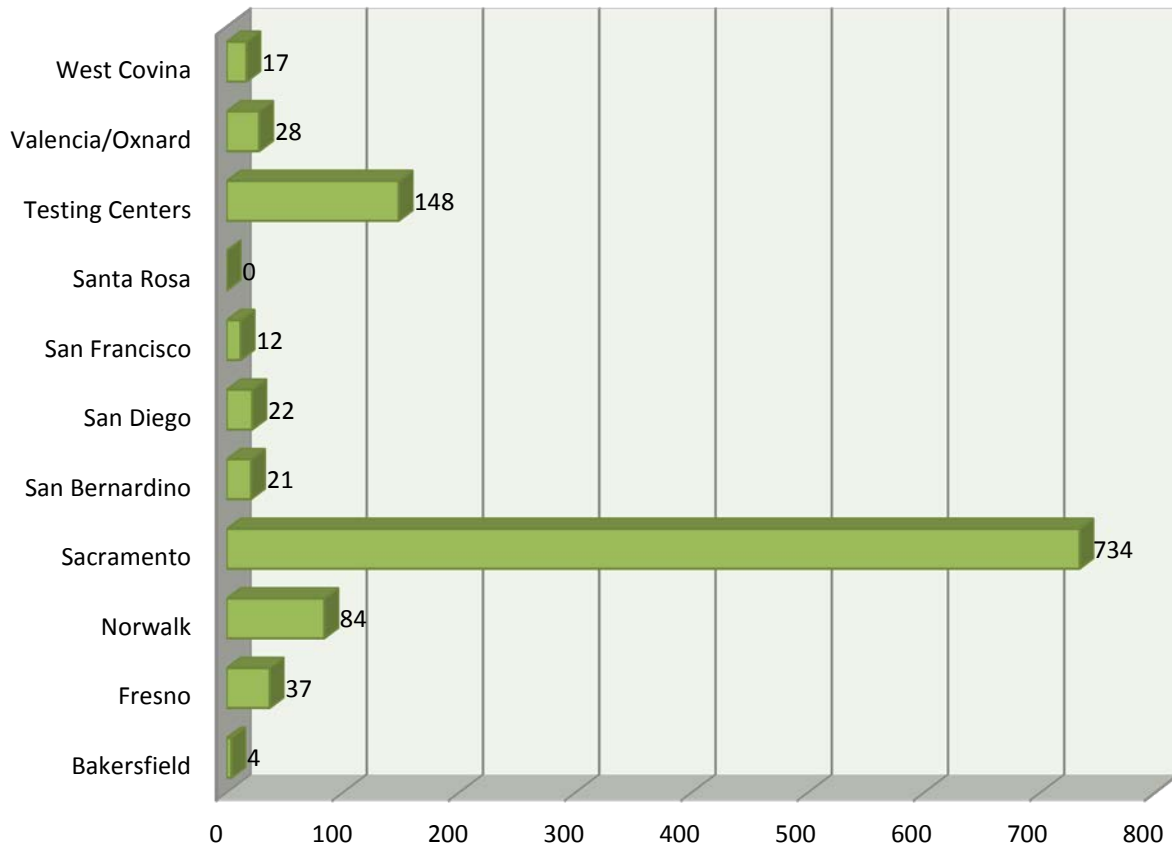
IT Service Desk

CSLB's IT Service Desk technical staffs resolve all Level-1 and Level-2 IT issues for the Board. CSLB employees who need assistance with their desktops, laptops, printers, faxes, phones, etc. generate a help ticket 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 and Level-2 more complex tickets are resolved in approximately 60 minutes.

During the last three months (February-April 2014), a total of 1,107 tickets (842 online and 265 via phone/walk-in) were processed by the IT Service Desk.



CSLB IT Service Desk - February to April 2014



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. The IVR provides consumers with information on how to file complaints as well as how to become a licensed contractor. In addition to providing information, the IVR gives callers an option to speak to call center agents in Sacramento or Norwalk. During the February 2014 through April 2014 period, CSLB's IVR handled a total of 121,826 calls, which is an average of 40,609 calls a month. The system is available 24 hours a day, seven days a week.

