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ACCOMPLISHMENTS & ACTIVITIES





ED LANG, *Public Member, Chair*

AGUSTIN "AUGIE" BELTRAN, *Public Member, Vice Chair*

LINDA CLIFFORD, *Contractor Member, Secretary*

KEVIN J. ALBANESE, *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*

ROBERT J. LAMB II, *Public Member*

MARLO RICHARDSON, *Public Member*

FRANK SCHETTER, *Contractor Member*

PAUL SCHIFINO, *Contractor Member*

JOHNNY SIMPSON, *Public Member*

NANCY SPRINGER, *Public Member*

EDMUND G. BROWN JR.
Governor

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

AWET KIDANE
Director
Department of Consumer Affairs

CINDI A. CHRISTENSON
Registrar
Contractors State License Board

CSLB Invigorated by Fresh Perspectives in 2015

The Contractors State License Board (CSLB) was enlivened by new energy in



2015, buoyed by fresh leadership, a Board at full strength, and a host of programs and campaigns that continue to build on CSLB's record of consumer protection and construction industry oversight.

In CSLB's Executive Office, Registrar Cindi Christenson and Chief Deputy Registrar Cindy Kanemoto completed their first year as the Board's top administrators. Cindi, who succeeded former Registrar Steve Sands following his retirement in December 2014, took advantage of her years as his deputy to set a strong legislative and administrative agenda for the year. Cindy brings a strong IT and training background to her position that is especially valuable in overseeing CSLB's technological advances to benefit contractors and consumers.

The Board, which directs policy for CSLB, saw three new members seated during this past year. The appointments of Johnny Simpson of San Diego, David De La Torre of San Bruno, and Marlo Richardson of Playa del Rey completed the 15-member Board. All three bring new ideas and fresh perspectives that complement the experience and institutional knowledge of the incumbent Board members.

2015 was marked by several legislative successes. Prompted in part by the boom in the solar industry, CSLB sponsored a new law to simplify the Home Improvement Salesperson registration process for those seeking work in the solar field and other construction-related sales. CSLB also pushed for passage of a new law that raised the contractor bond amount—to better protect consumers from shoddy work and employees who are not paid for their labor—and eliminated an outdated requirement that contractors prove they had working capital to start their businesses.

Particularly gratifying was recognition by lawmakers and Gov. Edmund G. Brown Jr. that CSLB is continuing to fulfill its role as consumer protector and industry watchdog. As part of Senate Bill 465, signed by the governor, CSLB was granted a new "sunset" date that allows the Board to continue operations for another four years, to 2020.

As California endured its fourth year of drought in 2015, CSLB strengthened its commitment to Governor Brown's emergency mandate that state officials take all necessary actions to protect the state's most precious resource. To make sure that drought-stricken communities had clean, safe water, the Licensing division continued

A MESSAGE FROM THE BOARD CHAIR

its policy, begun in 2014, of expediting applications for well drilling and machinery and pumps contractors to address a shortage of workers in these trades.

CSLB staff were kept busy in 2015 responding to natural disasters around the state. Drought-driven fires charred thousands of acres in Northern California last year, most notably in the Lake and Calaveras/Amador counties area, claiming several lives and many homes. In the aftermath of these disasters, CSLB joined with other agencies to offer recovery assistance and advice to affected property owners, and conducted sweeps of the areas to warn off unlicensed operators trying to capitalize on the misfortune of others.

CSLB always looks for ways to use new technology to improve services. Toward that end, in 2015 the Board introduced a revamped payment system for contractors who prefer to pay their fees by credit card. The IT division created and implemented the e-Payment system, which now operates in the Sacramento, Norwalk, San Diego, San Bernardino, and Fresno offices.

CSLB's enforcement of high contracting standards and its commitment to consumer protection have earned it an international reputation, and foreign delegations regularly visit the Sacramento headquarters in search of proactive regulatory or enforcement methods to bring back to their home countries. In 2015, a contingent of officials from Saudi Arabia met with CSLB managers and Board members to learn about contractor classifications, and while here provided staff with a fascinating look at the Saudi construction industry. These exchanges enhance CSLB's standing as a world leader in the areas of industry regulation and consumer protection, and give us valuable insight into how other countries oversee their construction trades.

We look forward to another productive year ahead, and thank all those who contributed to our accomplishments in 2015.

A handwritten signature in black ink, appearing to read "Ed Lang", with a stylized flourish at the end.

Ed Lang, Board Chair

State of California
Department of Consumer Affairs
Contractors State License Board

CSLB MISSION

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



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CSLB VISION

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 Registrar and Board Members

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.

ED LANG, Chair

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 and by Governor Edward 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 serves on the Board

of Directors for the InnerCity Housing Corporation and HELPS Family Foster Agency, and is a member of the American Association of Retired People. Mr. Lang's term continues through June 1, 2018.

AGUSTIN "AUGIE" BELTRAN, Vice Chair

Senate Appointee

Public Member



Augie Beltran, of Oakdale, was appointed by the Senate Rules Committee in January 2014. 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, 2017.

LINDA CLIFFORD, SECRETARY

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 has been chief financial officer at C.C. Myers Inc. since 1986. She also held multiple accounting positions at Continental Heller-Tecon Pacific from 1972-1986. Ms. Clifford is treasurer and a board member of Transportation California, and chairperson and commissioner for the California Uniform Construction Cost Accounting Commission. Ms. Clifford's term continues through June 1, 2018.

KEVIN J. ALBANESE

Governor Appointee "B" Contractor Member



Kevin J. Albanese, of San Jose, was appointed by Governor Edmund G. Brown Jr. in July 2013. In 2014, Mr. Albanese

took over as President and CEO of Joseph J. Albanese, Inc. Previously he spent 10 years as Chief Operating Officer and served 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, 2017.



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. 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, and is a representative on San Francisco Mayor Ed Lee's 100% Renewable Energy Task Force. Mr. De La Torre's term continues through June 1, 2016.

DAVID DIAS**Governor Appointee
Labor Member**

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

in June 2012. 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 EEC. Mr. Dias' term continues through June 1, 2016.



SUSAN GRANZELLA

Governor Appointee Public Member



Susan Granzella, of Sacramento, was appointed by Governor Edmund G. Brown Jr. in October 2014. Ms. Granzella held

several Visa, Inc. positions from 1996 to 2014, including senior director and vice president for technical documentation, and audit and compliance coordination for global development. Ms. Granzella's term continues through June 1, 2016.

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. Since 1983, Ms. Hancock has owned Her Land Enterprises, a general contracting firm. From 1987 to 1983, she co-owned Hancock & Colyer Construction. In 2010 she started "Insights" Construction consulting. Ms. Hancock earned a juris doctorate degree

in 1982 and a California state teaching credential in 1979, 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 positions at the Los Angeles County Department of Consumer Affairs from 1976 to 2010, including director, assistant director, head consumer affairs representative, and investigator. He also serves on several nonprofit boards, including the National Consumers League (NCL), National Insurance Institute Consumer Advisory Board, Privacy Rights Clearinghouse, and Consumer Action. Mr. Herrera's term continues through June 1, 2018.



ROBERT “BOB” J. LAMB II**Assembly Appointee
Public Member**

Robert Lamb, of Cypress, was appointed by Assembly Speaker Fabian Núñez in May 2006. Mr. Lamb

is a certified plumber and pipefitter. He has been a member of the United Association for more than 37 years, held numerous positions in the construction industry, and worked on a variety of construction projects. Mr. Lamb was the business manager and financial secretary/treasurer for the Plumbers and Steamfitters U.A. Local 582 in Santa Ana, and also was a representative for the Southern California Pipe Trades District Council 16. Mr. Lamb earned a bachelor's degree in Union Leadership and Administration from the National Labor College in Silver Spring, MD. He serves as an international representative for the United Association of Plumbers and Steamfitters. In October 2008, Assembly Speaker Karen Bass reappointed Mr. Lamb, and in 2012 Assembly Speaker John Perez reappointed Mr. Lamb for a term that continues through June 1, 2016.

MARLO RICHARDSON**Governor Appointee
Public Member**

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

been employed by the Los Angeles Airport Police Division since 1999 and is a lieutenant. She has an extensive background as a business entrepreneur with experience in the restaurant, real estate, home health care, import/export, and financial services industries, and mentors other business entrepreneurs. Ms. Richardson is co-chair of Public Safety for Los Angeles County Empowerment Congress, and also is a member of the California State Bar Association Committee on Professional Responsibility and Conduct, the Los Angeles African American Women's Public Policy Institute, and California Women Lead. Ms. Richardson's term continues through June 1, 2016.



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 the 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, as trustee of the statewide IBEW/NECA 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 ASA. Mr. Schetter’s term continues through June 1, 2019.

PAUL SCHIFINO

Governor Appointee “C” Contractor Member



Paul Schifino, of Los Angeles, was originally appointed by Governor Arnold Schwarzenegger in January 2010,

and reappointed by Governor Edmund G. Brown Jr. in April 2011. Mr. Schifino is owner and president of Anvil Steel Corporation and Junior Steel Co., both of which hold C-51 Structural Steel and “B” General Building contractor licenses in California. Mr. Schifino was a practicing attorney in California from 1989 to 1996, and was adjunct professor at Georgetown University from 1987 to 1989. He also is a member of the American Institute of Steel Construction (AISC). Mr. Schifino and his wife actively participate in many local charities, including City of Hope Hospital and the Weizmann Institute of Science. Mr. Schifino’s term continues through June 1, 2017.



JOHNNY SIMPSON

**Senate Appointee
Public Member**



Johnny Simpson, of San Diego, was appointed by the Senate Rules Committee in February 2015, and reappointed in

July 2015. Mr. Simpson is the business manager/financial secretary of the International Brotherhood of Electrical Workers Local 569, which represents over 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 highly involved in his community and has spent more than 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 also is a San Diego Electrical Training Center trustee; 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.

NANCY SPRINGER

**Governor Appointee
Public Member
Building Official**



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

served in multiple positions for Butte County since 2007, including building division manager, interim building division manager, and building official assistant. She held multiple positions at Willdan Engineering from 2003 to 2007, including building safety services supervisor, office manager, and senior plans examiner. Prior, Ms. Springer was a plans examiner at Linhart Peterson Powers and Associates from 1998 to 2003, and a building inspector for the Sutter County Community Services Department from 1992 to 1998. She was a building inspector for the City of Colusa from 1991 to 1992, and for the City of Palmdale from 1989 to 1991. Ms. Springer was an electrician apprentice at the National Electrical Contractors Association from 1984 to 1987, and an aircraft electrical systems specialist for the U.S. Air Force from 1980 to 1985. Ms. Springer's term continues through June 1, 2017.



CINDI A. CHRISTENSON

Registrar of Contractors



Cindi A. Christenson became Registrar of Contractors on January 1, 2015. Ms. Christenson serves as CSLB's executive officer, and oversees a \$60 million budget

and more than 400 employees at CSLB headquarters in Sacramento and 10 other offices around the state. She is the first female Registrar in CSLB's 86-year history.

Ms. Christenson is a licensed mechanical engineer, and also holds a law degree. Before joining CSLB in 2009 as Chief Deputy Registrar, Ms. Christenson was executive officer for

the California Board of Professional Engineers and Land Surveyors from 1996 to 2009. From 1988 to 1996, she served as that organization's senior engineering registrar. She also worked with the state Department of Water Resources as an associate mechanical engineer from 1981 to 1988.

Ms. Christenson received her juris doctorate from the Lincoln Law School of Sacramento in 2003, and earned her Bachelor of Science degree in Mechanical Engineering from California Polytechnic State University, San Luis Obispo.



March 16, 2015 Board meeting in Glendale.

