



CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT COMMITTEE MEETING SUMMARY REPORT

A. Call to Order, Roll Call, Establishment of Quorum, and Chairs Introduction

Enforcement Committee Chair Michael Mark, called the meeting of the Contractors State License Board (CSLB) to order on Wednesday, August 3, 2022, at 9:05 a.m., via WebEx teleconferencing. A quorum was established.

Committee Members Present

Michael Mark, Committee Chair
Rodney Cobos
Jacob Lopez
Alan Guy
Susan Granzella

CSLB Staff Present

David Fogt, Registrar	Amy Lawrence, Public Affairs
Michael Jamnetski, Chief Deputy Registrar	Stacey Paul, Executive Staff
Foad Gharahgozlou, Chief of Licensing	Mariah Rovera, Executive Staff
Mike Melliza, Chief of Administration	Alison Adams, Enforcement Staff
Steve Grove, Chief of Enforcement	

DCA Staff Present

Shelly Jones, DCA Staff – Host and Moderator
Joseph Chin, Board Counsel
John Cumming, Board Counsel

Members of the Public Present

Greg Leonard	Hua Wang
David Shue	Martin Herzfeld
Cary Harwin	Gorgina Halafia
Judy Huiggins	Davi Rodrigues
Ben Brown	Mark Phelps
Jeanette Gallant-Gronsky	Josh Buswell-Charkow
Gus Kubrick	Phil Vermeulen, CLC
Steven Melton	City Rise
Scott Bateman	Benjamin Mora
Sabrina Hernandez	James Alvarez
Terry Seabury	Sven Kaludzinski
Cesar Lopez	Arely Payne



Committee Chair Michael Mark opened the meeting with the Pledge of Allegiance. Followed by welcoming newest Board and Committee Member, Jacob Lopez, who was appointed to the Board last month and assigned to the Enforcement Committee by Mary Teichert. Lopez is a public member appointed by the Senate. Lopez is employed by Southern California Carpenters.

B. Public Comment

Chair Mark introduced the public comment section and explained that this section is provided for public comment pertaining to items not on the agenda.

Moderator Shelly Jones read a comment from Cesar Lopez explaining that licensed contractors cannot compete with unlicensed business.

Davi Rodrigues is concerned that many municipalities do not believe they are subject to CSLB laws. Furthermore, Rodrigues believes that artists need outreach from CSLB to educate them on licensing requirements. Rodrigues requests a future agenda item to address these two items. Chair Mark advised Rodrigues to leave their information in the chat feature so that CSLB staff can reach out to them.

Committee Member Comment:

There was no committee member comment.

C. Enforcement Program Update

a. Staff Vacancy Update

Chair Mark referred to the Staff Vacancy table, which shows 37 vacancies for CSLB Enforcement Division as of July 21, 2022. It was discovered subsequently that there are 25 vacancies, including staff out on extended leave. Enforcement Management has moved quickly to fill vacant positions, but report that the tight labor market has presented challenges.

b. Complaint Handling Statistics

Chair Mark referred to the Statistical Overview of Enforcement Division activity for fiscal year 2021/22, which shows the following information:

- Enforcement Division opened 19,158 complaint investigations (a 16% increase over the previous FY)
- 4,747 pending investigations (goal of 3,620) as of the end of July
- 261 aged cases (goal of 100) as of the end of July



Chair Mark provided additional information to the committee regarding the backlog of complaints and increase in aged cases. Chair Mark noted that Enforcement Chief Steve Grove is working diligently to fill vacancies, a limited amount of overtime has been approved, and Enforcement supervisors are monitoring caseloads and production.

Chair Mark outlined Enforcement Division accomplishments for fiscal year 2021/22 as follows:

- Over \$22M is restitution returned to financially injured consumers
- 506 cases referred to criminal prosecution
- 218 accusations filed for license revocation or suspension
- 1,551 administrative citations issued
- Almost \$1.9M in civil penalties collected
- 354 Letters of Admonishment issued

Chair Mark outlined SWIFT accomplishments in fiscal year 2021/22 as follows:

- Conducted 17 undercover sting operations
- Participated in 337 enforcement sweeps
- Responded to 996 leads
- Completed 2,972 investigations resulting in
 - 390 referrals to DAs for criminal prosecution
 - 598 citations issued
 - 129 Letters of Admonishment issued
 - 319 stop orders issued
 - 1,386 advisory notices issued
- Over \$10M outstanding liabilities collected or resolved in joint efforts with partnering agencies
- Participated in the nationwide enforcement operations coordinated by NASCLA from June 6-24, 2022
 - Conducted three undercover stings, made 53 sweeps on construction sites, working in 20 counties throughout California
 - Resulting in 142 legal actions and 40 stop orders

This is an information only item.