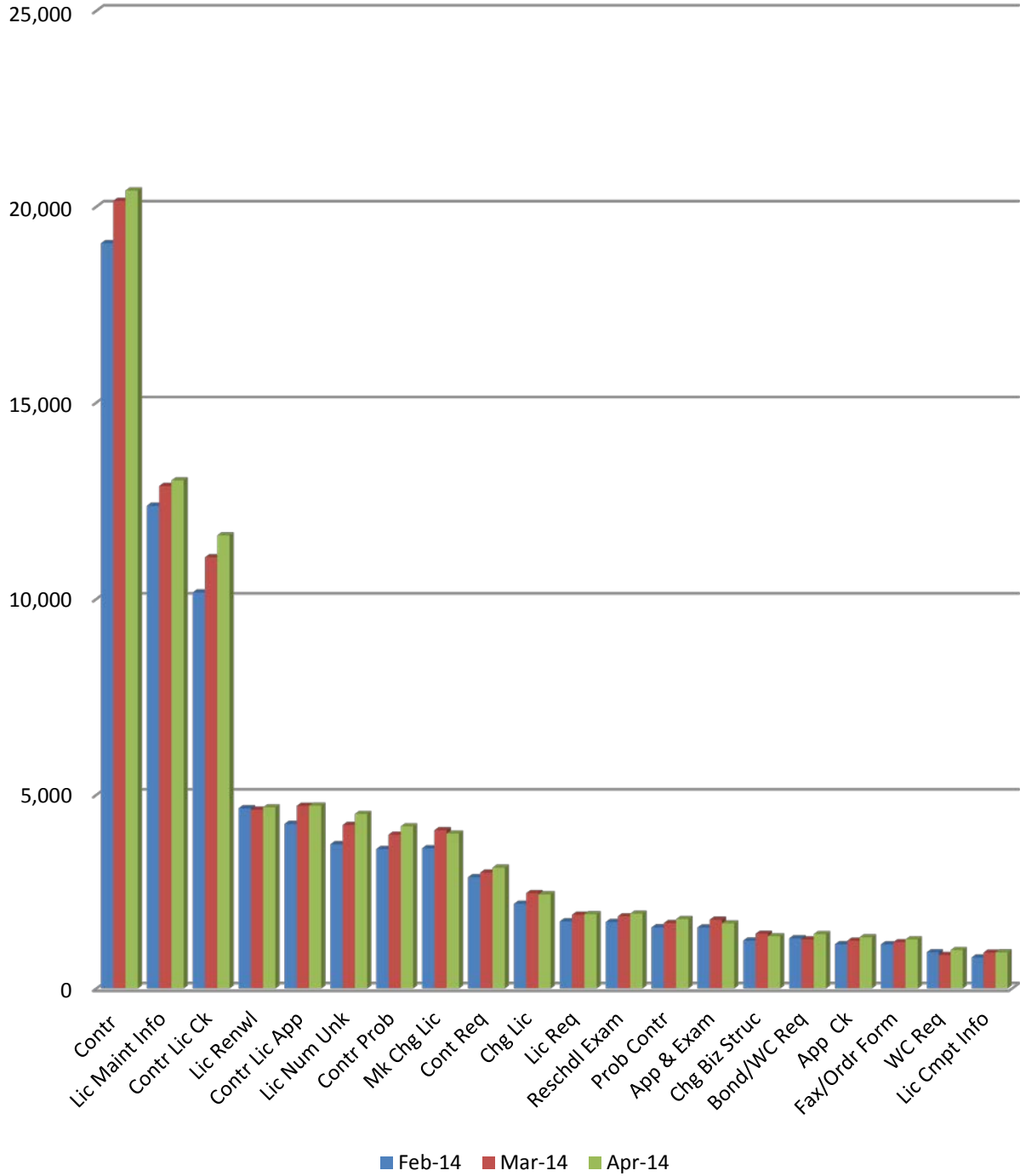
There are dozens of possible menu options within the IVR system; following is a representative sample of the top 20 IVR requests during the February 2014 through April 2014 period.

**Top 20 IVR Requests - Jan '14 - March '14**

IVR Statistics		<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	Three Month Totals
IVR Calls Received		38,338	41,166	42,322	121,826
Monthly Average					40,609
Top 20 IVR Requests	Abbreviation	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	Three Month Totals
Contractor or Want to Become Contractor	Contr	19,065	20,146	20,411	59,622
Info on Maintaining or Changing License	Lic Maint Info	12,365	12,867	13,010	38,242
Contractor's License Check	Contr Lic Ck	10,167	11,063	11,622	32,852
About License Renewal	Lic Renwl	4,657	4,621	4,681	13,959
Contractor License Application	Contr Lic App	4,258	4,719	4,724	13,701
License Number Not Known	Lic Num Unk	3,738	4,229	4,512	12,479
Hire or Problem with Contractor	Contr Prob	3,616	3,982	4,195	11,793
About Making Changes to License	Mk Chg Lic	3,637	4,096	4,011	11,744
About Continuing Requirements	Cont Req	2,898	3,015	3,141	9,054
For Changes to Existing Licenses	Chg Lic	2,216	2,490	2,460	7,166
License Requirements	Lic Req	1,757	1,930	1,945	5,632
Reschedule Exam Date	Reschdl Exam	1,739	1,891	1,957	5,587
Info on Problems with Contractor	Prob Contr	1,600	1,712	1,814	5,126
General Application & Examination Info	App & Exam	1,597	1,800	1,702	5,099
For Changing the Business Structure of an Existing License	Chg Biz Struc	1,255	1,432	1,368	4,055
Info about Bond or Workers' Comp Requirements	Bond/WC Req	1,313	1,283	1,423	4,019
Application Status Check	App Ck	1,160	1,251	1,340	3,751
To Fax Forms, or To Order Forms by Mail	Fax/Ordr Form	1,155	1,211	1,283	3,649
Info about Workers' Comp Requirements	WC Req	948	878	1,006	2,832
License Complaint Information	Lic Cmpt Info	812	939	946	2,697