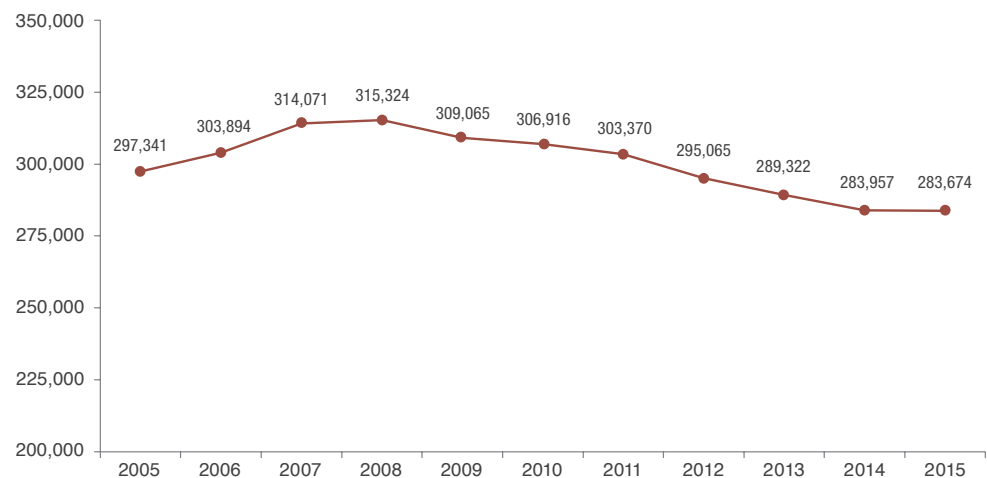


LICENSING

Number of Licenses

As of December 31, 2015, there were 283,674 CSLB-issued licenses, a decrease of less than 1 percent from 2014. Of these, 223,322 were active licenses; 60,352 were inactive.

NUMBER OF LICENSES



CSLB call center and front counter staff assist well over one hundred thousand licensees, applicants, and consumers each year.

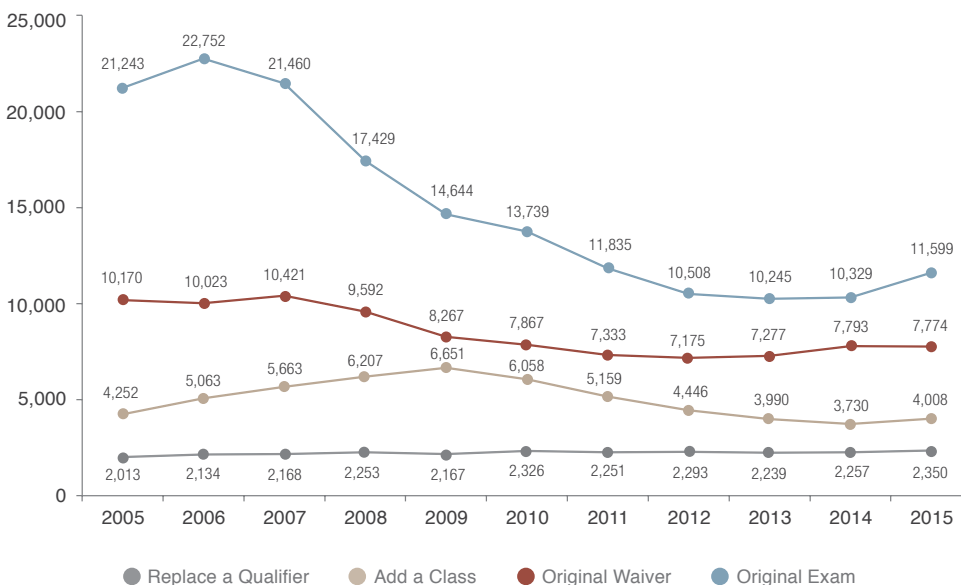
2015 TOP TEN LICENSE CATEGORIES

CLASSIFICATION	TOTAL
"B" General Building	135,846
C-10 Electrical	31,766
"A" General Engineering	19,787
C-36 Plumbing	18,607
C-33 Painting and Decorating	18,252
C-20 Warm-Air Heating, Ventilating and Air-Conditioning	13,999
C-27 Landscaping	13,659
C-15 Flooring and Floor Covering	8,284
C-8 Concrete	7,542
C-54 Tile	7,223

Workload

The chart below displays the number of license applications received for calendar years 2005 through 2015. In 2014, 24,109 applications were received; 25,731 were received in 2015, an increase of nearly 6 percent. Original license applications (exams and waivers) increased 10 percent. Applications to add a classification to an existing license rose by about 7 percent and applications to replace the qualifying individual on an existing license went up by 2 percent.

APPLICATIONS RECEIVED BY CALENDAR YEAR



Processing Timelines

Throughout 2015, CSLB's Licensing division maintained acceptable processing times for many of its application types and other 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	2014 AVERAGE	2015 AVERAGE
Original Exam	2.1	3.9
Original Waiver	2.5	2.3
Add a Class	2.7	5.1
Replace the Qualifier	2.9	4.5
Home Improvement Salesperson	3.6	3.1
Renewal	1.3	2.7
Contractor Bond / Bond of Qualifying Individual	0.2	0.1
Workers' Compensation Certificates and Exemptions	0.3	0.8

Statistical Reporting and Analysis Project

The Licensing division established an Application Disposition Report in November 2005 to identify the number of applications received within a fiscal 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 chart that follows shows the number of applications received in fiscal year 2014-15 and their disposition.

Among the reasons that an application may be classified as "pending" include:

- The applicant does 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 to identify necessary application processing improvements.



FISCAL YEAR 2014 - 2015

TYPE OF APPLICATION	RECEIVED	ISSUED	VOID	PENDING
Original Exam	11,029	5,568	3,612	1,849
Original Waiver	8,048	6,484	1,399	165
Add a Class	4,024	2,331	1,452	241
Replace the Qualifier	2,375	1,768	543	64
Home Improvement Salesperson	12,557	6,734	5,587	236
Change of Officers	1,937	1,409	503	25

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);
- Direct telephone and email contact with CSLB staff; and
- Live Scan fingerprinting requirements.

Experience Verification and Investigation

CSLB is required by law to investigate a minimum of 3 percent of applications received to review applicants' claims of experience. Until 2005, application experience investigations were performed by the Licensing division. However, when the fingerprinting requirements were implemented in early 2005, Licensing requested that the application experience investigation workload be transferred to the Enforcement division since Licensing staff was redirected to review criminal



histories. Effective June 1, 2014, the Licensing division resumed the formal application investigation process, following the same procedures as Enforcement.

The program aims to assist qualified applicants to become licensed and ensure that all licensed contractors meet minimum qualifications by verifying the work experience claimed by the applicant. The Experience Verification Unit provides applicants a number of options to confirm their experience. In instances when CSLB is unable to verify the experience, the applicant has three options:

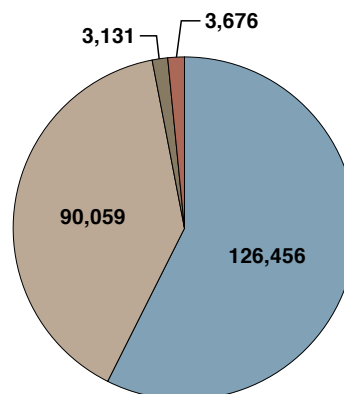
- Identify a new qualifier for the license who possesses the required experience;
- Withdraw the application and reapply when the necessary experience has been gained; or
- Apply for a classification that better fits the trade experience provided.

Workers' Compensation Recertification

Business and Professions Code §7125.5 (Assembly Bill 397) took effect in 2012 and requires that, at the time of renewal, an active contractor that holds an exemption for workers' compensation insurance on file with CSLB either recertify the 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.

2015 WORKERS' COMP COVERAGE FOR ACTIVE LICENSES

Workers' Comp Exemption Current (57%) Workers' Comp Coverage Current (40%) Under Workers' Comp Suspension (1%) Pending Workers' Comp Suspension (2%)



Total Number of Active Licenses: 223,332



Drought Response

With increased demand for domestic and agricultural well drilling because of the state's ongoing and severe drought, particularly in counties across the Central Valley, CSLB implemented procedures in August 2014 to expedite the licensure of new applicants for well drillers, as well as machinery and pumps contractors. These applications receive priority treatment throughout the licensure process from among the approximately 2,000 to 2,500 applications CSLB receives each month.

In 2015, CSLB expedited 239 Well Drilling (C-57) applications, and issued 165 licenses, and also expedited 95 Machinery and Pumps Limited Specialty (C-61/D-21) applications, issuing 60 licenses. While those with a C-57 license are permitted to dig new wells, those holding a C-61/D-21 license can perform preventative maintenance and repair by adjusting pumps on existing wells to accommodate lower water flows in hope of preventing permanent damage to a well that will then necessitate its replacement.

CSLB also has worked with the Nevada State Contractors Board to publicize the Board's reciprocity agreement with well drillers licensed in Nevada whose applications to work in California are likewise expedited under this policy. Twenty-eight of the 165 expedited licenses issued for the C-57 Well Drilling classification were for out-of-state applicants, while 10 of the 60 expedited licenses issued for the C-61/D-21 classification were for out-of-state applicants.

New Laws

C-22 Asbestos Abatement License Classification

Beginning January 1, 2015, CSLB began to offer a new Asbestos Abatement (C-22) license for those qualified to perform abatement and disposal work involving construction materials that contain specified levels of asbestos, a carcinogenic material. CSLB has licensed 169 C-22 Asbestos Abatement contractors.

C-22 license holders must meet designated experience requirements and maintain a current and valid registration with the Department of Industrial Relations' Division of Occupational Safety and Health (DOSH). The C-22 Asbestos Abatement classification functions hand-in-hand with the DOSH registration—all work performed under the C-22 classification must be in accordance with DOSH regulations, requirements, and training.

The C-22 classification is separate from the existing Asbestos Certification (per Business and Professions Code section 7058.5), which continues to be available for contractors who perform asbestos-related work only within the scope of their contractor licenses.



Fingerprinting

License applicants (since January 2005) are required to submit fingerprints if they are listed as personnel on an original application, or are applying to add a classification to an existing license, replace the qualifier, report new officers, or registering as a Home Improvement Salesperson. CSLB fully implemented the program in April 2005. Fingerprints are compared with California Department of Justice (DOJ) and Federal Bureau of Investigation (FBI) records to determine if an applicant has a criminal history.

CSLB staff review all criminal convictions to decide if the crime substantially relates to the duties, qualifications, or functions of a contractor, and to evaluate if the applicant has demonstrated his or her sufficient rehabilitation. Throughout 2015, the timeline for pulling conviction records for review averaged just over four weeks.

2015 FINGERPRINT STATISTICS

33,520	Total number of applicants with fingerprint responses from DOJ and FBI
5,658	Number of applicants identified with a criminal history
51	Number of applicants denied licensure due to criminal convictions
68	Probationary licenses issued

Licensing Information Center

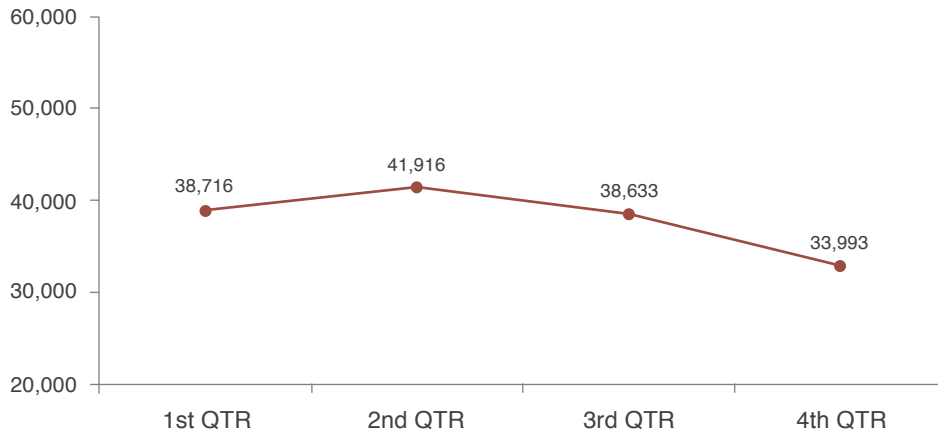
CSLB's Licensing Information Center (LIC), or call center and front counter, serve as primary resources for public information provided to contractors, applicants, and consumers.

