

FEBRUARY 20, 2015
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Legislative and
Enforcement
Committee Meetings



**CONTRACTORS STATE LICENSE BOARD**

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STATE OF CALIFORNIA

Governor Edmund G. Brown Jr.

NOTICE OF LEGISLATIVE AND ENFORCEMENT COMMITTEE MEETING

The Contractors State License Board (CSLB) will hold a Legislative Committee meeting and Enforcement Committee meeting, with a teleconference location, at 9:30 a.m. on Friday, February 20, 2015.

The meeting will be held at:

CSLB Headquarters

John C. Hall Hearing Room
9821 Business Park Drive
Sacramento, CA 95827

Teleconference Location

134 West 168th Street
Gardena, CA 90248

There will be a live webcast of the meetings. 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 meetings may be canceled without notice. For verification of the meetings, call (916) 255-4000 or access CSLB's 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.

TELECONFERENCE NOTICE (pursuant to Government Code section 11123(b)): One or more Board members may participate in this meeting via teleconference for the benefit of the Board. The public teleconference site(s) are as noticed in this agenda.

The meeting is open and the public is invited to attend. Meetings are accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by calling (916) 255-4000 or by sending a written request to the CSLB Executive Office, 9821 Business Park Drive, Sacramento, CA 95827. Providing your request at least five (5) business days prior to the meeting will help ensure accommodation of the request.

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

Legislative Committee Agenda

9:30 a.m.

Legislative Committee Members

Joan Hancock, Chair; Agustin Beltran; Linda Clifford; Paul Schifino; Nancy Springer

- A. Call to Order – Chair's Remarks
- B. Public Comment Session
- C. Update on Sunset Review
- D. Update on and Consideration of 2015 Legislative Proposals

1. Amendment to Business and Professions Code Section 7011.4 – Notice to Appear Authority
 2. Amendment to Business and Professions Code Section 7028.6 – Authority to Issue Citations – Collection of Additional Information
 3. Amendment to Business and Professions Code Section 7083 – Notification by Licensees of Change in Recorded Information
 4. Amendment to Add Business and Professions Code Section 7103.5 – Effect of Disciplinary Action by Division of Labor Standards Enforcement
 5. Amendment to Business and Professions Code Section 7137 – Fee Schedule
 6. Amendment to Business and Professions Code Sections 7152, 7153, 7153.2, 7153.3, 7154, 7155.5 and 7156 – Home Improvement Salesperson Registration
- E. Adjournment

Enforcement Committee Meeting
Immediately Follows Legislative Committee Meeting

Enforcement Committee Members

Bob Lamb, Chair; Kevin J. Albanese; Pastor Herrera; John O'Rourke; Frank Schetter

- A. Call to Order – Chair's Remarks
- B. Public Comment Section
- C. Recognition of Enforcement Partners
- D. Enforcement Program Update
- E. Review and Discussion of CSLB Partnering with Other State Agencies
- F. Review and Consideration of Establishing Operational Agreements with Building Departments
- G. Special Investigation Unit Update
- H. Adjournment

FEBRUARY 20, 2015
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Legislative
Committee Meeting



AGENDA ITEM A

Call to Order – Chair’s Remarks

Roll is called by the Committee Chair.

LEGISLATIVE COMMITTEE MEMBERS:

JOAN HANCOCK, CHAIR

AGUSTIN BELTRAN

LINDA CLIFFORD

PAUL SCHIFINO

NANCY SPRINGER

Committee Chair Joan Hancock will review the scheduled Committee actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session

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



AGENDA ITEM C

Update on Sunset Review



AGENDA ITEM D

Update on the Consideration of 2015 Legislative Proposals



AGENDA ITEM D-1

Amendment to Business and Professions Code Section 7011.4– Notice to Appear Authority



CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

SUBJECT: Enforcement of Licensing Provisions

PROBLEM/SUMMARY:

California's Business and Professions (B&P) Code, Chapter 9, Articles 1 through 9, known as the *Contractors' State License Law*, provides the Contractors State License Board (CSLB) with the authority to license and regulate all forms of construction activity in the State of California.

B&P Code section 7011.4 establishes a separate enforcement division (Statewide Investigative Fraud Team - SWIFT), which shall rigorously enforce laws prohibiting all forms of unlicensed activity. CSLB Enforcement Representatives (ER) assigned to SWIFT investigate active construction sites for license and workers' compensation insurance compliance and conduct undercover sting operations targeting unlicensed and uninsured contractors.

Pursuant to B&P Code section 7028(a) it is a misdemeanor for a person to engage in the business or act in the capacity of a contractor without having a license.

Further, Labor Code section 3700.5 (a) states that the failure to secure the payment of compensation by one who knew, or because of his or her knowledge or experience should have reasonably expected to have known, of the obligation to secure this payment of compensation is a misdemeanor and punishable by county jail, or fine, or both.

B&P Code section 7011.4 provides authority for non-sworn ERs to issue a written notice to appear (NTA) in court for unlicensed practice, but not for failure to secure workers' compensation insurance. An NTA is an order by the court mandating an individual's presence at a hearing, on a specified date, to answer to wrongdoings of misdemeanor crimes.

PROPOSED CHANGE (Include the Related Sections of Law):

The Contractors State License Board requests to amend B&P Code section 7011.4, "*Enforcement of Licensing Provisions.*" The modification will clearly state that CSLB Enforcement Representatives, with designated authority from the Director of Consumer Affairs, may issue an NTA for unlicensed activity pursuant to B&P Code section 7028, and failure to secure workers' compensation insurance pursuant to Section 3700.5 of the Labor Code.

PROPOSED LANGUAGE:

Modify B&P Code section 7011.4 subsection (a) to include the following language:

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 and ensuring payment of worker's compensation insurance, as required by Labor Code Section 3700.5.

(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.

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL ANALYSIS

Subject: Enforcement of Licensing Provisions

Relevant Provisions: Business and Professions Code section 7011.4

Summary: This proposal will expand the authority of Enforcement Representatives (ERs) to issue a written notice to appear (NTA) for failure to secure workers' compensation insurance.

Staff Comments:

An NTA is a court order mandating an individual's presence at a hearing, on a specified date, to answer to wrongdoings of misdemeanor crimes.

Under existing law, ERs with the Contractors State License Board (CSLB) have the authority to issue a written NTA.

This proposal would expand the jurisdiction of the Enforcement division to include ensuring payment of compensation that may become due to an injured employee. The proposed language does not reference a specific section of the law, but is similar to that in Labor Code (LC) section 3700.5, regarding workers' compensation (WC) insurance requirements.

According to the Enforcement division, under existing law, staff cannot add an LC section 3700.5 violation for failure to carry workers' compensation to the NTA; therefore, staff must include this violation in a supplemental report along with the NTA. The ability to include the Section 3700.5 violation on the NTA could streamline the district attorney (DA) referral process. CSLB estimates that 20 percent of the NTAs issued for unlicensed practice will include the Section 3700.5 violation (misdemeanor charges filed with the DA for unlicensed activity and no WC policy).

The Department of Industrial Relations' Division of Labor Standards Enforcement (DSLE) issues citations for failure to carry workers' compensation insurance, however, it does not file the LC section 3700.5 violations with the DA; DSLE takes administrative action, whereas CSLB files criminal charges with the DA. The Department of Insurance also takes action against employers for WC violations, but only against those that have WC policies (premium fraud issues), whereas DSLE and CSLB take action for not having a WC policy.

DSLE has sole authority to cite for wage violations.

ERs currently list these violations in their written reports, and DA's determine what charges are filed. This proposal does not significantly change existing practice, as WC violations can be noted in the written reports.

Unlicensed contractors are likely violating other wage and tax laws, but this proposal provides specific authority for ERs to cite for WC violations only.

Date: October 15, 2014

AGENDA ITEM D-2

Amendment to Business and Professions Code Section 7028.6— Authority to Issue Citations— Collection of Additional Information



CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

SUBJECT: Authority to Issue Citations – Collection of Additional Information

PROBLEM/SUMMARY:

Under existing law, the Contractors State License Board (CSLB) can collect Social Security numbers (SSN) from licensees, but does not have the authority to collect Social Security numbers from individuals who contract without a license.

As a result of enforcement activity, particularly undercover sting operations, CSLB issues citations, often with a fine, to unlicensed individuals. However, since these individuals are not licensed, CSLB has limited ability to enforce the citation and fine. Consequently, the compliance rate for non-licensees is significantly lower than that for licensees. In 2013, CSLB issued 1,139 citations to licensees, and 662 complied. During that same year, CSLB issued 822 citations to non-licensees, and 363 complied.

PROPOSED CHANGE (Include the Related Sections of Law):

This proposal would provide CSLB the authority to collect SSNs from non-licensees for the purpose of pursuing payment of a fine.

PROPOSED LANGUAGE:

Amend Business and Professions Code section 7028.6 as follows:

- (a) The Registrar of Contractors is hereby empowered to issue citations containing orders of abatement and civil penalties against persons acting in the capacity of or engaging in the business of a contractor within this state without having a license in good standing to so act or engage.
- (b) The Registrar is authorized to collect and record a social security number or taxpayer identification number from a person that is cited. The social security number or taxpayer identification number shall be used only for the purposes of ensuring payment of a civil penalty assessed and compliance with any order of abatement associated with a citation issued pursuant to this section. The Registrar shall take those actions reasonably necessary to prevent the inadvertent or willful disclosure of a social security number. Notwithstanding Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code, the social security number, taxpayer identification number and federal employer identification number furnished pursuant to this section shall not be deemed to be a public record and shall not be open to the public for inspection.

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE PROPOSAL ANALYSIS**

Subject: Authority to Issue Citations – Collection of Additional Information

Relevant Provisions: Business and Professions Code section 7028.6

Summary:

This proposal would allow the Contractors State License Board (CSLB) to collect a Social Security number (SSN) from an individual contracting without a license.

This authority would pertain primarily to individuals identified during an undercover sting operation.

Staff Comments:

This new authority would improve CSLB's ability to collect fines from unlicensed individuals. CSLB participates in the Franchise Tax Board's Intercept Collection Program to assist in the collection of fines from licensees. This program intercepts refunds (including unclaimed state property and lottery winnings) when individuals have delinquent debts to government agencies.

When the Legislative Committee reviewed this proposal, the language specified collection of a Social Security number. The Committee heard public comment recommending that a taxpayer identification number be included. The proposal now reflects this suggestion.

According to the Enforcement division, historically, enforcement staff requested SSNs from unlicensed individuals, but could not refer cases to the Franchise Tax Board for collection because the Attorney General's office does not believe that CSLB is authorized to collect this information. Enforcement also notes that the authority to collect SSNs will assist CSLB in regard to targets identified in sweeps, since they receive an administrative citation rather than a notice to appear in court.

To seek recovery of a debt through the Intercept Collection Program, CSLB must submit a SSN, and with the authority to collect that information from unlicensed individuals CSLB could more likely collect unpaid fines through fuller participation in the program. One of the requirements to participate in the Intercept Collection Program involves at least a 30-day notification to an individual with an unpaid debt to allow that person time to dispute or settle the debt.

This proposal could improve the collection rate for citations against unlicensed contractors and, potentially, act as a greater deterrent to engaging in unlicensed activity.

Date: November 12, 2014

AGENDA ITEM D-3

Amendment to Business and Professions Code Section 7083– Notification by Licensees of Change in Recorded Information



CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

SUBJECT: Notification by Licensees of Changes in Recorded Information

PROBLEM/SUMMARY:

Business and Professions Code (B&P) sections 136 and 7083 conflict as to the required timeframe for a licensee to report an address change. The Sections currently read as follows:

B&P Code section 136.

(a) Each person holding a license, certificate, registration, permit, or other authority to engage in a profession or occupation issued by a board within the department shall notify the issuing board at its principal office of any change in his or her mailing address within 30 days after the change, unless the board has specified by regulations a shorter time period.

