

# CONTRACTORS STATE LICENSE BOARD

2009

## ACCOMPLISHMENTS & ACTIVITIES



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FEBRUARY 2010

EDWARD "EDDIE" BARNES, PUBLIC MEMBER, CHAIR  
LISA MILLER-STRUNK, CONTRACTOR MEMBER, VICE CHAIR  
ROBERT LAMB, PUBLIC MEMBER, SECRETARY

ROBERT BROWN, PUBLIC MEMBER  
JOAN HANCOCK, CONTRACTOR MEMBER  
MATTHEW KELLY, PUBLIC MEMBER  
LOUISE KIRKBRIDE, PUBLIC MEMBER  
ED LANG, PUBLIC MEMBER  
STEPHEN MATICH, CONTRACTOR MEMBER  
BERNEDETTE MEDRANO, PUBLIC MEMBER  
JAMES MILLER, PUBLIC MEMBER  
CYNTHIA MITCHELL, CONTRACTOR MEMBER  
BRUCE RUST, PUBLIC MEMBER

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ARNOLD SCHWARZENEGGER  
*Governor*

THOMAS L. SHEEHY  
*Acting Secretary, State and Consumer Services Agency*

BRIAN STIGER  
*Director, Department of Consumer Affairs*

STEPHEN P. SANDS  
*Registrar, Contractors State License Board*

# A NOTE FROM THE BOARD CHAIR



Edward Barnes, Chair

In light of economic changes that occurred in California and around the country in 2009, the construction industry and Contractors State License Board (CSLB) faced unprecedented challenges.

The biggest challenge CSLB faced during its 80th anniversary year was the result of an executive order that shut down all offices three work days every month. The lost time and previous staff cuts mean this agency now operates with the equivalent of 110 fewer full-time staff positions than nine years ago. That's a 22% loss in CSLB's staff resources.

With that in mind, I'm pleased to report that CSLB's exceptional leadership and staff went above and beyond expectations in 2009. Their hard work helped maintain programs and services necessary to provide consumer protection and to support contractors and the vitality of California's construction industry.

CSLB's success in 2009 is due to innovative program changes, establishment of key partnerships with other agencies, greater efficiency in using limited resources, high-impact enforcement operations and targeted public education campaigns.

Also in 2009, Mother Nature unleashed winds, wildfires, mudslides, and flooding. As in past years, CSLB's Enforcement division staff was among the first responders, educating consumers about the importance of hiring licensed contractors and, with local law enforcement partners, catching unlicensed offenders.

With a truly dedicated staff and leadership's desire to continually improve operations and efficiency, I am confident that CSLB's partners, consumers, and contractors, can count on continued exemplary service from the Contractors State License Board in 2010.

Many thanks to all who assisted CSLB's 2009 efforts.

As you peruse this annual report, we hope you enjoy the CSLB 80th anniversary timeline that was compiled by the Board's Public Affairs Office.

A handwritten signature in black ink that reads "Edward E. Barnes". The signature is written in a cursive, flowing style.

Edward "Eddie" Barnes, Chair

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Construction of the Bixby  
Creek Bridge on the coast  
route between Carmel and  
San Simeon in 1932



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CONTRACTORS STATE LICENSE BOARD

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Santa Clara Valley Water District

Construction of the  
Page Reservoir, 1934

CONTRACTORS STATE LICENSE BOARD

# LEADERSHIP

A 15-member board appoints the CSLB executive officer, or Registrar of Contractors, and directs administrative policy for the agency's operations. The Board includes nine public members, five contractor members, and one labor representative. The Governor and the Legislature make the board appointments.

**Edward "Eddie" Barnes, Chair**  
*Senate Appointee*  
Public Member

Eddie Barnes, of Huntington Beach, was appointed to the Contractors State License Board by the Senate Rules Committee in October 2006 and reappointed in June 2007. A veteran steamfitter with the United Association for more than 40 years, Mr. Barnes has worked on a wide variety of construction projects in positions ranging from welder to superintendent. He is an active member of the United Association Local Union 250, and was elected as the Business Manager, Business Agent and President between 1984 and 2003. He is currently a Compliance Investigator for the Los Angeles Unified School District and the City of Los Angeles Contract Compliance Program, a member of the International Association of Plumbing and Mechanical Officials, a Certified Medical Gas Inspector, a consultant in Alternate Dispute Resolution for Workers' Compensation Insurance, Chair of the Career Technical Education Advisory

Committee for the Los Angeles School District, and a past member of the American Society of Mechanical Engineers. His term continues through June 1, 2011.

**Lisa Miller-Strunk, Vice Chair**  
*Governor Appointee*  
"A" Contractor

Lisa Miller-Strunk, of Aliso Viejo, was appointed by Governor Arnold Schwarzenegger to the Contractors State License Board in November 2007. She received her Bachelor's degree from UCLA in 1986 and her Master's Degree in Business Administration from UC Irvine in 1994. Since 1991, Ms. Miller-Strunk has served as president of Shellmaker Incorporated, which specializes in marine construction. Ms. Miller-Strunk is a long-time member of the Associated General Contractors. Her term continues through June 1, 2010.

**Robert J. Lamb II, Secretary**  
*Assembly Appointee*  
Public Member

Robert Lamb, of Cypress, was appointed to the Contractors

State License Board by Assembly Speaker Fabian Nuñez in May 2006. Mr. Lamb is a certified plumber and pipefitter. He has been a member of the United Association for more than 30 years, has held numerous positions in the construction industry, and has worked on a variety of construction projects. Mr. Lamb was the Business Manager and Financial Secretary/Treasurer for the Plumbers and Steamfitters U.A. Local 582 in Santa Ana, and was also a representative for the Southern California Pipe Trades District Council 16. Mr. Lamb earned a Bachelor's degree in Union Leadership and Administration from the National Labor College in Silver Springs, MD. He currently serves as a special representative for the United Association of Plumbers and Steamfitters. In October 2008, Assembly Speaker Karen Bass reappointed Mr. Lamb to CSLB for a term that continues through June 1, 2012.

**Robert Brown**

*Governor Appointee*  
Public Member

Robert Brown, of Pleasant Hill, was appointed to the Contractors State License Board in September 2005 by Governor Arnold Schwarzenegger. Mr. Brown is the Director of Corporate Affairs for AAA Northern CA, NV, & UT, where he has worked since 1999. He also served as the AAA's Media Relations Manager and Senior Manager for Governmental Affairs. Mr. Brown's consumer protection background began more than 15 years ago when he first worked as the Assistant Secretary for the State and Consumer Services Agency and then as the Deputy Director for Communications for the Department of Consumer Affairs. Mr. Brown's term continues through June 1, 2012.

**Joan Hancock**

*Governor Appointee*  
"B" Contractor

Joan Hancock, of Sacramento, was appointed by Governor Arnold Schwarzenegger to the Contractors State License Board in November 2007. Since 1983, Ms. Hancock has owned Her Land Enterprises, a general contracting firm. From 1977 to 1983, she co-owned Hancock & Colyer Construction. Ms. Hancock earned a Juris Doctorate in 1982,

and a California State Teaching Credential in 1979. She is also a member of the Sacramento Mediation Center. Ms. Hancock's term continues through June 1, 2011.

**Matthew Kelly**

*Senate Appointee*  
Public Member

Matt Kelly, of Sacramento, joined the Contractors State License Board in April 2003 after being appointed by the Senate Rules Committee. He was reappointed in October 2005, and again in 2009. Although his 20-year construction industry career began as a carpenter apprentice, he has since worked on a variety of commercial and residential projects and has been in construction management for a large general contractor. He currently serves as the Executive Secretary Treasurer of the Sacramento-Sierra Building and Construction Trades Council. Mr. Kelley served as Board Chair from 2006-2007. His term continues through June 1, 2013.

**Louise Kirkbride**

*Governor Appointee*  
Public Member

Louise Kirkbride, of Monte Sereno, was appointed to the Contractors State License Board by Governor Arnold Schwarzenegger

in February 2005. Ms. Kirkbride founded and served as Chief Executive Officer of Broad Daylight, a company whose products facilitate communication between businesses and their customers through the Internet. Before that, she founded Answer Systems, a company designed to improve business-customer communications through help desk automation. Ms. Kirkbride earned a Bachelor's and a Master's degree in electrical engineering from the California Institute of Technology, where she was a member of the school's first undergraduate class to include women. She currently serves as a Trustee of Caltech, and is a member of the California Board of Accountancy. Ms. Kirkbride's term continues through June 1, 2012.

**Ed Lang**

*Governor Appointee*  
Public Member

Ed Lang, of Rancho Cordova, was appointed to the Contractors State License Board by Governor Arnold Schwarzenegger in January 2007. Mr. Lang retired as Supervisor of the Corporation Collections Unit for the California Franchise Tax Board, where he worked in various positions from 1980 to 2003. He was an adult education instructor for the Folsom-Cordova Unified School

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District from 1976 to 1982, and served in the U.S. Air Force from 1960 to 1980. Mr. Lang serves on the Board of Directors for the InnerCity Housing Corporation and HELPS Family Foster Agency, and is a member of the American Association of Retired People. Mr. Lang’s term continues through June 1, 2010.

**Stephen Matich**

*Governor Appointee*  
“B” Contractor

Steve Matich, of Yucaipa, was appointed to the Contractors State License Board by Governor Arnold Schwarzenegger in April 2006. Since 1992, Mr. Matich has served as president of Matich Corporation, a family-owned construction business specializing in engineering contracting, and has been employed by the company since 1980. In addition, Mr. Matich is a member of the Associated General Contractors and Asphalt Pavement Association. His term concluded June 1, 2009.

**Bernedette Medrano**

*Governor Appointee*  
Public Member

Bernedette Medrano, of Santa Ana, was appointed to the Contractors State License Board in December 2006 by Governor Arnold Schwarzenegger. She has served as Executive Director of a non-profit organization, the Santa

Ana Education Foundation, since 2002. Ms. Medrano previously was a fleet manager for Hyundai Motor America from 1992 to 2000. She serves on the Board of Directors for the Vanguard University Foundation and the KOCE Community Advisory Board. Ms. Medrano’s term concluded July 29, 2009.

**James Miller**

*Governor Appointee*  
Public Member

Jim Miller, of Big Bear Lake, was appointed to the Contractors State License Board in September 2005 by Governor Arnold Schwarzenegger. He served as the Board Chair from 2007 to 2009. Since July 2007, Mr. Miller has served as Director of Building and Planning for the City of Big Bear Lake. From 2002 through 2007, he served as Director of Building and Safety for the County of Riverside. Prior to that, Mr. Miller was the Development Services Director for the City of Murrietta, the Building Official for the City of Pomona, and the Regional Manager and Building Inspector for Riverside County. Mr. Miller’s term concluded June 1, 2009.

**Cynthia Mitchell**

*Governor Appointee*  
Specialty Contractor

Cindy Mitchell, of Shingle Springs, was appointed to the Contractors

State License Board by Governor Arnold Schwarzenegger in March 2006. She was elected Board Vice Chair in 2008, and Chair in 2009, serving in that position until her term expired. Ms. Mitchell has served as president and chief executive officer of Citadel Tile and Marble since 1993. She is also the president and chief executive officer of GCM Business Solutions, and serves as a member of the North State Building Industry Association, the Ceramic Tile Institute, and the Trade Builder Alliance Council of the California Building Industry Association. She is past president of the California Professional Association of Specialty Contractors. Ms. Mitchell’s term concluded June 1, 2009.

**Bruce Rust**

*Assembly Appointee*  
Public Member

Bruce Rust, of Clovis, was appointed by Assembly Speaker Fabian Nuñez to the Contractors State License Board on April 2, 2008. Mr. Rust is the Business Manager of Laborers Local #294 in Fresno. He has worked in construction in California and Arizona, and as a tunnel miner, helping to build the Metro Subway System in Washington, D.C. His term continues through June 1, 2012.

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Construction of Cabrillo Freeway in Mission Valley, San Diego  
County, 1947

**CONTRACTORS STATE LICENSE BOARD**

# ENFORCEMENT

## Complaint Management

During calendar year 2009, CSLB's Enforcement Division opened 19,575 complaints, which was a decrease of 3,630 or approximately 16 percent fewer complaints from the previous year. The reduction in complaints is partially the result of the economic downturn as well as fewer proactive investigations being opened due to the mandated employee furloughs that reduced available work hours by 15 percent. Homeowners continued to submit the majority of filed complaints.

Despite staffing and resource challenges, the Enforcement Division continued to perform timely, efficient investigation of consumer complaints, as evidenced by a new complaint-handling cycle time record. Staff reduced the number of aged complaints over 270 days by 17 percent from the previous year to 136 complaints, despite the aforementioned challenges.

