

2011

# ACCOMPLISHMENTS & ACTIVITIES





JANUARY 1, 2012

ROBERT LAMB, *Chair, Public Member*  
PAUL SCHIFINO, *Vice Chair, Contractor Member*  
JOAN HANCOCK, *Secretary, Contractor Member*

ROBERT BROWN, *Public Member*  
DAVID DIAS, *Labor Member*  
PASTOR HERRERA JR., *Public Member*  
MATTHEW KELLY, *Public Member*  
LOUISE KIRKBRIDE, *Public Member*  
ED LANG, *Public Member*  
JAMES MILLER, *Public Member*  
LISA MILLER-STRUNK, *Contractor Member*  
JOHN O'ROURKE, *Public Member*  
BRUCE RUST, *Public Member*  
FRANK SCHETTER, *Contractor Member*  
MARK A. THURMAN, *Contractor Member*

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EDMUND G. BROWN JR.  
*Governor*

ANNA M. CABALLERO  
*Secretary, State and Consumer Services Agency*

DENISE BROWN  
*Director, Department of Consumer Affairs*

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

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## Maximizing Resources, Expanding Partnerships



Bob Lamb  
Board Chair

The California Contractors State License Board's (CSLB) 2011 achievements are directly related to its innovation in reassigning and maximizing resources while expanding partnerships with other state and local government agencies to further strengthen the board's enforcement reach. New laws required additional project management tasks within the Licensing and Information Technology divisions, and consumer education and safety campaigns remained a top priority despite extreme staffing shortages.

I am pleased to report that CSLB's exceptional leadership and staff continued to exceed expectations by providing the best possible programs and services to support both consumers and the state's 300,000 licensees who struggle to maintain their financial footing because of competition with the underground economy.

CSLB's IT and Licensing staff successfully implemented expanded credit payment options for licensees at the Sacramento headquarters office; expanded programming to accommodate the new license and registration fee increases; and assured that limited liability companies (LLCs) were able to begin applying for licensure by January 1, 2012, as required by law (SB 392-Florez; sponsored by the Associated General Contractors (AGC) of California and the AGC of San Diego).

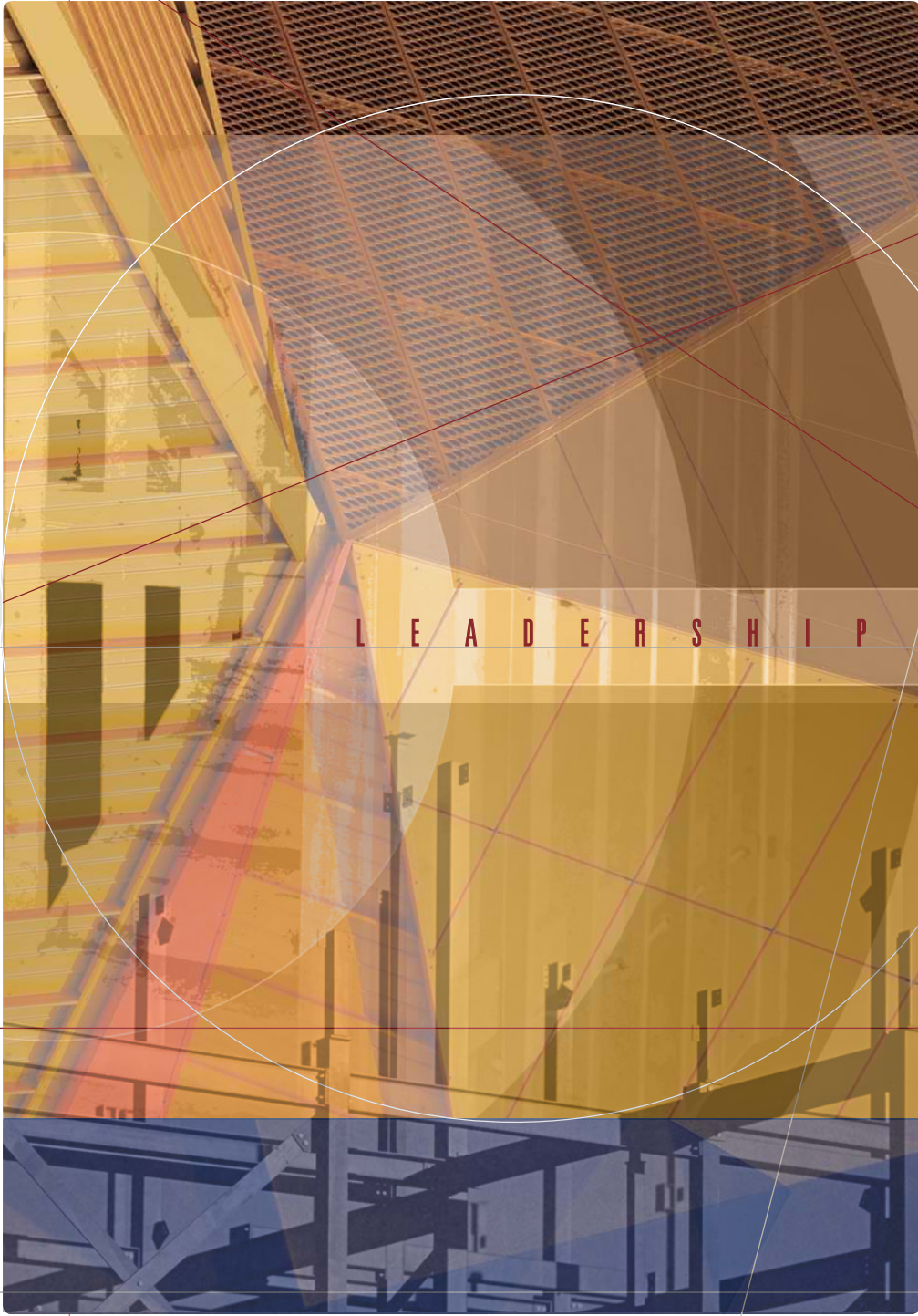
Dozens of construction trades and associations partnered with CSLB and other state agencies in 2011 as part of a construction enforcement coalition that is laying the strategic groundwork aimed at eradicating unlawful businesses that skirt state contracting and labor laws, and harm consumers and employees. CSLB also has a strong presence in the state's new Labor Enforcement Task Force, designed to ensure that companies—whether or not they're licensed—are following California's licensing, business, labor, and tax laws. Licensed businesses that "cheat to compete" will not be overlooked. Information-sharing between government agencies has now expanded to Border States. CSLB and the Nevada State Contractors Board held the first-ever joint sting operation on both sides of the state line in the Lake Tahoe region in May.

Although California did not experience a rash of natural disasters this year, CSLB stands ready as it always has to participate as a first responder when needed.

I'm pleased to serve as CSLB's Board Chair and work with a staff that is so dedicated to continual improvement and efficiency to best serve our state's consumers and contractors. All of those who partner with or are served by CSLB can count on continued exemplary service.

Many thanks to all who assisted and supported CSLB's efforts in 2011.

A handwritten signature in black ink, appearing to read "Bob Lamb". The signature is written in a cursive, flowing style.



L E A D E R S H I P



# Leadership

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A 15-member board appoints the CSLB executive officer, or Registrar of Contractors, and directs administrative policy for CSLB operations. The board is comprised of five contractor members and ten public members. The public members include one labor representative, one local building official, and one representative of a statewide senior citizen organization. The Governor and state Legislature make appointments.

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

Robert Lamb, of Cypress, was appointed to CSLB by Assembly Speaker Fabián 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 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.

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**Paul Schifino** | Vice Chair | Governor Appointee | "C" Contractor Member

Paul Schifino, of Los Angeles, was reappointed to CSLB by Governor Edmund G. Brown Jr. in April 2011. Mr. Schifino is the owner and president of both Anvil Steel Corporation and Junior Steel Company. Mr. Schifino was a partner for the law firm of Schifino and Lindon from 1992 to 2006, associate attorney for Strook and Strook 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 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.

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**Joan Hancock** | Secretary | Governor Appointee | "B" Contractor Member

Joan Hancock, of Sacramento, was appointed to CSLB by Governor Arnold Schwarzenegger in November 2007, and reappointed by Governor Edmund G. Brown Jr. in August 2011. 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, 2015.

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

Robert Brown, of Pleasant Hill, was first appointed to CSLB in September 2005 by Governor Arnold Schwarzenegger, and was reappointed by him in 2008. 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 Department of Consumer Affairs Deputy Director for Communications. Mr. Brown's term continues through June 1, 2012.

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**David Dias** | Governor Appointee | Public Member - Labor

David Dias, of Napa, was appointed to CSLB by Governor Edmund G. Brown Jr. in April 2011. Mr. Dias has been a business representative for Sheet Metal Workers' Local Union No. 104 since 2005, and previously was an apprentice instructor at Foothill Community College from 1998 to 2005, a field supervisor at Therma Inc. from 1997 to 2005, and a sheet metal worker foreman at RH Tinney from 1990 to 1997, after serving as an apprentice from 1986 to 1990. He is a trustee of the Bay Area Industry Training Fund, a member of the U.S. Green Building Council, and a member of the Joint Committee for Energy and Environmental Policy. Mr. Dias' term continues through June 1, 2012.

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

Pastor Herrera, of Los Angeles, was appointed to CSLB by Governor Arnold Schwarzenegger in July 2010. Before retiring, Mr. Herrera served as the Los Angeles County Director of Consumer Affairs, beginning in 1991. He previously served L.A. County as Assistant Director of Consumer Affairs from 1981 to 1991, head of staff

services from 1980 to 1981, head Consumer Affairs Department representative from 1977 to 1980, and as a Consumer Affairs investigator from 1976 to 1977. Mr. Herrera is a member of the University of California, Los Angeles Latino Alumni Association, National Association of Consumer Affairs Administrators, Consumer Federation of California, Los Angeles Financial Credit Union Board of Directors, National Consumers League, and a founding member of the Los Angeles County Hispanic Managers. Mr. Herrera's term continues through June 1, 2014.

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

Matt Kelly, of Sacramento, was appointed to CSLB by the Senate Rules Committee in April 2003. He was reappointed by the Senate Rules Committee in October 2005 and 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 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.

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**Louise Kirkbride** | Governor Appointee | Public Member

Louise Kirkbride, of Monte Sereno, was first appointed to CSLB by Governor Arnold Schwarzenegger in February 2005, and was reappointed by him in 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 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.

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**Ed Lang** | Governor Appointee | Public Member - Senior Citizen Organization

Ed Lang, of Rancho Cordova, was appointed to CSLB by Governor Arnold Schwarzenegger in January 2007, and reappointed by him 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.

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

James Miller, of Big Bear Lake, was appointed to CSLB by Governor Arnold Schwarzenegger in July 2010. During Mr. Miller's 2005-2009 service on CSLB's Board, he was Board Chair and Vice Chair. Mr. Miller has served as the 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 also has worked for the Coachella Valley, cities of Murietta and Pomona, and was a licensed contractor in the 1970s and 1980s. Mr. Miller's term continues through June 1, 2013.

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**Lisa Miller-Strunk** | 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 the University of California, Los Angeles in 1986 and her master's degree in Business Administration from the University of California, 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. She served as Board Chair from 2010-2011. Her term continues through June 1, 2014.

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**John O'Rourke** | Senate Appointee | "C" Public Member

John J. O'Rourke, of Novato, was appointed to CSLB by the Senate Rules Committee in June 2011. Mr. O'Rourke is Business Manager/Financial Secretary for the International Brotherhood of Electrical Workers (IBEW) Local 6 San Francisco and has served in that position since 1999, having recently been re-elected to his fifth term. Mr. O'Rourke is a 32-year IBEW member, and has earned his Journeyman Inside Wireman Certificate. This is the third time Mr. O'Rourke has served as a Board member; former Governor Gray Davis appointed him as a labor representative in September 2001, and Assembly Speaker Fabián Núñez appointed him as a public member in December 2004. Mr. O'Rourke is also Chairman of the San Francisco Joint Apprenticeship Committee and Training Trust, and a member of the Olympic Club and the United Irish Cultural Center. Mr. O'Rourke's term continues until June 1, 2015.

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

Bruce Rust, of Clovis, was appointed to CSLB by Assembly Speaker Fabián 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.

**Frank Schetter** | Governor Appointee | "C" Contractor Member

Frank Schetter, of Sacramento, was appointed to CSLB by Governor Edmund G. Brown Jr. in August 2011. Mr. Schetter has been the CEO of Schetter Electric since 2006 and was president from 1983 to 2005. He is currently a governor of the National Electrical Contractors Association and a member of the National Joint Apprenticeship and Training Committee. Mr. Schetter's term continues through June 1, 2015.