Among the LIC's 2015 successes were continued in-depth, on-the-job training for agents, including phone shadowing and staffing the public counter; and regular meetings between the Board'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. This increased training has brought LIC call wait times and abandoned call statistics to their lowest level in more than seven years, and has met or exceeded the Board's goal of answering **96 percent** of all calls in three minutes or less.

In 2014, LIC staff answered 145,792 calls. In 2015, 153,258 calls were answered, a 5 percent total increase, as indicated by quarter:

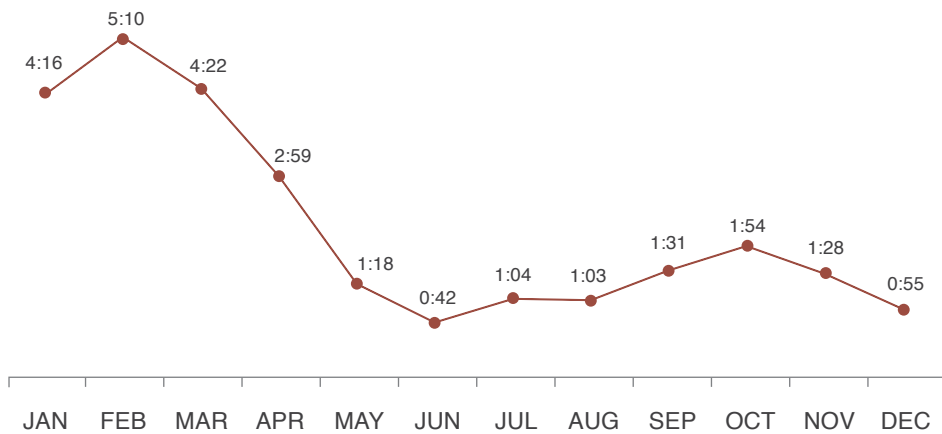


CALLS ANSWERED CALENDAR YEAR 2015



The average call wait time in 2015 was 2:13, a decrease of almost one minute from 2014.

AVERAGE WAIT TIME- CALENDAR YEAR 2015



TESTING

Examination Development

The Testing division is responsible for ensuring that CSLB examinations are current and relevant. In accordance with legal requirements and professional testing standards, an occupational analysis of each licensing classification is conducted to collect information from licensed contractors and identify current trade practices. Results of the occupational analyses are then used to update the licensing examinations. All examination development work relies on input from licensed contractors who serve as Subject Matter Experts (SMEs) and participate in two- and three-day workshops conducted by exam specialists at CSLB headquarters in Sacramento. CSLB aims to perform an occupational analysis for each classification every five to seven years.

All of CSLB's occupational analyses currently meet the five- to seven-year goal. During 2015, the Examination Development Unit (EDU) completed 13 occupational analyses and updated 10 examinations.

OCCUPATIONAL ANALYSES COMPLETED	NEW EXAMINATIONS COMPLETED
C-8 Concrete	"A" General Engineering
C-9 Drywall	"B" General Building
C-15 Flooring and Floor Covering	C-6 Cabinet, Millwork and Finish Carpentry
C-17 Glazing	C-10 Electrical
C-27 Landscaping	C-11 Elevator
C-29 Masonry	C-20 Warm-Air Heating, Ventilating and Air-Conditioning
C-31 Construction Zone Traffic Control	C-23 Ornamental Metal
C-32 Parking and Highway Improvement	C-29 Masonry
C-33 Painting and Decorating	C-36 Plumbing
C-39 Roofing	C-51 Structural Steel
C-43 Sheet Metal	
ASB Asbestos Certification	
Law and Business	

The Testing division uses email surveys for occupational analysis projects because they are quicker and cost less than paper surveys, and eliminate data entry. However, because CSLB does not have email addresses for all contractors, paper surveys are also used to ensure that the Board reaches a sufficient sample of licensees.

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 2015, EAU staff received training on procedures for candidate identification, examination security, and personnel safety.

Special Projects

New C-22 Asbestos Abatement Examination

On January 1, 2015, the Testing division released the new C-22 Asbestos Abatement license examination, which is separate from the Asbestos Certification examination.

Civil Service Examinations

Since 2009, the Testing division has developed and administered examinations for civil service classifications that are used by CSLB. In 2015, EDU administered the Enforcement Representative I examination twice, using SCORE custom software, and administered the Management Services Technician examination once.

2015 Examination Statistics

EXAMINATION TYPES	TOTAL
Trade	43
Certification	2
Law and Business	1
Number of Examinations Scheduled	31,892
Number of Misconduct Investigations	7
Number of Confirmed Misconduct Incidents	6
Overall Percentage of Examinations Passed	53%



ENFORCEMENT

Introduction

In 2015, CSLB's Enforcement division continued to fulfill its commitment to public protection through the timely resolution of consumer complaints and initiation of administrative disciplinary action, when appropriate. Enforcement staff opened 19,654 complaints in 2015—an increase of 985 from the previous year—and completed 19,906 investigations in 2015—an increase of 880 from 2014.

The division maintained its focus on protecting the public by working with local building departments and enforcing permit requirements to help ensure that buildings are constructed to life-safety standards. In 2015, CSLB took 306 legal actions that alleged a violation of permit compliance.

In response to the devastating Butte and Valley fires in Northern California, Enforcement division staff worked long hours at local assistance centers to help victims with questions related to construction and licensure requirements.

Enforcement staff expanded working relationships with local prosecutors, referring 1,333 cases for criminal action. To proactively protect consumers from unscrupulous individuals, staff worked closely with district attorneys across the state to increase the number of undercover sting operations by 23 percent.

The division also maintained its commitment to helping resolve consumer complaints and achieving restitution for injured parties. In 2015, 44 percent of consumer-filed complaints were settled, with restitution, within 90 days of receipt, culminating in the return of more than \$14 million to injured parties.

CSLB also continued to work closely with its local partners to pursue the most egregious offenders. In one such case, Enforcement staff conducted a joint investigation with a local district attorney's office to help prosecute an individual who took advantage of an 84-year old homeowner who, after paying nearly \$180,000 to the contractor, nearly lost his home to that same contractor through a reverse mortgage.

Significant State Prison Sentences

Public Safety Realignment (AB 109), which took effect October 1, 2011, requires that individuals sentenced for non-serious, non-violent, or non-sexual offenses serve their sentences in county jails rather than state prison. This has made it quite difficult to obtain a state prison sentence for construction-related criminal activity. However, CSLB did successfully hold the most egregious contracting offenders accountable in 2015.

Investigation Results in 12-Year Prison Sentence



An unlicensed contractor from West Sacramento was ordered to spend the next 12 years in state prison after an investigation

uncovered more than a dozen elderly victims and losses exceeding \$500,000. CSLB began to investigate Patrick Murphy in 2013, when one victim's son reported that his elderly father had paid Murphy nearly \$73,000 for a series of small home "repair" projects. CSLB found that much of Murphy's work was substandard, that he charged an excessive amount, and that portions of the contract were not honored. Using license numbers that belonged to other contractors without their knowledge, he also violated workers' compensation insurance requirements. It was later discovered that he had engaged in a similar pattern of financial abuse with other elderly victims; Murphy would

complete small, initial projects, then "upsell" additional work at exorbitant prices. In March 2015, Murphy pleaded no contest to four counts of elder financial abuse, with an enhancement for fraud of more than \$500,000.

Unlicensed Contractor Gets Nine Years and Four Months in Prison



Unlicensed paving contractor Alexander Pike Mitchell has a lengthy history of construction-related criminal activity throughout California. His

standard business model consisted of offering homeowners an attractive price for paving work because he had "leftover" materials. Mitchell then collected a hefty deposit, but never returned to complete any actual work. He scammed consumers in Santa Clara, Santa Cruz, Riverside, and San Diego counties, and was included on CSLB's list of "Most Wanted" contractors in April 2013. In 2014, Mitchell pleaded guilty to multiple charges in both San Diego and Santa Cruz counties, including grand



theft and theft by false pretenses, and was sentenced to seven years in prison and ordered to pay \$26,875 in restitution. In July 2015, Mitchell pleaded guilty to three additional felony grand theft counts, this time in Riverside County, and was sentenced to two additional years in prison, for a total of nine years and four months.

Seven-Year Prison Term for Unscrupulous Contractor



A licensed contractor who turned a roof repair into a \$1.3 million project at the home of an elderly Ojai man was sentenced

in May 2015 to seven years in prison after pleading guilty to seven felonies. Mark Adams, of Ventura, originally contracted to repair the roof, but within three months the victim had paid Adams \$775,000 for 17 more contracts. Adams' demand for an additional \$523,000 prompted the victim's family to complain to CSLB in August 2012. A joint investigation with the Ventura County District Attorney's Office concluded that, despite the \$1.3 million price tag, Adams had completed only \$393,000 worth of work. Further, Adams hired mostly unlicensed workers and failed to obtain required building permits. Adams eventually admitted to multiple

felonies, including elder theft, obtaining money by false pretenses, diversion of construction funds, filing a fraudulent mechanic's lien, and a "white collar" enhancement for a loss exceeding \$500,000. In addition to the seven-year prison sentence, the judge ordered Adams to pay the victim \$1,266,689 in restitution.



Enhanced Enforcement Programs

Special Investigations Unit

Created in late 2014, the Enforcement division's Special Investigations Unit (SIU) consolidated all CSLB peace officers statewide under a single supervisor. SIU officers work with local prosecutors to pursue criminal filings for construction-related crimes, including financial elder abuse, burglary, conspiracy, insurance fraud, and the diversion of construction funds. Officers in the SIU receive specialized training over and above that provided to non-sworn Enforcement Representatives.

During 2015, SIU officers attended specialized training classes in Sacramento that updated them on the laws of arrest and search and seizure, the illegal diversion of funds, and elder abuse. Officers also participate in monthly training sessions provided by the Riverside County District Attorney's office, and receive quarterly tactical training from the Department of Consumer Affairs' Division of Investigation.

In 2015, the SIU completed 430 investigations, with 57 percent referred for legal action. Additionally, the unit successfully pursued many criminal cases, including the highlights that follow.

Remodeling Business Goes "Green"— With Elderly Homeowner's Money

After receiving an unsolicited sales visit, an 84-year-old San Jose man entered into a \$12,900 house painting contract with Shay Segev, owner of Green Planet Home Remodeling. During the next two weeks, Segev persuaded the homeowner to sign additional contracts for further work. After the homeowner had paid Green Planet \$109,000, Segev convinced him to sign a new \$227,900 contract for extensive remodeling and a new roof. The homeowner lacked the funds to pay for the additional work, so Segev set up a \$185,000 reverse mortgage, with most of the proceeds funneled directly to him. The scheme unraveled when a bank teller became suspicious and called family members and the police, who arrested Segev. A joint investigation by a CSLB peace officer and the Santa Clara County District Attorney's office found that Segev had performed poor and unpermitted work that would cost \$41,000 to correct. The District Attorney filed multiple criminal charges against Segev, including grand theft, mortgage fraud, and financial elder abuse. The criminal case against Segev was settled in February 2015—he was ordered to pay \$47,261 in restitution, spend 30 days in jail, and serve a three-year probation term.



