



**Supplemental Material  
Received at the Meetings of  
City Council  
Redevelopment Agency  
Housing Authority  
Financing Authority  
for  
May 8, 2007**

**Special Presentation (Afternoon) Item B: Resolution recognizing the National Association of Letter Carriers**

- a. Poster recognizing the Letter Carriers Food Drive on Saturday, May 12, 2007

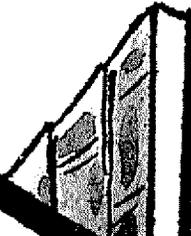
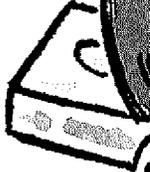
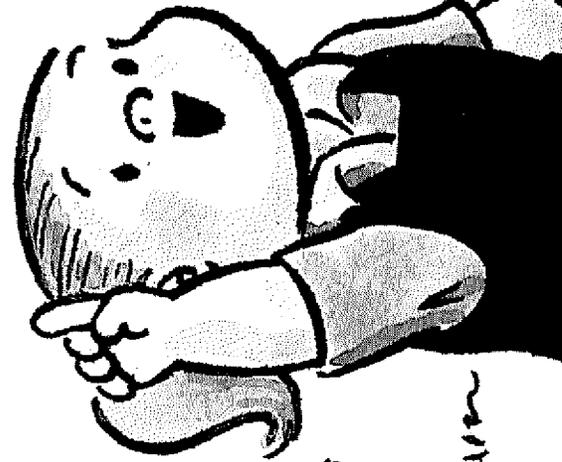
**Matters Not on the Agenda (Afternoon):**

- a. Packet of materials regarding the "United Contractor's Association" dated May 8, 2007

# 15TH ANNIVERSARY

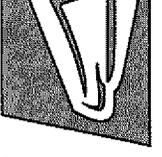
**NO  
EMPTY  
TUMMIES!**

U.S.  
MAIL

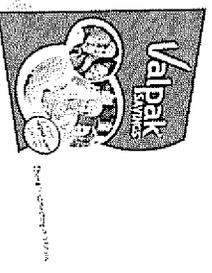




# LETTER CARRIERS FOOD DRIVE Saturday, May 12, 2007



**UNITED STATES  
POSTAL SERVICE®**



**America's  
Second Harvest  
The Nation's  
Food Bank Network**



YOUR FOOD IN A SACK BY YOUR MAILBOX. WE'LL DELIV



**WWW.GOUCA.ORG**

**May 8<sup>th</sup> 2007**

STATE CAPITOL  
ROOM 4035  
SACRAMENTO, CA 95814  
TEL: 916-651-4006  
FAX: 916-323-2263

DISTRICT OFFICE  
2017 STREET ROOM 576  
SACRAMENTO, CA 95814  
TEL: 916-651-1529  
FAX: 916-327-8754

# California State Senate

SENATOR  
**DARRELL STEINBERG**  
SIXTH SENATORIAL DISTRICT



COMMITTEES  
NATURAL RESOURCES & WATER  
CHAIR  
BUDGET & FISCAL REVIEW  
SUBCOMMITTEE NO. 2 ON  
RESOURCES, ENVIRONMENTAL  
PROTECTION & ENERGY  
ENVIRONMENTAL QUALITY  
JUDICIARY  
HEALTH  
  
SELECT COMMITTEE  
HIGH SCHOOL GRADUATION

May 7, 2007

To Whom It May Concern:

I am writing in support of the United Contractors Association and its founders, David Brannan and Steven Styles. My staff has worked extensively with Mr. Brannan on issues of unlicensed contractors and "handymen." He initially contacted my office in early February 2007, trying to investigate methods to improve public education about the dangers of using unlicensed contractors for home improvement projects.

Since the first contacts, Mr. Brannan and Mr. Styles have registered with the Secretary of State's office as an association and set up a very helpful and informative web site. Mr. Brannan and my staff continue to work together.

Mr. Brannan and Mr. Styles appear to be dedicated to public information and sincere in their desire to expose the very real dangers of letting unlicensed contractors into our homes. If you have any questions with regard to the United Contractors Association, do not hesitate to call my office at (916) 651-1529.

Sincerely,

A handwritten signature in black ink that reads "Darrell Steinberg".

**DARRELL STEINBERG**  
State Senator, 6<sup>th</sup> District

DS/sm

My name is Scott Day,  
I am the Public Relations Director of the United Contractors Association.

Thank you for this Forum.

The United Contractors Association was founded by Contractors, for Contractors. Our purpose therefore is to further the interest of our members in achieving and maintaining the highest standard of work ethics and professionalism in our respective trades. We have used the media to help raise public awareness about the ever-growing dangers of allowing non-licensed uninsured individuals into their homes and businesses. Our research shows that there are approx 350,000 licensed contractors doing business in California, and more than 1.5 million Unlicensed individuals working in the construction and home improvement industry in our state. Left unchecked, this underground economy daily threatens our public safety and the health of our industry.

One of our goals is to pursue and expose un-licensed contractors using any legal means available. We have organized public awareness campaigns, including an upcoming rally on the West steps of our state capitol June 22<sup>nd</sup> 2007 to promote changes in the construction industry with an eye on 'accountability in advertising' reform, and increased enforcement of laws currently on the books pertaining to contracting without a valid contractors license. We are seeking the support of our representatives, council members, legislators, elected officials, and the CSLB to further this agenda.