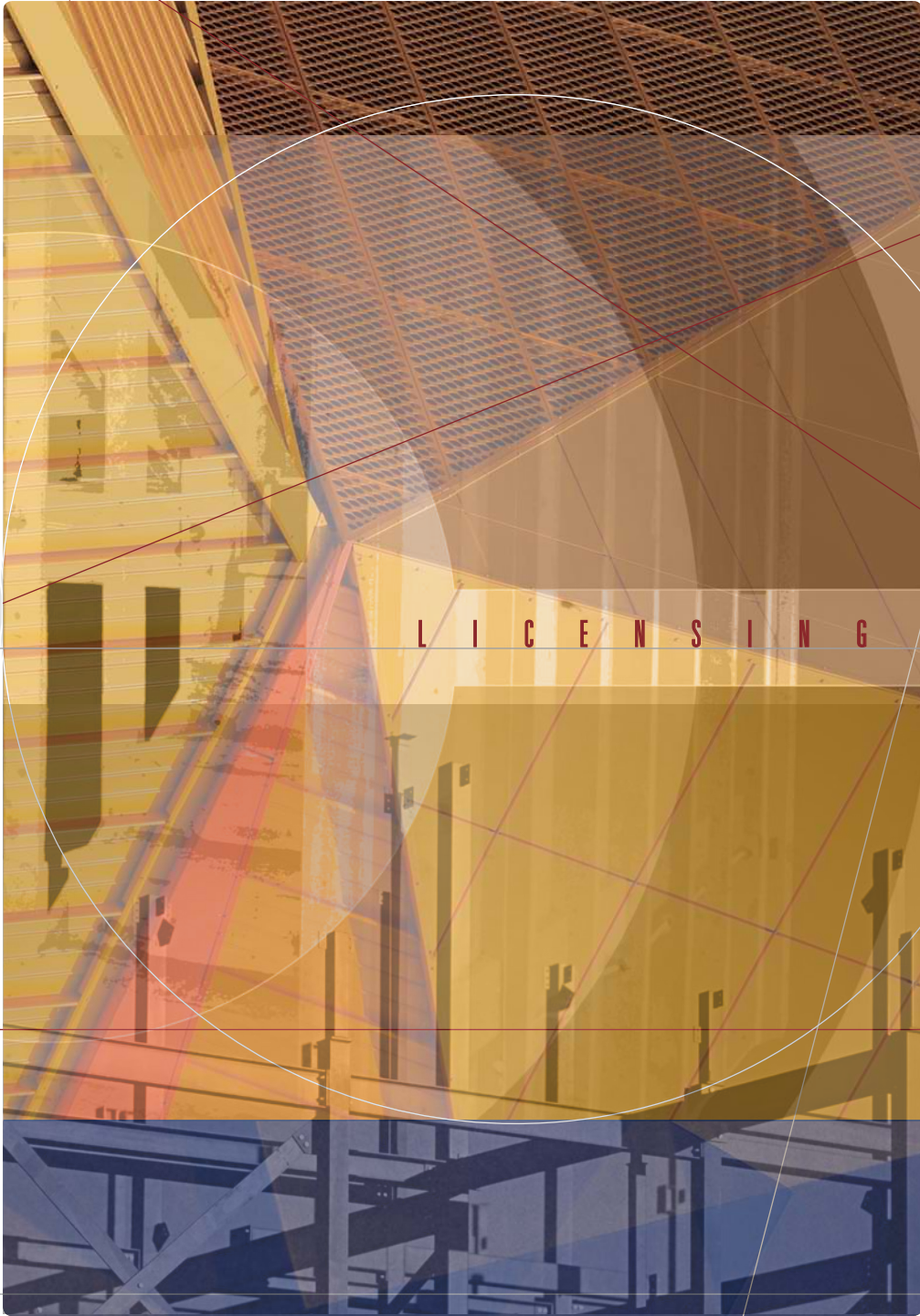
**Mark A. Thurman** | Governor Appointee | "B" Contractor Member

Mark A. Thurman, of Newport Beach, was reappointed to CSLB by Governor Edmund G. Brown Jr. in April 2011. Mr. Thurman has been president of ARB Structures, Inc. since 2004. Previously, Mr. Thurman was president of Pepper Construction Company Pacific from 1989 to 2004, served as a firefighter specialist for the Orange County Fire Authority from 1980 to 1988, and was a project manager for Miles and Kelley Construction Company from 1975 to 1980. Mr. Thurman is a member of the Associated General Contractors 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.

**Stephen P. Sands, Registrar**

Stephen P. Sands, Hon. AIA, has served as Registrar since January 2001. A graduate of the United States Air Force Academy with a master's degree in Public Administration, Mr. Sands has held numerous leadership positions in the California Department of Consumer Affairs (DCA) since 1978.

He serves on the Board of Directors for the National Association of State Contractors Licensing Agencies and as chair of the DCA Executive Officers Council.



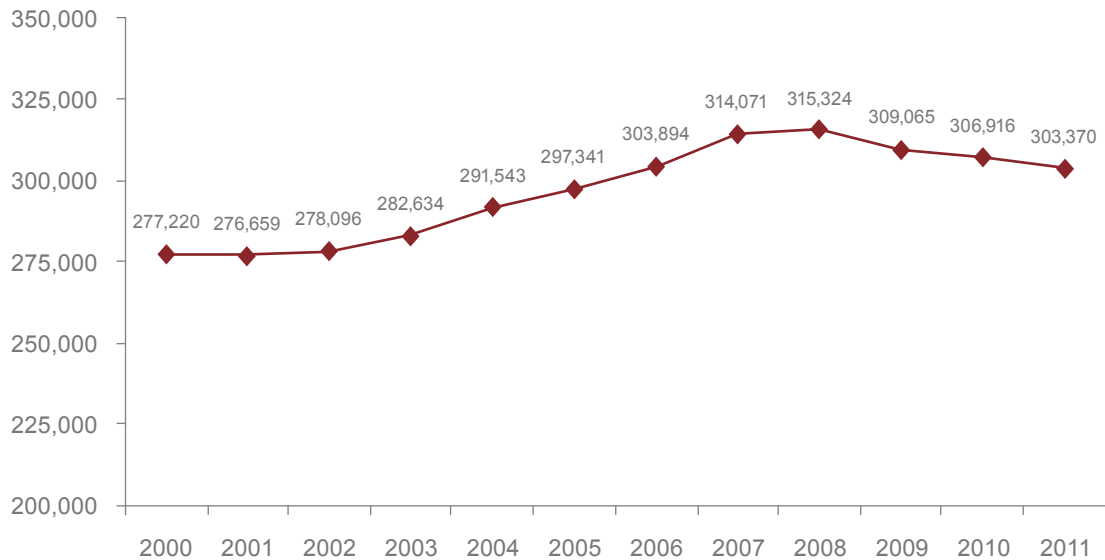
L I C E N S I N G

# Licensing

## Number Of Licenses

As of December 31, 2011, CSLB licensed 303,370 contractors, a decrease of approximately one percent from 2010. Of those, 235,430 were active, while 67,940 were inactive.

NUMBER OF LICENSES



## Workload

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

displays the number of license applications received for calendar years 2000 through 2011. A total of 29,990 applications were received in 2010 and 26,578 in 2011, a decrease of approximately 11 percent. Original license applications (exams and waivers) also decreased 11 percent.

CSLB ACCOMPLISHMENTS AND ACTIVITIES REPORT

Applications to add a classification to an existing license decreased by 15 percent and applications to replace the qualifying individual on an existing license decreased

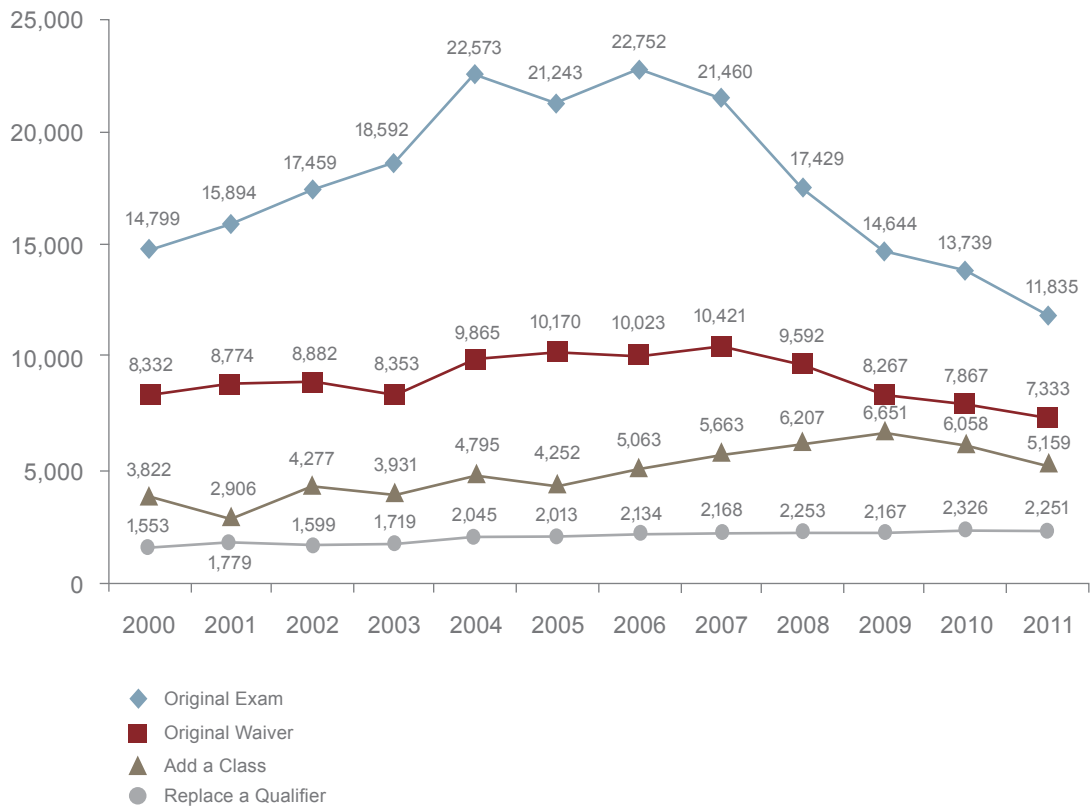
three percent. The number of applications received continues to decline due to the economic recession and downturn in the construction industry.

**Processing Timelines**

Throughout 2011, the CSLB Licensing division maintained acceptable processing times for applications for licensure, renewals, and other documents despite the reduction in staff hours due to the

furlough program and hiring freeze. Acceptable processing times can be partly attributed to the decreased number of applications, as shown on the next page.

APPLICATIONS RECEIVED BY CALENDAR YEAR



This table illustrates average processing times for 2010 and 2011.

WEEKS BEFORE BEING PULLED FOR PROCESSING		
TYPE OF APPLICATION / DOCUMENT	2010 AVERAGE	2011 AVERAGE
Original Exam	.9	1.0
Original Waiver	1.0	1.1
Add a Class	2.6	2.1
Replace the Qualifier	2.3	1.8
Home Improvement Salesperson	2.1	2.5
Renewal	.9	.4
Contractor Bond/Bond of Qualifying Individual	.5	.4
Workers' Compensation Certificates and Exemptions	1.5	1.7

### 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 on page 12 illustrates the number of applications received from July 1, 2010 through June 20, 2011 (FY 2010-11), 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 being within the 18-month time

period during which he/she must pass the examination;

- The application being in the investigative process or not yet 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 division staff to develop reports that will be used to determine necessary application processing improvements.

CSLB ACCOMPLISHMENTS AND ACTIVITIES REPORT

FY 2010-11

TYPE OF APPLICATION	RECEIVED	ISSUED	VOID	PENDING
Original Exam	13009	7735	2757	2517
Original Waiver	7528	6269	154	1105
Add a Class	5667	3863	1250	554
Replace the Qualifier	2320	1816	453	51
Home Improvement Salesperson	6406	3498	2482	426
Change of Officers	1560	1108	431	21

Note: Data taken from TEALE report 724; Run Date: December 1, 2011

**New Laws**

**LLCs**

The passage of Senate Bill 392 (Statutes of 2010, Chapter 698) authorized CSLB to issue contractor licenses to limited liability companies (LLCs). The law states CSLB shall begin processing LLC applications no later than January 1, 2012; the LLC applications were made available on the CSLB website on December 28, 2011, and the new LLC program was implemented.

In the bill, the Legislature found and declared that contractors have been allowed to operate as corporations and to be designated as “S” or “C” corporations for many years with well-established case law regarding the ability to “pierce the corporate veil.” It was the intent of the

Legislature that this doctrine shall also apply to LLCs. Because there is not yet case law establishing this principle in California, an additional \$100,000 bond requirement for the benefit of workers relative to payment of wages and fringe benefits was established to ensure that workers are protected, despite the absence of case law dealing with LLCs.

For the implementation of LLC licensing, CSLB staff created new applications, developed new application procedures, and put in place important IT programming changes necessary for this new business entity.

**Regulations Updated**

**Blanket Performance and Payment Bond Regulations**

All contractors are required to have a contractor bond in the amount of \$12,500 on file with CSLB. In addition to the standard \$12,500 contractor bond, contractors that

perform home improvement work may choose to also file a bond equivalent in the form of a blanket performance and payment bond (blanket bond). The holder of a blanket bond is exempt from certain provisions of the home improvement contract requirements in exchange for full performance and payment coverage for all home improvement contracts.

On November 22, 2011, the Office of Administrative Law approved CSLB’s proposed regulations (California Code of Regulations Sections 858 through 858.9), establishing the requirements and procedures for contractors seeking approval from CSLB for a blanket bond

that would cover all of the contractor’s home improvement obligations, as well as requirements and procedures for related biennial reports, audits, approval rescissions, and information posting to license records. The regulations enact procedures and conditions for the approved blanket bonds to protect the public. These regulations became effective on December 22, 2011.

**Fee Revisions**

On December 18, 2010, CSLB fee revisions were approved in Section 811 of the California Code of Regulations. The new license fee structure shown below became effective July 1, 2011.

**2011 CSLB FEE INCREASES**

FEE	PREVIOUS AMOUNT	NEW AMOUNT	\$ AMOUNT OF INCREASE	% OF 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%
Reactivate 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 Fee Renewal – Contractor License <sup>1</sup>	\$150.00	\$180.00	\$30.00	20%
Delinquent Fee Renewal – 4-Year Inactive License <sup>1</sup>	\$75.00	\$90.00	\$15.00	20%
Delinquent Fee Renewal – HIS Registration <sup>1</sup>	\$25.00	\$37.50	\$12.50	50%

<sup>1</sup> B&P Code section 7137(f) sets the delinquency fee as a percentage of the application renewal fee: “The delinquency fee is an amount equal to 50 percent of the renewal fee if the license is renewed after its expiration.”

CSLB ACCOMPLISHMENTS AND ACTIVITIES REPORT

Fee increases were within existing statutory limits; CSLB had not increased fees since 1993. Fee increases were applied to

license renewals, certificates, and all fees associated with applications for the purpose of licensing.

**Payment By Credit Card**

On August 19, 2010, Phase I of the new CSLB electronic payment project was launched. 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 license reactivations using Visa, MasterCard, Discover, and American Express credit cards. The public counter staff is always available during office hours to assist individuals who use this feature.