In January 2006, the goal of enforcement representatives

CALENDAR YEAR	NUMBER OF PENDING COMPLAINTS	COMPLAINTS AGED OVER 1 YEAR	COMPLAINTS AGED OVER 270 DAYS
2005	5,435	114	312
2006	4,173	69	116
2007	4,516	34	141
2008	4,298	15	164
2009	3,845	14	136

2009	MONIES PAID	CORRECTIONS
Complaints Settled	\$11,186,868	\$1,112,458
Citations	\$69,808	\$8,516
Arbitrations	\$3,022,862	n/a

(ERs) closing an average of ten (10) complaints per month was established to keep up with existing workloads and reduce backlogs. Pursuant to the three furlough days imposed each month, the Board reduced the average to eight (8) complaints, exceeding the goal.

## Restitution

Enforcement staff worked diligently throughout 2009 to resolve construction-related

disputes and obtained substantial restitution for consumers in both monetary payments and corrective work. Consumers who filed complaints with CSLB received restitution of more than \$15 million. This amount does not include civil court judgments. Total restitution paid to consumers during 2009 is detailed in the chart above.

# 1929

CSLB 1929-2009



**SB 712** – Signed by Governor Clement C. Young on June 13, 1929, (Senators Baker and Weller, chaptered August 14, 1929) created the Contractors' State License Bureau under the Department of Professional and Vocational Standards.

27,657 licensed contractors at end of first fiscal year

**Arbitration**

The three-year contract with Arbitration Mediation Conciliation Center (AMCC), CSLB’s arbitration provider since October 2003, expired in 2009, requiring CSLB to prepare a Request for Proposals to select a new arbitration provider. Again, AMCC offered the best proposal and was awarded a four-year arbitration contract.

During 2009, AMCC provided 727 arbitrations, 572 of these were mandatory and 155 were voluntary. Additionally in 2009, AMCC reduced the time from receipt of a case to the issuing of an award to a record 48 days. AMCC also was instrumental in assisting CSLB in staff training, industry expert training, form revisions, arbitration guides for

participants, legal updates relating to arbitration, and defining arbitration policies. Of particular note is the manner in which CSLB and AMCC worked under the Governor’s Executive Order (which suspended service contracts) to minimize the effects on both parties to the arbitration and the issuance of awards.

**ARBITRATION SURVEY RESULTS**

Year	CSLB Prompt Response	AMCC Efficient Coordination	AMCC Schedule	AMCC Case Facilitator Overall	AMCC Professionalism	AMCC Courtesy	AMCC Efficiency	Arbitrator Overall	Arbitrator Professionalism	Arbitrator Knowledge	Satisfaction w/Process
2008	4.49	4.68	4.72	4.82	4.87	4.87	4.85	4.89	4.94	4.88	4.72
2009	4.38	4.63	4.69	4.77	4.85	4.84	4.80	4.91	4.94	4.88	4.73

The mandatory arbitration award limit remains at \$12,500, and the voluntary arbitration limit remains at \$50,000.

AMCC performed a total of 727 arbitration proceedings in 2009.

ARBITRATION PROCEEDINGS	
Mandatory Arbitration	572
Voluntary Arbitration	155
<b>TOTAL</b>	<b>727</b>



1931

Sacramento Bee August 15, 1929

License application fee increased from \$5 to \$10 in 1931.

Law was amended, creating a separate position for the Registrar of Contractors (effective August 14, 1931) and positions of Deputy Registrar, Secretary, and Investigators.

Employers were always required to carry workers’ compensation insurance for employees; in 1931, it became a requirement that contractors file evidence of coverage with the Registrar.

### Mandatory Settlement Conferences

During 2009, Enforcement significantly lowered expenses for Office of the Attorney General (AG) and Office of Administrative Hearings (OAH) case support by utilizing mandatory settlement conferences (MSCs). MSCs resolve administrative disciplinary actions without incurring the cost of a formal hearing. Enforcement saved over \$250,000 in AG costs alone during 2009.

Cases where the respondent fails to appear are grouped together and scheduled for an Administrative Hearing. During the Administrative Hearing, a case can be handled as a default judgment decision in accordance with the Administrative Procedures Act.

### Proactive Enforcement

Despite a 15 percent reduction in staff work hours per month, due to the Governor’s Executive Order requiring three unpaid furlough days each month, Statewide Investigative Fraud Team (SWIFT) staff remained dedicated to the mission of

2009 MANDATORY SETTLEMENT CONFERENCES	
Cases Scheduled for MSCs	135
Cases Settled	49
Failure to Appear by Respondent	33

combating the underground economy in California’s construction industry and protecting legitimate contractors from unfair competition from unlicensed operators.

SWIFT conducted more than 100 sting and sweep operations during 2009, resulting in 706 legal actions, Notices To Appear (NTAs) and citations, and the arrest of 43 individuals. An additional 242 follow-up cases were opened as a

result of these operations, many of which resulted in the issuance of additional administrative citations or referrals for criminal prosecution.

SWIFT performed a total of 32 joint sting operations throughout the state in 2009, partnering with law enforcement, district attorneys (DAs), building departments and code enforcement officials, industry leaders, and other



CSLB SWIFT staff work with local law enforcement at a sting in Auburn.



1935

1934  
Construction of Page Reservoir

Santa Clara Valley Water District photo

**SB 596** – Introduced by Senator Thomas F. Scollan, a plastering contractor, SB 596 took away authority from the Director of Professional and Vocational Standards and shifted power for examination, classification, and license approval to a seven-member board that included one General Engineering, three General Building, and three Specialty contractors.

The first Board meeting was held in Sacramento on November 18, 1935, with members Warren A. Bechtel, Jr., General Engineering; Ralph E. Homann, Hugh McNulty, and S.G. Johnson, General Building; and Stephen L. Ford (plastering), William Nies (plumbing), and Roy M. Butcher (electrical), Specialty contractors.



state agencies. These operations targeted unlicensed contractors, repeat offenders and wanted criminals working illegally in the construction field. The stings conducted in 2009 resulted in the following actions:

- 540 suspects received NTAs for contracting without a license, illegal advertising, and workers' compensation insurance (WC) violations;
- An additional 75 individuals, both licensed and unlicensed, received administrative citations for licensure, advertising, aiding and abetting, and WC violations;
- 42 suspects were arrested and booked on outstanding warrants for crimes including sexual assault, child molestation, drug and weapons convictions, grand theft, elder abuse, and previous illegal construction activities; and
- More than a dozen suspect vehicles were towed and impounded during sting operations conducted in 2009.

SWIFT also conducted a total of 74 sweep operations during 2009,

CSLB SWIFT staff and local law enforcement at a sting in Auburn.



including 12 sweeps as a member of the Economic and Employment Enforcement Coalition (EEEC). SWIFT staff and its partners achieved the following results:

- Inspected 2,097 active construction sites throughout the state, checking for compliance with license, WC, and employment laws;
- Checked 2,603 entities for appropriate licensure;
- Issued 89 administrative citations to licensed and unlicensed individuals for violations ranging from contracting without a license and aiding and abetting unlicensed individuals to failure to obtain WC.

### Sting Highlights

#### California Blitz Operations

SWIFT continued conducting multiple simultaneous sting and sweep operations, or "blitzes," during 2009. These annual proactive crackdowns feature multiple sting and/or sweep operations, in numerous locations, conducted simultaneously in both northern and southern California. The objective is to blanket the entire state with a massive proactive enforcement effort. SWIFT expanded the tradition by conducting two blitzes in 2009, in both March and September. As a result of the two statewide crackdowns, SWIFT identified more than 200 unlicensed

12



Santa Clara Valley Water District photos

Board given authority to appoint Registrar with approval of department director. Earl S. Anderson was first Registrar and Secretary of the Board, appointed March 1, 1936. During fiscal year 1935-36, the Contractors' State License Bureau became known as the Contractors' State License Board.

### 1935

Calero Reservoir concrete wall construction

contractors in a total of five days, which resulted in 115 NTAs, 32 administrative citations, and 13 arrests.

**Disaster Response**

Three years of drought, coupled with high temperatures, low humidity and tinder-dry conditions, contributed to multiple devastating wildfires in California in the late summer and early fall of 2009. These wildfires burned more than 300,000 acres, destroyed hundreds of structures, and caused two deaths.

CSLB responded immediately, reaching out to fire victims and posting warning signs in the fire-affected regions. SWIFT then returned frequently to the burn areas during the rebuilding process, providing a visible presence and conducting sweeps and stings to protect distraught property owners from being victimized again by unlicensed and unscrupulous operators.

**Santa Barbara and Yorba Linda Stings**

Southern SWIFT staff conducted wildfire response stings in Santa Barbara and Yorba Linda in early spring 2009. The stings were

follow-up operations in those regions, which were declared disaster areas due to wildfires in late fall 2008 and were in the early stages of the rebuilding process in 2009.

**Tea Fire Sting**

Seven unlicensed contractors were arrested, booked, and charged with felonies for contracting without licenses in a declared disaster area as a result of a SWIFT wildfire response sting in Santa Barbara on February 4. SWIFT staff teamed with the Santa Barbara Police Department and DA's office for the operation.

**Complex Fire Response Sting**

Southern SWIFT staff conducted a two-day sting and sweep in Yorba Linda on April 14-15, targeting unlicensed contractors operating in the area damaged by the Freeway Complex Fire that blazed through the region in fall 2008. SWIFT investigators teamed up with officers from the Brea Police Department and Orange County DA Investigators for the operation. Most of the suspects caught in the sting faced felony charges for contracting without a license in a declared disaster area; three of the suspects

were repeat offenders who were arrested and booked on those felony charges. Several of the suspects bid on non-fire related work and received administrative citations.

**Jesusita Fire Response**

In early May 2009, wildfire struck again in Santa Barbara County. The Jesusita Fire, which swept through Santa Barbara's rugged mountains and canyons, burned 8,733 acres, destroyed a total of 80 homes and 80 accessory structures, and damaged an additional 20 homes and outbuildings. More than 30,000 people were forced to evacuate the scenic coastal region while the wildfire raged. Southern SWIFT investigators teamed up with the Santa Barbara Sheriff's Office and Department of Toxic Substances Control for a two-day community outreach effort and disaster area sweep in Santa Barbara on May 19-20. The teams also reached out to affected property owners and posted approximately 135 CLSB disaster warning signs throughout the wildfire region.

Sacramento Bee  
November 20, 1935



1936

First Rules and Regulations for administration of Contractor License Law adopted by the Board and effective April 13, 1936.

1937

**May 28, 1937**  
Golden Gate Bridge opens (construction began in 1933). The bridge was built by 10 different prime contractors and cost \$35 million (\$1.3 million under budget).



life.com

**Los Angeles Station Fire Response**

Southern SWIFT staff reached out to victims of the Station Fire on September 16. That devastating blaze, which was estimated to be the largest wildfire in Southern California history, broke out August 26 and destroyed 90 homes and structures, and burned more than 160,000 acres of the Angeles National Forest. Two firefighters were also killed when their truck went off a mountain road during efforts to battle the fire. Two

SWIFT staffers accompanied peace officers from the Department of Insurance (DOI), CSLB Public Affairs staff, and local TV crews for a preemptive visit to the burn area. Staff posted more than 200 disaster warning signs throughout the fire-damaged areas.

**49 Fire Response**

Northern SWIFT staff was a visible presence in the Placer County area in the wake of the devastating 49 Fire. The wildfire,

which started August 30, burned almost 350 acres and destroyed 63 residences and three commercial structures. Staff posted disaster warning signs in Auburn on September 1 and again during the week of September 7-11, and reached out to homeowners to warn them about the dangers of hiring unlicensed contractors.

On October 20, 2009, Northern SWIFT staff joined forces with the DOI, Placer County DA's Office, and the Placer County Sheriff's Office to conduct a proactive sweep of the fire zone. The teams inspected 27 jobsites and issued seven warning letters. One suspect was a multiple repeat offender and was arrested on a felony charge of contracting without a license in a disaster area. He faces a possible sentence of three years in prison and up to \$10,000 in fines. He had been caught by SWIFT at two previous stings and also was charged with contracting without a license as the result of a consumer complaint. He was

CSLB SWIFT staff place alert signs throughout a disaster area warning disaster victims and unlicensed contractors.

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**1937**  
Launch of the *California Licensed Contractor* newsletter

© California Department of Transportation



1939

**October 9, 1939**  
First license exam given after Board adopts Rule 37, Section III

**1938**  
Excavation underway through the Newhall mountain range (Route 23)

still serving a three-year probation sentence, stemming from a bust in September 2006 in Yolo County, when investigators caught him performing a \$3,300 landscaping and fencing job in the wildfire zone. The Placer County DA's office planned to prosecute.

