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OK to Bring a Pal to Help on a Job? Make Sure He/She Is

Message From the Board Chair



CSLB is always striving to improve its services to licensees, and I think the recently-completed transformation of our **Home Improvement Salesperson (HIS) registration process** provides a perfect example of this dedication.

Our staff has been busy converting our records and computer systems to comply with the new HIS law that

took effect at the start of the year. The final steps in the changeover took place in early April when letter notifications and new ID cards were mailed to more than 17,000 sales representatives.

The new system that's been put in place represents a major change if you're an HIS, or want to become one, or a contractor with a sales staff. Senate Bill 561 has simplified the registration process for salespersons, allowing them to file a single registration with CSLB whether they represent one or multiple contractors. Previously, those persons had to take out separate HIS registrations for each contractor that employed them.

Under the new system, the licensee must notify CSLB when a new HIS is hired, or leaves their job.

The previous registration system had become burdened by the sharp rise in applications in recent years, particularly from salespeople seeking work in the rapidly expanding solar industry. CSLB received more than 1,000 HIS applications per month in fiscal year 2014-15, which represents more than an 80 percent jump compared to the average for the previous three years.

So far, the revamped registration process appears to be working smoothly in its first few weeks, and I'm confident that salespersons and

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contractors will find it beneficial.

Our Information Technology and Licensing Division staff did much of the heavy lifting for the conversion. Thousands of individual HIS registrations had to be updated to comply with the new HIS requirement, as did license records for participating contractors. The new structure for HIS and registration records also required a reworking of the license look-up feature on CSLB's website.

In addition, the changes had to be incorporated into CSLB's in-house license and form processing system.

If you're an HIS registrant or a participating contractor, you can contact CSLB by [email](#) to let us know how the new system is working.

###

It's good for every organization to take stock of how it's performing, and for CSLB, that self-appraisal comes every year in the form of its Accomplishments and Activities Report. CSLB recently released its **2015 report** that gives an accounting of the Board's progress in the past year, and I came across several statistics that you might find interesting.

For example,

- There were 31,892 examinations scheduled by license applicants at CSLB's test centers around the state in 2015. Of those, just over 16,900 passed their test – about 53 percent.
- CSLB's Enforcement Division staff was busier than ever in 2015, closing out 19,906 investigations – an increase of 880 from 2014.
- The arbitration program administered by CSLB is being used increasingly to settle disputes between licensees and those filing complaints. The number of complaints referred to either voluntary or mandatory arbitration rose to 455 in 2015, up 37 percent from 2014, and the amount of restitution awarded consumers from those arbitration sessions was \$1.52 million, a 25 percent jump.
- The arbitration program administered by CSLB is being used increasingly to settle disputes between licensees and those filing complaints. The number of complaints referred to either voluntary or mandatory arbitration rose to 455 in 2015, up 37 percent from 2014, and the amount of restitution awarded consumers from those arbitration sessions was \$1.52 million, a 25 percent jump.
- Statistics shows that CSLB's **Senior Scam Stoppers** and Consumer Scam Stopper outreach programs continue to grow in popularity. Together with area lawmakers, CSLB sponsored 91 seminars in 2015 in various parts of the state, educating thousands of older Californians and members of the public about unlicensed or unscrupulous contractors. The highly-regarded Senior Scam Stopper program also recently celebrated a milestone – its 500th event since its inception in 1999.
- CSLB maintains a state-of-the-art defense to guard its information network from cyberattacks, and although no breaches have occurred, there were thousands of attempts to penetrate the firewall in 2015. The highest number of firewall hits, 13,476, came



from inside China, followed by 10,502 attempts that originated in Canada and 9,826 from Germany. CSLB remains vigilant in its security efforts against these cyber threats.

###

Looking forward, the Board will meet in June with our counterparts from contractor licensing boards from Nevada and Arizona. While these joint meetings have been an annual event with the Nevada board, we're very glad that our Arizona colleagues will join in the discussion of issues of mutual interest.

Our investigators and senior staff members have long had a beneficial relationship with their Nevada counterparts about licensing, enforcement and related issues that cross state lines, and we are excited to add Arizona to the partnership.

The meeting being held in Garden Grove is open to the public, and we welcome your input. Check CSLB's website for [agenda details](#) ahead of the June 23-24 meeting date.

Respectfully,

A handwritten signature in black ink, appearing to read "Ed Lang". The signature is stylized and cursive.

Ed Lang
CSLB Board Chair



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Earliest CSLB Licensees Have Made Their Mark on the California Landscape

Only four companies still hold their original contractor licenses from the first 100 that were granted licenses when the Contractors License Bureau, the forerunner of CSLB, was created in 1929.

But it's been quite a legacy that those four – **Teichert Construction** (No. 8), **Granite Rock Company**, **Granite Construction Company** (Nos. 22, 89), **Griffith Company** (No. 88), and **Swinerton Builders** (No. 92) – have built in California and beyond since that time.

If your water comes from the California or Colorado River Aqueduct, if you've flown into Los Angeles, John Wayne (Orange County) or Sacramento International airports, driven along Highway 99 through the Central Valley or the Santa Ana Freeway in Southern California – just to name a very few projects) you are the beneficiary of a project delivered by Teichert, based in Sacramento, Watsonville's Granite, and Griffith of Brea.