**Fingerprinting**

License applicants have been required since January 2005 to submit fingerprints if they are 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, or an application for registration as a Home

2011 FINGERPRINT STATISTICS

20,802	Total number of applicants with fingerprint responses from the Department of Justice and Federal Bureau of Investigation
4,281	Number of applicants identified with a criminal history
10	Number of applicants denied licensure due to criminal convictions
197	Probationary Licenses

*Through November 30, 2011*



Improvement Salesperson. CSLB fully implemented the program in April 2005. Fingerprints are compared to the records of the California Department of Justice and the Federal Bureau of Investigation to determine if a criminal history exists.

CSLB staff review all criminal convictions to determine if the crime is substantially

related to the duties, qualifications, or functions of a contractor, and to determine if the applicant has demonstrated his/her rehabilitation. Throughout 2011, the timeline for pulling the conviction records for review averaged just over one week.

The following chart reflects fingerprinting statistics for 2011.

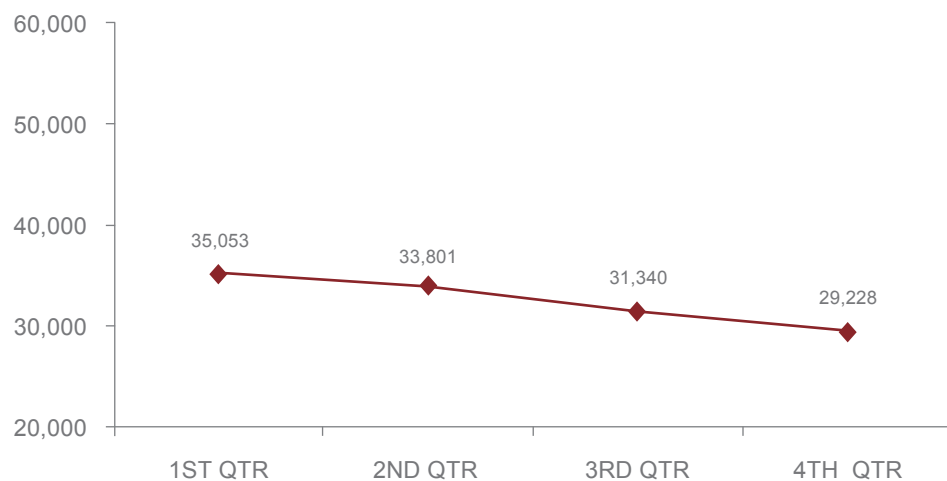
### Licensing Information Center

CSLB has continued efforts to strengthen its Licensing Information Center (LIC), or call center, 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. The system also has new training features that allow supervisors to conference in or “coach” agents during live calls.

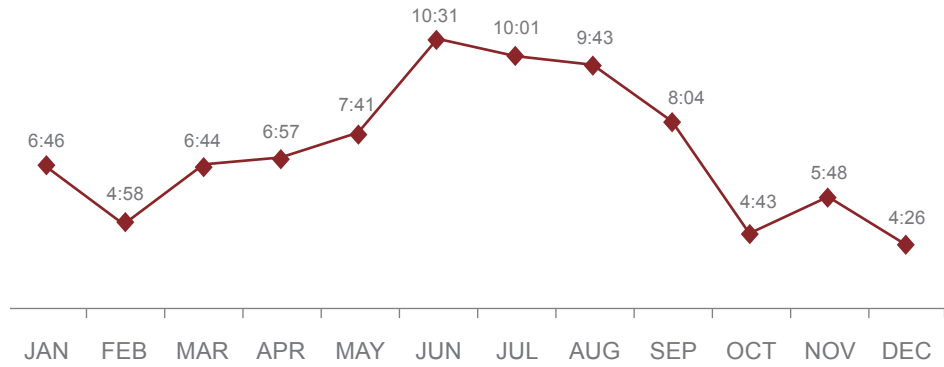
**Calls Answered** - The chart below illustrates the number of calls answered by LIC staff in 2011. A total of 139,913 calls were answered in 2010 and 129,368 calls were answered in 2011, a 7.5 percent decrease.

**Average Wait Time** - The average wait time for callers in 2011 was 7:10 minutes. Despite the statewide hiring freeze and extensive staff vacancies, call wait times increased by only one second from 2010.

CALLS ANSWERED CALENDAR YEAR 2011



AVERAGE WAIT TIME – CALENDAR YEAR 2011



**Employee Orientation/Training**

CSLB’s Licensing division training program began including a “Quick Tips” feature to provide call center staff with daily tips on licensing law and proper CSLB procedures. Additionally, a week-long Licensing orientation/training program was presented to more than 30 new and existing employees as part of its ongoing staff training and development efforts.

The philosophy behind the training program is “the big picture.” The 40-hour class covers a wide range of CSLB licensing subjects, including how to apply 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 also is provided.

Graduates receive an all-inclusive CSLB training manual designed to help them improve their performance. The manual includes reference materials, licensing procedural information, and California License Law updates.



## TESTING DIVISION

### Examination Development

The Testing division is responsible for ensuring that CSLB examinations are current and relevant. In accordance with legal requirements and professional testing standards, an occupational analysis of each licensing classification is conducted that includes collecting information from licensed contractors who help identify current trade practices. Input from licensed contractors, serving as Subject Matter Experts (SMEs), is gathered by Testing division specialists who facilitate two- and three-day workshops at CSLB’s Sacramento headquarters. Results of the occupational analyses are then used to update the licensing examinations. CSLB’s goal is to perform an occupational analysis for each classification every five years.

Testing’s Examination Development Unit (EDU) was fully staffed in 2011 and completed seven occupational analyses and

updated 10 examinations. In January 2011, California adopted the 2010 revisions to the California building, electrical, plumbing, and mechanical codes. EDU staff conducted an analysis of the items in each CSLB licensing examination to identify code-related questions. Workshops with SMEs were conducted to review and revise the code-based questions.

Testing continued to expand the use of email surveys for occupational analysis projects because they are quicker, less expensive, and eliminate data entry time. CSLB does not have email addresses for all contractors, however, so paper surveys still are being used to reach a large enough sample of licensees. When enough data has been collected, an analysis will be conducted to compare the results of the two data collection methods.

OCCUPATIONAL ANALYSES COMPLETED	NEW EXAMINATIONS COMPLETED
C-2 Insulation and Acoustical	C-8 Concrete
C-4 Boiler, Hot-Water Heating and Steam Fitting	C-17 Glazing
C-7 Low Voltage	C-27 Landscaping
C-12 Earthwork and Paving	C-29 Masonry
C-16 Fire Protection	C-32 Parking and Highway Improvement
C-53 Swimming Pool	C-33 Painting and Decorating
C-54 Tile	C-39 Roofing
	C-54 Tile
	Asbestos Certification
	Law and Business

## Special Projects

### Enforcement Representative I Examination

In 2009, EDU was asked by the CSLB Personnel Unit to complete occupational analyses for the Enforcement Representative I and II civil service classifications. In 2010-2011 the EDU was asked to develop new multiple choice test questions for the Enforcement Representative I examination because the existing questions had not been updated for several years. EDU worked with SMEs to develop a new database of questions based on the 2009 occupational analysis.



occupational analysis.

Questions were written and stored using the Testing division's in-house custom software program, known as the State

Contractors Official Regulatory Exam system, or SCORE.

The Testing division initiated a partnership between the Department of Consumer Affairs' (DCA) Office of Human Resources, CSLB Personnel Unit, CSLB Information Technology division, and State Personnel Board to administer the examination at CSLB's testing centers. At the end of the June 2011, the Enforcement Representative Examination was administered to 184 applicants at five locations using CSLB's

SCORE software. This was the first time a CSLB civil service examination was given by computer, and the first time that the SCORE application was used for a purpose other than licensing examinations. No problems occurred during examination administration or information transfer from CSLB to DCA. The examination was successfully administered again on December 6, 2011, to 161 applicants. CSLB's goal is to administer the exams twice per year.

### Consumer Satisfaction Survey

The Testing division regularly conducts consumer surveys for complaint cases that have been closed. The survey assesses overall satisfaction with the Enforcement division's handling of complaints in eight content categories, and the data is compiled into an annual report. Prior to 2010, CSLB mailed the survey to a random sample of consumers, and it often was mailed several months after consumers' cases were closed. To provide a more timely survey and improve efficiency, in 2010 CSLB began emailing the survey to all consumers with closed complaints who provide their email address during the complaint process. Beginning in 2011, consumers whose complaints were closed in the previous month were sent the survey during the following quarter. (See details on page 38.)

### Testing Centers

CSLB administers computer-based examinations Monday through Friday at testing centers located in Sacramento, Oakland, San Jose, Fresno, Oxnard, Norwalk, San Bernardino, and San Diego. The Examination Administration Unit (EAU) had several vacancies during 2011, including two positions previously held by the division’s senior manager and the supervisor, who both retired after many years of service. The effect of test monitor staffing shortages was mitigated by using examination proctors to ensure that all testing centers stayed fully operational.



*CSLB Proctor Laurel Houle (Fresno testing center) monitors contractor responses.*

In 2011, all testing centers were actively supplied with CSLB informational brochures (for example, “Advertising Guidelines,”

Preventing Mechanic’s Liens,” “What is a Stop Order?”) to help educate contractors on CSLB regulations.

### 2011 Examination Statistics

EXAMINATION TYPES	TOTAL
Trade	42
Certification	2
Law and Business	1
Number of Examinations Scheduled	47,852
Number of Misconduct Investigations	34
Number of Confirmed Misconduct Incidents	29
Overall Passing Percentage	49%



E N F O R C E M E N T

# Enforcement

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New working partnerships with district attorneys (DAs) in 2011 helped establish and enhance forces to combat predatory, unlicensed, and uninsured contractors that undermine the construction industry and harm consumers. DA partnerships resulted in effective proactive enforcement and stronger criminal sentences for licensed and unlicensed contractors who were convicted of construction-related crimes.

Enforcement's Public Works Unit is part of the division's zero tolerance arsenal to halt uninsured and unlicensed contractors who are caught working on public works projects. This unit strengthened its ties with partner state agencies and labor compliance organizations to identify offenders.

Consumer complaints were processed expeditiously during the year, and the number of aged cases reached a record low. A comprehensive internal training curriculum was developed and that helped



*CSLB Chief Enforcement Officer David Fogt (center) poses with two other attendees of the CALPASC Underground Economy conference.*

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contribute to consumer restitution exceeding \$15 million during the year, and increased consumer satisfaction.

The following Enforcement division highlights are representative of significant criminal convictions and new strategies that were implemented in 2011, and accomplishments within the division's various units.

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## Significant Criminal Convictions

Egregious offenders with histories of elder abuse, sex crimes, predatory business practices, and/or unsafe work conditions for employees continued to be targets

of Enforcement's many task forces. The next two pages highlight criminal convictions achieved in 2011.

- **Unlicensed Contractor Sentenced to 35 Years in Prison**

Between 2006 and 2008, unlicensed contractor Timothy Ralph Carrillo solicited home improvement projects from residents, many of whom were elderly, in Carmel, Pebble Beach, Seaside, and Watsonville. Carrillo's modus operandi was to enter into residential repair and remodel contracts, collect substantial deposits, and then disappear without providing any services. Among the damage caused by Carrillo was an apartment building that housed many elderly and disabled residents; he left the structure in a dangerous and uninhabitable condition, forcing residents to be relocated to other homes. With a felony arrest warrant looming, Carrillo fled to Texas in 2008, where he was convicted of scamming the elderly and sentenced to 25 years in prison. Carrillo was extradited to stand trial for his Monterey County crimes. Seven of the nine victims who testified against Carrillo were elderly; their losses ranged from \$1,260 to \$65,000. In August, Carrillo was sentenced to 35 years in prison for elder abuse, residential burglary, grand theft, and contracting without a license, and he will begin serving this sentence after he concludes his 25-year sentence in Texas.

- **Registered Sex Offender Receives 48-Years-to-Life Sentence**

Two consumers filed complaints against David Thomas Blood, an

unlicensed contractor who also is a registered sex offender. Complaints resulted in the San Diego County DA filing criminal charges against Blood in 2010 for his illegal contracting activities. In August 2010, while out on bail for the CSLB cases and another sex-related case, Blood was arrested for attempted rape in Hillcrest. After pleading guilty in February 2011 to violations in the CSLB cases of grand theft, diversion of construction funds, first-degree burglary, contracting without a license, and other charges, Blood was sentenced on July 8, 2011, to 48 years-to-life in state prison.

- **Repeat Offender Sentenced to Four Years in Prison, Receives 2nd Strike**

Duane Kressin is an unlicensed HVAC contractor and convicted felon with a long history of scamming consumers, especially elderly victims. Between 1997 and 2002, CSLB receive 62 complaints against Kressin, resulting in numerous referrals to local prosecutors. In February 2002, Kressin pled guilty to 15 felony counts of Penal Code (PC) §368(d), Elder Abuse, and three felony counts of PC §487(a), Grand Theft, and was ordered to pay 32 victims a total of \$68,000 in restitution.

After serving a three-year prison term, Kressin resumed his illegal contracting activities, resulting in three victims filing complaints with CSLB. A CSLB enforcement representative obtained



a walk-through warrant for Kressin's arrest in April 2010. On April 13, 2011, Kressin pled guilty to elder theft, diversion of construction funds, two counts of unlawful use of another contractor's license number, and contracting without a license. Kressin was sentenced to four years and four months in prison and, due to his prior conviction for similar crimes, he was designated as a second-strike felon.

- **Frontloading Pool Contractor Sentenced to State Prison**

In 2006, Imperial Pools Inc., dba Aquarius Pools, closed shop and abandoned more than 80 swimming pool projects that were found to have excessive down payments in their contracts. CSLB performed an arduous investigation that determined that Aquarius president Gregory Wolfe and his wife, Teresa, were responsible for mishandling tens of thousands of dollars. Both Gregory and Teresa Wolfe were arrested in May 2008; the contractor license was revoked in July 2008.