Top 20 IVR Requests - Feb '14 - April '14

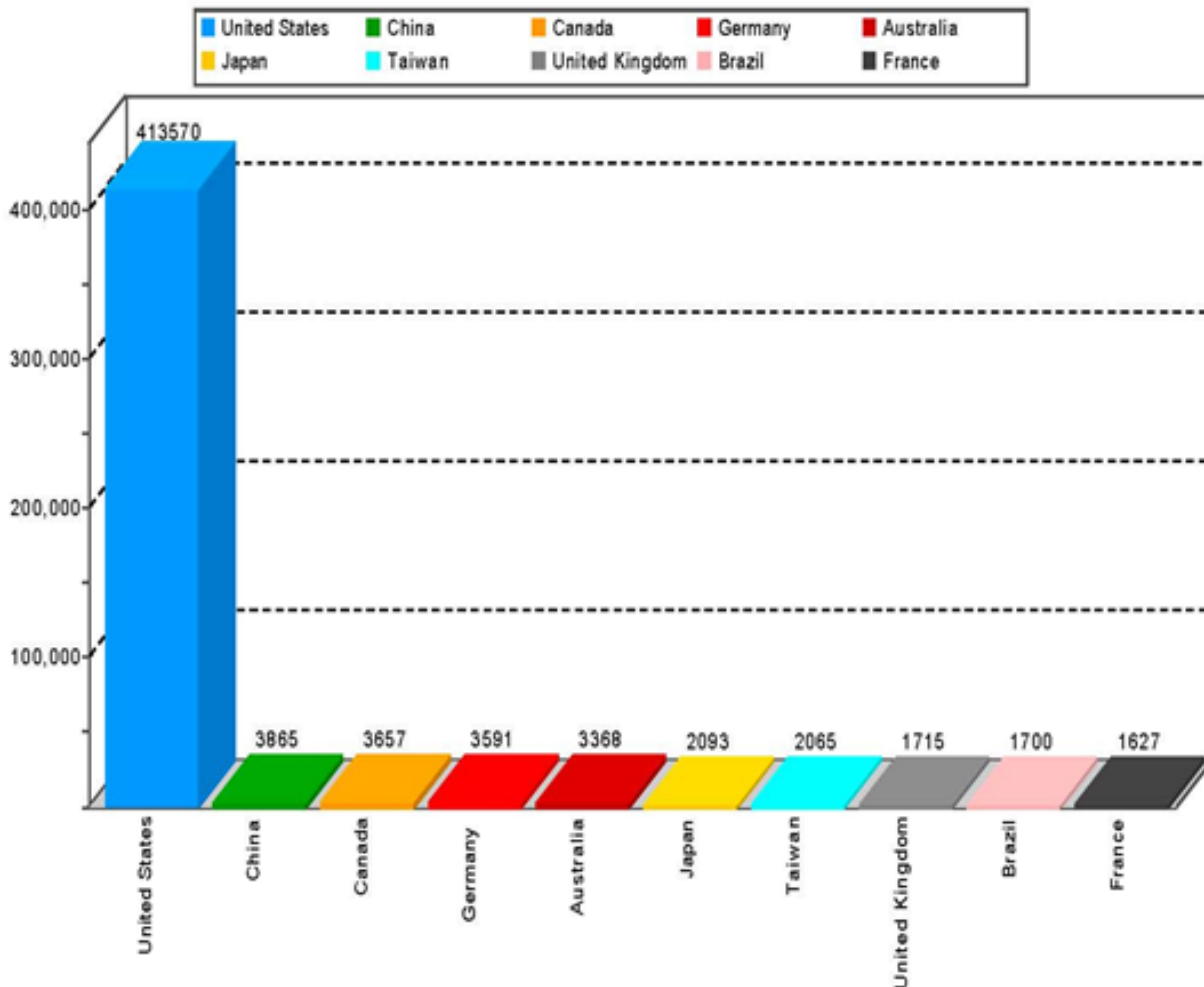




Enterprise IT Security – Firewall Hits

CSLB’s IT staff maintains high security on all of the Board’s information technology systems and applications. Using a multi-layered defense that relies on various security products (firewall, anti-spam, anti-virus programs, event management and correlation tools), CSLB is proactively blocking/denying any unauthorized attempts from all sources, including those in foreign countries. The chart below represents the top 10 countries from where users have attempted to access CSLB systems and applications from January 1, 2014, to May 13, 2014, and were successfully denied. To date, utilizing security best practices, CSLB’s IT security systems have successfully safeguarded CSLB information assets, and no unauthorized attempts to penetrate the system have been successful.

CSLB Firewall Hits – Top 10 Countries



AGENDA ITEM 1-3

Budget Update





CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

❖ Fiscal Year (FY) 2013-14 CSLB Budget and Expenditures

- Through March 31, 2014, CSLB spent or encumbered \$42.6 million, roughly 70 percent of its FY 2013-14 budget. The following chart provides a summary of the FY 2013-14 CSLB budget, along with the expenditures through March 2014:

EXPENDITURE DESCRIPTION	FY 2013-14 FINAL BUDGET	MARCH 2014 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	21,740,723	15,518,081	6,222,642	28.6%
Board Members	15,900	10,100	5,800	36.5%
Temp Help	860,000	423,537	436,463	50.8%
Exam Proctor	41,168	86,131	-44,963	-109.2%
Overtime	146,000	141,334	4,666	3.2%
Staff Benefits	9,604,982	7,034,623	2,570,359	26.8%
TOTALS, PERSONNEL	32,408,773	23,213,806	9,194,967	28.4%
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	20,378,610	15,915,537	4,463,073	21.9%
Exams	435,882	239,514	196,368	45.1%
Enforcement	8,404,238	3,612,572	4,791,666	57.0%
TOTALS, OE&E	29,218,730	19,767,623	9,451,107	32.3%
TOTALS	61,627,503	42,981,429	18,646,074	30.3%
Scheduled Reimbursements	-353,000	-152,023	-200,977	
Unscheduled Reimbursements		-203,258	203,258	
TOTALS, NET REIMBURSEMENTS	61,274,503	42,626,148	18,648,355	30.4%

❖ Revenue

- CSLB received the following revenue amounts through March 31, 2014:

Revenue Category	Through 3/31/2014	Percentage of Revenue	Change from prior year (3/31/2013)*
Duplicate License/Wall Certificate Fees	\$73,455	0.2%	1.3%
New License and Application Fees	\$7,251,479	16.6%	0.9%
License and Registration Renewal Fees	\$32,773,333	75.2%	1.0%
Delinquent Renewal Fees	\$2,318,808	5.3%	16.1%
Interest	\$33,742	0.1%	0.0%
Penalty Assessments	\$1,050,893	2.4%	28.6%
Misc. Revenue	\$84,858	0.2%	0.8%
Total	\$43,586,568	100.00%	2.2%

* Exception is License & Renewals are based on two-year cycle (data is from 3/31/12, a non-peak renewal year).