SWIFT investigators returned to the 49 Fire area again in November, teaming up with the Placer and Amador County DA's' offices and the Placer County Sheriff's Department for a second proactive sweep of rebuilding projects being performed in the burn zone. The team inspected 14 jobsites and interviewed 30 entities, many of whom were licensed contractors. The team did, however, issue an NTA to one suspect for offering a bid for a roofing project on a fire-damaged house, and caught three licensees who had employees but no WC.

**Central Valley SWIFT Unit**

CSLB added a new weapon to its proactive enforcement arsenal with the opening of a third SWIFT Unit in the Central Valley. The implementation of the new unit, which is headquartered in Fresno, had been a longtime objective

of the Board and will provide enhanced proactive enforcement in the center of the state. The unit began staffing up in February 2009, with the hiring of three new ERs and an office technician. Additional staff, including two more ERs and a supervisor, rounded out the team when they came on board in the summer and early fall.

The new team wasted no time in making its presence known in the region. ERs immediately hit the ground running, performing outreach and establishing partnerships with local law enforcement, DA's offices, industry leaders, and building officials. They also conducted proactive sweep operations in the region throughout the summer months.

**Monterey Sting**

In September, four Central Valley investigators teamed up with a veteran CSLB Peace Officer to conduct the new unit's first sting. The team partnered with the Monterey Police Department for the operation, which was conducted in two separate sting houses in Monterey. Thirty (30) appointments were set and an

impressive 23 NTAs were issued. Several suspects caught during the sting had multiple previous violations for contracting without a license. One suspect was arrested; two others became suspicious and fled before receiving their NTAs. Undaunted, staff noted their license plate numbers, which were run by the local authorities and resulted in criminal charges against the fleeing suspects.


**Merced Sting**

The Central Valley SWIFT team conducted its second formal sting operation in the city of Merced on December 30. The team was joined by a veteran Northern SWIFT investigator, who provided expertise, guidance, and support during the operation. One suspect was arrested on an outstanding warrant for domestic violence, and another unlicensed contractor brought a friend who had a felony warrant for drugs, as well as a child support warrant. He did not receive an NTA, but did leave in handcuffs. The team also issued 11 NTAs and four warning letters during the operation.

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1945

45 contractor classifications established



© California Department of Transportation

1947

Cabrillo Freeway (Highway 163) in San Diego

1948

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**B&P Code Section 114**

The Legislature liberalized this law to extend beneficial provisions to returning servicemen. The principal amendment extended the time from 60 days to one year in which servicemen could reinstate a license after being discharged from the armed forces.

**January 19, 1948**

CSLB issued license number 100,000. It took 18 years, 4 months to reach this milestone.



## Economic and Employment Enforcement Coalition (EEEC)

The EEEEC, launched by Governor Arnold Schwarzenegger in July 2005, teams CSLB with the U.S. Department of Labor, Department of Industrial Relations (DIR) and its Division of Labor Standards Enforcement (DLSE) and Division of Occupational Safety & Health (DOSH), and the Employment Development Department (EDD) to perform proactive undercover sweeps of active construction sites throughout California.

In 2009, CSLB and its coalition partners continued to double the impact of their enforcement efforts by conducting a second simultaneous sweep operation in the opposite end of the state during each formal EEEEC operation. This expanded action not only enhances CSLB's enforcement and presence in the designated geographical region, but also dramatically increases the sheer numbers of illegal operators nabbed during the operation's timeframe.

### Summary of 2009 Formal EEEEC Sweeps

SWIFT conducted a total of 12 formal EEEEC construction sweeps with coalition partners during 2009. As a result of these operations, the EEEEC partners achieved the following results:

- 464 construction site inspections;
- 820 entities checked for licensure and compliance with labor and employment laws; and
- 117 administrative citations issued to licensees and non-licensees, totaling over \$700,000 in assessed penalties.

### Independent EEEEC Operations

In addition to the formal EEEEC operations conducted with Coalition partners, SWIFT's EEEEC investigators also conduct routine stings and sweeps, both independently and in concert with their SWIFT colleagues. CSLB's statewide EEEEC staff conducted a total of 21 stings and 56 sweep

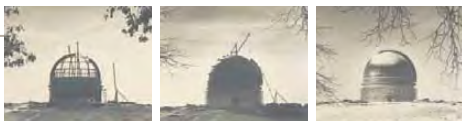
operations as part of CSLB's ongoing proactive enforcement mission in 2009.

The 21 sting operations performed by EEEEC investigators resulted in the following outcomes:

- 383 appointments set with targeted suspects;
- 266 NTAs issued;
- 11 arrests; and
- 16 administrative citations issued.

The 56 sweep operations conducted by EEEEC staff, including formal EEEEC sweeps with Coalition partners, resulted in the following actions:

- Inspection of 1,419 construction sites;
- 1,916 entities checked for licensure compliance;
- 55 administrative citations issued; and
- 215 warning letters issued.



California State Library archives (call no.: 2004-0221). Photographer: Ted Watterson

1949



**October 1, 1949**  
License application fees increased to \$15.

**1948**  
Palomar Observatory  
Mount Palomar, San Diego

California State Library archives (call no.: 2008-1308). Publisher: Allen's Photo Supply Co.

**1940-1946**  
San Francisco's  
Union Square  
construction

**1950**  
60,397 licensed  
contractors





CSLB Enforcement Chief David Fogt speaks before an audience at the Underground Economy Conference held in June.

**Underground Economy Conference**

On June 18, 2009, the Enforcement Division held an Underground Economy Conference in Sacramento. The conference focused on regulating the home improvement industry and brought industry association representatives together with state and local government officials to discuss strategies to level the playing field for law-abiding contractors. Conference attendees learned how to determine which agency to contact to report violations by illegal operators, how they can effectively partner to combat unfair competition, and how they can serve as ambassadors to consumers.

On Monday, September 21, 2009, an Underground Economy Conference follow-up meeting was held at CSLB Headquarters in Sacramento. At this meeting, CSLB Board members, along with Enforcement staff and industry association representatives from around the state, came together to discuss implementation of a new task force whose focus would be to work together with other enforcement agencies in order to combat illegal activity involving building permits, fraudulent owner-builder situations, unlicensed activity, WC violations, and underground economy violations. The result was the formation of the Premium Insurance Task Force. This task force, led by CSLB's SWIFT, began conducting

industry-specific stings and joint investigations with investigators from DLSE, EDD, DOI, city and county building officials, and local law enforcement.

The pilot operation in Livermore, from July 31- August 4, was a success, resulting in one felony arrest, three WC violation cases, and two misdemeanor prosecutions for WC violations.

SWIFT plans to conduct more of these special WC stings in 2010.

**NASCLA Award**

CSLB was awarded the 2009 Innovation in Regulation award by the National Association of State Contractors Licensing Agencies (NASCLA). This prestigious award was in recognition of CSLB's innovation, creativity and excellence in maintaining fair and balanced regulation of the construction industry as demonstrated by the efforts of the Service and Repair Task Force to bring a sophisticated, organized and massive fraud ring to justice. This team formed a strategy to hit the defendants



1952

Applicants were no longer required to submit character reference letters in order to obtain a license.

Contractors reminded that they must pay Social Security tax or their licenses would not be renewed. Some contractors were under the impression that payment was optional.

1953

California State Library archives (call no.: 2001-0388)

Construction of Los Angeles's Harbor Freeway (Interstate 110)





The Service and Repair Task Force secured \$1.3 million in restitution for consumers through a series of payments made by the criminal defendants.

District Attorney Paul Greenwood with the purpose of increasing the number of misdemeanor and felony convictions in a variety of consumer fraud cases. Mr. Greenwood was previously recognized by the Board for his outstanding efforts in prosecuting elder abuse cases and his instrumental role in obtaining criminal convictions from CSLB referrals for many years. In the brief time this MOU has been in place, it has proven to be successful in combating elder abuse.

Raul Casillas, a Chula Vista man accused of scamming at least five San Diego County residents—three of them elderly—out of thousands of dollars in a remodeling scam, pleaded not guilty to 13 felony charges. The defendant, using another contractor's license number, collected money for remodeling work. Authorities allege much of Casillas' work violated building codes and was a potential fire hazard. The prosecution alleges that Casillas accompanied a 79-year-old woman to her bank in September, where he persuaded her to transfer \$300,000 from her savings into a checking account. From that

18

at all levels of the organization, which included undercover stings that targeted technicians, officers and qualifying individuals of the numerous entities. CSLB, together with the California AG's office, was able to file a successful unfair completion action and telephone disconnect in Superior Court that resulted in an injunction, \$1.3 million in restitution for consumers, and \$450,000 in civil penalties for violations of the Business and Professions Code against the principals and associates. The result was the largest award and action in CSLB's 80-year history.

As a result of information obtained during the CSLB investigation, on August 5, 2009, the three principal defendants pleaded no contest to felony state income

tax evasion, and their spouses pleaded no contest to misdemeanor counts of failure to file state income tax returns. As part of the plea agreement, two of the principals are prohibited from engaging in any contracting business, and the third defendant was provided 12 months to conclude all in-progress projects.

### Enhanced Elder Abuse Enforcement

#### Partnering with the San Diego District Attorney's Office

Effective October 1, 2009, CSLB entered into a memorandum of understanding (MOU) with the San Diego District Attorney's office (SDDA) to assign CSLB Investigator Roger Hayes to work closely with San Diego Deputy

1958



**1958**  
Construction workers driving home a large steel pin at a girder expansion hinge during construction of the Carquinez Bridge, between Vallejo and Crockett.

**June 29, 1958**  
License application fees increased to \$20.

© California Department of Transportation

It became a misdemeanor for an unlicensed contractor to advertise himself as a contractor in 1958.

amount, the woman withdrew \$10,000 and gave it to Casillas, according to court papers. On other occasions, Casillas was seen in the bank addressing the senior citizen as “mom,” and writing in her checkbook register, answering questions directed toward her and leaving with her arm in his hand, authorities allege. Thanks to joint efforts of CSLB Enforcement staff and the SDDA office, Casillas has been charged with diversion of construction funds, eight counts of residential burglary and two counts of financial elder abuse.

**Unlicensed Contractor Sentenced to Long Prison Term**

During 2009, CSLB was also successful in combating elder abuse in other areas of the state. Unlicensed contractor Keith McGowan, 53, admitted to taking more than a quarter-million dollars from an elderly Sacramento couple. McGowan represented himself to the couple as a licensed contractor and asked if they needed remodeling work on their property. What began as a verbal agreement for \$40,000 ended up with the couple writing 52 checks for a total of \$252,650

before McGowan gutted the home and abandoned the project. McGowan, whose contractor license was revoked in 1996, was a “two-strike” convicted felon who served time in San Quentin prison for multiple charges, including manslaughter. McGowan will be spending the next 11 years in prison after pleading no contest to all charges, including financial elder abuse.

**Elder Financial Abuse Results in Jail Time**

Felony criminal charges for elder abuse and theft were filed against Steve Costello for taking over \$90,000 from two elderly victims. The victims both paid him to do home construction, painting and roofing repair to their homes. The defendant does not read or write and never provided a written contract for the work, and did only minor cosmetic work to the interior of the homes. Both victims suffer from some dementia and physical problems. On August 17, 2009, Costello entered San Quentin State Prison for a three-year sentence on two counts of financial elder abuse.

**Contractor Who Ripped off Licensee’s Identity Headed to Jail**

On November 20, 2009, Ronald Clawson appeared before a judge for his preliminary hearing on 11 felonies. The felonies, including elder abuse, centered on his use of a contractor’s license not issued to him. Using a legitimate contractor’s license, Clawson obtained more than \$22,000 from three unsuspecting consumers. Clawson pleaded no contest to four felonies and must spend 6 months in the county jail, and must provide full restitution to two of his victims. If Clawson does not complete restitution he faces six years in state prison.

**Memoranda of Understanding**

CSLB has been a party to memoranda of understanding (MOUs) for the purpose of sharing enforcement information with the Employment Development Department (EDD), the Division of Occupational Health and Safety (DOSH), the Division of Labor Standards Enforcement (DLSE), the Division of Apprenticeship Standards (DAS), the

1961

**B&P Code Section 7002**  
Law amended to provide for eighth board member (public)

**April 19, 1961**  
CSLB issued license number 200,000. It took 31 years, 7 months to reach this milestone.

The Department of Finance’s Organization and Cost Control Division conducted a management survey of the Contractors State License Board. As a result, branch offices were established in Oroville, Redding, Modesto, Bakersfield, Santa Rosa, Eureka, San Jose, Salinas, Ventura, Santa Ana, Indio, and San Luis Obispo. There was one field investigative position per 1,320 licensees. Reorganization was designed to increase depth and quality of service to the public.

Department of Transportation (Caltrans), the Franchise Tax Board (FTB), and the Department of Industrial Relations' (DIR) Office of Director – Legal (ODL). During 2009, CSLB worked with each agency to further enhance the existing MOUs; thus, strengthening enforcement of labor, tax, and licensing laws.

