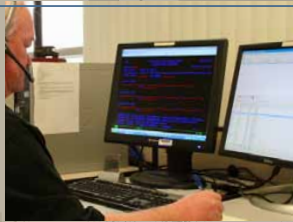


2010

# ACCOMPLISHMENTS & ACTIVITIES





JANUARY 1, 2011

LISA MILLER-STRUNK, *Chair, Contractor Member*

ROBERT LAMB, *Vice Chair, Public Member*

PAUL SCHIFINO, *Secretary, Contractor Member*

EDWARD "EDDIE" BARNES, *Public Member*

ROBERT BROWN, *Public Member*

JOAN HANCOCK, *Contractor Member*

PASTOR HERRERA JR., *Public Member*

MATTHEW KELLY, *Public Member*

LOUISE KIRKBRIDE, *Public Member*

ED LANG, *Public Member*

JAMES MILLER, *Public Member*

CYNTHIA MITCHELL, *Contractor Member*

BRUCE RUST, *Public Member*

MARK A. THURMAN, *Contractor Member*

RUBEN ZUNIGA, *Public Member*

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EDMUND G. BROWN JR.  
*Governor*

BRIAN STIGER  
*Acting Director, Department of Consumer Affairs*

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

*The visual theme of the 2010 CSLB Activities & Accomplishments Report is aligned with the Board Chair's message of technology and partnership through layers of directional imagery, such as the northward compass and map components, the upward movement of a construction crane, the directional highway beams and rebar, and the binary numbers that are the basis of computerized language. You will notice that these subtle graphic elements carry the reader through the publication to help reinforce CSLB's message.*

# A MESSAGE FROM THE BOARD CHAIR

## IMPROVING EFFICIENCY WITH TECHNOLOGY AND PARTNERSHIPS



**Lisa Miller-Strunk**  
*Chair*

The Contractors State License Board (CSLB) annual report is a testament to the innovation and creative management of an essential consumer protection office.

I am pleased to report that CSLB's exceptional leadership and staff exceeded expectations in 2010, in spite of financial and resource challenges. These efforts helped maintain programs and services necessary to provide consumer education and to support contractors who provide the backbone of California's construction industry, a key factor in refueling our state's burdened economy.

In 2010, technology was vital to many of CSLB's successes.

- Computerized software in the License Information Center now enables agents to route calls more quickly and to the appropriate resources without delay;
- The Testing division's State Contractor Official Regulatory Exam, or SCORE, developed entirely in-house, received national recognition as a computer-based testing system, and is in Phase II, expanding its testing capabilities;
- In-person electronic payment was made possible for the first time at CSLB's Headquarters office in Sacramento so contractors and salespeople can pay for rescheduling exams, license and Home Improvement Salesperson registration renewal, and license reactivation with credit cards; and
- Information for consumers and contractors expanded exponentially through the use of an opt-in CSLB E-Mail Alert feature on its website, as well as with active Facebook and Twitter social media accounts.

Multiple partnerships with other state agencies, local authorities, and district attorney offices are successfully providing seamless interaction to strengthen CSLB's ability to fulfill its regulatory mission. Stronger laws also have been enacted, including Senate Bill 1254, which enables CSLB to issue a "stop work order" for any licensed or unlicensed contractor who does not carry a valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance for employees.

When Mother Nature unleashed winds, wildfires, mudslides, and flooding, CSLB's Enforcement division staff were among the first responders, on the scene within hours of the disaster to educate consumers about using licensed contractors and, with assistance from local law enforcement partners, to apprehend and prosecute unlicensed offenders.

With CSLB's remarkable staff and its efforts to continually improve operations and efficiency, I am confident that CSLB's partners, statewide consumers and contractors, and fellow agencies can count on continued exemplary service from the Contractors State License Board in 2011.

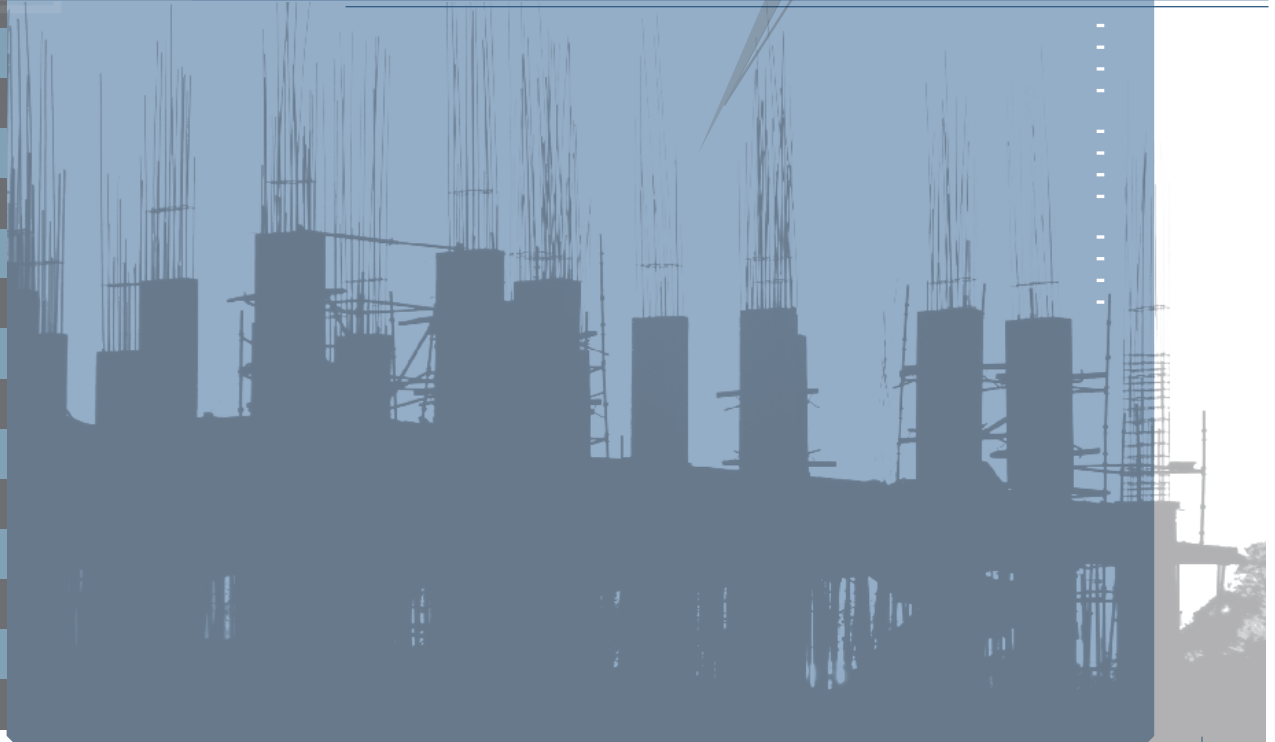
Many thanks to all who assisted CSLB's efforts in 2010.

*Lisa E. Miller-Strunk*

Lisa Miller-Strunk, Chair

ACCOMPLISHMENTS AND ACTIVITIES REPORT

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LEADERSHIP

# LEADERSHIP

A fifteen-member board appoints the Contractors State License Board (CSLB) executive officer, or Registrar of Contractors, and directs administrative policy for CSLB operations. The board is comprised of five (5) contractor members and ten (10) public members. The public members include one (1) labor representative, one (1) local building official, and one representative of a statewide senior citizen organization. The Governor and state Legislature make appointments.

**Lisa Miller-Strunk | Chair | Governor Appointee | "A" Contractor Member**

Lisa Miller-Strunk, of Aliso Viejo, was appointed by Governor Arnold Schwarzenegger to CSLB in November 2007 and reappointed in July 2010. 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, 2014.

**Robert J. Lamb II | Vice Chair | Assembly Appointee | Public Member**

Robert Lamb, of Cypress, was appointed by then Assembly Speaker Fabian Núñez 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.

**Paul Schifino | Secretary | Governor Appointee | "C" Contractor Member**

Paul Schifino, of Los Angeles, was appointed in January 2010 by Governor Schwarzenegger. He is currently owner and president of both Anvil Steel Corporation and Junior Steel Company. From 1992 to 2006, Mr. Schifino was a partner for the law firm Schifino and Lindon, associate attorney for Stook and Stook and Lavan from 1990 to 1992, and adjunct professor at Georgetown University from 1987 to 1989. He is also a member of the American Institute of Steel Construction (AISC). Mr. Schifino and his wife are both Ambassadors of the Weizmann Institute of Science, an international center of scientific research located in Israel. Mr. Schifino's term continues through June 1, 2013.

**Edward “Eddie” Barnes** | **Senate Appointee** | **Public Member**

Eddie Barnes, of Huntington Beach, was appointed 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.

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**Robert Brown** | **Governor Appointee** | **Public Member**

Robert Brown, of Pleasant Hill, was appointed to CSLB in September 2005 by Governor 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 Member**

Joan Hancock, of Sacramento, was appointed by Governor Schwarzenegger 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.



**Pastor Herrera Jr. | Governor Appointee | Public Member**

Pastor Herrera Jr., of Los Angeles, was appointed by Governor Schwarzenegger in July 2010. Mr. Herrera has been involved in the area of consumer protection for over 30 years, including being appointed Director of the Los Angeles County Department of Consumer Affairs in 1991. He is a part-time faculty member at California State University, Northridge's Department of Family and Consumer Sciences, is a graduate of UCLA with a Bachelor of Arts Degree in Political Science, and holds a California Adult Teaching Credential. Mr. Herrera serves on various community/association boards that include the Los Angeles Financial Credit Union, National Consumers League (NCL), Consumer Action, and CA Community Colleges' Family and Consumer Sciences; is a past member of the National Association of Consumer Agency Administrators, and a former chair of the Telecommunications Consumer Protection Fund Oversight Corp. Mr. Herrera's term continues through June 1, 2014.

**Matthew Kelly | Senate Appointee | Public Member**

Matt Kelly, of Sacramento, joined CSLB in April 2003 as a public member 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-Sierras Building and Construction Trades Council. Mr. Kelly 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 first appointed by Governor Schwarzenegger in February 2005 and was reappointed in June 2008. Ms. Kirkbride founded and served as Chief Executive Officer of Broad Daylight, a company whose products facilitate communications 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 - Senior Citizen Organization**

Ed Lang, of Rancho Cordova, was appointed by Governor Schwarzenegger in January 2007 and reappointed in July 2010. 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. Previously, he was an adult education instructor for the Folsom-Cordova Unified School 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, 2014.

**James Miller | Governor Appointee | Public Member – Building Official**

James Miller of Big Bear Lake, was appointed by Governor Schwarzenegger in July 2010. Mr. Miller was a Board member from 2005 through 2009, including service as Board Chair and Vice Chair. Mr. Miller has served as director of building and planning for the City of Big Bear Lake since 2007. Previously, he worked for Riverside County as director of building and safety from 2002 to 2007. He has also worked for Coachella Valley, Murietta, and Pomona, and was a licensed contractor in the 1970’s and 80’s. Mr. Miller’s term continues through June 1, 2013.

**Cynthia Mitchell | Governor Appointee | “C” Contractor Member**

Cynthia Mitchell, of Shingle Springs, was appointed by Governor Schwarzenegger in July 2010. Ms. Mitchell was a Board member from 2006 through 2009, including service as Board Chair, Vice Chair, and Secretary during her tenure. She has served as president and chief executive officer of Citadel Tile and Marble since 1993, and is the president and chief executive officer of GCM Business Solutions, as well as a member of the North State Building Industry Association and the Ceramic Tile Institute. She is an appointed committee member of the Trade Builder Alliance Council for the California Building Industry Association and a past president of the California Professional Association of Specialty Contractors. Ms. Mitchell’s term continues through June 1, 2011.

**Bruce Rust | Assembly Appointee | Public Member**

Bruce Rust, of Clovis, was appointed to CSLB by then Assembly Speaker Fabian Núñez 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.

**Mark A. Thurman** | Governor Appointee | "B" Contractor Member

Mark A. Thurman, of Newport Beach, was appointed by Governor Schwarzenegger in January 2010. Mr. Thurman has been president of ARB Structures, Inc. since 2004. Previously, he was president of Pepper Construction Company Pacific from 1989 to 2004. He also served as a firefighter specialist for the Orange County Fire Authority from 1980 to 1988, and project manager for Miles and Kelley Construction Company from 1975 to 1980. Mr. Thurman is a member of the Associated General Contractor of California's Board of Directors, Urban Land Institute, Design-Build Institute of America, and International Council of Shopping Centers. Mr. Thurman's term continues through June 1, 2013.