Teichert is CSLB's earliest active licensee at License No. 8, issued September 24, 1929. Granite holds License No. 22, taken out on behalf of Granite Rock Company, as well as License No. 89 in the name of Granite Construction Company, the name it uses today. Griffith was granted License No. 88 on September 24, 1929.

Swinerton, based in San Francisco, was issued License No. 92 on October 1, 1929. In its long and diverse construction history, Swinerton has delivered more than its share of landmark projects in California, including the de Young Museum and Ghiradelli Square in San Francisco, a rebuild of the Hotel Del Coronado in San Diego, and even the iconic Brown Derby restaurant of Los Angeles movie lore.

Representatives of the CSLB's earliest licensees say that their company's status is a point of pride, and is prominently displayed in literature and marketing efforts.

"We're extremely proud of being Licensee No. 8," said Mary Rotelli, Teichert's chief operating officer. "It's on all of our construction business cards, and on the doors. It brings a respectability. For customers, it helps them understand what an established company we are. It's a point of pride for our employees, and when hiring, it distinguishes the company."

Dan McGrew, vice president of business development for Griffith, said his company was in select company to be among CSLB's earliest 100 licensees.

"It's something that only four of us now can say. Absolutely, it's a source of pride for us," McGrew said. "We walk into a project with over 100 years of experience of doing a lot of different things. Everything you see in the

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state, from water, to military to freeways, we've had our fingers in."

"History pretty much equates to stability," added Jeffrey Hoopes, chief executive officer of Swinerton Builders. "That financial stability says you've figured it out to survive the depressions and those forks in the road."

To stand the test of time as one of CSLB's original licensees "is a form of credibility," Hoopes said. The trust factor is critical when dealing with so many large, complex and costly construction projects, he said.

There is a bit of mystery, however, connected to how each firm received its license number.

The earliest license issue date shown in CSLB records is September 24, 1929, when Teichert and Griffith were both granted licenses. Teichert was assigned license No. 8, and Griffith No. 88. Yet, Granite Rock Company holds an earlier license number, No. 22, despite being issued a license more than a week after Griffith.

One theory for the discrepancy holds that, in those early days, a contractor's license number was based on receipt tendered for the then-new license fee. Another possible explanation is that applications were simply pulled out of a central stack by different clerks who processed them at varying times, or that some applications submitted early may have required more information and were set aside and later awarded numbers.

While the reasons behind the license number sequence may be lost to history, the fact is that the four surviving contractors on CSLB's first 100 list are members of a very exclusive club.

The California contractor licensure system is one that has proven itself as invaluable through the years to consumers and the construction industry, Griffith's McGrew said.

"We've always been advocates of the licensing board," he said. "We support it 120 percent. It's extremely important to have a level playing field."

Rotelli, of Teichert, agreed. "Having a licensing service creates a shortcut to trust," she said. "Having a license says to everyone, 'here's something they have going for them.'"

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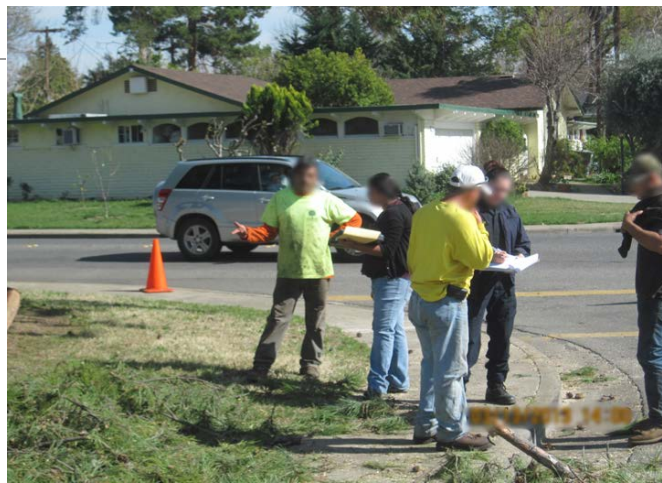
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Sweeps Take Aim at Illegal, Unsafe Practices on Construction Sites

Construction site inspections, or "sweeps," are among the most effective ways that CSLB ensures contractor compliance with California's licensing and workers' compensation (WC) insurance requirements. Investigators with CSLB's [Statewide Investigative Fraud Teams](#) fan out throughout year, showing up unannounced at active construction sites to check for appropriate licenses, permits, WC insurance for employees, and adherence to safety rules.

In 2015, SWIFT investigators inspected 801 separate construction sites in the state. The results proved the worth of the program: 423 legal actions for various violations were filed as a result of the visits, and 464 Stop Orders were issued by investigators for WC offenses. Investigators spent a total of 148 days in the field on these CSLB-instigated sweeps, statistics from 2015 show.