Realizing that other agencies also possess important enforcement information, a system was developed and implemented to allow other regulatory agencies to notify CSLB of violations committed by licensed or unlicensed contractors.

Following are summaries of the MOUs and achievements:

**Employment Development Department (EDD)**

Under the terms of the previous MOU, CSLB's Enforcement Representatives (ER) and EDD agents conduct monthly field inspections as part of a joint Employment Enforcement Task Force (EETF); however, pursuant to the new MOU, those field inspections increased to a minimum of two per month.

**2009 EDD OUTSTANDING LIABILITY REFERRALS**

- 584 licenses suspended by CSLB
- 363 licenses subsequently reinstated for compliance with EDD
- \$13,206,385 in outstanding liabilities resolved

**2009 FTB OUTSTANDING LIABILITY REFERRALS**

- 2 contractor licenses suspended for outstanding liabilities
- \$21,890 collected in full by FTB as a result of suspensions

CSLB sends statistical information to EDD on a quarterly basis, and EDD agrees to investigate underground economy complaints that are not suitable for SWIFT or EETF on-site inspections that are against unlicensed contractors who have six or more employees and are suspected of operating in the underground economy.

In addition, CSLB will provide EDD query access to CSLB's Licensing System, including licensing data, pending application data, and the CSLB backlog table, pursuant to agreed security provisions.

EDD continues to refer unresolved final tax liability cases to CSLB,

which result in the automatic suspension of those licenses until the outstanding liabilities are satisfied.

**Franchise Tax Board (FTB)**

In 2009, CSLB and FTB agreed that FTB would refer its final actions to CSLB pursuant to Business and Professions Codes Section 7145.5, which authorizes CSLB to assist in collecting taxes owed by a licensed contractor where the FTB action is final.

CSLB began enforcing this agreement in the last four months of 2009. Pursuant to the agreement, CSLB has sent

20

1963



1964

**B&P Code Section 7000.5**

Board membership was increased from eight to nine members. Section 7002 provided that the Board would consist of one General Engineering contractor, three General Building contractors, four Specialty contractors, and one public member.

October 1963 issue ends a ten-year lapse in publishing the California Licensed Contractor newsletter. CSLB printed 5,000 copies for contractors and allied organizations.

four contractors initial letters, totaling over \$1,119,000, and has sent suspension letters to two of those contractors for failure to resolve outstanding final liabilities, totaling over \$465,000. One of these contractors has successfully complied and paid the FTB in full. It is anticipated that CSLB will see a substantial increase in FTB referrals for 2010.

**Department of Industrial Relations (DIR)**

The Department of Industrial Relations (DIR) is responsible for promoting the welfare and working conditions of the wage earners of California. DIR has several divisions including DLSE, DOSH, DAS and the Office of the Director-Legal, which are each responsible for protecting the wages and safety of California workers. CSLB has entered

into MOUs with each of these divisions designed, in part, to assist them in collecting their final administrative and judicial actions against both licensed and unlicensed contractors who violate provisions of the Labor Code. The MOUs are also designed to enable CSLB to take appropriate administrative or court action against contractors who violate provisions of the Contractors’ State License Law. The following chart indicates the results of referrals made in 2009 pursuant to the aforementioned MOUs.

**Division of Occupational Safety and Health**

Under the revised agreement, DOSH refers reports of contractors found in violation of safe workplace provisions of the Health and Safety (H&S) Code that have resulted in a serious

workplace injury or fatality for appropriate CSLB action against the license.

Further, when any investigation of a construction industry employer is being conducted and DOSH determines that the employer has acted willfully or with gross negligence to violate an occupational safety or health standard, and the same act also constitutes an obvious violation of standards to which CSLB requires licensed contractors to adhere, DOSH will make an early referral to CSLB’s SWIFT Program Manager. CSLB anticipates an increase in early referrals from DOSH in 2010.

DOSH also will assist CSLB in achieving judicial revocation of licenses in DOSH-initiated criminal proceedings.

CSLB provides DOSH with the final disposition on all referrals, as well as a summary of administrative disciplinary action taken against a licensee as a result of a DOSH referral.

Finally, DOSH is responsible for issuing permits for specified construction activities that are

**2009 DIR OUTSTANDING LIABILITY REFERRALS**

236 licenses suspended for outstanding liabilities owed to DIR

84 licenses subsequently reinstated for compliance with DIR

\$597,185 in outstanding liabilities resolved



Photo courtesy of the Department of Water Resources

1966

**1964**  
Thermalito Diversion Dam near Oroville

1967

**July 4, 1966**  
License application fee increased to \$50



California Department of Corrections and Rehabilitation photos



**Inmate Welding (left) and Refrigeration and Air (right) programs at Deuel Vocational Institution, Tracy**

**B&P Code Section 23.8**

This law was used to establish that a person who has been released from prison has the right to be examined to qualify for a license, regardless of training obtained in prison.



predicated upon the applicant employer having an appropriate contractor license; therefore, CSLB notifies DOSH of the revocation of any contractor license on a monthly basis.

**Division of Labor Standards Enforcement**

The MOU provides that DLSE forward documentation of Labor Code (LC) violations that result in a civil or criminal case and/or violations that result in a judgment for unpaid wages or penalties. CSLB has authority to obtain judicial suspension or revocation of the license when notified of DLSE cases referred for criminal prosecution.

The enhanced MOU, signed in November 2008, provides for DLSE to forward to CSLB copies of all final findings by the Labor Commissioner of a willful or deliberate violation of any provision of the LC by a licensed contractor, so that CSLB can initiate disciplinary action as required by B&P Code Section 7110.5.

In late 2009, DLSE and CSLB entered into a pilot project entitled

**2009 INVESTIGATED DOSH HEALTH & SAFETY CODE VIOLATION REFERRALS**

62 referrals received from DOSH for serious H&S Code violations

104 complaint investigations completed by CSLB\*

63 DOSH referrals resulted in formal warnings to licensees

15 formal administrative disciplinary actions taken

\* This number includes DOSH referrals from 2008

**2009 INVESTIGATED DSLE LABOR CODE VIOLATION REFERRALS**

28 referrals received from DLSE for Labor Code violations

39 complaint investigations completed by CSLB

7 DLSE referrals resulted in formal warnings to licensees

2 formal administrative disciplinary actions taken

14 non-licensees identified and referred to the SWIFT unit

“Sacramento Test Project,” which will focus on CSLB investigations of DLSE final actions involving violations of Labor Code Sections 3700 (workers’ compensation), 226 (cash pay), 1021 (unlicensed contractor) and 1021.5 (licensed contractor hiring unlicensed contractor).

**Division of Apprenticeship Standards (DAS)**

On June 29, 2009, CSLB and DAS entered into an MOU to implement the provisions of SB 1362 and AB 3048, effective January 1, 2009, mandating that DAS refer cases to CSLB upon determining that a

22

1969

**July 1, 1969**  
License application fee increased to \$60

1973



**1973**  
B&P Code Section 7015 added the words “Department of Consumer Affairs” on CSLB’s official seal.

**SB 239/SB 609**

Originally passed as SB 239, which required contractors to list their CSLB license number on all business forms and in all forms of advertising, the law became part of emergency bill SB 609, which relaxed the advertising guidelines to be “as prescribed by the Registrar,” and became effective July 1, 1973.

violation of electrician certification requirements under Labor Code Section 3099.2 has likely occurred so that CSLB can appropriately discipline its C-10 Electrical licensees who have violated the law.

**Office of the Director Legal Unit (ODL)**

A first-ever MOU between the DIR’s ODL and CSLB was signed on August 6, 2008. ODL administers the Uninsured Employers Benefits Trust Fund (UEBTF), and investigates uninsured employers and their lack of WC insurance. Under this agreement, ODL refers suspected unlawful activity by licensed or unlicensed contractors to CSLB; CSLB, in turn, provides

**2009 DAS REFERRALS**

- 30 referrals received from DAS reporting uncertified electrician activity
- 12 DAS referrals resulted in formal warnings to licensees
- 2 formal administrative disciplinary actions taken

ODL with the final disposition results on all referrals. In addition, ODL is provided access to the CSLB Licensing and Information System database.

**California Department of Transportation**

An MOU was finalized between CSLB and the Department of Transportation (Caltrans) on September 19, 2008. Caltrans

administers contracts for \$16 billion in funds for improvements to California highways, which are public works projects subject to Public Contract Code Sections 4100–4100, the Subletting and Subcontracting Fair Practices Act (Act). Under the MOU, Caltrans refers serious or willful violations of the Act and WC violations to CSLB for investigation. CSLB will conduct investigations into violations of the Act and WC and notify Caltrans of the investigations’ results. Each agency will share information, to the extent allowed by law, to assist each other in any investigations for violations of the Act, unlicensed contractor activity, or violation of WC requirements.



© California Department of Transportation

Pouring concrete on I-5 near J Street in Sacramento

1974

**November 1974**  
CSLB issued license number 300,000. It took 35 years, 2 months to reach this milestone.

1975

**AB 1385**  
In 1973, this law added two more members to the CSLB Board, one public member and one General Building contractor, making a total of 11 Board members.

**July 1, 1975**  
License application fee increased to \$80

1 9 2 9 - 2 0 0 9



Construction of the  
Palomar Observatory  
on Palomar Mountain,  
1948

California State Library Archives

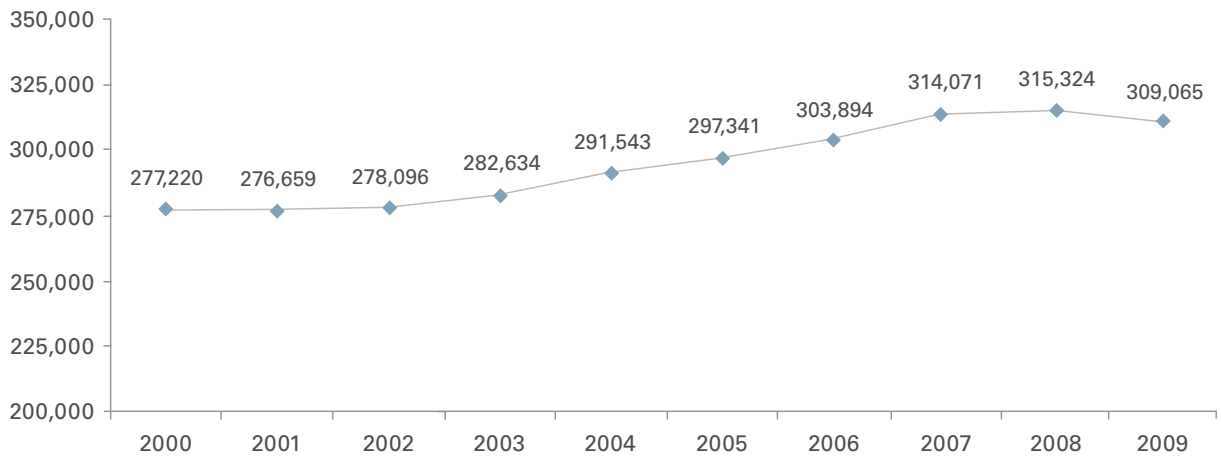
**CONTRACTORS STATE LICENSE BOARD**

# LICENSING

## Number of Licenses

As of December 31, 2009, there were 309,065 licenses, about a 2% decrease over 2008. Of those, 246,210 were "Active," while 62,855 were "Inactive."

**NUMBER OF LICENSES**



## Workload

Until 2008, the number of applications received by CSLB had steadily increased. While CSLB saw a greater increase in original exam applications in 2004, it is believed that this was a result of the implementation of new fingerprinting requirements in January 2005. The chart on top of page 26 displays the number

of license applications received for calendar years 2000 through 2009. A total of 35,481 applications were received in 2008 and 31,729 were received in 2009, a 10.5% decrease. Original license applications decreased 15%, while applications for adding a classification and/or replacing the qualifying individual increased 4%.

## Processing Timelines

Due to furloughs imposed by the Governor's executive order, the Licensing Division has seen a slight increase in processing timelines. However, overall the division has still maintained acceptable processing levels. The table on page 26 indicates the average length of time it took for applications to be pulled for processing in calendar years 2008 and 2009.

