



Press Release

CONTRACTORS STATE LICENSE BOARD

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Check The License First!

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Contractors State License Board Stings More Than 100 in Series of Simultaneous Undercover Sting Operations

“California Blitz” focuses on repeat offenders, others who contract without a license

SACRAMENTO – The Contractors State License Board (CSLB) has wrapped up four simultaneous undercover sting operations around the state. The annual fall “California Blitz” was conducted by 19 CSLB investigators during a two-day period, September 15 and 16, 2009. A total of 103 people received Notices to Appear (NTA) in court or administrative citations. Two went to jail for having outstanding traffic warrants. A fifth sting operation is currently underway at an undisclosed location in northern California.

CSLB’s Statewide Investigative Fraud Team (SWIFT) conducts these multi-county blitzes every fall and spring to enhance its smaller sting operations, which take place on a weekly basis. These operations crack down on the underground economy that harms consumers and legitimate, licensed contractors. The Fall 2009 Blitz involved stings in Los Angeles, Riverside, Monterey, and Yolo Counties.

SWIFT investigators posed as business owners, landlords, or tenants at commercial properties in Monterey and Riverside, and as homeowners in Saugus (Los Angeles County) and Woodland (Yolo County). They solicited bids for a variety of projects, ranging from landscaping, concrete, fencing, painting, and flooring to wrought iron and installation of a swimming pool safety fence.

Investigators primarily targeted those who were previously caught contracting without a license. Six of the people arrested had been caught before. Fortunately, a majority of those contacted for bids said they either had gotten out of the business or the job sounded too big for them to perform—possibly an indication that enforcement operations conducted by CSLB and its partner agencies are improving awareness of state contracting laws. By law, all contractors who perform work that totals \$500 or more for labor and materials must be licensed by CSLB.

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Other targets were identified from advertisements in various local publications and online, and those identified from leads from local law enforcement or trade associations.

Joining CSLB in the operation were local police and sheriffs' departments, district attorney offices, and the California Department of Toxic Substances Control. Those who received NTAs will be required to appear in court in November and December to face misdemeanor charges. The charges carry a maximum of six months in jail or a \$1,000 fine for the first offense. A second violation carries a mandatory 90-day jail sentence.

"Consumers must realize that they are taking a risk when they hire an unlicensed contractor to work on their home or business," said CSLB Registrar Steve Sands. "Not only are licensed contractors required to demonstrate a minimum level of competence in their trade, but they also must carry workers' compensation and bonds to protect home or business owners in the event something goes wrong."

Unlicensed contractors often submit lower bids than their licensed counterparts because they do not carry insurance or bonds, and they pay their employees in cash, "under the table." If a worker is injured during a construction project, the home or business owner could be legally and financially responsible.

Education is another important component of the Blitz and all of CSLB's sting operations. "We don't want to stop people from earning a living," said Sands. "But, if they're going to be in business, they need to follow the law." Those arrested during the sting operation were encouraged to get a license, and given an application package with information and all the necessary forms.

Here are some highlights from the various sting sites:

Saugus

- One suspect, who was just released after serving four years in state prison for possession and sale of methamphetamines, showed up with his toddler son to give a bid.
- One suspect who provided a bid for laminate flooring has two unpaid administrative citations with a total civil penalty of \$3,000. He was also driving with an expired driver's license.
- One suspect who provided a bid for a block wall was a previous offender who had paid his prior citations.

Riverside

- One suspect arrested was on probation for his prior conviction for contracting without a license.
- Another repeat offender also had an arrest warrant for failing to appear on his previous charge of contracting without a license.
- One suspect ran from the sting site to avoid getting an NTA. Fortunately, our backup from the Riverside Police Department positively identified the suspect, who will now still face charges.

Monterey

- One suspect arrested had previously received two CSLB administrative citations. He'll now face criminal charges.

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- Another suspect who was previously cited showed up at the sting with a “partner” who is a licensed plumber. Both men were arrested and received an NTA.
- One suspect was arrested for a third time on charges of contracting without a license.

Woodland

- Two individuals were arrested on traffic warrants and released on a promise to appear.

The CSLB urges consumers to follow these tips when hiring a contractor:

- Be especially hesitant when approached by someone offering home improvement services door-to-door.
- Verify the contractor's license by checking online at www.cslb.ca.gov, or www.checkTheLicenseFirst.com, or via CSLB’s automated phone service at 1-800-321-CSLB (2752).
- Don't pay more than 10% down or \$1,000, whichever is less.
- Don't pay in cash, and don't let the payments get ahead of the work.
- Check references, obtain three bids, and ask for a written contract.
- Contact CSLB if you have a complaint against a contractor.

Sting Details

Location	Participating Agencies	Highlights
Saugus Los Angeles County	Contractors State License Board Los Angeles County Sheriffs Department Los Angeles County District Attorney's Office Department of Toxic Substances Control	29 Notices to Appear November 4-12, L.A. County Superior Court (Santa Clarita)
Monterey Monterey County	Contractors State License Board Monterey Police Department Monterey County District Attorney's Office	23 Notices to Appear November 24-25, Monterey County Superior Court (Salinas) 1 Administrative Citation
Riverside Riverside County	Contractors State License Board Riverside Police Department Riverside County District Attorney's Office	23 Notices to Appear November 17-24, Riverside County Superior Court (Riverside)
Woodland Yolo County	Contractors State License Board Yolo County District Attorney's Office Woodland Police Department	22 Notices to Appear December 17, 2009 Yolo County Superior Court (Woodland) 5 Administrative Citations

In 2009, CSLB, which operates under the umbrella of the Department of Consumer Affairs, marks its 80th anniversary of protecting consumers by regulating California’s construction industry. Today CSLB licenses about 315,000 contractors. In any given year, complaints are filed against only 3% of licensed contractors. In fiscal year 2008-09, the CSLB helped consumers recover nearly \$36 million in ordered restitution.