❖ **CSLB Fund Condition**

- Below is the fund condition for the Contractors' License Fund, which shows the final FY 2012-13 reserve (over \$28 million – approximately six months' reserve), along with the projected reversion amounts for FY 2013-14 through FY 2015-16:

	Final FY 2012-13	Projected CY 2013-14	Projected BY 2014-15	Projected BY+1 2015-16
Beginning Balance	\$26,677	\$28,953	\$25,173	\$19,366
Prior Year Adjustment	\$645	\$0	\$0	\$0
Adjusted Beginning Balance	\$27,322	\$28,953	\$25,173	\$19,366
Revenues and Transfers				
Revenue	\$55,587	\$54,771	\$56,146	\$54,888
Transfer from General Fund				
Totals, Resources	\$82,909	\$83,724	\$81,319	\$74,254
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$53,627	\$58,275	\$61,903	\$62,579
State Controller (State Operations)	\$36	\$3		
Financial Info System Charges	\$293	\$273	\$50	
Total Expenditures	\$53,956	\$58,551	\$61,953	\$62,579
Fund Balance				
Reserve for economic uncertainties	\$28,953	\$25,173	\$19,366	\$11,675
Months in Reserve	5.6	4.9	3.7	2.3

Notes:

- 1) All dollars in thousands.
- 2) Revenue assumes 1% interest earned.
- 3) Assumes expenditure growth projected at 1% starting in FY 2015-16 and then ongoing.
- 4) Assumes Workload and Revenue Projections are realized for FY 2013-14 to 14-15.



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

- Through March 31, 2014, CMEA expended roughly \$6,000 in pro rata charges and awarded around \$91,000 in grant awards. The following chart provides a summary of the FY 2013-14 CMEA budget, along with the expenditures through March 2014:

EXPENDITURE DESCRIPTION	FY 2013-14 BUDGET	MARCH 2014 EXPENSES	BALANCE	% OF BUDGET REMAINING
OPERATING EXPENSES AND EQUIPMENT				
Operating Expenses	15,215	0	15,215	100.0%
Pro Rata	7,785	5,839	1,946	25.0%
TOTALS, OE&E	23,000	5,839	17,161	74.6%
GRANT AWARDS				
Grant Awards	150,000	90,789	59,211	39.5%
TOTALS, GRANT AWARDS	150,000	90,789	59,211	39.5%
TOTALS	173,000	96,628	76,372	44.1%

❖ **CMEA Fund Condition**

- Below is the CMEA fund condition, which shows the final FY 2012-13 reserve (\$165,000 – approximately 15 months’ reserve), along with the projected reversion amounts for FY 2013-14 through FY 2015-16:

	Final FY 2012-13	Projected CY 2013-14	Projected BY 2014-15	Projected BY+1 2015-16
Beginning Balance	\$ 259	\$ 165	\$ 114	\$ 64
Prior Year Adjustment	\$(7)	\$ 0	\$ 0	\$ 0
Adjusted Beginning Balance	\$ 252	\$ 165	\$ 114	\$ 64
Revenues and Transfers				
Revenue	\$48	\$54	\$54	\$54
Totals, Resources	\$ 300	\$ 219	\$ 168	\$ 118
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$14	\$13	\$13	\$13
Local Assistance Grant Disbursements	\$121	\$91	\$91	\$91
13-14 Fi\$cal Assessment		\$1		
Total Expenditures	\$ 135	\$ 105	\$ 104	\$ 104
Fund Balance				
Reserve for economic uncertainties	\$ 165	\$ 114	\$ 64	\$ 14
Months in Reserve	18.9	13.2	7.4	1.6

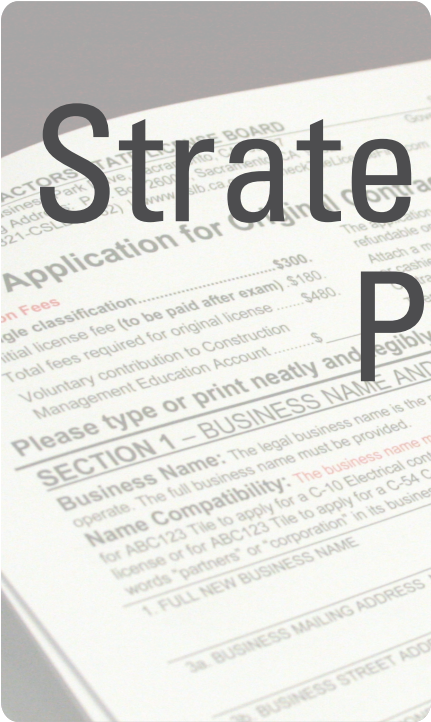
Notes:

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

AGENDA ITEM I-4

Review and Approval of 2014-15 Strategic Plan





Strategic Plan



2014-15

[Looking Ahead]





MEMBERS OF THE BOARD

KEVIN J. ALBANESE, PUBLIC MEMBER

AUGUSTIN BELTRAN, PUBLIC MEMBER

LINDA CLIFFORD, PUBLIC MEMBER

DAVID DIAS, PUBLIC MEMBER

JOAN HANCOCK, CONTRACTOR MEMBER

PASTOR HERRERA JR., PUBLIC MEMBER

ROBERT LAMB, PUBLIC MEMBER

ED LANG, PUBLIC MEMBER

JOHN O'ROURKE, PUBLIC MEMBER

BRUCE RUST, PUBLIC MEMBER

FRANK SCHETTER, CONTRACTOR MEMBER

PAUL SCHIFINO, CONTRACTOR MEMBER

NANCY SPRINGER, PUBLIC MEMBER



EDMUND G. BROWN, JR.
Governor

ANNA M. CABALLERO
Secretary, Business, Consumer Services, and Housing Agency

DENISE D. BROWN
Director, Department of Consumer Affairs

STEPHEN P. SANDS
Registrar, Contractors State License Board

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OVERVIEW

California's construction industry is unique from other states in terms of its breadth, magnitude, and complexity. California has one of the top 10 world economies, and construction continues to be 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.