In July 2010, Teresa Wolfe was convicted and sentenced to one year in jail and five years probation after pleading no contest to felony embezzlement and tax evasion charges. On February 28, 2011, Gregory Wolfe pled guilty to three felony counts of diversion of construction funds, and was sentenced to two years in state prison on July 29, 2011. A restitution hearing is scheduled for 2012.

- **Revoked Licensee Sentenced to Jail, Must Pay Victims Over \$795K**

Michael George Schaeffer was a licensed general contractor, dba M G S Construction Incorporated. CSLB received numerous consumer complaints that resulted in revocation of the license in September 2009 for violations that include abandonment, diversion of funds, willful or fraudulent act, exceeding contract amount, and home improvement contract violations. In addition, CSLB referred three consumer complaints for criminal prosecution: two were referred to the San Mateo County DA's Office; one complaint was referred to the Santa Clara County DA's Office for diversion of funds and contracting without a license.

On April 15, 2011, Schaeffer pled guilty in San Mateo County to diversion of funds, contracting without a license, and receiving excessive deposits. Schaeffer was subsequently sentenced on June 30, 2011, to serve 18 months in jail and ordered to pay more than \$400,000 to the two victims in Pacifica.

On August 26, 2011, Schaeffer pled guilty in Santa Clara County to diversion of funds, contracting without a license, and for receiving payment that exceeded the value of the work. He was sentenced to serve two years in jail and ordered to pay \$395,524 in restitution to the victim.

## PACT Program

District attorney investigators in 19 California counties joined forces with CSLB Enforcement in January 2011 to launch the Partnering Agency County Task Force (PACT), in a concerted effort to issue Stop Orders to uninsured employers and increase criminal prosecutions of unlicensed and uninsured contractors. B&P Code §7127, which became effective in 2011, enabled CSLB ERs to issue Stop Orders to employers who fail to carry the necessary workers' compensation insurance for employees. Following are examples of the 2011 PACT partnerships:

- **Alameda County**

The Alameda County DA's Office agreed to participate in four operations, but exceeded that goal by participating in five sweep and four sting operations during the year. All Alameda County building departments were sent letters, requesting their participation in the PACT program, which resulted in numerous leads of unlicensed and unpermitted construction activities.

- **Butte County**

In August, the Butte County Board of Supervisors established an ordinance that requires the Butte County Building Department to verify WC insurance compliance

whenever a contractor or an owner-builder applies for a building permit for swimming pool or roofing work. In addition, contractors must post a yellow sign on job sites to indicate whether they have WC. The building department also provided work space for a CSLB ER in their office and has provided access to all permit information. A Butte County DA investigator has been identified to partner with CSLB on sweep operations.

- **Los Angeles County**

The Los Angeles County District Attorney (LADA) dedicated several DA investigators to partner with CSLB to conduct sweep operations in June, which resulted in more than 40 Notices to Appear (NTAs) between June and December 2011 for criminal violation of Labor Code (LC) §3700.5, Failure to Maintain WC for Employees. Only two LC §3700.5 cases had been filed the previous year. In addition, CSLB was welcomed as a permanent member of the Los Angeles County Premium Insurance Task Force. The LADA has committed to participating in a minimum of two sweeps per month and is willing to seek felony charges for any contractor who violates a Stop Order.

- **Orange County**

Orange County's District Attorney (OCDA) dedicated six DA investigators to partner with CSLB and provided OCDA facilities for underground economy-related meetings. The OCDA is focused on eliminating unlicensed and uninsured practice on public works projects and has made DA investigators available to partner with CSLB on residential projects. Two Deputy District Attorneys (DDAs) have been assigned to handle construction-related cases: one to prosecute criminal violations, the other to seek civil violations of B&P Code §§17200 and 17500, Unfair Business Practices.

- **San Diego County**

In December 2011, a San Diego County DDA committed to criminally prosecute WC violations, and a DA investigator will partner with CSLB twice a week to perform sweeps.

- **Santa Clara County**

Santa Clara DA investigators joined forces with CSLB ERs, DLSE and EDD in April to perform monthly sweep operations. NTAs that were issued have resulted in a near-100% conviction rate. Santa Clara's DA dedicated one DDA and DA inspectors

to work with CSLB on consumer-related construction complaints. The aggressive enforcement that has resulted from this integrated partnership is proving to be effective, as unlicensed activity in Santa Clara County has already shown a decrease.

- **Yolo County**

CSLB has a successful history of partnering with Yolo County. Joint sting and sweep operations were conducted throughout 2011 as part of the PACT partnership. In addition, California Department of Insurance (CDI) investigators joined forces during a June 2011 sting operation that targeted uninsured employers. Yolo County's Supervising DA investigator also has assisted in training CSLB ERs on Stop Orders.

## Proactive Enforcement/SWIFT

CSLB's Statewide Investigative Fraud Team (SWIFT) proactively combats illegal contractors that operate in the underground economy. SWIFT enforcement representatives (ERs) routinely partner with other state and local regulatory and law enforcement agencies to conduct undercover sting and sweep operations, targeting egregious offenders who pose a threat to consumers, employees, businesses, and legitimate licensed contractors. Suspects caught violating the law can be issued administrative citations or, if criminal violations exist, issued Notices to Appear (NTAs) that require an appearance before a Superior Court judge to answer to the charges. Eleven of the SWIFT's 30 positions were assigned to the Economic Employment Enforcement Coalition (EEEC); the remaining 19 positions partnered with other local agencies to perform undercover operations.

During 2011, SWIFT conducted many successful undercover sweep and sting operations and developed new strategies and partnerships to combat the underground economy as follows:

- **Stings/Sweeps**

Undercover sting and sweep operations are conducted throughout the state each week. In 2011, SWIFT



*Unlicensed contractors arrested in Truckee sting*

conducted 261 sting and sweep days, resulting in over 1,100 legal actions, including NTAs and citations.

- SWIFT conducted 72 sting days, partnering with law enforcement, DAs, building departments and code enforcement officials, industry leaders, and other state agencies. The sting operations targeted unlicensed repeat offenders and wanted criminals working in the construction industry.
- SWIFT conducted 189 sweep days during 2011, including five sweeps as a member of the Economic and Employment Enforcement Coalition (EEEC).

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

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

- **Sting Highlights**

CSLB’s twice-yearly blitz operations are conducted 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.

- *Spring Blitz*

During the week of March 7 through 11, 2011, 135 unlicensed contractors were caught in CSLB’s biannual blitz, which was conducted in Kings, Madera, Marin, Monterey, Orange, Riverside, Sacramento, San Diego, Shasta, and Tulare Counties.

Staff from the Northern, Southern, and Central Valley SWIFT teamed with local prosecutors, local law enforcement officers, and investigators from the California Department of Insurance (CDI), Toxic Substances Control, and Homeland Security Immigration and Customs Enforcement (ICE) to conduct the 10 simultaneous operations.

A significant number of the suspects had prior convictions or had outstanding arrest warrants for crimes ranging from burglary and domestic violence to driving under the influence (DUI). One individual arrested during the blitz was a

registered sex offender and had an estimated two pounds of marijuana and distribution equipment in his possession. Another suspect had a half-dozen welfare or “electronic benefits transfer” (EBT) cards with different names, indicating that he may have been committing welfare fraud. Many of the suspects were repeat offenders and had a history of unlicensed activity with CSLB.

- *Fall Blitz*

On October 12 and 13, 2011, SWIFT ERs conducted simultaneous sting operations in eight cities throughout the state, including



*An unlicensed contractor arrested at a sting held in Burbank*

Burbank, Cameron Park, Los Banos, Madera, Murrieta, Orange, Oroville, and Union City. SWIFT and partnering agencies caught 113 people in violation of state home improvement contracting laws.

CSLB ACCOMPLISHMENTS AND ACTIVITIES REPORT

ERs posed as homeowners seeking bids for home improvement projects including landscaping, tree trimming, painting, tiling, and cabinetry. Suspects who bid more than \$500 for labor and materials were issued Notices to Appear (NTA) in court for contracting without a license. Some faced additional charges for illegal advertising, soliciting excessive down

payments, and failure to carry workers' compensation (WC) insurance.

In 32 cases, ERs issued Stop Orders, which prevent licensed and unlicensed contractors from working until they obtain WC insurance for employees.

Total statistics for the two blitz operations were as follows:

STATEWIDE BLITZ TOTALS

	SPRING	FALL	GRAND TOTALS
Appointments Set	236	172	408
NTAs Issued	135	111	246
Arrests	9	2	11
Citations Issued	9	5	14
Stop Orders Issued	N/A	32	32
Pending Cases Admin/Criminal	53	27	80

**California-Nevada Border Blitz**

For the first time, CSLB and the Nevada State Contractors Board (NSCB) teamed to conduct a joint enforcement operation on both sides of the California-Nevada state line to identify people who crossed the state line to illegally bid on jobs.

The effort began on May 19, 2011, with an undercover sting operation at a pair of neighboring cabins in Truckee, California. SWIFT ERs led the sting, posing as owners of the cabins and obtaining bids

for various improvement projects including landscaping, painting, and flooring. Unlicensed suspects who bid more than \$500 for labor and materials were issued an NTA. A total of 13 NTAs were issued for contracting without a license and related violations including illegal advertising and requesting an excessive down payment. Six of the 13 were issued to residents of Nevada, including a Nevada-licensed contractor. SWIFT ERs received more

than \$86,600 in illegal bids during the sting, with three of the bids for amounts of \$12,000 or more.

Law enforcement backup was provided to SWIFT by the Nevada County DA's Office, the Nevada County Sheriff's Office, the Truckee Police Department, and the California Department of Consumer Affairs' Division of Investigation. An NCSB criminal investigator observed the sting; a CSLB ER was able to do the same at an undercover sting operation on May 20, 2011, in Northern Nevada. In addition, simultaneous sweeps were conducted throughout Nevada and California.

• **EEEC Sweep Operations**

The Economic and Employment Enforcement Coalition (EEEC), launched in July 2005, teams CSLB with the U.S. Department of Labor, the Employment Development Department (EDD), and the Department of Industrial Relations' (DIR)

Division of Labor Standards Enforcement (DLSE) and Division Occupational Safety & Health (DOSH). Together, these partners perform proactive undercover sweep operations of active construction sites throughout California.

In 2011, CSLB and its EEEEC 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 while dramatically increasing the number of illegal operators nabbed during the operation's timeframe.

SWIFT conducted a total of five formal EEEEC construction sweeps during 2011 in the following locations:

March 9 & 10, 2011	San Diego County
	Companion Sweep: Sacramento County
May 10 & 11, 2011	Marin, Santa Rosa, Contra Costa Counties
	Companion Sweeps: San Diego, Orange Counties
June 14 & 15, 2011	El Dorado, Sacramento Counties
	Companion Sweeps: Ventura, Santa Barbara Counties
July 19 & 20, 2011	Los Angeles County
	Companion Sweep: Solano County
September 27 & 28, 2011	Amador, Stanislaus, San Joaquin Counties
	Companion Sweep: Orange County

• **WC Enforcement Increased Through Stop Orders**

Effective January 1, 2011, Business and Professions (B&P) Code §7127 gave CSLB authority to issue Stop Orders to any employer who fails to secure workers' compensation insurance for employee labor. The Stop Order

becomes effective immediately upon service, and violation of a Stop Order is a misdemeanor crime.

CSLB began issuing Stop Orders in April 2011 and achieved the following results:

63	Stop Orders Issued to Licensees
125	Stop Orders Issued to Unlicensed Operators
36	Policies Obtained as a Result of the Stop Order
24	License Suspended due to Non-Compliance

**Public Works Investigation Unit**

At the direction of CSLB's Board, Enforcement's Public Works Investigation Unit was launched in September 2010; the program was in full operation during 2011. The Public Works Investigation Unit is comprised of two CSLB ERs who work with awarding authorities, labor compliance organizations, and DLSE to ensure that contractors working on public works projects are properly licensed and abide by both the Public Contract Code (PCC) and Labor Code (LC).

Lines of communication were opened so that public works contractors, both primes and subcontractors, could discuss their concerns and be educated about PCC and LC violations that are also cause for Contractors' License Law discipline by CSLB. Allegations of unlicensed contractors

working on public works projects resulted in discipline against licensees that hired unlicensed subcontractors, pursuant to B&P Code §7114, Aiding and Abetting, and/or B&P Code §7118, Contracted with Unlicensed Contractor. In 2011, 118 public works complaints were initiated. Completed investigations resulted in 28 administrative citations, 18 accusations, two criminal filings, and revocation of nine contractor licenses.

Following are highlights of the Public Works Investigation Unit's 2011 achievements:

- In March 2011, an awarding authority was going to award a public works contract to an unlicensed contractor, knowing that the winning bidder was



not properly licensed. The second low bidder, who was a legitimate licensed contractor, filed a protest and received a letter from the awarding authority's attorney stating that it did not care if the winning bidder was licensed or not. The assigned public works ER notified the awarding authority that it could be and was issued a citation for knowingly awarding the contract to an unlicensed contractor for violation of B&P Code §7028.15, Submitting Bid to Public Agency without a License. The awarding agency decided to not award the contract to the unlicensed contractor.

- In another case, a complaint was filed against a public works contractor that specialized in the installation of synthetic turf for using an unlicensed subcontractor for installation. Based on certified payroll records, the ER was able to positively identify the unlicensed subcontractor, who was from New Mexico, and issued a non-licensee citation for contracting without a license. The licensee was issued a citation for contracting with an unlicensed contractor. Neither the licensee nor unlicensed subcontractor appealed the citations; CSLB was paid a total of \$12,000 in civil penalties.