(b) Except as otherwise provided by law, failure of a licentiate to comply with the requirement in subdivision (a) constitutes grounds for the issuance of a citation and administrative fine, if the board has the authority to issue citations and administrative fines.

(Added by Stats. 1994, Ch. 26, Sec. 7. Effective March 30, 1994.)

B&P Code section 7083.

All licensees shall notify the registrar, on a form prescribed by the registrar, in writing within 90 days of any change to information recorded under this chapter. This notification requirement shall include, but not be limited to, changes in business address, personnel, business name, qualifying individual bond exemption pursuant to Section 7071.9, or exemption to qualify multiple licenses pursuant to Section 7068.1.

Failure of the licensee to notify the registrar of any change to information within 90 days shall cause the change to be effective the date the written notification is received at the board's headquarters office.

Failure to notify the registrar of the changes within the 90 days is grounds for disciplinary action.

Last modified: March 17, 2014

PROPOSED CHANGE (Include the Related Sections of Law):

B&P Code section 136.

(a) Each person holding a license, certificate, registration, permit, or other authority to engage in a profession or occupation issued by a board within the department shall notify the issuing board at its principal office of any change in his or her mailing address within 30 days after the change, unless the board has specified by regulations a ~~shorter~~ different time period.

PROPOSED LANGUAGE:

Staff Alternative:

B&P 7083.

Notwithstanding any other provision of law, All licensees shall notify the registrar, on a form prescribed by the registrar, in writing within 90 days of any change to information recorded under this chapter. This notification requirement shall include, but not be limited to, changes in business address, personnel, business name, qualifying individual bond exemption pursuant to Section 7071.9, or exemption to qualify multiple licenses pursuant to Section 7068.1.

Failure of the licensee to notify the registrar of any change to information within 90 days shall cause the change to be effective the date the written notification is received at the board's headquarters office.

Failure to notify the registrar of the changes within the 90 days is grounds for disciplinary action.

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE PROPOSAL ANALYSIS**

Subject: Notification by Licensees of Changes in Recorded Information

Relevant Provisions: Business and Professions (B&P) Code sections 136 and 7083

Summary:

B&P Code section 136 is a general provision that applies to all Department of Consumer Affairs boards. It requires each licensee to notify the board of an address change within 30 days, unless the board, by regulation, specifies a shorter time.

B&P Code section 7083, in the Contractors' State License Law (CSLL), requires a licensee to notify the Registrar of an address change within 90 days.

Staff Comments:

As these two sections establish different time periods for reporting, one of the provisions should be amended to eliminate any potential confusion.

Staff recommends amending the section within the CSLL, rather than the provision that applies to all DCA boards.

Suggested amendment:

B&P Code section 7083.

Notwithstanding any other provision of law, All licensees shall notify the registrar, on a form prescribed by the registrar, in writing within 90 days of any change to information recorded under this chapter. This notification requirement shall include, but not be limited to, changes in business address, personnel, business name, qualifying individual bond exemption pursuant to Section 7071.9, or exemption to qualify multiple licenses pursuant to Section 7068.1.

Failure of the licensee to notify the registrar of any change to information within 90 days shall cause the change to be effective the date the written notification is received at the board's headquarters office.

Failure to notify the registrar of the changes within the 90 days is grounds for disciplinary action.

Date: October 15, 2014

AGENDA ITEM D-4

Amendment to Add Business and Professions Code Section 7103.5— Effect of Disciplinary Action by Division of Labor Standards Enforcement



CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

SUBJECT: Violation of Prevailing Wage Requirement

ISSUE: At the December 11, 2014, Board meeting staff presented this proposal to add Business & Professions (B&P) Code section 7103.5 to permit the Contractors State License Board (CSLB) to use a certified copy of the final order of a Civil Wage and Penalty Assessment (CWPA) issued by the Division of Labor Standards Enforcement (DLSE) as conclusive evidence to take disciplinary action against a contractor's license.

BACKGROUND: At the Board meeting, some members expressed concern with this proposal. Specifically, there was concern that a CWPA can be issued over a very minor pay differential, and that the proposed language should be limited to serious or egregious violations of prevailing wage law. There was also concern that this proposal provides new enforcement authority outside of CSLB's mission. The Board appointed two members, Kevin Albanese and Agustin Beltran, to work with staff to further refine the proposal.

Staff did revise the language to limit its application to serious violations. However, the new language did not completely address the issues raised at the December Board meeting. It also raised new issues for staff to consider, such as whether or not CSLB should, under its existing authority, suspend licenses that have a CWPA.

PROBLEM/SUMMARY:

The Labor Commissioner's Office, also known as DLSE, adjudicates wage claims, investigates discrimination and public works complaints, and enforces Labor Code statutes and Industrial Welfare Commission orders.

With regard to a Public Work Contract, the awarding agency grants the contract to a licensed contractor who is expected to pay workers the prevailing wage. In government contracting, a prevailing wage is defined as the hourly wage, usual benefits, and overtime, paid to the majority of workers, laborers, and mechanics within a particular region. Regulatory agencies establish a prevailing wage for each trade and occupation employed in the performance of public work, as well as by State Departments of Labor, or their equivalents.

When DLSE determines that a contractor and/or subcontractor has not paid the prevailing wage to employees, thereby violating the California Labor Code, the Labor Commissioner can issue a Civil Wage and Penalty Assessment pursuant to Labor Code section 1741.

To protect the public from unscrupulous contractors that disregard the law, CSLB seeks authority to discipline licensed contractors based on a CWPA final order. Presently, Contractors State License Law permits CSLB to take action against a license following the substantiation of a willful or deliberate disregard of the Labor Code, pursuant to B&P Code section 7110.5. However, this statute does not provide the California Attorney

General's Office authority to pursue administrative action against a contractor's license when a CWPA becomes a final order since a CWPA does not establish a willful or deliberate violation of the Labor Code. In addition, the underlining facts that may prove a willful or deliberate disregard of the Labor Code have often occurred prior to the four year statute of limitations during which CSLB is permitted to take action against the license. Beyond this, even if the statute of limitations is not problematic, proving the elements of such a case requires specialized knowledge of the extensive labor laws, which is outside CSLB's scope.

STAFF RECOMMENDATION:

Staff recommends that the Board not pursue this legislative proposal this year. Instead, direct staff to pursue the following recommendations:

1. Suspend Licenses Pursuant to Business and Professions Code section 7145.5 for Outstanding CWPA's – *Failure to resolve outstanding liabilities as grounds for refusal to renew a license.* Staff believes that CSLB has the authority, under B&P Code section 7145.5, to suspend licenses for failure to comply with a CWPA. If so, the Licensing suspension program will serve as a viable avenue to suspend licenses for unresolved CWPA's and to provide public disclosure. CSLB does not have the ability to suspend licenses if the contractor discharges the debt in bankruptcy. Staff will meet with Licensing Division management to discuss this option further.

2. Amend the Application for Licensure to Require Disclosure of Outstanding Labor and/or Tax Liability

Currently, applicants for a license are only required to disclose an outstanding construction-related liability that has become an official judgment. Staff will consult with Legal Counsel to determine if B&P Code section 7145.5 provides authority for the Registrar to disclose an assessed Labor liability, such as a CWPA, that is not an official judgment.

3. Revise the Existing Memorandum of Understanding (MOU) with DLSE

CSLB will request to meet with Labor Commissioner staff to revise the existing MOU to provide for the early identification of contractors engaged in egregious prevailing wage violations that warrant formal CSLB disciplinary action. Such a revision will provide CSLB the ability to take timely action against egregious offenders when they have failed to provide certified payroll records, as required, and/or issued fraudulent checks to employees.

4. Monitor Two "Test" Accusations

Deputy Attorney General Rosie Perez has agreed to take two appealed prevailing wage accusations to hearing. Staff anticipates that the resulting Administrative Law Decision will assist in determining the need for legislation. The two test cases are:

- a. Williams Masonry – Charged with violating B&P §7113 (failure to complete a job for the contract price) as a result of a CWPA that was satisfied by the prime contractor, Devcon, in the amount of \$34,550.42.
- b. Precision Tile & Granite – Charged with violating B&P §7116 (willful or fraudulent act injuring another) and Labor Code 1776 (failure to keep

accurate payroll records under penalty of perjury) for submitting fraudulent Certified Payroll Records and issuing fraudulent duplicate checks to employees in order to evade paying the prevailing wages as set forth by the City of San Jose.

ORIGINAL PROPOSED LANGUAGE:

Add the following new section:

§ 7103.5 – Violation of Prevailing Wage Requirements

The issuance of a final Civil Wage and Penalty Assessment by the Labor Commissioner to a licensee shall constitute a cause for disciplinary action.

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL ANALYSIS

Subject: Effect of Disciplinary Action by the Division of Labor Standards Enforcement

Relevant Provisions: Business and Professions (B&P) Code section 7103.5

Summary:

This proposal would add a new B&P section to specifically authorize the Contractors State License Board (CSLB) to take disciplinary action against a licensee based on a final disciplinary action taken by the Division of Labor Standards Enforcement (DLSE).

Staff Comments:

Existing B&P Code section 7103 contains similar language to that which is proposed, which allows CSLB to take disciplinary action against a license based on disciplinary action taken in another state. Added in 1994 (AB 3302, Speier, Chapter 1135), this legislation stemmed from two 1993 sunset review hearings of CSLB. The analysis of that bill stated:

Through some of the cases presented to this committee in the CSLB hearings, it was learned that many consumers had recurring problems with contractors whose out of state licenses were suspended or revoked. The author believes that when a contractor commits a violation in another state that results in disciplinary action against that out of state license, the contractor should not be permitted to move to this state and begin "ripping off" Californians. This bill allows the CSLB to take action against a license based on the disciplinary actions taken in another state.

This proposal seeks to expand that authority to include actions taken by DLSE. This would affect contractors involved in public works projects who face disciplinary action from DLSE for a violation of prevailing wage requirements.

According to the CSLB Enforcement division, DLSE receives thousands of complaints from unpaid workers each year, many of whom were employed by licensees. Construction contractors are required to pay workers on public works projects the prevailing wage, and failure to do so can result in the issuance of a Civil Wage and Penalty Assessments (CWPA). The majority of CWPAs are resolved when the licensee pays monies owed to workers, and no further action is warranted. Unfortunately, some licensees do not pay workers what they are owed or mitigate potential discipline by filing for bankruptcy. This legislation addresses those licensees who fail to comply with the CWPAs when they discharge their debt through bankruptcy.

When a licensee does not pay monies owed to workers, DLSE confirms the CWPA as a judgment in civil court. CSLB routinely suspends licenses for outstanding liabilities and can link to the public disclosure on DLSE's website.

But under current law, to impose discipline, CSLB must establish a deliberate disregard and violation of a labor law. DLSE action does not meet this requirement. CSLB is seeking legislation that authorizes discipline against licensees that commit egregious public works payroll violations and do not take steps to mitigate the violation.

If chaptered, the legislation will allow CSLB to discipline licensees under the same evidence requirements that apply when another state takes an action against a contractor – B&P Code section 7103. For example, it will allow CSLB to take an administrative action based on DLSE's discipline.

This proposed language is permissive, rather than mandatory, so it will not impose a significant workload. Staff estimates an additional 10 to 20 cases per year. CSLB will only take action based on a final determination by DLSE.

Date: November 12, 2014

AGENDA ITEM D-5

Amendment to Business and Professions Code Section 7137– Fee Schedule



CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

SUBJECT: (1) Officer/Personnel Change Fee; (2) Additional Classification and Replacing the Qualifier Application Fee; (3) Application Priority Processing Fee

PROBLEM/SUMMARY:

1. Officer/Personnel Change Fee

Contractor licenses are issued to sole owners, partnerships, corporations, limited liability companies (LLC), and joint ventures. Of these business types, partnerships, corporations, and LLCs can change the officers/personnel on their license. When licensees change their personnel they are required by law, pursuant to Business and Professions Code (B&P) section 7083, to notify CSLB.