1979



Source: California State Library (call no. 1990-1343)

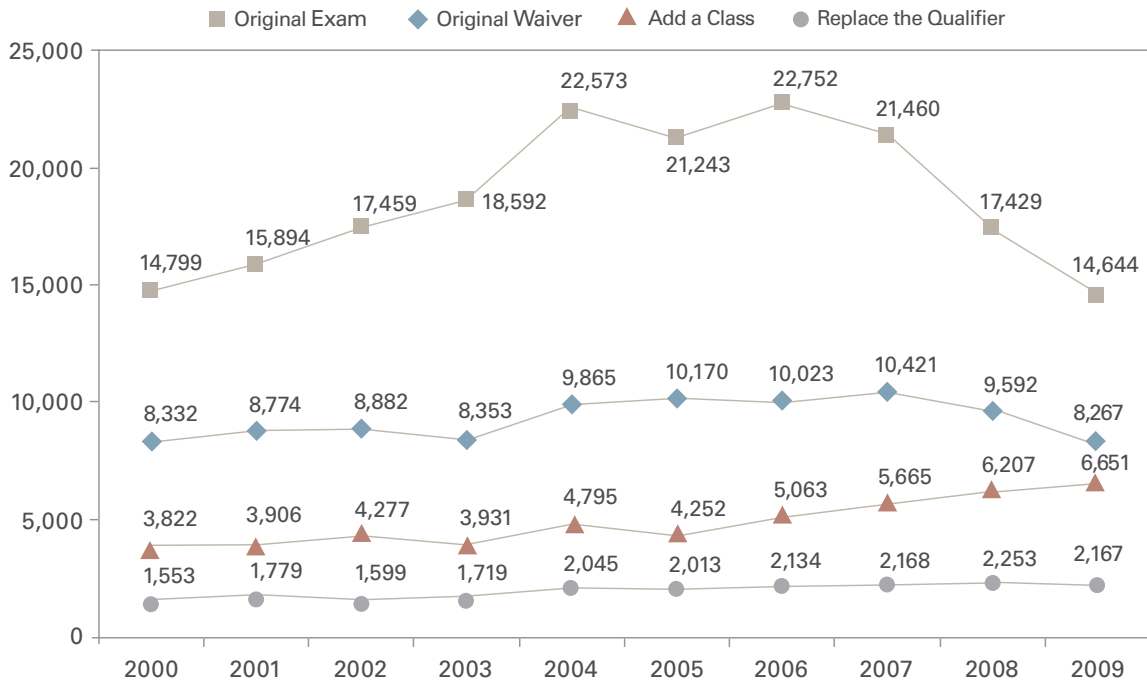
**1979**  
Construction workers

1980

Effective July 1, 1980, arbitration and citation regulations were established in B&P Code 7191 as part of AB 1363 (Lockyer)

- CSLB implemented the citation process in 1981.
- AB 1363 established the "10% down or \$1,000, whichever is less" rule for down payments.

**APPLICATIONS RECEIVED BY CALENDAR YEAR**



26

**WEEKS BEFORE BEING PULLED FOR PROCESSING**

TYPE OF APPLICATION/DOCUMENT	2008 AVERAGE	2009 AVERAGE
Original Exam	1.4	1.6
Original Waiver	2	2.8
Add a Class	3	3.6
Replace the Qualifier	3.2	3.6
Home Improvement Salesperson	2.5	2.4
Renewal	1.8	1.6
Contractor Bond/Bond of Qualifying Individual	.8	.8
Workers' Compensation Certificates and Exemption	1.3	1.9

1981

1982

**July 1, 1982**

State budget reductions forced CSLB to temporarily cut testing for 31 of its then 38 trade classifications. The seven remaining exams were: General Engineering "A," General Building "B," Electric C-10, Warm-Air Heating, Ventilating and Air-Conditioning C-20, Plumbing C-36, Roofing C-39, and Swimming Pool C-53.

**February 10, 1981**

CSLB issued license number 400,000. It took 41 years, 5 months to reach this milestone.

**1982**

License application fee increased to \$150.



### Statistical Reporting and Analysis Project

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

The chart below illustrates the number of applications received July 1, 2008, through June 30, 2009, (FY 2008/09) and the disposition of those applications.

There are many reasons for an application to be “pending.”

These include, but are not limited to:

- The applicant not passing the exam, but still within the 18-month time period during which he/she must pass the examination;
- The application is out for investigation or has not been cleared by the Criminal Background Unit; or
- Final documents or fees have not been submitted.

The Licensing Division continues to work closely with the Board’s Information Technology staff to develop reports that will be used to determine necessary application processing improvements.

### Regulations Updated

In 2009, CSLB made revisions to several sections of the California Code of Regulations, as described below. These changes became effective on December 30, 2009.

The amendment to Section 832.45 was made in order to clarify the definition of a C-45 Sign contractor, which covers all the types of signs (both electrical and non-electrical), as opposed to the C-61 Limited Specialty - D-42 Sign Installation contractor (recently renamed “Non-Electrical Sign Installation” contractor), which covers only non-electrical sign installation.

TYPE OF APPLICATION	FY 2008/09			
	RECEIVED	ISSUED	VOID	PENDING
Original Exam	15,577	9,255	3,320	3,032
Original Waiver	8,728	6,899	1,630	208
Add a Class	6,692	4,638	1,472	582
Replace the Qualifier	2,187	1,639	494	54
Home Improvement Salesperson	5,373	2,588	2,699	86
Change of Officers	1,576	1,032	513	31

*Note: Data taken from TEALE Report 724; Run Date: January 1, 2010*

1984

**January 1, 1984**  
AB 1994 clarified “swimming pool” to include any spa or hot tub which is permanently installed.

1986

**October 1986**  
CSLB issued license number 500,000. It took 47 years, 1 month to reach this milestone.

**1986**

Legislature and Governor George Deukmejian approved the “Industry Expert Program” for a one-year pilot—July 1, 1986 through June 30, 1987, as a result of an increased backlog of complaints.

The amendment to Section 832.46 was made in order to update the definition of C-46 Solar contractor by deleting text that referred to specific and, in some cases, outdated types of solar energy systems. Instead, the definition now simply refers to thermal and photovoltaic solar energy systems to allow for new innovations that would also meet this definition.

The amendment to Section 842 – Applicants May Be Re-Examined – was made in order to repeal the regulation, because its provisions were inconsistent with the provisions of Business and Professions Code Section 7074, which simply provides that an application will become void if the applicant has failed to pass the examination within 18 months after the application has been deemed acceptable by the Board. Section 7074 does not limit the number of reexamination attempts that an

applicant may make, simply the amount of time that the applicant has in which to successfully complete the exam.

The amendment to Section 861 – “Advertising” Defined was made in order to update the listing of types of advertising transmissions to include both airwave and electronic, and to delete the exception provision for licensees engaged in interstate contracting, because the reference statute (Business and Professions Code Section 7030.5) does not give the Registrar the authority to grant such exemptions.

**Fingerprinting**

In January 2005, CSLB began implementation of its fingerprinting requirements for license applicants. The program was fully implemented in April 2005. All individuals listed as personnel on an original application, an application to add a classification

to an existing license, an application to replace the qualifier, an application to report new officers, and an application for registration as a Home Improvement Salesperson are required to submit fingerprints. Applicants for a Joint Venture license are not required to submit fingerprints. Fingerprints are compared to the records of the California Department of Justice and the Federal Bureau of Investigation to determine whether a criminal history exists.

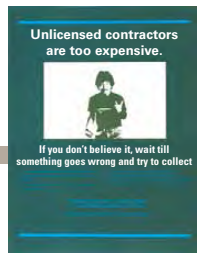
CSLB staff review all criminal convictions to determine whether the crime is substantially related to the duties, qualifications, or functions of a contractor and to determine whether the applicant has demonstrated his/her rehabilitation. Throughout 2009, the timeline for pulling the conviction records for review were held at less than 30 days, often as low as one to two weeks.

28

**2009 FINGERPRINT STATISTICS**

29,505	Total number of applicants with fingerprint responses from the Department of Justice and Federal Bureau of Investigation
5,737	Number of applicants identified with a criminal history
83	Number of applicants denied licensure due to criminal convictions
195	Probationary Licenses

**1986**  
CLSB launched statewide poster campaign



1987

**SB 1869 (Vuich)**

On January 1, 1987, this law raised the minor work exemption limit from \$200 to \$300. Contractors working on projects for which the aggregate cost for labor and materials was less than \$300 were not required to have a CSLB license.

### Licensing Information Center

CSLB has continued efforts to bolster its Licensing Information Center (LIC) by streamlining workload, becoming more customer-friendly, and allowing more callers to reach an agent by opening up all LIC queues. Callers placed in a queue have the choice of either waiting for an agent or hanging up and calling back later.

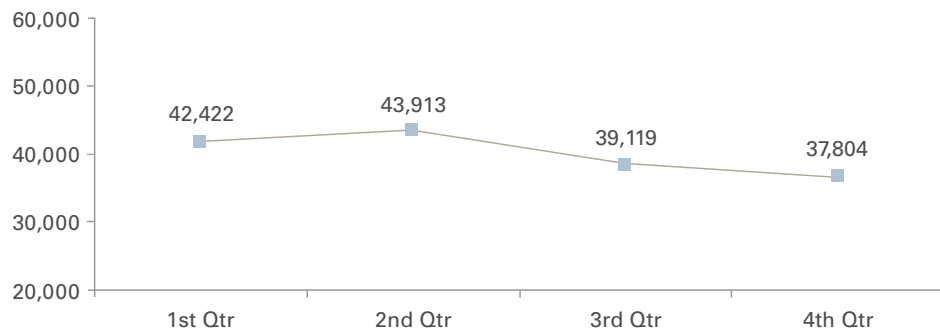
**Calls Answered**—The chart on this page illustrates the number of calls answered by LIC staff in 2009. A total of 173,524 calls were answered in 2008 and 163,258 calls were answered in 2009, a 6% decrease.

**Average Wait Time**—The average wait time for callers in 2009 was 4:35 minutes. However, for a majority of the year (March to November), the average wait time was 2:56 minutes which met the

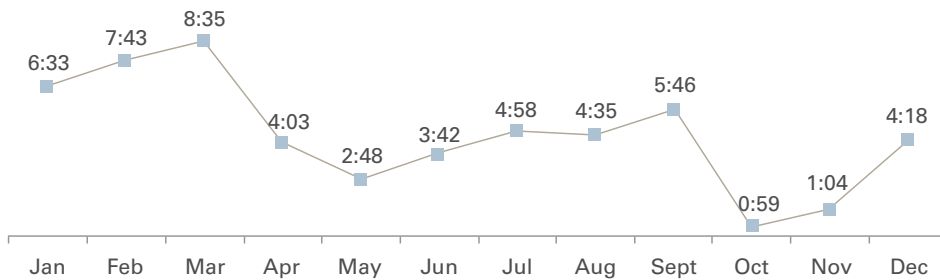
Board’s goal to answer calls in under three (3) minutes.

Among the units in the Licensing Division, the Licensing Information Center (LIC) has seen the greatest impact as a result of the staff furloughs. While the number of calls received in the LIC has remained relatively consistent over calendar years 2008 and 2009, due to the 15% reduction in staff hours, call wait times increased by 14%.

**CALLS ANSWERED CALENDAR YEAR 2009**



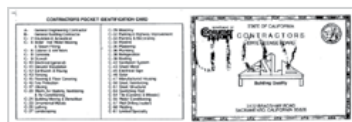
**AVERAGE WAIT TIME—CALENDAR YEAR 2009**



1988

**B&P Code Section 7072.5**

This law (AB 4310-Eastin) required CSLB to replace its paper pocket license cards with plastic pocket cards at no cost to a contractor upon licensure.



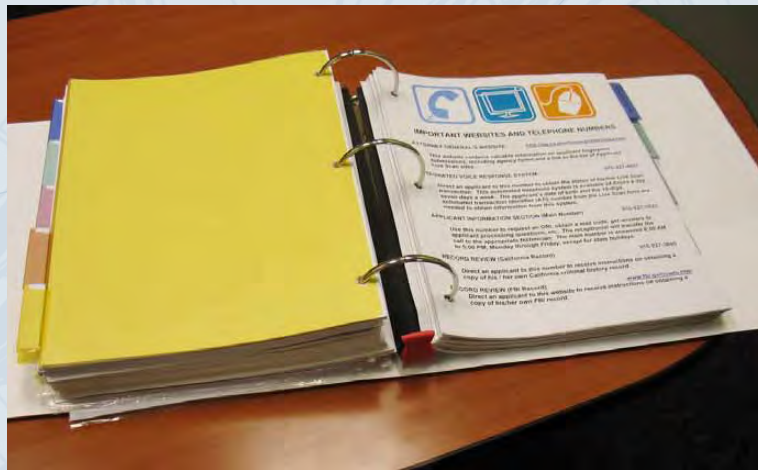
1988

CSLB Arbitration Program initiated

## Employee Orientation/Training

The CSLB Licensing Division provides a comprehensive week-long training program for all new CSLB employees and any current staff members wanting to brush-up on their CSLB skills. The training class is now being offered state-wide.

The philosophy behind the class presentation is “the big picture.” The 40-hour class covers a wide range of CSLB licensing subjects, including how to apply the CSLB license law to daily staff work, the functions and responsibilities of the different units within the Board, an in-depth review of licensing program procedures and requirements, and tips to assist staff in developing excellent customer service skills. While the primary focus of the training is on the



laws and processes relating to the licensing functions of the board, a general overview of the enforcement program is also provided.