SIU Turns Up Heat on Repeat Offender Alley and Co.

Sacramento heating and air-conditioning contractor Tony Alley amassed numerous complaints against his license prior to its revocation in 2014. Undeterred, Alley continued to operate as a “manager” for Alley and Co. Heating/Air, Inc., a firm owned by his wife and son. The company business model allegedly included training company technicians in various deceptive tactics, such as turning off a homeowners’ gas to pressure them into purchasing new equipment. Complaints again streamed in to CSLB. When an SIU peace officer noticed that some complainants were suddenly unwilling to proceed, he suspected that Alley pressured them not to cooperate with CSLB. After a year-long joint investigation with multiple state agencies, the CSLB officer referred 12 cases for criminal charges against the company. Alley and his son were arrested in May 2015, and charged with obtaining money by false pretenses, misrepresentation to obtain a contract, and attempted theft by false pretenses. The cases against Alley have been consolidated and are still pending. CSLB has revoked the Alley family license.

Homeowner Saves Water, but Loses Money

Unlicensed contractor Roy Kuykendall landed a \$9,000 contract with an elderly homeowner for residential yard improvements, including the installation of artificial turf. The victim claims she had paid Kuykendall \$4,500 when the agreement was signed, and ultimately gave him \$14,500, including money for a requested personal loan. The victim, who said she made payments under duress, never received the artificial turf, nor had her “loan” money returned. As a result of an SIU investigation, conducted with the La Mesa Police Department, the San Diego District Attorney charged Kuykendall with 11 felonies, including five counts of first degree burglary, five counts of theft from an elder, and one count of diversion of construction funds. He has been arraigned and faces a jury trial on April 26, 2016.

Unlicensed Handyman Cheats Elderly Homeowners

An elderly homeowner hired unlicensed handyman Alberto Yanez to complete some basic home repairs. When the victim was hospitalized, Yanez did work on the home without the owner’s authorization and also began to charge for “caregiving” services. Yanez requested and received more than \$30,000 from the elderly victim, depleting her savings account. A CSLB peace officer investigated the case and, in early 2015, referred the findings to the San Joaquin County District Attorney. In July 2015, Yanez pleaded guilty to unlicensed contracting, with criminal elder abuse enhancements, and received a sentence of one year in county jail, five years’ formal probation, and was ordered to pay restitution of \$40,000. While facing these charges,



Yanez allegedly engaged in additional contracting violations against another elderly homeowner. He is scheduled for arraignment March 1, 2016, in San Joaquin County for additional charges of criminal profiteering, financial elder abuse, theft by false pretenses, grand theft, excessive down payment, and unlicensed contracting.

Partnering with Local Prosecutors

District Attorney Partnering

In 2015, the Enforcement division continued to strengthen relationships with district attorneys by identifying best practices, and sharing investigation and prosecution strategies with prosecutors who handle consumer protection and economic crime cases.

CSLB Sponsored Statewide Prosecutor Training

On October 21, 2015, CSLB joined the California District Attorneys Association to host a training session at the Department of Consumer Affairs headquarters for district attorneys from across the state.

Featured guest speakers included:

- James Young, Orange County Deputy District Attorney, "Prosecuting Unlicensed Contractors: How to Get Convictions on a CSLB Sting Case Every Time"
- Lauren Dossey, Riverside County Senior Deputy District Attorney, "Prosecuting Construction Related Felonies: Identifying Construction Related Crimes and How to Identify a Felony Conviction Instead of a Misdemeanor"
- David Irey, Yolo County Deputy District Attorney, "Prosecuting 17200/17500 Unfair Business Practice: A Look at Investigation and Prosecution Strategies to Achieve Cost Recovery, Civil Penalties, Mandatory and Prohibitory Injunctive Relief"

About 80 consumer law practitioners and investigators representing multiple agencies attended the training, which also was made available to law enforcement agencies and district attorneys' offices around the state via a password-protected webcast. Forty-seven computers and mobile devices accessed at least a portion of the training. In addition, Enforcement staff distributed a first-ever handbook for unlicensed contracting prosecution.



Leveling the Playing Field: Monterey County Underground Economy Conference

On June 12, 2015, CSLB partnered with the Monterey County District Attorney and the California Department of Insurance to host a meeting at the Sheet Metal Workers' training facility in Castroville. The meeting focused on combating the underground economy, with an emphasis on addressing unlicensed activity.

Attendees included representatives from contractor associations, building officials, district attorney investigators and Monterey area-based contractors. CSLB was well represented by then-Board Chair David Dias, Registrar Cindi Christenson, and Chief of Enforcement David Fogt. Topics of discussion included new legislation affecting the Enforcement division, the new C-22 Asbestos Abatement classification, public works, building department partnerships with CSLB, and Enforcement division research regarding the proliferation of unlicensed activity in public online forums.

CSLB Partners with the California District Attorneys Association's National Elder and Dependent Adult Abuse Symposium

On December 1-2, 2015, CSLB Chief of Enforcement David Fogt served as an instructor for more than 100 deputy district attorneys. Training sessions focused on opportunities for local prosecutors to work with CSLB on how to leverage unlicensed practice and workers' compensation insurance violations to obtain or enhance significant criminal convictions for contractors engaged in construction-related elder abuse.



December 2, 2015, District Attorney training at DCA Headquarters.

Waiver Task Force

In 2015, the Enforcement division directed its attention to licensees who serve as qualifiers on corporate licenses for a monthly fee, but have no direct involvement in the entity's construction activities. A task force was established, comprised of two Enforcement Representatives to investigate cases where responsible managing officers (RMOs) were suspected of acting as paid figureheads for a company, but exercised little to no control over its operations.



Business and Professions Code section 7068.1 took effect in January 2014, and authorizes CSLB to discipline a qualifier and the licensed entity he or she represents when that individual is not actively involved in the business' contracting activities. The new law has proven effective. In 2015, CSLB took the following actions against licensees who failed to exercise sufficient direction and control over the licenses for which they served as the qualifier:

Referred to Accusation	57
Recommended for Licensee Citation	10
Referred to Prosecutor	10
License Revoked	4
TOTAL	81

Permit Enforcement

CSLB Building Permit Enforcement Program

In 2015, CSLB continued its zero tolerance policy for contractors who fail to obtain a building permit. Enforcement division staff met with more than 50 building officials throughout the state to jointly increase building permit enforcement, explain the building permit complaint process, and to provide copies of CSLB's complaint form and contact information. The public's ability to use a specific complaint form to report stand-alone permit violations, combined with diligence in confirming permit compliance, resulted in 294 complaints being filed and 222 formal administrative disciplinary actions for failure to comply with permit requirements during the year.

Safe Digging Partnership

In 2014, Pacific Gas & Electric Company honored CSLB at its Gold Shovel Standard event for its partnership aimed at preventing contractors from striking gas lines and jeopardizing public safety.

In 2015, PG&E reported to CSLB that this partnership had successfully brought many contractors considered "repeat" offenders into compliance through the complaint process. During the year, CSLB educated over 50 contractors about safe digging practices and the requirements of Government Code section 4216.2 a(1). In addition, CSLB issued warning letters and referred compliant contractors to PG&E-sponsored training. In only four instances did CSLB have to use formal administrative disciplinary actions against a contractor regarding underground utility strikes.



License Suspension for Lack of Workers' Compensation Insurance

During 2015, Enforcement staff effectively addressed the issue of licensees who falsely claimed an exemption from workers' compensation (WC) requirements. Uninsured contractors found to have employees were notified that they must submit proof of a valid WC policy within 30 days to avoid license suspension, and that filing a second WC exemption would subject them to investigation by CSLB and partnering state agencies. In 2015, CSLB canceled 311 false WC exemptions. Additionally, the Board sent 303 "intent to suspend" letters to other licensees with an exemption on file, of which about 65 percent were suspended. Subsequently, 113 of those licensees obtained new WC policies. Those refiling for a WC exemption are subject to further investigation.

Public Works Unit

CSLB's Public Works Unit, consisting of three investigators, continues to work closely with industry partners, labor compliance organizations, and other state agencies to gather effective referrals that result in legal action against public works contractors. Staff works closely with the awarding agencies to ensure that a contractor awarded a public works project is properly licensed. In 2015, the unit closed 255 cases—20 more than in 2014—with 68 complaints referred for administrative disciplinary action and 13 sent to prosecutors recommending criminal charges.

Promoting Compliance with New Law Regarding Public Works Registration

Senate Bill 854 took effect March 1, 2015, requiring that contractors bidding on public works projects register with the Department of Industrial Relations. Annual registration is \$300. The registration requirement is intended to ensure that contractors on the list have the necessary capital to perform the work, and to more easily identify contractors debarred from submitting public works project bids because of outstanding Civil Wage and Penalty Assessments. On April 28, 2015, the Enforcement division hosted a seminar at CSLB's Sacramento headquarters for awarding agencies, attended by more than 100 people in person and broadcast via webinar, on law and policy issues related to this new requirement.



Becky Lyke speaking at CSLB-sponsored seminar on public works.

Memorandum of Understanding

CSLB continues to work closely with the Labor Commissioner's staff and the Division of Labor Standards Enforcement's (DLSE) enforcement unit to discipline contractors who commit egregious violations in the public works arena. To more effectively continue this work and better reflect the existing partnership, the memorandum of understanding (MOU) between CSLB and DLSE was updated in 2015.

The new MOU strives to address three key objectives:

- Clarify the evidence requirements necessary for CSLB to take administrative disciplinary action against a licensed contractor against whom DLSE has issued a Civil Wage and Penalty Assessment (CWPA);
- Establish an early warning system when a licensed contractor has been found to have engaged in egregious acts involving wage theft; and
- Establish a system for DLSE to provide CSLB with a completed preliminary investigation when the prime contractor on a public works project is held liable for a CWPA that has been issued against a subcontractor, and has subsequently been forced to pay for acts committed by that subcontractor. This will allow CSLB to take action against the subcontractor under Business and Professions Code section 7113—failure to complete a project for the contract price.

Letter to Awarding Agencies

After discovering that some agencies have awarded public works projects to contractors not properly licensed or that are working out-of-class, Chief of Enforcement David Fogt sent a memo on November 25, 2015, to more than 1,200 awarding agencies reminding them about the licensing requirements for all contractors submitting a bid to a public agency.

Case Management Unit

Citation Enforcement Section

To reduce legal expenses for both licensees and CSLB, staff routinely conducts mandatory settlement conferences (MSC) as a more cost-effective alternative to formal administrative hearings. In 2015, 181 citations were resolved by means of a mandatory settlement conference, saving CSLB an estimated \$905,000 in legal representation and administrative costs. Although the number of MSCs dropped in 2015 compared with the previous year, the dollar amounts of both restitution and civil penalties increased significantly over corresponding amounts in 2014.



In 2015, CSLB collected \$1,662,214 in civil penalties, and an additional \$1.1 million in restitution was paid to injured parties. Other related statistics:

- 1,537 citations issued to licensees; 1,043 (68 percent) complied
- 873 citations issued to non-licensees; 430 (49 percent) complied

Arbitration Program

Disputes between licensed contractors and complainants involving amounts up to \$12,500 are eligible for a CSLB-administered Mandatory Arbitration Program, while disputes for amounts between \$12,500 and \$50,000 can be referred to the Voluntary Arbitration Program. The Enforcement Services Section manages both programs; however, CSLB contracts with a private firm, the Arbitration Mediation Conciliation Center (AMCC), to provide the arbitration services.