The responsibility for licensing and regulating California's construction industry belongs to the Contractors State License Board (CSLB).

CSLB was established by the Legislature in 1929 as the Contractors License Bureau, under the Department of Professional and Vocational Standards, to protect the public from irresponsible contractors. In 1935, the mission and duties were placed under the auspices of a seven-member Board. The Board increased to 15 members in 1960. Since 1970, CSLB has been part of the Department of Consumer Affairs.

CSLB's legal and regulatory role has changed since its creation. Initially, applicants were not issued licenses in specific classifications. Instead, applicants simply indicated the type of construction work that would be performed under the license, and the license was issued without examination or experience requirements.

In 1938, the Legislature made it mandatory for contractor license applicants to be examined for competence in their designated field. By 1947, CSLB had been given authority to establish experience standards and to adopt rules and regulations to affect the classification of contractors "in a manner consistent with established usage and procedure as found in the construction business, and... limit[ing] the field and scope of operations of a licensed contractor to those in which he or she is classified and qualified to engage..."



BOARD STRUCTURE AND FUNCTIONS

The 15-member Board is comprised of five contractor members and 10 public members. The public members include one labor representative, one local building



official, and one representative of a statewide senior citizen organization. The governor and state legislature make these appointments.

The Board appoints the Registrar of Contractors, who directs administrative policy for CSLB operations. CSLB currently has five standing committees that perform various functions for the Board.

- **Licensing Committee** – Ensures that all applicants and licensees are qualified to provide construction services
- **Enforcement Committee** – Helps reduce, eliminate, or prevent unlicensed activity and unprofessional conduct that pose a threat to public health, safety, and welfare
- **Public Affairs Committee** – Educates consumers about making informed choices related to construction services, and provides information to licensed contractors so they can improve their technical, management and service skills
- **Legislative Committee** – Ensures that statutes, regulations, policies, and procedures strengthen and support CSLB operations
- **Executive Committee** – Enhances organizational effectiveness and improves the quality of service in all programs

LICENSING CONTRACTORS

CSLB regulates contractors in 43 license classifications and two certifications under which members of the construction industry practice their trades and crafts. As of May 2014, there were about 288,000 licensed contractors (both active and inactive status) in California.

Licenses are categorized into three basic branches of contracting business, as defined by statute and by CSLB rules and regulations:

- **Class “A” General Engineering –**
Infrastructure and similar projects requiring specialized engineering knowledge and skill
- **Class “B” General Building –**
Buildings – housing, commercial, office, etc.
- **Class “C” Specialty –**
Specific trades, such as painters, plumbers, electricians, etc.

CSLB may issue a license to an individual, partnership, corporation, limited liability company, or joint venture. All licenses must have a qualifying individual (also referred to as a “qualifier”). A qualifying individual is the person listed in CSLB records who satisfies the experience and examination requirements for a license.

Depending on the type of license, the qualifying individual must be designated as an owner, responsible managing employee, responsible managing officer, or qualifying partner in the license records. A qualifying individual is required for every classification and on each license issued by CSLB; the same person may serve as the qualifier for more than one classification.

CSLB also registers home improvement salespersons (HIS) who are engaged in the sale of home improvement goods and services. As of May 2014, there were almost 9,600 HIS with an active registration status.

ENFORCING CONTRACTORS STATE LICENSE LAW

CSLB’s responsibility to enforce California’s Contractors State License Law includes 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. In fiscal year (FY) 2012-13, CSLB helped recover nearly \$44 million in ordered restitution for consumers.



CSLB receives complaints from members of the public, licensees and professional groups, governmental agencies, and others concerning all phases of the construction industry. However, the majority of complaints come from owners of residential property involved in remodeling or repair work. In the 2013 calendar year, CSLB opened 17,543 cases, and closed 18,386 complaints.

COMPLAINT PROCESS

CSLB's enforcement process consists of a number of steps through which complaints and/or cases may pass:

- Complaint initiation: Complaint receipt, screening, and mediation to establish jurisdiction and attempt resolution when disciplinary action is not necessary;
- Complaint investigation; Field investigations performed by Enforcement Representatives;
- Arbitration: Resolution of disputes for cases meeting defined criteria;
- Minor cases: issuance of a warning letter for technical violations of law;
- Citations: Issued when public disclosure is warranted and or a material financial injury exists;
- Accusations: Referral of completed investigation reports to the Attorney General's (AG) Office for serious violations that warrant suspension or revocation of a license;
- Criminal Referrals: Cases involving criminal violations referred to local prosecutors for filing of criminal charges;
- Appeal hearings: Evidentiary hearings before an administrative law judge (ALJ) from the Office of Administrative Hearings;
- Proposed Decision: Submission of the ALJ's proposed decision to the Registrar of Contractors for final agency decision; and
- Reconsideration: Request to the Registrar for reconsider of the proposed decision;
- Judicial review: Petition of Writ of Mandate in superior court;

THE UNDERGROUND ECONOMY

California's underground economy has a drastic impact upon law-abiding businesses, consumers and workers. The problem is particularly prevalent in the construction industry, where cheating businesses are able to underbid law-abiding businesses by:

- Failing to obtain required licenses and building permits;
- Failing to pay payroll or other taxes;
- Failing to obtain required workers' compensation insurance;
- Failing to report worker injuries to keep insurance premiums artificially low; and
- Lying on workers' compensation insurance applications to obtain a lower rate.