Public Comment:

Steven Melton, a floor contractor in Fresno CA, is concerned because he is losing business to unlicensed workers. Melton would like to know what can be done about this. Chair Mark advised Melton to leave their information in the chat



feature so that CSLB staff can reach out to them, and informed Melton about the Fresno Office.

Moderator Shelly Jones read a comment from a member of the public who inquired if there a place on the website where these statistics can be downloaded. Shelly Jones and Chair Mark confirmed that this information is included with the meeting materials.

Committee Member Comment:

Board Member Susan Granzella inquired how we are positioned and what the game plan is to ramp up SWIFT operations and general enforcement in the coming year. Chief Grove confirmed that he has been working with staff and is anxious to get back to normal levels of sting operations, however Chief Grove is currently having difficulty finding sting properties and has put out requests seeking assistance from contractors and the public. Chair Mark commented that the amount of unlicensed activity that is being caught is great - given the number of vacancies CSLB had.

D. Update, Review, Discussion, and Possible Action on 2022-24 Enforcement Strategic Plan Objectives

Chair Mark provided updates on five of the Enforcement Division's six strategic goals and asked for possible committee action on three of them.

Strategic Goal 2.1

Chair Mark introduced Strategic Goal 2.1, which reads: Leverage current enforcement tools to increase licensee and business knowledge by requiring contractors subject to CSLB corrective action to take specified courses.

Chair Mark explained that the issue is how to steer errant contractors into educational courses that would help them better comply with Contractors License Law requirements. Chair Mark highlighted the Letter of Admonishment (LOA) and the Accusation. Chair Mark clarified that the LOA could require a contractor to complete a specified training as part of a corrective action plan but is a lower level of corrective action. Also at present, the only mechanism to compel a licensee to complete a mandated training course related to an Accusation is to file a second Accusation, which is a costly and time-consuming process. Chair Mark explained that ideally, a respondent who was required to complete training as the result of an Accusation would have their license automatically revoked if they failed to comply. Chair Mark added that industry leaders and Deputy Attorney General liaisons were receptive to the change, and that CSLB staff has



identified several training classes that could be appropriately prescribed for specific violations.

Committee Member Comment:

Board Member Susan Granzella inquired whether we would have the list of classes and information on how they would remedy the specific violations available for the full board. Registrar Fogt assured that CSB would have that information available for the full board meeting on August 30, 2022.

Public Comment:

Jeanette Gallant-Gronsky’s concern is related to the previously discussed SWIFT issue. Upon learning about CSLB processes, they would like to know if there could be an option that would allow complainants to contact someone to come investigate and possibly work on a solution before the problem progresses. Chair Mark advised Gallant-Gronsky to leave their information in the chat feature so that CSLB staff can reach out to them.

Steven Melton expanded on their previous public comment regarding unlicensed contractors in the Fresno area.

MOTION: For the Enforcement Committee to request the full board consider a legislative proposal authorizing CSLB to automatically revoke a license subject to a formal disciplinary order if the receiving respondent does not complete a specified instructional course and/or take and pass the business law or trade exam. Board Member Rodney Cobos moved; seconded by Board Member Susan Granzella. The motion carried, 5-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Michael Mark	✓				
Rodney Cobos	✓				
Susan Granzella	✓				
Alan Guy	✓				
Jacob Lopez	✓				

Strategic Objective 2.2

Chair Mark introduced Strategic Goal 2.2, which reads: Research the scope of unlicensed practice, evaluate allocated enforcement resources, and meet with industry stakeholders to review enforcement strategies.

Chair Mark provided the committee with background about the underground economy. Chair Mark explained that industry leaders were supportive of CSLB efforts but pointed out that without knowing the full extent the underground



economy, it is difficult for CSLB management to determine whether the limited enforcement resources are being properly allocated. Therefore, CSLB staff is recommending that an outside contractor be hired. Chair Mark explained that the specific scope of work could be found within the packet, but that the two general objectives are to better assess the size of California’s underground economy in the construction industry, and to review all CSLB enforcement operations and staffing to ensure public safety is optimized.

Public Comment:

There was no public comment.

Committee Member Comment:

There was no committee member comment.

MOTION: Enforcement Committee recommends to the full board that up to \$75,000 be authorized to hire a private consultant to assess CSLB enforcement operations and staffing, as specified. Board Member Rodney Cobos moved, seconded by Board Member Alan Guy. The motion carried, 5-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Michael Mark	✓				
Rodney Cobos	✓				
Susan Granzella	✓				
Alan Guy	✓				
Jacob Lopez	✓				

Strategic Objective 2.3

Chair Mark introduced Strategic Goal 2.3, which reads: Coordinate educational workshops with agency partners to assist applicants and licensees in complying with contractors’ state license law (CSLL) and other business requirements.