CSLB also is a part of a multi-agency coalition that conducts separate, targeted sweeps to check compliance with license, insurance, tax, and job safety laws. The [Labor Enforcement Task Force](#) (LETf) consists of representatives from CSLB and California's [Department of Industrial Relations](#), [Employment Development Department](#), [Department of](#)

Covered	Insurance , Board of Equalization , and Attorney General's Office .
Offender Who Fleed Contracting Crimes Returned to California, Sentenced	The goal of LETF is to put a crimp in California's massive underground economy that thrives on the evasion of taxes and/or licenses and permits, and skirts rules meant to protect employees and the public. CSLB is a major contributor to the LETF effort, as shown by the results in the last year.
Contractors Sought as CSLB Industry Experts in Sacramento, Fresno Areas	Almost 500 contractors were subject to LETF job site inspections in 2015, and of those, nearly 400 were found to be out of compliance with state laws and regulations – a violation rate of about 80 percent. Assessed fines and penalties from those enforcement actions totaled \$1.7 million. Those initial contacts also led to 124 separate investigations by CSLB. In addition, Cal/OSHA deemed 118 of the contracting violations discovered during the LETF sweeps as serious, a finding that brings even more legal repercussions if found true for those caught.
Buy, or View 2016 Contractors License Law & Reference Book	
Contractors Urged to Protect Outdoor Workers from Seasonal Heat	For those contractors contacted on a job site by CSLB investigators, the inspection process is straightforward and conducted quickly – as long as the required paperwork is in order. Be prepared to show a contractor license, permits, and proof of WC insurance if employees are present. Also, if you are the project supervisor or prime contractor, it's important to leave contact information with a subordinate if you need to be away during working hours. All too often, CSLB investigators have rolled up to sites and found there's no one in authority to answer questions, forcing them to make a repeat trip to the location. The extra time spent tracking down the contractor takes away from the mission of uncovering illegal contracting and protecting construction crews from dangerous situations.
Online Guide Helps Keep Your Contracting Business Out of Tax Trouble	
EPA Revises Training Standards for Lead-Based Painting Program	SWIFT investigators welcome leads from the public and licensees if illegal or unsafe construction practices are suspected at a job site. Contact SWIFT to file a complaint .
Construction Industry Ranks Among Highest for Hearing Damage	
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CSLB performed its annual spring cleanup of unlicensed operators trying to take jobs from legitimate contractors, citing 83 persons for violations of the state's construction and home repair contracting laws April 5-7, 2016, in six cities throughout California.

CSLB's [Statewide Investigative Fraud Teams](#) (SWIFT) conducted the "Spring Blitz" operations at houses in Bakersfield (Kern County), Salinas (Monterey County), Santa Ana (Orange County), Santa Rosa (Sonoma County), Yuba City (Sutter County), and Yucaipa (San Bernardino County). Local law enforcement agencies and state agencies lent assistance to SWIFT investigators.



Authorities had the most success rounding up unlicensed contractors in Bakersfield, where 21 persons received citations for illegal contracting during the two-day sting there April 5-6. CSLB's operation in Santa Ana netted the next highest number of citations with 18, while 15 persons were cited in the Salinas sting on April 6-7.

All 83 persons were given Notices to Appear in their respective superior courts for contracting without a license ([Business and Professions Code section 7027.1](#)). The penalty for a first conviction is up to six months in jail and/or a fine of up to \$5,000.

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In addition, 69 were cited on a charge of illegal advertising ([Business and Professions Code section 7027.1](#)). State law requires contractors to place their license number in all print, broadcast, and online advertisements. Those without a license can advertise to perform jobs valued at less than \$500, but the ad must state that they are not a licensed contractor. Violators can be fined \$700 to \$1,000.

In Bakersfield, 11 of the 21 cited did not have workers' compensation insurance ([Labor Code section 3700.5](#)).

"We will be doing more stings and construction site inspections around this state this year," warned CSLB Registrar [Cindi Christenson](#), "so those who are not properly licensed should beware."





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Beginning May 1, public works contractors who are registered with the [Department of Industrial Relations](#) (DIR) for the current fiscal year (ending June 30, 2016) may renew their registrations for the next fiscal year starting July 1, 2016 using DIR's online [public works contractor registration system](#). Registered contractors who fail to renew by July 1 but continue working on public works after that date will be subject to late fees and potential penalties.

The online registration system was launched nearly two years ago and helps law-abiding contractors compete on a level playing field when public works contracts are awarded.

Contractors must be registered with DIR before bidding, being awarded or performing work on public works projects in California. DIR registration requires that all contractors possess a license in good standing with CSLB, and having no liens or judgments owed to workers or the state of California.

Using any Internet-connected computer, public works contractors can:

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- Register for the first time;
- Renew an active registration;
- Reactivate a prior registration; or
- Securely pay the non-refundable \$300 registration/renewal fee (and penalties if applicable).

The registration process is finished upon processing of payment. If paying by credit card, the registration process can be completed within 24 hours.

The early renewal option is only available for public works contractors who are currently registered with DIR.

Contractors who are not currently registered should carefully consider when to register. Any contractor who fails to register before bidding for a public works project or being awarded a public works project may be subject to a \$2,000 penalty. Contractors who plan to bid or work on public works prior to July 1 may complete the registration process, including payment of the \$300 fee, to register for the remainder of the current fiscal year, which expires on June 30, 2016. Once registered, contractors may then renew their registration for the following fiscal year (beginning July 1, 2016), which will also require payment of the \$300 renewal fee.

New features on DIR's online registration system allow contractors to print out proof of registration and verify the status of their renewal or application on the [database](#) of qualified public works contractors. A user guide with [instructions](#) is posted online. DIR has additional compliance information on its Public Works [webpage](#).

Public agencies must confirm this registration before considering a bid or awarding a public works contract, and prime contractors are required to make sure their bid team members are registered.