### Intake Mediation Centers

CSLB's two Intake and Mediation Centers (IMCs) are responsible for initiating consumer complaints filed against licensed and unlicensed contractors. Complaint information is then entered into CSLB's database, and a unique complaint number is assigned. The IMCs are staffed with consumer services representatives (CSRs), whose primary function is to intervene with the conflicting parties and promote reconciliation, compromise, or settlement of the complaint issues. Their objective with licensee complaints is to resolve disputes within 60 days of receipt. CSRs also provide complaint-handling information to consumers and licensed contractors. In 2011, over 19,000 complaints were filed, and CSRs in the IMCs resolved an average of 72 percent, obtaining



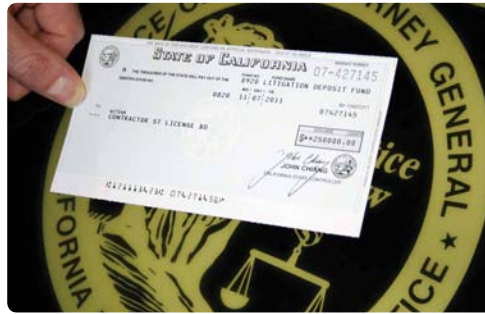
*CSR Ed Harris receives a plaque from Sacramento IMC Supervisor Casey Coleman for 25 years of service to the Board.*

restitution to financially injured parties in 37 percent of the licensee complaints filed.

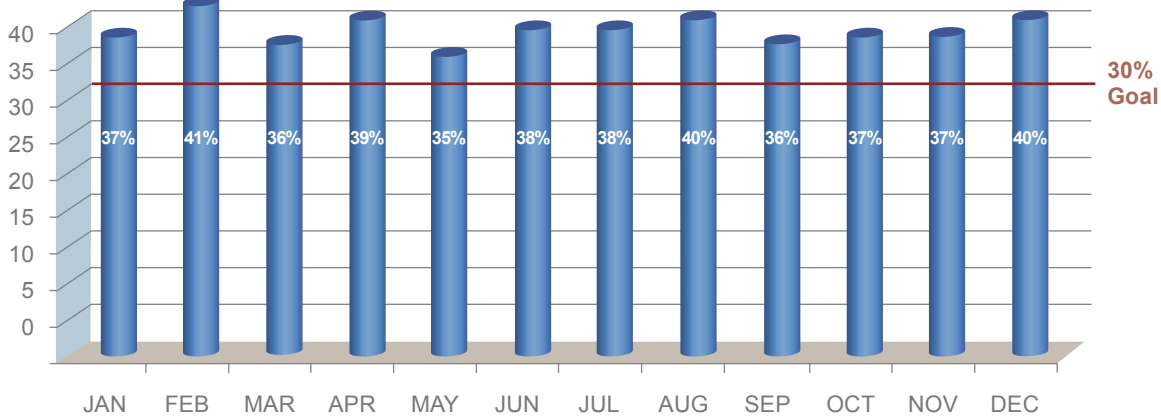
CSLB ACCOMPLISHMENTS AND ACTIVITIES REPORT

<b>Intake / Mediation Consumer Restitution 2011 Calendar Year</b>	<b>\$9,172,007</b>
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Settling complaints during an economic recession is more challenging, as many contractors lack the financial resources to pay restitution to their customers. The Board established an objective of obtaining restitution for 30 percent of complaints resolved in the IMCs. That objective was exceeded: 37 percent of licensee complaints mediated by the IMCs resulted in restitution to finally injured consumers.

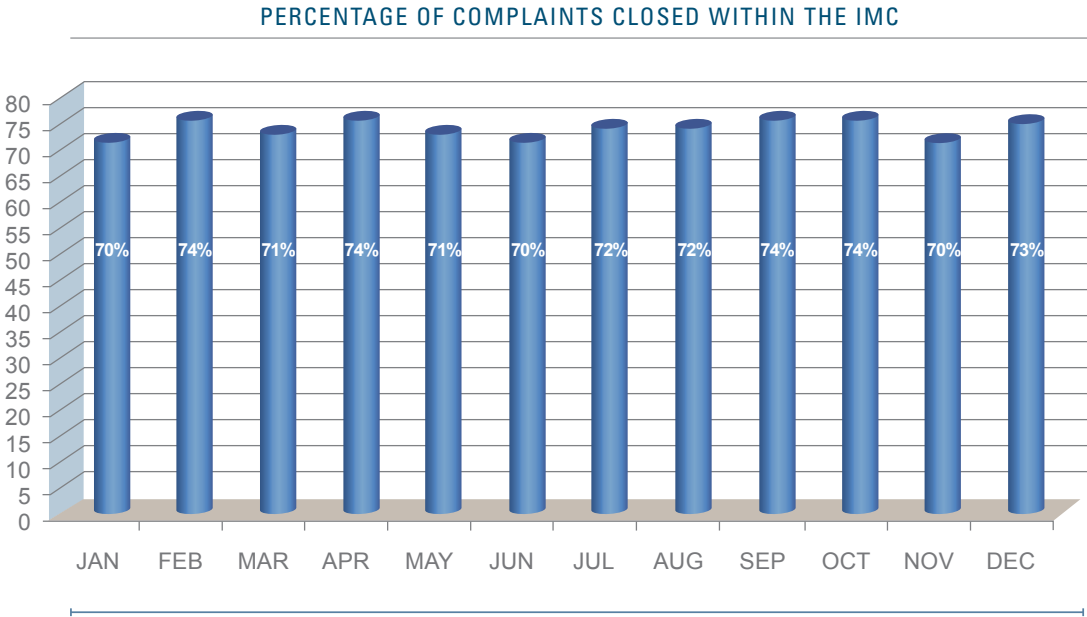


CSLB helped recover nearly \$44 million in ordered restitution in 2011.



Complaints against licensees are often minor in nature, and investigation by an ER may not be warranted if evidence does not exist to support an administrative violation of law, and/or the consumer had not suffered a financial injury. CSRs triage such complaints, informing consumers about alternate dispute resolution options available to them, such as small claims

court or arbitration. Complaints involving minor technical violations of law may be closed with warning letters issued to the licensees. The Board set an objective of having 70 percent of licensee complaints appropriately dispositioned at the IMCs, and staff exceeded that objective while, at the same time, achieving positive consumer feedback for its efforts.



**New IMC Strategies**

New strategies were implemented in the IMCs in 2011 to enhance consumer protection and combat the underground economy.

**Workers' Compensation (WC) Suspension Program**

B&P Code §7125.2 provides CSLB authority to automatically suspend a license under operation of law when a licensee fails to secure WC for employees. In April, the IMCs began notifying CSLB's Licensing division when a complaint was received against a licensee who acknowledged employing workers without obtaining a WC insurance policy. Licensing, in turn, now notifies the licensee that he/she must submit proof of a valid WC

policy within 30 days or the license will be suspended without further notice.

The contractor can file a second exemption but is instructed that doing so will subject the exemption to verification by CSLB and partnering agencies such as EDD and/or DLSE. During 2011, the IMCs identified 308 contractors through the complaint-handling process who were sent "Intent to Suspend" letters.

The following chart displays the success of the suspension program since it started in April 2011:

308	Exemptions Cancelled
100	WC Policies Obtained
103	New Exemptions Filed
46	Licenses Suspended
59	30-Day Suspension Process Initiated

• **Illegal Advertising-Telephone Disconnect Program**

In July 2010, IMCs redirected staff to increase enforcement against unlicensed contractors that advertised in classified publications. Six months into the program, the goal of 500 complaints had already been exceeded, with a total of 606 complaints initiated against unlicensed contractors. Staff met with the California Public Utilities Commission (CPUC) in August 2010 to set the groundwork to disconnect telephone numbers used for unlawful purposes. By the end of 2010, only six

telephone disconnects were in progress. However, during 2011, IMC staff continued to improve their ability to identify the individuals responsible for illegal advertisements and significantly increased the number of telephone disconnects. By the end of 2011, the IMCs issued 80 citations for illegal advertisements, resulting in the disconnection of 49 telephone numbers. During 2011, the IMC Illegal Advertisement Program achieved the following results:

762	Illegal Advertising Complaints Against Unlicensed Operators
80	Citations for Illegal Advertising
42	Percentage of Citations Paid in Full
49	Telephone Numbers Disconnected
395	Warning Letters Issued
682	Referrals to SWIFT Undercover Sting Operations

**Investigative Centers**

CSLB’s Investigative Centers (ICs) are the second step in the complaint-handling process. When a complaint cannot be resolved through the IMC or requires a thorough investigation into violations of Contractors’ License Law, the complaint is referred to an IC in the geographical location of the project site and is assigned to an 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 formal disciplinary action against the licensed or unlicensed person, and/or referring the complaint to a local prosecutor for criminal charges. While the primary focus is investigation of complaints for violation of Contractors’ License Law, ERs may settle complaints by negotiating restitution for consumers and educating licensees on Contractors’ License Law requirements.

<b>Investigative Centers Consumer Restitution 2011 Calendar Year</b>	<b>\$4,454,610</b>
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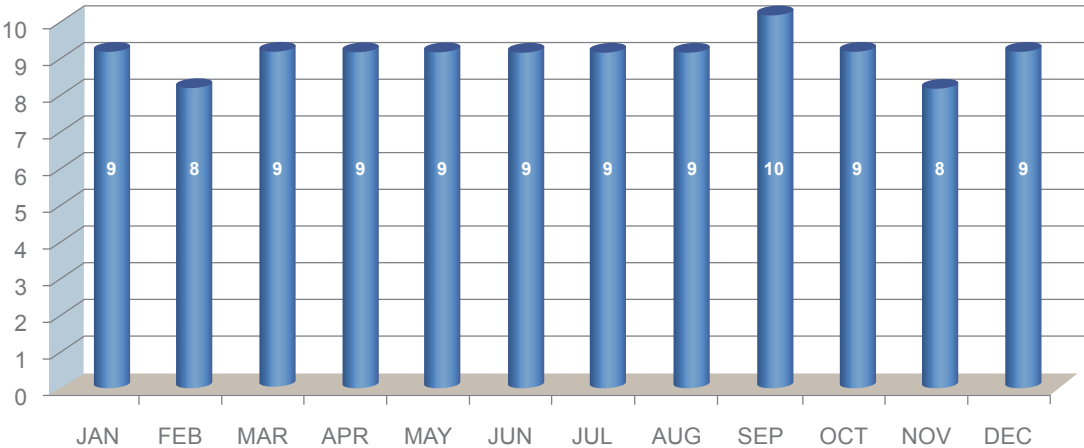
During 2011, the ICs met or exceeded the following goals:

- **Maintain ER Production of Nine Closures Per Month**

In July 2011, furlough days were eliminated and a personal leave day was implemented. With a slight increase in available staff working days, the closure goal was increased from eight

to nine closures each month. By the end of December 2011, ERs met this closure goal, averaging a total of nine closures per month for the entire year.

AVERAGE NUMBER OF CLOSURES PER ER

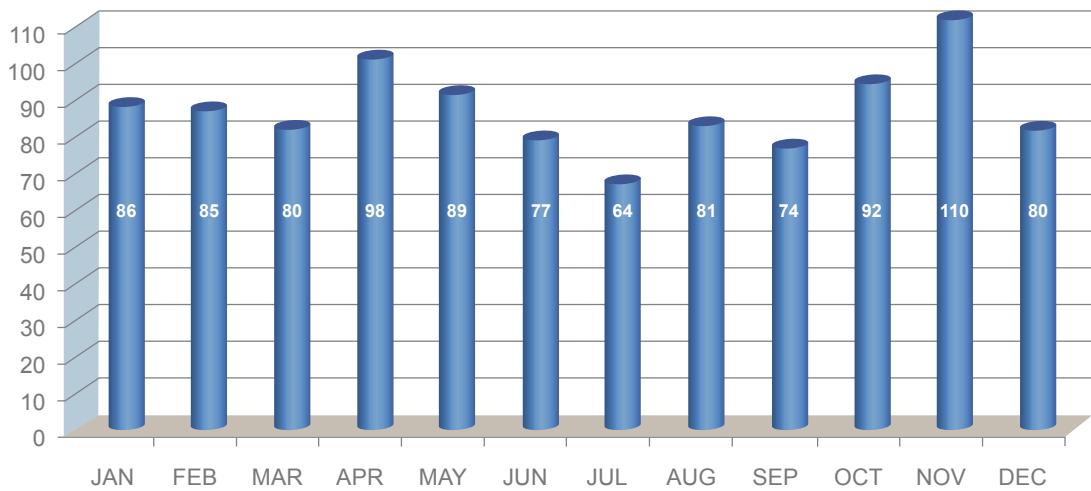


• **Reduce 270-Day-Old Cases to 100 or Less**

The ICs' effective management of pending complaints resulted in consistently reducing the number of cases over 270 days old. Staff ended 2011

by achieving the Board's mandate for aged cases, with only 80 cases over 270 days old.

NUMBER OF PENDING COMPLAINTS 270+ DAYS OLD



• **IC Audits**

In 2011, an internal audit of CSLB's ICs was completed by two audit teams, one for Northern Investigative Centers and one for Southern Investigative Centers. Each team was comprised of one Enforcement manager and one Enforcement supervisor. The audits are a hands-on management tool used to continually improve the division and also are used to highlight areas of good practice and provide evidence of conformance. Each audit team reviewed all investigations closed by the ERs during the months of June and July 2011 for effectiveness, quality

of service, adherence to policies, and to identify staff training needs.

Areas of review included investigation procedures, complaint dispositions, criminal referrals, progressive discipline/consistency among offices, and compliance with state administrative practices and procedures. Follow-up meetings with each IC's supervisor are scheduled, and the findings were discussed in a group setting during the statewide Enforcements Supervisors meeting in early 2012.

• **DAS Electrician Certification Referrals**

Labor Code §3099.2 provides CSLB jurisdiction to enforce electrician certification requirements. C-10 Electrical contractors are required by law to hire certified electricians and certified electrician apprentices who are registered with the Division of Apprenticeship Standards (DAS). Complaints received and verified by DAS regarding electrician certification violations are forwarded to CSLB for expedited disciplinary action.