CSLB estimates that on any given day, tens of thousands of licensed contractors and unlicensed operators are breaking the law and contributing to the state's underground economy.

Since no one state agency has the resources or the information to tackle this enforcement problem alone, state agencies with overlapping jurisdictions in the areas of labor law enforcement have joined forces to make a concerted, consistent, and effective dent in California's underground economy. CSLB is a partner in the Labor Enforcement Task Force (LETF).

LETF, which was launched January 1, 2012, is comprised of investigators from CSLB, the Department of Industrial Relations, Employment Development Department, and Board of Equalization, in collaboration with the Insurance Commissioner and Attorney General's Office. Partners have broadened information-sharing and the use of new enforcement technology to improve the way they target businesses in the underground economy.



UNLICENSED ACTIVITY

CSLB's Statewide Investigative Fraud Team (SWIFT) proactively combats illegal contractors that operate in the underground economy. SWIFT routinely partners with other state and local regulatory and law enforcement agencies to conduct undercover sting and sweep operations, targeting egregious offenders who pose a threat to consumers, employees, businesses, and legitimate licensed contractors.

SIGNIFICANT ACCOMPLISHMENTS OF 2013-2014

Board members develop CSLB's annual strategic plan after reviewing the previous fiscal year's accomplishments. During FY 2013-14, CSLB:

Licensing/Testing

- Established a Veterans Application Assistance Program for those transitioning from military service to civilian employment
- Enabled Renewal/Registration Fee Waiver for Active Military Personnel
- Increased by 17% the number of calls answered by Licensing Information Center staff, with more than 146,000 calls answered in calendar year 2013
- Reduced average wait time for callers to Licensing Information Center seven minutes to 2:13
- Conducted eight occupational analyses and updated eight license exams were updated in calendar year 2013
- Scheduled more than 30,000 license exams at CSLB's eight test centers around California

Enforcement

- Expanded public Works Unit expanded from two to four investigators
- Added nine Peace Officer positions (for a total of 12)
- Lowered consumer complaint cases aged over 270 days to a record average low of 84
- Conducted 84 stings during calendar year 2013, resulting in 773 individuals being issued Notices to Appear in superior court for charges including contracting without a license

- Established partnerships with Employment Development Department (EDD), Franchise Tax Board (FTB), Division of Labor Standards Enforcement (DLSE), and Division of Occupational Safety and Health (DOSH) resulted in the suspension of 553 licenses for outstanding liabilities totaling more than \$37 million. The suspension program resulted in payment of more than \$15 million to allied state agencies.
- Arbitration program rendered 288 awards in calendar year 2013, with \$1,254,767 in restitution ordered for financially injured persons. Forty-five licenses were revoked for failure to comply with an arbitration award.
- Appointment of CSLB's first Deputy Chief of Enforcement

Legislative

- Sponsored Senate Bill 261 (Monning, Chapter 163, Statutes of 2013)
The new law allows CSLB to take administrative action for certain violations related to misuse of a contractor's license. This change enables CSLB to establish a relevant record against licensed and unlicensed individuals who commit these egregious violations.
- Sponsored Senate Bill 262 (Monning, Chapter 180, Statutes of 2013)
The new law provides that failure of a qualifying individual to exercise direct supervision and control of construction operations constitutes grounds for disciplinary action, punishable as a misdemeanor or imprisonment in a county jail, by a fine of \$3,000 - \$5,000, or both. The authority provided by this bill enhances consumer protection and ensures that licensees are fulfilling their supervision requirements.

Public Affairs

- Organized and conducted 76 Senior Scam Stopper seminars during calendar year 2013, with an average attendance of 59. The 300th seminar was held in January 2014.
- Redesigned and worked with Information Technology division to launch new employee-only Intranet site



Information Technology/Administration

- Began disclosing partner agencies' disciplinary actions on CSLB's website
- Implemented new storage and backup solutions for all critical CSLB data, including redundant system in Fresno to prevent loss of critical information in a disaster
- Successfully moved Test Center from Oakland to Berkeley
- Received a prestigious state award for its emphasis on buying from small businesses and disabled veteran business enterprises

PROGRAM PRIORITIES

The Board established the following priorities to direct program activities:

- Focus on early enforcement intervention and high priority (health and safety) complaints.
- Help keep licensees in business and maintain the collection of revenue by keeping renewals and license maintenance current.
- License applicants by reviewing qualifications and criminal background, and administering legal and effective examinations.
- Educate consumers about their rights and responsibilities, and empower consumers with methods to protect themselves.
- Stress early intervention and resolution of reactive complaints, and refer minor complaints to small claims court.
- Provide services through the Licensing Information Center (call center) and public counters.
- Ensure that Administrative Services and Information Technology divisions provide the support necessary to maintain unit operations.