**Ruben Zuniga** | Governor Appointee | Public Member – Labor

Ruben Zuniga, of Los Angeles, was appointed to CSLB by Governor Schwarzenegger in March 2010, as a labor representative. Mr. Zuniga has served as an administrative assistant for the Southwest Regional Council of Carpenters since 2006, and was its business representative from 1990 to 1996. He also served as a financial secretary for Local 630 in Long Beach from 1996 to 2005. Mr. Zuniga's term continues through June 1, 2012.

**Stephen P. Sands** | Registrar of Contractors

Stephen P. Sands has served as Registrar of Contractors since January 1, 2001. He serves as executive officer to the board and oversees a \$54 million budget and more than 400 employees at the Board's headquarters in Sacramento and at nine other offices around the state.

Under Mr. Sands' leadership, CSLB has overcome budget and resource challenges, while improving its enforcement, testing, licensing, and public affairs programs. In 2009, CSLB achieved the largest enforcement judgment in its history, securing more than one million dollars in restitution for California consumers. CSLB's Enforcement division was recognized in both 2006 and 2009 by the National Association of State Contractor Licensing Agencies as a role model for its innovative and proactive enforcement efforts to eradicate illegal construction activity.

From 1986-2000, Mr. Sands was Executive Officer of the California Architects Board. From 1978-1986, he worked in the Department of Consumer Affairs Executive and Legislative Offices.

Mr. Sands earned a Bachelor of Science degree in International Affairs from the United States Air Force Academy, and a Master's degree in Public Administration from Golden Gate University.

ACCOMPLISHMENTS AND ACTIVITIES REPORT

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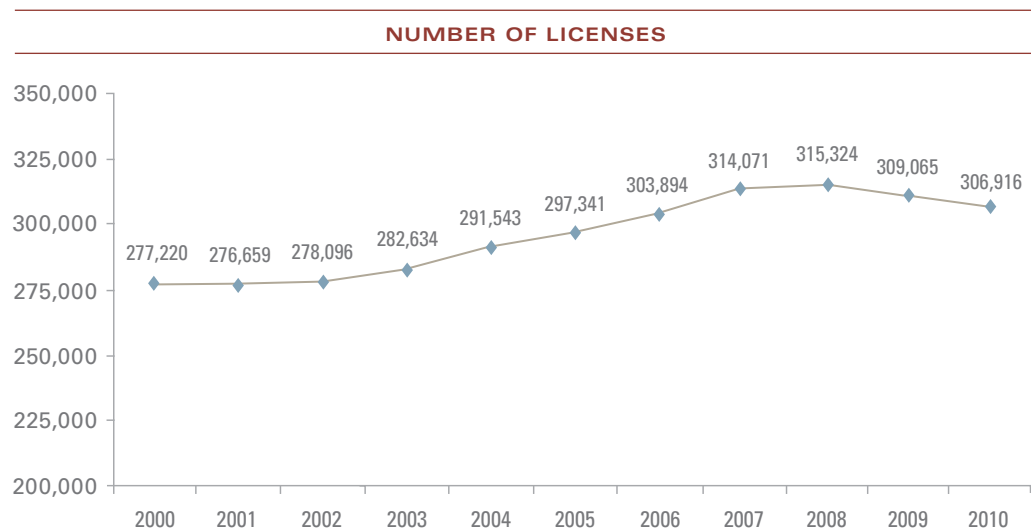


L I C E N S I N G

# LICENSING

## NUMBER OF LICENSES

As of December 31, 2010, there were 306,916 licenses, a little less than one percent (1%) decrease from 2009. Of those, 240,587 were "active," while 66,329 were "inactive."



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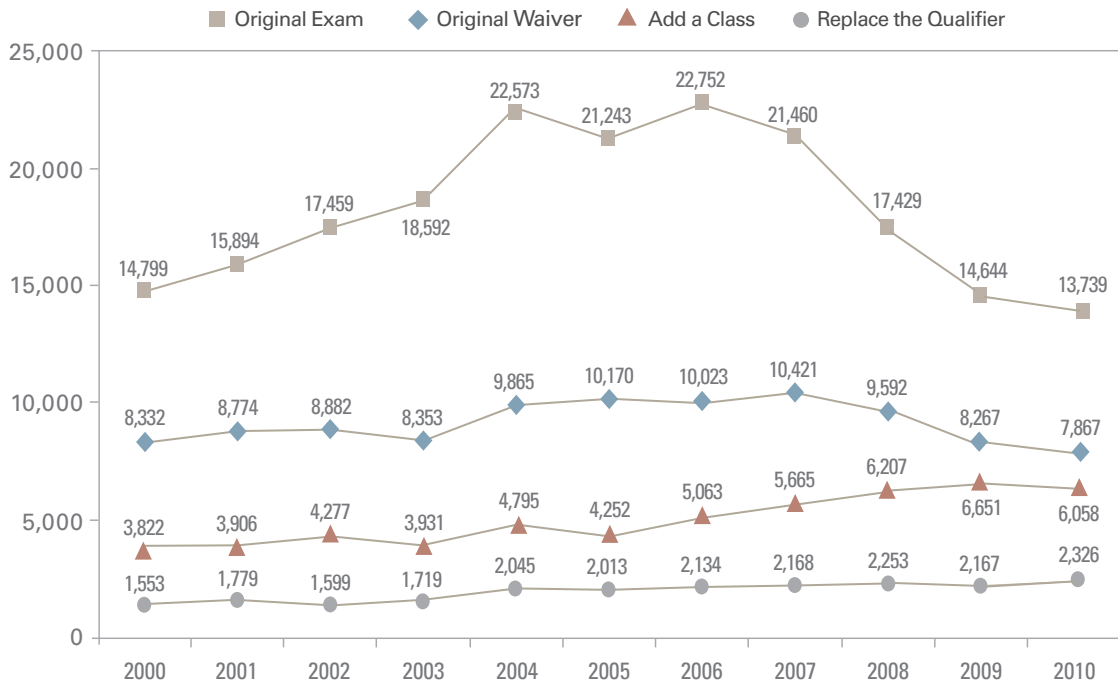
## WORKLOAD

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 12 displays the number of license applications received for calendar years 2000 through 2010. A total of 31,729 applications were received in 2009 and 29,990 in 2010, a decrease of approximately five percent (5%). Original license applications (exams and waivers) decreased six percent (6%). Applications to add a classification to an existing license decreased by eight percent (8%) and applications to replace the qualifying individual on an existing license increased seven percent (7%).

## PROCESSING TIMELINES

CSLB participated in Governor Schwarzenegger's Job Creation Initiative and worked to reduce workload processing timelines in the Licensing division. Through work on furlough Fridays, and Saturdays, CSLB reduced the processing time for applications for licensure, renewals, and other documents processed in relation to a contractor license. Most significantly, the timeline for processing original applications and renewals was reduced from three weeks to one week or less.

APPLICATIONS RECEIVED BY CALENDAR YEAR



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The following table illustrates the significant reduction in processing times during 2010.

WEEKS BEFORE BEING PULLED FOR PROCESSING		
TYPE OF APPLICATION/DOCUMENT	2009 AVERAGE	2010 AVERAGE
Original Exam	1.6	.9
Original Waiver	2.8	1.0
Add a Class	3.6	2.6
Replace the Qualifier	3.6	2.3
Home Improvement Salesperson	2.4	2.1
Renewal	1.6	.9
Contractor Bond/Bond of Qualifying Individual	.8	.5
Workers' Compensation Certificates and Exemption	1.9	1.5

## 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 from July 1, 2009 through June 30, 2010, (FY 2009–10) 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.

FY 2009/10				
TYPE OF APPLICATION	RECEIVED	ISSUED	VOID	PENDING
Original Exam	14,198	8,297	2,838	3,063
Original Waiver	7,819	6,342	1,273	204
Add a Class	6,267	4,138	1,510	619
Replace the Qualifier	2,165	1,593	496	76
Home Improvement Salesperson	5,842	3,132	2,384	326
Change of Officers	1,513	999	488	26

**Note:** Data taken from TEALE report 724; Run date: December 1, 2010.

**REGULATIONS UPDATED**

On December 18, 2010, CSLB fee revisions were approved for Section 811 of the California Code of Regulations. The new license fee structure becomes effective on July 1, 2011, and will apply to license renewals, certificates, and all fees associated with applications for the purpose of licensing.

2011 CSLB FEE INCREASES				
FEE	CURRENT AMOUNT	NEW AMOUNT	INCREASE	PERCENT INCREASE
Application for Original Contractor License	\$250.00	\$300.00	\$50.00	20%
Application to Add a Supplemental Classification or to Replace the Responsible Managing Officer or Employee on an Existing License	\$50.00	\$75.00	\$25.00	50%
Rescheduling an Examination	\$50.00	\$60.00	\$10.00	20%
Initial License Fee	\$150.00	\$180.00	\$30.00	20%
Renewal–Contractor License (Biennial)	\$300.00	\$360.00	\$60.00	20%
Renewal–4-Year Inactive License	\$150.00	\$180.00	\$30.00	20%
Reactive Contractor License	\$300.00	\$360.00	\$60.00	20%
Home Improvement Salesperson (HIS) Registration Fee	\$50.00	\$75.00	\$25.00	50%
Asbestos Certification Fee	\$50.00	\$75.00	\$25.00	50%
Hazardous Substance Removal Certificate	\$50.00	\$75.00	\$25.00	50%
Delinquent Renewal Contractor–License	\$150.00	\$180.00	\$30.00	20%
Delinquent Renewal–4-Year Inactive License	\$75.00	\$90.00	\$15.00	20%
Delinquent Renewal–HIS Registration	\$25.00	\$37.50	\$12.50	50%

**FEE PAYMENT BY CREDIT CARD**

Phase one of the new CSLB electronic payment project was launched on August 19, 2010. This convenient and easy-to-use computer payment option is available at CSLB headquarters



in Sacramento. It allows applicants and licensees to walk in and make payments for rescheduling exams, license and HIS renewals, and reactivations using Visa, MasterCard, Discover or American Express credit cards. Public counter staff is always available during business hours to assist individuals using this new feature.

### 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 2010, the timeline for pulling the conviction records for review were held at less than 30 days, often as low as one to two weeks.

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#### 2010 FINGERPRINT STATISTICS

10,739	Total number of applicants with fingerprint responses from the Department of Justice and Federal Bureau of Investigation
2,320	Number of applicants identified with a criminal history
31	Number of applicants denied licensure due to criminal convictions
117	Probationary Licenses

*Through November 30, 2010*

### LICENSING INFORMATION CENTER

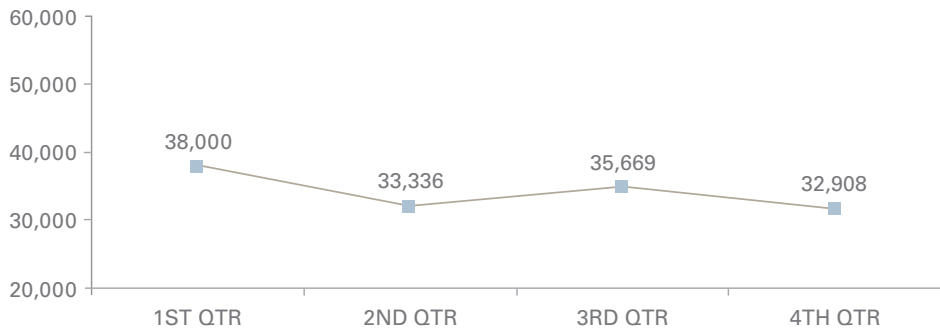
CSLB has continued efforts to strengthen its Licensing Information Center (LIC) by installing a new, more efficient Voice over Internet Protocol (VoIP) phone system. The new system provides more detailed reporting mechanisms available in real time numbers, allowing improved management of staff, incoming calls, and wait times.

**Calls Answered**—The chart on the next page illustrates the number of calls answered by LIC staff in 2010. A total of 163,258 calls were answered in 2009 and 139,913 calls were answered in 2010, a one percent (1%) decrease.

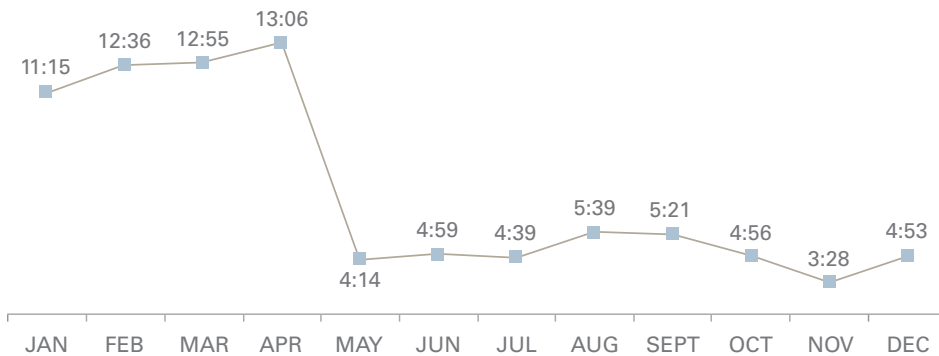
**Average Wait Time**—The average wait time for callers in 2010 was 7:10 minutes. However, for a majority of the year (May to December), the average wait time was 4:51 minutes.

