



CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT COMMITTEE MEETING SUMMARY REPORT

Enforcement Committee Meeting Summary Report

A. Call to Order, Roll Call, Establishment of Quorum, and Chair's Introduction

In Committee Chair Nancy Springer's absence, Enforcement Committee member Michael Layton called the meeting of the Contractors State License Board (CSLB) Enforcement Committee to order on November 7, 2019, at 8:30 a.m. in the John C. Hall Hearing Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, California. A quorum was established.

Committee Members Present

Michael Layton
Frank Altamura, Jr.
Susan Granzella
Diana Love

Committee Members Excused

Nancy Springer, Chair

CSLB Staff Present

David Fogt, Registrar	Rebecca Lyke, Enforcement Analyst
Tonya Corcoran, Chief Deputy Registrar	Raju Sah, IT Manager
Missy Vickrey, Chief of Enforcement	Claire Goldstene, Information Officer II
Justin Paddock, Chief of Licensing	Amber Foreman, Graphic Designer III
Michael Jamnetski, Chief of Legislation	
Rick Lopes, Chief of Public Affairs	
Kristy Schieldge, DCA Legal Counsel	
Phyliz Jones, Executive Staff	

Members of the Public

Eddie Bernacci, Politico Group
Terry Seabury, WECA
Christopher Smith, Paradigm Power

Board Member Recognition

Committee Member Michael Layton welcomed new Board Member Diana Love. Ms. Love was appointed by Governor Gavin Newsom as a public member to represent California's Senior consumers.

B. Public Comment



There was no public comment.

C. Enforcement Program Update

Committee Member Layton provided the Committee with an update as it pertained to CSLB's response to the most recent wildfires in both northern and southern California. Mr. Layton also reported on a successful sting operation conducted in the Coffey Park disaster area in Santa Rosa with the assistance of the Sonoma County and Marin County District Attorney's Offices.

Chief of Enforcement Missy Vickrey provided the Committee with an update on internal policy and procedures changes to reduce expenditures. Chief Vickrey stated that Enforcement division leadership was taking a close look at vacant positions and is optimistic that an emergency fee increase will enable them to fill all positions.

Chief Vickrey also provided the Committee with the benefits of the increased use of the Letter of Admonishment to reduce expenditures, including the resolution of cases with informal office conferences rather than a referral to the Attorney General (AG) and a hearing before an Administrative Law Judge.

Chief Vickrey also addressed CSLB's use of administrative citations for egregious violations of the law, and resumption of authorization to conduct informal citation conferences to resolve appealed citations. She explained that these conferences are effective, especially because CSLB does not incur costs of AG representation and conferences can be scheduled more quickly than a formal appeal hearing.

Finally, Chief Vickrey summarized the general complaint handling statistics highlighting that complaint negotiation efforts by staff have successfully resulted in getting more than \$18 million in restitution to financially injured parties.

D. Review, Discussion, and Possible Action to Pursue Legislation to Amend Business and Professions Code Section 7099.2

Committee Member Layton stated that the Committee would be discussing two issues for their consideration regarding Business and Professions Code (BPC) Section 7099.2.

Mr. Layton stated that the first issue addresses CSLB's desire to increase the civil penalty assessment threshold amount. Mr. Layton detailed the current maximum civil penalties allowed under 7099.2, which is \$5,000 for most violations of contractor license law, and \$15,000 for violations of BPC §7114 (aiding and abetting, or conspiring) and BPC §7118 (hiring an unlicensed contractor).

Mr. Layton stated that based on the increases in California's Consumer Price Index (CPI) since 1992 and 2003 (the most recent increases in the civil penalty thresholds) that staff proposes the maximum general cap for civil penalties be raised from \$5,000 to \$8,000 and the violation-specific cap from \$15,000 to \$30,000. The increases include rounding and some allowance for future CPI increases.

Mr. Layton also addressed BPC §7125.4 as the maximum penalty of \$5,000 for having employees without providing workers' compensation insurance does not reflect current



economic conditions. Mr. Layton stated that staff proposes that violations of BPC §7125.4 be included under the violation-specific cap of \$30,000.

MOTION: To ask for a motion that the Enforcement Committee recommend to the full Board to pursue a legislative proposal to:

1. Amend Business and Professions Code § 7099.2(b) to increase the maximum civil penalty assessments specified from \$5,000 to \$8,000, and from \$15,000 to \$30,000 for violations of Business and Professions Code §7114 and §7118; and
2. Add violations of Business and Professions Code §7125.4 (filing false exemptions for workers' compensation insurance) to the violation-specific penalty assessments listed in the statute

Michael Layton moved; seconded by Susan Granzella. The motion carried unanimously, 4-0.

YEA: Frank Altamura, Susan Granzella, Michael Layton, Diana Love

NAY: None

Mr. Layton next addressed the second issue as it applies to BPC §7099.2, the inclusion of more than one violation of contractors' state license law in a single Letter of Admonishment (LOA) issued to a licensee.

Mr. Layton described that currently BPC §7099.2 (c)(6) precludes the use of a LOA if multiple violations have been established. Mr. Layton stated that staff has established that many of CSLB's consumer complaint investigations establish multiple *minor*, non-hazardous violations.

Mr. Layton listed the unintended consequences of the current one violation restriction:

1. A field investigator can only select one violation for use in a LOA despite establishing multiple minor violations.
2. Additional violations are disregarded and are not captured in CSLB's database prohibiting them from being available for future investigations into the same contractor.
3. The alternative to a LOA in the event of multiple violations would be the issuance of a citation for non-egregious violations.

MOTION: To ask for a motion that the Enforcement Committee recommend to the full Board to approve a legislative proposal to eliminate the "multi-violation" restriction for Letter of Admonishment in BPC §7099.2 (c).

Staff Counsel Kristy Scheildge stated that the motion should read to ask for a motion that the Enforcement Committee recommend to the full Board to **pursue** a legislative proposal to eliminate the "multi-violation" restriction for Letter of Admonishment in BPC §7099.2 (c).



Mr. Layton rephrased the motion as follows:

MOTION: To ask for a motion that the Enforcement Committee recommend to the full Board to pursue a legislative proposal to eliminate the “multi-violation” restriction for Letter of Admonishment in BPC §7099.2 (c). Michael Layton moved; Susan Granzella seconded. The motion carried unanimously 4-0.

YEA: Frank Altamura, Susan Granzella, Michael Layton, Diana Love

NAY: None

E. Update on 2019-21 Enforcement Strategic Plan Objectives

Committee Member Layton commended the Enforcement division regarding their successful progress as it pertains to the strategic plan items set forth.

Chief Vickrey provided updates on items 2.7 and 2.9. She thanked Staff Counsel Kristy Schiedge for providing training to enforcement supervisors regarding the elements of BPC §7114, 7118, and 7117 which addressed item 2.7. She also stated that CSLB staff had attended a two-day career fair at Sacramento State University meeting the objectives of item 2.9.

F. Adjournment

MOTION: To adjourn the November 7, 2019, Enforcement Committee meeting. Susan Granzella moved; seconded by Diana Love. The motion carried, 4-0.

YEA: Frank Altamura, Susan Granzella, Michael Layton, Diana Love

NAY: None

Committee member Layton adjourned the Enforcement Committee meeting at approximately 8:55 a.m.