CSLB IN THE YEAR 2020

CSLB has adopted and aims to establish the following vision by 2020:

Licensing/Call Center and Testing

- Electronic/paperless application, renewal and license management processes
- Fully automated bond and workers' compensation insurance submission processes
- Majority of all communication with applicants and licensees via email
- Virtual call center with chat ability
- Email Unit
- State-of-the-art security technology in testing centers

Enforcement

- System for purchasing new vehicles that utilizes the latest technology, including GPS and Bluetooth
- Improved, direct communication between CSLB headquarters and field offices including video conferencing, online training, etc.
- Improved CSLB presence throughout the state with more small field offices
- Staff access to new communication equipment
- Staffed in-house training program
- Pay differentials and adjustments for staff in high-cost areas of state
- Utilization of state-of-the-art audio/video equipment



Public Affairs

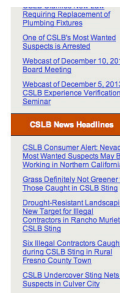
- State-of-the-art audio/video studio to communicate directly with media/ stakeholders
- State-of-the-art social network communications
- Ability to quickly look up license information with smartphones through QR codes or other technology
- Ability to attend/participate in conferences (both inside and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

Administration and IT

- VDI (Virtual Desktop)
- Hiring and retention plan for IT staff
- Enhanced Tele-Work/Telecommuting in a Virtual Environment
- Supervisors provided with real-time snapshot of work in progress
- Automation of all internal services using state-of-the-art technology
- Develop Email Alert system for licensees



CSLB LIVE Web Stream: Quarterly Board Meeting
Wednesday, February 19, 2014



CSLB ENFORCEMENT PRIORITIZATION

	Elder Abuse	Predatory Criminal Acts	Disaster Response	Workmanship Complaints	Health and Safety Complaints	Misuse of a License Number	Unlicensed Practice	Failure to Obtain a Permit	Workers' Compensation Insurance	Working out of Classification	Electrician Certification	Advertising Violations
Elected Officials												
District Attorneys												
Consumers												
Contractors												
State and Local Government												
Industry Associations												
Media Referrals												
Employees												
Building Officials												
Local Volunteer Groups												
Proactive Enforcement												
Anonymous Tips												

Higher Priority

Lower Priority



MISSION

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

VISION

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

VALUES

CSLB provides the highest quality throughout its programs by:

- Being responsive and treating all consumers and contractors fairly;
- Focusing on prevention and providing educational information to consumers and contractors;
- Embracing technology and innovative methods to provide services; and
- Supporting a team concept and the professional development of staff.

GOALS AND OBJECTIVES

CSLB has identified the following objectives to help meet its goals. These objectives are assigned with a priority status of: (E) Essential, (I) Important or (B) Beneficial.

GOAL 1: LICENSING AND TESTING

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

1.1	Increase hi-tech security monitoring in testing centers (I)	December 2014
1.2	Establish task force to analyze application process and reduce rejection rates (I)	January 2015
1.3	Develop and apply consistent application evaluation criteria (E)	July 2015
1.4	Develop online smart application package to reduce application decline rates (I)	January 2016
1.5	Fully automate bonds and workers' compensation insurance submission processes (I)	January 2016
1.6	Implement online licensure tool for credit card payment (B)	January 2016

GOAL 2: ENFORCEMENT

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

2.1	Establish enforcement strategy to address predatory service and repair scams (E)	July 2014
2.2	Update Industry Expert Training Program (I)	October 2014



2.3	Automate official educational letter to consumers who repeatedly hire unlicensed operators (B)	November 2014
2.4	Establish RMO/Application Waiver Task Force to identify issues and make enforcement strategy recommendations (E)	December 2014
2.5	Create Peace Officer Special Investigations Unit (I)	December 2014
2.6	Implement Peace Officer Training Curriculum (I)	December 2014
2.7	Provide for the disclosure of partnering agencies' administrative actions section on CSLB website (B)	December 2014
2.8	Partner with Public Affairs Office (PAO) and California Energy to create an energy efficiency campaign (B)	January 2015

GOAL 3: PUBLIC AFFAIRS

Educate consumers about how to make informed choices related to construction services, and provide information to licensed contractors so they can improve their technical management and service skills.

3.1	Establish outreach strategy to address predatory service and repair scams (E)	August 2014
3.2	Complete flagship consumer publication (E)	September 2014
3.3	Complete flagship contractor publication (E)	December 2014
3.4	Work with Information Technology (IT) Division to determine feasibility of developing opt-in "Find a Contractor" Web feature (B)	December 2014
3.5	Work with Information Technology (IT) Division to determine feasibility/need to update pocket license cards (B)	December 2014
3.6	Determine feasibility of developing system to send licensees renewal information and updates via text and email (B)	December 2014

3.7	Explore feasibility of obtaining a contract for advertising services to enhance media outreach opportunities (B)	December 2014
3.8	Develop contractor bid presentation kit (B)	March 2014
3.9	Develop CSLB style guide and brand standards manual (B)	March 2014

GOAL 4: LEGISLATION

Ensure that statutes, regulations, polices, and procedures strengthen and support CSLB operations.

4.1	Prepare and submit Sunset Review Report to California legislature (E)	November 2014
4.2	Provide end-of-year training for staff on new laws that will take effect the next year (B)	December 2014
4.3	Pursue legislation to allow CSLB enforcement representatives to investigate active job sites (E)	January 2015
4.4	Pursue legislation to increase amount of surety bond to reflect homeowner risk (I)	December 2015
4.5	Review CSLB's laws and rules (B)	Ongoing

GOAL 5: IT AND ADMINISTRATION

Enhance organizational effectiveness, and improve the quality of service in all programs.