Chair Mark provided information to the committee, including that industry experts are supportive of the goal, Registrar Fogt has been in touch with representatives from the Joint Enforcement Strike Force (JESF) regarding their participation/assistance in future licensing workshops, and that EDD has confirmed they will include CSLB in their construction related seminars and workshops. The Public Affairs office will be taking the lead in coordinating. This is an information only item

Public Comment:

There was no public comment.



Committee Member Comment:

Chair Mark informed the committee that he attended the meeting on July 6th and confirmed that there are several industry experts in the field trying to tackle the underground economy. Chair Mark supports this coordinated effort.

Strategic Objective 2.5

Chair Mark introduced Strategic Goal 2.5, which reads: Research the need to establish a public works enforcement unit to perform outreach to awarding agencies and coordinate public works investigations with compliance groups and government entities to enforce contractors state license law requirements.

Chair Mark explained that this goal was discussed at the July 6th meeting and the consensus was that a dedicated public works unit was not necessary. The existing Quality Assurance Unit could give appropriate attention to public works investigations if the unit was augmented to include four Special Investigator positions, whose duties would include public works complaints, "Dig Alert" investigations, electrician certification violations, media sensitive complaints, and other special assignments.

Chair Mark stated that the committee may want to consider this an information only item but could also make a motion to refer the matter to the full board to amend the strategic goal.

Committee Member Comment:

Board Member Susan Granzella had concerns regarding how CSLB went from research to dedicating four special investigators. Board Member Granzella added that it seemed very narrow as an objective and inquired how we got there and whether it was necessary to bring the issue forward. Registrar Fogt explained that CSLB performed outreach to compliance groups and looked at public works complaints as part of the process. The thought was to place the special investigators who were already handling specialized investigations under one supervisor and then provide cross training. Registrar Fogt added that there is a need for a dedicated unit for public works complaints but does not want to take away from consumer filed complaints and added that CSLB was able to identify three special investigator positions. The proposal would be to move those positions, as well as a vacant position from the Testing Center, into the Quality Assurance Unit. Registrar Fogt recommends making a motion to the full board since this is a change to the original objective.

Board Member Alan Guy agreed that there is a need for a specialized positions to investigate public works complaints and thinks it is a good idea as long as it does not impact the ability to address consumer complaints.



Board Member Rodney Cobos inquired whether this would limit CSLB options if more positions were needed. Registrar Fogt stated that CSLB is always evaluating workload and explained that additional positions could be requested during the budget process but at this time it is believed that four positions are sufficient.

Chair Mark provided the committee with a review of the two options: keep this as an information only item or amend the strategic goal.

Public Comment:

Davi Rodrigues expanded on their previous comment regarding unlicensed contractors.

James Alvarez inquired whether the board plans to expand their exemptions to reflect the national average and reciprocity states. Additionally, Alvarez inquired whether the board would be allowing open book testing. Chair Mark advised Alvarez to leave their information in the chat feature so that CSLB staff can reach out to them.

MOTION: Refer the matter to the full board with a recommendation to amend the Strategic Goal. A potential amendment would change the goal from “research the need for a public works unit” to “dedicate four Special Investigators to work specified public works complaints within the existing Quality Assurance Unit. Board Member Cobos moved; seconded by Board Member Susan Granzella. The motion carried, 5-0.

NAME	AYE	NAY	ABSTAIN	ABSENT	RECUSAL
Michael Mark	✓				
Rodney Cobos	✓				
Susan Granzella	✓				
Alan Guy	✓				
Jacob Lopez	✓				

Strategic Objective 2.6

Chair Mark introduced Strategic Goal 2.6, which reads: Continue to enforce workers’ compensation insurance requirements to protect consumers and workers and scrutinize licensees who self-certify they have no employees.

Chair Mark provided the committee with additional information, including that the maximum civil penalty for filing a false exemption from workers’ compensation insurance was recently increased from \$5,000 to \$30,000 (Assembly Bill 569), and that this goal was strongly supported by industry representatives at the July 6th meeting.



Committee Member Comment:

There was no committee member comment.

Public Comment:

There was no public comment.

E. Adjournment

MOTION: To adjourn the August 3, 2022, Enforcement Committee meeting. Board Member Rodney Cobos moved; seconded by Board Member Alan Guy. The motion was not voted on. The Enforcement Committee meeting adjourned at approximately 10:15 a.m.