Despite staff vacancies and a 15 percent reduction in staff hours for the majority of the year, call wait times increased by only one percent.

**CALLS ANSWERED CALENDAR YEAR 2010**



**AVERAGE WAIT TIME—CALENDAR YEAR 2010**



## 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 statewide.

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.

## TESTING

### 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 examination 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 at CSLB’s Sacramento headquarters. The Board’s goal is to perform an occupational analysis for each classification every five years.

During 2010, the Examination Development Unit (EDU) was fully staffed, and completed 11 occupational analyses and updated 11 examinations. The EDU was able to complete projects that were delayed from 2009 due to employee furloughs, as well as complete projects scheduled for 2010. Some contributing factors to the EDU’s productivity were the increased availability of SMEs due to the downturn in the building industry, the advanced experience level of the EDU staff, and the well-established database of examination questions that CSLB has cultivated over the past ten years.

OCCUPATIONAL ANALYSES COMPLETED	NEW EXAMINATIONS COMPLETED
C-8 Concrete	"A" General Engineering
C-9 Drywall	"B" General Building
C-17 Glazing	C-6 Cabinet, Millwork and Finish Carpentry
C-27 Landscaping	C-11 Elevator
C-29 Masonry	C-15 Flooring and Floor Covering
C-31 Construction Zone Traffic Control	C-20 Warm-Air Heating, Ventilating, and Air-Conditioning
C-32 Parking and Highway Improvement	C-23 Ornamental Metals
C-33 Painting and Decorating	C-36 Plumbing
C-39 Roofing	C-39 Roofing
Asbestos Certification	C-43 Sheet Metal
Law and Business	C-51 Structural Steel

**SPECIAL PROJECTS**

**Enforcement Representative I and II**

Testing’s EDU worked with the CSLB Personnel Unit to develop examinations for the Enforcement Representative I and II civil service classifications. In 2009, EDU completed occupational analyses for these classifications. CSLB is working with the Department of Consumer Affairs’ Office of Human Resources and the State Personnel Board to potentially deliver the ER I examination by computer, using the CSLB’s SCORE program.

**Computer-Based Surveys**

EDU is transitioning several of its occupational analysis surveys from paper and pencil to computer-based surveys. Three computer-based surveys were completed successfully in 2010: Law and Business, Asbestos Certification, and C-17 Glazing. As each occupational analysis is initiated, an evaluation is conducted to determine the feasibility of a computer-based survey. Some trade classifications will remain with the paper and pencil surveys due to the lack of widespread use of computer technology in their industries.

**Consumer Satisfaction Survey**

A computer-based survey was also initiated for CSLB’s ongoing consumer satisfaction survey. EDU and CSLB’s Information Technology division worked together to select and compile e-mail addresses from CSLB’s consumer complaint files. The computer-based survey achieves a similar response rate to the previous paper-based survey while reducing paper and postage costs. The computer-based methodology also allows CSLB to shorten the time frame between the date the consumer complaint is closed and the time the survey is

sent, thereby improving the accuracy of the data. Consumer comments that were previously hand-written on the surveys are now typed and easier to read and categorize. Results can also be tabulated at any time to provide feedback on CSLB’s Enforcement program.

**TESTING 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.

In 2010, CSLB completed a five-year project to expand the capacity of seven Testing Centers as shown in the chart below:

LOCATION	SEATING CAPACITY
Sacramento	32
San Jose	25
Oxnard	27
Norwalk	59
San Bernardino	43
San Diego	28
Fresno	24
<b>Net Gain</b>	<b>119</b>
<b>Total Seats (includes 22 in Oakland)</b>	<b>260</b>

**TESTING CENTER PROCEDURE MANUAL REVISION**

Key Testing Center staff undertook a comprehensive revision to the Test Administration Procedure Manual. It is an enormous task that, due to furloughs and hiring freezes, will not be completed until mid-2011.

**2010 EXAMINATION STATISTICS**

EXAMINATIONS	TOTAL
Types	
Trade	42
Certification	2
Law and Business	1
Number of Examinations Scheduled	55,012
Number of Misconduct Investigations	22
Number of Confirmed Misconduct Incidents	18
Overall Passing Percentage	48%



E N F O R C E M E N T

# ENFORCEMENT

The Enforcement division remained committed to its mission of consumer protection despite nearly two years of mandatory furloughs and budget cuts. Staff found ways to “do more with less” and partnered with local, state, and federal agencies, and industry leaders, to make the most of limited resources. Each unit within the division launched new strategies during 2010 that enabled it to provide exceptional service under challenging conditions.

## INTAKE MEDIATION CENTERS

CSLB’s Intake and Mediation Centers (IMCs) provide complaint-handling information to the public, and initiate complaints filed against licensed and unlicensed contractors. The IMCs’ primary function is to intervene with the conflicting parties and promote reconciliation, compromise, or settlement of the complaint issues. IMCs are also responsible for entering all complaint information into CSLB’s database.

CSLB’s objective is to resolve consumer-contractor disputes as early as possible in the complaint process. More than 13,000 complaints were received in 2010; 72 percent were resolved at the IMC level.

However, if mediation is unsuccessful and the complaint is not resolved, it may be referred to small claims court, CSLB-sponsored arbitration, or assigned to an enforcement representative (ER) for investigation.

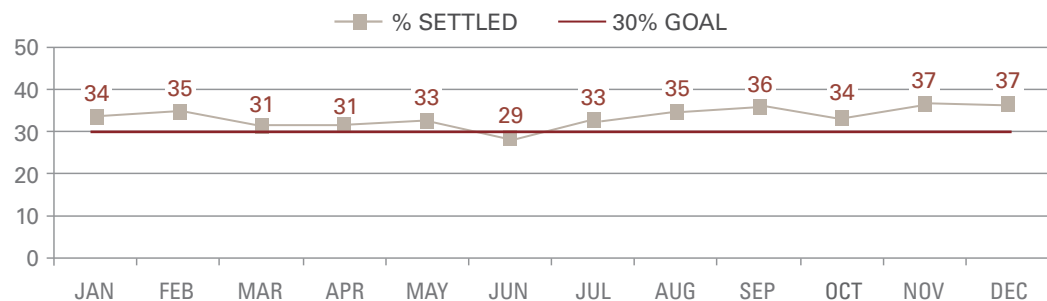
CSLB has two IMCs: one in Sacramento, one in Norwalk. Each center processes complaints within its designated geographic area.

## GOALS ACHIEVED BY IMCS:

- **Increase the Percentage of Licensee Complaints Settled to 30%**

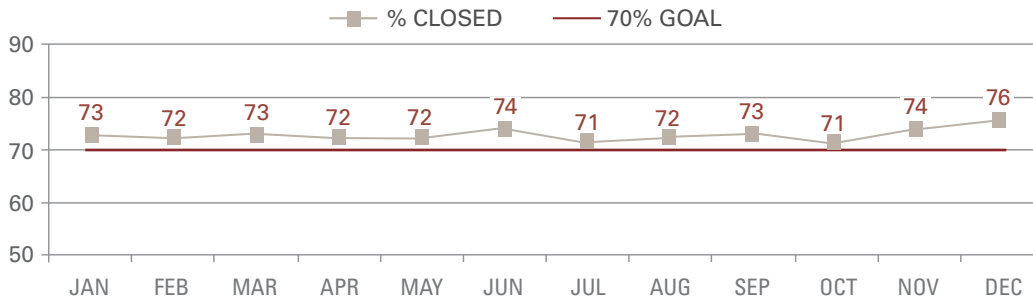
It is more challenging to settle complaints during an economic decline because many contractors lack the financial resources to provide restitution to their customers.

Nevertheless, the IMC achieved consumer restitution for 37 percent of the licensee construction-related complaints that were mediated in 2010.



• **Disposition of 70% of Licensee Complaints at the IMCS**

The complaint settlement rate is a strong indicator of the successful mediation program in the IMC. Although many complaints are settled, the majority have to be resolved by other means, including closure. It is critical that the IMC close complaints appropriately after gathering the facts and weighing the various disposition options. Any failure to make appropriate closure decisions would lead to consumer dissatisfaction and potential harm. The IMC has been able to meet closure goals while receiving positive consumer feedback for its efforts.

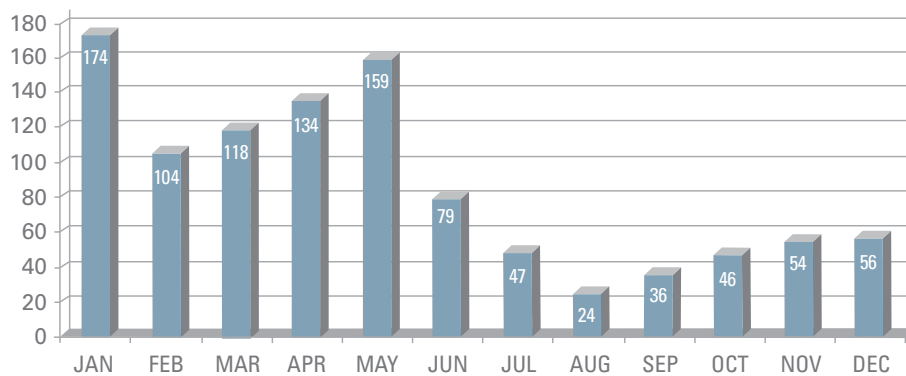


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**COMPLAINTS PROCESSED IN THE IMC WITHIN 60 DAYS**

Resolving or referring complaints for field investigation in less than 60 days is critical to the overall success of the Enforcement division. A delay by the IMCs can affect the workflow to other units of the division and, ultimately, result in poor service to consumers. (In 2010, the IMC received more than 14,000 complaints.) During the year, the IMC reduced the number of pending aged complaints over 60 days old by 79 percent from the prior year. The aged complaints for 2010 are detailed in the chart below:

**STATEWIDE NUMBER OF COMPLAINTS OVER 60 DAYS OLD WITHIN THE INTAKE/MEDIATION CENTER**





### SAVINGS TO THE PUBLIC

Although the IMCs resolve the majority of complaints, the diligent work of the Investigative Centers and Enforcement staff resulted in 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 judgments. Total restitution paid to consumers during 2010 for complaints mediated, arbitrated, or resolved through the administrative disciplinary process is detailed in the following chart:

2010	MONIES PAID	CORRECTIONS
Complaints Settled	\$8,626,401	\$769,479
Citations	\$4,366,070	\$423,254
Arbitrations	\$2,523,512	N/A

### NEW IMC STRATEGIES

Staff implemented the following new strategies in 2010 to enhance consumer protection and combat the underground economy:

#### Increased Enforcement Against Illegal Advertising

Unlicensed operators routinely advertise for construction without holding a valid license in the advertised classification. In July 2010, IMC staff was redirected to increase enforcement against unlicensed operators. The initial goal was to initiate a minimum of 500 advertising complaints in FY 2010-11 from various sources. By the conclusion of calendar year 2010, 606 complaints had already been initiated against unlicensed operators. The complaints resulted in 203 warnings and the receipt of three license applications. Complaints where CSLB was able to obtain a mailing address and issue a written warning letter will be considered for additional enforcement efforts in the form of a telephone disconnect. The remaining complaints were forwarded to SWIFT as potential sting targets.

In August, staff met with the California Public Utilities Commission (CPUC), which regulates the state's telecommunication industry and has the authority to disconnect telephone numbers used for unlawful purposes. The meeting laid the groundwork for CSLB telephone disconnects.

If an unlicensed contractor continues to contract after being warned and fails to submit a license application, he or she will be issued a citation for the continued unlicensed practice, and an order to disconnect the telephone will be issued. CSLB's goal is to have 50 telephone numbers used by egregious offenders disconnected by the end of FY 2010-11.

The majority of IMC follow-ups completed on the advertising pilot have demonstrated the effectiveness of the pilot: in most cases, the contractors' advertisement no longer exists; the advertisement has been modified to state the contractor is unlicensed; the telephone number is no longer in use; or a positive link can not be made between the unlicensed contractor and the telephone number in the advertisement.