In 2015, the Enforcement Services Section reported significant increases in both the number of cases referred to arbitration and the savings to the public achieved through this program.

2015 ARBITRATION PROGRAM	Cases	Percentage Increase from 2014
Complaints Referred to Arbitration	455	37%
Decisions Received	343	37%
Restitution Ordered to Public	\$1,523,348	25%
Licenses Revoked for Non-Compliance	26	30%

AMCC monitors the arbitration program through user surveys, and the program achieved approval scores of 95 to 98 percent in all rating categories during 2015. Also in 2015, CSLB published a new Arbitration Guidebook, which clarifies the arbitration process for all parties involved.

Subsequent Arrest and Conviction Unit

The California Department of Justice (DOJ) notifies CSLB whenever licensees or those registered with CSLB are arrested or convicted of a criminal offense, pursuant to Penal Code sections 11075 and 11076. The Subsequent Arrest and Conviction Unit (SACU) staff, within the Enforcement Services Section, investigates each reported case to determine the appropriateness of CSLB administrative action for activity related to the duties and responsibilities of contracting. 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.



In 2015, SACU became fully staffed, which allowed for the investigation of misdemeanor convictions in addition to the felony convictions that had been investigated previously. This resulted in a significant increase in the number of investigations and legal actions taken.

SACU STATISTICS	2015	2014
Criminal Convictions Investigated	1,358	366
Cases Referred for Accusation	109	104
Cases Referred for Citation	211	133
Warning Letters Issued	801	129

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.

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
- Injunction against unlawful activities
- Dismissal
- Criminal charges

In 2015, DSS reported a 19 percent increase in the dollar amount of cost recovery compared with last year:

DSS 2015 ADMINISTRATIVE ACTION STATISTICS	
Accusations Filed	310
Licenses Revoked via Accusation Process	393
Cost Recovery Paid to CSLB	\$294,441

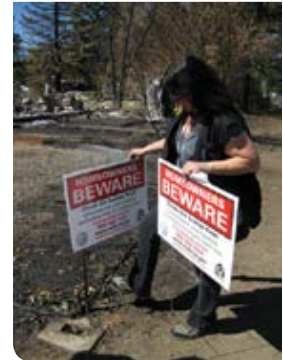


Disaster Response

Butte and Valley Fires

The Butte fire began on September 9, 2015, in Amador County before spreading to Calaveras County. It burned 70,868 acres and destroyed or damaged 475 residences, 343 outbuildings, and 45 structures before being contained on October 1, 2015. The Valley fire erupted in Lake County on September 9, 2015, and spread to Napa and Sonoma counties, destroying or damaging 1,281 homes, 27 multifamily structures, 66 commercial properties, and 581 minor structures before containment.

More than 50 Enforcement staff members worked with local, state, and federal agencies to assist homeowners and victims of the two massive blazes. Enforcement staff provided information and answered questions related to construction and licensure requirements. More than 20 CSLB staff members worked in the disaster areas in addition to their daily duties, and often more than 10 hours a day, for which they received special recognition from the Board.



Outreach efforts in fire damaged area.

Lancaster Floods

In October 2015, flooding caused by thunderstorms buried homes and roads in northern Los Angeles County, and stranded motorists traveling on Interstate 5 over the Tehachapi mountain range and State Highway 138. CSLB dispatched a staff member to the local assistance center in Lancaster to assist flooding victims. The CSLB representative helped 19 people, answering questions about insurance for flood damages and contractor availability.

Proactive Enforcement

SWIFT

In 2015, CSLB's Statewide Investigative Fraud Team (SWIFT) focused on strengthening existing, and developing new, partnerships with the construction industry, law enforcement agencies, and allied state agencies. As a key player in the fight against the underground economy, SWIFT conducts sweeps and stings, and responds to leads from consumers, licensed contractors, and other agencies. SWIFT took more than 1,600 legal actions in 2015, and, of those, 780 were referred



to prosecutors. CSLB conducted a total of 91 sting operations during the past year, participated in 246 sweep operations, and responded to 1,872 leads.

2015 SWIFT RESULTS	
CATEGORY	RESULT
Legal Actions	1,647
Cases Referred to Prosecutors	780
Citation Assessment	\$820,821
Stop Orders Issued for Workers' Compensation Violations	532

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' license law. CSLB investigators partner with local law enforcement to pose as property owners seeking bids for home or commercial property improvements. Notices to Appear (NTAs) in superior court are issued to individuals for, among others, the following misdemeanor violations of the Business and Professions Code:

- Contracting without a license (B&P Code section 7028)
- Advertising without a license (B&P Code section 7027.1)
- Failing to maintain workers' compensation insurance (B&P Code section 7124.5 and Labor Code section 3700.5)
- Excessive down payment (B&P Code section 7159.5)

SWIFT's 91 sting days in 2015 represented a 23 percent increase from 2014, and resulted in the issuance of NTAs to 631 individuals.

Making a Presence in Every County

In 2015, SWIFT made it a priority to conduct stings in as many different counties across the state as possible, first targeting those where stings had not recently been staged. In 2015, SWIFT conducted stings in 30 counties—11 of them for the first time in three years.



Multi-State Partnership—California-Nevada Sting

On April 27, 2015, CSLB and the Nevada Contractors License Board conducted their fourth joint undercover sting operation in South Lake Tahoe. Five suspects were caught for contracting without a license in California, and 12 in Nevada. Four of the suspects caught in the Nevada sting were either California-licensed contractors or had previously held a California license. This partnership has proven vital to protecting consumers from unlicensed, predatory contractors who cross state lines to victimize consumers.

California Blitzes

In addition to the weekly stings staged throughout California, SWIFT investigators conducted three statewide, coordinated blitzes in March, June, and October 2015. A total of 266 individuals received NTAs for contracting without a license, advertising violations, excessive down payment, or failing to maintain workers' compensation insurance.

- **Spring California Blitz**

SWIFT Enforcement Representatives partnered with law enforcement agencies to conduct simultaneous undercover sting operations March 10-11, 2015, in Bakersfield (Kern County), Gardena (Los Angeles County), Lone (Amador County), Madera (Madera County), Rancho Mirage (Riverside County), San Diego (San Diego County), and Tracy (San Joaquin County). The Spring Blitz focused on repeat offenders and resulted in the following disciplinary actions:

2015 SPRING BLITZ TOTALS	
Contracting Without a License	85
Illegal Advertising	77
Stop Orders	6

Those caught in the Spring Blitz included:

- Twelve repeat offenders: one suspect with an active arrest warrant, four suspects on probation, and one former CSLB licensee whose license had been revoked.
 - One suspect using the license of a legitimate, licensed contractor.
- **Summer California Blitz**
- On June 23-24, 2015, SWIFT investigators, assisted by law enforcement agencies, conducted 14 separate undercover sting operations in eight cities and caught 105 individuals. Undercover stings were conducted in Apple Valley (San Bernardino County), Cypress (Orange County), Lafayette (Contra Costa County), Paso Robles (San Luis Obispo County), Sunnyvale (Santa Clara County),



San Jose (Santa Clara County), Visalia (Tulare County), and Yuba City (Sutter County). The Summer Blitz resulted in the following disciplinary actions:

2015 SUMMER BLITZ TOTALS	
Contracting Without a License	101
Illegal Advertising	92
Excessive Down Payment	10
Stop Orders	7

Those cited included:

- Three suspects using the license number of a legitimate contractor.
- Four suspects transported to jail for outstanding warrants—one of whom had an active warrant related to an unpaid citation from a previous CSLB sting operation.

• Fall California Blitz

On October 13-15, 2015, SWIFT investigators and counterparts from local law enforcement agencies conducted simultaneous sting operations in Moreno Valley (Riverside County), Los Angeles (Los Angeles County), San Diego (San Diego County), Fresno (Fresno County), Rio Vista (Solano County), Ukiah (Mendocino County), and Rohnert Park (Sonoma County). The Fall Blitz yielded the following disciplinary actions:

2015 FALL BLITZ TOTALS	
Contracting Without a License	74
Illegal Advertising	56
Excessive Down Payment	2
Unregistered Salesperson	2

Those cited included:

- Twelve suspects either previously caught in stings or with multiple CSLB complaints on file.
- Two suspects transported directly to jail for outstanding arrest warrants and possession of drugs and drug paraphernalia.
- One suspect about whom CSLB had received a tip after the unlicensed contractor allegedly abandoned a \$330,000 job.



Easiest Sting Ever—Next to CSLB Headquarters

On November 17, 2015, CSLB office fax machines received a flier from a paving and roofing company with no contractor's license number listed. A SWIFT Enforcement Representative (ER) made arrangements to meet the suspect for a bid to seal-coat and stripe a parking lot. The suspect, Michael Nicholas, agreed to come out later that day to provide a bid. But, what he evidently did not realize



is that the parking lot in question is directly behind CSLB's main Sacramento office. The ER only had to drive 200 yards from the office to meet Nicholas and receive his bid. Nicholas told the investigator the job would cost \$19,000, with a \$4,500 down payment. Investigators from the Sacramento County District Attorney's office, who assisted in the operation, placed Nicholas under arrest. He pleaded no contest to contracting without a license and received three years formal probation.

Sweeps/Leads

SWIFT regularly receives leads regarding active, ongoing, unlicensed or illegal activity from licensees, the public, and other state agencies that can lead to a construction site inspection. SWIFT also will sweep the surrounding area for other active projects and conduct compliance inspections.

2015 SWEEPS AND LEADS RESULTS	
CATEGORY	RESULT
Compliance Sweep Days	148
Leads Received	2,161
Sweep Compliance Inspection Cases	801
Stop Orders Issued for Workers' Compensation Violations	464
Legal Actions as a Result of a Lead	423
Legal Actions as a Result of a Sweep Compliance Check	423



Labor Enforcement Task Force

Established in January 2012, the Labor Enforcement Task Force (LETf), of which CSLB is a member, combats the underground economy in California to help create an environment where legitimate businesses can thrive. CSLB Enforcement Representatives partner with counterparts from the Department of Industrial Relations' Division of Labor Standards and Enforcement, Division of Occupational Safety and Health, and the Employment Development Department 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 and federal resources in carrying out LETf's mission.

LETf conducts sweeps at active job sites to verify employee wages and check compliance with license, insurance, tax, and job safety requirements. LETf sweeps conducted in 2015 found that 79 percent of contractors contacted at active construction sites were in violation of contractors' license law.

2015 LETf JOINT INSPECTIONS	
CATEGORY	RESULT
Number of Contractors Inspected	496
Number of Contractors Out of Compliance	393
Total Initial Assessments	\$1,710,679
Inspections that Resulted in CSLB Investigations	124
CSLB-Issued Stop Orders	68
DLSE – Number of Deduction Statement Violations (Labor Code section 226)	38
Number of Businesses Referred to the EDD Tax Audit Program	170
Cal/OSHA Serious Violations	118



Employee Training

Throughout 2015, the Enforcement division continued its successful employee training program, which included the development of multiple CSLB-specific courses based on identified needs and management goals. The division's training strategy aims to provide Enforcement Representatives with an intensive series of training blocks in an initial "Enforcement Academy" setting, followed by a series of "Advanced



Chief Fogt (far left) and instructors welcomed CSLB students to an Enforcement Academy in Sacramento in August 2015.

Courses" that focus on more specific job assignments. All trainings are led by the division's training coordinator and a Deputy Attorney General from the California Department of Justice, along with subject matter experts from the private sector who work with CSLB.

The Enforcement division offered six different training courses in 2015. To accommodate all enrolled employees, multiple sessions of some courses were made available.