DIR's Division of Labor Standards Enforcement (DLSE), also known as the [Labor Commissioner's Office](#), enforces prevailing wage rates and apprenticeship standards in public works projects, inspects workplaces for wage and hour violations, adjudicates wage claims, investigates retaliation complaints, issues licenses and registrations for businesses and educates the public about labor laws.

On Public Works Projects, Payroll Reports Are Still Required

Public works contractors, subcontractors and awarding agencies are reminded by state [Department of Industrial Relations](#) (DIR) that the 85-year-old requirement to keep certified payroll reports (CPRs) has not changed and is still in force. The department recently posted a [notice](#) about the requirement and recent changes.



DIR is currently upgrading its electronic CPR (eCPR) system, with the changes expected to be completed by July 2016. However, the current system is still operational, and DIR encourages its use. In particular, DIR urges contractors working on Clean Energy projects funded by Proposition 39 and for all new projects awarded on or after April 1, 2015 to file through the eCPR system.

Contractors should keep CPRs for all work on public works projects, as the Labor Commissioner, the project awarding body or another agency may request a review of the records at any time.

All requirements for awarding bodies remain in place, including the duty to register all public works projects using the PWC-100 form, the continuing obligation to monitor and enforce labor compliance on all public works projects, and registration requirements for all contractors and subcontractors before bidding or working on a public works contract.



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CSLB is contacting licensees who may be improperly claiming that they are exempt from purchasing workers' compensation (WC) insurance because they have no employees. Contractors who are evading their responsibility to purchase WC coverage be forewarned – there are more moves coming to force compliance with the law.

For now, the educational letters are the first steps in a WC compliance strategy approved by the Board last December. The letter was drafted by CSLB in partnership with the state [Employment Development Department](#) (EDD) and [Department of Industrial Relations](#) (DIR) after a sampling of agency records and consumer complaints showed a high number of contractors are suspected of doing work that typically requires employees, yet are claiming the WC exemption.

Specifically, three sets of records shed light on what has been a persistent problem with WC fraud:

- First, CSLB obtained a list of 25,000 contractors who had registered with DIR to perform public works projects. From a sampling of 200 of those licensees, 35 had a WC exemption on file – despite working on jobs that typically require employees.
- Investigators examined building permits valued at \$20,000 or more that were taken out in Los Angeles, Orange, and San Diego counties during a period last March. Of the 91 licensees who pulled permits on these large-scale projects, 34 had claimed the WC exemption.
- Finally, CSLB looked at consumer complaints received in February, and identified that more than one-third involved WC-exempt contractors who may have been using employees.

Overall, more than 50 percent of all licensees have filed WC exemptions with CSLB, a rate suspected to be too high considering the nature of the contracting work done.

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Contractors who falsely claim WC exemptions are taking a great risk to save a little money. WC violators not only face CSLB disciplinary action, but they expose themselves and their clients to liability if uninsured workers get hurt on the job.

Business and Professions Code section 7125 requires contractors to purchase a WC policy and submit proof to CSLB when an active license is issued, an inactive one reactivated, or at the time of renewal, unless the licensee does not employ anyone required to have a WC policy or files a certification of self-insurance with CSLB. (All C-39 Roofing contractors, however, must carry WC insurance even if they work on their own.)

The letter reminds contractors with questionable WC exemptions about the need to follow the law if they have employees, and informs them about the stepped-up efforts to identify violators.

At its April 2016 meeting, the Board approved the following additional measures as part of an overall WC enforcement strategy:

- Partner with investigators from district attorney offices and the state **Division of Labor Standards** to inspect active construction sites through a popular website used by contractors to find job leads and file permits.
- Work with counties that receive DIR funding to battle WC fraud, and submit the names of serious violators to prosecutors that could result in the filing of criminal charges, rather than administrative action.
- Expand CSLB's stings and construction site sweeps to public works projects, partnering with EDD and DIR.

This [page](#) on CSLB's website gives more information about WC requirements.





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The scenario: You are a licensee who works on your own, and have a workers' compensation (WC) insurance exemption from CSLB, but there's a job coming up that will require a little help. Your brother-in-law is available to provide some needed muscle for a few hours.

Is it OK to bring him along?

Hopefully, you answered no – unless you purchased WC insurance policy to cover him.

There are no circumstances under which a licensee can casually bring along a relative, a friend, or a helper, even if for a short time, to help him or her on a job without a WC policy in place.

Any person who accompanies you to a job site to do work is considered your "employee" under state law.

The definition of an employee is a broad one. According to the state [Employment Development Department](#) (EDD), the common law rule provides that an employer-employee relationship exists when an employer has the right to exercise control over the manner and means by which an individual performs services. Consequently, EDD may consider an individual whose employment is subject to this condition to be an employee of any contractor who retains this right of control relative to the performance of the employee's services.