On October 28, 2011, CSLB’s assigned Deputy Attorney General and Enforcement staff met with representatives from the National Electrical Contractors Association (NECA), International Brotherhood of Electrical Workers (IBEW), and Western Electrical Contractors Association (WECA) to discuss evidence requirements and strategies for enhanced reporting, investigation, and prosecution of violations regarding certified electricians and apprentices. In addition, the group was tasked with clearly defining the role and responsibilities of compliance investigators. The parties agreed that

compliance investigators now will provide direct testimony during administrative hearings, and need to establish the work performed by uncertified electricians, and that their testimony should include their observations of the electrical work performed, admission from the uncertified worker, and photographs. DAS agreed to provide supporting documentation to establish that the employed electrician is either not certified or not in an approved apprenticeship program.

CSLB established a zero tolerance policy for electrical certification requirement, and licensed electrical contractors caught illegally employing uncertified electricians are subject to formal disciplinary action, including revocation of the license for repeat offenders. However, the evidence must support the violation, and caution will be exercised to ensure that the compliance investigators’ credibility is not compromised. Through DAS partnership, the referral program achieved the following results:

155	DAS Referrals
27	Citations Issued
32	Warning Letters Issued
6	Pending Investigation

CSLB ACCOMPLISHMENTS AND ACTIVITIES REPORT

• **Consumer Satisfaction Survey**

CSLB’s Testing division conducts an ongoing survey of consumers whose complaints have been closed. The survey assesses overall satisfaction with the Enforcement division’s handling of complaints in eight content categories, and the data is compiled into an annual report. For timely survey distribution and to improve efficiency, CSLB began emailing the survey to all consumers with closed complaints who provided

an email address during the complaint process in 2010. Previously, the survey was mailed to a random sample of consumers, often six to nine months after the complaints were closed.

Beginning in 2011, consumers whose complaints were closed were sent the survey the following quarter. Preliminary data from the first six months of 2011 are provided in the table below along with the results from the last five years:

CONSUMER SATISFACTION SURVEY RESULTS

QUESTIONNAIRE STATEMENTS	PERCENT AGREEMENT BY CALENDAR YEAR				
	2011 (JAN–JUN)	2010	2009	2008	2007
CSLB contacted me promptly after I filed my complaint.	84%	78%	75%	73%	77%
Procedures for investigating my complaint were clearly explained to me.	75%	69%	69%	71%	72%
CSLB kept me informed of my case’s progress during the investigation.	68%	61%	60%	60%	62%
I was treated courteously by CSLB’s representative(s).	83%	79%	80%	79%	80%
My complaint was processed in a timely manner.	71%	61%	58%	63%	62%
I understand the outcome of the investigation (whether or not I agree with the action taken).	68%	62%	61%	64%	63%
The action taken in my case was appropriate.	52%	46%	50%	54%	52%
I am satisfied with the service provided by CSLB.	60%	51%	53%	57%	56%

2011 response rate (January – June) 26%

2010 response rate 31%



**Case Management**

Case Management is divided into three main units: the Disciplinary Services Section (DSS), the Enforcement Services Section (ESS), and the Citation Processing Center (CPC). DSS has statewide responsibility for processing accusations and appeals of denied license applications, and monitors license compliance status with the Board’s disciplinary actions. ESS has statewide responsibility for completing application experience verification and flagging investigations, assisting in

disputes referred to the Board’s Mandatory Arbitration or Voluntary Arbitration programs, providing determination on potential out-of-class violations, and researching and investigating subsequent arrests/convictions. CPC has statewide responsibility for issuing licensee citations, processing non-licensee and licensee citation appeals, monitoring respondents’ compliance status with citations, and initiating further disciplinary action, if appropriate.

**Mandatory Settlement Conferences**

During 2011, Enforcement saved an estimated \$635,000 in Attorney General’s Office costs by using mandatory settlement conferences (MSCs) to resolve citation appeals. MSCs resolve administrative disciplinary actions without incurring the cost of a formal hearing while, at the same time, making financially injured consumers whole.

An Administrative Law Judge presides over the conferences. Cases involving respondents that fail 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. The chart below reflects 2011 statistics for the MSC program:

MSC STATISTICS 2011	
Scheduled	262
Settled	127
Sent to DAG	24
No-Shows	56
Continued	36
Withdrawn	9
Consumer Restitution	\$1,105,218

## Arbitration Mediation Conciliation Center

For the sixth consecutive year, the Arbitration Mediation Conciliation Center (AMCC) continued to administer the CSLB arbitration program. During 2011, 610 complaints were successfully resolved through CSLB-sponsored arbitration. Arbitration proceedings were held in 51 locations across the state, with 499 Mandatory Arbitration proceedings and 111 Voluntary Arbitration proceedings, resulting in awards totaling more than \$3.7 million to prevailing parties. The arbitration process proved to be fair and efficient, with an average time from arbitration assignment to award of 47 days.

CSLB worked closely with AMCC to accomplish high satisfaction ratings and quick resolutions. Consumers and contractors evaluated administration of the arbitration program, and AMCC received an average rating of 4.8 out of a possible 5.0, with the process receiving a notable 93 percent satisfaction rate. Arbitrators achieved an impressive 4.85 out of 5.0 rating for their professionalism, courtesy, and industry knowledge. Several new arbitrators were added to the roster, each with trade-specific knowledge and exceptional procedural expertise.

## Organizational Development

As part of CSLB's 2011-12 Strategic Plan, the Enforcement division committed to creating a training curriculum for staff that included basic enforcement procedures, a mentoring program, and specialized training. Training conducted during 2011 included:

- Stop Order training was provided statewide for CSLB's ERs, who met in Sacramento to attend the two-day course on Stop Order procedures.
- A "Conflict Resolution" course was provided to ERs on effective ways to handle difficult situations.
- The DIR/DLSE provided Stop Order Hearing Officer training to designated staff who serve as CSLB hearing officers. Training included participating in a mock hearing and attending an official DLSE Stop Order hearing.
- The Centre for Organizational Effectiveness (COE) provided the "Team Building II" course to supervisors in an effort to develop and enhance team approaches.
- Select staff attended the fourth DCA Management Academy, developed to bring supervisors and managers up-to-date on contemporary management issues.



*Stop Order training class held in Sacramento*



*Investigator training held at CSLB headquarters.*

- The “Follow-Up to Fundamentals of Leadership” training, a COE course, was provided to ERs and included public speaking techniques, leadership in action application, and performance management concepts.
- Southern California Enforcement staff attended training conducted by a Riverside County DDA and received training on taking witness statements and gathering evidence to prepare an investigation report for a criminal filing. Staff also received “Prop 115” certification, which allows ERs to testify to hearsay evidence in preliminary criminal hearings.
- ERs attended DCA’s National Certification Program. The training is for regulatory investigators and inspectors, and included investigation and inspection techniques and procedures. This certification will lend more credibility to the ERs when they testify and increase their knowledge base.
- CSLB Enforcement, in conjunction with the AG’s office, developed a three module training course which included: Module 1, Basic Investigative Techniques; Module 2, Interview Techniques; and, Module 3, Effective Report Writing. A CSLB retired annuitant Deputy Attorney General provided training on effective case management, overview of rules of evidence, and a workshop for participants to test their interview skills in several CSLB-related scenarios. Module 3 takes place in 2012.
- CSLB’s Southern California peace officer, along with prosecutors from Riverside County and Los Angeles County, conducted an elder abuse training class. The course provided an overview of the special criminal laws targeted at those who steal from elders and dependent adults. Staff also learned valuable tips on investigating and submitting reports to achieve a successful prosecution.



LEGISLATION

# Legislation

## Development and Coordination of Sponsored Legislation

CSLB sponsored the following bills during the first half of the 2011-12 legislative session: AB 397, AB 878, AB 1091, SB 541, SB 865 and SB 944.

All bills, except SB 865, were signed into law in 2011 by Governor Edmund G. Brown Jr. (SB 865 is a two-year bill and can be taken up again in 2012). Below is a summary of the chaptered bills.

### AB 397 (Monning, Chapter 546, Statutes of 2011)

Under existing law, contractors (with certain exceptions) are required as a condition of having a license issued, reinstated, reactivated, renewed, or actively maintained, to have on file with CSLB a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance.

This bill requires CSLB licensees with workers' compensation exemption certifications on file to, at the time of each

license renewal, recertify the exemption status of the licensee or provide proof of a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance. It also allows for the retroactive renewal of licenses that neglect to make the required recertification at the time of renewal, under certain circumstances.

Prior to AB 397, there was no requirement to update WC exemptions after filing.

### AB 878 (Berryhill, Chapter 686, Statutes of 2011)

This bill requires a workers' compensation insurer to report to CSLB when it cancels a CSLB licensee's workers' compensation insurance policy, if the insurer has completed a premium audit or investigation and a material misrepresentation has been made that results in financial harm to the insurer, and the licensee has not reimbursed the insurer.

This bill is intended to help address the issue of premium fraud, which occurs when an employer has a workers' compensation policy and intentionally misrepresents to their insurance company the number of employees, nature of work performed by employees, or amount of payroll.

**AB 1091 (Morrell, Chapter 168, Statutes of 2011)**

Under existing law, when a qualifier (the qualifying individual, or qualifier, is the person listed in CSLB records who meets the experience and examination requirements) disassociates from a license, the qualifier or the licensee is required to notify CSLB within 90 days after the disassociation date, and has 90 days after the disassociation date to replace the qualifier, or the license becomes suspended. If the qualifier and licensee fail to notify CSLB of the disassociation within the 90-day deadline, the license will be suspended upon written notification of the disassociation.

However, this creates an inequity between the treatment of licensees who comply with

and those who do not comply with the 90-day notification requirement – inadvertently providing more time for those who do not comply. For example, if a licensee notifies CSLB that their qualifier disassociated one year prior, their license is suspended immediately upon that notification, but they would have already had one year of active license status without the qualifier in place and they would have had one year of opportunity to replace that qualifier.

There is little to discourage a licensee from failing to notify CSLB in a timely manner when the qualifier disassociates, and the statute has the potential to cause consumer harm.

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**SB 541 (Price, Chapter 339, Statutes of 2011)**

It is critical for CSLB, as well as consumers and licensees, to have the ability to expeditiously contract for the services of an industry expert.

When investigating consumer complaints, CSLB may ask a member of its Industry Expert Program to inspect a project and render opinions on specific complaint items. Industry experts provide opinion and testimony about specific complaint items and accepted trade standards, and participate in complaint investigations, mandatory arbitration, voluntary arbitration, on-site negotiation, administrative hearings, and license exam development.

However, DCA issued a memo on November 10, 2010, which stated that all boards and bureaus must enter into

a formal consulting services contract with each expert consultant they use to provide an opinion in an enforcement matter (from the initial review through testifying at a hearing). The memo further stated that each board would need to go through the required contracting process for each consultant.

SB 541 authorizes the boards within the Department of Consumer Affairs (DCA) to enter into an agreement with an expert consultant to provide enforcement and examination assistance without having to complete the formal contracting process, and requires each board to establish policies and procedures for the selection and use of these consultants.

**SB 944 (Committee on Business, Professions and Economic Development)**

This bill, as it pertains to CSLB, makes a variety of changes that delete obsolete dates and references in existing law, and specifies that blank application forms

are provided by CSLB, rather than the Department of Consumer Affairs.

**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 continuously engages in the legislative process to

influence bills that impact Board operations and/or relevant stakeholders. The following chaptered legislation, although not sponsored by CSLB, directly impacts or involves the agency.

**AB 1307 (Skinner, Chapter 734, Statutes of 2011)**

This bill authorizes the CSLB Registrar to refuse to issue, reinstate, reactivate, or renew a license, or to suspend a license,

if a licensee or applicant has any outstanding final liabilities assessed by the State Board of Equalization.

**SB 293 (Padilla, Chapter 700, Statutes of 2011)**

This bill adjusts the rights and time periods governing payment and claims for payment among owners, contractors, and subcontractors by speeding the time period for contractors to pay subcontractors; thereby reducing the time by which a subcontractor may make claims for nonpayment against a contractor on a public works project,

exempting laborers from preliminary notification requirements and any deadline to enforce a claim for private works of improvement, and prohibiting a public entity from retaining more than five percent of a contract price until final completion and acceptance of a project.

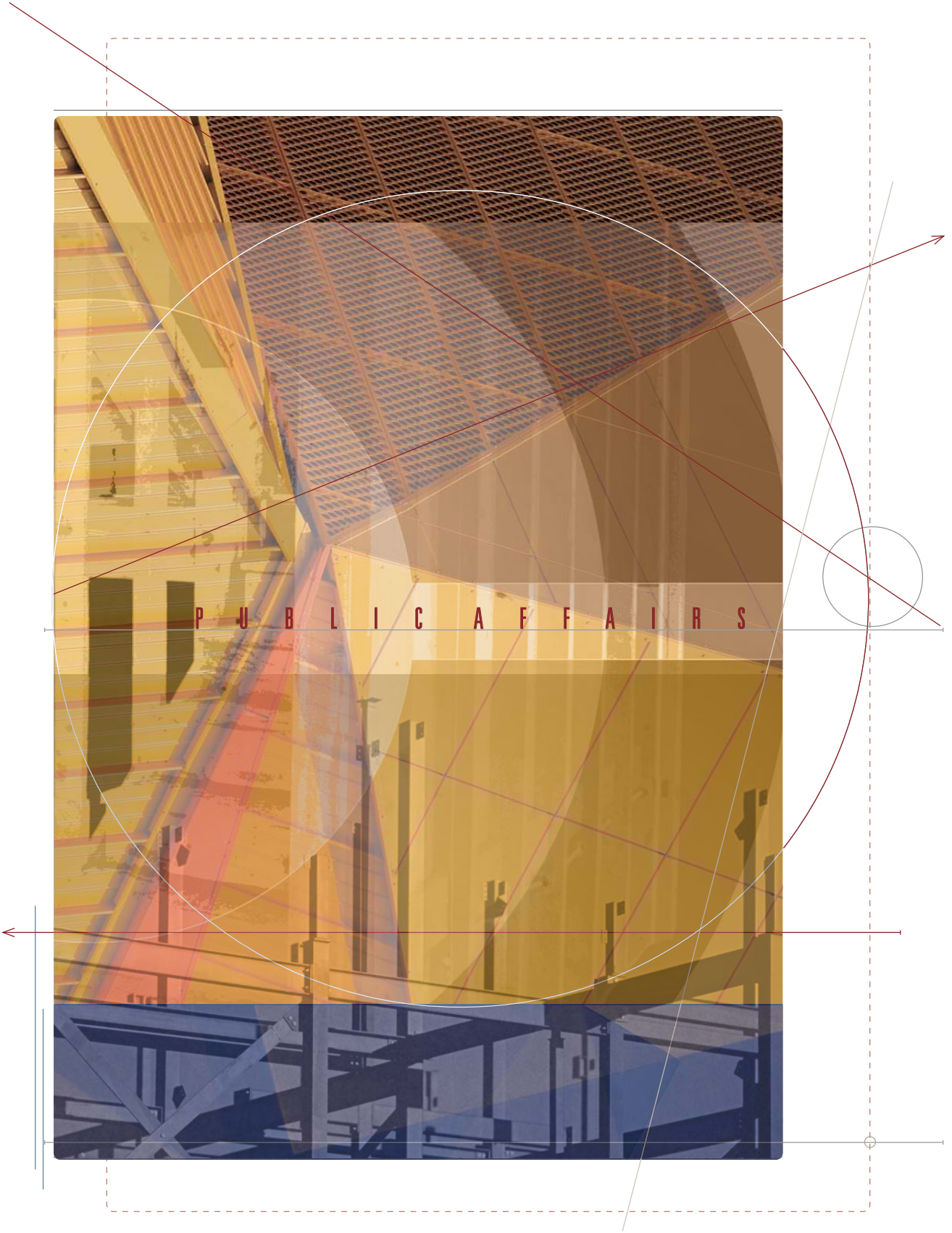
**SB 543 (Steinberg, Chapter 448, Statutes of 2011)**

This bill, as it pertains to CSLB, extends CSLB's sunset date by four years, until January 1, 2016, which will continue the

state's regulation of the construction industry.