The Enforcement division's training program has consistently received outstanding reviews from attendees. More importantly, it has elevated the overall expertise and confidence of CSLB Enforcement staff, enabling them to perform their jobs more effectively and professionally.

State of California
Department of Consumer Affairs
Contractors State License Board

LEGISLATIVE



Development and Coordination of Sponsored Legislation

CSLB operates within California's Business and Professions Code. These legislative bills, sponsored by CSLB and signed into law (chaptered) in 2015 by Governor Edmund G. Brown Jr., will affect CSLB operations.

Senate Bill 560 (Monning) Chapter 389, Statutes of 2015

This bill authorizes CSLB Enforcement Representatives to issue a written Notice to Appear (NTA) to individuals who fail to secure workers' compensation insurance. An NTA is a court order mandating an individual's presence at a hearing, on a specified date, to answer to a misdemeanor charge.

Additionally, this bill allows all boards under the Department of Consumer Affairs to share licensee information with the Employment Development Department (EDD). As part of its efforts to fight the underground economy, CSLB partners with EDD to enforce tax withholding requirements and identify enforcement targets. Sharing licensee information will allow EDD to correlate it with tax registrant data from both the State Fund and EDD to help determine if a licensee is compliant with tax and insurance requirements, as well as licensing laws.

Senate Bill 561 (Monning) Chapter 281, Statutes of 2015

This bill eliminates the requirement that a Home Improvement Salesperson (HIS) separately register to work for each contractor and, instead, allows a properly registered HIS to utilize his or her individual registration with one or more licensed contractors. With this change, the licensed contractor that employs a HIS must notify CSLB about the pending employment of any registered HIS prior to that individual beginning work for the contractor.

Other Legislation Affecting CSLB Operations

CSLB screens all bills introduced by the Legislature to determine if they will have a relevant effect on the Board, consumers, or the construction industry. The Legislative division engages continuously in the legislative process to influence legislation that

impacts Board operations and/or relevant stakeholders. The following chaptered legislation, although not sponsored by CSLB, directly affects or involves the Board.

Assembly Bill 216 (Daly) Chapter 739, Statutes of 2015

This bill expands the definition of public works to include the hauling and delivery of ready-mixed concrete to carry out a public works contract.

AB 552 (O'Donnell) Chapter 434, Statutes of 2015

This bill provides that any state or local public works contract entered into on or after January 1, 2016, which contains a clause that expressly holds a contractor responsible for delay damages is not enforceable unless those damages have been liquidated to a set amount and identified in the public works contract.

AB 1308 (Perea) Chapter 126, Statutes of 2015

This bill revises the conditions under which new apprenticeship training needs and programs in the building and construction trades are justified. Also, it removes the previous authority of the State Apprenticeship Council to approve a new apprenticeship program justified by special circumstances.

SB 467 (Hill) Chapter 656, Statutes of 2015

This bill extends the sunset date for the Contractors State License Board until January 1, 2020; eliminates the existing \$2,500 capital requirement; and increases the amount of the required contractor's bond from \$12,500 to \$15,000.



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 StopperSM and Consumer Scam StopperSM seminars, special events, and speeches to service groups and organizations; publication and newsletter development and distribution; video services; website support; editorial direction and online maintenance of the employee Intranet site; contractor education and outreach; and support for employee events.

During 2015, CSLB's Public Affairs Office:

- Distributed 44 news releases
- Distributed 16 industry bulletins
- Organized, conducted, or participated in six media events
- Fielded 234 media inquiries and requests for interviews
- Produced 19 webcasts, including Board and Committee meetings and training sessions
- Organized and conducted 91 Senior Scam StopperSM and Consumer Scam StopperSM seminars, speeches, and presentations
- Produced four *California Licensed Contractor* newsletters
- Produced more than two dozen publications, including meeting packets, reports, and the 1,000+ page 2016 *California Contractors License Law & Reference Book*
- Publicized the issuance of CSLB's 1,000,000th license, which occurred in January 2015

CSLB-Involved Media Events

- **March 13, 2015 – Madera**

PAO hosted a media event to announce results of CSLB's spring California Blitz, which involved simultaneous undercover sting operations that targeted unlicensed activity. The press event was held in Madera, and included Madera County District Attorney David Linn and City of Madera Police Chief Steve Frazier.

- **April 1, 2015 – Bakersfield**

PAO Chief Rick Lopes participated in a media event held by Kern County District Attorney Lisa Green, which centered on unlicensed contracting and the recent conviction of an unlicensed contractor that led to a one-year county jail term.

- **June 5, 2015 – Los Angeles**

PAO Chief Rick Lopes participated in a media event held by Los Angeles City Attorney Mike Feuer, which centered on unlicensed contracting and new educational materials now available from that office.



- **July 1, 2015 – Lafayette**

PAO hosted a media event to announce the results of CSLB's annual summer California Blitz, which involved simultaneous undercover sting operations that targeted unlicensed activity. Held in Lafayette, the event included City of Lafayette Police Chief Eric Christensen, William Murphy from the Contra Costa County District Attorney's office, and consumer victim Bill McCord. At the event, CSLB added suspected unlicensed contractor Adan Rivas to its "Most Wanted" list.

- **October 19, 2015 – Riverside**

PAO partnered with the Riverside County District Attorney's office to conduct a news conference to announce results from the annual fall California Blitz, which involved simultaneous undercover sting operations that targeted unlicensed activity. The event included Riverside County District Attorney Michael Hestrin and consumer victim Mary Whisner.

- **November 19, 2015 – Lake County**

PAO made available to media video and still photos taken during an Enforcement sweep conducted in the Valley Fire area of Lake County. CSLB's Statewide Investigative Fraud Team, California Department of Insurance, Lake County District Attorney's office, and Lake County Sheriff's Department jointly conducted the operation. The Valley Fire killed four persons, burned more than 76,000 acres and destroyed 1,955 structures.



Disaster Response

In 2015, PAO was heavily involved in outreach following a number of natural disasters, most notably the devastating wildfires exacerbated by California's ongoing drought. The biggest of these fires were the Valley wildfire in Lake, Napa, and Sonoma counties, and the Butte wildfire in Amador and Calaveras counties. More than 2,700 structures were destroyed in the two wildfires, which charred almost 147,000 acres.



Outreach included posting warning signs in the fire areas, news releases, public service announcements, media interviews, and adapting the Board's 25-minute "Rebuilding After a Natural Disaster" video as a radio program. Almost two dozen Enforcement division staff worked six and seven days a week at Local Assistance and Disaster Recovery Centers in both fire areas.

Outreach also was conducted to victims of flash flooding in Antelope Valley in northern Los Angeles County.

CSLB Web Events

- **April 28, 2015 – Sacramento**

PAO produced a live webcast of the Public Works Registration Seminar, jointly conducted by CSLB and the Department of Industrial Relations (DIR) Labor Commissioner's office. The seminar focused on SB 853 – the Public Works Contractor Registration Program – and featured CSLB Chief of Enforcement David Fogt, Rebecca Lyke (CSLB), and DIR Assistant State Labor Commissioner Eric Rood, who elaborated on the new law and requirements for public works projects, and answered questions from a live, public audience.

- **September 30, 2015 – Sacramento**

PAO produced a webcast of a stakeholder meeting focused on whether or not licensees should be required to disclose out-of-court settlements related to civil or administrative actions, and binding arbitration awards or settlements.

- **October 20, 2015 – Sacramento**

PAO partnered with the Department of Consumer Affairs' Office of Public Affairs to provide a live webcast of a password-protected training session for district attorney office staff, including investigators and prosecutors.



- **Board/Committee Meeting Webcasts**

- | | |
|---------------------|-----------------------------------|
| • February 20, 2015 | Legislative Committee Meeting |
| • February 20, 2015 | Enforcement Committee Meeting |
| • March 16, 2015 | Board Meeting – Glendale |
| • April 27, 2015 | Legislative Committee Meeting |
| • April 27, 2015 | Enforcement Committee Meeting |
| • April 27, 2015 | Licensing Committee Meeting |
| • April 27, 2015 | Public Affairs Committee Meeting |
| • June 18, 2015 | Board Meeting (Day 1) – Fairfield |
| • June 19, 2015 | Board Meeting (Day 2) – Fairfield |
| • July 29, 2015 | Board Meeting – Sacramento |
| • September 3, 2015 | Board Meeting – San Diego |
| • October 30, 2015 | Legislative Committee Meeting |
| • October 30, 2015 | Enforcement Committee Meeting |
| • October 30, 2015 | Licensing Committee Meeting |
| • October 30, 2015 | Public Affairs Committee Meeting |
| • December 10, 2015 | Board Meeting – Brisbane |

Committee meetings were held at Sacramento headquarters.

Senior Scam StopperSM Seminars

In 1999, PAO created CSLB's Senior Scam StopperSM (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.

In 2015, Public Affairs Office staff worked with legislators, state and local agencies, and community-based organizations to coordinate and facilitate 85 Senior Scam StopperSM seminars. Twelve seminars were conducted in Spanish; two in Korean;



and one in Chinese. Average attendance was 64; and the 400th SSS presentation occurred on March 10, 2015 in San Diego, with U.S. Representative Scott Peters.

Fifty-three SSS seminars were held in Southern California; 28 in Northern California; and four in the Central region of the state.

2015 Senior Scam StopperSM Seminars:

DATE	LOCATION	LEGISLATOR(S)
January 16, 2015	Los Gatos	Sen. Jim Beall
January 23, 2015	Walnut Creek	Asm. Susan Bonilla
February 6, 2015 AM	Antioch	Asm. Jim Frazier
February 6, 2015 PM	Oakley	Asm. Jim Frazier
February 12, 2015	Folsom	Pinebrook Mobile Home Park
February 13, 2015	Van Nuys	Asm. Adrin Nazarian
February 17, 2015	San Diego	Rep. Scott Peters
February 18, 2015	Santa Clarita	Sen. Fran Pavley
February 19, 2015	Pomona	Rep. Norma Torres
February 20, 2015	Citrus Heights	Lakeview Village Mobile Home Park
February 27, 2015 AM	Pasadena	Sen. Carol Liu
February 27, 2015 PM	Jurupa Valley	Sen. Richard Roth
March 5, 2015	Glendale	Asm. Mike Gatto
March 6, 2015	Fountain Valley	Asm. Travis Allen
March 10, 2015	San Diego	Rep. Scott Peters
March 20, 2015	Anaheim	Asm. Tom Daly
March 26, 2015	Suisun City	Asm. Jim Frazier
March 27, 2015	Santa Ana	Asm. Tom Daly
April 1, 2015	Sacramento	Neil Orchard Sr. Activities Center
April 2, 2015	Los Angeles	Sen. Ben Allen
April 6, 2015	San Diego	Rep. Scott Peters
April 9, 2015	Fontana	Rep. Norma Torres
April 10, 2015	Vacaville	Asm. Jim Frazier



Public Affairs staff educates thousands of older adults each year through Senior Scam StopperSM seminars that team with legislative offices and other government agencies.