It's just not worth the chance to try and save a few dollars by forgoing a WC policy in any circumstance. According to the state [Department of Insurance](#), willful failure to secure WC coverage for employees is a violation of [Labor Code section 3700.5](#), a misdemeanor punishable by up to one year in county jail and a \$10,000 fine for the first offense. Failure to comply with the laws relating to WC insurance, payroll deductions, and employment taxes could subject your business to scrutiny and/or audit by the EDD, [Division of Labor Standards](#)

Covered	Enforcement and/or other agencies. Consequences for noncompliance could include penalties assessed against your business, criminal charges, and/or the suspension or revocation of your contractor's license.
Offender Who Fleed Contracting Crimes Returned to California, Sentenced	Then there's the risk you're taking if someone uncovered gets hurt on the job. In addition to prosecution, you may be liable for their medical treatments, and the person who hired you can be on the hook as well.
Contractors Sought as CSLB Industry Experts in Sacramento, Fresno Areas	CSLB takes a dim view of WC evasion whether a licensed or unlicensed contractor is involved. CSLB's battle against WC violations was strengthened this year through a new law that allows investigators to directly issue citations to unlicensed contractors who bring along uninsured workers to a job. Previously, only district attorney's offices could take legal action against non-licensed operators upon the recommendation of CSLB.
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Contractors Urged to Protect Outdoor Workers from Seasonal Heat	Another important step for licensees in the WC process is the accurate reporting of payroll to their insurance carrier. Contractors need to provide that information to the carrier either monthly or quarterly. Based on the payroll, the insurance company will assess the contractor's premium. Underreporting one's payroll for the purpose of receiving a lower WC premium is a felony in California.
Online Guide Helps Keep Your Contracting Business Out of Tax Trouble	When WC insurance and payroll are accurately reported by all contractors, the premiums cost less for all.
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To fulfill its consumer protection mission, CSLB's Enforcement division — with the help of partnering agencies and local law enforcement — works hard to hold accountable those contractors who harm the public through illegal business practices.

Offender Who Fled Contracting Crimes Returned to California, Sentenced

It took some time, but CSLB and law enforcement authorities finally caught up with an unlicensed contractor in the San Francisco Bay Area.

In the first case, Frank Guidera and his girlfriend convinced an 88-year-old Bay Area widow who responded to their ad to pay \$17,437 in advance for sewer repairs. The duo then gutted the bathroom and abandoned the job, leaving the bathroom unusable.

CSLB referred its investigation of the incident to the Santa Clara District Attorney's Office, which filed a warrant for Guidera's arrest in December 2014.

In March 2015, Guidera was at it again, this time convincing a Bay Area couple to pay him \$30,000 in cash for a sewer line repair. With help from CSLB investigators, Sunnyvale Police arrested Guidera at the couple's home. CSLB's investigation in this second case revealed that Guidera

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not only pressured the couple to expand the job to a home remodel, he convinced them to give him a \$16,000 interest-free loan to pay off his motorcycle.

Guidera subsequently failed to appear for an April 2015 hearing, and a \$75,000 warrant was issued for his arrest. CSLB later learned that Guidera had been apprehended in Arkansas. He was extradited to California to face charges.

On March 1, 2016, Guidera received a one-year jail sentence, and was ordered to pay restitution of \$17,437 for the first case, and \$63,869 for the second. Guidera's girlfriend was held jointly responsible for the restitution in the first case.

Revoked Contractor and Unlicensed Brother Find Trouble Again

Family members sometimes don't make very good business partners, especially when one previously had his contractor license revoked and the other is a longtime unlicensed contractor. Seung Taek Kye ran afoul of California contracting law again and pleaded guilty this March to misdemeanor grand theft and contracting without a license charges.

Seung Taek Kye, whose contractor license was revoked in 2010 for violations that included aiding his unlicensed contractor brother, got into trouble again while working as a technician for a water filtration system company. While performing a service at a property, he informed the property owner that he did home improvement

The brothers began the work with an employee, and after receiving \$11,000, abandoned the job. A licensed contractor who later examined the brothers' work estimated its value at \$3,400.

CSLB became involved after the homeowner filed a police report through the Santa Clara County Sheriff's Office. The case was submitted to the Santa Clara County District Attorney's Office, and in October 2015, a criminal complaint was filed against both brothers.

On March 16, 2016, In Kye pleaded to felony grand theft, contracting without a license, and failure to have workers' compensation insurance. Seung Kye pleaded to misdemeanor grand theft and contracting without a license. In Kye was

work and offered to replace a concrete sidewalk with brick, and to trim trees, for \$8,900.

Seung Kye then brought his brother, In Taek Kye, into the negotiations and eventually convinced the homeowner to agree to a \$12,000 contract for an outdoor landscaping project.

sentenced to three years in prison, but will serve two years in county jail and one year of supervised probation.

Seung Kye received 30 days in jail and probation for three years. Both were ordered to pay \$11,000 in restitution to the homeowner.

Landscaping Firm Owner, Son Guilty of Stealing Workers' Pay

A former licensee and his son who operated a landscaping business in Southern California are expected to receive a jail sentence and be ordered to pay a hefty amount in restitution after both pleaded guilty earlier to embezzling over \$300,000 from employee wages on public works jobs.

Daniel Jacob Siapin and his son Gabriel Daniel Siapin, both of La Habra Heights, pleaded guilty to 28 felony counts of taking and receiving a portion of worker's wages on public works, and 32 felony counts of recording a false and forged instrument with a sentencing enhancement for property loss over \$200,000. Daniel Siapin and his son are each expected to be sentenced to 90 days in jail, three years' formal probation, ordered to pay more than \$227,000 in restitution, and prohibited from working on any other public works contracts at their April 2016 sentencing.