The IMC is achieving the desired result when an unlicensed contractor removes or modifies their ad or voluntarily abandons the telephone number; however, it does require Enforcement staff to look into different alternatives in order to attain the telephone disconnect goal. By December 2010, six telephone disconnects had the required citations issued and were being forwarded to the CPUC for action.

### **Building Permit Enforcement**

In June 2009, the Board placed a high priority on enforcing building permit requirements; an Industry Bulletin was issued on November 30, 2009, alerting licensees that CSLB would be accelerating building permit enforcement efforts beginning January 2010.

CSLB determined the need for a specific complaint form to report the failure to obtain a building permit. The form was developed by CSLB with input from building officials, industry groups, and other partner agencies and placed on the CSLB website. A building permit complaint can be filed by anyone with knowledge of construction where a building permit was not obtained. It is anticipated that the primary usage will be by industry. In addition to the complaint form, an educational letter about the importance of obtaining a permit was developed to send to contractors where there is insufficient evidence to take a legal action. CSLB received 140 complaints in the first four months the complaint form was made available. Complaints that do not have sufficient information for a CSLB investigation are referred to local building departments for investigation. The building departments will inform CSLB of any findings.

This program has had great success, with contractors returning to their projects, and obtaining the final permit and final inspection. For those who don't, staff has been empowered to issue citations for noncompliance.

### **INVESTIGATIVE CENTERS**

CSLB's Investigative Centers (ICs) are the second step in the complaint-handling process. If a complaint cannot be resolved through the IMC or requires a more thorough investigation into violations of Contractors State License Law, the complaint is referred to an IC in the geographical location of the project site and is assigned to an Enforcement Representative (ER). After conducting a thorough investigation, the ER provides a disposition to the complaint that may include settling the complaint with a warning letter, recommending disciplinary action against the license, or referring the complaint to a local prosecutor for criminal charges.

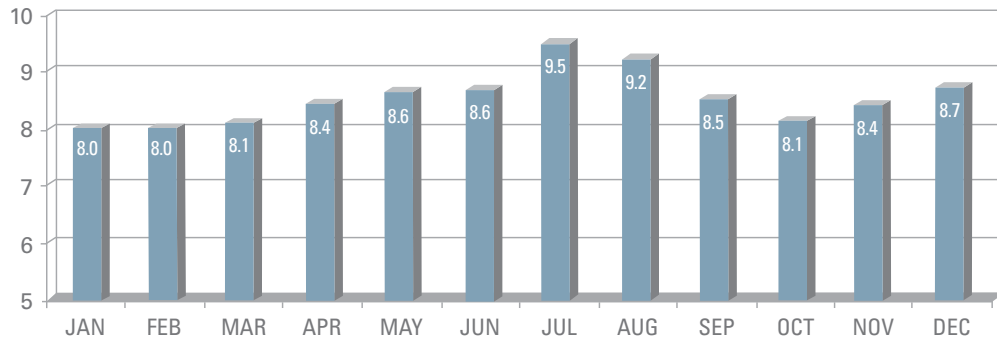
Nine ICs are located throughout California with management divided into two regions, northern and southern California.

**Board-Adopted IC Goals Include:**

- **Maintain ER I Production of 10 Closures Per Month**

Due to the mandated employee furloughs that reduced available work hours by 15 percent, the Board reduced the complaint closure average goal to eight (8) closures per month. In 2010, ERs exceeded this goal, averaging 8.5 closures per month.

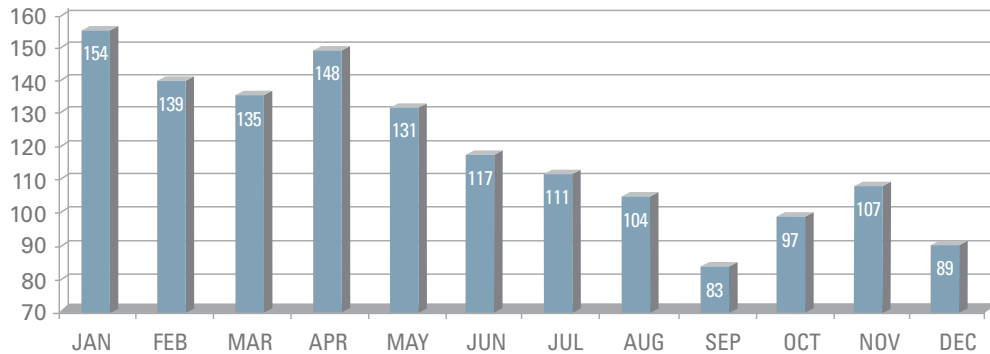
**AVERAGE NUMBER OF MONTHLY CLOSURES FOR 2010**



- **Reduce 270-Day-Old Cases to 100 or Less**

Staff's effective management of pending complaints resulted in consistently reducing the number of cases over 270 days old. Staff ended 2010 by achieving the Board mandate for aged cases with only 89 cases over 270 days old.

**NUMBER OF CASES OVER 270 DAYS OLD**



## MEMORANDA OF UNDERSTANDING

For the purpose of leveling the playing field and ensuring that contractors who violate the law do not have an unfair advantage over law-abiding contractors, IC staff has taken a lead role in implementing memoranda of understanding (MOUs) for the purpose of sharing enforcement information with the:

- Employment Development Department (EDD),
- DIR Division of Occupational Safety and Health (DOSH),
- DIR Division of Labor Standards Enforcement (DLSE),
- DIR Division of Apprenticeship Standards (DAS),
- Department of Transportation (Caltrans),
- Franchise Tax Board (FTB),
- Department of Industrial Relations' (DIR) Office of Director-Legal (ODL), and
- California Energy Commission (CEC).

During 2010, CSLB worked with each agency to further enhance the existing MOUs to strengthen enforcement of labor, tax, and licensing laws. These agencies are also members of the Joint Enforcement Strike Force on the underground economy.

### MOU Achievements

#### California Energy Commission (CEC)

In July 2009, CSLB entered into a new MOU with CEC that allows the agencies to work jointly to enforce and educate the industry, consumers, and contractors about California Building Standards, appliance regulations, and Heating Energy Rating Standards (HERS) regulations. In addition, the MOU provides that CEC staff will assist CSLB in enforcement of Contractors State License Law in specific cases involving permit and code compliance. CEC refers alleged violations of permit requirements, California Building Standards, appliance regulations, and HERS regulations.

- The Sacramento Municipal Utility District (SMUD), a publicly owned utility, requires the contractor to be state-licensed as a condition of receiving a rebate or financing for installation of a warm-air heating, ventilating and air-conditioning (HVAC) unit. However, the investor-owned utilities (IOUs) did not generally have similar requirements as a condition for granting financing rebates.
- In a very positive development in 2010, Southern California Edison (SCE) instituted an ongoing program that gave rebates to about 1,000 homeowners who were required to show proof of a permit and that the installing contractor was licensed by CSLB. It is

anticipated that SCE will expand the rebate program during the next two years with a potential for 5,000 homeowners receiving rebates with proof of permit and license.

### HVAC Stings

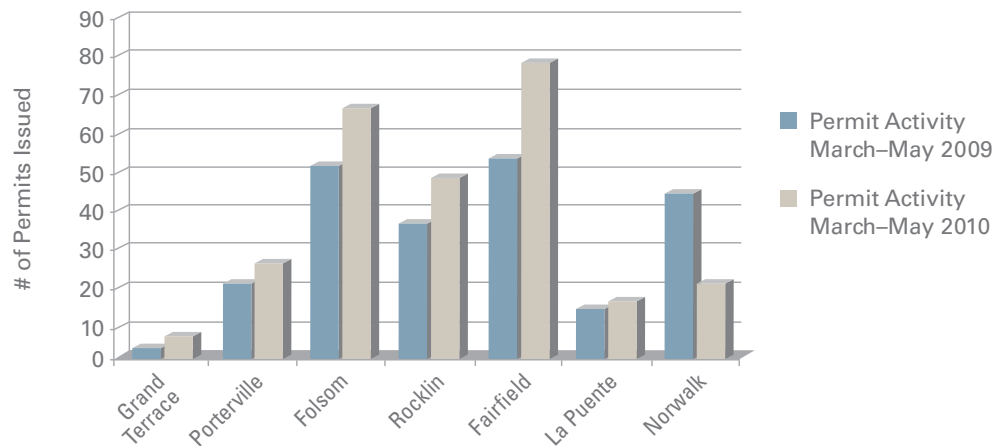
In 2010, CSLB partnered with a coalition of governmental agencies and private utility companies for enforcement of new Title 24 energy efficiency requirements that became effective January 1, 2010.

CSLB undercover sting operations targeting licensed contractors suspected of performing warm-air heating, ventilating or air-conditioning (HVAC) repair or replacement without obtaining required building permits were conducted in seven cities (Fairfield, Folsom, Grand Terrace, Norwalk, Porterville, Rocklin, and La Puente) with cooperation from California Building Officials (CALBO), the California Energy Commission (CEC), California Public Utilities Commission (PUC), the Institute of Heating and Air Conditioning Industries (IHACI), and the University of California, Davis.

Within the seven target cities, 53 contractors were called to sting sites. More than half of these contractors were found to be in violation of Contractors State License Law. While many contractors recommended permits, about 30 percent of the violations were for non-compliance with permit requirements. Other violations were identified in the areas of advertising and home improvement salesperson registration.

To determine the success of the pilot program, city building departments were contacted for permit reports to measure how many permits were issued to C-20 HVAC contractors in the months after the sting as compared to the prior year. After the stings, permit activity increased in all but one of the target cities—some as much as 47 percent, as documented on the following chart:

PERMIT ACTIVITY MARCH-MAY





*Captured video of an unlicensed contractor bidding work at a sting house in Fairfield.*

Based on the success of the first round of HVAC permit compliance stings, CSLB Enforcement mailed a letter in July to all C-20 licensees in California, advising them of new Title 24 energy efficiency

requirements, CSLB adoption of enhanced penalties for permit violations, and enhanced enforcement of energy-related permit requirements. Over 17,000 letters were mailed.

On September 21 and 22, a second round of HVAC stings was conducted with CALBO in five cities (Bakersfield, Fairfield, Upland, Orange, and San Jose). Out of 71 potential targets from the five sting areas with significant advertisements in the phone book, only six had obtained any permits during the prior twelve months. Twenty-four of the 32 contractors called out for the stings received either a warning letter or a formal legal action. Fifteen of the 24 warning letters/legal actions were for a permit violation or permit requirements (misrepresentation that a permit was not needed).

Preliminary findings indicated a 49 percent improvement in compliance, as many of the contractors referenced the letter when bidding and the majority stated they could no longer perform installations without a permit.

### **Employment Development Department (EDD)**

Under the terms of an initial MOU with EDD, CSLB investigators team up with agents to conduct a minimum of two field inspections per month as part of their joint Employment Enforcement Task Force (EETF).

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

In addition, CSLB provides EDD query access to CSLB's licensing system, including licensing data, pending application data, and the CSLB backlog table, within agreed upon security and confidentiality provisions. Rather than sending license data and hold and release requests by e-mail, the newly revised MOU allows both CSLB and EDD to share information online. This

expedites the exchange of information and allows integration with EDD's new Automated Collection System (ACES) data warehouse, designed to create an automated collection system for unemployment insurance tax contributions.

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.

In 2010, 490 licenses were suspended and over \$10,000,000 in outstanding liabilities were resolved.

### **Department of Industrial Relations (DIR)**

The Department of Industrial Relations (DIR) is responsible for promoting the welfare and working conditions of California wage earners. DIR has several divisions, including the Division of Labor Standards Enforcement (DLSE), Division of Occupational Safety and Health (DOSH), Division of Apprenticeship Standards (DAS) and the Office of the Director-Legal. CSLB has entered into MOUs with each of these divisions. The agreements are designed, in part, to assist in collecting final administrative and judicial actions against both licensed and unlicensed contractors who violate provisions of the state Labor Code. In addition, the MOUs are designed to enable CSLB to take appropriate administrative or criminal action against contractors who violate provisions of the Contractors State License Law. DIR refers outstanding civil and wage claim liability cases to CSLB, which result in the automatic suspension of those licenses until the outstanding liabilities are satisfied. In 2010, 256 licenses were suspended and nearly \$1,000,000 in outstanding liabilities were resolved. In 2010, staff also filed 30 formal administrative actions against the more egregious Labor Code offenders.

### **Division of Labor Standards Enforcement**

The MOU provides that DLSE forward documentation of Labor Code 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, enables 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 Labor Code by a licensed contractor so that CSLB can initiate disciplinary action as required by B&P Code Section 7110.5.