DATE	LOCATION	LEGISLATOR(S)
April 16, 2015	Castro Valley	Asm. Bill Quirk
April 17, 2015	Thousand Oaks	Asm. Jacqui Irwin
May 1, 2015	San Marino	Sen. Carol Liu
May 8, 2015	Foster City	Asm. Kevin Mullin
May 9, 2015	Los Angeles	Asm. Sebastian Ridley-Thomas
May 13, 2015	San Jose	Asm. Nora Campos
May 14, 2015	Pleasanton	Asm. Catharine Baker
May 15, 2015	Indio	Sen. Jeff Stone
May 20, 2015	Seal Beach	Leisure World
May 21, 2015 AM	San Diego	Rep. Scott Peters
May 21, 2015 PM	Los Angeles	Asm. Sebastian Ridley-Thomas
May 22, 2015	Murrieta	Sen. Jeff Stone
May 27, 2015	San Jose	Asm. Nora Campos
May 28, 2015	Union City	Asm. Bill Quirk
May 29, 2015	Camarillo	Asm. Jacqui Irwin
June 9, 2015	San Jose	Asm. Nora Campos
June 12, 2015	Moreno Valley	Sen. Richard Roth
June 16, 2015	Culver City	Asm. Sebastian Ridley-Thomas
June 19, 2015	Altadena	Asm. Chris Holden
June 24, 2015	Murrieta	The Colony Retirement Community
July 10, 2015	Norwalk	Asm. Ian Calderon
July 22, 2015	Rancho Bernardo	Rep. Scott Peters/ Sen. Marty Block
July 23, 2015	Walnut Creek	Asm. Catharine Baker
July 24, 2015	Cambria	Sen. Bill Monning/ Asm. Katcho Achadjian
July 29, 2015	Los Angeles	Sen. Holly Mitchell
July 30, 2015 AM	Los Angeles	Rep. Xavier Becerra/ Asm. Miguel Santiago
July 30, 2015 PM	Los Angeles	Rep. Xavier Becerra/ Asm. Miguel Santiago
July 31, 2015	Duarte	Asm. Roger Hernandez
August 4, 2015	San Mateo	Asm. Kevin Mullin
August 5, 2015	Fontana	Rep. Norma Torres
August 6, 2015	Camarillo	Sen. Hannah-Beth Jackson
August 7, 2015	Del Mar	Asm. Toni Atkins
August 11, 2015	Hawaiian Gardens	Rep. Linda Sanchez



DATE	LOCATION	LEGISLATOR(S)
August 12, 2015	Los Angeles	Asm. Sebastian Ridley-Thomas/ LA City Council. Paul Koretz
August 14, 2015	Los Angeles	Asm. Richard Bloom/ Asm. Sebastian Ridley-Thomas
August 18, 2015	La Mesa	Rep. Scott Peters
August 21, 2015	Fremont	Asm. Bill Quirk/ Asm. Kansen Chu
September 18, 2015	Hayward	Asm. Bill Quirk
September 21, 2015	Cupertino	Asm. Evan Low
September 23, 2015	Discovery Bay	Asm. Jim Frazier
September 24, 2015	Lemoore	Asm. Rudy Salas
September 25, 2015	San Jose	Sen. Jim Beall
September 28, 2015	Manteca	Calif. Assn. of Retired Americans
September 30, 2015	Manteca	Sen. Cathleen Galgiani
October 1, 2015	Wasco	Asm. Rudy Salas
October 6, 2015	Menifee	The Oasis Retirement Community
October 8, 2015	San Dimas	Sen. Carol Liu/ Asm. Chris Holden
October 9, 2015	Pomona	Asm. Freddie Rodriguez
October 15, 2015	Oceanside	Rep. Darrell Issa/ Sen. Patricia Bates/ Asm. Rocky Chavez
October 16, 2015	Mission Viejo	Rep. Mimi Walters/ Sen. Patricia Bates/ MV Council. Wendy Bucknum
October 19, 2015	Lodi	Asm. Jim Cooper
October 22, 2015	Santa Maria	Sen. Hannah-Beth Jackson
October 23, 2015	Downey	Sen. Tony Mendoza
October 28, 2015	Baldwin Park	Asm. Roger Hernandez
October 30, 2015	Salinas	Asm. Luis Alejo
November 4, 2015	Sacramento	Neil Orchard Sr. Activities Center
November 10, 2015	Temescal Valley	Sen. Jeff Stone/ Riverside Co. Supv. Kevin Jeffries
November 12, 2015	Malibu	Asm. Richard Bloom
November 13, 2015	Oxnard	Asm. Jacqui Irwin
November 18, 2015	Los Angeles	Asm. Jimmy Gomez
December 7, 2015	Palm Springs	Millennium Housing (Mobile Home Park)
December 14, 2015	San Diego	Rep. Scott Peters



Consumer Scam StopperSM Seminars

The Consumer Scam StopperSM (CSS) program was launched in September 2012 and aims to reach audiences of all ages. Six CSS seminars were held during 2015:

DATE	LOCATION	GROUP
February 3, 2015	Concord	St. Agnes Retired Seniors
February 4, 2015	San Jose	San Jose Buddhist Church
March 13, 2015	Richmond	Richmond Annex Senior Center
April 20, 2015	Walnut Creek	Sons in Retirement
September 8, 2015	Sonoma	Sons in Retirement
October 2, 2015	Folsom	Folsom Library

Social Media

Social media continued to be an important outreach tool for CSLB in 2015. Social media expansion efforts allowed CSLB to better interact with licensees, news media, and other stakeholders. In addition to Facebook, Twitter, YouTube, and Flickr, CSLB began to distribute information by streaming live video updates on Periscope.



In 2015, Facebook verified CSLB's account and added a "checkmark" badge to our profile that assures the authenticity of all information broadcast from the Board's Facebook page. In addition, CSLB's search presence has improved and exclusive services are offered to some verified account holders.

As of January 1, 2016, CSLB had:

- **Facebook** – 2,371 followers; an increase of 545 from 2014
- **Twitter** – 1,879 followers; an increase of 240 from 2014
- **YouTube** – 20 videos produced in 2015; 89 total videos produced; 99,604 video views in 2015 (an increase of 73,316 from 2014); 332,660 total views (an increase of 99,604 from 2014)
- **Flickr** – 102 photos shared; 175 total photos shared
- **Periscope** – 36 followers; 453 likes since account created in September 2015



CSLB's Top 5 YouTube Videos – Based on Views

1. CSLB TV Commercial	56,219
2. Completing a Contractor License Application – Introduction	41,558
3. CSLB Undercover Sting, San Rafael	30,044
4. CSLB California Spring Blitz 2013	19,246
5. CSLB Undercover Sting, Truckee	15,937

Email Alerts

In 2015, PAO continued to build its database of email addresses, allowing subscribers to receive up to four different Email Alerts from CSLB:

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

As of December 31, 2015, 24,936 subscriptions were activated – an increase of 1,458 since the first of the year. Each of the four lists is growing at about the same rate, with the greatest number of subscribers requesting newsletters, followed by industry bulletins, press releases, and meeting notices.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,376 active email addresses, which brings the combined email database to just below 103,000 addresses.

Ambassador Program

PAO worked with Enforcement division staff to implement a new Ambassador Program to help promote proper Warm-Air Heating, Ventilating, and Air-Conditioning (HVAC) installation by licensed contractors. CSLB, in partnership with the California Energy Commission, developed a series of educational fact sheets for HVAC contractors to use in customer bid packets, including a cover letter and four informational guides about the financial and energy-saving benefits of proper installation and inspection.



Historical California Licensed Contractor Newsletters

With assistance from the Information Technology division, PAO archived and posted online every edition of the California Licensed Contractor newsletter. Since its first issue in 1937, the newsletter has provided licensees with information about new laws, the latest updates from CSLB, as well as other information and materials to help them build successful careers as licensed contractors.

Historical Board Meeting Minutes

PAO staff began to post online historic Board meeting minutes, starting with the first meeting, November 18, 1935. The initial phase of the project involved photographing the Board meeting minutes, which are housed at the State Archives in Sacramento. Minutes from 1935-1939 have been posted on CSLB's website.

Saudi Arabian Delegation Visit

On October 1, 2015, CSLB hosted a delegation from Saudi Arabia's Ministry of Municipal and Rural Affairs. The country is developing a system for contractor classifications and wanted to learn more about CSLB's regulatory and classifications system. The group also provided CSLB with a fascinating look at how their construction industry is regulated.



*CSLB Board Members
and staff meet with Saudi
Arabian delegation.*



ADMINISTRATION

BUSINESS/SUPPORT SERVICES

Facilities Projects

- The lease for the Norwalk office was renewed through October 31, 2023, and includes the following tenant improvements: new paint and carpet throughout, new security card readers, balancing of the entire space and HVAC for optimal use and efficiency, replacement of stained ceiling tiles, reconditioning of existing VCT flooring, repairing window blinds, and installation of new security cameras. Additional improvements include reconfiguration of the Testing office to better view test candidates, new lighting in the ADA room, and creation of a new break room in the Testing office. These changes and modifications should be complete by June 2016.
- The lease for the San Bernardino office was renewed through August 31, 2025. Tenant improvements include the addition of 1,270 square feet to the Enforcement division office, which will provide for a bulletproof reception area for staff, the installation of new card readers and cameras, and new paint and carpet throughout. The Testing office will also receive new paint and carpet. The anticipated completion date is May 2016.

Contracts and Procurement

The following contracts and purchases were negotiated and executed:

- Department of Human Resources – psychological screening services for Peace Officer applicants
- California Highway Patrol – security services
- Publishing – annual *California Contractors License Law & Reference Book*
- Purchase of copier machines, including five-year maintenance agreements for headquarters and field offices

- Contract renewal – online survey company for annual consumer satisfaction survey
- Electronic information for library services
- Maintenance contracts – CSLB office equipment
- Ergonomic evaluations – evaluations and recommended equipment purchase for CSLB employees
- Contract for fire protection system
- Department of Consumer Affairs – Enforcement identification credentials that include a gold metal emblem bearing the state seal

Vehicles

CSLB purchased seven vehicles in FY 2014-15. Six have been received, including a zero emissions electric vehicle utilized by CSLB mailroom staff. The Enforcement division received one vehicle each for Norwalk SWIFT, Fresno SWIFT, and the Valencia and San Francisco Investigative Centers, and the Testing division received one vehicle. The remaining vehicle should be delivered by March 2016.



PERSONNEL SERVICES

Career Consulting

Personnel staff developed a comprehensive Career Consultation program aimed at helping CSLB employees advance in their careers. The program includes information about how to locate exams, find vacant positions, develop resumes and cover letters, and prepare for interviews. Tailored to the individual, the program also provides one-on-one sessions to help employees identify skill sets and positions that best match their experience, education, and training. Two workshops were hosted in 2015 (one each in Northern and Southern California), attended by approximately 30 staff members. Career Consultation is an ongoing program.

Recruitment and Best Hiring Practices

New procedures and guidelines were implemented in 2015 to help program divisions select the most qualified candidates through a fair and rigorous hiring process. These procedures were incorporated into the recruitment checklist and developed by personnel staff to carefully document each step of the recruitment process and ensure retention of appropriate documentation. In addition, personnel staff introduced an online version of the hiring packet for new employees, which provides easy access to the most current hiring policies and documents.

Personnel staff also developed a new desk procedures manual for analysts to refer to when assisting programs with their human resources needs, which is regularly updated and revised to meet current regulations and procedures. These efforts and others continue to ensure that recruitment efforts are conducted in a fair, competitive, and objective manner consistent with departmental and control agency guidelines, and are reflective of merit-based hiring practices.

Repeal of Six-Month Rule

In 2015, Government Code section 12439 was repealed, which had required departments to eliminate positions that went unfilled for more than six months. CSLB remains diligent in promptly filling vacant positions while maintaining the flexibility to recruit for the best candidate.



Mandatory Trainings, Policies, and Acknowledgments

The personnel office tracks and retains the records for CSLB mandatory trainings and policy acknowledgments. 2015 was a mandatory training year for Sexual Harassment Prevention (SHP). This training occurs every two years and is provided to rank-and-file employees, managers, supervisors, temporary employees, retired annuitants, proctors, seasonal clerks and student assistants, as well as to Board members. New employees are required to complete SHP training within six months of their effective date. Personnel staff worked diligently with program managers to ensure compliance for 2015. In addition, the annual Staff Expectations and Workplace Guidelines were updated and distributed to all CSLB staff members to ensure employees are up-to-date on current policies and procedures.