Daniel Siapin's California contractor's license was ordered revoked by the court.

At the time of the crime, Daniel Siapin owned Siapin Horticulture, a landscaping, irrigation, and maintenance company, which he ran with his son Gabriel. The defendants violated the law on a public works job, which requires a minimum "prevailing wage" be paid to workers. Prevailing wage consists of a base salary and "fringe benefits," or benefits in addition to base pay such as vacation pay and pension money. Fringe benefits must be paid directly to the worker or may be put into a fund for later withdrawal by the worker if they do not work a full 40 hours per week.

Between 2011-2013, the Siapins failed to deposit over \$300,000 in employee fringe benefits into the savings account from work performed in Orange County and other Southern California counties. The defendants instead embezzled the money meant for employee fringe benefits. The State Labor Commissioner's office levied civil wage and penalty assessments for past wages following a 17-month investigation.



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CSLB is looking for veteran contractors in the central part of the state to join its Industry Expert Program (IEP), a group of trade professionals who assist CSLB in investigating consumer complaints. In the Fresno area, **C-57 Well Drilling** contractors are needed as Industry Experts (IEs). Contractors who hold **C-8 Concrete**, **C-12 Earthwork and Paving**, and **C-23 Ornamental Metal** licenses from the Sacramento region are also encouraged to apply.

Industry experts (IEs) serve as independent consultants to CSLB, and are compensated for their time.

IEs have a unique opportunity to help ensure that construction safety and industry standards are being met. An IE inspects assigned projects, and prepares unbiased, professional reports to help protect the public from unscrupulous or incompetent licensed and unlicensed contractors. An IE also may be called upon to testify in arbitration and/or administrative hearings.

IEs must be licensed and in good standing with five years of experience as the license qualifier, and have no legal actions against them within the past seven years to qualify for the program.

To participate as an IE or for more information, review CSLB's **Industry Expert publication**, or send an [email](#). An [application](#) to join the IE program can be printed, filled out and mailed to CSLB's Sacramento headquarters.

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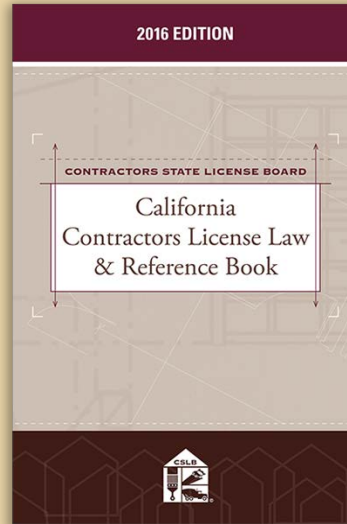
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2016 *Contractors License Law & Reference Book* Available for Purchase, Free Viewing



The foremost authority on California contracting law and

regulations, the 2016 edition of CSLB's California Contractors License Law & Reference Book, is available for purchase or [free viewing](#). The updated publication, totaling 1,092 pages, provides easy reference to new and amended construction laws that took effect January 1, 2016.

The all-inclusive book offers specialized sections about becoming a licensed contractor; home improvement; business management; construction standards and safety regulations; California's Business and Professions Code and other construction-related state codes; and complete Contractors' State License Law rules and regulations.

The 2016 law book can only be purchased from the publisher, LexisNexis, and is not available at any CSLB office. Copies may be purchased [online](#), by calling 800.533.1637, or by writing to Matthew Bender & Company, Attn. Customer Service, 1275 Broadway, Albany, NY 12204-2694. This year's law book costs \$30.50, plus \$10.44 for shipping and handling.





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Cal/OSHA

With summer approaching, Cal/OSHA is reminding contractors and other employers with employees who work outdoors that prevention is the best defense against heat-related illness and death.

A key component to Cal/OSHA's prevention model includes annual trainings statewide in [English](#) and [Spanish](#). The trainings highlight the need to protect outdoor workers from heat illness and the requirements under California's heat illness standard.

The risk of heat illness is generally highest for people who work outdoors. Therefore, Cal/OSHA's approach to prevention includes inspections at outdoor work sites in industries such as landscaping, construction, and agriculture during heat season. These targeted inspections check for compliance with the [heat illness prevention standard](#) and the [injury and illness prevention standard](#), which require employers to take the following basic precautions:

- Train all employees and supervisors on heat illness prevention.