Each graduate receives an all-inclusive CSLB training manual

designed to assist staff in improving the quality of their performed tasks. The manual includes reference materials, licensing procedural information and California License Law updates.

30

1988

CSLB photo



1989

The “10 Ring” memo was issued to all state agencies upon passage of SB 10 (Lockyer) which stated all government agency telephones had to be answered within 10 rings during business hours.

Construction of a private residence in Santa Rosa

## Examinations

The Testing Division is responsible for ensuring that the Board's examinations are current and relevant. In accordance with legal requirements and professional testing standards, an occupational analysis of each licensing classification is conducted to collect information from licensed contractors that helps identify current trade practices. The results of the occupational analyses are then used to update the licensing examinations.

All test development work is dependent on the input of licensed contractors serving as Subject Matter Experts (SMEs). Testing Specialists facilitate two- and three-day workshops with SMEs, which are held at CSLB's Sacramento headquarters. Since 2008, budget delays, furloughs, and reduction of overtime have reduced the available workdays for Testing Specialists to conduct workshops, thereby delaying the completion of scheduled projects. Although the Board's goal is to perform an occupational analysis for each classification every five years, the reduction of workdays

made it impossible to maintain this standard in 2009.

During 2009, the Examination Development Unit (EDU) was fully staffed and able to complete ten occupational analyses and update eight examinations. This is a remarkable accomplishment, given the reduction in workdays. With the assistance of additional computers and support from the Board's Information Technology Division, the EDU responded to the reduction in workdays by scheduling three workshops in the same two-day period to maximize the most desirable workshop time slots. Another contributing factor was the increased availability of SMEs due to the downturn in the building industry. The EDU was

also able to increase productivity by using telephone instead of in-person interviews for some projects. Although the EDU completed the same volume of work it typically accomplishes, the delay that originated in 2008 meant that five occupational analysis projects that were scheduled to be completed in 2008 were not completed until 2009. The delay continued into 2009, in that six projects scheduled for completion in 2009 will not be completed until 2010. The Board's examinations still comply with the Department of Consumer Affairs' Examination Validation Policy that recommends an occupational analysis be conducted every five to seven years.



Exam applicants at the Sacramento testing center.



CSLB photo

### 1989

The photograph below characterizes what was once referred to as a CSLB exam "cattle call." Approximately 1,200 candidates took that exam at the Sacramento Community Center in early 1989. Budget and administrative limits required CSLB to administer exams to large numbers of candidates in each of only two available statewide locations.

### 1989

Industry Experts Program implemented



OCCUPATIONAL ANALYSES COMPLETED	NEW EXAMINATIONS COMPLETED
"A" General Engineering	C-5 Framing and Rough Carpentry
"B" General Building	C-10 Electrical
C-6 Cabinet, Millwork, and Finish Carpentry	C-13 Fencing
C-11 Elevator	C-28 Lock and Security Equipment
C-15 Flooring and Floor Covering	C-35 Lathing and Plastering
C-20 Warm-Air Heating, Ventilating and Air-Conditioning	C-38 Refrigeration
C-23 Ornamental Metals	C-50 Reinforcing Steel
C-36 Plumbing	C-60 Welding
C-43 Sheet Metal	
C-51 Structural Steel	

32

### Special Projects

Testing’s EDU worked with the board’s Personnel Unit to perform additional occupational analyses for three classifications in the Enforcement Division: Enforcement Representative I and II, and a new Enforcement Chief Deputy position that the Board will propose to the Department of Personnel Administration. The completed occupational analyses will be used to update the civil service examinations for hiring new Enforcement personnel and

to provide a current description of Enforcement job duties.

The EDU also initiated a pilot project to conduct its first occupational analysis survey using a computer-based, instead of paper and pencil, survey. In January 2010, a Law and Business survey will be e-mailed to a selected sample of contractors in order to determine the feasibility of using this methodology for future occupational analyses and other research projects.

### State Contractors Official Regulatory Exams (Score)

In 2009, the EDU transitioned all functions out of the DOS-based system into the Windows-based SCORE system. All 45 item banks are maintained in SCORE and SMEs are using the item writing module to write new test questions. The SCORE item writing system is much easier for the SMEs to learn than the DOS-based system, and it allows them to use a mouse and other

1990

1990

Computer Assisted Testing (CAT) began operating in Sacramento, Redding, Fresno, San Francisco, Inglewood, Buena Park, San Diego, San Bernardino, and Ventura.



Looking north, Riverside Drive Bridge seen at center crossing the Los Angeles River Bridge, Interstate 5 seen at top center, and Arroyo Seco Freeway at bottom center.

life.com

Windows-based functions like copying and pasting text. SME training and system troubleshooting time have been greatly reduced.

**Test Centers**

The Board administers examinations daily, Monday through

Friday, at testing centers located in Sacramento, Oakland, San Jose, Fresno, Oxnard, Norwalk, San Bernardino and San Diego.

Beginning in 2005, the Board began a program to expand the capacity of the testing centers to

meet the ever-increasing demand for examinations. The table below lists the approved expansion projects and the status of each project.

LOCATION	EXPANSION PROJECT DETAIL	STATUS
Sacramento	Increase capacity by 9 seats to 32 seats	Completed January 2006
Oxnard	Increase capacity by 12 seats to 33 seats	Completed August 2006
San Jose	Increase capacity by 18 seats to 25 seats	Completed November 2006
Norwalk	Increase capacity by 32 seats to 59 seats	Completed December 2007
San Bernardino	Increase capacity by 31 seats to 45 seats	Completed March 2008
San Diego	Relocate and increase seating by 13 seats to 28 seats	Completed February 2010
Fresno	Relocate to new space to increase capacity by 10 seats to 25 seats	Completion expected in spring 2010

1991

**1991**

Construction Management Education Sponsorship Act of 1991 (CMESA) was created to help meet the demand for highly educated and trained construction managers. All of the money in the education fund came directly from contractors.

**August 7, 1990**

CSLB issued license number 600,000. It took 61 years to reach this milestone.

**1991**

Board increased from 11 to 13 members (one general engineering contractor, two general building contractors, two specialty contractors, one member of a labor organization representing building trades, and seven public members, one of whom must be an active, local building official).

1 9 2 9 - 2 0 0 9



Department of Water Resources

Surveying,  
circa 1960

**CONTRACTORS STATE LICENSE BOARD**

# LEGISLATION

## Development and Coordination of Sponsored Legislation

CSLB sponsored four pieces of legislation during the first half of the 2009/2010 session:

- AB 370 (co-sponsored with the L.A. City Attorney);
- AB 457;
- AB 1074; and
- SB 821 (clean-up legislation).

AB 1074 was held in the Public Safety Committee in 2009 and was expected to move forward when the session resumed. However, the other bills were chaptered and became effective on January 1, 2010. (Although AB 457 became law on January 1, 2010, the provisions do not become operative until January 1, 2011).

### AB 370 (Chapter 319, Statutes of 2009)

AB 370 increased the penalties for contracting without a license and:

- Makes a first conviction punishable by a maximum fine

of \$5,000 (an increase from \$1,000), or by imprisonment in a county jail for no more than 6 months, or both;

- Requires that the fine for a second conviction be the greater of 20% of the contract price, 20% of the aggregate payments made to, or at the direction of, the unlicensed contractor, or \$5,000 (an increase from \$4,500);
- Requires that a 3rd or subsequent conviction be punishable by **both** a fine and imprisonment in a county jail, and requires that the fine be no less than \$5,000 (an increase from \$4,500) and no more than \$10,000, 20% of the contract price, or 20% of the aggregate payments made to, or at the direction of, the unlicensed contractor, whichever is greater;
- Provides a change in the language of the law to allow the application of the enhanced penalties to previously convicted non-licensees caught in CSLB sting operations;

- Provides that a person who used the services of an unlicensed contractor is a victim of crime and is eligible for restitution for economic losses, regardless of whether that person had knowledge that the contractor was unlicensed; and
- Provides that, for construction projects performed due to a natural disaster for which a specified state of emergency has been declared, a person who used the services of an unlicensed contractor is a victim of crime and is eligible for restitution for economic losses, regardless of whether that person had knowledge that the contractor was unlicensed.

### AB 457 (Chapter 109, Statutes of 2009)

AB 457 amends the mechanic's lien laws so that, in order for a mechanic's lien to be valid, a copy of the lien and a Notice of Mechanic's Lien containing specified information must be served on the owner or reputed owner of the property, and

1993 1994

1993

License application fee increased to \$250, and at least 20 percent of license fees were earmarked for enforcement programs.



Unlicensed Activity Unit became a statewide operation—a direct result of the application fee increase.

December 8, 1994

CSLB issued license number 700,000. It took 65 years, 4 months to reach this milestone.



establishes a process for service of the notice if those parties cannot be served, as follows:

- Requires a proof of service affidavit to be completed and signed by the person serving the Notice of Mechanic's Lien. The proof of service affidavit must be included as part of the claim of lien that is filed with the county recorder;
- Provides that a failure to serve the mechanic's lien, including the Notice of Mechanic's Lien, as required, would cause the mechanic's lien to be unenforceable as a matter of law; and
- Specifies that, within 20 days of filing a foreclosure action to perfect a mechanic's lien, the lien claimant who filed the foreclosure action must file a notice with the county recorder in which the property is located,

identifying the fact that the foreclosure action is pending.

**NOTE:** The Notice of Mechanic's Lien directs consumers to use the CSLB Web site as a resource for obtaining information on mechanic's liens.

**SB 821 (Chapter 307, Statutes of 2009)**

As noted above, SB 821 was clean-up legislation. The changes to the following Business and Professions Code sections are not substantive. Rather, they clarify and reorganize the sections to make them easier to read and understand in Sections 7028.7 and 7044 (owner-builder). The relevant amendments can be found under Section 70 of the bill. Changes to sections 7159, 7159.5 and 7159.14 were made only to correct erroneous references to the Civil Code.

**Bill Tracking**

Over 25 bills were identified and actively tracked during the past legislative session. If enacted, the bills listed below would have directly impacted CSLB operations and/or the construction industry. As such, this legislation required CSLB staff to work directly with the authors' offices to mitigate the impact of the bills, assist with technical issues or obtain clarification. Several of these bills are two-year bills and will require additional work and/or monitoring during 2010:

- AB 449 (Bill Berryhill)
- AB 560 (Skinner)
- AB 756 (Eng)
- AB 660 (Torricono)
- AB 880 (Niello)
- SB 189 (Loenthal)
- SB 258 (Oropeza)
- SB 389 (Negrete McLeod)
- SB 392 (Florez)
- SB 405 (Cogdill)
- SB 638 (Negrete McLeod)

36

1995

New "high-tech" information source became available, the automated toll-free number 800.321.CSLB, which connects consumers to the Board's Automated Phone Response System (APRS).

Governor Pete Wilson's Council on Information Technology recommended that CSLB place a variety of forms and information online as part of a pilot project to assess the Internet as an information conduit.



# PUBLIC AFFAIRS

## Media Outreach

During 2009, CSLB's Public Affairs Office (PAO):

- Distributed 37 press releases
- Distributed 22 industry bulletins
- Organized six media events and held two media availabilities
- Fielded more than 325 media inquiries and requests for interviews

## Media Outreach

The Public Affairs Office, with assistance from CSLB's Enforcement Division, held six

press events and two media availabilities in 2009.

## Press Events

- Transient Criminal Vehicle Search Warrant
- Station Wildfire (Los Angeles County)
- Spring Sting Blitz (Bakersfield, Kern County)
- Spring Sting Blitz (Tulare, Tulare County)
- Fresno Sting Operation
- Fall Sting Blitz (Woodland, Yolo County)

## Media Availabilities

- Transient Criminal Vehicle Seizure
- Service & Repair Lawsuit Settlement

## High Profile Media Case

Public Affairs staff worked closely in 2009 with CSLB's Enforcement Division to publicize the multiple arrests of unlicensed transient paver George Stanley and members of his extended family. The outreach led to coverage from Pennsylvania to Hawaii. The outreach and posting of information on CSLB's Web site was also pivotal in helping identify additional victims and in helping law enforcement in other states identify Stanley and his cousins as suspects in crimes they were investigating.

37



CSLB Public Affairs Chief Rick Lopes speaks to the media at a sting house.

## Disaster Response

The Public Affairs Office and Enforcement Division worked closely in the wake of a series of wildfires around California in 2009.

1998

December 9-10, 1998, committee and board meetings were broadcast live for the first time over the CSLB Web site to approximately 80 listeners. Real-time broadcast was a pilot project intended to provide the public with additional avenues to participate in the meetings.