Chief Deputy Registrar



Personnel staff worked closely with the DCA Office of Human Resources to recruit CSLB's new Chief Deputy Registrar, Cindy Kanemoto. Ms. Kanemoto previously served as CSLB's Chief of Information Technology and brings considerable experience to the position, including staff development and process improvement.

2015 Staffing Activity

CSLB has 424.5 authorized positions. During 2015, the personnel office processed 203 position transactions as shown below.

2015 SUMMER BLITZ TOTALS	
Promotions	26
Internal Transfers	37
Interdepartmental Transfers	23
New Hires	36
Reinstatements	5
Training & Development	4
Temporary/Seasonal	8
Separations	41
Retirements	23



Exams Administered by DCA/CSLB

EXAMS ADMINISTERED BY CALHR	EXAMS ADMINISTERED BY DCA/CSLB
Management Services Technician	Enforcement Representative I (continuous)
Staff Services Analyst	Enforcement Representative II (promotional)
Associate Governmental Program Analyst	Enforcement Supervisor I and II (promotional)
Staff Services Manager (series)	Personnel Selection Consultant I & II (continuous)
Information Systems Analyst (series)	Testing Validation and Development Specialist I & II (continuous)
Systems Software Specialist (series)	Staff Services Analyst Transfer (promotional)
Programmer Analyst (series)	Consumer Services Representative (continuous)
Data Processing Manager (series)	
Information Officer (series)	
Office Assistant (general & typing)	
Office Technician (general & typing)	
Program Technician (series)	
Supervising Program Technician (series)	
Warehouse Worker	



INFORMATION TECHNOLOGY

Home Improvement Salesperson (HIS)—Implementation of Senate Bill 561

Effective January 1, 2016, a new law (SB 561) authorized CSLB to simplify the Home Improvement Salesperson registration process. SB 561 removed the requirement that an HIS register separately with CSLB for each contractor he or she represents. Instead, through a single registration, an HIS can work for multiple employers.

IT and Licensing staff worked together to implement this legislation, which required significant modifications to CSLB's existing method of registering, tracking, and assigning registered salespersons to a licensed home improvement contractor. As part of this process, CSLB notified by mail more than 14,000 registered HIS in order to update and convert all registration records, and also sent letters to licensees who employ registered salespersons.

In addition to the single registration, this new law requires licensees to notify CSLB in writing prior to employing an already registered HIS, and when employment of a registered HIS ends. These new forms are now available on the CSLB website.

Bond Upgrade (Senate Bill 467)

California contractors' license law (Business and Professions Code section 7071.6) requires all active contractors to post either a contractor's bond or cash deposit on file with CSLB. This benefits consumers who may be damaged by defective construction or other license law violations, or employees who have not been paid for their work.

SB 467 increased the amount of the contractor's bond or cash deposit from \$12,500 to \$15,000, effective January 1, 2016. Failure to comply with this new requirement can result in the suspension of a license.

Before the law took effect, CSLB encouraged surety companies to submit a blanket endorsement form to increase all (in force) bonds on file with CSLB written through their company. The majority of surety companies chose this option. CSLB IT staff developed a program that automatically increased the bond amounts for more than 236,000 contractors represented by these companies. Notifications were sent to licensees whose surety company did not submit a blanket endorsement.



CSLB also notified contractors with a cash deposit on file in lieu of a contractor's bond regarding the new requirements. More than half of these contractors met the increased requirement, and CSLB staff is working closely with the remaining contractors to help ensure compliance.

Imaging and Workflow Automated System (IWAS) Upgrade

IWAS (Imaging and Workflow Automation System) is a mission-critical application utilized throughout CSLB to manage and monitor work items, provide automated routing of work to employees, and perform electronic archiving of paper documents. In June 2015, IT staff successfully upgraded the old FileNet IWAS system to a fully supported IBM IWAS P8 platform.

Implementation of E-Payment Expansion to Field Sites

E-Payment allows applicants and licensees to pay their respective fees by credit/debit card. Although contractors throughout the state can mail license and application fees, along with the appropriate documents, to the Sacramento headquarters office, in-person payments could previously only be made in Sacramento.

On March 26, 2015, CSLB successfully launched the first phase of its planned in-person e-Payment expansion in Norwalk. Subsequently, the IT division expanded e-Payment to the Fresno and San Diego offices. E-Payment is now offered in CSLB's Northern (Sacramento), Central (Fresno), and Southern (Norwalk, San Bernardino, and San Diego) regions, allowing CSLB to apply new technology to better serve consumers and contractors. Matrix reports allow IT and Licensing staff to see use trends on the e-Payment kiosks. In 2015, CSLB processed approximately 3,500 e-Payments.

To enhance security on its publicly accessible computers, CSLB IT staff successfully installed Kiosk software at the sites where e-Payment is available. The software allows IT staff to manage the experience of e-Payment users, by limiting the publicly available information, and to protect CSLB from potential security breaches.

From work station computers, or by glancing up at the large monitors, IT staff can now quickly check the status of CSLB's data network around the state. Like spokes on a wheel, components of CSLB's network, such as field offices, are displayed on screen as connecting into a main data center, each emanating a green glow if functioning correctly, or red to indicate a problem. This new system permits staff to gather much more detailed information about network performance, availability, and other functions.



Increased Network Bandwidth to Field Sites

Increasingly, network bandwidth at CSLB field offices had become too limited and slow to meet the various online and application needs of staff. By December 2015, IT staff had successfully upgraded network circuits and increased bandwidth to all field offices. As a result, network speed has more than doubled at all CSLB sites.

Interactive Voice Response (IVR) System

CSLB's IVR is an interactive, self-directed telephone system that serves as a valuable source of information for consumers, contractors, and others. It allows callers to request forms or pamphlets that are immediately sent to them. The IVR provides a wide-range of recorded information. For example, callers can check a license status or find out how to file a complaint, while contractor applicants can learn the status of their exam application or the steps needed to become licensed. In addition to providing recorded information, the IVR gives callers an option to speak to call center agents in Sacramento or Norwalk. In 2015, CSLB's IVR handled 414,396 calls, or an average of 43,533 per month. The system can be accessed 24 hours a day, seven days a week.

CSLB Wireless (Wi-Fi) Implementation

CSLB IT staff deployed wireless access points (AP) at Sacramento headquarters, and in the Norwalk, San Bernardino, Fresno, West Covina, and San Diego field offices. Wireless access allows enforcement representatives to more easily retrieve relevant information and reports when conducting interviews. These wireless APs also provide guest wireless access for Board members or other visitors to CSLB offices.

Information Technology Service Desk

CSLB's IT Service Desk provides assistance to business contractors and vendors, as well as all CSLB employees. In 2015, Service Desk staff processed more than 3,100 help requests, which can be submitted via telephone or the employee Intranet. CSLB staff submit these tickets to report problems or request changes with testing stations, desktops, laptops, printers, land and cellular phones, access to various automated systems, employee access levels, website revisions, or forgotten passwords. Incoming tickets are reviewed and assigned within five minutes. The average level-1



(user “down”) priority tickets are resolved in less than 30 minutes, while the resolution of level-2 (more complex) tickets typically take less than 60 minutes.

Information Technology Business Consulting Unit

Over the past year, the IT Business Consulting Unit (BCU) has been documenting and mapping current business processes of various divisions within CSLB, including licensing transactions. The review begins with the documentation of “as-is” activities to capture current workflow, decision points, and approval processes. “Use cases” for all processes are then documented to ensure that step-by-step tasks are fully documented for future reference, staff transition, and user testing. Finally, future “to-be” processes are created. During 2015, nine licensing “as-is” processes were completed, two “use cases,” and one “to-be” process. BCU staff also will implement a follow-up procedure to keep process documentation current as this project proceeds.

Completing all the stages of this review process will position CSLB to make informed Information Technology decisions and to strategically plan for the division’s future.

Licensing Unit Letters

In 2015, CSLB management directed the implementation of the Licensing Improvement Initiative, which involves streamlining the application evaluation process. IT staff worked with key Licensing staff to prepare 12 letters to applicants requesting clarification or additional information, accessible to Licensing personnel via CSLB’s Intranet, and which also integrate with the Board’s database. Included in this effort were the top four generated “return for correction” letters in the following areas:

- Renewal
- Experience Verification
- Workers’ Compensation Insurance
- Home Improvement Salesperson Application

This upgraded system allows for better tracking of the reasons why an application is returned for correction, which will allow unit managers to determine if modifications are needed to the form or review process.



Enterprise IT Security—Next Generation Firewall Implementation

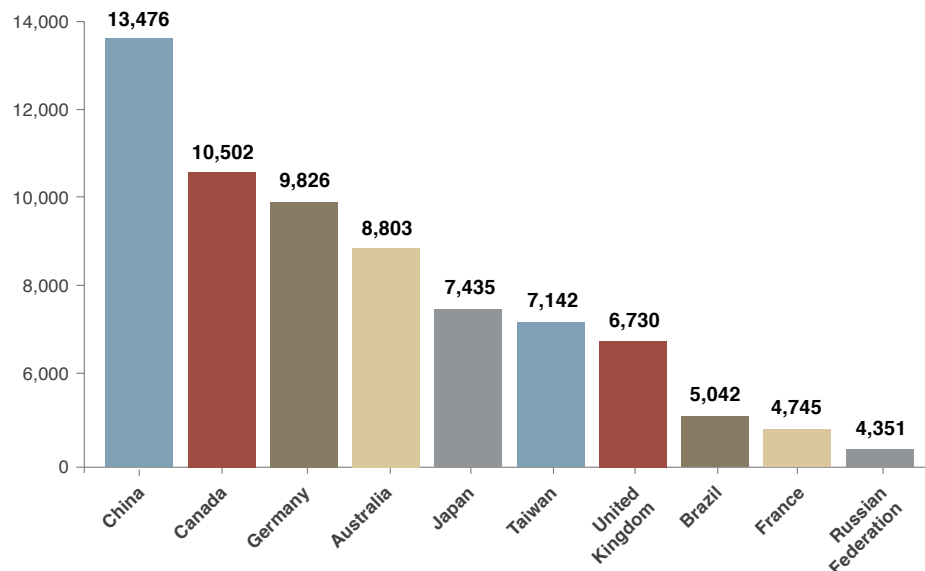
In August 2015, CSLB upgraded its enterprise IT security by replacing the traditional port-based Firewall with a Next Generation Firewall. A second firewall also was deployed in Fresno to provide backup and load balancing of the firewalls.

They enhanced security features give CSLB a high level of protection from the latest cyber threats, malware, spyware, viruses, worms, and other computer dangers, while safely allowing business-relevant only applications. The Next Generation Firewall stops increasingly sophisticated and persistent cyberattacks from propagating by systematically applying advanced threat detection at every phase of their lifecycle. IT staff can now gain full visibility and security control over network traffic based on applications, users, and content; control applications by user, application, and time; apply quality of service (QoS); and detect and block known and unknown threats.

IT Security staff also have deployed the web filtering feature of the new firewall, which provides the same service as the older program and allowed its discontinuance—saving the Board thousands of dollars in license and maintenance fees.

To date, utilizing security best practices, CSLB's IT security systems have effectively safeguarded CSLB's information assets, and no unauthorized attempts to penetrate the network have succeeded, including those emanating from foreign countries, as shown on the chart that follows.

TOP 10 FOREIGN COUNTRIES – CSLB FIREWALL HITS



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