### **Division of Occupational Safety and Health (DOSH)**

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. CSLB then takes appropriate disciplinary action against the license.

When DOSH determines that a construction industry employer has acted willfully or with gross negligence, and the same act also constitutes a violation of Contractors State License Law, DOSH will make an early referral to CSLB's SWIFT program manager. 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. CSLB anticipates an increase in early referrals from DOSH in 2011.

DOSH also will assist CSLB in achieving judicial revocation of licenses in DOSH-initiated criminal proceedings. Since DOSH also is responsible for issuing permits for construction activities that require the applicant employer to have an appropriate contractor license, CSLB notifies DOSH of license revocations on a monthly basis.

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

### **Public Works Investigation Unit**

Billions of dollars in bond money is paid to California contractors for public works construction projects each year. In August, the Board approved development of a pilot program to proactively take action against contractors who commit egregious violations on public works projects. Typical violations include failing to pay prevailing wages and overtime to employees; contracting without a valid license; filing false workers' compensation insurance exemptions and/or failure to obtain workers' comp for employees; misrepresenting license status to obtain a contract; and illegal substitution of subcontractors.

Board staff found that awarding authorities were independently taking actions against contractors and subcontractors, but CSLB was not notified about the violations and; therefore, unable to take action or provide public disclosure about these violators. Other awarding authorities were also unaware of the contractors' violations and unknowingly contracted with the offending contractors. Awarding authorities are required to award contracts to the lowest bidder, and by placing disclosure of violations on the violators' license CSLB helps awarding authorities to identify the lowest *responsible* bidder.

In September, CSLB Public Works Unit staff provided training to IMC staff to help better identify public works complaints that are received, and outreach was conducted to educate labor compliance organizations about the pilot program and assist them in providing the evidence and documentation required to support violations.



This program, while still in its infancy, has already proven successful, as leads received from construction industry compliance organizations have resulted in formal actions against noncompliant licensees and early disclosure about licenses with probable violations.

### PROACTIVE ENFORCEMENT / SWIFT

The Statewide Investigative Fraud Team (SWIFT) takes a proactive approach to enforcement. SWIFT units, either at the request of individuals, organizations, or governmental authorities, identify geographic areas where unlicensed construction or illegal advertising is a problem.



*Southern California SWIFT detains an unlicensed contractor.*

There are three SWIFT offices: the Sacramento office addresses northern California, the Fresno office handles central California, and the Norwalk office addresses southern California.

SWIFT staff conducts undercover sting operations, often in partnership with other state and local law enforcement agencies. Suspects are targeted through hot leads, complaints and illegal advertisements. Suspected non-licensees are then invited to the sting property by SWIFT's undercover investigators to bid for various types of construction projects. If the suspects prove to be contracting illegally, staff typically issues a Notice to Appear (NTA) in court to answer charges of unlicensed practice and other illegal activities.

SWIFT staff also conducts proactive "sweeps" of active construction sites in communities throughout California, inspecting jobsites and checking contractors for compliance with licensing and labor laws, and citing any violators.

### STINGS / SWEEPS

Undercover sting and sweep operations are conducted every week throughout the state. SWIFT conducted 170 sting and sweep operations during 2010, resulting in nearly 1,000 legal actions, including NTAs and citations, and the arrest of nearly 50 individuals. An additional 402 follow-up cases were opened as a result of these operations, many of which resulted in the issuance of administrative citations or referrals for criminal prosecution.

Sixty-three (63) of the SWIFT sting operations included partnering with law enforcement, district attorneys, building departments and code enforcement officials, industry leaders, and other state agencies. The sting operations targeted unlicensed repeat offenders and wanted criminals working in the construction industry.

The stings conducted during 2010 resulted in the following actions:

- 732 suspects received NTAs for contracting without a license, illegal advertising, and workers' compensation insurance violations;
- 68 individuals, both licensed and unlicensed, received administrative citations for licensure, advertising, aiding and abetting, and workers' comp violations; and
- 38 suspects were arrested and booked on outstanding warrants for crimes including sexual assault, child molestation, drug and weapons convictions, grand theft, and elder abuse.

SWIFT also conducted a total of 107 sweep operations during 2010, including 12 sweeps as a member of the Economic and Employment Enforcement Coalition (EEEC). SWIFT and its partner agencies achieved the following sweep results:

- Inspected 1,975 active construction sites throughout the state, checking for compliance with license, workers' comp, and employment laws;
- Checked 2,501 entities for appropriate licensure;
- Issued 113 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 workers' compensation for employees.

2010 STINGS	
Total Stings	63
Appointments Set	1,236
NTAs Issued	732
Arrests	38
Citations Issued	68
Warning Letters Issued	56
Pending Cases	142

2010 SWEEPS	
Total Sweeps	107
Site Visits	1,975
Entities Checked	2,501
Arrests	4
Citations Issued	113
NTAs Issued	9
Warning Letters Issued	282
Pending Cases	260

## STING HIGHLIGHTS

### Nearly 300 Unlicensed Contractors Netted in California Blitz Operations

The goal of CSLB's twice-yearly blitz operations is to educate consumers about the potential dangers of hiring phony contractors, and to encourage non-licensees who qualify to come into compliance with state law and obtain their license.



*An unlicensed contractor is arrested at a sting house.*

CSLB kicked off the spring construction season March 23-24 by conducting the biggest crack-down on unlicensed contractors in its history. SWIFT staff teamed up with investigators from 15 law enforcement agencies to conduct simultaneous undercover sting operations in eleven separate locations throughout California in CSLB's annual spring "California Blitz." SWIFT investigators nabbed a record-breaking 161 unlicensed operators during the two-day period. Four suspects were arrested and booked on outstanding warrants for charges ranging from possession of controlled substances and DUIs

to embezzlement and diversion of construction funds. Eight of the suspects caught during the blitz were repeat offenders, and two of the suspects were registered sex offenders.

Spring blitz stings were conducted in El Dorado Hills (El Dorado County), Rancho Cordova (Sacramento County), Morgan Hill (Santa Clara County), Santa Rosa (Sonoma County), Delano and Bakersfield (Kern County), Chowchilla (Madera County), Calabasas (Los Angeles County), Orange (Orange County), Santa Maria (Santa Barbara County), and Chino Hills (San Bernardino County).

October 21-22, the SWIFT team conducted the statewide fall California Blitz. For the fall operation, SWIFT investigators conducted nine simultaneous undercover sting operations in eight counties: West Sacramento (Yolo County), Placerville (El Dorado County), Seaside (Monterey County), Visalia and Porterville (Tulare County), Fresno (Fresno County), La Mesa (San Diego County), San Juan Capistrano (Orange County), and Pasadena (Los Angeles County).

Staff teamed up with representatives from more than 20 state and local law enforcement agencies to carry out the fall blitz, which netted more than 100 unlicensed operators as

well as the arrest of eight suspects, including a sex offender (on outstanding warrants for violations including domestic violence and fraudulent use of a contractor license).

Total statistics for the two blitz operations were as follows:

STATEWIDE BLITZ TOTALS			
	Spring	Fall	Grand Totals
Appointments Set	239	192	431
NTAs Issued	161	110	271
Arrests	4	8	12
Citations Issued	6	4	10
Warning Letters Issued	5	2	7
Pending Cases	32	20	52
No Shows / Cancellations	62	47	109

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**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, Employment Development Department (EDD), and the Department of Industrial Relations (DIR) and its Divisions of Labor Standards Enforcement (DLSE) and Occupational Safety & Health (DOSH). Together, these partners perform proactive statewide undercover sweeps of active construction sites.

In 2010, CSLB and its Coalition partners continued the successful practice of doubling enforcement efforts. While a primary EEEEC operation is carried out in one region of California, a secondary EEEEC sweep is simultaneously conducted at the opposite end of the state. This expanded enforcement carries the double benefit of increasing CSLB’s enforcement presence statewide, while dramatically increasing the number of illegal operators nabbed during the operation’s timeframe.

SWIFT conducted a total of twelve formal EEEEC construction sweeps during 2010 in the following locations:

- March 2-3: Sacramento & Stockton
  - > Companion Operation: Huntington Beach/Costa Mesa
- May 11-12: Sacramento & El Dorado Counties
  - > Companion Operation: Riverside

- June 15-16: Los Angeles & Orange Counties
  - > Companion Operation: Sonoma County
- August 10-11: San Diego, Los Angeles & Orange Counties
  - > Companion Operation: Fairfield
- September 21-22: Sacramento, El Dorado & Contra Costa Counties
  - > Companion Operation: Los Angeles & San Diego
- November 2-3: San Diego, Riverside & Orange Counties
  - > Companion Operation: Sacramento & Yolo Counties

#### **DISTRICT / CITY ATTORNEY PARTNERSHIPS**

SWIFT routinely partners with DA investigators as law enforcement backup for a large percentage of the undercover sting operations, and to combat the underground economy.

#### **Bay Area Underground Economy Seminar & Workshop**

CSLB joined representatives from the San Mateo County District Attorney's Office, local building department and law enforcement representatives, city and county elected officials, and California Landscape Contractors Association (CLCA) members for the Bay Area Underground Economy Seminar and Workshop on July 8, 2010, in Redwood City. The mission was to develop effective strategies for licensed contractors who face unfair competition from both unlicensed operators and licensed contractors who do not comply with workers' compensation insurance, payroll tax, and permit requirements.

As a result of the successful seminar, CSLB agreed to the following:

- Produce a video addressing licensure requirements and the harm caused by hiring an unlicensed contractor. Participating building officials will require property owners to view this video prior to issuance of an owner-builder permit.
- Partner with building officials, the Department of Insurance, and local law enforcement in selected jurisdictions.
- Work with the San Mateo District Attorney, who has indicated a commitment to prosecute all unlicensed activity referred by CSLB.

Following the successful seminar, a task force comprised of JESF agencies, the San Mateo DA, and the Redwood City, Foster City, and San Mateo County building departments was established, and subsequent meetings were held to develop strategies to catch unlicensed operators in the region.

On October 27-28, CSLB Enforcement staff teamed up with their Joint Enforcement Strike Force (JESF) partners from EDD, DLSE, and the Department of Insurance for a successful two-day enforcement sweep throughout San Mateo County focused on C-39 Roofing contractors.

**Pilot Program with Monterey District Attorney’s (DA) Office Achieves Success**

Partnership with a Monterey County DA investigator was initiated in September by a Central Valley SWIFT investigator to address unlicensed and uninsured contractors in that region. Under the pilot, the ER “hard targets” suspects by verifying incoming leads that involve active projects with workers onsite. The ER notifies the DA partner, and the pair immediately inspect the active project sites together and issue NTAs to unlicensed and uninsured contractors. To expedite the paperwork process, the work is divided; the DA completes the investigative report, the ER completes the NTA write-up. This partnership has proven extremely effective with 18 NTAs for unlicensed activity issued in one month. Approximately 75 percent of those 18 unlicensed contractors were also found to be in violation of workers’ compensation requirements.

This joint investigation partnership also led to a criminal case involving an unlicensed husband and wife who fraudulently used other contractor license numbers, contracted without a license, and collected excessive down payments. The pair ultimately was charged with a total of 71 counts of felony and misdemeanor charges.

**DISASTER RESPONSE**

CSLB staff is often among the first responders when natural or other disasters damage or destroy property. In order to protect homeowners from being victimized a second time by unlicensed or unscrupulous contractors during the clean-up and rebuilding process, CSLB maintains an active and vigilant presence in the disaster zones, providing assistance and education to affected homeowners. Enforcement staff conducts preventative sweeps and stings in the damaged areas, and posts signs that warn the public and would-be scam artists that contracting without a license in a disaster zone is a felony.



*CSLB staff member Mark Stewart at San Bruno Local Assistance Center.*

### CSLB Staff Assists Disaster Victims

SWIFT partnered with the San Bruno Police Department, Department of Insurance, and the San Mateo County DA's Office to assist and educate disaster responders and residents in the wake of the September 9 natural gas pipeline explosion. Two SWIFT staffers reached out to victims at the Local Assistance Center, while other staff conducted emergency response meetings with partner agencies. Additional staff teamed up with Department of Insurance agents to patrol and sweep the disaster area, checking for licensure and workers' compensation compliance and reaching out to homeowners who were returning to the area to sift through the ashes of their damaged or destroyed homes. In the weeks that followed the explosion, SWIFT staff conducted sweeps and a sting in the disaster zone, and participated in outreach and public forums to assist victims with information and one-on-one assistance with insurance, the rebuilding process, and the resources available to them.