In the past, processing applications for changes in personnel was relatively simple and involved verifying that the application was complete and that the new personnel were eligible for licensure. However, in recent years, processing these applications has become significantly more complex.

Since CSLB began fingerprinting applicants for licensure in 2005, processing applications for personnel changes includes fingerprinting and criminal background reviews. This additional licensing requirement adds significant staff time to review and analyze conviction documentation and can lead to the denial of a personnel change application because of a criminal conviction.

In addition, CSLB began licensing LLCs in 2012, which are subject to bond, insurance, and personnel provisions that do not apply to other business entities. When processing a personnel change application for an LLC, the technician must ensure that these other requirements, which can change based on the number of personnel on the license, still are adequately met.

CSLB does not currently charge a fee to process applications to change personnel on a license, nor does it have the legal authority to do so. CSLB cannot continue this work without charging a fee due to the additional staff resources involved in processing applications for personnel changes. Based on a workload analysis of the time it takes to process such an application, an appropriate application fee would be no more than one hundred fifty dollars (\$150).

2. Additional Classification and Replacing the Qualifier Application Fee

Existing licensees can apply to add additional classifications to their license or to replace the qualifying individual on their license.

The processing time for an application to add a classification is comparable to that of an application for an original license: verification of the qualifying individual's experience in

the particular classification, and he or she must pass the trade examination for that classification. In addition, any related business name changes must be reviewed and deemed acceptable. An original license application carries a \$300 processing fee; however, an additional classification application is currently only \$75.

The applications to replace the qualifier and to receive an original license involve comparable processing complexity, but vastly different fees. Again, the original license application fee is \$300, but the application fee to replace the qualifier is just \$75.

Since CSLB began fingerprinting applicants for licensure in 2005, processing applications to replace the qualifier includes fingerprinting and criminal background reviews. This additional licensing requirement adds significant staff time to review and analyze conviction documentation and can lead to the denial of an application because of a criminal conviction.

In addition, CSLB began licensing LLCs in 2012, which are subject to bond, insurance, and personnel provisions that do not apply to other business entities. When processing an application for an additional classification or to replace the qualifier for an LLC, the technician must ensure that these other requirements, which can change based on the personnel on the license, are still adequately met.

Due to the complexity and additional staff time involved in processing these applications, the \$75 fee is no longer sufficient. Based on a workload analysis of the time it takes to process such applications, an appropriate application fee for both would be no more than three hundred dollars (\$300).

3. Application Priority Processing Fee

CSLB currently accepts requests to expedite processing applications for licensure. When these requests are approved, usually to support significant job creation, the applications move to the front of the line for initial review and processing. These applicants, like all others, must fulfill relevant licensure requirements, including testing and criminal background review.

Expedited applications receive priority over others and the processing technicians focus their time on processing them thoroughly and promptly.

In Fiscal Year 2013-14, CSLB received approximately 392 requests to expedite an application, of which 171 were approved. Currently, CSLB charges no fee to review requests for expedited service or for processing these applications. Under this proposal, requests for priority processing of applications would not be subject to review for cause but, instead, approved upon submission of a completed request and payment of an adequate fee. Given the workload involved, CSLB has determined that an appropriate cost for priority processing would be no more than three hundred dollars (\$300).

Under certain circumstances, such as a declared emergency or for military personnel, CSLB may need to approve expedited processing of applications based on other

provisions of law for specific purposes. Such cases would be exempt from these new provisions and related fees.

Amend B&P Code section 7137 as follows:

The board shall set fees by regulation. These fees shall not exceed the following schedule:

(a) The application fee for an original license in a single classification shall not be more than three hundred dollars (\$300).

The application fee for each additional classification applied for in connection with an original license shall not be more than seventy-five dollars (\$75).

The application fee for each additional classification pursuant to Section 7059 shall not be more than ~~seventy-five dollars (\$75)~~ three hundred dollars (\$300).

The application fee to replace a responsible managing officer, responsible managing manager, responsible managing member, or responsible managing employee pursuant to Section 7068.2 shall not be more than ~~seventy-five dollars (\$75)~~ three hundred dollars (\$300).

The application fee to add personnel, other than a qualifying individual, to an existing license shall not be more than one hundred fifty dollars (\$150).

(b) The fee for rescheduling an examination for an applicant who has applied for an original license, additional classification, a change of responsible managing officer, responsible managing manager, responsible managing member, or responsible managing employee, or for an asbestos certification or hazardous substance removal certification, shall not be more than sixty dollars (\$60).

(c) The fee for scheduling or rescheduling an examination for a licensee who is required to take the examination as a condition of probation shall not be more than sixty dollars (\$60).

(d) The initial license fee for an active or inactive license shall not be more than one hundred eighty dollars (\$180).

(e) The renewal fee for an active license shall not be more than three hundred sixty dollars (\$360).

The renewal fee for an inactive license shall not be more than one hundred eighty dollars (\$180).

(f) The delinquency fee is an amount equal to 50 percent of the renewal fee, if the license is renewed after its expiration.

(g) The registration fee for a home improvement salesperson shall not be more than seventy-five dollars (\$75).

(h) The renewal fee for a home improvement salesperson registration shall not be more than seventy-five dollars (\$75).

(i) The application fee for an asbestos certification examination shall not be more than seventy-five dollars (\$75).

(j) The application fee for a hazardous substance removal or remedial action certification examination shall not be more than seventy-five dollars (\$75).

(k) In addition to any other fees charged to C-10 and C-7 contractors, the board may charge a fee not to exceed twenty dollars (\$20), which shall be used by the board to enforce provisions of the Labor Code related to electrician certification.

(l) The application fee for priority processing of applications for licensure shall not be more than three hundred dollars (\$300). Approved expedited processing of applications for licensure, as required by other provisions of law, shall not be subject to this paragraph.

(m) The application fee for priority processing of applications for home improvement salesperson registration shall not be more than seventy-five dollars (\$75).

(Amended by Stats. 2010, Ch. 698, Sec. 36. Effective January 1, 2011.)

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE PROPOSAL ANALYSIS**

Subject: Fees -- Officer/ Personnel Change Fee; Additional Classification and Replacing the Qualifier Application Fee; Application Priority Processing Fee

Relevant Provisions: Business and Professions Code section 7137

Summary:

Existing law establishes fees for applications, examinations, and related activities.

This proposal would establish a fee to process officer/personnel changes, raise the fee for additional classifications and replacing the qualifier, and establish a fee for processing priority applications.

Staff Comments:

CSLB's Licensing division has identified new workload related to processing applications for personnel changes, as well as the increased number of applications to add a classification and to replace a qualifier. In addition, while a process exists for applicants to request expedited application processing, there is no charge to do so. The division completed a review of workload and staff time dedicated to this work, which was used to determine the appropriate fees for each of these activities.

Date: February 9, 2015

AGENDA ITEM D-6

Amendment to Business and Professions Code Sections 7152, 7153, 7153.2, 7153.3, 7154, 7155.5 and 7156 – Home Improvement Salesperson Registration



CONTRACTORS STATE LICENSE BOARD LEGISLATIVE PROPOSAL FORM

SUBJECT: Home Improvement Salesperson Registration

PROBLEM/SUMMARY:

A home improvement salesperson (HIS) is an individual, employed by a home improvement contractor licensed by the Contractors State License Board (CSLB), who is registered to solicit, sell, negotiate, or execute contracts for home improvements on behalf of the contractor. Existing law requires that an HIS apply for, and be separately registered for each distinct contractor for which he or she works.

This proposal would eliminate the requirement that an HIS separately register to work for each contractor and, instead, allow a properly registered HIS to utilize his or her individual registration with one or more licensed contractors.

With this change, the licensed contractor would be required to notify CSLB about the pending employment of any registered HIS, including the submission of the HIS registration number, prior to the HIS beginning work.

Currently, CSLB has approximately 11,170 active HIS registrants, nearly 5,500 expired registrants, and almost 85,000 invalid registrants.

PROPOSED LANGUAGE:

Amend Business and Professions (B&P) Code section 7152 as follows:

(a) "Home improvement salesperson" is a person, employed by a home improvement contractor licensed under this chapter, *who is registered under this chapter* to solicit, sell, negotiate, or execute contracts for home improvements, for the sale, installation or furnishing of home improvement goods or services, or of swimming pools, spas, or hot tubs.

(b) The following shall not be required to be registered as home improvement salespersons:

(1) An officer of record of a corporation licensed pursuant to this chapter, or a manager, *member, or officer* of record of a limited liability company licensed pursuant to this chapter.

(2) A general partner listed on the license record of a partnership licensed pursuant to this chapter.

(3) A qualifying person, as defined in Section 7025.

(4) A salesperson whose sales are all made pursuant to negotiations between the parties if the negotiations are initiated by the prospective buyer at or with a general merchandise retail establishment that operates from a fixed location where goods or services are offered for sale.

(5) A person who contacts the prospective buyer for the exclusive purpose of scheduling appointments for a registered home improvement salesperson.

(6) A bona fide service repairperson who is in the employ of a licensed contractor and whose repair or service call is limited to the service, repair, or emergency repair initially requested by the buyer of the service.

(c) The exemption to registration provided under paragraphs (1), (2), and (3) of subdivision (b) shall apply only to those individuals who, at the time of the sales transaction, are listed as personnel of record for the licensee responsible for soliciting, negotiating, or contracting for a service or improvement that is subject to regulation under this article.

(Amended by Stats. 2010, Ch. 698, Sec. 38. Effective January 1, 2011.)

Amend B&P Code section 7153 as follows:

(a) It is a misdemeanor for any person to engage in the occupation of salesperson for one or more home improvement contractors within this state without having, at the time of the sales transaction, a current and valid home improvement salesperson registration issued by the registrar ~~for each of the home improvement contractors by whom he or she is employed as a home improvement salesperson~~. If, upon investigation, the registrar has probable cause to believe that a salesperson is in violation of this section, the registrar may issue a citation pursuant to Section 7028.7.

It is a misdemeanor for any person to engage in the occupation of salesperson of home improvement goods or services within this state without having, at the time of the sales transaction, a current and valid home improvement salesperson registration issued by the registrar.

(b) Any security interest taken by a contractor, to secure any payment for the performance of any act or conduct described in Section 7151 that occurs on or after January 1, 1995, is unenforceable if the person soliciting the act or contract was not a duly registered salesperson or was not exempt from registration pursuant to Section 7152 at the time the homeowner signs the home improvement contract solicited by the salesperson.

(Amended by Stats. 2001, Ch. 728, Sec. 63. Effective January 1, 2002.)

Amend B&P Code section 7153.2 as follows:

All home improvement salesperson registrations issued under the provisions of this article shall ~~expire on a date established pursuant to Section 152.6~~ two years from the last day of the month in which the registration is issued, or two years from the date on which the renewed registration last expired.

(Amended by Stats. 1991, Ch. 1160, Sec. 44.)

Amend B&P section 7153.3 as follows:

(a) To renew a home improvement salesperson registration which has not expired, the registrant shall before the time at which the registration would otherwise expire, apply for renewal on a form prescribed by the registrar and pay a renewal fee prescribed by this chapter. Renewal of an unexpired registration shall continue the registration in effect for the two-year period following the expiration date of the registration, when it shall expire if it is not again renewed.

(b) An application for renewal of registration is delinquent if the application is not postmarked by the date on which the registration would otherwise expire. A registration may, however, still be renewed at any time within three years after its expiration upon the filing of an application for renewal on a form prescribed by the registrar and the payment of the renewal fee prescribed by this chapter and a delinquent renewal penalty in ~~the an amount of twenty-five dollars (\$25)~~ equal to 50 percent of the renewal fee, if the registration is renewed after its expiration. If a registration is not renewed within three years, the person shall make new application for registration pursuant to Section 7153.1.

