



2 0 1 7

# ACCOMPLISHMENTS & ACTIVITIES





**KEVIN J. ALBANESE**, *Contractor Member, Chair*  
**MARLO RICHARDSON**, *Public Member, Vice Chair*  
**JOHNNY SIMPSON**, *Public Member, Secretary*

**AGUSTIN "AUGIE" BELTRAN**, *Public Member*  
**LINDA CLIFFORD**, *Contractor Member*  
**DAVID DE LA TORRE**, *Public Member*  
**DAVID DIAS**, *Labor Member*  
**SUSAN GRANZELLA**, *Public Member*  
**JOAN HANCOCK**, *Contractor Member*  
**PASTOR HERRERA JR.**, *Public Member*  
**ED LANG**, *Public Member*  
**MICHAEL A. LAYTON**, *Public Member*  
**FRANK SCHETTER**, *Contractor Member*  
**NANCY SPRINGER**, *Public Member*

**EDMUND G. BROWN JR.**  
*Governor*

**ALEXIS PODESTA**  
*Secretary*  
*Business, Consumer Services, and Housing Agency*

**DEAN GRAFILO**  
*Director*  
*Department of Consumer Affairs*

**DAVID R. FOGT**  
*Registrar*  
*Contractors State License Board*

## 2017: A Year of New Initiatives for CSLB

---



It is with pleasure that we present the Contractors State License Board's 2017 *Accomplishments and Activities Report*.

In 2017, California suffered unprecedented wildfires in both the northern and southern parts of the state that destroyed thousands of homes. CSLB joined other state agencies at Local Assistance Centers and at FEMA-sponsored Disaster Relief Centers to provide property owners with recovery information and to answer questions. CSLB also conducted extensive media and community outreach to provide important information to survivors of these devastating fires. Staff also conducted compliance sweeps of the affected areas to warn off unlicensed operators and to prevent those that suffered losses from being victimized.

In addition, CSLB joined a joint federal-state taskforce to address both short- and long-term housing needs in the fire areas. CSLB also participated in multiple locally-sponsored outreach events for property owners in the affected areas and initiated plans for a series of Wildfire Rebuilding Workshops for contractors who plan to work in these areas to insure compliance with all relevant construction laws.

California currently boasts over 282,000 licensed contractors. In 2017, CSLB initiated a number of successful technological changes to improve efficiencies in completing and processing applications and various license modification requests, including the use of electronic easy-fill forms and online submission of workers' compensation recertification information.

Throughout the year, CSLB strengthened its collaboration with state, local, and industry partners to address the growing solar industry, workers' compensation insurance compliance, building permit compliance, and ongoing enforcement of state contractors' license law. In fiscal year 2016-17, CSLB helped recover approximately \$47 million in ordered restitution for consumers.

As part of its ongoing commitment to education and outreach, CSLB launched a series of well-received monthly workshops at its Sacramento and Norwalk offices, conducted in both English and Spanish, to provide an overview of the licensing process for potential applicants.

CSLB sponsored two pieces of legislation in the 2016-17 Legislative session, both of which Governor Brown signed into law. One of these bills (Senate Bill 800) clarified that a contractor license cannot be included in an "asset sale," while the other

## A MESSAGE FROM THE BOARD CHAIR

(Senate Bill 486) authorizes CSLB to issue a letter of admonishment in lieu of an administrative citation for less egregious offenses.

This last year we congratulated Board member Paul Schifino as his final term ended after seven years of valuable service. 2017 also saw some leadership changes at CSLB. In May, the Board appointed David R. Fogt as Registrar of Contractors, and Tonya D. Corcoran began as Chief Deputy Registrar in June. CSLB also welcomed new division chiefs in Enforcement, Legislation, and Licensing.

As we move into a busy 2018, Board members and staff will continue to work diligently to fairly regulate the state's construction industry and protect California consumers.

Thanks to all of those who assisted and supported our efforts in 2017.

A handwritten signature in blue ink, appearing to read 'K. Albanese', with a long horizontal flourish extending to the right.

Kevin J. Albanese, Board Chair



# 2017 CSLB BY THE NUMBERS

**19** DISASTER RESPONSE ASSISTANCE  
**CENTERS STAFFED**



**50,000+**  
**PAGES** OF EDUCATIONAL  
INFORMATION COMPILED FOR  
DISTRIBUTION TO DISASTER SURVIVORS



**\$47,373,118**

**RESTITUTION** ORDERED TO  
THE PUBLIC IN FISCAL YEAR 2016-17

**\$66,363,000**

CSLB'S 2017-18 FISCAL YEAR **BUDGET**



**02** CSLB-SPONSORED  
**BILLS PASSED** BY THE STATE  
LEGISLATURE AND SIGNED  
INTO LAW BY GOVERNOR  
JERRY BROWN



**22** NEW **INTERACTIVE**  
**FORMS** CREATED TO EASE  
APPLICATION SUBMISSION  
AND LICENSE MAINTENANCE



**72%**  
**COMPLAINTS CLOSED**  
WITHIN 90 DAYS



**46** **LICENSING**  
**EXAMS MAINTAINED**



**13** BOARD AND  
COMMITTEE MEETING  
**WEBCASTS PRODUCED**



**09** NEW **LICENSING**  
**EXAMS COMPLETED** BY  
EXAM DEVELOPMENT UNIT



**486** APPLICATIONS EXPEDITED & LICENSES ISSUED  
THROUGH VETERANS APPLICATION ASSISTANCE PROGRAM

**17** CSLB EMPLOYEES  
**RETIRED**



**3,350**  
**FACEBOOK FOLLOWERS**

**28,153**  
SIGN-UPS FOR CSLB  
**EMAIL ALERTS**



**15,483,283**  
**LICENSE CHECKS**  
CONDUCTED ON  
CSLB WEBSITE

**3,100,000**  
CSLB **WEBSITE USERS**

**4,746**  
**LEGAL ACTIONS** BROUGHT  
AGAINST VIOLATORS FROM  
CSLB INVESTIGATIONS

**169,918**  
**CALLS ANSWERED** BY  
LICENSING INFORMATION  
CENTER STAFF

**28,566**  
CSLB LICENSE  
**APPLICATIONS RECEIVED**

**20,024**  
**COMPLAINTS** CLOSED BY  
ENFORCEMENT STAFF

**45,276**  
**EXAMINATIONS** SCHEDULED

**282,063** **LICENSED CONTRACTORS**

# CSLB MISSION

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



# TABLE OF CONTENTS

	Page
Leadership .....	7
Protecting California's Disaster Survivors .....	15
Licensing.....	23
Testing .....	35
Enforcement .....	37
Legislative.....	53
Public Affairs.....	57
Administration.....	67



# CSLB V I S I O N

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





# LEADERSHIP

## CSLB Board Members and Registrar

CSLB's 15-member Board appoints the executive officer, or Registrar of Contractors, and directs administrative policy for CSLB operations. The Board is comprised of five contractor members and 10 public members, (including one labor representative, one local building official, and one representative of a statewide senior citizen organization). Appointments are made by the governor and the state legislature.

### KEVIN J. ALBANESE, Chair

**Governor Appointee**  
**"B" Contractor Member**



Kevin J. Albanese, of San Jose, was appointed by Governor Edmund G. Brown Jr. in July 2013. Mr. Albanese serves

as President and CEO of Joseph J. Albanese, Inc. Previously he served as Chief Operating Officer and in a multitude of other management positions throughout the organization. In addition, Mr. Albanese graduated magna cum laude from the Santa Clara University School of Law and remains an active member of the State Bar. Mr. Albanese is a longtime member and past President of United Contractors and also serves as a management Trustee for the Operating Engineers Local 3 Trust

Funds. Mr. Albanese's term continues through June 1, 2021.

### MARLO RICHARDSON, Vice Chair

**Governor Appointee**  
**Public Member**



Marlo Richardson, of Playa del Rey, was first appointed by Governor Edmund G. Brown Jr. in June 2015. Ms.

Richardson spent 20 years in law enforcement and was a lieutenant. She has an extensive background in the entertainment industry and as a business entrepreneur with experience in the restaurant, real estate, home health care, import/export, and financial services industries. Ms. Richardson is a board member for the YMCA and has chaired

the Public Safety Board for Los Angeles County Empowerment Congress and was a member of the Ethics Board for the State Bar of California. Ms. Richardson was reappointed in June 2016. Her term continues through June 1, 2020.

**JOHNNY SIMPSON, SECRETARY**

**Senate Appointee  
Public Member**



Johnny Simpson, of Spring Valley, was appointed by the Senate Rules Committee in February 2015. Mr. Simpson

is the International Representative of the International Brotherhood of Electrical Workers (IBEW), 9th District, and formerly was Business Manager/ Financial Secretary of IBEW Local 569, which represents more than 3,100 electrical workers in San Diego and Imperial Counties. A third generation IBEW wireman, Mr. Simpson graduated from the IBEW California Apprenticeship Program in 1981. He is very involved in his community and has spent over 20 years volunteering alongside IBEW 569 members to fix electrical systems in the homes of San Diego’s low-income seniors, disabled veterans, and families. He is also a past trustee and president of the San Diego Electrical Training Center; president of the San Diego County Building and Construction Trades Council;

and vice president of the San Diego County Building Trades Family Housing Corporation, which provides affordable housing for low and moderate income working families. Mr. Simpson’s term continues through June 1, 2019.

**AGUSTIN “AUGIE” BELTRAN**

**Senate Appointee  
Public Member**



Augie Beltran, of Oakdale, was appointed by the Senate Rules Committee in January 2014, and reappointed

in May 2017. Mr. Beltran served in the United States Marine Corps Reserve from 1985-1993. Since beginning his career as a carpenter apprentice in 1989, Mr. Beltran has worked in various facets of the construction industry. Mr. Beltran has served on several government boards since 1997, including the Lathrop City Council from 2000-2004, and the Delta Protection Commission from 2002-2004. He currently serves as the President and Director of Public and Governmental Relations for the Northern California Carpenters Regional Council. Mr. Beltran’s term continues through June 1, 2021.



## LINDA CLIFFORD

### Governor Appointee “A” Contractor Member



Linda Clifford, of Sacramento, was appointed by Governor Edmund G. Brown Jr. in July 2013, and reappointed

in June 2014. Ms. Clifford was chief financial officer at C.C. Myers Inc. from 1986 to 2016. She also held multiple accounting positions at Continental Heller-Tecon Pacific from 1972-1986. She is a commissioner for the California Uniform Construction Cost Accounting Commission, serving as chair from 2015-2017. Ms. Clifford is an active member of the Associated General Contractors of California. Her term continues through June 1, 2018.

## DAVID DE LA TORRE

### Assembly Appointee Public Member



David De La Torre, of San Bruno, was appointed by Assembly Speaker Toni G. Atkins in May 2015, and reappointed by

Assembly Speaker Anthony Rendon in September 2016. Mr. De La Torre is Secretary-Treasurer of Laborers Union

Local 261, representing 5,000 members in San Francisco, San Mateo, and Marin counties. Mr. De La Torre is a third-generation laborer who has worked for a variety of local and regional contractors. He was first elected as a union officer in 2005. Mr. De La Torre also serves as board president for the San Francisco chapter of the A. Philip Randolph Institute (APRI). He was appointed as a national board member for that group in 2017, and as its State President in 2018. Mr. De La Torre is also a representative on San Francisco's 100% Renewable Energy Task Force. His term continues through June 1, 2020.

## DAVID DIAS

### Governor Appointee Labor Member



David Dias, of Pleasanton, was appointed by Governor Edmund G. Brown Jr. in April 2011, and has been twice

reappointed, in June 2012 and June 2016. Mr. Dias has been a business representative for Sheet Metal Workers' Local Union No. 104 since 2005, and previously worked as 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. He also serves on the Proposition 39 Citizens Oversight Committee and the IAPMO UMC Technical Committee, as well as committees for ASHRAE and EECC. Mr. Dias will serve through June 1, 2020.

### SUSAN GRANZELLA

**Governor Appointee  
Public Member**



Susan Granzella, of Sacramento, was first appointed by Governor Edmund G. Brown Jr. in October 2014, and reappointed

in June 2016. Ms. Granzella held several positions at Visa Inc. from 1996 until her retirement in 2014, including senior director and vice president for technical documentation, and audit and compliance coordinator for global development. In the latter role, she oversaw Visa’s technical writing and publishing efforts, distributing content internationally to banks and processors, and managed staff in both the United States and India. She also serves on the Sacramento Board of Directors for the National Council on Alcoholism and Drug Dependence. Ms. Granzella’s term continues through June 1, 2020.

### JOAN HANCOCK

**Governor Appointee  
“B” Contractor Member**



Joan Hancock, of Sacramento, was appointed by Governor Arnold Schwarzenegger in November 2007, and reappointed

by Governor Edmund G. Brown Jr. in July 2011, and again in June 2015. Ms. Hancock has owned Her Land Enterprises, a general contracting firm since 1983. In 2012, she started “Insights” Construction consulting. Ms. Hancock earned a California State Teaching Credential in 1979, a Juris Doctorate degree in 1982, and is a Certified Mediator. Ms. Hancock’s term continues through June 1, 2019.

### PASTOR HERRERA JR.

**Governor Appointee  
Public Member**



Pastor Herrera Jr., of Los Angeles, was appointed by Governor Arnold Schwarzenegger in July 2010, and reappointed by

Governor Edmund G. Brown Jr. in June 2014. Since 2011, Mr. Herrera has been an adjunct professor at the California State University, Northridge Department



of Family and Consumer Sciences. Previously, he served in multiple program staff positions at the Los Angeles County Department of Consumer and Business Affairs from 1976 to 2010, and was its director for 19 years. He also serves on several nonprofit boards, including the National Consumers League (NCL), National Insurance Institute Consumer Advisory Board, and Privacy Rights Clearinghouse. Mr. Herrera's term continues through June 1, 2018.