### Southern SWIFT Reaches Out to Victims of Calexico Quake



*CSLB staff assist disaster victims.*

Southern SWIFT staffers reached out to victims of the 7.2 magnitude Calexico earthquake that struck Baja California on Easter Sunday. The earthquake, which affected Mexican border cities and California's Imperial County, was followed by more

than 350 aftershocks. Although there were no U.S. deaths, the Governor declared a state of emergency for Imperial County after the quake disrupted communications and also damaged many buildings in Calexico, including millions of dollars of damage to that city's water treatment and storage facilities.

Southern SWIFT staff posted disaster warning signs throughout the affected region, reached out to victims, and distributed CSLB brochures during the week of April 12-15. After the initial outreach, ERs then staffed the California Emergency Management Agency's Local Assistance Center in Calexico during the two-week period of April 19-22 and 26-29, providing one-on-one assistance to property owners and residents affected by the quake.

### CASE MANAGEMENT

Case Management is divided into three main units: the Disciplinary Services Center, the Enforcement Services section, and the Citation Processing Center.

- **Disciplinary Services Section** has statewide responsibility for processing accusations and appeals of denied license applications, and monitors licensees' compliance status with the Board's disciplinary actions.
- **Enforcement Services Section** has statewide responsibility for completing applicant experience verifications and flag investigations, assisting in disputes referred to the Board's Mandatory Arbitration or Voluntary Arbitration programs, providing determinations on potential out-of-class violations, and researching and investigating subsequent arrests/convictions.



*CSLB outlines the Board's Mandatory and Voluntary Arbitration programs in two publications produced in 2010. Both are available on CSLB's website at <http://www.cslb.ca.gov/GeneralInformation/Library/GuidesAndPamphlets.asp>.*

- **Citation Processing Center** has statewide responsibility for issuing licensee citations, processing non-licensee and licensee citation appeals, monitoring respondents' compliance status with the citations, and initiating further disciplinary action, when required.

### LICENSEE CRIMINAL CONVICTION COMPLAINTS

On January 1, 2005, CSLB began implementation of criminal history record checks as required by legal statutes. Once an applicant's or licensee's fingerprints are submitted to the Department of Justice and FBI, any arrest or conviction for criminal activity is forwarded to CSLB. The Enforcement division's Subsequent Arrest and Conviction Unit (SACU) must track the progress of the arrest. If the record indicates a conviction for criminal activity has occurred, it must be investigated to determine if it meets the criteria for legal action against the license.

In 2010, CSLB received 3,086 misdemeanor arrest notices and 726 felony arrest notices; 145 complaints were opened and 109 dispositioned, most of which went to legal action to suspend or revoke the license.

The number of subsequent arrest and conviction records received for licensed personnel has grown dramatically, increasing approximately 27.8 percent each fiscal year since fingerprinting was implemented. Further, only 33.6 percent of personnel associated with a license



(151,000) had been fingerprinted as of mid-July 2010. As more personnel associated with contractor licenses submit fingerprints, this workload is expected to grow significantly. As a result of the ongoing state budget crisis and other factors, CSLB has been twice unsuccessful in obtaining approval for budget change proposals that would increase the SACU workload staffing. In order to manage the current workload, some of the cases against licensees convicted of felony acts are being outsourced to CSLB Investigative Centers.

### Accusations / Statement of Issues

In 2010, Case Management opened 351 cases seeking revocation of a license by Accusation, or filed a Statement of Issues denying a license application that had been appealed. Of the cases filed, the Board received 65 proposed decisions from the Office of Administrative Hearings, where a hearing was held after a Notice of Defense was filed by the respondent. In addition, 65 cases that were appealed resulted in a stipulated agreement resulting in a revocation with conditions. The respondent failed to file a Notice of Defense (defaulted) in 188 cases, resulting in the accusation or denial being adopted by the Registrar. Six cases were opened that sought revocation or suspension of a license where a criminal act had occurred. In these instances, the Board requested the Superior Court to revoke or suspend the license at arraignment.

Revocations by Accusation	348
Denials by Statement of Issues	61
Revocations by Arbitration	151
Revocations by Citation	296
Cost Recovery Received (accusations only)	\$46,743
Restitution to Public (accusations only)	\$10,339,838

*One case resulted in \$10 million in restitution for a public works project.*

### Mandatory Settlement Conferences

During 2010, Enforcement significantly lowered expenses for Office of the Attorney General (AG) and Office of Administrative Hearing (OAH) case support by utilizing mandatory settlement conferences (MSCs). An Administrative Law Judge presides over the conferences, which have proven very effective in resolving citations while reducing the Board's Attorney General costs and making injured consumers whole. MSCs resolve administrative disciplinary actions without incurring the cost of a formal hearing. Enforcement saved over \$560,000 in AG costs alone during 2010.

ACCOMPLISHMENTS AND ACTIVITIES REPORT

CITATION PROCESSING CENTER STATISTICS													
LICENSEE CITATIONS	JAN*	FEB	MAR	APR*	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Referrals Received	52	66	50	41	48	71	56	49	61	55	59	74	<b>608</b>
Issued	39	53	27	70	52	41	75	43	63	42	57	57	<b>562</b>
Appealed	14	17	15	20	19	18	19	48	17	20	56	29	<b>263</b>
Vacated	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
Withdrawn	6	4	3	4	0	2	4	4	5	3	4	2	<b>39</b>
Complied	21	21	25	19	29	37	19	30	27	31	26	26	<b>285</b>
Revoked for Non-Compliance	31	12	31	10	22	64	2	18	17	48	6	35	<b>261</b>
Average Days Worked to Issuance	16	24	18	32	36	14	19	NA	17	16	12	13	
NON-LICENSEE CITATIONS													
Issued	80	56	64	56	59	70	93	76	72	48	60	74	<b>734</b>
Appealed	3	33	24	21	24	18	27	25	28	16	13	17	<b>232</b>
Vacated	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
Withdrawn	5	0	1	2	2	1	4	0	0	1	1	5	<b>17</b>
Complied	14	25	22	28	22	27	27	45	41	17	22	24	<b>290</b>
To Collections	6	1	11	24	13	17	33	38	1	105	58	61	<b>307</b>
MANDATORY SETTLEMENT CONFERENCES													
Scheduled	0	31	30	0	27	29	27	26	31	28	22	26	<b>251</b>
Settled	0	16	15	0	12	15	8	13	14	21	12	16	<b>126</b>
Sent to DAG	0	5	4	0	4	2	3	3	4	1	2	2	<b>28</b>
No-Shows	0	4	2	0	7	3	4	6	7	3	2	2	<b>38</b>
Continued	0	6	7	0	2	8	12	2	4	3	6	4	<b>50</b>
Withdrawn	0	0	1	0	2	1	0	2	2	0	1	2	<b>9</b>

\* Mandatory Settlement Conferences were not held in January due to CSLB staffing shortages.

\* Mandatory Settlement Conferences were not held in April due to Office of Administrative Hearings scheduling issues.

Cases during which 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.

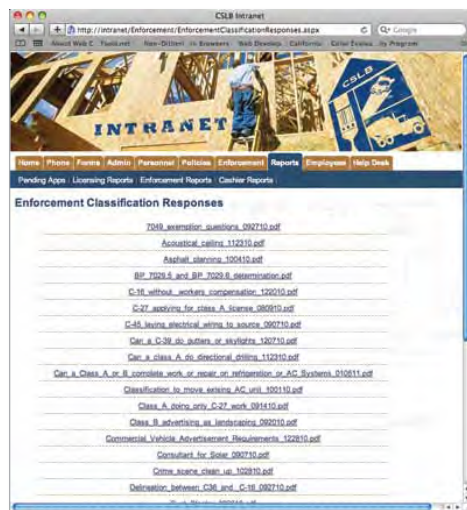
### GOALS ACHIEVED BY CASE MANAGEMENT

As part of the Board's ongoing efforts to increase transparency and efficiency, Case Management established a goal to improve the availability and reliability of the Board's records of disciplinary actions. The objective was to develop a business process that will allow paper files to be converted to secure digital files, which will serve as the official record and can be viewed throughout the statewide CSLB offices and by the public. The following initiatives were carried out toward this end in 2010:

#### Website Posting of Accusation and Disciplinary Actions

On May 21, 2010, the Director of the Department of Consumer Affairs instructed all DCA boards and bureaus to post all newly filed accusations and decisions on their respective websites. Pursuant to B&P Section 7124.6, CSLB is legally authorized to disclose accusations, which are public information.

The Sacramento Case Management office, working closely with the CSLB Information Technology division, developed a plan and began implementing the new requirement. Case Management staff identified, re-scanned and re-named files for the website and, after a brief test run, CSLB began displaying the filed Accusations (and the adopted decisions, if available) of current cases in early July. By the beginning of December, 350 cases were available for viewing on the website. Case Management staff continues to add cases as they are filed, and the website is updated weekly.



#### New Additions to CSLB Intranet

For improved internal communication, the Enforcement Services Section developed a new category for staff to view within CSLB's Intranet. The new information tab, entitled "Enforcement Classification Responses," is posted under the "Enforcement" category. The information under the tab includes frequently asked staff questions regarding classification determinations, and provides expert answers from CSLB's class determination investigator. Approximately 22 classification determinations are now available for viewing on CSLB's Intranet.

### **Probation Monitor in Case Management**

As a result of Case Management's reorganization, a staff member actively monitors and tracks the compliance of licensees who have been placed on formal probation. Case Management researched other boards for similar positions and, in March, established a Staff Services Analyst position to carry out this function. The Probation Monitor tracks compliance with the terms of a stayed revocation or stipulated settlement. The Probation Monitor also initiates the process to re-impose discipline should the licensee fail to comply with their terms and conditions.

Since March, the Probation Monitor has collected more than \$190,000 in cost recovery for the Board. Ongoing projects for this position include the development of a comprehensive desk manual and automated initial contact letter to the licensee, and development of a method to identify and track all probationers in real time. Case Management staff is also involved with the Probation Monitoring Workgroup at the Department of Consumer Affairs.

### **CSLB Negotiates \$10 Million Settlement in AMEC Case**

A lengthy investigation conducted by Sacramento IC-North staff culminated in a multi-million dollar settlement agreement with AMEC Construction Management Inc. (AMEC), that allegedly committed multiple violations and eventually abandoned a construction job for the San Francisco Main Jail project. The alleged violations included contracting on a suspended license, abandonment, departure from trade standards, violation of building codes, and misrepresentation on a licensing application. AMEC also was charged with conviction of substantially related crimes after it was discovered that the company had been convicted of defrauding the federal government on two separate occasions.

Under the terms of the stipulated agreement, which was negotiated by CSLB's Case Management staff and the AG's Office, AMEC's license is to be revoked; the revocation will be stayed, and the license suspended for a 30-day period. The contractor must post a \$125,000 disciplinary bond and is subject to a three-year probation. The company also agreed to pay \$10 million restitution to the City of San Francisco, as well as \$37,518 in cost recovery to CSLB; those funds have already been received.

### **ORGANIZATIONAL DEVELOPMENT / TRAINING**

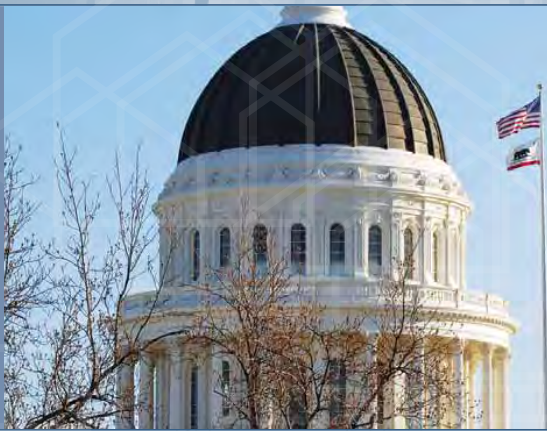
In addition to carrying out its current mission, CSLB management is developing an attrition plan to ensure its ability to continue to meet its consumer protection mandate. The need to develop and train staff was heightened in 2010 as the retirements outlined in CSLB's Succession Plan, "A Commitment to the Future," were realized.