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Offender Who Fleed Contracting Crimes Returned to California, Sentenced	<ul style="list-style-type: none"> • Provide access to shade and encourage employees to take a cool-down rest in the shade for at least five minutes. They should not wait until they feel sick to cool down. <i>Shade structures must be in place when temperatures exceed 80 degrees Fahrenheit, or upon request</i>
Contractors Sought as CSLB Industry Experts in Sacramento, Fresno Areas	<ul style="list-style-type: none"> • Closely observe all employees during a heat wave and any employee newly assigned to a high heat area. Lighter work, frequent breaks or shorter hours will help employees who have not been working in high temperatures adapt to the new conditions.
Buy, or View 2016 Contractors License Law & Reference Book	<ul style="list-style-type: none"> • Develop and implement written procedures for complying with the Cal/OSHA Heat Illness Prevention Standard, including plans on how to handle medical emergencies and steps to take if someone shows signs or symptoms of heat illness.
Contractors Urged to Protect Outdoor Workers from Seasonal Heat	The most frequent violation that Cal/OSHA cites during targeted heat inspections is the failure to have a proper written heat illness prevention plan specific to the work site. Serious violations are often related to inadequate access to water and shade, and to a lack of supervisor and employee training.
Online Guide Helps Keep Your Contracting Business Out of Tax Trouble	To remain in compliance with the standard, Cal/OSHA encourages employers and worker supervisors to learn more about the standard, which was updated in 2015. Please refer to the Cal/OSHA guidance on the new requirements and the Heat Illness Prevention Enforcement Q&A for more information on the updates.
EPA Revises Training Standards for Lead-Based Painting Program	Additional information about heat illness prevention, including details on upcoming training sessions throughout the state can be found on Cal/OSHA's Heat Illness Prevention page. Cal/OSHA also has extensive multilingual materials for employers, workers and trainers on its Water. Rest. Shade. public awareness campaign website.
Construction Industry Ranks Among Highest for Hearing Damage	Questions related to heat illness prevention should be directed to Cal/OSHA's Consultation Services Branch , which provides free and voluntary assistance to employers and employee organizations to improve their health and safety programs. Employers should call 800.963.9424 for assistance from Cal/OSHA Consultation Services. Employees with work-related questions or complaints may contact DIR's Call Center in English or Spanish at 844.522.6734. The California Workers' Information line at 866.924.9757 provides recorded information in English and Spanish on a variety of work-related topics. Complaints can also be filed confidentially with Cal/OSHA district offices .
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Online Guide Helps Keep Your Contracting Business Out of Tax Trouble

Keeping up with the tax obligations that go with operating your business is a vital part of being a successful contractor. The state [Board of Equalization](#) (BOE) is offering an online guide to help construction contractors understand the tax issues unique to their business.

The [Tax Guide for Construction Contractors](#) has information helpful to those starting out in business, or those who want to expand their existing operations and don't want to make a tax misstep.

The guide is separated into sections that cover different tax-related issues. They are:

- For those new to the state tax collection system, a [Getting Started](#) section covers registration with BOE, filing returns, account maintenance, and payment options.
- The [Industry Topics](#) section discusses and defines sales and use taxes; recordkeeping requirements, construction contract types; the tax implications of materials, fixtures, machinery, and equipment; tax obligations of subcontractors; and taxation based on job site worked.
- The [Specific Jobs](#) section gives real-life scenarios of work situations, and tax implications, that contractors in different classifications may encounter.
- Finally, the [Resources](#) section provides links to web-based seminars, BOE forms and publications, statutory and regulatory information, and access to live help from BOE customer service representatives.

Another valuable BOE guide that explains California sales and use taxes for contractors is [Tax Tips for Construction and Building Contractors](#).



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EPA Revises Training Standards for Lead-Based Painting Program

The Environmental Protection Agency has finalized revisions to its lead-based paint program, the **Renovation, Repair and Painting (RRP) Rule**, to reduce burden and costs to industry and clarify language for training providers. Contractors that perform renovation, repair, and painting projects that disturb lead-based paint in homes, child care facilities and preschools and other child-occupied facilities built before 1978 must be certified by EPA (or an EPA-authorized state), use certified renovators who are trained by EPA-approved training providers, and follow lead-safe work practices.

Renovator Training Expiration Information	
Date Course Completed	Expiration
On or before March 31, 2010	March 31, 2016
From April 1, 2010 – March 31, 2011	6 years from the date of course completion
On or after April 1, 2011	No extension provided – Expiration is 5 years from the date of course completion

Under the final RRP Rule, published in the Federal Register in February 2016, renovators can take a refresher course without the hands-on training every other time they get certified. A course without hands-on training can be taken completely online. Renovators who take the online training will be certified for three years; renovators who take the hands-on training will be certified for five years. Modifying the hands-on requirement is designed to give renovators easier access to trainings, saving them time and money.

In a related action, the EPA announced there were 75 enforcement actions from the past year for violations of the RRP Rule. Nine California companies were among those fined.

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EPA extended the training expiration date for many certified renovators. Affected expiration dates are based on when the previous course was taken (see table at side). Note: The extensions apply only to individual certifications, not to company certifications.

For more information, email [this address](#) or call 415.947.4280.

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Construction Industry Ranks Among Highest for Hearing Damage

The construction industry has the second highest prevalence of workers with occupational hearing loss of any employment sector in the U.S., according to a recent [study](#) conducted by the federal Centers for Disease Control and Prevention (CDC).

The CDC compared the results of hearing tests, called audiograms, from more than 1.4 million workers in nine different industries as part of a study on occupational noise exposure, defined as 85 decibels and higher.

The mining, construction, and manufacturing industries ranked in the top three in their respective percentage of hearing-impaired workers. Hearing test results from construction



industry workers showed that 16 percent suffered from some degree of hearing impairment, with 3 percent classified as having experienced moderate or severe damage. Among all industries, 13 percent of noise-exposed workers showed hearing impairment, with 2 percent with moderate or severe damage.