(c) The registrar may refuse to renew a registration for failure by the registrant to complete the application for renewal of registration. If a registrant fails to return the application rejected for insufficiency or incompleteness within 90 days from the original date of rejection, the application and fee shall be deemed abandoned. Any application abandoned may not be reinstated. However, the person may file a new application for registration pursuant to Section 7153.1.

The registrar may review and accept the petition of a person who disputes the abandonment of his or her renewal application upon a showing of good cause. This petition shall be received within 90 days of the date the application for renewal is deemed abandoned.

(Amended by Stats. 1984, Ch. 1174, Sec. 13.)

Amend B&P Code section 7154 as follows:

(a) A home improvement contractor licensed under this chapter shall notify the registrar in writing, on a form prescribed by the registrar, about the pending employment of a registered home improvement salesperson, pursuant to the terms of this article. This notification requirement shall include, but not be limited to, the name and registration number of the home improvement salesperson who is pending employment by the contractor. The form shall be submitted prior to the home improvement salesperson beginning work for the contractor.

(b) A home improvement contractor shall notify the registrar in writing, on a form prescribed by the registrar, when a registered home improvement salesperson ceases to be employed by the contractor. This notification requirement shall include, but not be limited to, the name and registration number of the home improvement salesperson who had been employed by the contractor. The form shall be submitted within 90 days after the home improvement salesperson ceases to be employed by the contractor.

(c) A home improvement contractor who employs a registered home improvement salesperson to sell home improvement contracts but who fails to report to the registrar the pending employment or the cease of employment of the registrant, as provided in this article, is subject to disciplinary action by the registrar.

(d) A home improvement contractor who employs a person to sell home improvement contracts while such person is not registered by the registrar as a home improvement salesman, as provided in this article, is subject to disciplinary action by the registrar.
(Repealed and added by Stats. 1972, Ch. 1138.)

Amend B&P Code section 7155.5 as follows:

Violations of any provisions of this chapter by a home improvement salesperson, likewise constitutes a cause for disciplinary action against the contractor by whom he or she was employed at the time the violation occurred, whether or not ~~he or she~~ the contractor had knowledge of or participated in the act or omission constituting violations of this chapter.

(Amended by Stats. 1997, Ch. 813, Sec. 3. Effective January 1, 1998.)

Amend B&P Code section 7156 as follows:

It shall be a misdemeanor and a cause for disciplinary action to commit any of the following acts:

(a) For any home improvement salesperson to fail to account for or to remit to his or her employing contractor any payment received in connection with any home improvement transaction or any other transaction involving a work of improvement.

(b) For any person to use a contract form in connection with any home improvement transaction or any other transaction involving a work of improvement if the form fails to disclose the name of the contractor principal by whom he or she is employed.

(Amended by Stats. 1997, Ch. 813, Sec. 4. Effective January 1, 1998.)

AGENDA ITEM E

Adjournment



FEBRUARY 20, 2015
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Enforcement
Committee Meeting



AGENDA ITEM A

Call to Order – Chair’s Remarks

Roll is called by the Committee Chair.

ENFORCEMENT COMMITTEE MEMBERS:

BOB LAMB, CHAIR

KEVIN J. ALBANESE

PASTOR HERRERA

JOHN O’ROURKE

FRANK SCHETTER

Committee Chair BOB LAMB will review the scheduled Committee actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session

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



AGENDA ITEM C

Recognition of Enforcement Partners



AGENDA ITEM D

Enforcement Program Update





ENFORCEMENT PROGRAM UPDATE

INTAKE MEDIATION CENTERS (IMC)

Fire Repair Lack of Diligence Resolved

An elderly homeowner filed a complaint with CSLB after she had contracted for a \$130,000 home repair following a house fire. The homeowner complained that the contractor continually failed to provide a sufficient number of workers to complete the job and those who did appear worked only a short time and then left. The remodel dragged on for over a year without being completed, causing the homeowner's husband to become very ill and the homeowner significant stress. A Sacramento Consumer Services Representative (CSR) contacted the contractor regarding the potential violations, after which he immediately completed the remaining work, valued at \$4,200.

\$45,000 Returned to Consumer – Elder Abuse Referral

An elderly homeowner filed a complaint with CSLB after entering into three separate remodeling contracts, totaling \$78,000, with a contractor who had knocked on the door to solicit home improvement work. The 93-year old homeowner lives with his son, who also is elderly. After the work started, and the contractor had received \$59,890 in payments for whole house rewiring and foundation work, the homeowner began to question the need for the work. A second contractor determined that none of the contracted work was necessary. A Norwalk CSR contacted the parties involved and helped facilitate a resolution that involved the return of \$45,000 to the homeowner. Although the complaint was settled, CSLB's Special Investigations Unit (SIU) is reviewing the contractor's actions for potential elder abuse.

CSLB BUILDING PERMIT ENFORCEMENT

Failure to pull a building permit before performing construction work violates Business and Professions (B&P) Code sections 7110 – disregard or violation of code requirements. Contractors who violate the law are subject to disciplinary action by CSLB, including:

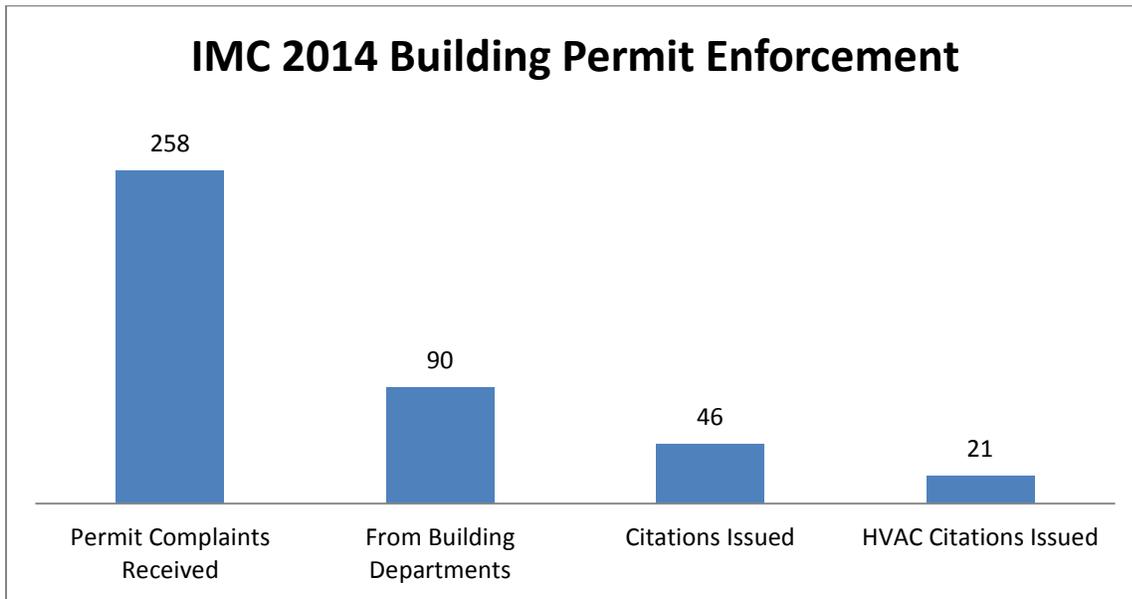
- Civil penalty assessments of up to \$5,000 per violation;
- An order of correction that requires payment of permit fees and any assessed penalties imposed by the local building department; and
- Suspension or revocation of the license.

CSLB encourages building departments to partner with the Board by notifying CSLB of Permit Violations.



IMC BUILDING PERMIT ENFORCEMENT

The IMC has worked with building departments across the state to reduce potential health and safety issues that may arise from uninspected work. Below are the 2014 results for permit complaints received in the IMC from the building permit complaint form, a subset of complaints received from building departments, citations issued, and the number of citations related to HVAC work.



Woodland Contractors Failed to Complete Permit Process

The IMC received a referral from the City of Woodland against an HVAC contractor that failed to obtain seven building permits. The city stated that the contractor was taking advantage of their permit policy, which allows an application to be faxed in on the date of an HVAC installation. The contractor is then required to follow-up with a physical visit to the building department to pay for and obtain the permit. In this case, the contractor faxed in applications and then moved on to new jobs without completing the permit application process. The CSLB Enforcement Representative (ER) confirmed that all of the outstanding building permits were obtained and that the contractor had implemented a new process to ensure timely completion of the permits process. The complaint was closed and an administrative citation issued.

Multiple Permit Referrals from Tuolumne County

CSLB received a referral from Tuolumne County against three contractors who, among them, failed to obtain 10 total permits. All were general contractors performing work on the structure of the various properties. These contractors were caught previously



without permits at least three prior times, prompting the building department referrals. Some of the jobs involved red-tagged work, which upset homeowners. The ER made sure that the contractors obtained all of the outstanding building permits and issued an administrative citation.

Ventura County Contractor Fails to Obtain HVAC Permit

CSLB received a referral from Ventura County against a general contractor for failure to obtain a permit for an HVAC change out, rewiring a house, and installing a new water heater. Caught on site with three of his employees, the contractor told code enforcement that he did the plans but did not perform the work, and merely took his employees to the site to see who got the job. This story was quickly disproven and the ER ensured that a permit was obtained and issued an administrative citation.

Unpermitted Well Installed in San Bernardino

CSLB received a referral from San Bernardino County against a well drilling contractor for failure to obtain a permit for a water well. The contractor claimed that confusion about all of the required paperwork led to his failure to complete the permit application. The ER made sure that a permit was obtained and issued an administrative citation.



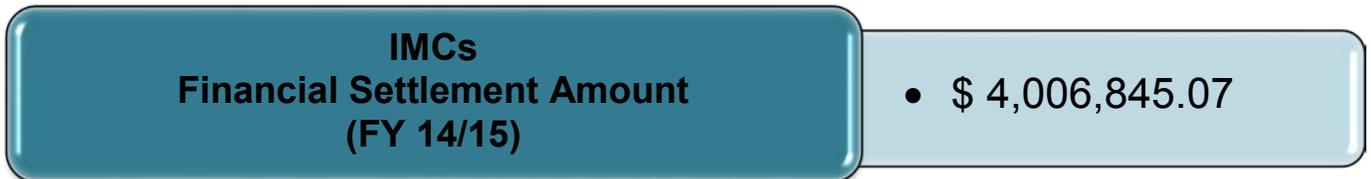
GENERAL COMPLAINT-HANDLING STATISTICS (FY 2014-15)

It has been determined that a manageable level of pending complaints for all current CSLB Enforcement staff is 2,940. As of January 2015, the pending case load was 3,167. To ensure timely handling of complaints that warrant formal investigation, the optimal working case load for ERs assigned to the Board’s nine investigative centers (IC) is 35 cases per ER. CSLB has 52 IC ERs; therefore, the nine ICs have an optimum capacity for 1,820 open complaints. As of January 2015, the ICs had a total of 2,047 complaints open and under investigation.