CSLB delivered ten training and staff development programs in 17 different sessions throughout the year. However, due to the lack of a budget and resultant inability to pay

related expenses, three important programs were postponed. Nevertheless, staff developed creative alternatives to keep other sessions on schedule. Training conducted during 2010 included:

- District Office Orientation Program – Oxnard (now Valencia) IC and Fresno SWIFT staff received orientation training about state government and CSLB programs and operations at CSLB’s Sacramento HQ office. These orientation sessions continue to receive high evaluation ratings.
- Construction Terminology and Blueprint Reading was offered in two locations in April. The two-day sessions were attended by 108 CSLB investigators.
- DCA’s Management Academy and Enforcement Academy – CSLB took full advantage of two Department of Consumer Affairs (DCA) courses in 2010: CSLB sent four Enforcement supervisors to the DCA Management Academy, which is designed for supervisors and managers; and sent 12 Enforcement staffers to the DCA Enforcement Academy.
- Search Warrant training was offered in six separate sessions around the state. The training was performed by a retired head deputy district attorney from Los Angeles County. More than 80 CSLB staff attended this training.
- Arbitration training was offered to CSLB’s Enforcement managers and supervisors to discuss the more complex aspects of the arbitration program. These include such issues as bankruptcy, pending civil actions, and petitions to vacate an award.
- A Team Building program was launched in May for all Enforcement Supervisor I’s. All 14 supervisors met for two sessions to develop the characteristics found in high performing teams.
- Mediation training was offered to the Intake/Mediation Offices in November. The American Institute of Mediation provided two 2-day sessions, one in Norwalk and one in Sacramento.
- The Chief of Enforcement and the Enforcement Supervisor II’s attended a training program in December designed by the Centre for Organization Effectiveness to raise the caliber of leadership within the CSLB Enforcement program.

CSLB will continue its training and development effort, including programs designed to prepare staff for future leadership positions within the organization.



LEGISLATION

# LEGISLATION

Bills listed below that were signed into law (chaptered) in 2010 by Governor Schwarzenegger will have an impact on CSLB operations. Where applicable, the chaptered bills were included in the CSLB Implementation Plan that was developed by the Legislative division. The plan identifies the CSLB divisions that are impacted by the legislation and outlines the basic steps necessary to implement each bill.

## **DEVELOPMENT AND COORDINATION OF SPONSORED LEGISLATION**

CSLB sponsored the following legislation during the last half of the 2009-2010 legislative session: AB 2419, SB 1254, and SB 1491. AB 2419 passed the legislature without a single vote cast against it, but was vetoed. The remaining two bills were chaptered and became effective on January 1, 2011. A summary of the two chaptered bills is provided below:

### **SB 1254 (Chapter 643, Statutes of 2010)**

This bill adds provisions to Contractors State License Law, authorizing the CSLB Enforcement division to issue a "stop work order," effective immediately upon service, to any licensed or unlicensed contractor who has failed to secure workers' compensation insurance coverage for his or her employees. It makes a failure to comply with the stop work order a misdemeanor. The bill also requires the contractor to pay employee wages during a work stoppage resulting from a stop work order, up to 10 days.

Notably, the bill establishes procedures by which an employer can request a hearing to protest a stop work order. Upon to such an appeal, the Registrar is required to affirm or dismiss the stop work order at the conclusion of the hearing and, within 24 hours, issue and serve a written notice of the findings.

The bill also increases the number of authorized CSLB peace officer positions from three to twelve, with the positions being subject to designation by the Director of the Department of Consumer Affairs.

### **SB 1491 (Chapter 415, Statues of 2010)**

Existing law authorizes the Registrar of Contractors to issue citations to unlicensed individuals for contracting without a license, provided they are issued within four (4) years of the violation.

- This bill provides that a citation be issued not later than four years after the act that is the basis for the citation or within 18 months after the complaint is filed with the Registrar, whichever is later.

Existing law requires the board to deliver a booklet to all applicants relating to the handling and disposal of asbestos, and requires the completion of an open book examination concerning asbestos-related work.

- This bill requires the board to make the booklet and exam available to all applicants on its Internet website. A hard copy will be provided only upon request.

Under existing law (Public Contract Code), disregard of the Subletting and Subcontracting Fair Practices Act constitutes a cause for disciplinary action. Contractors State License Law (Section 7110) provides that a willful or deliberate disregard of various state building, labor, and safety laws constitutes a cause for disciplinary action.

- This bill harmonizes the two codes by adding the violations of the Subletting and Fair Practices Act to Section 7110 of the Contractors State License Law.

#### **OTHER LEGISLATION IMPACTING CSLB OPERATIONS**

All bills introduced by the legislature must be screened to determine whether they will have a relevant impact on the Board, consumers or the construction industry. The Legislative division engages continuously in the legislative process in an effort to influence legislation that impacts Board operations and/or the relevant stakeholders. For example, the final versions of AB 2305 and SB 392 (listed below) contain amendments resulting from negotiations between the CSLB Legislative division, the authors' offices, and the bill sponsors. The following chaptered legislation, although not sponsored by CSLB, directly impacts or involves the agency.

##### **AB 1585 (Chapter 7, Statutes of 2010)**

Any report required by law to be submitted to the members of either house of the California Legislature must, instead, be submitted as an electronic copy to the Chief Clerk of the Assembly. Each agency shall also provide an electronic copy of the summary directly to each member of the appropriate house or houses of the legislature. Also, a copy of the report and summary shall be available for downloading on the agency's Internet website, and a telephone number shall be listed so that a hard copy of the report can be ordered.

##### **AB 2305 (Chapter 423, Statutes of 2010)**

Existing law, until January 1, 2011, requires a contractor with a C-39 Roofing classification to obtain and maintain workers' compensation insurance even if he or she has no employees. This bill extends these provisions until January 1, 2013.

The law also provides for the suspension of a license that, after January 1, 2011, has had the C-39 Roofing classification removed if the licensee is found to have employees and to lack a valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance.



**AB 2500 (Chapter 389, Statutes of 2010)**

Existing law authorizes a licensee or registrant who permitted his or her license to expire while serving in any branch of the armed services of the United States during a period of war to reinstate his or her license without examination or penalty if certain requirements are satisfied. This bill repeals the requirement pertaining to a period of war. Instead, it extends the right to license reinstatement to active duty members of the military or National Guard under conditions that are specified in existing law.

**SB 392 (Chapter 698, Statutes of 2010)**

Existing law does not authorize CSLB to issue a contractor license to a limited liability company (LLC). SB 392 requires CSLB, no later than January 1, 2012, to begin processing applications for licensure to firms that are registered with the Secretary of State as an LLC. In addition to all other licensing requirements in existing law, the LLC licensee must:

- (1) Maintain a surety bond on file with CSLB in the sum of \$100,000 for damages arising out of the specified claims of employees.
- (2) Maintain liability insurance coverage (on file with the CSLB) for damages arising out of claims against the licensee. The aggregate limit of the policy or policies shall be not less than \$1 million, or more than \$5 million. The bill also makes technical changes to the license law that will take effect on January 1, 2011.

**BILL TRACKING**

Over 30 bills were identified as having potential impact on CSLB operations and were continuously monitored during the past legislative session. Ultimately, the CSLB Legislative division worked directly with the authors' offices on the following bills that either did not survive the legislative process, or were amended to accommodate CSLB-sponsored legislation or CSLB operations: AB 660 (Torricono), AB 2267 (Eng), AB 2332 (Eng), SB 189 (Lowenthal), SB 258 (Oropeza).



*The CSLB Board meeting in Indian Wells included members of the Nevada State Contractors Board.*



PUBLIC AFFAIRS

# PUBLIC AFFAIRS

## MEDIA OUTREACH

During 2010, CSLB's Public Affairs Office (PAO):

- Distributed 60 press releases;
- Distributed 21 industry bulletins;
- Organized five media events, participated on one media call-in panel, and coordinated national media coverage of a sting operation; and
- Fielded more than 300 media inquiries and requests for interviews.

## Media Events



*CSLB Registrar Steve Sands (right) poses with Cal Poly Construction Management Head Allan Hauck and R. Thomas Jones, Dean of the College of Architecture & Environmental Design.*

- Award of Construction Management Education Sponsorship Award to Cal Poly, San Luis Obispo
- Eureka Sting Operation
- Spring Sting Blitz (Orange, Orange County)
- Siskiyou County Sting Operation
- Fall Sting Blitz (West Sacramento, Yolo County)

## Media Call-In Panel

KDTV (Univision), San Francisco

## Sting Coordination – National Media Coverage

- CBS News (The Early Show), New York City

### E-Mail Alert Feature

Public Affairs staff worked closely with Information Technology staff to develop and launch an e-mail alert feature on May 20, 2010. The feature allows people to sign up for any of four different categories of publications. Subscribers can receive alerts for:

- *California Licensed Contractor* newsletter
- Press Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas



The feature is publicized on every page of the CSLB website. More than 6,800 subscriptions had been requested by the end of 2010.

### Social Media

Public Affairs staff developed and launched sites on both Facebook and Twitter on August 26, 2010. The sites are updated multiple times each week in an effort to give followers a more interactive experience with CSLB. CSLB's YouTube page was also redesigned in 2010.

### DISASTER RESPONSE



The Public Affairs Office and Enforcement division worked closely in the wake of four separate disasters that hit California in 2010:

- Humboldt Earthquake (January 9)
- Calexico/El Centro Earthquake (April 4)
- Kern County Fire (July 27)
- San Bruno Gas Line Explosion (September 9)

#### Outreach efforts included:

- Posting Warning Signs in the Disaster Area
  - > Warning Consumers about Unscrupulous or Unlicensed Contractors
  - > Warning Unlicensed Contractors that it is a Felony to Contract Without a License in a Disaster Area
- Distribution of Educational Materials
- Issuing Press Releases & Consumer Alerts



*CSLB Public Affairs Chief Rick Lopes speaks to the media at a sting house during the spring blitz.*

- > Media
- > Building Officials
- > Builders' Exchanges & Other Industry Groups
- > Chambers of Commerce
- > Elected Officials
- Airing CSLB video, "Rebuilding After a Natural Disaster" on local cable systems
- Staffing "Local Assistance Centers" set up by the California Emergency Management Agency

### CONSUMER PROTECTION ADVERTISING CAMPAIGN

In 2010, CSLB and its contracted advertising agency, Astone, continued an aggressive paid advertising campaign aimed at warning consumers about the dangers they face when hiring an unlicensed contractor.

In January and February 2010, CSLB conducted the third flight of an advertising campaign targeting vulnerable populations, including seniors. The first two flights were conducted in the spring and summer of 2009. The third flight ran for two weeks in the Los Angeles, Inland Empire, San Diego, Sacramento, and Fresno markets. A fourth flight ran in the Los Angeles and Inland Empire markets. In addition to radio, the campaign targeting online websites, including Pandora and Google Ad Words.

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 landing page on the CSLB website when visitors went to [www.CheckTheLicenseFirst.com](http://www.CheckTheLicenseFirst.com). The new website address is also promoted in all press releases and other media outreach efforts.

**PUBLICATIONS / OTHER MATERIALS PRODUCED**

The following is a list of publications and other materials produced by PAO during 2010:

- California Contractors License Law & Reference Book – 2011 Edition
- Before You Dive Into Swimming Pool Construction
- CSLB Matters (employee newsletter)
- California Licensed Contractor (licensee newsletter)
- Board Procedures Manual
- 2009 CSLB Accomplishments & Activities Report
- After a Disaster Don't Get Scammed
- CSLB Industry Expert Program
- Owner-Builders Beware!
- What Seniors Should Know Before Hiring a Contractor
- What You Should Know Before Hiring a Contractor
- CSLB Mandatory Arbitration Program
- CSLB Voluntary Arbitration Program
- Description of Classifications
- 2010-11 CSLB Strategic Plan
- Construction Complaints (Spanish)
- Preventing Mechanic's Liens



**California Licensed Contractor Newsletter**

On August 19, 2010, CSLB published its first exclusively online licensee newsletter. *California Licensed Contractor* contains important information for CSLB licensees and other stakeholders and is published quarterly. Due to budget constraints a decision was made to make the publication available only online. The move will save CSLB an estimated \$450,000 per year in printing and postage costs.

## CSLB'S MOST WANTED



During 2010, three members of CSLB's Most Wanted were arrested. CSLB's "Most Wanted" website 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. Several suspects have been arrested since the Web feature launched in January 2008.

## EMPLOYEE WELLNESS

CSLB's Employee Wellness program expanded in 2010. In addition to Sacramento headquarters, Norwalk office employees now have information and exercise activities.

One of the most popular activities in Sacramento continues to be a monthly Free Farmers Market. Ongoing since February 2007, employees donate fruit and/or vegetables they grow or purchase. In exchange, they are allowed to pick from a supply of fruit and vegetables supplied by fellow employees. A new addition of seedling and plant sales helps fund the markets when donations are limited. Eleven market events were held during 2010.

Sacramento employees also participated in two 12-week "Lose to Win" events. Fifty-five people took part the first time; 41 the second time. Participants lost a combined 450 pounds during the two events.

### Other Employee Wellness offerings include:

- Low-cost chair massages
- Lunchtime workout and other exercise opportunities

Costs for these programs are paid entirely by employees.