The CDC study also assigned a quality of life scale to the statistics, expressed as disability-adjusted loss of healthy years due to hearing loss. Workers in the construction and mining industries experienced the greatest loss of healthy years, at 3.45 years per 1,000 noise-exposed

Covered	workers, compared with workers in any other industry surveyed in the CDC study.
Offender Who Fled Contracting Crimes Returned to California, Sentenced	Across all industries, 2.53 healthy years were lost per 1,000 exposed workers.
Contractors Sought as CSLB Industry Experts in Sacramento, Fresno Areas	The results also may not give the full measure of hearing loss in the construction industry. Hearing tests are not mandated for those working in construction, the study noted, and without such testing to identify workers who are losing their hearing, preventative steps may be delayed or not occur at all.
Buy, or View 2016 Contractors License Law & Reference Book	The CDC study also noted that occupational hearing loss is permanent, but completely preventable with today's prevention strategies, such as annual testing, and protection.
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**Know what's below.
Call before you dig.**

USA North 811 Rolls Out Improved System for Dig Tickets

USA North 811 is moving to a new-look online notification

system that promises to be easier to use and compatible with any web browser or computer operating system. The changeover to a new software provider was made at the end of April, and affects contractors who plan to dig or excavate as part of a project in Northern/Central California and Nevada.

Contractors visiting the USA North 811 (full name; Underground Service Alert of Central/Northern California and Nevada) website will now find a new ticket entry platform and other services. Although the look is different, users should find that the new ticket system performs smoothly, with none of the glitches that frequently occurred when an e-ticket was pulled earlier.

The new ticket system also promises a seamless interface with mobile, tablet, or desktop computers, regardless of operating system.

In addition to the new ticket entry system, USA North 811 has also released a new app for those seeking dig tickets. The app can be downloaded through the various app locations.

The software that powers the new system is in use at 91 other call centers around the country, including the **Underground Service Alert of Southern California** (aka DigAlert).

After receiving a ticket, it's still imperative that contractors follow the rules for a safe and incident-free excavation.

- You must call 8-1-1 at least two working days, but not more than 14 days, before starting your dig. You are not allowed to dig

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during that time.

- Your ticket number references your dig information. Each contractor must have his or her own number. Sharing a ticket among contractors on a single job is not allowed. Tickets are valid for up to 28 days after they're issued.
- Once the call is made, accurately outline your excavation area. Utility company representatives will visit within two working days either to mark or stake the horizontal path of their underground lines, provide information about the location, or advise whether there are lines in conflict with your project.





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Licensed Contractors Needed Now to Do Seismic Retrofits

Bolt + Brace retrofit program creates homeowner demand in north, south state

From the California Residential Mitigation Program

More than 3,000 homeowners are searching for licensed contractors in Northern and Southern California to perform seismic retrofits as part of the **Earthquake Brace + Bolt (EBB) program**. These homeowners are now eligible to receive up to \$3,000 for qualifying seismic retrofits, and they are searching for contractors from the **EBB Contractor Directory**.

This



program has created a big demand for contractors trained in seismic retrofitting work. More than 95 percent of the EBB retrofits are being done by contractors listed in the EBB Directory. To be added to the directory, you must complete the **free online FEMA training** on the EBB website. Once added, you also will be eligible to receive free marketing materials to help your clients through the retrofit program.

A qualifying EBB retrofit needs to be done in accordance with the California Building Code, Appendix Chapter A3 (Chapter A3), Standard

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Plan Set A, LA City Standard Plan Set #1 or an engineered solution.

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- Chapter A3 allows a prescriptive standard for houses with cripple walls four feet high or shorter and an engineered solution for cripple walls over four feet;
- All of the retrofit work is done under the house in the crawl space around the perimeter of the continuous concrete foundation;
- The retrofit includes bolting and bracing anchor bolts or foundation plates and plywood or OSB sheathing on the perimeter cripple walls;
- Houses with stem walls (and not cripple walls) qualify and require only bolting to the foundation; and
- Standard Plan Sets are designed to meet the requirements of Chapter A3.

Register to join the [EBB Directory](#) today and start doing residential seismic retrofit projects. You can also contact EBB at [email](#) or 877.232.4300.





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1. **True or False: A licensed contractor can perform work not listed on their license as long as the work is less than \$500.**
2. **Military personnel and veterans who apply for a contractor license:**
 - a. May receive expedited service from CSLB in the application process if they provide documentation showing service
 - b. May be able to apply related military experience toward licensing experience requirements
 - c. Both A and B
3. **True or False: If the trade work being performed by an individual is not expressly described in another classification, the C-61/D-64 – Non-Specialized Limited Specialty classification is the correct license.**
4. **True or False: A C-22 Asbestos Abatement contractor may remove asbestos from any part of a structure without holding any other classification.**
5. **Reciprocity can be granted for contractors holding a license from Arizona, Nevada, or Utah if:**
 - a. The applicant indicates on their application that they have a license in one of the reciprocal states.
 - b. The classification being applied for is on the Reciprocal



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Classification List, the contractor is in good standing in the reciprocal state for the previous five years, and he/she submits a Request for Verification of License completed by their current licensing entity.

- c. The contractor need only submit the Request for Verification of License completed by their current licensing entity.

6. True or False: The business name style must be compatible with both classification and entity type of the license held.

Answers:

1: False – They must work within their classification no matter what the amount – the \$500 exemption does not apply 2: C. 3: False – The work may fit within another classification even if it's not expressly stated. 4: True. 5: B 6: True.