### ED LANG

**Governor Appointee**  
**Public Member**  
**Senior Citizen Organization**



Ed Lang, of Rancho Cordova, was appointed by Governor Arnold Schwarzenegger in January 2007, and reappointed in July

2010 by Governor Edmund G. Brown Jr. in June 2014. 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 served 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, 2018.

### MICHAEL A. LAYTON

**Assembly Appointee**



**Public Member**

Michael A. Layton, of Long Beach, was appointed by Assembly Speaker Anthony Rendon in September 2016.

Mr. Layton is the Business Manager and Financial Secretary-Treasurer for the Southern California Pipe Trades. Prior, he served as Executive Director of the Apprentice and Journeyman Trust Fund of Southern California. Mr. Layton's term continues through June 1, 2020.

### FRANK SCHETTER

**Governor Appointee**  
**"C" Contractor Member**



Frank Schetter, of Sacramento, was appointed by Governor Edmund G. Brown Jr. in August 2011, and reappointed

in June 2015. Mr. Schetter is CEO of Schetter Electric and was its president from 1983 to 2005. He served as president and is currently the governor of the Sacramento chapter of the National



Electrical Contractors Association (NECA), as trustee of the statewide International Brotherhood of Electrical Workers (IBEW) NECA, Labor Management Cooperation Committee (LMCC), and as trustee of the IBEW/NECA Joint Apprenticeship Training Program. He has also served as a member of the National Joint Apprenticeship and Training Committee, Sacramento County Code Appeals Board, City of Sacramento Electrical Code Advisory Board, and president of the Sacramento chapter of the Associated Subcontractor's Alliance. Mr. Schetter's term continues through June 1, 2019.

**NANCY SPRINGER**

**Governor Appointee  
Public Member  
Building Official**



Nancy Springer, of Browns Valley, was appointed by Governor Edmund G. Brown Jr. in September 2013, and reappointed

in July 2017. Ms. Springer was born and raised in Massachusetts but left to serve in the U.S. Air Force from 1980 to 1985. After her military duty, she settled in California and entered into an Electrical Apprenticeship Program with the National Electrical Contractors Association from 1984 to 1987, studying the National Electric Code. She obtained an Associate of Science degree in Building Inspection

Technology from Butte College and has more than 29 years of experience working with building codes, having served in the positions of Building Inspector, Plans Examiner, Assistant Building Official, and currently as Building Official for Butte County, City of Gridley, and City of Biggs. Ms. Springer has served as a past president of the Counties Building Officials Association of California, and maintains membership with the California Building Officials, Sacramento Valley Association of Building Officials, and International Code Council. Ms. Springer's term continues through June 1, 2021.



## DAVID R. FOGT

### Registrar of Contractors



David R. Fogt became Registrar of Contractors on May 2, 2017. In the position, Mr. Fogt serves as CSLB's executive officer, and oversees a \$60 million budget and more than 400 employees in Sacramento and at other offices around the state.

Mr. Fogt, who earned his painting contractor license in 1986, began his CSLB career in February 1990. Over the next decade he worked in a number of supervisory positions in CSLB's Enforcement division and was named Enforcement Chief in October 2001. Mr. Fogt served in that position until his appointment to Registrar.



*Department of Consumer Affairs Director Dean R. Grafilo addresses December 18, 2017, Board meeting in Brisbane.*



State of California  
Department of Consumer Affairs  
Contractors State License Board



# PROTECTING CALIFORNIA'S DISASTER SURVIVORS

In its role protecting California consumers by regulating the state's construction industry, the Contractors State License Board (CSLB) also has a responsibility to protect those whose homes and property are directly affected by natural disasters. CSLB's post-disaster mission is to help ensure that home and business owners are not victimized by unlicensed or unscrupulous contractors who may try to take advantage of them during the rebuilding process.

2017 will long be remembered as a year when natural disasters changed the face of several California communities. By the end of the year, disasters were responsible for the deaths of at least 67 people, the destruction of at least 10,700 structures, and damage to another 1,750 structures.

## A Look Back at 2017

In the first half of 2017, northern California saw its wettest winter in almost 100 years, officially ending one of the worst droughts in the state's history. In early January, the Russian River in Sonoma and Mendocino Counties rose to three feet above flood stage, inundating about 500 homes. In February, the Anderson Dam in Santa Clara County overflowed its banks, causing \$73 million in damage to neighborhoods in San Jose.

The summer and fall brought hot, dry weather to California, leading to more than 9,100 wildfires that burned more than 1.2 million acres of land. Forty-six of these

wildfires destroyed 10,673 structures and damaged another 1,292 structures around the state. Finally, in December more heavy rain led to deadly mudslides and debris flows.

Historically, California's wildfire season has been limited to the summer and fall months. But in recent years, with 2017 being the worst, wildfires have erupted throughout the year, making fire season a year-round occurrence.



*CSLB and partners meet with survivors of Canyon 2 fire in Orange County, October 2017.*

The chart below shows that the number of acres burned in 2017 wildfires under the jurisdiction of the California Department of Forestry and Fire Protection (Cal Fire) more than doubled from 2016, and was significantly more than twice the five-year average for acres burned.

WILDFIRE COMPARISON		
INTERVAL	# OF FIRES	# OF ACRES BURNED
2017	7,117	505,956
2016	4,785	244,319
5-Year Average (2013-2017)	4,835	202,786

The following is a list of the 46 fires that either destroyed or damaged structures in 2017.

2017 WILDFIRES THAT DESTROYED OR DAMAGED STRUCTURES					
START DATE	FIRE NAME	COUNTY or COUNTIES	STRUCTURES DESTROYED	STRUCTURES DAMAGED	ACRES BURNED
June 17, 2017	Lake	Los Angeles	0	2	850
June 23, 2017	Creek	Fresno	4	0	357
June 25, 2017	Placentia	Los Angeles	1	1	760
June 26, 2017	Hill	San Luis Obispo	7	0	1,626
July 5, 2017	Fay	Siskiyou	1	0	496
July 6, 2017	Alamo	San Luis Obispo	14	1	28,687
July 7, 2017	Wall	Butte	91	10	6,033
July 8, 2017	Parkfield	Monterey	0	1	1,816
July 8, 2017	Whittier	Santa Barbara	40	7	18,430
July 9, 2017	Garza	Kings	1	0	48,660
July 9, 2017	Stone	San Luis Obispo	3	0	340
July 11, 2017	Long Valley	Lassen	8	3	83,733
July 16, 2017	Grade	Mendocino	1	0	900
July 16, 2017	Detwiler	Mariposa	134	21	81,826
July 29, 2017	Jacksonville	Tuolumne	1	0	675
August 3, 2017	Bryant 2	San Bernardino	1	0	325
August 3, 2017	Parker 2	Modoc	1	0	7,697
August 13, 2017	Salmon August Complex	Siskiyou	1	0	65,889
August 13, 2017	Blaine	Riverside	0	46	1,500



2017 WILDFIRES THAT DESTROYED OR DAMAGED STRUCTURES					
START DATE	FIRE NAME	COUNTY or COUNTIES	STRUCTURES DESTROYED	STRUCTURES DAMAGED	ACRES BURNED
August 29, 2017	Ponderosa	Butte	55	0	4,016
August 29, 2017	Railroad	Madera	8	1	12,407
August 29, 2017	Pier	Tulare	2	0	36,556
August 30, 2017	Helena	Trinity	131	0	21,449
August 30, 2017	Pleasant	Nevada	1	1	392
September 1, 2017	La Tuna	Los Angeles	5	0	7,194
September 2, 2017	Palmer	Riverside	0	1	3,800
September 3, 2017	Mission	Madera	7	4	1,037
September 3, 2017	Peak	Madera	4	0	680
September 30, 2017	Canyon	Orange	25	55	2,662
October 8, 2017	Cascade <i>(NEU Wind Complex)</i>	Yuba	264	10	9,989
October 8, 2017	McCourtney <i>(NEU Wind Complex)</i>	Nevada	13	2	76
October 8, 2017	Lobo <i>(NEU Wind Complex)</i>	Nevada	47	2	821
October 8, 2017	Tubbs <i>(Central LNU Complex)</i>	Napa/Sonoma	5,636	317	36,807
October 9, 2017	Thirty Seven	Sonoma	3	1	1,660
October 9, 2017	Canyon 2	Orange	25	55	9,217
October 9, 2017	Atlas <i>(Southern LNU Complex)</i>	Napa	783	120	51,624
October 9, 2017	Redwood Valley <i>(Mendocino Lake Complex)</i>	Mendocino	543	41	36,523
October 9, 2017	Sulphur <i>(Mendocino Lake Complex)</i>	Lake	162	8	2,207
October 9, 2017	Nuns <i>(Central LNU Complex)</i>	Sonoma	1,355	172	56,556
October 16, 2017	Bear	Santa Cruz	6	0	391
December 4, 2017	Thomas	Ventura/Santa Barbara	1,063	280	281,893
December 5, 2017	Creek	Los Angeles	51	49	15,619
December 5, 2017	Rye	Los Angeles	6	3	6,049
December 6, 2017	Skirball	Los Angeles	9	13	422
December 7, 2017	Lilac 5	San Diego	157	64	4,100
December 7, 2017	Liberty	Riverside	3	1	300



## CSLB Post-Disaster Efforts

The 2017 wildfires prompted one of the largest coordinated disaster response efforts in CSLB’s almost 90-year history. CSLB’s response was multi-pronged, with contributions from each division and unit. The sheer number of homes destroyed in Napa and Sonoma counties compelled a good deal of attention; however CSLB served survivors in every affected county by dedicating staff to ensure adequate support.

## Relief Center Staffing and Support

CSLB staffed almost two dozen Local Assistance Centers established by the Governor’s Office of Emergency Services, or Disaster Relief Centers, established by the Federal Emergency Management Agency (FEMA), in 15 different counties (Butte, Lake, Los Angeles, Mariposa, Mendocino, Napa, Nevada, Orange, San Diego, Santa Barbara, Santa Clara, Sonoma, Trinity, Ventura, and Yuba).

These centers provide a single facility at which individuals, families, and businesses can access a variety of disaster assistance programs and services. In some instances (Butte, Los Angeles, and Mariposa Counties) multiple disasters during the year necessitated the opening of multiple centers. While most CSLB staff on-duty at these centers came from the Enforcement division, staff from Licensing and Administration also assisted.



*CSLB staff at Local Assistance Center for survivors of Orange County’s Canyon 2 Fire, October 2017.*

Local Assistance and Disaster Relief Center operations were supported by CSLB’s Public Affairs Office (PAO), whose staff compiled and dispersed supplies, including more than 50,000 pages of educational information for distribution to the public. Materials include those produced by CSLB, the California Architects Board, and FEMA.

The primary consumer education messages encouraged people to only hire licensed contractors for rebuilding work and to be aware that unlicensed or unscrupulous contractors may try to perpetrate a scam.



## Fees Waived for Licensees—Assistance for Applicants

Several CSLB licensees and applicants for licensure were among the disaster survivors. In cases where licensees lost their wall certificate and/or plastic pocket license CSLB waived replacement fees. CSLB has also waived delinquent fees for failure to renew a license before it expires for fire survivors.

In some instances, where applicants' paperwork was destroyed in the wildfires staff accessed CSLB records and printed new materials for them at assistance/relief centers.

CSLB also promoted its monthly applicant workshops to people in the various fire zones.

## “Boots on the Ground” Outreach Program

CSLB's Public Affairs Office and Statewide Investigative Fraud Team (SWIFT), along with the California Department of Insurance, Employment Development Department, and local district attorney's offices collaborated for a “boots on the ground” outreach program.

This program consisted of placing hundreds of warning signs in affected disaster areas, as well as distributing educational materials. Some signs caution consumers to hire only licensed contractors; while others warn that contracting without a license in a disaster area could lead to felony charges, which can result in state prison time and/or a fine of up to \$10,000. Joint sweep operations were also conducted, and plans were developed to conduct sting operations, as needed.



*CSLB staff member places warning sign at wildfire-damaged home in Sonoma County, October 2017*

## Media Outreach

To reach survivors of the various wildfires PAO conducted an extensive media outreach campaign, which involved press events, proactive press releases, responding to media inquiries, and live appearances on both television and radio. Interviews were also given to multiple print media outlets. Future press events will be conducted to connect to enforcement operations or other outreach opportunities.



*CSLB Public Affairs Chief Rick Lopes interviewed by TV reporter in Santa Rosa (Sonoma County), October 2017.*

## Outreach Partnerships

CSLB leveraged its post-disaster work by establishing or expanding upon existing partnerships with, among others, the Governor’s Office of Emergency Services (OES), and the California Department of Insurance (CDI). An OES website, [www.WildfireRecovery.org](http://www.WildfireRecovery.org), includes CSLB information about rebuilding and PAO worked closely with CDI’s press office on two press events and to relay one another’s outreach message during media interviews.

CSLB also became just the second state agency (after OES) to establish a partnership with NextDoor, a social networking service for neighborhoods. NextDoor allows CSLB to target outreach messages to specific neighborhoods, based upon their zip code.

Additionally, PAO coordinated outreach to dozens of congressional offices, state legislator offices, building departments, and chambers of commerce in the affected areas.