1999



August 14, 1999  
CSLB's 70th anniversary

Media outreach was conducted after the following wildfires:

- Jesusita (Santa Barbara County)
- Station (Los Angeles County)
- 49 Fire (Placer County)

PAO issued news releases to help spread the warning message to fire victims about dangers of unlicensed and unscrupulous contractors. PAO staff was also interviewed by a number of different media outlets. Staff also ensured that an adequate supply of disaster signs were available for enforcement staff to post in the fire zone.

aggressive paid advertising campaign aimed at warning consumers about the dangers they face when hiring an unlicensed contractor.

The first stage of the campaign was research. Research was conducted to gain a better perspective of audience insights and knowledge about CSLB and hiring contractors.

A public opinion survey was conducted in Sacramento, Fresno, Los Angeles and San Diego to establish a baseline understanding of awareness levels and behaviors with the general market, senior audiences, and the Hispanic audience in California.

Focus groups were also held with licensed contractors in the same markets to get a better understanding of their experiences within the industry where economics and unlicensed contractors are concerned.

### Public Opinion Survey

A baseline public opinion survey was implemented to determine a benchmark, assessing consumer knowledge and awareness of CSLB, how it serves California consumers, awareness of

unlicensed contractors, and preferred forms of media messages. The results helped to determine messaging for the advertising and awareness campaign.

Below are the principle findings:

- Sixty-one percent (61%) of respondents do repairs themselves and hire someone else depending on the type of repairs.
- Plumbing, electrical and roofing, respectively, are the repairs respondents mentioned hiring someone to do the job rather than doing it themselves.
- When asked how the respondents found the person to do their repairs, the majority (71%) chose them from referrals by friends, family or neighbors.
- Hispanics are much more likely to use publications like "PennySaver" and/or a telephone directory to find a person to do their repairs.
- Sixty-eight percent (68%) of homeowners state that they receive multiple bids before hiring a repair person.

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In addition, the CSLB video, "Rebuilding After a Natural Disaster," aired on public access cable television after the Jesusita and 49 fires.

### Consumer Protection Advertising Campaign

During 2009, CSLB and its contracted advertising agency ASTONE/Crocker/Flanagan, now ASTONE Agency, undertook an

2000



CSLB produced the *Doing it Right—A Contractor's Standard for Excellence* and *Doing it Right: Hiring a Licensed Contractor* videos in 2000 to enhance contractor and consumer education.

### July 11, 2000

CSLB conducted its first Senior Scam Stopper seminar in East Los Angeles.



- Respondents that are aware of CSLB are significantly more likely (85%) to hire a licensed contractor as compared to those who are not aware of CSLB (74%).
- When respondents were asked if they knew there were laws protecting them when they hire a licensed contractor, the vast majority (90%) stated they would more likely hire a licensed contractor.
- Respondents favored friendly, funny and/or family/children oriented advertising and commercials. They were neutral about government and non-profit commercials.
- Friends/peers, relatives/neighbors and associations/organizations, respectively, are viewed as the most trusted information sources.
- The majority (80%) of homeowners says they are aware that a state agency licenses contractors in California (87% in Sacramento); however, only (22%) said they knew the name of the agency. Of that (22%), the majority stated the correct agency name.

The ad shown at right represents one of the print ads used in the comprehensive advertising campaign coordinated by the Public Affairs Office.

### Creative Messages

A total of twelve different advertisements were created for the campaign:

- One 30-second TV Commercial
- Three 15-second TV Commercials
- One 30-second Radio Commercial
- Two Online Animated Banner Ads
- Three Newspaper Print Ads
- Two Telephone Directory Ads

Both the 30-second radio and TV commercials have also been posted on YouTube.com.

### Advertising Campaign

The first two flights of the actual advertising campaign were conducted in the spring and summer of 2009. The campaign ran during six weeks from late May to June, then four weeks in mid-July through mid-August.



Advertisements ran on the following media in Los Angeles, San Diego, Sacramento and Fresno markets:

- Television
- Radio
- Internet
- PennySaver newspapers
- Telephone directories

The advertisements had a “call to action” that was used to help measure the campaign’s success. The call to action for consumers was to “Check the License First.” This was reinforced with a “micro site,” which consisted of a special

2001

CSLB began mandatory settlement conferences to accelerate the formal disciplinary process.

**October 4, 2001**  
CSLB issued license number 800,000. It took 72 years, 2 months to reach this milestone.

2002

**September 9, 2002**  
Imaging Workflow Automation System (IWAS) became operational.

SB 2029 added two more members to the Board creating a 15-member Board (one general engineering, two general building, two specialty, one labor organization rep of building trades, one active local building official, and eight public members – one from a statewide senior citizen organization).

CSLB launched the Home Improvement Bill of Rights with educational material including a checklist for consumers detailing their rights and responsibilities, and a handout with information about commercial general liability insurance.



AVERAGE # OF UNIQUE PAGE VIEWS	CAMPAIGN OUTCOME
299	Had Little or No Impact (Far below expected results)
300-599	Unsuccessful (Near, but below expected results)
600-1049	Successful (Met expected results)
1050-1399	Very Successful (Surpassed expected results)
1400	Exceeded Expectations (Overwhelmingly surpassed expected results)

landing page on the CSLB Web site when visitors went to www.CheckTheLicenseFirst.com.

After evaluating similar public education campaigns utilizing a micro site, ASTONE generated the following outcome matrix as a baseline for success.

A total of 16,631 visits were made to the "Check The License First" Web site during the 12-week campaign. That equals an average of 1,256 hits per week, which ASTONE classifies as Very Successful, surpassing expected results.

A third and final flight ran in late January and early February 2010.

### Publications/Other Materials Produced

The following is a list of publications and other materials produced by PAO during 2009:

- 2008 CSLB Accomplishments and Activities Report
- 2009-10 CSLB Strategic Plan
- 2009 California Contractors License Law & Reference Book
- Building Official Guide
- Building Department Outreach Poster
- Description of Licensing Classifications
- Before You Dive Into Swimming Pool Construction



- A Consumer Guide to Filing Construction Complaints
- Consumer Guide to Filing Construction Complaints (Spanish)
- After a Disaster Don't Get Scammed (Spanish)

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**2003**  
Tuolumne Route 108

© California Department of Transportation

## 2003

CSLB updated its telephone system to a state-of-the-art APRS (Automated Phone Response System). The new IVT featured text-to-speech capability, allowing information to be "read" directly from the board's database back to the caller.

AB 728 increased the amount of contracts or damages eligible for mandatory arbitration from \$5,000 to \$7,500; allowed complaints to be referred to arbitration, when appropriate, even if the license was not "in good standing" at the time of referral; clarified the statute of limitation for disclosure purposes to include complaints referred to the Board's arbitration program; and held license qualifiers responsible for complying with arbitration awards.

- Ten Tips Card (Chinese, Korean, Vietnamese, and Russian languages)
- California Licensed Contractor (Licensee Newsletter)
- CSLB Matters (Employee Newsletter)
- Disaster Warning Signs
- CSLB 80th Anniversary Timeline & Activity Display Photos
- CSLB Construction Protection DVD

### Post Disaster Video Production

A 22-minute video, entitled “Rebuilding After a Natural Disaster,” was produced by the Public Affairs Office in 2009. The video guides victims of a natural disaster (earthquake, flood, fire, etc.) through the rebuilding process. DVD copies of the video are distributed to victims and made available to local broadcast and cable outlets. It is also streamed on the CSLB Web site. The video aired on local cable stations after wildfires in Santa Barbara and Auburn.

### Pilot TV Show

In late 2009, the Public Affairs Office reached an agreement with

an east coast television producer to gauge interest from national cable TV channels for a reality-based show focused on CSLB’s Statewide Investigative Fraud Team (SWIFT).

### CSLB’s Most Wanted

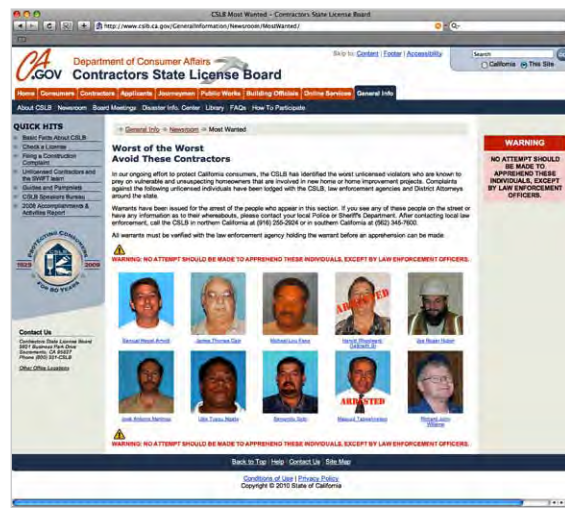
During 2009, two members of CSLB’s Most Wanted were arrested. CSLB’s “Most Wanted” Web site features the most egregious unlicensed violators in California who are known to prey on vulnerable and unsuspecting homeowners. Complaints against these unlicensed individuals have been lodged with CSLB, law enforcement agencies, and district attorneys around the state.

There are active warrants for the arrest of the people on the list. A total of nine suspects have been arrested since the Web feature launched in January 2008.

### “Ask the Board” Newspaper Columns

In 2009, the Public Affairs Office continued to distribute “Ask the Board” articles—in both English and Spanish—to newspapers around California. The column is distributed to over 300 media outlets that range from small community newspapers to large daily publications. Newspapers that ran the column include the *San Francisco Chronicle* and *Orange County Register*.

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CSLB’s Most Wanted Web site has been featuring the most egregious law violators since January 2008.

### 2003

The Board implemented an electronic document management system that automatically scanned documents into the Board’s workflow database. This eliminated delays from the time a document was received by the Board and when it became part of a licensee’s file.

### 2004

January 1, 2004  
Contractor bond raised to \$10,000

SB 443 (Figueroa) required that, except in unusual cases, anyone previously convicted of contracting without a license must, for subsequent convictions, be sentenced to county jail for not less than 90 days and fined 20 percent of the contract price or \$4,500 whichever is more.

### Angie's List

While working on a story with Angie's List magazine, Public Affairs staff brought to the attention of reporters that some of the Angie's List member contractors were not properly licensed to operate in California. This led Angie's List to publicly tighten up its member license requirements and checks. Angie's List is a Web-based service that serves more than one million consumers nationwide.

### YouTube.com Video Channel

In the fall of 2009, Public Affairs and Information Technology staff worked to establish a channel on the popular YouTube.com. Thanks to YouTube's partnership with the State of California, CSLB has access to post on this channel at no cost, and there are no limitations to the length of video that CSLB can place on the channel.

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#### 2004

A new test center opened in San Jose and accommodated seven exam participants at a time. Extensive expansion began at all Test Centers to better serve prospective licensees.

#### November 5, 2004

CSLB was honored by the California Dispute Resolution Council for its long standing commitment to alternative dispute resolution.



#### 2005

Testing Division schedules a record 95,590 licensing exams.

**Senior Scam Stopper Seminars**

In 2009, Public Affairs Office’s staff worked with legislators, state and local agencies, and community-based organizations to coordinate and conduct 28 Senior Scam Stopper seminars.

The purpose of this fraud prevention outreach is to inform and empower seniors at the local level and to bring government to the people. On June 12, 2009, CSLB marked its 100th Senior Scam Stopper seminar, in a series that began in 1999.



Attendees at a Senior Scam Stopper seminar

January 30, 2009	Mira Loma	Asm. Kevin Jeffries and Sen. Bob Dutton
February 13, 2009	San Francisco	Sen. Leland Yee
February 27, 2009	Fontana	Sen. Gloria Negrete McLeod
March 27, 2009	Daly City	Sen. Leland Yee
April 3, 2009	Artesia	Asm. Tony Mendoza
April 24, 2009	Twentynine Palms	CSLB Consumer Forum
May 1, 2009	Pomona	Sen. Gloria Negrete McLeod
May 8, 2009	Santa Cruz	Asm. William Monning
May 15, 2009	Monterey	Asm. William Monning
May 22, 2009	Riverside	Asm. Brian Nestande
May 29, 2009	Livermore	Sen. Lori Hancock
June 5, 2009	Hemet	Asm. Paul Cook
June 12, 2009	Cerritos	Asm. Tony Mendoza (100th Seminar)
June 19, 2009	Visalia	Asm. Connie Conway
June 26, 2009	San Francisco	Sen. Leland Yee
July 2009	Fairfield	Asm. Mariko Yamada
July 2009	Oakland	Sen. Loni Hancock
August 2009	Morgan Hill	Asm. Bill Monning
August, 2009	Whittier	Asm. Tony Mendoza
October 10, 2009	East Los Angeles	Congresswoman Grace Napolitano
October 20, 2009	Los Angeles (Watts)	Asm. Isadore Hall
October 28 2009	Jackson	Asm. Alyson Huber
November 2, 2009	San Pedro	Asm. Bonnie Lowenthal
November 4, 2009	Novato	Sen. Mark Leno
November 30, 2009	Fairfield	Asm. Mariko Yamada
November 16, 2009	Compton	Asm. Isadore Hall
December 3, 2009	Hawthorne	State Sen. Rodderick Wright & Asm. Curren Price
December 7, 2009	Petaluma	Sen. Mark Leno

**January 1, 2005**  
Fingerprinting for all prospective licensees began as part of the routine background investigation process.