P U B L I C A F F A I R S





# Public Affairs

## Media Outreach

During 2011, CSLB's Public Affairs Office (PAO):

- Distributed 41 press releases
- Distributed eight industry bulletins
- Organized two media events
- Fielded more than 200 media inquiries and requests for interviews

## Media Events

- Joint Sting Operation with Nevada State Contractors Board
- Spring Sting Blitz (San Rafael, Marin County)

## San Francisco District Attorney's Office Press Events

PAO staff participated in two press events conducted in 2011 by the San Francisco District Attorney's Office. Both involved the arrest (April) and subsequent sentencing (December) of an unlicensed operator who

failed to pay Chinese and Spanish-speaking day laborers and ripped off consumers of tens of thousands of dollars while fraudulently using a contractor license number issued to another person with the same name.



*San Francisco County District Attorney George Gascón and CSLB Public Affairs Chief Rick Lopes speak to the press.*

## CSLB Communications Plan

As part of CSLB's 2010-11 Strategic Plan action items, PAO updated its Communications Plan for 2011-2014. The plan was approved by the Board at its February meeting.

As part of the Communications Plan, the following PAO Mission Statement was developed:

*PAO's mission is to provide timely, accurate, and useful information to CSLB's various stakeholders, with a primary goal of protecting California consumers in matters related to construction.*

PAO accomplishes this by:

- Providing information and materials to educate consumers so they can make informed choices when hiring contractors and managing a construction project;
- Building and maintaining a positive, responsive, and professional relationship with members of the news media;
- Expanding CSLB's visibility with consumers, licensees, potential licensees and the construction industry;
- Serving as a conduit for communications with CSLB's employees and Board members; and

- Working in partnership with other state and local government agencies, as well as with trade organizations and other interested groups.

The plan also outlines PAO's guiding principles, which includes proactively advocating the interests of CSLB and California consumers, based on the belief that the Board serves an important role in regulating one of the state's most important industries, and that educated consumers are in a better position to protect themselves from problems during a construction-related project.

In addition, PAO places high importance on assisting consumers who have disputes with their contractor, and a commitment to the principle that they are better served by trying to prevent a problem before it happens; and serving as an educational resource for licensees, providing information to help them abide by laws and operate a successful business.



*CSLB Outreach Coordinator Jane Kreidler (L) and CSLB Public Information Officer Venus Stromberg (R) answer consumer questions at the World Elder Abuse Awareness Day in Santa Clara.*

### Email Alert Feature

Public Affairs staff expanded its use of broad electronic distribution by increasing sign-ups for its various email alerts. With IT division support, the Email Alert feature was launched in May 2010 and grew to almost 7,000 subscribers by the end of the year. During 2011, the subscriber list more than doubled to almost 15,000. An additional 78,000+ licensees who submit

email addresses on CSLB's various license applications are part of the distribution list.

Subscribers can receive alerts for:

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

### Social Media

Public Affairs continues to build its following on Facebook (CSLB.CA) and Twitter (@CSLB), posting content that generates interaction and comments from those aligned with the construction industry and consumer blogs and news feeds.

These sites, launched in August 2010, are updated multiple times each week with CSLB-generated content, and relevant material from other government agencies and media outlets. Postings include photographs from various sting and sweep operations.

The sites also have generated leads resulting in enforcement action and targets for future sweeps and stings. In one case, CSLB's Facebook page helped reconnect a licensee with his misplaced pocket card.

Video choices on CSLB's YouTube (ContractorsBoard) page were expanded in 2011, with sting operations and Board meeting streams among the top videos viewed.



### Website Posting

In late summer, two PAO staff members were successfully trained by Information Technology (IT) staff on how to code materials for posting on CSLB's website. The HTML coding has enabled quicker

website posting of time-sensitive material such as news releases, industry bulletins, and public meeting notification. As time permits, PAO staff also is coding material generated by other units.

## Board Meetings – Live Web Stream



On September 16, 2011, CSLB provided its first live stream of a quarterly Board meeting. The meeting, which was held in Norwalk, was streamed live with the assistance of the Department of Consumer Affairs' Office of Public Affairs. Live online streams will be provided for all future Board meetings.

## Disaster Response

CSLB's Public Affairs Office and Enforcement division worked closely when natural disasters hit anywhere in the state. Fortunately, for the most part, Californians were spared from major disasters during 2011.

CSLB was represented at a Local Assistance Center set up in September by the California Emergency Management

Agency in rural Kern County to assist those affected by the Canyon Fire. The fire, which burned more than 22 square miles, destroyed 32 residences and 30 outbuildings. The center served as a one-stop shop for information on disaster relief, including how to manage the rebuilding process.

## Outreach Expertise

Registrar Steve Sands and Public Affairs Chief Rick Lopes lent their expertise on disaster response and outreach to the National Association of State Contractors Licensing Agencies (NASCLA) to help develop model materials and plans that can be used by other states during disaster response.

In August, Mr. Lopes also made a presentation at NASCLA's national conference. The one-hour presentation was entitled, "Opening Up Your PR Toolbox." It was designed to give other contracting boards



*CSLB Chief Information Officer Rick Lopes gives a presentation at the NASCLA conference.*

an inside look at the many successful public relations programs instituted by CSLB.

## Consumer Protection Advertising Campaign

In 2011, CSLB concluded a three-year paid advertising campaign aimed at warning consumers about the dangers they face when hiring an unlicensed contractor.

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 also is promoted in all press releases and other media outreach efforts.

Market research was conducted both before (2008) and after the campaign (2011). Comparative findings indicate:

- More homeowners are performing their own repairs;
- Roofing, plumbing, and electrical are the most common jobs to hire someone else;

- Referral is the most common method to find a contractor;
- Price is seen as the most common reason and the biggest benefit to hiring an unlicensed operator;
- Homeowners know that there is a high risk of substandard work with unlicensed operators, as well as concerns for unlicensed operators abandoning or not finishing a job; and
- There is a big increase in homeowner awareness of not being protected, should they have a problem with an unlicensed operator.



## CSLB’s Most Wanted

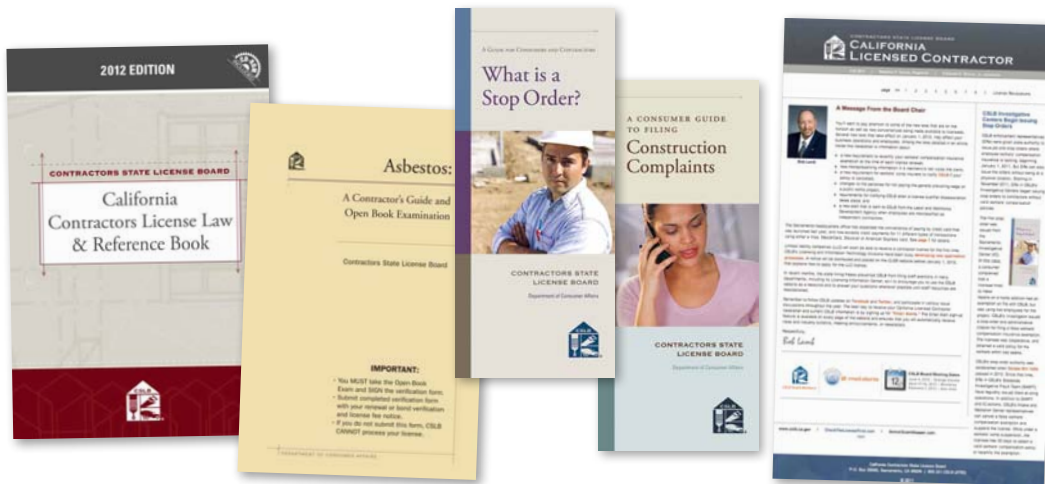
One member of CSLB’s “Most Wanted” was arrested in 2011. CSLB’s Most Wanted website features the most egregious unlicensed violators in California who are known to prey on vulnerable and unsuspecting homeowners, and have

active arrest warrants. Complaints against these unlicensed individuals have been lodged with CSLB, law enforcement agencies, and district attorneys around the state. CSLB also learned of the possible arrest in China of a Most Wanted member.

**Publications / Other Materials Produced**

Following is a list of publications and other materials produced by PAO in 2011:

- California Contractors License Law & Reference Book – 2012 Edition
- California Licensed Contractor (licensee newsletter)
- CSLB Matters (employee newsletter)
- Board Procedures Manual
- 2010 CSLB Accomplishments & Activities Report
- 2011-12 CSLB Strategic Plan
- Advertising Guidelines for Contractors
- A Guide to Contractor License Bonds
- Choosing the Right Landscaper
- A Consumer Guide to Using the Small Claims Court
- Consumer Guide to Preventing Mechanic’s Liens
- A Consumer’s Guide to Filing Construction Complaints
- Owner-Builders Beware (Spanish)
- Ten Tips Card (English/Spanish)
- Asbestos: A Contractor’s Guide and Open Book Examination
- What is a Stop Order?



**California Licensed Contractor Newsletter**

PAO produced three licensee newsletters during 2011. The first (Winter-Spring) was a printed edition that was mailed to all licensees. The other two (Summer, Fall) were published exclusively online, as they will be in the future to reduce publication expenses.

## Employee ID / Business Cards

PAO staff worked closely with other divisions, including Business Services and Enforcement, to develop new identification badges and business cards for staff

who conduct CSLB business in a public setting. The business cards are printed by Caltrans under an interagency agreement. The ID cards are printed in-house.



## Energy Commission Partnership

PAO and the Enforcement division actively supported the Memorandum of Understanding (MOU) between CSLB and the California Energy Commission. As stated in the MOU, PAO agrees to:

- Provide graphic designer and public relations specialists to work directly with Energy Commission staff on documents and publications that support energy-related building standards, appliance regulations and Home Energy Rating System (HERS) regulations;
- Cooperatively explore communications with contractors and consumers;
- Provide mailing labels and/or mailing lists for direct mailing of jointly developed documents;
- Provide email distribution of documents to contractors, as well as information via CSLB newsletters and industry bulletins; and
- Work with the Energy Commission to educate contractors, consumers, and building departments.

### Senior Scam Stopper<sup>SM</sup> Seminars

Public Affairs Office Outreach staff worked with legislators, state and local agencies, and community-based organizations to coordinate and conduct 21 Senior Scam Stopper<sup>SM</sup> seminars in 2011. The purpose of this fraud prevention outreach is to inform and empower seniors at the local level.

In addition, a promotional/informational brochure and letter was sent to each legislator in September. The letter was personalized and showed elderly population statistics in the legislators'

districts. The letter resulted in an increase in the number of legislators requesting seminars in their district.



*A Senior Scam Stopper<sup>SM</sup> seminar in San Leandro*

DATE	LOCATION	LEGISLATOR(S)
February 4, 2011	San Jacinto	Sen. Bill Emerson/Asm. Paul Cook
February 25, 2011	Fontana	Sen. Gloria Negrete McLeod
March 4, 2011	Laguna Woods	Asm. Donald Wagner
March 11, 2011	Corona	Sen. Bill Emerson/Asm. Jeff Miller
March 25, 2011	Norwalk	Asm. Tony Mendoza
April 15, 2011	San Leandro	Asm. Mary Hayashi
May 2, 2011	Morgan Hill	Asm. William Monning
July 9, 2011	Santa Cruz	Asm. William Monning
September 10, 2011	West Covina	Asm. Roger Hernandez
September 29, 2011	Rancho Cucamonga	Asm. Mike Morrell
October 6, 2011	San Bernardino	Sen. Gloria Negrete McLeod
October 20, 2011	Los Angeles	Sen. Curren D. Price, Jr.
October 26, 2011	Yucca Valley	Asm. Paul Cook
November 2, 2011	Rossmoor	Asm. Jim Silva
November 3, 2011	Yucaipa	Asm. Paul Cook/Asm. Mike Morrell
November 4, 2011	Harbor City	Asm. Warren Furutani
November 17, 2011	Highland	Asm. Mike Morrell
November 18, 2011	Chula Vista	Sen. Juan Vargas
November 30, 2011	Wilmington	Asm. Warren Furutani
December 5, 2011	San Diego	Sen. Christine Kehoe/Asm. Toni Atkins
December 6, 2011	Pomona	Sen. Gloria Negrete McLeod



## Employee Wellness

CSLB's Employee Wellness program was further expanded during the year in both Sacramento and Norwalk.