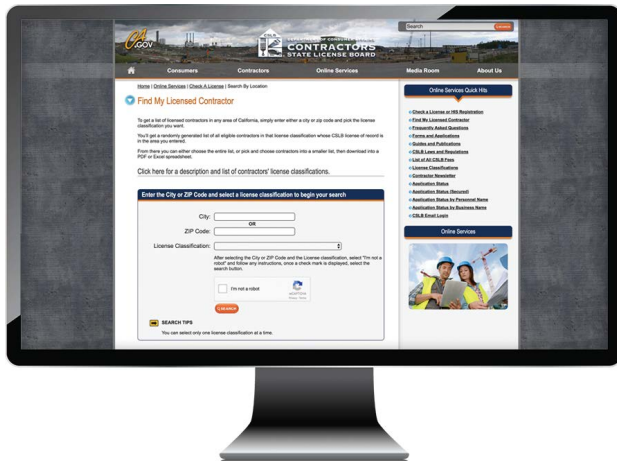


## CSLB Website – Disaster Help Center and New “Find My Licensed Contractor” Feature

CSLB provides disaster survivors with a wealth of information online through its “Disaster Help Center” page. Information includes press releases, consumer tips, and a 22-minute video, “Rebuilding After a Natural Disaster.”

In response to the wildfires, CSLB’s Information Technology and Public Affairs divisions accelerated implementation of Assembly Bill 2486 (2016), which required

CSLB, by January 2019, to provide consumers the ability to search for licensed contractors by location. The “Find My Licensed Contractor” feature on CSLB’s website expects to launch in early 2018. This newly designed search tool will allow consumers to search for licensed contractors by classification within the geographic area of their choice based on city or zip code, and will link them to current CSLB licensing information. All search results are displayed in a random order, which changes with each search conducted.



Consumers can then download a .pdf or Excel file of the search results for future reference. PAO plans to promote this new feature at all disaster-related outreach events.

## Toll-Free Disaster Hotline

CSLB maintains a toll-free hotline, serviced by Licensing Information Center staff Monday through Friday from 8 a.m. to 5 p.m. The hotline is promoted in various publications, as well as on disaster signs posted throughout the fire zone.



## Joint State-Federal Housing Task Force

---

CSLB is part of a Joint State-Federal Housing Task Force, headed by OES and FEMA. The group meets regularly to address both short- and long-term housing issues, including those related to the rebuilding process to coordinate efforts among federal and state agencies. Early meetings centered on immediate housing needs, while later meetings, focused on long-term rebuilding, will continue into 2018.

## Workforce Development Working Group

---

CSLB has also joined a working group to address the possible shortage of licensed and qualified contractors located within reasonable proximity to the fire zones, and a possible shortage of qualified and trained workers. The Governor's Office of Business and Economic Development (GO-Biz) coordinates the working group.

## Wildfire Workshops

---

PAO undertook planning a series of two distinct wildfire rebuilding workshops in the various fire areas: one for fire survivors and one for contractors who plan to work on the rebuilding effort. Licensing and Enforcement staff will join PAO staff to present at these workshops, as well as representatives from various partner agencies, including the California Department of Insurance, the California Architects Board, the State Compensation Insurance Fund, and FEMA. The workshops are expected to begin early in 2018, as rebuilding efforts get underway.

The fire survivor workshop will include essential consumer protection tips, information about contractor licensing and other requirements, insurance issues, how to work with an architect, and an update on the local rebuild provided by the local building department.

The contractor workshop will include a building department update on the local rebuild, and any special rules established for plan approvals and inspections. Licensing requirements are also covered, as are bonds and insurance, how to obtain a workers' compensation policy, contract requirements, how to prevent complaints, and how the selection of building materials and choice of building methods can help prevent future disasters.





# LICENSING

The Licensing division processes all applications for California state-issued contractor licenses and home improvement salesperson registrations. For contractor licenses, this includes criminal background checks and experience verification, as well as making any necessary changes to the over 282,000 current licenses. The division also processes all documents related to compliance with bond, insurance, and workers' compensation requirements, as well as biennial renewals.

In 2017, CSLB received more than 28,000 applications. The Licensing division has continued to offer expedited processing of applications submitted by military veterans. The division continually monitors its workload to ensure that applications and other materials are processed in a timely manner.

The Licensing division collaborated with the Information Technology unit to launch 22 online easy-fill "smart" forms in 2017. These forms help to reduce errors before submission to CSLB and improve processing efficiencies for various license applications and license modification requests. The two divisions also developed a process to allow for electronic submission of required workers' compensation information for licensees. In addition, in 2017, the Licensing division dramatically reduced the wait times for those using CSLB's call center.

The Licensing division also oversees the Judgment unit, which processes all outstanding liabilities reported to CSLB by licensees, consumers, attorneys, credit recovery firms, bonding companies, CSLB's Enforcement division, and other governmental agencies. In 2017, the Judgment Unit helped to recover more than \$23 million in outstanding liabilities.

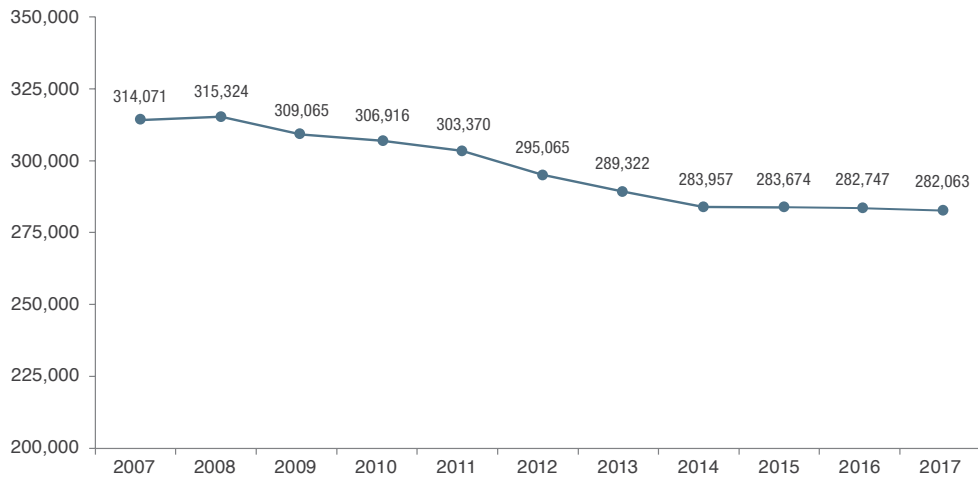
## 2017 JUDGMENT UNIT OUTSTANDING LIABILITIES

PARTNER AGENCY	Amount
Employment Development Department	\$14,000,400
Franchise Tax Board	\$7,141,353
Department of Industrial Relations	\$2,090,393
Board of Equalization	\$50,250
<b>TOTAL</b>	<b>\$23,282,396</b>

## Number of Licenses

As of December 31, 2017, there were 282,063 licenses, a slight decrease of 0.2 percent from 2016. Of these, 225,647 were active licenses; 56,416 were inactive.

NUMBER OF LICENSES



2017 TOP TEN LICENSE CATEGORIES

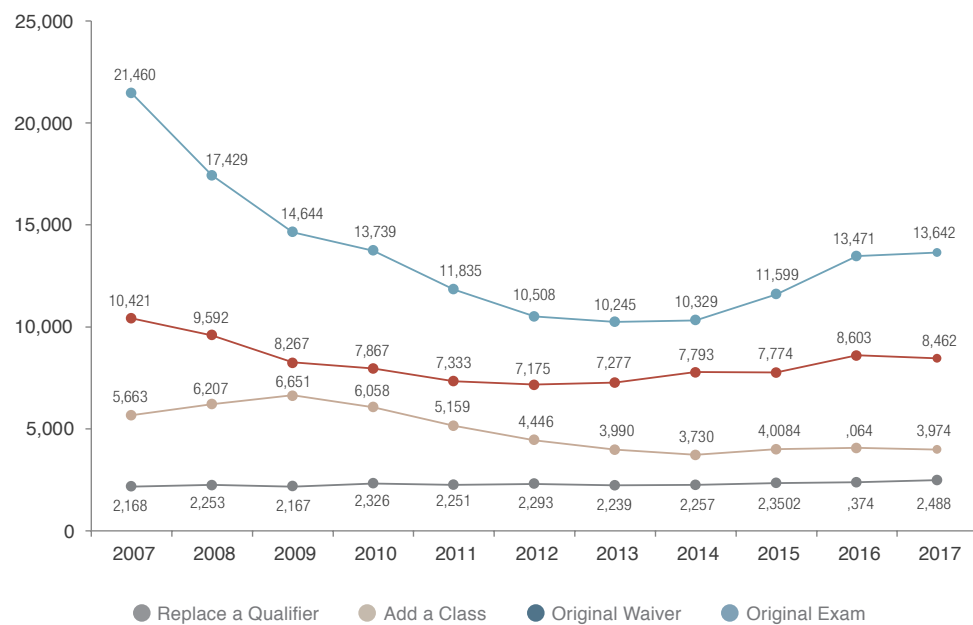
CLASSIFICATION	TOTAL
"B" General Building	134,051
C-10 Electrical	31,819
"A" General Engineering	19,420
C-36 Plumbing	18,814
C-33 Painting and Decorating	18,149
C-20 Warm-Air Heating, Ventilating and Air- Conditioning	14,168
C-27 Landscaping	13,732
C-15 Flooring and Floor Covering	8,223
C-8 Concrete	7,489
C-54 Tile (Ceramic and Mosaic)	7,290



## Workload

The chart below displays the number of license applications received for calendar years 2007 through 2017. In 2016, 28,512 applications were received; 28,566 were received in 2017, a slight increase of approximately 0.2 percent. Original license applications (exams and waivers) increased by 0.1 percent. Applications to add a classification to an existing license decreased by 2 percent, and applications to replace the qualifying individual on an existing license increased by approximately 5 percent.

APPLICATIONS RECEIVED BY CALENDAR YEAR



## Processing Timelines

The chart below illustrates the initial processing times of various application types and other licensing documents. Increased processing times in certain areas are attributable to staff attrition and vacancies. CSLB is working to fill vacancies and implement measures to decrease processing times.

### WEEKS BEFORE BEING PULLED FOR PROCESSING

TYPE OF APPLICATION / DOCUMENT	2016 AVERAGE	2017 AVERAGE
Original Exam	5.6	6.3
Original Waiver	2.9	2.9
Add a Class	3.1	2.4
Replace the Qualifier	2.8	2.0
Home Improvement Salesperson	2.0	2.2
Renewal	1.9	2.8
Contractor Bond / Bond of Qualifying Individual	0.2	1.1
Workers' Compensation Certificates and Exemptions	0.9	1.6

## Statistical Reporting and Analysis Report

The Licensing division established a report in November 2005, to identify the number of applications received within a calendar year and their final disposition, regardless of the year they were processed. This report allows staff to monitor the disposition of applications and identify those that require special attention.

The following chart illustrates the number of applications received in calendar year 2017, and their disposition.

### 2017 DISPOSITION OF APPLICATIONS

TYPE OF APPLICATION	RECEIVED	ISSUED	VOID	PENDING
Original Exam	13,385	3,999	1,716	7,670
Original Waiver	8,657	5,478	1,060	2,119
Add a Class	3,994	2,125	514	1,355
Replace the Qualifier	2,453	1,671	346	436
Home Improvement Salesperson	9,505	4,491	2,760	2,254
Change of Officers	1,740	1,052	324	364



Among the reasons an application may be classified as “pending” include:

- The applicant did not pass the exam, but is still within the 18-month window during which he or she must pass the examination;
- The application is in the investigative process or not yet cleared by CSLB’s Criminal Background Unit; or
- Final documents (proof of bond or workers’ compensation insurance) or fees have not been submitted.

The Licensing and Information Technology divisions continue to work closely to develop reports that help determine necessary application processing improvements.

## Veterans Application Assistance Program

CSLB offers a Veterans Application Assistance Program for those transitioning from military service to civilian employment. In many cases, veterans possess transferable skills that help meet minimum experience and training requirements for state contractor licensure. This program offers priority services to veteran applicants by evaluating transferable military experience and training, as well as education.

CSLB assists veterans by providing:

- Program technicians specially trained to evaluate transferable military training and experience from all branches of the military that meet minimum licensure requirements;
- Automatic priority application processing;
- College transcript evaluation to help verify acceptable educational credit (in addition to military experience and training); and
- Direct telephone and email contact with CSLB staff.

VETERANS APPLICATION ASSISTANCE PROGRAM SUMMARY	2016	2017
Application Expedited & Licenses Issued	179	486
Applications Expedited & Voided	49	146
Correspondence Received	559	252
Pending Expedited Applications	67	180



## Experience Verification and Investigation

CSLB is required by law to investigate a minimum of 3 percent of applications received to review applicants’ claim of experience to help ensure that all licensed contractors meet minimum qualifications. The Experience Verification unit also reviews applicants’ claims of experience when they are subjected to enforcement actions, when a review through a protest letter is requested, or when an application is identified as needing additional review.

The Experience Verification unit provides applicants with a number of options to confirm their experience. In instances when CSLB is unable to verify the experience, the applicant has four options:

- Identify a new qualifier for the license who possesses the required experience;
- Withdraw the application and reapply when the necessary experience has been gained;
- Accept a denial from CSLB or, if the applicant chooses, appeal the denial; or
- Apply for a classification that better fits the trade experience provided after withdrawing the application.