The following chart outlines how CSLB determines manageable case loads:

Job Classification	Current Number of Staff	Closure Goal per Month	Preferred Cycle Time (months)	Maximum Case load per ER	Maximum Number of Cases per Classification
ERs	52	10	4	35	1,820
CSRs	28	30	2	40	1,120
TOTAL					2,940

Recognizing that a licensed contractor may have made a mistake or that a good faith dispute exists regarding the contracting activity, the Board provides training to CSRs and ERs to assist them in resolving construction-related disputes. For the first six months of fiscal year 2014-15 (July through December 2014). Enforcement staff’s settlement efforts have resulted in more than \$6.5 million in restitution to financially injured parties as depicted in the following charts:

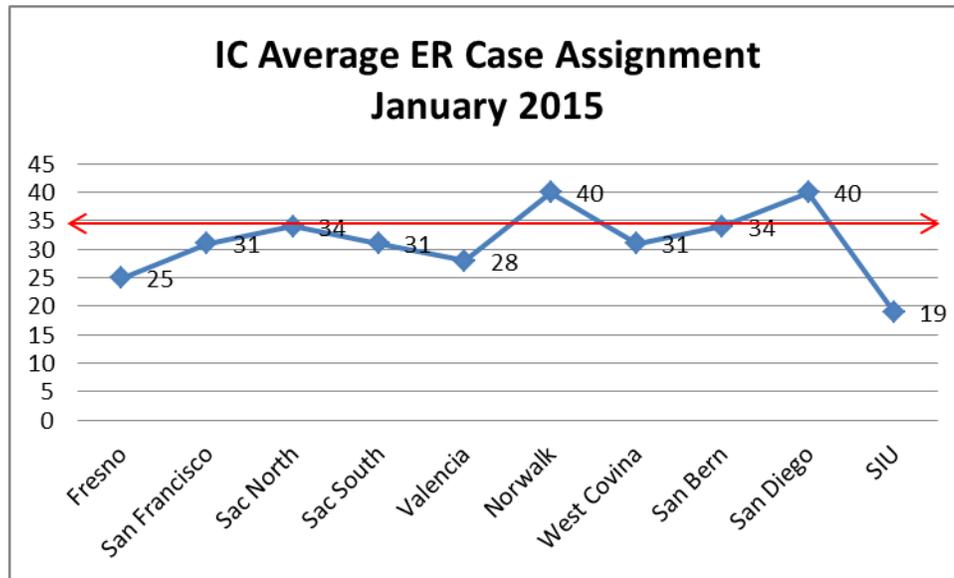




Investigation of Consumer Complaints

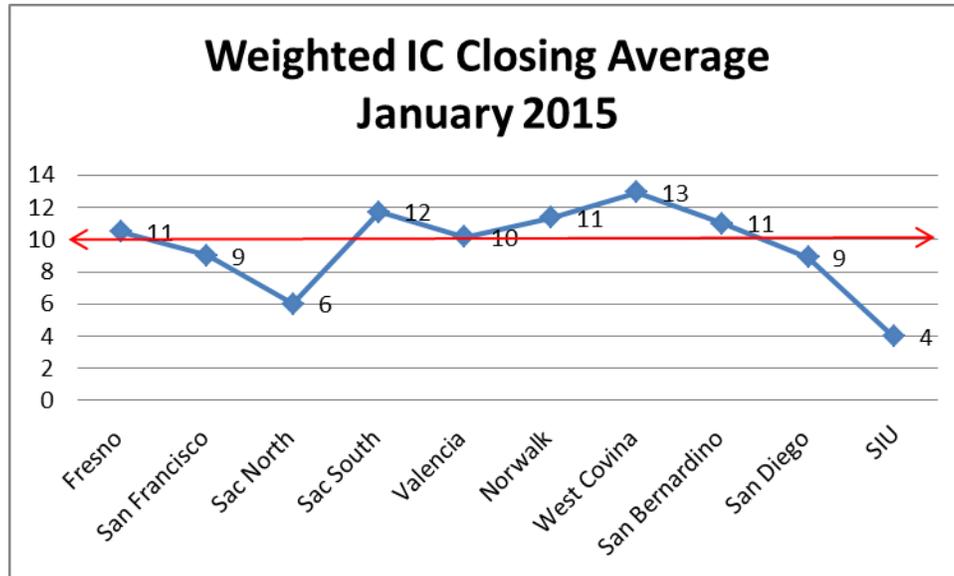
To ensure effective investigation of consumer complaints, the Enforcement division monitors Enforcement Representative (ER) production, pending case loads, and investigation-closing disposition. To date, for fiscal year 2014-15 (July through January), Investigative Center (IC) ERs have consistently achieved the Board’s goal of 10 complaint closures per month, and effective case distribution among the nine investigative centers has resulted in a manageable, ongoing case load of approximately 30 cases per ER. Of the 968 legal actions during this time, 29 percent were referred to local prosecutors.

The following chart tracks open IC investigations. The goal is for each IC ER to carry between 30 and 40 pending cases. At the end of January 2015, the statewide average was 31 cases.

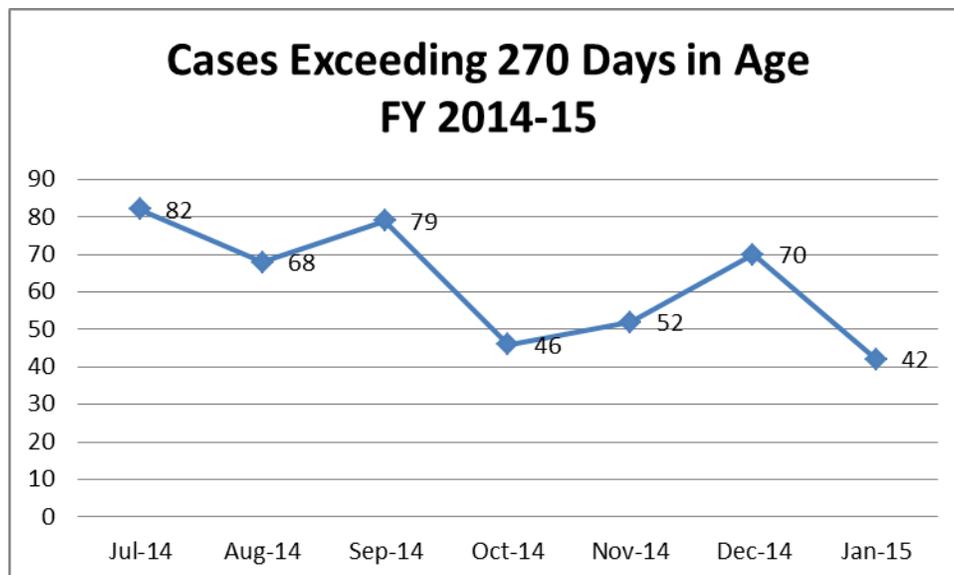




The following chart tracks the Board’s target of each IC ER maintaining a weighted monthly closing average of 10.



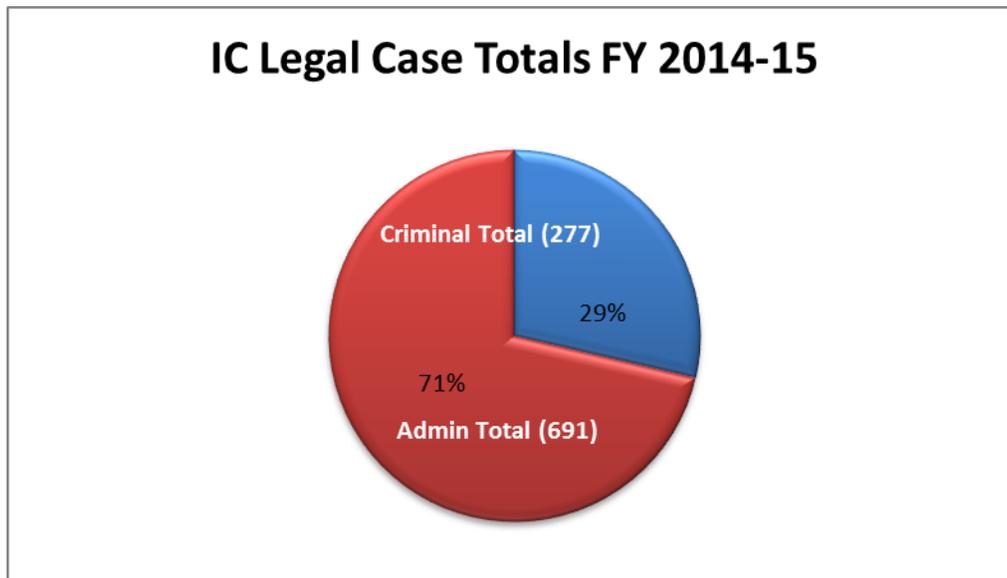
Historically, Enforcement has more than 3,000 consumer complaints under investigation at any given time. The Board’s goal is to appropriately disposition all but 100 within 270 days of receipt. Staff’s effective management of pending complaints has resulted in consistently meeting this goal. At the beginning of January 2015, there were only 42 cases exceeding 270 days in age.





The following chart depicts the number of completed investigations that resulted in an administrative or criminal legal action.

For the first six months of fiscal year 2014-15. Enforcement has referred an impressive **29 percent**, or 277 investigations, to District Attorneys for criminal prosecution.

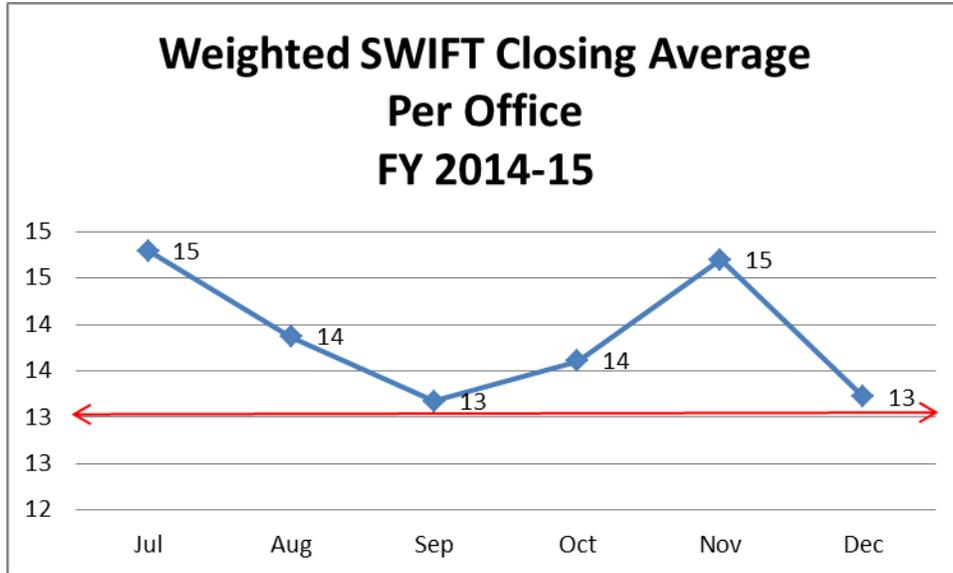


Proactive Enforcement at Active Construction Sites

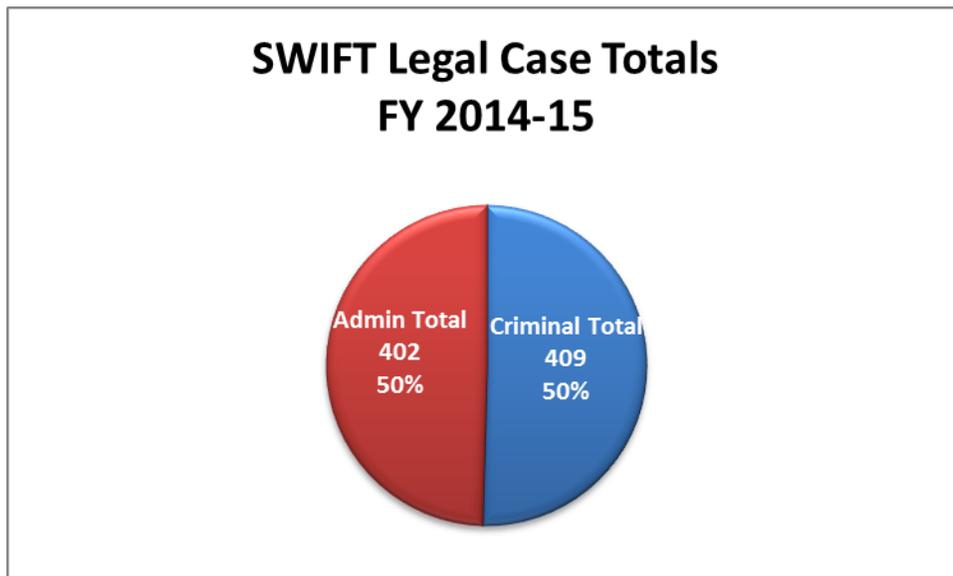
CSLB has established a Statewide Investigative Fraud Team (SWIFT) comprised of approximately 30 non-sworn Enforcement Representatives (ERs). SWIFT primarily enforces license and workers' compensation insurance requirements at active job sites and performs undercover sting operations targeting unlicensed persons who have active warrants or who solicit construction contracts. To date, for fiscal year 2014-15 (July through January), SWIFT ERs have consistently exceeded the Board's goal of performing more than 13 proactive investigations per month, with more than 50 percent of these investigations resulting in a legal action. Of the 811 legal actions during this time, 409 were referred to local prosecutors.