5.1	Request additional staff in Case Management (Citation Program) through the Budget Change Proposal (BCP) process to meet operational demands (E)	July 2015
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5.2	Request additional Statewide Investigative Fraud Team (SWIFT) staff in remote locations through the Budget Change Proposal (BCP) process to meet operational demands (E)	July 2015
5.3	Request additional staff for the Public Works Program through the Budget Change Proposal (BCP) process to meet operational demands (E)	July 2015
5.4	Implement State Contractor Official Regulatory Exam (SCORE) 2.0 computer testing system to improve security and make exams more user-friendly (I)	December 2015
5.5	Prepare CSLB for implementation of BreEZe by actively working with Department of Consumer Affairs BreEZe team (E)	January 2017



CONTRACTORS STATE LICENSE BOARD

P.O. Box 26000
9821 Business Park Drive
Sacramento, CA 95826-0026
800.321.CSLB (2752)

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



AGENDA ITEM I-5

Election of Board Officers



Chapter 4. Selection of Officers & Committees

Officers of the Board

(B&P Code Section 7005)

The Board shall elect from its members a Chair, a Vice Chair, and a Secretary to hold office for one year or until their successors are duly elected and qualified.

Nomination of Officers

(Board Policy)

The Board Chair shall appoint a Nominations Committee prior to the last meeting of the fiscal year and shall give consideration to appointing a public and a professional member of the Board to the Committee. The Committee's charge will be to recommend a slate of officers for the following year. The Committee's recommendation will be based on the qualifications, recommendations, and interest expressed by the Board members. A survey of Board members may be conducted to obtain interest in each officer position. A Nominations Committee member is not precluded from running for an officer position. If more than one Board member is interested in an officer position, the Nominations Committee will make a recommendation to the Board and others will be included on the ballot for a runoff if they desire. The results of the Nominations Committee's findings and recommendations will be provided to the Board members. Notwithstanding the Nominations Committee's recommendations, Board members may be nominated from the floor at the meeting.

Election of Officers

(B&P Code Section 7005)

The Board shall elect the officers at the last meeting of the fiscal year. Officers shall serve a term of one year, beginning July 1 of the next fiscal year. All officers may be elected on one motion or ballot as a slate of officers unless more than one Board member is running per office. An officer may be re-elected and serve for more than one term.

Officer Vacancies

(Board Policy)

If an office becomes vacant during the year, an election shall be held at the next meeting. If the office of the Chair becomes vacant, the Vice Chair shall assume the office of the Chair. Elected officers shall then serve the remainder of the term.

Committee Appointments

(Board Policy)

The Chair shall establish committees, whether standing or special, as he or she deems necessary. The composition of the committees and the appointment of the members shall be determined by the Board Chair in consultation with the Vice Chair, Secretary, and the Registrar. When committees include the appointment of non-Board members, all impacted parties should be considered.

Attendance at Committee Meetings

(Board Policy)

If a Board member wishes to attend a committee meeting of which he or she is not a member, the Board member shall obtain permission to attend from the Board Chair and shall notify the committee chair and staff. Board members who are not members of the committee that is meeting cannot vote during the committee meeting. If there is a quorum of the Board at a committee meeting, Board members who are not members of the committee must sit in the audience and cannot participate in committee deliberations.

Participation at Committee Meetings

(Government Code Section 11122.5 et seq.)

When a majority of the members of the Board are in attendance at an open and noticed meeting of a standing committee, members of the Board who are not members of the standing committee may attend only as observers. Board members who are not members of a committee where a majority of the members of the Board are present, can not ask questions, talk, or sit with the members of the committee at the meeting table.

AGENDA ITEM J

Review of Tentative Schedule

Following is a list of Board meetings scheduled for 2014:

September 23Monterey



AGENDA ITEM K

Adjournment



JUNE 6, 2014
NEWPORT BEACH, 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

KEVIN J. ALBANESE

AGUSTIN BELTRAN

LINDA CLIFFORD

DAVID DIAS

JOAN HANCOCK

PASTOR HERRERA JR.

ROBERT LAMB

ED LANG

JOHN O'ROURKE

BRUCE RUST

FRANK SCHETTER

PAUL SCHIFINO

NANCY SPRINGER



AGENDA ITEM B

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 C

Discussion with Nevada State Contractors Board





California and Nevada Partner on “Border Blitz” Sting in Tahoe Area

CSLB and the Nevada State Contractors Board (NSCB) conducted their third annual concurrent enforcement operation on April 30, 2014, sending 11 people to court in El Dorado County and eight in Douglas County, Nevada. The El Dorado County District Attorney’s Office also participated in the sting. Of the eight suspects caught in Nevada, three are licensed contractors in California.

Investigators posed as homeowners seeking bids for various projects that included exterior painting, deck work, landscaping, and other general building trades. The stings were conducted on the California side at a single-family home in South Lake Tahoe, near the Highway 50 and 89 junctions, and at a condominium in Stateline, Nevada.

As part of the cooperative effort between both Boards, a SWIFT investigator was at the Nevada sting, while a Nevada counterpart was an observer at the South Lake Tahoe operation. An investigator with the El Dorado County District Attorney assisted with the California-side sting.



A suspected unlicensed contractor, left, is cited at a CSLB sting site in South Lake Tahoe.

Those giving bids in California were issued Notices to Appear (NTA) in El Dorado County Superior Court’s South Lake Tahoe branch. The eight Nevada suspects are scheduled to answer criminal charges in a Lake Tahoe, Nevada, Justice Court. All 11 suspects in California face misdemeanor charges of contracting without a license. Nine of the 11 also were cited on a misdemeanor charge of illegal advertising. The eight suspects caught in Nevada were cited for contracting without a license, and seven face an additional charge of advertising without a license.

One of the 11 suspects caught in the sting in El Dorado County was Juvenal Loayza-Baca. Loayza-Baca was very familiar with one of the ERs, since she had previously cited him. The ER thought this sting operation would be the perfect time to invite Loayza-Baca to provide a bid, and had a partner set up the appointment. When Loayza-Baca arrived at the sting house, he offered a bid of \$3,000. After he was detained, he was greeted by the ER in the holding room.

AGENDA ITEM D

Adjournment