### 2017 EXPERIENCE VERIFICATION APPLICATION INVESTIGATION

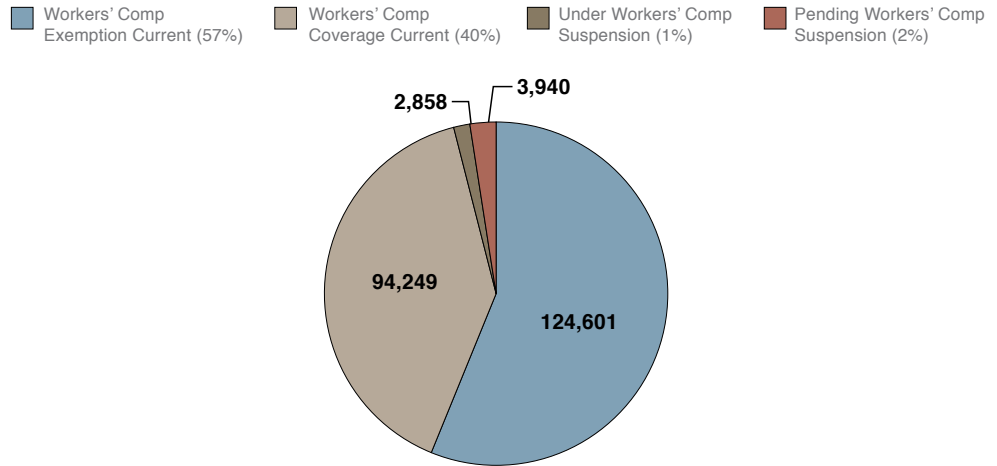
698	Applications Referred to Experience Verification Unit
249	Applications Verified
157	Applications Denied
24	Applications Appealed
115	Applications Withdrawn
153	Applications Pending

## Workers’ Compensation Recertification

At the time of renewal, an active contractor with an exemption for workers’ compensation insurance on-file with CSLB must either recertify that exemption or provide a current and valid Certificate of Workers’ Compensation Insurance or Certificate of Self-Insurance. If the licensee fails to comply at the time of renewal, the law allows for the retroactive renewal of the license if the licensee submits the required documentation within 30 days after notification by CSLB of the renewal rejection.



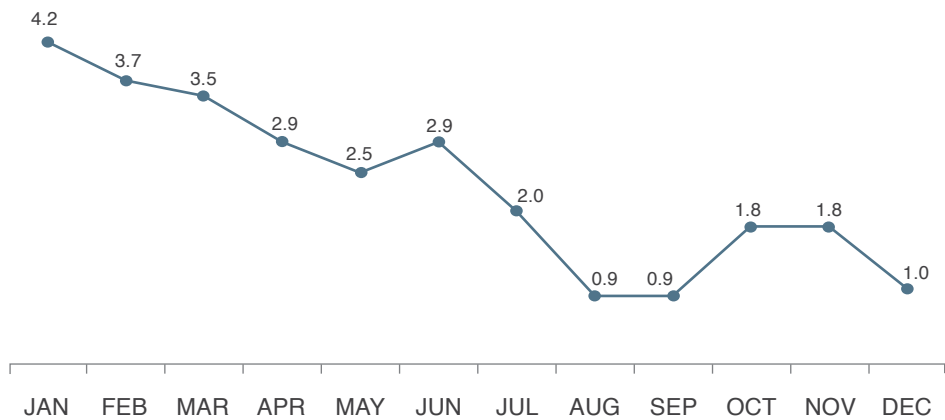
2017 WORKERS' COMP COVERAGE FOR ACTIVE LICENSES



**Total Number of Active Licenses: 224,125**

In 2017, the Licensing division and Information Technology unit established a process that allows for the online submission of required workers' compensation information which instantly updates the license record, as it relates to workers' compensation, upon electronic submission. Ahead of implementation of this new system in September 2017, staff worked overtime to stabilize processing time to less than two weeks to ensure a smooth transition. Processing times have continued to decline.

2017 WORKERS' COMPENSATION AVERAGE PROCESSING TIME



## Fingerprinting

Since January 2005, license applicants are required to submit fingerprints if they are listed as personnel on an original application or for licensees that are applying to add a classification to an existing license, replace the qualifier, report new officers, or register as a home improvement salesperson. Fingerprints are compared to California Department of Justice (DOJ) and Federal Bureau of Investigation (FBI) records to learn if a criminal history exists.

CSLB staff review all criminal convictions to determine if the crime substantially relates to the duties, qualifications, or functions of a contractor, and to evaluate if the applicant has demonstrated sufficient rehabilitation. Throughout 2017, the timeline for pulling conviction records for review averaged less than two weeks, a reduction of more than one week from 2016.

### 2017 FINGERPRINT STATISTICS

35,089	Applicants with fingerprint responses from the DOJ and FBI
5,900	Applicants identified with a criminal history
64	Applicants denied licensure due to criminal convictions
83	Probationary licenses issued

## Licensing Information Center

CSLB's Licensing Information Center (LIC), or call center and front counter, serve as primary resources for public information provided to contractors, applicants, and consumers.

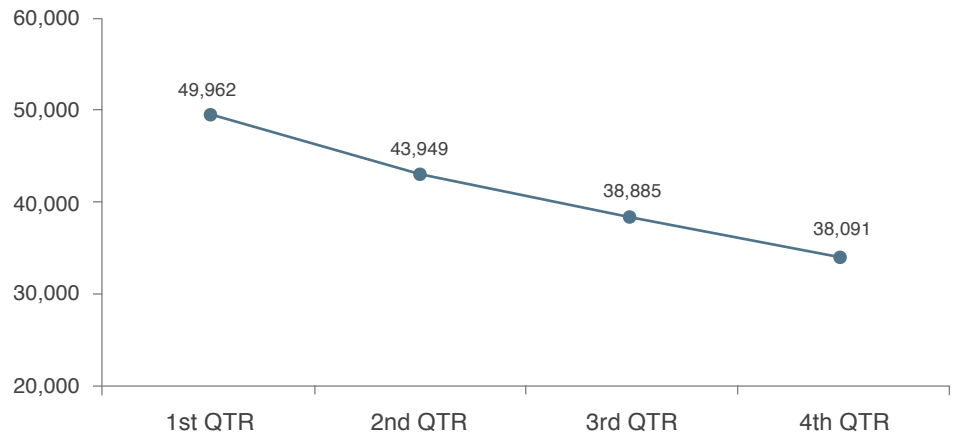
Among the LIC's 2017 successes were continued in-depth on-the-job training for agents, including phone shadowing and staffing the public counter; and regular meetings between CSLB's Classification Deputy and LIC staff to help educate agents about license classification scope of work issues. As a result, new call center agents can respond to the most complex licensing questions.

In 2016, LIC staff answered 158,258 calls; in 2017 LIC staff answered 169,918 calls, as indicated by quarter on next page.



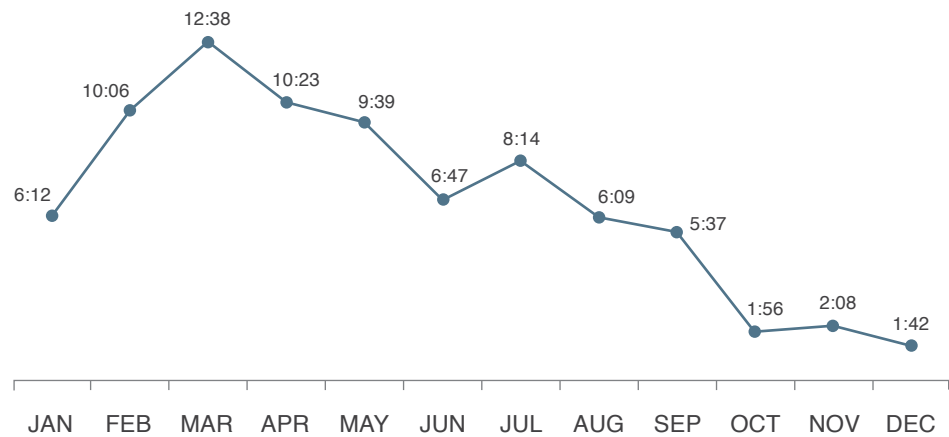


CALLS ANSWERED – CALENDAR YEAR 2017



Because of increased call volume and staff vacancies, call wait times fluctuated throughout the year. However, by October 2017, a fully staffed LIC saw a significant decrease in average wait times, as indicated in the chart below.

LICENSING CALL CENTER – 2017 AVERAGE WAIT TIME



## Fee Increase

---

On September 29, 2016, Governor Brown signed Senate Bill 1039, which allowed for an increase in CSLB fees, effective July 1, 2017. CSLB raised most fees by approximately 11 percent, its first increase since 2011, and the second since 1993. The Licensing division, in coordination with the Public Affairs Office, conducted outreach to potential applicants, licensees, and contractor schools ahead of the implementation of the increase.

Fee increases were applied to license renewals, certificates, and all fees associated with applications for the purpose of licensing. The increase will generate approximately \$6 million in additional annual revenue and keep CSLB's fund healthy to ensure its continued effectiveness in regulating the construction industry for the state of California.

The previous and new fee amounts are listed on following page.



2017 CSLB FEE INCREASES				
FEE	PREVIOUS AMOUNT	NEW AMOUNT	INCREASE	PERCENT INCREASE
Application for Original Contractor License	\$300.00	\$330.00	\$30.00	10%
Additional Classification with Waiver Application	\$75.00	\$75.00	\$0.00	0%
Additional Supplemental Classification or Replace the Responsible Managing Officer or Employee on an Existing License	\$75.00	\$150.00	\$75.00	100%
Personnel or Officer Change	\$0.00	\$100.00	\$100.00	0%
Rescheduling an Examination	\$60.00	\$60.00	\$0.00	0%
Initial License Fee	\$180.00	\$200.00	\$20.00	11%
Renewal – Contractor License (Biennial)	\$360.00	\$400.00	\$40.00	11%
Renewal – 4-Year Inactive License	\$180.00	\$200.00	\$20.00	11%
Reactivate Contractor License	\$360.00	\$400.00	\$40.00	11%
Home Improvement Salesperson (HIS) Registration	\$75.00	\$83.00	\$8.00	11%
Renewal – HIS Registration (Biennial)	\$75.00	\$83.00	\$8.00	11%
Asbestos Certification Fee	\$75.00	\$83.00	\$8.00	11%
Hazardous Substance Removal Certificate	\$75.00	\$83.00	\$8.00	11%
Delinquent – Renewal Contractor License	\$180.00	\$200.00	\$20.00	11%
Delinquent – Renewal 4-Year Inactive License	\$90.00	\$100.00	\$10.00	11%
Delinquent – Renewal HIS Registration	\$25.00	\$41.50	\$16.50	66%



State of California  
Department of Consumer Affairs  
Contractors State License Board

# TESTING

The Testing unit administers all CSLB examinations at eight test centers throughout the state. In 2017, more than 45,000 exams were scheduled. In addition, the unit develops new exams as required, and reviews and updates existing exams to reflect changes in the industry.

## Examination Development

In accordance with legal requirements and professional testing standards, an occupational analysis of each licensing classification is conducted to collect information from licensed contractors and identify current trade practices. Results of the occupational analyses are then used to update the licensing exams. All examination development work relies on input from licensed contractors who serve as subject matter experts and participate in two- and three-day workshops conducted by exam specialists at CSLB headquarters in Sacramento. Occupational analyses for each classification are required every five to seven years.

All of CSLB's occupational analyses currently meet the five- to seven-year requirement. During 2017, the Examination Development unit completed five occupational analyses and updated nine exams. To ensure that CSLB reaches a sufficient sample of licensees in its occupation analysis projects, the Testing unit emails surveys to licensees and sends a letter with a link to the survey to those licensees who have not provided CSLB with an email address.

### 2017 EXAMINATION DEVELOPMENT

OCCUPATIONAL ANALYSES COMPLETED	NEW EXAMINATIONS COMPLETED
C-2 Insulation and Acoustical	C-2 Insulation and Acoustical
C-42 Sanitation System	C-4 Boiler, Hot Water Heating and Steam Fitting
C-46 Solar	C-7 Low Voltage Systems
C-57 Well Drilling	C-16 Fire Protection
C-54 Ceramic and Mosaic Tile	C-27 Landscaping
	C-32 Parking and Highway Improvement
	C-53 Swimming Pool
	C-54 Ceramic and Mosaic Tile
	Law and Business

## Examination Administration

CSLB administers computer-based examinations on most weekdays at test centers in Berkeley, Fresno, Norwalk, Oxnard, Sacramento, San Bernardino, San Diego, and San Jose.

In April and October 2017, Testing staff received training on new testing procedures, customer service, safety awareness, and emergency preparedness.

To promote the removal of artificial barriers to licensure, in October 2017, the Exam Administration unit changed the policy on late arrivals for examination. Candidates may arrive up to three hours late and still take an exam, with commensurate time deducted.

## 2017 Examination Statistics

EXAMINATION TYPES	TOTAL
Trade	43
Certification	2
Law and Business	1
Number of Examinations Scheduled	45,276
Number of Misconduct Investigations	7
Number of Confirmed Misconduct Incidents	6
Percentage of Examinations Passed	46%

## Consumer Satisfaction Survey

The Testing unit conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement division’s complaint-handling practices. Consumers who provide CSLB with an email address receive the survey within the first or second month after their complaint has been closed. Captured data is compiled into an annual report that the Enforcement division uses to benchmark performance improvement. Results have remained nearly the same over the past number of years, with an overall reported satisfaction rate of 65 percent.



# ENFORCEMENT

The Enforcement division assures that consumers are protected through the application of California's contractor licensing requirements; that disciplinary action is taken against contractors when appropriate; and that disputes between contractors and consumers are equitably resolved to the maximum extent possible.