The following chart depicts the weighted monthly SWIFT closing average:



The following chart depicts the number of proactive SWIFT investigations that resulted in an administrative or criminal legal action. For the first six months of the fiscal year 2014-15, SWIFT has referred an impressive 50 percent, or 409 investigations, to District Attorneys for criminal prosecution:



**CASE MANAGEMENT FY 2014-15 (JULY 2014 – DECEMBER 2014)**

CITATIONS ISSUED		
	Licensee	Non-Licensee
Citations Issued	642	431
Citations Appealed	287	180
Citation Compliance	483	191
MANDATORY SETTLEMENT CONFERENCES		
Scheduled	198	
Settled	110	
Civil Penalties Collected	\$780,717	
Legal Fee Savings	\$488,478	

ARBITRATION	
Arbitration Cases Initiated	146
Arbitration Decisions Received	144
Licenses Revoked for Non-Compliance	14
Arbitration Savings to the Public – Restitution	\$731,336
ACCUSATIONS/STATEMENT OF ISSUES	
Revocations by Accusation (Applicants Revoked)	220
Accusation Restitution Paid to Injured Persons	\$170,290
Statement of Issues (Applicants Denied)	44
Cost Recovery Received	\$115,114
Number of Cases Opened	224
Number of Accusations/Statement of Issues Filed	140
Number of Proposed Decisions Received	51
Number of Stipulations Received	51
Number of Defaults Received	89
Number of Decisions Mailed	213

**INVESTIGATIVE CENTERS****A Punitive Award for Victim Restitution**

In early January 2010, Michael Coleman, an unlicensed predator, contracted to restore an elderly consumer's fire-damaged, residential studio apartment for the contract price of \$125,069. Coleman misrepresented himself as a licensed contractor doing business as "Firestorm 24/7 of Palm Springs," and fraudulently used a license that was assigned to another contractor. The consumer confided to Coleman that he suffered from Alzheimer's disease. Coleman requested and received an excessive deposit of \$48,750.

In July 2010, the frustrated consumer terminated Coleman for failure to complete the project in a timely manner. At that point the consumer had paid Coleman approximately \$97,690. The consumer's daughter reported receiving estimates of \$42,000 to complete the project. The complainant has since passed away from complications related to his illness.

Staff referred the case findings to the Riverside County District Attorney's office for criminal prosecution. On June 2, 2014, Coleman agreed to plead guilty for the fraudulent use of an incorrect license number, as a felony (Business and Professions Code section 7027.3). Coleman has been committed into the custody of the Riverside County Sheriff for 120 days. He also was sentenced to serve 81 days in a work release program and formal probation of 36 months. Coleman has since been ordered to pay victim restitution in the amount of \$97,690, and administrative fees of \$14,653 (15 percent of victim restitution).

Long History of Contracting Without a License

Joe Henry Peterson had a long history of unlicensed contracting, dating back to November 1992. Staff submitted two criminal referrals to the San Diego District Attorney – one on behalf of an elderly woman, Lyse McGonigle, in San Diego County, and one on behalf of victim Manuel Holley in Riverside County. The charges in both cases were similar, including Business and Professions (B&P) Code section 7028 (unlicensed contracting), B&P Code section 7027.3 (misuse of another's license), Penal Code section 487 (grand theft), and Penal Code section 368(a) (elder abuse in the McGonigle case).

At the time staff investigated the two cases, Peterson was already serving a seven-year sentence in Riverside for similar crimes. Also, two additional complaints, from Etta DeJong and Shirley Allister, were filed against Peterson with the Escondido Police and the Sheriff's Department, which resulted in charges against Peterson from the North County office of the San Diego District Attorney.

On June 27, 2014, Peterson pled guilty to one count of Penal Code section 368(d) for the DeJong case, received two additional years in prison, to be served consecutively with the Riverside prison sentence, and was ordered to pay \$4,000 in restitution. The



case stemming from victim Allister was dismissed after Peterson provided her a full refund.

CSLB's Persistence Results in Arrest of Father and Daughter in Connection with Bathtub Scheme

A Danville father and daughter were arrested on January 8, 2015, and face 70 years in prison on suspicion that they deceived dozens of elderly victims while operating a walk-in bathtub company. Raj Suri and Tori Suri were arrested and named as part of a 60-count criminal case through Riverside County that includes charges of burglary, with enhancements related to elderly victims; theft from an elder or dependent adult; conspiracy; money laundering; and perjury. The pair worked under the business name GreenworksUS (license #668492) and would entice elderly victims to purchase their product with an elaborate story that included telling their victims that the walk-in bathtubs were safety-tested and made in America, both falsehoods. GreenworksUS also fraudulently inflated the financial information of its victims on credit applications to qualify them for financing. In addition, the bathtubs were installed incorrectly. As a result, the monetary losses to the victims exceed more than \$4 million (CSLB continues to identify additional victims). CSLB staff worked closely with the Riverside County DA's Office and the Contra Costa County DA's Office to help ensure that justice will be served.

Wrong Side of the Law

Michael James Calhoun is an unlicensed contractor who used his father's license as his own and also forged his father's license renewal. Clarence Calhoun's license, as Cal Enterprises, was last renewed in 2013, but retroactively cancelled in May 2014, to December 11, 2010, the date of his death. When questioned, Michael Calhoun admitted signing the renewal, but insisted that he did so as his father's agent, despite his father's death two years prior.

Calhoun recently submitted an application for a contractor's license and paid the \$2,500 civil penalty assessed in a non-licensee administrative citation issued by CSLB staff (\$500 for violating B&P Code section 7027.1, and \$1,000 each for violating B&P Code sections 7027.3 and 7028). The payment of the civil penalty released the block on the application. Nevertheless, CSLB denied the application because Calhoun failed to disclose his past legal convictions and suspensions. Michael Calhoun obtained a law degree from Santa Clara University and was admitted to the California Bar in 1975. His bar license was twice suspended and in December 2004 he forfeited his bar license with disciplinary charges pending. Within the contractor's license application, Calhoun also failed to disclose his 1992 child molestation conviction.

CSLB Works with Elderly Widow to Compensate Her After Contractor's Scheme

An 81-year-old woman, recently widowed, received \$20,000 from her husband's life insurance policy. She decided to have a "snow shelter" built over her son's mobile home. She entered into a contract with a contractor who told her that he could build the



shelter for \$15,480 (\$11,410 for materials and \$4,070 for labor). He also told her that if she paid the \$11,410 for the materials before the end of the week she would save a significant amount of money, since the price of materials would be increasing. She agreed, and paid the contractor the full amount of the contract.

Two weeks later, her son decided that he did not want the snow shelter. She telephoned the contractor, who claimed he had special ordered the materials and could not return them. He told her that he would try to sell the materials on craigslist.com, but then claimed that he could not get a reasonable amount. Since she was told the materials could not be returned, the consumer decided to donate them to a wildlife refuge.

After several delays, the contractor finally delivered a small portion of the materials to the wildlife refuge. The elderly homeowner was concerned with the quantity of materials, so the contractor made a second delivery. He provided her with an invoice that contained a list of the materials delivered and a cost breakdown, which totaled the deposit amount of \$11,410. She inventoried the materials and found several discrepancies. She also visited the local Home Depot and found that several of the delivered items appeared to be stock items from Home Depot with a significant mark-up by the contractor. A CSLB Industry Expert inventoried the items and determined that the majority of the items appeared to be returnable Home Depot stock items with a value of \$4,607, not \$11,410.

Staff interviewed the contractor, who indicated that he thought the victim was “80 and had mental issues.” He initially said he had special ordered the materials prior to her cancelling the project and, thus, could not return them, but eventually admitted that he had purchased random materials following the cancelation of the project in order to keep her excessive material deposit. The contractor returned the labor portion (\$4,070) of the contract to the victim. He further admitted to significantly marking up the cost of the materials to reach \$11,410, and misrepresenting materials on the invoice. CSLB forwarded this case to the District Attorney’s Office for theft and elder abuse and submitted an accusation to revoke the license.

Unlicensed Contractor has Interesting Ties to A&E TV Series “Flip This House”

Abel Rodriguez Jr. presents an interesting family background. Reportedly, his brother-in-law is Armando Montelango, television host of the A&E Series “Flip This House.” He was introduced to consumers at several of Montelango house-flipping seminars. At that time, Rodriguez conducted business as Southern California Construction Associates, using a suspended license number that belonged to another contractor. From December 2010 through March 2011, Rodriguez entered into contracts with five Riverside consumers for home renovations totaling approximately \$209,950. The Board submitted its investigative findings to the Riverside County District Attorney’s office for prosecution for unlicensed contracting and false use of a license number. Mr. Rodriguez’s pre-trial hearing begins February 10, 2015, and his case now includes an



additional set of counts generated from another victim, which elevated the financial injury and added enhancements.

Rodriguez’s criminal conduct continued as he opened a storefront location in Chino and changed his business name to Flip This Kitchen and Bath, Inc. Under this new business identity, Rodriguez entered into two contracts with San Bernardino County residents for bathroom and kitchen remodeling projects at a cost of \$44,857. The Board’s investigation established that Rodriguez abandoned both of these projects after the consumers voiced their concerns regarding the quality of workmanship. The investigation was submitted to the San Bernardino County District Attorney’s office for prosecution for contracting without a license, excessive deposit, and felony grand theft. On November 15, 2014, Abel Rodriguez Jr. pled guilty in San Bernardino Superior Court to contracting without a license as a misdemeanor (Business and Professions Code section 7028). He was sentenced to serve 13 days in county jail, to be followed by a 60-month probation. In addition, Rodriguez must pay \$400 to the Board for investigative costs and \$1,600 to the Department of Insurance’s Fraud Unit.

**STATEWIDE INVESTIGATIVE FRAUD TEAM (SWIFT)
Corning Sting Identifies Felons**



Staff conducted a one-day sting operation in Corning, CA on January 29, 2015. The team set 13 appointments, resulting in:

- 8 Notices to Appear
- 3 non-licensee citations
- 1 warning letter
- 1 no-show



The sting started quickly, with a suspect already on scene, when CSLB approached the property. Without backup, staff cited the first individual for contracting without a license (Business and Professions Code section 7028.7) and for advertising violations (Business and Professions Code section 7027.1). Back-up from the Tehama County DA's Office arrived two hours late, but the team successfully stalled the third contractor until then. Another suspect, on probation for arson, stated "I save a lot of money by not being a licensed contractor and I get to underbid everyone because I don't have to pay all of the fees that licensed contractors do, which is why I can give a better price."

An employee of another suspect was on parole, having just been released from seven years in prison for first-degree residential burglary and assault with a deadly weapon. A fifth suspect, who provided a \$16,000 bid for concrete work, was charged with possession of drug paraphernalia after the DA Investigator found a pipe in his jacket.

So-called Sweetheart Swindler Convicted

As a result of a sting operation conducted July 15 and 16, 2014, in Rocklin, CA, Samantha Pham was fined \$700 and sentenced to one year informal probation for fraudulent use of a CSLB license number. Her troubles didn't start there, though. Pham was on probation after pleading guilty to various felonies in 2013, which included theft from an elder and an allegation of an aggravated white collar crime. Pham was convicted of swindling an older man out of a luxury car, his Bay Area home, and \$200,000. Her sentence included three years of supervised probation.