*Twenty vendors participated in the 2010 Wellness Fair.*



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On November 3, 2010, PAO staff coordinated the second Employee Wellness Fair with 20 exhibitors that offered information, health screenings, and educational materials for Sacramento employees.

To date, CSLB's Norwalk Wellness Program has included various health and state benefit presentations, and DVD lunchtime cardio classes.

### SENIOR SCAM STOPPER<sup>SM</sup> SEMINARS

In 2010, Public Affairs Office staff worked with legislators, state and local agencies, and community-based organizations to coordinate and conduct 17 Senior Scam Stopper<sup>SM</sup> 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. The number of seminars conducted in 2010 was down significantly from the 28 conducted in 2009, due budget and furlough issues.



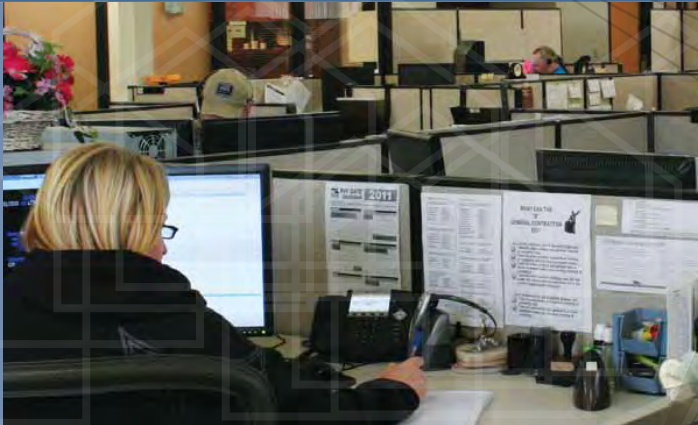
*CSLB Board Member Joan Hancock, CSLB staff Maria Kennedy, and Senator Lois Wolk at a Senior Scam Stopper<sup>SM</sup> in Tracy.*



SENIOR SCAM STOPPER<sup>SM</sup> SEMINARS HELD IN 2010

DATE	LOCATION	LEGISLATOR
January 7, 2010	Pleasanton	Asm. Nancy Skinner
January 14, 2010	Elk Grove	Asm. Joan Buchanan
January 21, 2010	Walnut Creek	Asm. Joan Buchanan
February 2, 2010	El Dorado Hills	Asm. Alyson Huber
February 5, 2010	Stockton	Asm. Alyson Huber
March 4, 2010	Pleasanton	Sen. Ellen Corbett
March 11, 2010	San Leandro	Sen. Ellen Corbett
March 16, 2010	Woodland	Asm. Mariko Yamada
March 26, 2010	Palos Verde Estates	Sen. Roderick Wright
April 8, 2010	Vacaville	Asm. Mariko Yamada
April 15, 2010	San Pablo	Sen. Loni Hancock
April 23, 2010	Ontario	Sen. Gloria McLeod
May 6, 2010	Pomona	Asm. Norma Torres
May 14, 2010	Menifee	Asm. Paul Cook
June 10, 2010	Tracy	Sen. Lois Wolk
June 25, 2010	Yucaipa	Asm. Paul Cook
October 20, 2010	Hemet	Asm. Paul Cook

ACCOMPLISHMENTS AND ACTIVITIES REPORT



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A D M I N I S T R A T I O N   D I V I S I O N

# ADMINISTRATION DIVISION

## PERSONNEL

In 2010, CSLB made 80 permanent appointments:

- 24 promotions
- 26 internal transfers
- 15 interdepartmental transfers
- 11 new hires
- 4 reinstatements

There were also two (2) limited-term appointments, 19 temporary/seasonal hires, 13 retirements, and 15 separations from State service.

## Hiring Freeze

On August 30, 2010, CSLB was notified that the Governor's Office directed all state agencies to immediately cease all new hiring (i.e., "hard freeze"), no exceptions. The Governor's Office stated that this hiring freeze would apply to regular/ongoing positions, temporary help, board appointments, and pending hiring commitments. This also was to apply for all hiring efforts associated with FY 2010-11 budget change proposals.

Since the implementation of the hiring freeze, CSLB has only been able to hire transfers within the Department of Consumer Affairs' boards and bureaus; CSLB was able to attain one hiring freeze exemption.

## Exams Conducted:

- Associate Governmental Program Analyst (Open Statewide Continuous)
- Assistant/Associate Information Systems Analyst (AISA) (Open Statewide Cont.)
- Chief of Legislation (CEA I)
- Enforcement Representative II (Promotional)
- Program Technician (Open Multi-Departmental)
- Program Technician III (Promotional)
- Staff Services Manager I, II & III (series) (Open Statewide Continuous)
- Supervising Program Technician II/III
- Test Validation & Development Specialist I/II (Continuous Open/Spot/Sacramento)

**Exams Under Way:**

- Consumer Services Representative (Open)
- Enforcement Representative I (Open Non-Promotional Statewide Continuous)
- Office Services Supervisor III
- Information Systems Technician II (Promotional)
- Information Systems Tech Sup II (Promotional)
- Personnel Selection Consultant I & II (Promotional)

**Enforcement Representative I Examination**

CSLB was able to obtain DCA approval to review and revise the Enforcement Representative I written examination, which is in need of major revisions. In addition, Personnel, working closely with the CSLB Examination Development Unit obtained DCA approval to develop and administer the examination utilizing the Testing division's SCORE system. Personnel was able to obtain DCA approval to administer the examination on an Open Non-Promotional basis, giving CSLB employees three addition points for their final score.

**EEEEC Positions**

Effective July 1, 2010, CSLB was able to permanently establish eleven (11) current limited-term positions funded by the Economic and Employment Enforcement Coalition (EEEEC). CSLB has been able to effectively utilize these positions both as part of the multi-agency EEEEC and as part of its SWIFT proactive enforcement units to increase efforts against the underground economy in the construction industry.

**Department of Personnel Administration (DPA) Human Resources Qualify Review**

CSLB responded to the DPA audit findings on CSLB positions that were either misallocated or unable to make appropriate determination based on various factors. DPA's review consisted of two review phases that began in January 2009 and were completed in August 2010. Five of CSLB's positions were found to be misallocated; the correct classification for one position was undetermined. CSLB Personnel reviewed the September 2010 DPA Human Resources Qualify Review (HRQR) report and provided a memo to the Department of Consumer Affairs that addressed the misallocations and correction plan, and identified how the misallocations could have been rectified prior to the published report.

### Workforce Succession Plan

Development is under way for a CSLB Workforce Succession Plan (WSP). All divisions are to participate in this effort during the 2011 calendar year, with a roll-out anticipated for early 2012. The WSP will ensure retention of institutional knowledge and seamless transition as CSLB staff transfer or retire from state service.

### BUSINESS SERVICES

Several workspace improvement projects were completed in 2010. The Fresno, Oxnard, Valencia, San Diego, and Redding Investigative Centers and/or Testing Centers moved to new office locations to improve operations and service to the public.

Leases were renewed for the San Francisco Investigative Center and the Sacramento Headquarters offices that included upgrades to the building cabling, card reader system, and power supplies.

### CONTRACTS AND PROCUREMENT

Nearly 30 contracts were processed during the year. Significant contracts included the Request for Proposal (RFP) for CSLB's Public Education and Awareness contract, which will be finalized and awarded in 2011; the zero-cost printing contract with LexisNexis for CSLB's annual law and reference book; the support maintenance agreement with Able-Gov, Inc. for CSLB uninterrupted power supply (UPS) equipment; four shredding contracts for CSLB field offices and HQ offices; Pitney-Bowes contracts for rental and maintenance of equipment to include rental and maintenance of all CSLB field and HQ postage machines; contracts for facility environmental control and security alarms; credit and debit card acceptance services to allow contractors to utilize e-payment at the CSLB Front Counter; and contract renewal for electronic library services and California Highway Patrol protective services.

Per Executive Order, the CSLB fleet was reduced by 20 percent, but aging vehicles are in need of replacement.

### VISIT FROM CHINESE DELEGATION



A delegation of construction officials from the Zhejiang province of China requested a visit to CSLB Headquarters during a trip to California on July 28, 2010. The group asked to meet with CSLB staff to learn about the governance of

California's contractors, contractor law, and how consumers are protected by licensing and regulation.

CSLB Board Chair Lisa Miller-Strunk, Registrar Steve Sands, division chiefs Dave Fogt (Enforcement), Amy Cox-O'Farrell (IT), Karen Ollinger (Licensing), and Rick Lopes (Public Affairs) were on hand to explain CSLB operations through the group's translator.

The group was from a Chinese province known to prioritize and encourage entrepreneurship, with an emphasis on market-driven small business. Many of their questions focused on how CSLB ensures that construction work taking place in California meets current building codes and how quality standards are enforced. They were also interested in contractor skill requirements, and CSLB partnership with other agencies.

## INFORMATION TECHNOLOGY

### ELECTRONIC PAYMENT AT CSLB HEADQUARTERS

Phase I enabled an electronic payment service at CSLB's Sacramento headquarters public counter. Since August, contractors and home improvement salespeople have been able to make the following payments by credit or debit card:

- Re-Exam Fee
- License Renewals
- Home Improvement Salesperson Renewals
- License Reactivation



*First licensee to use e-payment system, Freeman Hollands.*

### **AUTOMATED CALL DISTRIBUTION SYSTEM REPLACEMENT**

The Automated Call Distribution (ACD) system is software used by CSLB's License Information Center to help manage the distribution of incoming calls to call center agents. The new ACD went into production in November 2010. Implementation was smooth and agents have been pleased with the new system features.

The new ACD is less expensive to maintain and has more features than the previous system, which include allowing agents to redirect callers back into the IVR to check the status of a license/license look-up, application status, and immediate fax-back of forms. In addition, the new ACD allows intelligent routing, meaning calls can be screened and routed to agents who have specific subject knowledge.

### **LICENSE POCKET CARD EQUIPMENT**

CSLB replaced the pocket card printer that produces the hard plastic card license. The old printer continually broke down and the vendor indicated that further support was not possible due to the unavailability of parts.

### **LICENSING AND ENFORCEMENT AUTOMATED 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.

### **INFORMATION TECHNOLOGY HELP DESK**

The CSLB IT Help Desk provides assistance to over 500 CSLB employees, business contractors, and vendors. Help Desk staff processed over 8,000 tickets in 2010. These tickets were opened by CSLB staff who had such issues as problems with their computers, printers, land and cellular phones, access to various automated systems, adding or changing employee access levels or forgotten passwords. The average Level-1 (user "down") tickets are resolved or fixed in under 15 minutes and Level-2 tickets are resolved or fixed in under 30 minutes.

### **INTERACTIVE VOICE RESPONSE (IVR) SYSTEM**

CSLB's IVR is an interactive, self-directed telephone system. It provides callers with the ability to request forms or pamphlets that are immediately faxed to them. Callers can look up a license and applicants can check the status of their exam application. The IVR provides consumers with information on how to file complaints and information on how to become a licensed contractor. In addition to providing information, the IVR gives callers an option to speak to call center agents in Sacramento or Norwalk.

In 2010, the IVR handled over 53,000 calls per month/630,000 calls per year; it is available 24 hours a day, 7 days a week, including holidays. It is a valuable source of information for consumers, contractors, and others.

### CSLB'S WEBSITE

CSLB's website is a user-friendly warehouse of information and services. Visitors can get information on many of CSLB functions and services. They can search license status, which includes complaint/legal action information; download forms, guides, and pamphlets; file and submit complaints online; view CSLB processing times; search for surety bond and workers' compensation insurance companies; and even sign up to receive e-mail alerts.

CSLB's website had over 9,700,000 visitors in 2010.

### BREEZE - DCA ONLINE LICENSING SERVICES AND ENFORCEMENT SYSTEM

BreEZe is an automated DCA enterprise system that will include e-payment/on-line licensure, licensing and enforcement functions, imaging, and workflow for all DCA boards and bureaus. CSLB staff is heavily involved in the development of the system's business requirements, participating in forms redesign and standardization, and design of the new reports. The implementation schedule for CSLB is upon completion of Phase 5, which is currently projected for 2014.

### STATE CONTRACTORS OFFICIAL REGULATORY EXAM (SCORE) SYSTEM

SCORE is the CSLB in-house developed and supported exam administration and development system. It is utilized by our eight test centers throughout California, which administer over 80,000 exams annually. In 2010, SCORE was chosen by the Council of State Governments for one of nine Western Regional Innovations Awards. Although, SCORE was not selected, CSLB is proud to have been recognized and nominated.



*SCORE identification reader*



CONTRACTORS STATE LICENSE BOARD



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

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