The division provides structured mechanisms for receiving and processing consumer complaints, investigating contractors, and providing avenues of recourse for consumers who claim to have been harmed by contractor misconduct.

The overwhelming majority of California's more than 280,000 licensed contractors voluntarily comply with the state's licensing requirements and regulations. However, with a resurgent economy and increased construction activity, the number of complaints filed against California contractors increased in 2017, as compared to the previous year. Enforcement division staff effectively kept pace with the increased volume of complaints. The division closed 33 more complaints in 2017 than in the prior year.

COMPLAINT STATISTICS	2016	2017	% CHANGE
Complaints Received	18,261	19,799	+8%
Complaints Closed (may include prior years)	19,991	20,024	+0.2%

The Board's goal is to appropriately disposition all but 100 of the more than 3,500 open complaints within 270 days of receipt. By the end of 2017, the division had reduced the number of active investigations exceeding 270 days to 78.

Division staff attempt to promptly resolve non-egregious complaints against licensed contractors through mediation. In 2017, CSLB increased the number of complaints mediated within the target 90-day cycle time from 67 to 72 percent, efforts that resulted in more than \$19 million in restitution to injured parties—a \$1 million increase from 2016. Complaints that cannot be mediated, or that appear to involve significant violations of law, may be referred for formal investigation. In 2017, CSLB formal investigations resulted in 4,746 legal actions brought against violators, including 2,147 cases that were referred for the prosecution of criminal charges.

## Criminal Investigations

The Enforcement division’s investigations continue to focus on egregious offenders with histories of elder abuse, predatory business practices, other criminal acts, and/or unsafe working conditions.

### 10 Years in Prison for Predatory “Dr. Drain”



The misconduct of contractor Albert Solano ended in 2017. Solano paid a licensee to serve as his responsible managing officer (RMO) and

went into business as “Dr. Drain Sewer Repair” in Ventura County. He advertised that he would unclog any drain for \$49.95, and senior citizens were offered a 20 percent discount. However, Solano and his crew frequently found major “problems” that would cost thousands of dollars to repair. Using phony video footage, Solano sometimes showed customers “collapsed” sewer lines that needed complete replacement. On at least two occasions, he and his crew intentionally damaged pipes and then showed the now-leaking pipes to customers. Solano assured his customers (many of whom were elderly) that he would facilitate reimbursement from their homeowners’ insurance—but that

he needed payment up front to start the repairs. When insurance coverage did not come through and a customer balked at payment, Solano would file a mechanic’s lien and/or lawsuit against the homeowner.

CSLB eventually investigated 16 separate complaints against Dr. Drain, and industry experts determined that Solano’s repairs were usually unnecessary, fraudulently obtained, and poorly executed. CSLB revoked the license of Solano and his RMO-for-hire in 2014; and in May 2016, the Ventura County District Attorney charged Solano with over 70 felony counts, including grand theft, elder abuse, residential burglary, and contracting without a license. Solano was held on \$1,000,000 bail and faced a possible prison sentence of 66 years. In January 2017, Solano pled guilty to 31 felony counts and accepted a 10-year sentence in state prison.





### CSLB's "Most Wanted" Sentenced to Five Years in State Prison

Adan Rivas—one of CSLB's "Most Wanted" contractors—reported to



San Quentin state prison on November 1, 2017, to begin serving a lengthy prison sentence. Rivas was added to CSLB's

Most Wanted list in 2015, for victimizing consumers in Contra Costa County. Rivas and his sisters solicited landscaping work in affluent neighborhoods, often targeting elderly homeowners, collecting hefty down payments and money for materials but would then abandon the jobs after doing little or no work. With the Contra Costa District Attorney closing in, Rivas moved his criminal operations to Santa Clara County under a different name. CSLB's Special Investigations Unit handled the investigation and the Santa Clara District Attorney's Office filed a felony complaint against Rivas for 25 counts of financial elder abuse, grand theft, larceny, unlicensed contracting, and failure to provide workers' compensation insurance. Rivas was arrested in Medford, Oregon, and extradited to Santa Clara County. On September 15, 2017, he pled guilty to eight of the 25 counts against him, and

was sentenced to five years and eight months in state prison.

### Guilty Pleas and Over \$700,000 Restitution in GreenworksUS Walk-In Tub Case



A milestone was reached in 2017, in CSLB's long-running investigation into GreenworksUS, a sales and walk-in tub installation business, with guilty pleas entered by two of the principals. The numerous allegations against GreenworksUS included fraud, poor workmanship, elder

abuse, unregistered salespeople, strong-arm sales tactics, bogus warranties, and misrepresentations regarding the sales and installation of "Safeguard Tubs." The tubs were marketed to the elderly and disabled, and installed by untrained, unlicensed contractors, with no permits or inspections.

In February 2016, suspects Raj Suri, Tori Suri (his daughter), and a paid responsible managing officer were arrested and charged by the Riverside County District Attorney with 76 felony counts each, with 36 enhancements. In



February 2017, Raj Suri pled guilty to six counts of felony elder abuse, two counts of grand theft, fraud, and burglary. He was sentenced to nine years in state prison; however, he will be granted five years' probation if he complies with the extensive conditions and restitution terms of his agreement. Tori Suri entered a guilty plea for the misuse of another's contractor license, and was sentenced to three years' probation. The court ordered \$506,750 restitution to the 108 named victims, with an additional \$30,000 paid to a Special Master for distribution of these funds. In addition, the court awarded \$156,756 in restitution to the Board of Equalization, and \$20,000 to CSLB for investigative costs.

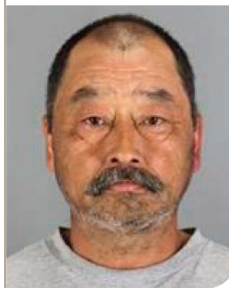
**Unlicensed + Elder Abuse = Two Years' State Prison**

Beginning in June 2014, CSLB investigated five complaints against non-licensed contractor Eddie John Luna, operating in the Bakersfield area as J & J Handyman and Tree Trimming. During a two-year period, Luna entered into contracts with five different homeowners to build pools, walkways, fences, concrete slabs, a new guest house, an outdoor barbeque, and a new living room. These contracts totaled \$90,700. Luna gained the confidence and trust of his

victims by pretending to be a Christian pastor, and gathered \$31,850 in his "collection plate" before abandoning all five jobs; the little work Luna did complete was of very poor quality.

In June 2017, the Kern County District Attorney's office filed charges against Luna for grand theft, theft by false pretenses, elder abuse, and contracting without a license. On August 4, 2017, he pled guilty to two felony counts of grand theft and elder abuse. Luna was sentenced to two years in state prison, two years on probation, and restitution of \$18,700.

**Unlicensed Contractor Convicted of Grand Theft**



When a San Francisco couple hired contractor Patrick Otsuki to renovate their two-unit residence, they believed the license number shown

in his advertising and on his invoices was valid. Although the homeowners planned an extensive renovation, Otsuki did not prepare a written proposal, and submitted confusing and misleading invoices as the work progressed, often requiring payment in advance. After paying Otsuki over \$110,000 during an 18-month period, the homeowners began



to question the validity of the invoices and the use of funds. They also learned that Otsuki was unlicensed. After a CSLB investigation, the San Francisco District Attorney's office charged Otsuki with three felonies (grand theft by false pretenses, diversion of funds, and fraudulent use

of a license), and two misdemeanors (contracting without a license and illegal advertising). On March 21, 2017, Otsuki pled guilty to contracting without a license and grand theft, and was later sentenced to one year in county jail, five years' probation, and payment of \$110,000 in restitution.

## Case Management Unit

Case Management consists of three main sections: Citation Enforcement, Enforcement Services, and Disciplinary Services.

### Citation Enforcement Section—More than \$1.9 Million in Civil Penalties Collected

When a CSLB complaint investigation establishes that a serious violation has occurred, the Registrar of Contractors may issue an administrative citation against a license. The citation can include an order to make restitution to an injured party, and/or pay a civil penalty of up to \$5,000 for a violation by a licensee. Unlicensed contractors may be ordered to pay a civil penalty of up to \$15,000.

In 2017, CSLB issued 1,183 citations to licensees and 804 citations to non-licensed contractors. As a result, CSLB collected \$1,909,874 in civil penalties, and an additional \$788,692 in restitution was paid to injured parties.

If a licensee complies with a citation order, CSLB takes no further action. If a licensee contests the citation, he or she may present their case at a formal hearing before an administrative law judge. If the licensee does not prevail at the hearing and fails to comply with a final order, CSLB may suspend and then revoke the license. In 2017, CSLB revoked the license of 232 citation recipients for non-compliance.

### Mandatory Settlement Conferences—More than \$1 Million Saved in Legal Costs

To reduce the legal expenses of a formal hearing for both licensees and CSLB, staff conducts in-house mandatory settlement conferences (MSCs), presided over by an administrative law judge. MSCs are designed to resolve administrative disciplinary actions promptly and equitably, without incurring the cost of a formal hearing. The



conferences have proven very effective in resolving citations and making injured consumers whole, while reducing CSLB’s legal expenses. In 2017, 211 citations were resolved by means of an MSC, and CSLB saved an estimated \$1,055,000 in Attorney General costs.

**Enforcement Services Section**

**Arbitration Program – \$3.1 Million in Restitution**

The Enforcement Services Section (ESS) oversees two arbitration programs for CSLB. Disputes between licensed contractors and complainants involving amounts up to \$15,000 are eligible for a Mandatory Arbitration Program, while disputes involving amounts between \$15,000 and \$50,000 can be referred to the Voluntary Arbitration Program. Arbitration provides a cost-effective, more expeditious alternative to formal administrative hearings. While ESS manages both programs, CSLB contracts with a private firm, the Arbitration Mediation Conciliation Center (AMCC), to provide the arbitration services.

Though the number of cases referred to arbitration has more than doubled in the past few years, in 2017, ESS reported a 3.2 percent decrease in the number of cases referred to arbitration. Despite this small decrease, however, the program’s savings to the public rose 20 percent from 2016, to over \$3.1 million. AMCC maintained an average cycle time of 48 days from the case referral date to the decision date.

2017 ARBITRATION PROGRAM	Cases/Restitution	Percentage Increase/Decrease from 2016
Complaints Referred to Arbitration	759	- 3.2%
Decisions Received	567	- 3.1%
Restitution Ordered to Public	\$3,150,804	+ 19.6%
Licenses Revoked for Non-Compliance	105	+ 85.7%

The Arbitration Mediation Conciliation Center monitors user satisfaction with the arbitration program through surveys sent to participants, who have consistently been pleased with their experience. During 2017, arbitration participants rated AMCC’s professionalism and overall arbitration service as 4.9 on a scale of 5.

**Subsequent Arrest and Conviction Unit**

As required by statute, the California Department of Justice notifies CSLB whenever licensees or those registered with CSLB are arrested or convicted of a criminal offense. These cases are forwarded to the Subsequent Arrest and Conviction Unit (SACU) within the Enforcement Services Section. SACU staff investigate each



reported case to determine the appropriateness of CSLB administrative action for criminal activity related to the qualifications, duties, and responsibilities of a contractor. SACU's investigation may result in a citation being issued, or a request that an accusation be filed with the Attorney General's office to suspend or revoke the license.

SACU STATISTICS	2015	2016	2017
Criminal Convictions Investigated	1,358	1,159	1,063
Cases Referred for Accusation	109	183	119
Cases Referred for Citation	211	176	163
Advisory Notice Letters Issued	801	620	612

### Disciplinary Services Section

For serious violations of law, CSLB can take administrative action by filing an accusation with the Attorney General's office to suspend or revoke the offender's license. CSLB's Disciplinary Services Section (DSS) handles these cases, and their investigations may result in one or more of the following actions:

- Revocation of the license
- Probation (stay of suspension or revocation)
- Restitution order for a financially-injured homeowner
- Recovery of an investigation and enforcement costs
- Dismissal of case

In 2017, DSS reported an 18 percent increase from the prior year in the dollar amount of cost recovery paid to CSLB. Additionally, financial restitution paid to the public was 50 percent higher than the previous year.

DSS ADMINISTRATIVE ACTIONS	2016	2017
Accusations Filed	311	536
Licenses Revoked via Accusation Process	331	399
Cost Recovery Paid to CSLB	\$347,988	\$403,300
Restitution to Public	\$399,524	\$597,277



## Targeted Enforcement Programs

### Solar Industry Enforcement

The California Solar Energy Industries Association (CAL-SEIA) reports that their members now install an average of 12,000 residential solar panel systems per month. The vast majority of solar contractors perform good work, and most consumers are pleased with their new solar systems. However, as solar installations have become more popular over the last few years, CSLB has seen an increase in the number of solar-related consumer complaints.

In 2017, CSLB assigned a dedicated supervisor to oversee and coordinate the enforcement efforts of the Solar Task Force, which is comprised of seven staff members. The task force has focused on identifying and addressing those business models that have led to an increase in consumer complaints as they relate to solar panel system installation, including solar leases, Power Purchase Agreements (PPA), and systems purchased with Property Assessed Clean Energy (PACE) financing.

In addition to working with the Public Utility Commission (PUC) regarding issues surrounding PPAs, CSLB hosted two informational roundtables at Sacramento headquarters in 2017, to develop strategies to address consumer complaints related to leases, PPAs, and PACE-funded contracts.