Southern SWIFT Stings Contractors in Artesia

Southern SWIFT, with assistance from DCA's Division of Investigators, conducted a two-day sting on January 28 and 29, 2015, in Artesia, CA, that resulted in 12 Notices to Appear (NTA). A recent search on Facebook for advertisements yielded fruitful results, as staff's first appointment of the day resulted from a Facebook advertisement soliciting plumbing. The unlicensed contractor provided a \$2,500 bid for the installation of a tank-less water heater.

The second appointment was an unlicensed C-8 contractor who provided a \$2,900 bid for concrete and masonry work, and proffered a business card with a license number that belonged to another contractor. He was charged with advertising without a license, displaying a license number that does not belong to him, and contracting without a license. Staff's third appointment resulted from a referral by a licensed contractor who claimed that Daniel Mejia, his former employee, was acting as a contractor after being fired. Mejia came to the sting property and provided a \$1,500 bid for painting. When arrested he claimed that he was just a worker and that his boss (the informant) was a licensed contractor. The suspect received an NTA and was released without incident.



Unlicensed Contractor Faces Criminal Charges for Unlawful Contracting, Cultivating Marijuana, and Operating a Sex Trafficking Ring

CSLB, the Division of Labor Standards Enforcement, and Cal/OSHA responded to a lead regarding a possible unlicensed contractor engaged in roofing work in the San Francisco area. Investigators determined that the unlicensed contractor on site, Jimmy Lee, was using the revoked license of his brother, Arthur Lee, to perform construction on a \$1 million contract. Further investigation revealed that Jimmy Lee faces extensive criminal charges that include:

- Cultivating approximately 2,500 marijuana plants, which holds a maximum statutory penalty of 20 years in prison and a \$1 million fine.
- Operating a sex-trafficking ring, for which he faces a total of 30 felony state charges for his role in the operation, including conspiracy, pimping, pandering, bribery, and tax fraud.

Task force members will pursue administrative and criminal charges against Jimmy Lee for failing to provide fall protection, unlicensed practice, cash pay, and failure to provide workers' compensation insurance.



ELECTRICIAN CERTIFICATION UPDATE

In 2010, CSLB received authority to enforce Labor Code section 108.2, allowing for the enforcement of electrician certification violations. A memorandum of understanding (MOU) was signed by CSLB and the Department of Industrial Relations' Division of Apprenticeship Standards (DAS) to implement the law. The executed MOU allows for:

1. CSLB verification of electrician certification compliance when investigating consumer complaints or when participating in sweeps with the Labor Enforcement Task Force (LETF).



2. Proactive lead response/enforcement of electrician certification requirements by private investigators hired by Western Electrical Contractors Association (WECA) and labor compliance officers employed by the Northern California Electrical Construction Industry (NCECI), who represent the International Brotherhood of Electrical Workers (IBEW) and the National Electrical Contractors Association (NECA).
3. One CSLB Enforcement Representative dedicated to reviewing and confirming evidence, interviewing respondents, writing reports, and testifying at administrative hearings.

With the aforementioned procedures in place CSLB, since 2010, has issued over 50 citations for electrician certification violations, only one of which, because of inconsistent witness testimony, was not sustained.

On June 11, 2013, the Board directed staff to request a formal legal opinion from the Attorney General's Office (AG) regarding the Roadway decision and CSLB's legal mandate to enforce electrician certification requirements. On October 14, 2014, CSLB received an opinion from the Attorney General's Office, in which the AG agreed that the Roadway decision does not bind CSLB's enforcement of electrician certification. With these findings, and because of the effectiveness of existing policies and procedures that fulfill the Board's consumer protection mandate and priorities, CSLB will continue to enforce electrician certification violations as it has for the last four years.

At the December 11, 2014, Board meeting staff distributed the Attorney General Opinion letter. Board Member Frank Schetter expressed concern that the AG's interpretation compromised consumer protection and requested that the matter be further discussed at an upcoming Enforcement Committee meeting.

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. Below is a list of training that has been conducted:

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 against service and repair contractors engaged in criminal behavior. Staff was asked to bring two active predatory service and repair investigations to discuss with the group. DDA Hosseinioun answered the Peace Officers' questions pertaining to their active investigations.

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

Developed by CSLB management staff in conjunction with CSLB retired annuitant Doug Galbraith and Deputy Attorney General Michael Franklin, this eight-hour block of instruction provided staff with knowledge of 11 routinely used Business and Profession Code sections. Specific elements, necessary supporting evidence, and case law were 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. Offered to Office Assistants, Office Technicians, and Program Technicians in Northern California, the course also will be offered to Southern California staff.

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

Norwalk staff attended the Successful Promotional Interviewing Class taught by Career Counselor Judy Kaplan-Baron. This training covered many facets of successful interviewing, including how to deal with anxiety and nervousness, identify skills and accomplishments, 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, 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 discussed during class.

6. Advanced Enforcement Course **January 2015**

An advanced course that builds upon the Enforcement Academy was developed and implemented that included the following:

- Situational awareness
- Investigator awareness
- Investigator demeanor and image
- Case and time management
- Code training
- Case review in open forum

**7. Enforcement Academy****February 2015**

CSLB Enforcement Staff conducted a second Academy that included the following:

- Investigation techniques
- Evidence
- Time management
- Proposition 115/certification
- Phone tactics
- Interview techniques/practical
- Report writing/practical
- Art of testifying/practical
- Code training

E. REVIEW AND DISCUSSION OF CSLB PARTNERING WITH OTHER STATE AGENCIES**Joint Enforcement Strike Force (JESF)****Background**

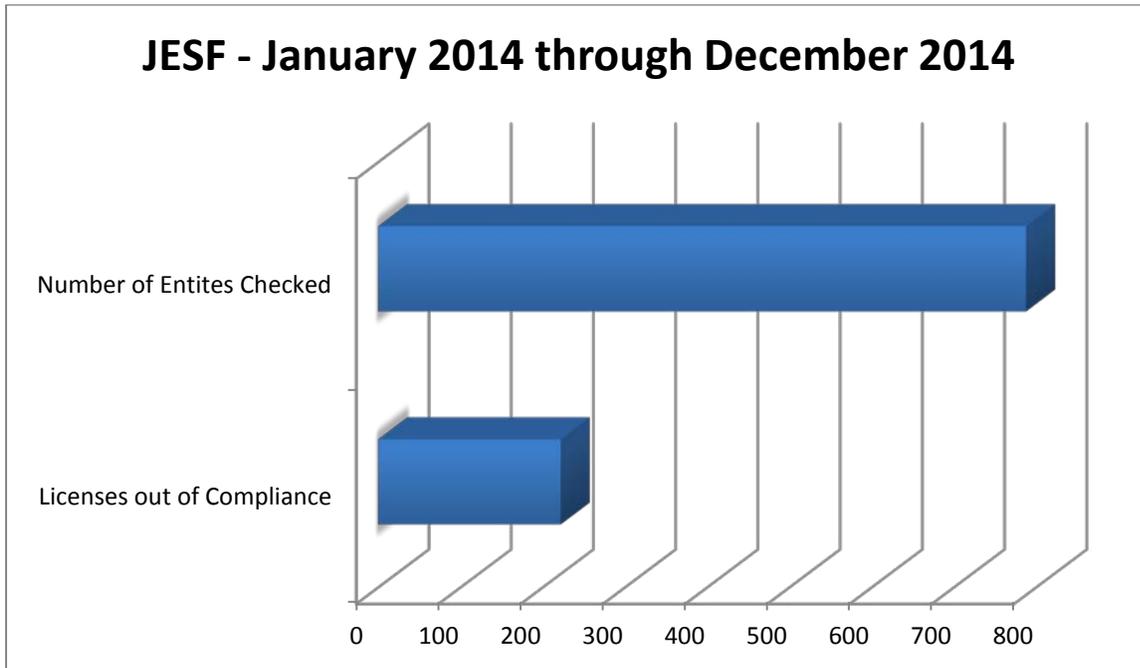
Established in 1995, the Joint Enforcement Strike Force (JESF) was created by the Legislature to tackle the underground economy. Administered by the Employment Development Department (EDD), the task force's primary objective is to take criminal action against entities that violate tax, license, and workers' compensation requirements. This coalition of agencies includes CSLB, EDD, the Department of Insurance, the Franchise Tax Board, the Board of Equalization, and the Department of Justice, and aims to:

- Protect consumers by ensuring that all businesses are properly licensed and adhere to California's consumer protection regulations.
- Eliminate unfair business competition.
- Help ensure that workers are protected and receive all benefits to which they are entitled by law that relate to wages and hours, health and safety, and income replacement.

From January 1, 2014 through December 31, 2014, CSLB, including partnership efforts with JESF, inspected 788 license entities, of which 222 businesses were found out of compliance with CSLB requirements. These inspections resulted in \$475,650.00 in citation penalties and assessments by JESF partners.



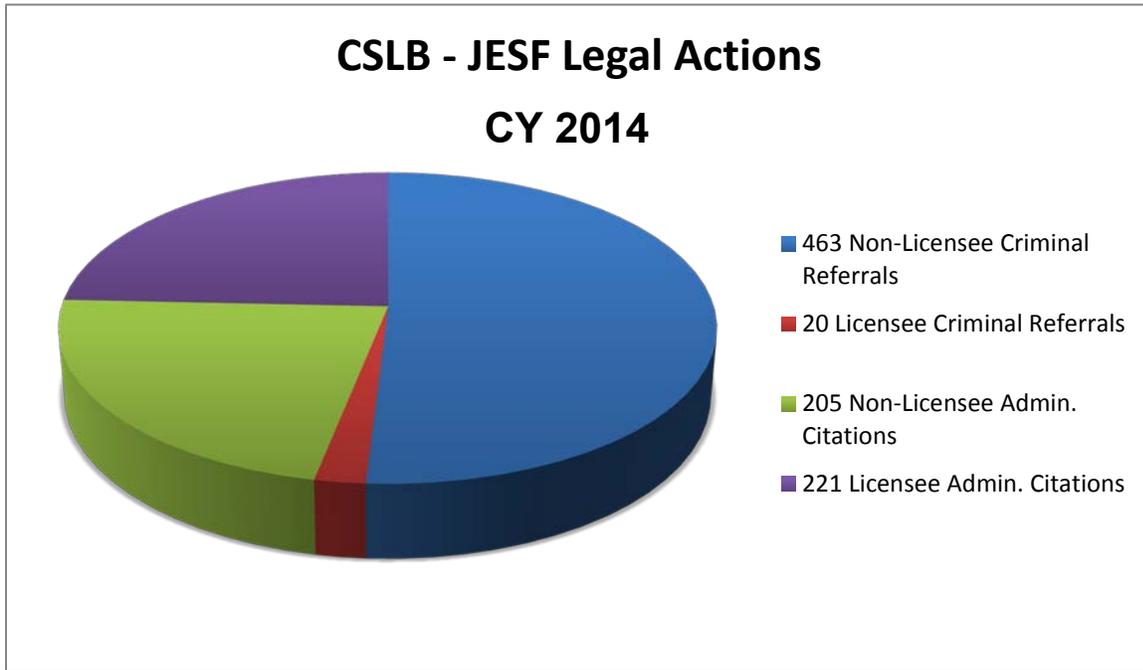
JESF - January 2014 through December 2014



Undercover stings continue to be an effective proactive method to identify and prosecute persons acting in the capacity of a contractor without a license and committing other significant violations of Contractors License Law. CSLB partners with local law enforcement and EDD to pose as homeowners seeking bids for home or commercial property improvements. During 2014, CSLB’s Statewide Investigative Fraud Team (SWIFT) conducted 70 sting days, resulting in the issuance of Notices to Appear in superior court to 501 individuals on misdemeanor violations.