One of the most popular activities in Sacramento continues to be a monthly Free Farmers Market. Since February 2007, employees have been donating fruits 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. Nine Free Farmers Markets were held in 2011.

Other Employee Wellness offerings include:

- Lunchtime Speaker Series
- Low-cost chair massages (Costs for this program are paid entirely by employees.)

In November, PAO staff coordinated the third Employee Wellness Fair with 22 exhibitors offering information, health screenings, and educational materials for approximately 180 employees at CSLB's Sacramento headquarters.

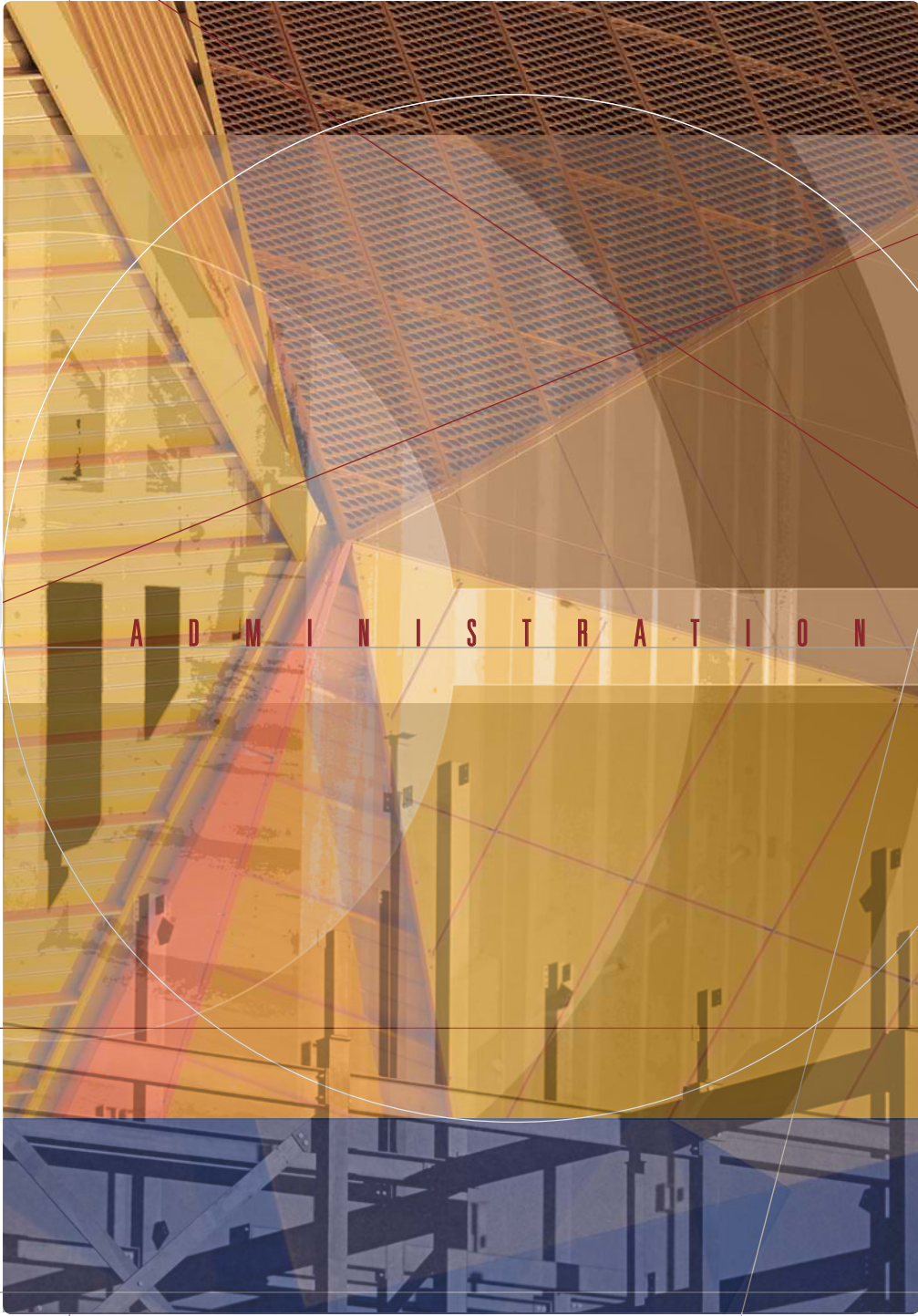
In addition, PAO conducted an online survey of employees to gauge interest in different types of wellness programs. The results are being used as a basis for future activities.



CSLB Board member Matt Kelly with CSLB Wellness Coordinator Alice Reed at the annual employee Wellness Fair



(L): PG&E gives a demonstration (R): an emergency preparedness class



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

# Administration

DIVISION

## Personnel

### 2011 Staffing Activity:

- 25 promotions
- 29 internal transfers
- 13 interdepartmental transfers
- 1 new hire
- 2 reinstatements
- 4 temporary/seasonal hires
- 1 limited-term appointment
- 27 retirements
- 7 State separations

### Hiring Freeze

On February 15, 2011, Governor Edmund G. Brown Jr. issued a statewide hiring freeze. The freeze did not prohibit transfers within DCA Boards and Bureaus. The freeze was lifted on November 22, 2011, and CSLB reinitiated its staffing process for advertising, interviewing, and filling positions.

During 2011, five freeze exemption requests were submitted and three were approved in the spring; in the summer/fall months, 20 freeze exemptions were submitted and one was approved prior to the hiring freeze being lifted.



*CSLB Call Center*

### Completed Exams:

- Associate Governmental Program Analyst (Open, Statewide Continuous)
- Assistant/Associate Information Systems Analyst (AISA) (Open, Statewide Continuous)
- Consumer Services Representative (Open)
- Enforcement Representative I (Open, Non-Promotional, Statewide Continuous)
- Enforcement Representative II (Promotional)
- Office Services Supervisor III (Promotional)
- Program Technician II (Promotional)
- Program Technician (Open Multi-Departmental)

- Program Technician III (Promotional)
- Staff Services Manager I, II & III (series) (Open, Statewide Continuous)
- Test Validation & Development Specialist I/II (Open/Spot/Sacramento, Continuous)

**Exams in Progress:**

- Enforcement Representative I (Open, Non-Promotional, Statewide Continuous)
- Information Systems Technician II (Promotional)
- Information Systems Tech Sup II (Promotional)
- Personnel Selection Consultant I & II (Promotional)
- Program Technician III (Promotional)

**Enforcement Representative I Examination**

CSLB has successfully revised and administered the Enforcement Representative I written examination using the Testing division's State Contractors Official Regulatory Exam (SCORE) system. The changes contributed to an excellent exam process and success in the promotion of CSLB employees and new hires in the Enforcement division. The written examination was administered in August and December 2011. This is the first civil service examination at the Department of Consumer Affairs to be administered using this technique. CSLB's Personnel office has received positive comments from

Enforcement managers regarding their ability to hire qualified candidates.

**Enforcement Representative (ER) I/II, CSLB (Peace Officer) Positions**

In 2011, CSLB currently had three peace officers on staff statewide, but has approval to hire nine more. Four positions have been filled; there are five hires pending background investigation; and active recruitment is under way for the three vacant positions.



*CSLB Peace Officer Joseph Martinez being sworn in at the August 23, 2011 Enforcement committee meeting.*

**Fingerprinting**

The Personnel office is actively involved in assuring that Enforcement division personnel in the Enforcement I and II and Enforcement Supervisor I and II classifications undergo fingerprinting, as required by hiring guidelines.

## Business Services

Several property and workspace projects took place during 2011 to maintain and improve facilities:

- New millwork was installed in the headquarters front counter area to accommodate additional computers for the new electronic payment options for contractor licensing transactions.
- A site search for a new Bakersfield office was completed and the Department of General Services/RESO received two bids and is in negotiations.
- The Monterey office building lease was renewed until June 30, 2014.
- The San Francisco office building lease was renewed, and bulletproof glass (photo below), new carpet, modular furniture, conference room furniture, new front counter and CAT6 cabling modifications were made as part of the lease renewal.



- Reconfiguration of the Fresno testing center layout is in progress, as well as installing bulletproof glass at the Enforcement unit public counter to increase security.

- An office remodel is under way in San Bernardino to accommodate two new enforcement representatives.
- Reconfiguration of modular furniture and space is in progress at the Oxnard Investigative Center and Testing office.
- A vehicle cage was installed at the Norwalk office to secure state-owned vehicles.

## Contracts and Procurement

Just over a dozen contracts were signed in 2011 that included: AbleGov, Inc. to support maintenance for CSLB Uninterrupted Power Supply (UPS) equipment; translation services for the Testing division; services for the consultants classification study; small parcel delivery services; security services; shredding services; CHP for standby security; publication of annual California Contractors License Law and Reference Book; lamination service for Testing/Examination materials; furniture cleaning; Pitney Bowes Presort Services, Inc. (estimated annual postage savings is \$54,475); fax machines, including two-year maintenance agreements; copiers, including five-year maintenance contracts; and multiple other maintenance contracts to support CSLB office equipment.

## Industry Expert Program

Internal policies and procedures were completed to accommodate a new contracting process for the Industry Expert Program that supports Testing division exams and processing and the Enforcement division. Implementation became effective January 1, 2012.

**Business Continuity Plan**

The Business Continuity Plan was updated and submitted to DCA in September 2011.

**Employee Badging and Identification Cards**

Collaborating with the Public Affairs Office, the Business Services Unit adopted the necessary internal procedures and processes for a new ID badge system. All employee pictures were updated, and new cards were issued and distributed to employees.

**Records Management**

The Records Retention Schedule was updated in 2011 to allow destruction of hard files that have been scanned into the electronic filing system, known as IWAS. Staff is working to bring CSLB into

compliance with the records retention schedule. In addition, the California Records Information Management (CalRIM) report was completed and submitted to DCA.

**Support Services**

An electronic payment system was expanded in 2011 at the CSLB front counter that enabled contractors to make various credit card payments for licensing transactions. In addition, contractor fees were increased in 2011 and new forms were established. Each of these changes impacted Business Services and Support staff; Cashiering implemented new processes to accommodate the change in staff workload and processing.

## INFORMATION TECHNOLOGY

### Licensing Fee Increase

Revising CSLB fees to their statutory maximum after the Office of Administrative Law's approved changes to existing contractor regulations (Section 811), effective December 18, 2010, required IT program-

ming adjustments. CSLB's Information Technology division staff successfully implemented the changes to its automated systems, and the revised fee structure became effective July 1, 2011.

### Limited Liability Companies

The passage of Senate Bill 392 authorized CSLB to issue contractor licenses to limited liability companies (LLCs). Information Technology staff developed and

implemented the necessary programming changes; thus, CSLB began accepting LLC applications on January 1, 2012, as required by law.

### Stop Orders

SB 1254 authorized CSLB to issue an immediate "stop work" order to any contractor who does not have a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance on file with CSLB certifying that he or she has no employees and is not required to obtain or maintain workers' compensation insurance coverage. CSLB's IT and Enforcement staff

enhanced CSLB's automated enforcement system to aid enforcement in capturing Stop Order data and Order processing. This was completed in June 2011.

The image shows a 'Stop Order' form from the Contractors State License Board. The form is titled 'STOP ORDER' and includes fields for 'Contractor Name', 'Address', 'City', 'State', 'Zip', 'License No.', 'Date Issued', and 'Date Expires'. There are also checkboxes for 'Stop Work Order' and 'Stop Order'. The form is numbered 'CSLB 0001 (06/11)'.

### CSLB Website

CSLB's website is a user-friendly warehouse of information and services where visitors can search license status, including 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 email alerts. CSLB's website had over 9,170,000 visitors in 2011.

### BreEZe – DCA Enterprise-Wide Licensing and Enforcement System Project



BreEZe is DCA's enterprise-wide licensing and enforcement

project, which will include e-payment, online licensure, licensing, and enforcement tools for its boards and bureaus, imaging, and reporting.

CSLB technology and business staff worked diligently to define the system requirements for BreEZe as well as the interfaces for existing CSLB automated systems. BreEZe is being implemented in phases; it is anticipated that CSLB's implementation will be in 2014.

### Licensing and Enforcement Automated System

In addition to being heavily involved in the BreEZe project, IT's Programming Unit completed over 90 modifications or enhancements to the automated Licensing and Enforcement System. The majority of

these modifications were requests from the business users, and range from adding new transaction codes to expanding and creating new reports.

### E-Payment

The e-payment project, once fully implemented, will enable applicants and licensees to pay their respective fees by credit/debit card at CSLB's headquarters (HQ) front counter. The project was to provide these services through the CSLB website; however, with DCA's enterprise-wide licensing system (BreEZe), the expansion of these services was limited to HQ.

In July 2011, the following application and renewal fees were payable at CSLB HQ:

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



- License Reactivation
- Original Exam Application Fees
- Original Application Exam Waiver Fees
- Initial License Fees
- Additional Classification Applications Fees
- Asbestos Certification Application Fees
- Hazardous Certification Application Fees
- RME/RMO Application Fees
- Home Improvement Salesperson Application Fees



### Information Technology Help Desk

CSLB's IT Help Desk provides assistance to over 500 CSLB employees, business contractors, and vendors. Help Desk staff processed over 4,000 tickets in 2011.

These tickets were opened by CSLB staff who had 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") priority 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 that is a valuable source of information for consumers, contractors, and others. It provides callers with the ability to request forms or pamphlets that are immediately faxed to them. Callers can look up a license, and applicants can check the status of their exam application. The IVR provides consumers with informa-

tion on how to file complaints as well as how to become a licensed contractor. In addition to providing information, the IVR gives callers an option to speak to call center agents in Sacramento or Norwalk. In 2011, the IVR handled over 44,000 calls per month and 528,000 calls per year; it is available 24 hours a day, seven days a week, including holidays.





**CONTRACTORS STATE LICENSE BOARD**

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