- In March, members of CAL-SEIA and representatives from the major PACE financing providers came together to discuss how a partnership could improve consumer education and reduce consumer complaints against the solar industry.
- In September, representatives from CAL-SEIA, the electrical and roofing industries, the California Building Industry Association (CBIA), the California Energy Commission, and the Department of Toxic Substance Control met to discuss trends in the ever-changing solar industry and strategies for staying ahead of issues that may arise in the future.

In 2017, the Enforcement division closed 680 solar-related complaints (including some complaints that were received in prior years). Of these, 227 cases were settled, and \$843,975 in restitution awarded to injured persons. In 2017, solar investigations led to 113 legal actions—a 57 percent increase from 2016—including 12 cases referred for criminal prosecution.



*CSLB-sponsored meeting of stakeholders to discuss solar trends, September 2017.*



### **Building Permit Enforcement**

As part of its consumer protection mandate, CSLB remains committed to ensuring that contractors comply with all applicable local building permit requirements, the circumvention of which can result in substandard construction that jeopardizes public safety.

CSLB's simplified building permit violation referral form is helping to encourage public reports of suspected permit violations. In 2017, 302 permit complaints filed using the referral form were investigated by CSLB. A total of 169 administrative citations were issued by CSLB in 2017, for failure to comply with permit requirements.

### **Workers' Compensation Insurance Enforcement**

Contractors who employ workers are required to have a valid workers' compensation (WC) insurance policy to ensure that employees are properly protected in case of accident or injury. Those contractors without employees must file with CSLB a request for exemption from the requirement to carry WC insurance.

CSLB enforces these requirements through sweeps in the field and formal complaint investigations. Contractors found at active construction sites who are not in compliance with WC requirements may be issued a "Stop Order," which prohibits him or her from performing any additional work with employees until a valid WC policy is obtained. In 2017, CSLB issued 667 Stop Orders. CSLB investigators may also issue administrative citations to uninsured contractors who have filed a false claim of exemption from WC insurance requirements.

Enforcement staff also review incoming complaints for possible violations of WC requirements. If a contractor is in violation of WC requirements, staff can initiate suspension of the license to enforce compliance. During 2017, these efforts led to 155 contractors obtaining new WC policies, and the cancellation of 455 false WC exemptions—a respective eight percent and 20 percent increase from 2016.

To more accurately assess the issue of WC avoidance through the filing of false exemptions, the Enforcement division conducted a Workers' Compensation Pilot Program in 2017. For this program, CSLB contacted a sample of contractors in four targeted classifications that perform outdoor construction likely to require multiple workers: C-8 (Concrete), C-12 (Earthwork/Paving), C-27 (Landscaping), and D-49 (Tree Trimming). The survey determined that an alarming 59 percent of these contractors had false workers' compensation exemptions on file with CSLB.



LICENSE CLASSIFICATION	Number of Entities	Number with WC Exemption	Successfully Contacted	Confirmed Employees	Ads with Workers	Prior WC Violations
C-8 (Concrete)	252	118	41	25	7	2
C-12 (Earthwork/Paving)	46	26	12	2	1	--
C-27 (Landscaping)	512	238	49	30	8	1
D-49 (Tree Trimming)	107	41	19	14	--	--

To address this issue, the Board established a two-person advisory committee comprised of members Ed Lang and Kevin Albanese to develop strategies to address WC insurance avoidance. The advisory committee and CSLB staff will collaborate with other state agencies, including the Employment Development Department, the California Occupational Safety and Health Administration (Cal/OSHA), the Division of Labor Standards Enforcement, the California Department of Insurance, and the State Compensation Insurance Fund.

## Proactive Enforcement

### Statewide Investigative Fraud Team

CSLB utilizes its Statewide Investigative Fraud Team (SWIFT) as the primary tool for proactive enforcement of contractors’ state license law. SWIFT investigators—in partnership with the construction industry, law enforcement agencies, and allied state agencies—target the underground economy through random inspection “sweeps” in the field and undercover “sting” operations at staged construction sites. Additionally, SWIFT investigators respond to leads from consumers, licensed contractors, and other agencies. In 2017, SWIFT conducted 76 sting operations, participated in 320 sweep days, and responded to 1,437 leads.

In addition to taking administrative action, SWIFT often refers cases to local prosecutors for criminal prosecution. In 2017, SWIFT investigations resulted in 1,848 legal actions, of which 1,075 were referred to prosecutors for criminal prosecution—a 22 percent increase over the previous year.





2017 SWIFT ADMINISTRATIVE LEGAL ACTIONS AND CRIMINAL REFERRALS	
CATEGORY	RESULT
Legal Actions	1,848
Initial Citation Assessment	\$700,250
Stop Orders Issued for Workers' Compensation Violations	667
Licensee Criminal Referrals	170
Non-Licensee Criminal Referrals	905

### Undercover Sting Operations

Undercover stings continue to be an effective method to identify and prosecute persons acting in the capacity of a contractor without a license and those who commit other significant violations of contractors' state license law. CSLB investigators partner with local law enforcement to pose as homeowners or business owners seeking bids for home or commercial property improvements. Suspects are issued Notices to Appear (NTAs) in superior court for alleged violations of sections of the Business and Professions Code (BPC) that include:

- Contracting without a license (BPC section 7028)
- Illegal advertising (BPC section 7027.1)
- Requiring an excessive down payment (BPC section 7159.5)
- Failure to maintain workers' compensation insurance (BPC section 7125.4 and Labor Code section 3700.5)

In 2017, SWIFT sting operations led to the issuance of NTAs to 570 individuals for misdemeanor violations of the Business and Professions Code.

### Nationally Coordinated Sting Operation

Between June 7, 2017 and June 22, 2017, SWIFT investigators participated in a nationwide enforcement effort to stop unlicensed contractors. The National Association of State Contractors Licensing Agencies (NASCLA) coordinated the campaign, which was undertaken to heighten consumer awareness about the value of hiring licensed contractors and the risks of using those who are not licensed.

Over this two-week period, SWIFT conducted six undercover stings and 14 sweeps of active construction sites in 11 counties throughout California. One hundred suspected unlicensed contractors either received an administrative citation or were referred for criminal investigation. The operation also led to the issuance of seven administrative citations and 31 Stop Orders.



### Sweeps/Leads

SWIFT regularly receives information about active, unlicensed, or illegal construction activity from licensees, the public, and allied state agencies that can lead to a construction site inspection. In pursuing these leads, SWIFT investigators will sweep the surrounding area for other active projects and conduct additional compliance inspections.

2017 SWIFT SWEEP AND LEAD RESULTS	
CATEGORY	RESULT
Compliance Sweep Days	320
Legal Actions Resulting from a Sweep Compliance Check	390
Leads Received	1,437
Legal Actions Resulting from a Lead	340

### Joint Enforcement Strike Force—\$23 Million to Allied State Agencies

The Joint Enforcement Strike Force (JESF) is tasked with sharing information and resources to combat the underground economy. Partner agencies include CSLB, the Franchise Tax Board (FTB), Employment Development Department (EDD), Division of Labor Standards Enforcement (DLSE), and Division of Occupational Safety and Health (DOSH). JESF’s primary focus is to pursue criminal charges for license, tax withholding, and workers’ compensation insurance violations. In 2017, JESF enforcement activities resulted in the suspension of 110 contractor licenses for outstanding tax and penalty liabilities totaling more than \$44 million. CSLB’s license suspension program resulted in the payment of more than \$23 million to allied state agencies.

2017 JESF-RELATED OUTSTANDING LIABILITIES		
AGENCY	LIABILITY SUSPENSION	PENALTY RECOVERED
EDD	\$28,713,272	\$14,000,400
DOSH	\$637,352	\$445,698
DLSE	\$1,827,239	\$1,639,923
FTB	\$12,928,379	\$7,141,353
<b>TOTAL</b>	<b>\$44,106,241</b>	<b>\$23,227,373</b>



### Labor Enforcement Task Force

Established in 2012, the Labor Enforcement Task Force (LETF) combats the underground economy in California and strives to create an environment where legitimate businesses can thrive. Partner agencies include CSLB, EDD, DLSE, and DOSH. The task force aims to:

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

LETF members conduct sweeps at active job sites to verify employee wages, and compliance with licensing, insurance, tax, and job safety requirements. Inspections conducted by LETF at construction sites in 2017, found 90 percent of contractors out of compliance with one or more contractors' state license law requirements.

2017 LETF JOINT INSPECTIONS	
CATEGORY	RESULT
Number of Contractors Inspected	280
Number of Contractors Out of Compliance	251
Percent of Contractors Out of Compliance	90%
Total Initial Assessments	\$1,862,658
Inspections that Resulted in CSLB Investigations	108
CSLB-Issued Stop Orders	52
DLSE – Number of Deduction Statement Violations (Labor Code §226)	194
Cal/OSHA Serious Violations	184



## Employee Training

Since its creation in 2012, the Enforcement division’s in-house training program has continuously evolved to help CSLB staff develop their skills, knowledge, and expertise. All courses are supervised by the division’s training coordinator, and often utilize subject matter experts from within and outside CSLB.

During 2017, the division offered two sessions of its entry-level Enforcement Academy jointly taught by the division training coordinator and a deputy attorney general, which provides a week of intensive instruction for newly-appointed Enforcement Representatives and support staff. An additional series of Safety and Security Training classes, centered on potential threats to employee safety, were also offered to CSLB employees throughout the state. This course teaches employees how to be alert and safe, and how to react in the unlikely event of an active-shooter incident.

For incumbent staff, the Enforcement division also offered several specialized classes:

- In cooperation with the Personnel unit, the division presented an additional session of CSLB’s Career Advancement course. Created in 2016, with the encouragement and assistance of Board Member Marlo Richardson, this class is designed to encourage and enable the upward mobility of incumbent staff.



*Graduates of the November 2017 Enforcement Academy in Sacramento pose with Board Member Ed Lang, CSLB Trainer Doug Galbraith, Deputy Attorney General Mike Franklin, and CSLB Management*



- Specialized training for conducting enforcement stings and sweeps was offered to investigators in all three Statewide Investigate Fraud Team units. This training included both lectures and field exercises and was presented with the assistance of staff from local district attorneys' offices.
- A new investigative procedures course was presented to peace officers in CSLB's Special Investigations Unit.

The courses offered through the Enforcement division's training program continue to receive outstanding reviews from attending students. More important, the program has elevated the overall skill and confidence of CSLB Enforcement staff, enabling them to perform their jobs more effectively, efficiently, and professionally.



State of California  
Department of Consumer Affairs  
Contractors State License Board

# LEGISLATIVE



CSLB's Legislative division sponsors legislation and screens all bills introduced by the Legislature to determine if they will effect the Board, consumer protection, or the construction industry. The division engages continuously in the regulatory and legislative processes to influence rulemaking and legislation relevant to the board.

In June 2015, an apartment balcony collapsed in Berkeley, resulted in six deaths. Later investigation found that rotting wood from water penetration caused the balcony failure. Consumer protection concerns arose after it was learned that the licensed contractor responsible for the construction of the balcony had a significant civil litigation history involving water penetration of its structures.

**Senate Bill 465 (Hill), Chapter 372, Statutes of 2016** was authored to require that CSLB, by January 1, 2018, conduct a study of judgments, arbitration awards and settlements resulting from claims of construction defects in residential rental units. In December 2017, CSLB submitted its study to the Legislature, and concluded that requiring licensees to submit records of construction defects to CSLB could enhance consumer protection. The report represents months of research by staff, who reviewed hundreds of court records and survey responses from more than 6,000 stakeholders, including licensees, consumers, and insurers.

## Development and Coordination of CSLB Sponsored Legislation

---

The following legislative bills, sponsored by CSLB and signed into law (chaptered) in 2017 by Governor Edmund G. Brown Jr., will affect CSLB operations.

### **Senate Bill 486 (Monning), Chapter 308, Statutes of 2017**

This bill authorizes CSLB to issue a letter of admonishment to licensees in lieu of an administrative citation for less egregious offenses and provides that letters of admonishment can be publicly disclosed for one year. CSLB pursued this legislation after it was determined that in certain circumstances a letter of admonishment, which also includes a corrective plan for the contractor, would allow CSLB to more effectively and efficiently address less egregious offenses.

### **Senate Bill 800 (Business, Professions, and Economic Development) Chapter 573, Statutes of 2017**

This bill removed a provision of contractors' state license law on the books since 2010, which allowed a contractor license number to be sold in an "asset sale." The provision was an error, as a license cannot be acquired in an asset sale. The bill also corrected typographical errors and omissions in the language relating to federal ID numbers in Section 7145.5 subparagraph (c). CSLB regularly reviews existing laws and regulations to ensure they remain relevant to other areas of law or developments in the industry.

## **Other Legislation Affecting CSLB Operations**

---

The following chaptered legislation directly affects or involves the board. Although not sponsored by CSLB, in many cases CSLB worked closely with the authors and sponsors of these bills to offer information and expertise. The bills are effective January 1, 2018, unless otherwise noted.

### **Senate Bill 242 (Skinner), Chapter 484, Statutes of 2017**

This bill, applicable to residential properties with four or fewer units, makes certain requirements of Properly Assessed Clean Energy (PACE) administrators with respect to information orally provided to a consumer prior to executing a contract. The bill will be relevant to the enforcement case of any licensee alleged to have violated its provisions.

### **Assembly Bill 1070 (Gonzalez Fletcher), Chapter 662, Statutes of 2017**

This bill requires CSLB to make a "solar energy system disclosure document" available for consumers by July 1, 2018, and to compile an annual report, beginning July 1, 2019, documenting consumer complaints against solar contractors. CSLB is working with the California Public Utilities Commission to author the document in a way that maximizes the consumer protection and educational intent of the document.