By the mid-2000s, CSLB had entered into formal written reciprocity agreements with the contractor licensing agencies of Arizona, Nevada, and Utah.



**July 1, 2005**  
Governor Arnold Schwarzenegger formed Economic Employment Enforcement Coalition to focus on the underground economy and labor law violators.



1 9 2 9 - 2 0 0 9



Flora Hradetky

Home construction,  
Santa Rosa,  
1988

CONTRACTORS STATE LICENSE BOARD



# ORGANIZATIONAL DEVELOPMENT

## ADMINISTRATION

### Human Resources

In 2009, CSLB continued to be challenged with staff resource issues. Due to a previous hiring freeze, staff losses and work furloughs invoked on July 1, 2009 by Governor Arnold Schwarzenegger's Executive Order S-13-09, CSLB is now operating with 110 fewer

available staff Personnel Years (PYs) than nine years ago, a reduction of more than 22 percent.

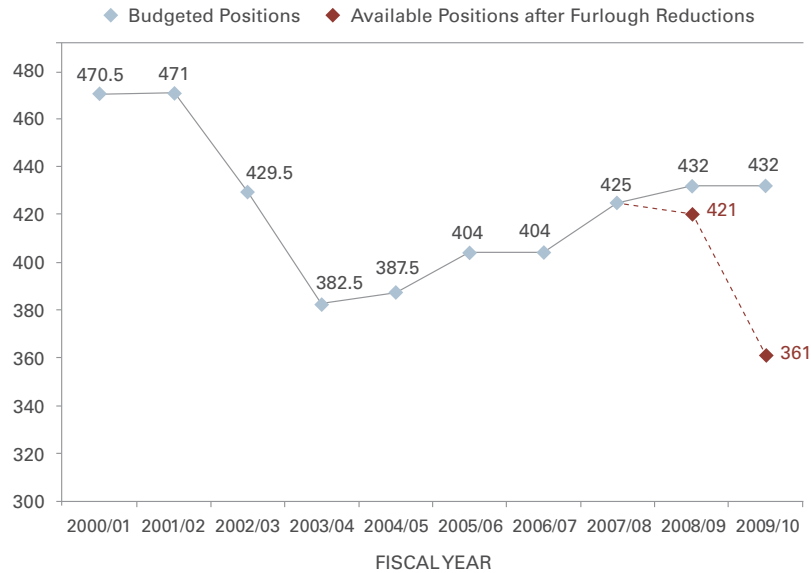
In 2009, CSLB made 124 permanent appointments:

- 22 promotions
- 39 internal transfers

- 40 interdepartmental transfers
- 20 new hires
- 3 reinstatements

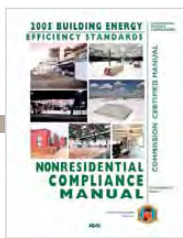
There were also 2 limited-term appointments, 19 temporary/seasonal hires and 23 retirements.

### BUDGETED POSITIONS FOR FY 2000/01 TO FY 2009/10



#### October 1, 2005

Current energy efficiency standards became effective under Title 24 of the California Code of Regulations. Efficiency standards for residential and non-residential buildings were established in 1978.



#### 2005

CSLB awarded \$228,000 in construction management grants, a result of the Construction Management Education Sponsorship Act of 1991.



Exams were conducted for:

- Associate Governmental Program Analyst (Open Statewide Continuous)
- Assistant and Associate Information Systems Analyst (AISA) (Open Statewide Continuous)
- Chief Deputy Director (CEA III)
- Enforcement Supervisor I/II (Promotional)
- Enforcement Representative I (Open Statewide Continuous)
- Program Technician III (Promotional)
- Staff Services Manager I, II and III (series) (Open Statewide Continuous)
- Supervising Program Technician II and III (Promotional)
- Test Validation & Development Specialist II (Continuous Open/Spot/Sacramento)
- Management Services Technician (Promotional)

The additional space in the new San Diego office allows for a separate area for confidential testing, as part of reasonable accommodations requested by applicants through the Americans with Disabilities Act.



these areas was distributed to staff. Two emergency drills were conducted and refresher CPR and first aid classes were completed.

**Business Services Space Projects**

Several workspace use and design projects were completed or started in 2009. The projects included:

- Fresno Investigation and Testing Center, Oxnard Testing Center, and Valencia Investigation Center - New leases executed
- San Diego Investigation and Testing - New lease executed and move-in scheduled for February 2010

- Redding Investigation – Completed site search for new office and new location was chosen.
- CSLB Headquarters – In the process of renewing the lease for the headquarters office. The new lease includes tenant upgrades for all new cabling, paint and carpet.

**Contracts and Procurement**

More than 20 contracts were processed during the year. Major contracts included ASTONE/Crocker/Flanagan, now ASTONE Agency (consultant/public education contract), AMCC (Arbitration

**Emergency Management**

New evacuation assembly areas were added to the Board’s evacuation plan and a map indicating

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2006

CSLB forms partnership with California Building Officials organization

AB 881 required a valid Certificate of Workers’ Compensation Insurance or a valid Certificate of Self-Insurance be on file with CSLB for licensees with an active Roofing (C-39) classification.

Dateline NBC focused national attention on CSLB’s Enforcement program.



Received the “Innovation in Regulation” award from the National Association of State Contractor Licensing Agencies, recognizing CSLB’s enforcement programs.

AB 881 amended Section 7125 of the Business and Professions Code to require that all C-39 contractors carry workers’ compensation coverage, effective January 1, 2007, regardless of whether they have employees.

Mediation Conciliation Center, Inc.), LexisNexis Legal Library Services to support the CSLB Legal Counsel office, West Government Services to provide Electronic Library Database services for enforcement investigative duties, and the California Highway Patrol for protective services required at CSLB Testing offices. In support of the Credit Card Acceptance Project, contracts were executed with American Express Services, Discover Card Services, and Visa and MasterCard Services, which will enable CSLB to accept credit cards from contractors.

A multi-year agreement with the California Department of Insurance and the Workers' Compensation Insurance Rating Bureau of California for investigative information concerning licensee insurance data was executed.

Procurement staff purchased a new Pitney Bowes mailing and inserter machine for the Warehouse Unit. The new inserter will process 500,000+ pieces of mail and notifications sent out each

### Training and Travel

The California Automated Travel Expense Reimbursement System (CalATERS) was implemented in 2009. Staff can now process travel advances and expense reimbursements online. This system is designed to improve processing efficiency, including issuing expense reimbursement through direct deposit or direct mailing to employees. Training classes were organized and coordinated through DCA to provide staff the tools needed to use this new system. In support of overall employee training, an official Training Matrix, or Roster, was developed for tracking and efficiency purposes and the training request process was streamlined in 2009.

year. Installation is scheduled for January 2010. In addition, a new Public Address (PA) system was purchased that will support the many Board Meetings held by CSLB.

## 2007



CSLB launched new computer test system—State Contractors Official Regulatory Exam (SCORE) was developed by CSLB staff (a 2 ½ year project). It incorporates user-driven digital photography, digital signature capture, text-to-speech modulation, and industry leading encryption algorithms. Switching to a Windows-based system allowed CSLB to automate many of the functions that were done manually.

**January 1, 2007**  
Contractor bond raised to \$12,500.

Elder Abuse Prevention seminar held for legal, law enforcement, social services and construction agencies

**March 2007**  
CSLB earned two gold CAPPiE awards for statewide public awareness program.

**July 12, 2007**  
CSLB issued license number 900,000. It took 77 years, 11 months to reach this milestone.

1 9 2 9 - 2 0 0 9



Seals Biehle

Visalia Baseball Park,  
2009

CONTRACTORS STATE LICENSE BOARD



# INFORMATION TECHNOLOGY

## Electronic Payment at CSLB Headquarters

Electronic payment will allow acceptance of credit/debit card payment at the Contractors State License Board (CSLB) headquarters front counter for selected transactions. IT met with the various units at CSLB and the Department of Consumer Affairs Accounting/Cashiering Unit that would be impacted by the acceptance of credit/debit card payment. The proposal was well-received. Staff is excited about being able to offer electronic payment and the customer service it will provide.

The project required approval of three contracts. The primary vendor will process Visa and MasterCard transactions; two other vendors will process Discover Card and American Express transactions. As of late December 2009, all contracts had been processed and approved. CSLB will work with the vendors to develop the project plan.

## CSLB Information Technology Help Desk

The CSLB IT Help Desk provides assistance to over 500 CSLB employees, support and contract staff. The Help Desk staff

processed over 7,400 tickets in 2009. These tickets were opened by CSLB staff that had problems with their computers, printers, land and cellular phones, access to various automated systems, adding or changing employee access levels, forgotten passwords, etc.

The CSLB IT Division made changes to the IT Help Desk by restructuring how calls and/or ticket are processed and categorized, made improvements to telephone messaging, and added other duties to the unit to give staff variety and opportunity to learn new skills. These changes resulted in improved customer service by reducing response or turnaround time for ticket resolution, and improved job satisfaction for Help Desk employees. The ticket resolution time improved by roughly 40%; the average 'user down' (level 1) tickets are resolved or fixed in under 15 minutes and 'work around' (level 2) tickets are resolved or fixed in under 30 minutes.



CSLB Help Desk staff responded to over 7,400 troubleshooting inquiries in 2009.

**October 24, 2007**  
CSLB's Rick Lopes speaks with NBC-TV anchor Meredith Vieira on the Today Show.



CSLB annual budget surpassed \$60 million

2008

**January 30, 2008**  
CSLB launches Most Wanted Web site to increase awareness of unscrupulous and unlicensed contractors.

**December 13, 2007**  
CSLB launched online complaint form.

**September 10, 2008**  
CSLB hearing room dedicated to honor Board member John C. Hall.



### Infrastructure Improvements

CSLB has moved from a Frame Relay circuit architecture connecting all CSLB offices to a Multiprotocol Label Switching (MPLS) high performance network. This change was needed to increase the performance to CSLB's remote sites and headquarters. CSLB's Norwalk site benefited the most, with the response time improving by over 66%. This upgrade provides a fully redundant wide area network (WAN) design that features primary and secondary connections (failover) to the data center (the Office of Technology Services) and the Internet. It is a scalable architecture, designed to handle fast communication speeds with minimal latency for support of CSLB's storage area network and disk mirroring technologies.

### Licensing and Enforcement System

The Programming Unit completed over 100 modifications or enhancements to the automated

Licensing and Enforcement System. The majority of these modifications are requests from the business users and range from adding new transaction codes to expanding and creating new reports.

### Printing and Scanning Cost-Savings Effort

To reduce power consumption and consolidate equipment, IT has implemented network printing and scanning via currently established digital copiers. By taking advantage of implemented technology (i.e. digital copiers), CSLB staff has been provided with high-speed and high-quality network printing and scanning without the need for expensive desktop scanners or problematic "all-in-one" devices. This platform was implemented in the IT division, retiring six (6) "all-in-one" devices and one enterprise-level laser printer.

The technology is also being used by the Sacramento and Norwalk Case Management Units. CSLB

will realize cost savings because the toner and maintenance for the copiers is included in the support contract that accompanies the copier, which brings our per-page print cost to below one (1) cent. (The largest copier located in CSLB's headquarters mailroom prints at the all-inclusive cost of .45 cents per page. These costs can add up compared to an average per page cost of eight cents (.08) or more for an average laser-printer.) The success and ease of implementation and user-acceptance will make the digital copier the printer and scanner of choice across the enterprise, both for usability and cost savings.

50

2009

**March 20, 2009**

CSLB Enforcement Division won court battle that lasted almost two decades. SRVS Charge, Inc. ordered to pay \$3 million in penalties and restitution to victims, the largest enforcement judgement in CSLB history.

**June 2009**

Underground Economy conference held for building department officials, contractors, and legal and law enforcement professionals

**May 2009**

Launched CheckTheLicenseFirst.com consumer information campaign to encourage Californians to learn about their contractor's qualifications and license status through CSLB's online resources.



**June 12, 2009**

100th Senior Scam Stopper in Cerritos

315,515 licensed contractors at end of fiscal year 2008-09



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**CONTRACTORS STATE LICENSE BOARD**

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800.321.CSLB (2752)

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

[CheckTheLicenseFirst.com](http://CheckTheLicenseFirst.com)