2014 Sting Totals	
Sting Days	70
Notice to Appear (NTA) Issued	501

Through JESF, CSLB inspections and stings have resulted in 909 legal actions against non-compliant entities. The following chart illustrates if the legal action taken was criminal or administrative, and if it was against a license or unlicensed person.



Labor Enforcement Task Force (LETf)

Background

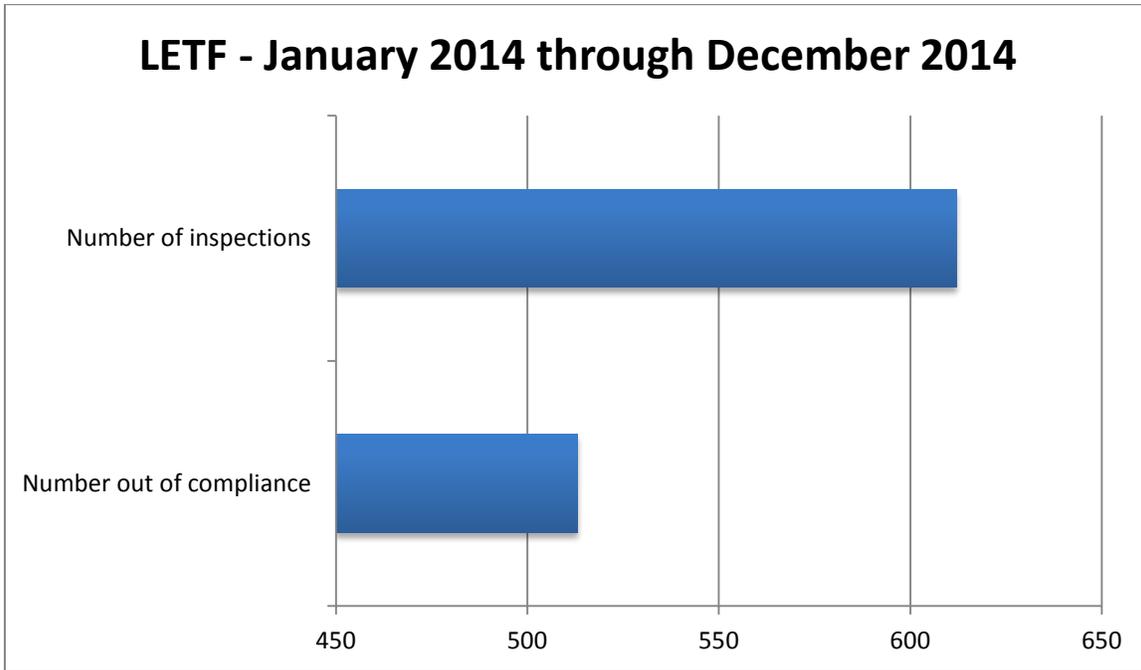
Established in January 2012, the Labor Enforcement Task Force (LETf) combats the underground economy in California to create an environment where legitimate businesses can thrive. The task force is administered by the Department of Industrial Relations (DIR) and primarily takes administrative action against entities found during structures sweeps and inspections to violate labor, license, and workplace safety laws. CSLB's joint efforts with DIR's Division of Labor Standards and Enforcement and Division of Occupational Health and Safety, and the Employment Development Department, aim to:

- Ensure that workers receive proper payment of wages and are provided a safe work environment.
- Ensure that California receives all employment taxes, fees, and penalties due from employers.
- Eliminate unfair business competition by leveling the playing field.
- Make efficient use of state and federal resources in carrying out the mission of LETf.

CSLB's 10 Statewide Investigative Fraud Team (SWIFT) Enforcement Representatives participate in LETf activities and through combined robust education and enforcement efforts, work diligently to fight the underground economy in California.



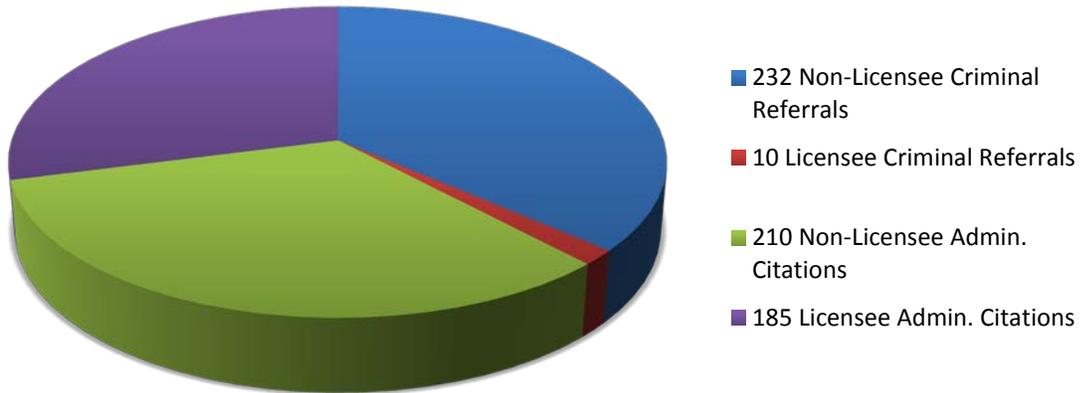
From January 1, 2014 through December 31, 2014, LETF inspected 613 active construction sites, of which 512 businesses, or 84 percent, were found out of compliance with labor, tax, health and safety, and/or construction-related laws and regulations. These inspections resulted in \$1,547,105 in citation penalties and assessments.



Joint CSLB-LETF inspections have resulted in the following number of legal actions filed against non-compliant entities:



**CSLB - LETF Legal Actions
CY 2014**



PILOT PROGRAM

In December 2014, LETF entered into a pilot program that extends to February 28, 2015, intended to concentrate inspections on commercial construction projects and new construction housing tracks, rather than occupied residential construction sites.

The following chart depicts the number of CSLB violations found during the first two months of the pilot program as compared to violations for the same timeframe in the previous year, which focused on occupied residential construction sites.

CSLB LETF Violations	December 2013 & January 2014	December 2014 & January 2015
Jobsites Inspected	89	55
Entities Inspected	180	161
Licenses out of Compliance	45	16
Legal Action Closures	23	6 with 5 pending

AGENDA ITEM E

Review and Discussion of CSLB Partnering with Other State Agencies



AGENDA ITEM F

Review and Consideration of Establishing Operational Agreements with Building Departments





REVIEW AND CONSIDERATION OF ESTABLISHING OPERATION AGREEMENTS WITH BUILDING DEPARTMENTS

The Contractors State License Board (CSLB) and the (city or county name) share a common goal to establish a cooperative state/local partnership aimed at identifying and resolving problems created by licensed and unlicensed contractors that do not comply with code requirements and engage in underground economic activity. Further, the collaboration between CSLB and building departments to identify, discourage, report, and prosecute unscrupulous and/or negligent individuals will provide greater safeguards to our communities.

Staff will present the 13 slides that follow to the Enforcement Committee for their review and requests that the Committee consider making a recommendation that the full Board adopt the example operational agreement that follow the slides.

CSLB Code Enforcement

Presented by David Fogt
Chief of Enforcement

Enforcement Penalties

- o Civil Penalty Assessments up to \$5,000
- o Citation can require licensee to pay permit fees and assessed penalties
- o Licensee responsible for construction code compliance costs (when appropriate)
- o Failure to comply with permit requirements can result in suspension or revocation of the license.

Permit Compliance Importance

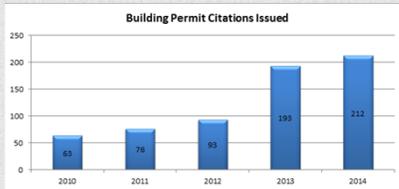
- o Unanimous Board vote to place a high priority on enforcing building permit requirements



Building Department Violation Form

A screenshot of a software application window titled "Building Permit Violation Form". The form contains various fields for data entry, including "Project Name", "Address", "City", "State", "Zip", "Permit Number", "Violation Description", "Date", "Inspector", and "Status". There are also checkboxes for "Issued" and "Closed". The form is displayed in a window with a standard Windows-style title bar and taskbar.

Legal Action Statistics



Individual Operational Agreements

- o CSLB to enter into operational agreements with receptive cities and counties



Partnering Challenges

- o Not all Building Officials support CSLB's efforts
- o Inconsistent reporting policies
- o Jurisdictions do not always allow Building Inspectors to testify to code requirements
- o Some City Attorneys demand \$250 witness fee when subpoena is served

CSLB Responsibilities

- o Provide rapid response to complaints filed by building departments
- o Review owner-builder permits for active job sites for CSLB inspection

CSLB Responsibilities

- o Provide field Enforcement staff to attend building department staff meetings as requested
- o Report on enforcement success
- o Support local partnering government officials at public meetings

Building Department Responsibilities

- o Provide building inspectors to testify about code requirements
- o Waive \$250 fee or provide for payment after court appearance

Building Department Responsibilities

- o Make CSLB consumer/contractor publications available
- o Promptly report suspected violators using the Building Department referral form

Direct Contacts

- o CSLB and partnering Building Departments to provide a liaison with a direct phone number

Goals

Establish a cooperative state/local partnership to identify and resolve problems created by licensed and unlicensed contractors who:

- o Perform shoddy work
- o Disregard building codes
- o Use deceptive business practices
- o Misrepresent their license status, and/or
- o Engage in the underground economy

Operational Agreement





CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, California 95827
Mailing Address: P.O. Box 26000, Sacramento, CA 95826
800.321.CSLB (2752) | www.cslb.ca.gov | CheckTheLicenseFirst.com

STATE OF CALIFORNIA
Governor Edmund G. Brown Jr.

OPERATIONAL AGREEMENT CITY/COUNTY OFFICIALS AND CONTRACTORS STATE LICENSE BOARD

CSLB is partnering with receptive building departments to protect the public by enforcing permit, license, and workers' compensation requirements.

CSLB Responsibilities:

- Provide rapid response to complaints filed by building departments
- Review owner/builder permits for active job sites for CSLB inspection
- Provide field Enforcement staff to attend building department staff meetings as requested
- Report on enforcement success
- Support local partnering government officials at public meetings

Building Department Responsibilities:

- Make CSLB consumer/contractor publications available
- Promptly report suspected violators using the Building Department referral form
- Provide building inspectors to testify to code requirements
- Waive \$250 fee or provide for payment after court appearance

Direct Contacts:

- Provide a Building Official hotline
- CSLB and partnering building department to provide a liaison with direct phone number

Goals:

Establish a cooperative state/local partnership to identify and resolve problems created by licensed and unlicensed contractors who:

- Perform shoddy work

- Disregard building code
- Use deceptive business practices
- Misrepresent their license status, and/or
- Engage in the underground economy

X

CSLB Official

Date

X

City/County Building Official

Date

AGENDA ITEM G

Special Investigation Unit Update





IMPLEMENTATION OF SPECIAL INVESTIGATIONS UNIT

In June 2014, the Enforcement division submitted a proposal to the Department of Consumer Affairs to create a Special Investigations Unit (SIU) to consolidate the 11 Enforcement division Peace Officer positions assigned to various field offices into one unit under the leadership of a single supervisor. DCA approved the proposal and the SIU became operational in December 2014. SIU works with local prosecutors to pursue felony criminal filings for burglary, financial elder abuse, conspiracy, insurance fraud, and diversion of construction funds.

On November 30, 2014, John Bruce reported as the first SIU supervisor. With more than 15 years law enforcement and CSLB experience, Mr. Bruce is uniquely qualified to lead the CSLB Peace Officers. John will brief the committee on Peace Officer training, investigation focus, and law enforcement partnering opportunities.

AGENDA ITEM H

Adjournment

**NEXT BOARD MEETING:
MONDAY, MARCH 16, 2015
GLENDALE, CALIFORNIA**