**Assembly Bill 1278 (Low), Chapter 506, Statutes of 2017**

This bill provides that when a licensee is subject to an unsatisfied final judgment the individuals on the license are prohibited from working for another license. It further extends the prohibition to those who worked for a licensee during the time the activities took place on which the judgment was based. This change will prevent a member of personnel disassociating from a license prior to CSLB's discovering an unsatisfied judgment to circumvent CSLB's judgment suspension program.

**Assembly Bill 1284 (Dababneh), Chapter 475, Statutes of 2017**

This bill requires that PACE administrators be licensed under the California Financing Law (effective January 1, 2019), and that program administrators meet certain requirements before PACE assessment contracts can be funded and recorded by a public agency (effective April 1, 2018).



State of California  
Department of Consumer Affairs  
Contractors State License Board

# PUBLIC AFFAIRS

CSLB's Public Affairs Office (PAO) manages news media, industry, licensee, consumer, and employee relations. PAO provides a wide range of services, including proactive public relations; media relations; community outreach, including Senior Scam Stopper<sup>SM</sup> and Consumer Scam Stopper<sup>SM</sup> seminars, special events, and speeches to service groups and organizations; publication and newsletter development and distribution; video services; website support; contractor education and outreach; and support for employee events.

During 2017, CSLB's Public Affairs Office:

- Distributed 41 news releases
- Distributed 10 industry bulletins
- Organized, conducted, or participated in six media events
- Fielded 201 media inquiries and requests for interviews
- Produced 13 live Board and Committee meeting webcasts
- Organized and conducted 148 Senior Scam Stopper<sup>SM</sup> and Consumer Scam Stopper<sup>SM</sup> seminars, speeches, presentations, or outreach events
- Produced 20 publications, including meeting packets, reports, and the approximately 1,160-page 2017 *California Contractors License Law & Reference Book*

## Publications

---

During 2017, PAO completed production of 20 publications:

- 2016 Accomplishments and Activities Report
- 2017 *California Contractors License Law & Reference Book*
- Asbestos: A Contractor's Guide and Open Book Exam
- Mandatory Arbitration Program Guide
- Voluntary Arbitration Program Guide

- Building a Career as a Licensed Contractor Brochure
- What is a Stop Order? Brochure
- What Seniors Should Know Before Hiring a Contractor Brochure
- Consumer Guide to Filing Construction Complaints Brochure
- Tips for Hiring a Roofing Contractor Brochure
- Choosing the Right Landscaper Brochure
- February 10, 2017 Licensing Committee and Enforcement Committee Meeting Packet
- February 17, 2017 Legislative Committee and Public Affairs Committee Meeting Packet
- March 13-14, 2017 Board Meeting Packet
- May 19, 2017 Legislative Committee Meeting Packet
- June 15-16, 2017 Board Meeting Packet
- September 29, 2017 Board Meeting Packet
- November 3, 2017 Enforcement Committee and Licensing Committee Meeting Packet
- November 8, 2017 Legislative Committee Meeting Packet
- December 7, 2017 Board Meeting Packet

PAO also created copy for a brochure produced by the National Association of State Contractors Licensing Agencies (NASCLA) ad hoc Solar Energy Committee targeted at homeowners considering the installation of a solar energy system.

## New Website Feature

---

### Solar Smart

On March 30, 2017, CSLB launched a new educational page on its website. The “Solar Smart” page ([www.cslb.ca.gov/Consumer/Solar\\_Smart](http://www.cslb.ca.gov/Consumer/Solar_Smart)) provides consumers with valuable information to help them determine if solar is a good option, as well as a breakdown of the pros and cons of various purchasing and leasing programs. The page also links consumers to additional information from other state and federal regulatory agencies. In 2017, the page was viewed 2,995 times.



## CSLB Live Web Events

During 2017, CSLB produced 13 webcasts:

- February 10, 2017                      Licensing Committee Meeting in Sacramento
- February 10, 2017                      Enforcement Committee Meeting in Sacramento
- February 17, 2017                      Legislative Committee Meeting in Sacramento
- February 17, 2017                      Public Affairs Committee Meeting in Sacramento
- March 13, 2017                          Quarterly Board Meeting in Sacramento, Day 1
- May 19, 2017                              Legislative Committee Meeting in Sacramento
- June 15, 2017                              Quarterly Board Meeting in Garden Grove, Day 1
- June 16, 2017                              Quarterly Board Meeting in Garden Grove, Day 2
- September 29, 2017                      Quarterly Board Meeting in Monterey
- November 3, 2017                        Enforcement Committee Meeting in Sacramento
- November 3, 2017                        Licensing Committee Meeting in Sacramento
- November 8, 2017                        Legislative Committee Meeting in Sacramento
- December 7, 2017                        Quarterly Board Meeting in Brisbane

## Social Media

PAO continued to expand its use of social media as an outreach tool during 2017. Utilizing social media channels allows CSLB to better interact with licensees, the news media, and other stakeholders.

In addition to Facebook, Twitter, YouTube, Flickr, LinkedIn, and Instagram, on October 30, 2017, CSLB became just the second state agency (after the Governor's Office of Emergency Services) to partner with NextDoor, a private social networking service for neighborhoods that serves as a source of local information. NextDoor allows CSLB to target outreach messages to specific neighborhoods, based upon their zip code, and has facilitated getting important consumer protection information to people in declared disaster areas throughout California.



### Social Media Highlights

- **Facebook**—3,350 followers; an increase of 361 from 2016
- **Twitter**—2,420 followers; an increase of 243 from 2016
- **YouTube**— 14 videos produced in 2017; 118 total videos produced; 31,323 video views in 2017; 426,335 total views; 143,520 minutes watched in 2017; 1,296,504 total minutes watched
- **Flickr**—26 photos posted/shared in 2017; 276 total photos shared
- **LinkedIn**— 117 followers, an increase of 50 from 2016
- **Instagram**— 109 followers, an increase of 79 since account launched in August 2016

CSLB streamed 10 Facebook Live videos in 2017, which received a combined 6,861 views. All videos posted on CSLB’s Facebook page (including live videos and uploaded videos) received 15.7K views, a 518 percent increase from 2016.

TOP 10 CSLB YOUTUBE VIDEOS OF 2017	
Video	Total Minutes Watched
1. Vallejo Undercover Sting Operation	23,486
2. Truckee Undercover Sting Operation	20,096
3. San Rafael Undercover Sting Operation	11,893
4. Quarterly Board Meeting, March 13, 2017	8,220
5. 2015 Spring California Blitz	5,912
6. Enforcement/Licensing Committee Meetings, November 3, 2017	5,073
7. Quarterly Board Meeting, December 7, 2017	4,973
8. Quarterly Board Meeting, June 15, 2017	4,873
9. CSLB Enforcement Operations	3,863
10. Licensing/Enforcement Committee Meetings, February 10, 2017	3,563



## Email Alerts

In 2017, CSLB added a new email subscription option (CSLB Surveys) for the public and expanded its database of email addresses to more than 28,000 for six categories of email alerts. As of December 31, 2017, 28,153 Email Alert subscriptions were activated—an increase of 1,872 since 2016.

2017 EMAIL SUBSCRIBERS	
Category	Subscriptions
California Licensed Contractor Newsletters	7,986
Industry Bulletins	7,627
News Releases / Consumer Alerts	6,656
CSLB Meeting Announcements	4,625
CSLB Surveys	837
CSLB Job Openings	422
<b>TOTAL</b>	<b>28,153</b>

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This licensee list currently consists of 146,368 active email addresses, which brings the combined email database to more than 174,500 email addresses.

## CSLB-Involved Media Events

- **February 2, 2017 – Los Angeles**

PAO participated in a news conference held by Los Angeles City Attorney Mike Feuer to warn homeowners about falling victim to roofing scams after damaging rainstorms hit southern California. More than a dozen news outlets, including many foreign language media, were present at the news conference.

- **February 24, 2017 – San Jose**

PAO participated in an outreach event sponsored by San Francisco-based KGO-TV to provide information to victims of flooding in San Jose, as well as to homeowners who may have suffered other types of damage as a result of severe storms in January and February 2017.



- **July 14, 2017 – Oroville, Butte County**

CSLB staff placed warning signs about unlicensed contracting throughout an area ravaged by the Wall Fire; media accompanied staff during the operation.

- **October 13, 2017 – Anaheim Hills, Orange County**

CSLB staff teamed with the Orange County District Attorney's Office and California Department of Insurance to sweep through the Canyon 2 Fire zone to provide educational material to consumers and to look for suspected unlicensed contracting activity. Staff met with fire survivors and placed warning signs about unlicensed contracting throughout the fire area; media accompanied staff during the operation.

- **October 17, 2017 – Santa Rosa, Sonoma County**

CSLB staff teamed with local district attorney offices and the California Department of Insurance to sweep through the Tubbs Fire zone to provide educational material to consumers and to look for suspected unlicensed contracting activity. Staff met with fire survivors and placed warning signs about unlicensed contracting throughout the fire area; media accompanied staff during the operation.

- **December 14, 2017 – Vista, San Diego County**

PAO partnered with the California Department of Insurance and San Diego County District Attorney's Office to conduct a news conference to warn survivors of the Lilac Fire about the risks they face from unlicensed or unscrupulous contractors. The District Attorney's Office produced video of the sweep and sign posting operation.

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

In 1999, PAO created CSLB's Senior Scam Stopper<sup>SM</sup> (SSS) program to inform, empower, and educate senior consumers at the local level about unlicensed or unscrupulous contractors.

Seminars are coordinated with legislative offices and feature presentations by a panel of experts from local, state, and federal agencies, and community-based organizations; distribution of consumer publications; and spirited question-and-answer sessions.



*600<sup>th</sup> Senior Scam Stopper<sup>SM</sup> Seminar,  
June 2017, in Fremont*





In 2017, PAO staff coordinated and facilitated 93 Senior Scam Stopper<sup>SM</sup> seminars. Fifteen were conducted in English and Spanish, one in Korean, and one in English, Spanish, and Chinese. Average attendance was 62; the 600th Senior Scam Stopper was held June 16, 2017, in Fremont.

Sixty-one SSS seminars were held in Southern California; 22 in Northern California; and 10 in the Central region of the state.

### 2017 Senior Scam Stopper<sup>SM</sup> Seminars:

DATE	LOCATION	LEGISLATOR(S)
February 10, 2017	Port Hueneme	Asm. Jacqui Irwin
February 17, 2017	Laguna Beach	Asm. Matthew Harper
February 22, 2017	Pittsburg	Asm. Jim Frazier
February 23, 2017	Vacaville	Asm. Jim Frazier
February 24, 2017	Sacramento	Asm. Jim Cooper
February 28, 2017	San Diego	Rep. Scott Peters
March 3, 2017	Santa Ana	Asm. Tom Daly
March 9, 2017	Lakewood	Sen. Tony Mendoza
March 10, 2017	Mission Viejo	Sen. Pat Bates Asm. Bill Brough
March 17, 2017	Seal Beach	Asm. Travis Allen
March 22, 2017	Claremont	Asm. Chris Holden
March 23, 2017	Fresno	Fresno Co. Supv. Andreas Borgeas
March 24, 2017	Anaheim	Asm. Tom Daly
March 29, 2017	Clovis	Millennium Housing
April 7, 2017	Roseville	Sen. Jim Nielsen Asm. Kevin Kiley
April 11, 2017	Citrus Heights	Rep. Ami Bera
April 13, 2017	Van Nuys	Asm. Adrin Nazarian
April 18, 2017	San Diego	Rep. Scott Peters
April 28, 2017	San Jose	Sen. Jim Beall Asm. Evan Low Santa Clara Co. Supv. Rocha
May 5, 2017	Clovis	Asm. Jim Patterson
May 11, 2017	Union City	Sen. Bob Wieckowski Asm. Bill Quirk Asm. Kansan Chu
May 12, 2017	Pacifica	Asm. Kevin Mullin
May 18, 2017	Brentwood	Asm. Jim Frazier
May 19, 2017	Santee	Sen. Joel Anderson



DATE	LOCATION	LEGISLATOR(S)
May 25, 2017	Lynwood	Sen. Ricardo Lara
May 31, 2017 AM	Mission Hills	Asm. Raul Bocanegra
May 31, 2017 PM	Pacoima	Asm. Raul Bocanegra
June 1, 2017	Sylmar	Asm. Raul Bocanegra
June 15, 2017	Castro Valley	Sen. Bob Wieckowski Asm. Bill Quirk
June 16, 2017	Fremont	Sen. Bob Wieckowski Asm. Bill Quirk Asm. Kansen Chu
June 20, 2017	Riverside	Asm. Sabrina Cervantes
June 22, 2017	Chula Vista	Sen. Ben Hueso
June 23, 2017	Victorville	Asm. Jay Obernolte
June 26, 2017	Norco	Asm. Sabrina Cervantes
June 27, 2017	La Mirada	Rep. Linda Sanchez
June 30, 2017	Jurupa Valley	Asm. Sabrina Cervantes
July 7, 2017	Irvine	Asm. Steven Choi
July 18, 2017	Barstow	Barstow Senior Center
July 20, 2017	Santa Fe Springs	Rep. Linda Sanchez
July 21, 2017	San Bernardino	Asm. Eloise Gomez Reyes
July 24, 2017	Chino Hills	Sen. Josh Newman
July 25, 2017	Anaheim	Sen. Josh Newman
July 26, 2017	San Marcos	Sen. Joel Anderson
July 27, 2017 AM	South El Monte	Asm. Ian Calderon
July 27, 2017 PM	Brea	Sen. Josh Newman
July 28, 2017	Paramount	Sen. Ricardo Lara
July 31, 2017 AM	Los Angeles	Asm. Miguel Santiago
July 31, 2017 PM	Los Angeles	Asm. Miguel Santiago
August 4, 2017	Red Bluff	Rep. Doug LaMalfa Sen. Jim Nielsen Asm. James Gallagher
August 14, 2017	San Ramon	Rep. Eric Swalwell
August 15, 2017	Newhall	Asm. Dante Acosta
August 16, 2017	Lancaster	Sen. Scott Wilk Asm. Jay Lackey
August 17, 2017	Rowland Heights	Sen. Josh Newman
August 18, 2017 AM	Diamond Bar	Sen. Josh Newman
August 18, 2017 PM	Corona	Asm. Sabrina Cervantes
August 21, 2017	San Jose	Sen. Bob Wieckowski Asm. Evan Low
August 25, 2017 AM	Carmichael	Asm. Ken Cooley



