

News Release

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CSLB #21-03

Contractors State License Board Sting in Fresno County Catches 12 Suspected Unlicensed Contractors

Sting suspect makes \$5,000 bid to undercover investigators

SACRAMENTO – Spring home improvement work in Fresno County is continuing at a rapid rate, and residents need to remember to hire licensed contractors. A recent Contractors State License Board ([CSLB](#)) undercover sting in Clovis caught 12 persons allegedly contracting without a license.



The high bid of \$5,000 from the April 28-29, 2021 operation provided to undercover investigators was for concrete outside of a home. That bid is well over the legal limit for contracting without a license. In California, it's illegal for an unlicensed person to bid for or perform any home improvement valued at \$500 or more in combined labor and material costs.

CSLB partnered with the [Fresno County District Attorney's Office](#), the [Clovis Police Department](#) and the [California Department of Insurance](#) to conduct the undercover operation. CSLB Statewide Investigative Fraud Team (SWIFT) members posed as owners of a three-bedroom home and invited suspected unlicensed contractors to place bids on home renovation projects.

The 12 alleged unlicensed contractors gave bids for home improvement jobs, including painting, concrete, landscaping, fencing, and tree work. They will be referred to the Fresno County District Attorney's Office for contracting without a license ([Business and Professions Code \(BPC\) §7028](#)). First-conviction penalties include up to six months in jail and/or up to \$5,000 in fines.

Three of the suspects who did not have the proper workers' compensation insurance policies to cover those working for them are facing additional charges ([Labor](#)

[Code § 3700.5](#)). As a reminder, contractors must carry workers' compensation

insurance if they have employees.



"Consumers need to use caution when hiring a licensed contractor, and make sure the contractor is carrying workers' compensation insurance," said CSLB Registrar David Fogt. "Without workers' compensation insurance, a consumer

may be liable for a worker's injuries while on the job."

If contractors don't have employees, they must file a workers' compensation exemption with CSLB, which is noted on the license record.

Three of the suspects violating workers' compensation regulations were also issued a Stop Order – a legal demand to cease all employee labor at a job site until required workers compensation insurance is obtained ([BPC § 7127](#)).

Consumers can check a contractor's workers' compensation information by performing an "[Instant License Check](#)" on the CSLB website. This feature allows homeowners to search by license number, name, or business name to find individual contractor pages. Each page shows if the contractor's license is active and in good standing, and it lists bond and workers' compensation insurance information.

One contractor was also cited for requiring an excessive down payment ([BPC § 7159.5](#)). It is illegal for contractors to ask for more than 10 percent down or \$1,000 for home improvement projects, whichever is less.

Eleven individuals may face a misdemeanor charge for illegal advertising. Unlicensed contractors must state in all ads that they do not have a license ([BPC §7027.1](#)). The penalty for violating the advertising rules for unlicensed contractors is a fine of \$700 to \$1,000.

Consumers should also remember:

- You should always get three bids from licensed contractors before hiring anyone to perform home improvement work.
- Homeowners can use CSLB's "[Find My Licensed Contractor](#)" feature to build and download a list of qualified licensed contractors in their area.

- Those interested in getting a contractor license are encouraged to attend one of our [licensing workshops](#).

All suspects were ordered to appear at the Fresno Superior Court of California, on June 15 and 16 at 8:30 a.m. on 1100 Van Ness, Room 402, Fresno, CA 93724 ([MAP](#)).

The Contractors State License Board operates under the umbrella of the [California Department of Consumer Affairs](#). CSLB licenses and regulates almost 281,000 contractors in California and is regarded as one of the leading consumer protection agencies in the United States. In 2020, CSLB helped recover over \$26 million in ordered restitution.

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CSLB Media Contacts

Tonya Corcoran

Chief Deputy Registrar

916.255.0541

tonyad.corcoran@cslb.ca.gov

Kevin Durawa

Information Officer

916.255.4693

kevin.durawa@cslb.ca.gov

Natalie Watmore

Information Officer

916.203.1240

natalie.watmore@cslb.ca.gov