DATE	LOCATION	LEGISLATOR(S)
August 25, 2017 PM	Rio Vista	Asm. Jim Frazier
September 8, 2017	Palos Verdes	Asm. Al Muratsuchi
September 12, 2017	Moreno Valley	Sen. Richard Roth
September 13, 2017	Mead Valley	Sen. Richard Roth
September 18, 2017	Elk Grove	Rep. Ami Bera
September 19, 2017	Arvin	Asm. Rudy Salas
September 20, 2017	Mecca	Asm. Eduardo Garcia
September 21, 2017	Blythe	Asm. Eduardo Garcia
September 22, 2017	Upland	Senior Medicare Patrol
September 25, 2017	East Palo Alto	Sen. Jerry Hill Asm. Marc Berman
September 26, 2017	South Pasadena	Asm. Chris Holden
September 27, 2017	Avenal	Asm. Rudy Salas
September 28, 2017	Bakersfield	Asm. Rudy Salas
September 30, 2017	Redwood City	Asm. Kevin Mullin
October 2, 2017	McFarland	Asm. Rudy Salas
October 3, 2017	Walnut	Asm. Philip Chen
October 4, 2017	San Diego	Asm. Todd Gloria
October 5, 2017	Perris	Sen. Richard Roth
October 6, 2017	Los Angeles	Sen. Holly Mitchell
October 17, 2017	Los Angeles	Asm. Reginald Jones-Sawyer
October 18, 2017	San Diego	Rep. Scott Peters
October 19, 2017	Santa Clarita	Atria Senior Living
October 20, 2017	Menifee	Menifee Senior Advisory Committee
October 23, 2017	Carson	Asm. Mike Gipson
October 26, 2017	Buena Park	Asm. Sharon Quirk-Silva
October 27, 2017	Carson	Asm. Mike Gipson
November 1, 2017	Sacramento	Asm. Jim Cooper
November 2, 2017	Fresno	Asm. Jim Patterson
November 14, 2017	Concord	Asm. Tim Grayson
November 16, 2017	Hanford	Asm. Rudy Salas
November 29, 2017	Whittier	Sen. Tony Mendoza
November 30, 2017	Compton	Asm. Mike Gipson
December 1, 2017	Palos Verdes	Asm. Al Muratsuchi
December 5, 2017	Union City	Millennium Housing
December 18, 2017	Lakewood	Asm. Anthony Rendon
December 19, 2017	Paramount	Asm. Anthony Rendon



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

The Consumer Scam Stopper<sup>SM</sup> (CSS) program was launched in September 2012, and targets audiences of all ages. Eight CSS seminars were held during 2017.

DATE	LOCATION	GROUP
March 7, 2017	Rossmoor	Sons in Retirement
March 14, 2017	Oakland	Natl. Assn. of Retired Veterans & Railway Employees
May 23, 2017	San Dimas	San Dimas Senior Center
June 2, 2017	Roseville	Natl. Assn. of Retired Veterans & Railway Employees
June 14, 2017	Richmond	Sons in Retirement
July 11, 2017	Riverside	7th Day Adventist Conference
August 2, 2017	Moraga	Sons in Retirement
August 17, 2017	Baldwin Park	Julia McNeil Senior Center

## Licensing Workshops

As part of its effort to address unlicensed contracting and to assist people in the licensing process, CSLB conducted multiple educational and informational workshops in 2017, to review the benefits of getting a contractor license, provide an overview of licensing requirements, explain the steps involved in getting a license, and to answer questions from participants.

In February, May, September, and October 2017, CSLB conducted Spanish-language licensing workshops in Pasadena, Concord, Santa Cruz, and Mountain View to an average audience of 30 people.

Beginning in November 2017, CSLB launched regular workshops on the third Friday of the month at the Sacramento headquarters to assist potential and likely license applicants. These workshops are conducted in both English and Spanish. In January 2018, the program will expand to southern California, where monthly workshops will be conducted in English and Spanish every second Friday at CSLB's Norwalk office.



*Licensing Workshop in Sacramento, November 2017*



# ADMINISTRATION

The Administration unit at CSLB encompasses a range of activities that are integral to the smooth and efficient running of the Board. These include personnel, business services, and information technology.

## PERSONNEL SERVICES

### Personnel Transactions

The Personnel unit processed 180 employee hires and separations in 2017. Of these, 25 were internal transfers, 36 were from other state agencies, 16 were new to state service, 45 were internal promotions, one was a training and development (T&D) assignment, three were student assistants, one was a retired annuitant, and five were exam proctors. Additionally, 31 employees separated from CSLB in 2017, and 17 retired from state service.

2017 PERSONNEL TRANSACTIONS	JAN-MAR	APR-JUN	JUL-SEP	OCT-DEC
Transfer within CSLB	5	3	3	14
From other State Agencies	8	6	13	9
New to State Service	2	4	3	7
Promotions	13	14	4	14
T&D Assignments	1	0	0	0
Students	0	0	1	2
Retired Annuitants	0	1	0	0
Exam Proctors	3	1	1	0
Separations	6	12	4	9
Retirements	3	4	4	6
<b>Total Transactions</b>	<b>41</b>	<b>45</b>	<b>33</b>	<b>61</b>

## Recruitment and Staffing

In 2017, the Personnel unit received 217 requests for personnel action, primarily to refill established positions, request new positions, and redirect and/or reallocate positions. Of these, 170 were to fill permanent positions and, of these, 73 were to fill behind employees who were either promoted or transferred within CSLB.

The Personnel unit completed its first year of participation in the Department of Consumer Affairs' "Job Posting Pilot Program." DCA delegated CSLB responsibility for creating job controls and posting vacancies in the State's new examination and certification online system (ECOS), the platform in which job seekers apply for state civil service examinations and vacant positions. CSLB continues to participate in the program, which has helped to streamline recruitment efforts.

## Career Class

In June 2017, the Personnel unit offered its sixth "Career Class" for CSLB employees located at Sacramento headquarters. This class is intended for employees looking to advance their career with the state and covers how to apply for jobs on the new CalHR jobs website, complete an application package, and prepare for an interview, as well as how to maximize one's potential in state service. This class will be offered again in 2018.



*Board Member Marlo Richardson, trainer Doug Galbraith, and CSLB staff at Career Training Class, January 2017*



## Exams Administered by CalHR/DCA/CSLB

2017 EXAMS ADMINISTERED BY CALHR	2017 EXAMS ADMINISTERED BY DCA/CSLB
Management Services Technician	Enforcement Representative I (open exam)
Staff Services Analyst	Enforcement Representative II (promotional exam)
Associate Governmental Program Analyst	Enforcement Supervisor I and II (promotional exam)
Staff Services Manager (Series)	Personnel Selection Consultant I & II (open exam)
Information Systems Analyst (Series)	Test Validation and Development Specialist (open exam)
Systems Software Specialist (Series)	Staff Services Analyst Transfer (promotional exam)
Programmer Analyst (Series)	Consumer Services Representative (open exam)
Data Processing Manager (Series)	
Information Officer (Series)	
Office Assistant (General & Typing)	
Office Technician (General & Typing)	
Office Services Supervisor (Series)	
Program Technician (Series)	
Supervising Program Technician (Series)	
Warehouse Worker	



## BUSINESS SERVICES OFFICE

### Training

---

The CSLB Business Services–Training Unit coordinated with DCA’s SOLID Training Office to deliver “Quality Customer Service Strategies” training sessions to CSLB staff in October 2017. This course provided tools to help staff better understand external and internal customer service, how to work with “generations” in the workplace, and how to handle difficult situations with customers. Six sessions were conducted at CSLB’s headquarters in Sacramento and two sessions in the Norwalk office for approximately 245 staff.

### Facilities Projects

---

The tenant improvements for the San Bernardino office were completed in December 2017, which included expanding the enforcement investigation center. Additional improvements included new paint and carpet throughout, reconfiguration and installation of a new air conditioning unit in the data room, and reconditioning of existing vinyl flooring.

### Contracts and Procurements

---

The following contracts and purchases were negotiated and executed in 2017:

- Three-year contract for CSLB’s statewide arbitration services program
- Publishing—annual California Contractors License Law & Reference Book
- Purchase of ten copier machines, including five-year maintenance agreements for headquarters and field offices
- Contract renewal—online survey company for annual consumer satisfaction survey
- Ergonomic evaluations—evaluations and recommended equipment purchase for CSLB employees
- Field vests, hats, and boots for Enforcement division staff
- Camera equipment for the Public Affairs Office





- Debt collection services for CSLB's citation program
- Cal-HR contract to provide evaluations for potential peace officer applicants

## Vehicles

---

CSLB purchased nine vehicles in FY 2016-17 for the Enforcement division to replace aging vehicles in CSLB's fleet that have met and exceeded criteria set by the Department of General Services for replacement. Five of these vehicles have been received and four should be delivered in early 2018. Six vehicles will be assigned to the Investigative Centers and the remaining three will be assigned to the SWIFT unit.



## INFORMATION TECHNOLOGY

### **Implementation of Senate Bill 1039 (2016) – Fee Increase**

---

As provided for in Senate Bill 1039 (2016), on July 1, 2017, CSLB Information Technology and Licensing staff successfully implemented an 11 percent fee increase. All respective licensing forms, e-Payment kiosk programs, CSLB webpages, interactive voice response system, and internal licensing applications were appropriately updated.

### **Online Smart Forms**

---

Throughout 2017, the Information Technology division, working collaboratively with the Licensing division, launched 22 online easy-fill “smart” forms, which included various applications, license modification forms, and Home Improvement Salesperson registration. These interactive forms are ADA compliant and help contractors and applicants successfully complete forms before submission, thereby reducing the number of incomplete/inaccurate forms CSLB returns for correction and resubmission. Use of CSLB interactive smart forms steadily increased over the year and during 2017, CSLB received over 20,000 interactive form submissions.

### **Launch of Workers’ Compensation Easy-Fill Form**

---

To more efficiently process workers’ compensation certificates, in August 2017, Information Technology staff, along with Workers’ Compensation (WC) unit staff, implemented a workers’ compensation certification online easy-fill submission tool to allow licensed insurance brokers to complete and submit WC certificate information through CSLB’s website. The completed form prints at CSLB and is scanned into CSLB’s internal database for processing in the WC unit. The user can also print the completed form and submit it through the mail, in lieu of electronic submission.

For those that choose to submit electronically, their license record with CSLB in regard to workers’ compensation information is automatically updated. As of December 2017, there had been over 6,000 online submissions.



## Department of Consumer Affairs Business Modernization Project

To meet legislative requirements for an annual status report on the information technology needs of all Department of Consumer Affairs (DCA) boards and bureaus, and to determine the best technological solutions to meet CSLB's business needs, the Board is participating in DCA's Business Modernization Project. In collaboration with DCA, CSLB has developed a Business Modernization Report that will address priority business activities and assessment criteria; identify risks, issues, and assumptions; and provide a timeline for major project milestones. In November 2017, CSLB submitted a draft Business Modernization Report to DCA.

One of the major elements of this project involves documenting and evaluating CSLB's existing business processes. CSLB identified 110 business processes, each of which must undergo an evaluation of current and future practice, which involves a complex three-step documentation process: 1) business process narrative; 2) business process use-cases (test cases); and 3) business process. To date, 22 of these 110 business processes have been fully documented; CSLB expects to complete this multi-step evaluation by December 2019.

## CSLB Website

In 2017, CSLB's website had more than 3.1 million visitors, a 19 percent increase over the prior year. Below are the 20 most popular website pages, including the homepage.

CSLB WEBSITE 2017	
Page Title	Page Views
Home Page	4,559,821
Forms and Applications	613,915
Contractor Home Page	394,863
Consumer Home Page	293,902
Licensing Classifications	286,663
Waiver and Lien Release Forms	250,460
Contact CSLB	231,456
Applicants Overview	190,966
Applicants Homepage	190,793



CSLB WEBSITE 2017	
Page Title	Page Views
(B) General Contractor Licensing Classification	185,203
Contractors Overview	183,057
Apply for a Contractor License	150,695
Maintain and Change Your License	139,628
Filing a Construction Complaint	138,654
Before Applying for an Exam	129,069
Guides and Publications	125,219
Consumers Overview	115,592
Examinations Study Guide	90,602
(C-61) Limited Specialty Licensing Classification	82,184
Frequently Asked Questions	71,121



**CONNECT WITH CSLB:**



mail alerts

**facebook**

**twitter**



**Instagram**

**YouTube**



**SUSTAINABLE  
FORESTRY  
INITIATIVE**



## CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, CA 95827  
800.321.CSLB (2752)

---

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

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

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