The CSLB is overwhelmed daily from hundreds of complaints filed by unsuspecting consumers that have been ripped off. Most have paid for work that was not completed, or are seeking damages for substandard work by unlicensed individuals, and tradesmen passing themselves off as Licensed Bonded and Insured Contractors. This type of activity causes millions of dollars in damage annually to personal, commercial and residential property.

We are actively seeking ways to assist the CSLB's increasing efforts in the use of the S.W.I.F.T. Fraud Team. They need assistance from local law enforcement to more aggressively pursue and apprehend unlicensed individuals, and from local district attorneys to be willing to prosecute.

As an Association, we hold that current laws on 'the books' which pertain, but are not limited to, cracking down on fraudulent advertising, home improvement scams, hiring day labor without providing required workers comp, using nonexistent license numbers and contracting for work over \$500.00, whereby effectively lowering the industry Standard of quality craftsmanship, and fostering a distrust of the Tradesman in general.

Here are some ideas for your consideration,

- A) Allow Sacramento to be the first in the nation to issue photo ID Contractor License cards. This would allow Consumers to verify the Identification of Licensed Contractors before they are allowed into business and private residence.
- B) Empower our District Attorneys to increase fines and penalties for serious and repeat offenders from misdemeanors to felony's. Consider seizing communication equipment, computers, vehicles and tools used by repeat offenders and felons who advertise to our public as Licensed Contractors using either non existent, revoked, or stolen license numbers, putting our public and sadly many of our senior citizens at great personal and financial risk.

- C) Require 'Disclaimers' in bold print be placed directly below Main headers in all local newspapers, weekly circulars and phone books in sections that allow contractors to publicize or advertise their services. The wording should include 'If a consumer uses a Non-Licensed individual for construction or home improvement work over \$500 and a complaint occurs, the only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the non-licensed individual and their employees.' By law it is mandatory to state in print within any advertisement for construction, whether you are 'Licensed or Unlicensed' this law is widely ignored by all major publications, most commonly in electronic 'Lists' or classified directories.
  
- D) Require applicants for local city business licenses to sign a waiver agreeing not to use a business license number in any newspaper, weekly circular, or phone book to mislead consumers into thinking they are legitimate licensed contractor numbers, and further state in print that they are either licensed or unlicensed by the CSLB thus avoiding any confusion to the readers and consumers seeking a licensed contractor.

We have sent a letter to our Governor asking him to support our Licensed Contractors by addressing concerns in the construction industry, and providing ways to insure that our friends, families and neighbors can depend on our law enforcement officials to protect them from unscrupulous business practice.

We have organized and held a rally in front of the Penny Saver in Rancho Cordova to voice our opposition to the practice of allowing unlicensed contractors to skirt California's Business & Profession Code laws regarding advertising and licensed status.

We have sent letters to many of California's leading homebuilders and developers informing them of the existence of the UCA and it's purpose, gaining widespread interest for this grass roots association.

We have been building a consensus from Licensed Contractors across all trades, and in every major metropolitan city in California.  
We are asking you for your support.

We welcome any opportunity to further discuss the motivation, and mission of the United Contractors Association.

We can be contacted by phone @ 916. 749-5333  
Or visit our website at <http://www.gouca.org>

Thank you.



# United Contractors Association

www.GOUCA.org (916) 749-5333

Hiring an unlicensed contractor just might put you at risk, and more than just your home or property: Recently a professor at U.C. Davis decided to hire a handyman/unlicensed contractor, and instead of saving him money, it cost him his life:

"Scott, 73, a retired sociology professor, was last seen in June 2006 at Bistro 33 in downtown Davis. After a friend reported him missing, Yolo County sheriff's investigators found blood spatters and other evidence in his on-campus home that indicated foul play, according to investigators. Scott's body has not been found. Investigators said Cunningham, 47, worked as a handyman for Scott around the time of his disappearance. Months after Scott disappeared, the Yolo County District Attorney's office filed murder charges with a special circumstance against Cunningham, who had been in state prison on prior felony drug, weapon and theft violations. If he is convicted on the murder and the special circumstance charges, Cunningham could face the death penalty. The Yolo County District Attorney's Office said the special circumstance charge was filed because prosecutors allege Cunningham killed Scott over a check the professor accused Cunningham of stealing. Cunningham cashed a \$300 check of Scott's during the first week of June. Scott had reported the check as stolen June 1, according to investigators. Two days after Scott was reported missing, a travel trailer parked at his house disappeared. Cunningham later led investigators to the trailer, which he had stolen and then dumped in a rural location outside of Davis, according to reports. Cunningham is the only person to have been questioned in Scott's disappearance." (quoted from: The California Aggie Online, Campus News 2/09/2007 Article titled: "Handyman appears in court on murder charges")

The fact is that hiring un-licensed contractors is like playing 'Russian roulette', for, many of these individuals cannot get license because of their criminal backgrounds. Yet, many homeowners invite these strangers into their homes, around their families and possessions. Not only does this leave no recourse for the homeowner to get their money back if the job goes awry, or if a flood or fire is caused by poor workmanship, but there is also the risk of lawsuits, since most un-licensed contractors do not carry insurance.

The unlicensed, underground economy has reached new highs in California, according to the research done by the United Contractors Association: there are approximately 300,000 licensed contractors in the State and over 1.5 million unlicensed contractors, which is a 5:1 ratio of unlicensed contractors over licensed. This underground economy generates millions and possibly billions annually of 'tax-free' dollars at the expense of consumers and tax-payers of this state, as well as hitting the pocketbook of thousands of legitimate hard-working contractors, whom cannot compete with those willing to work for a beer and a sandwich. There has been a surge of unlicensed individuals advertising with business license numbers written to look like a contractors license number, or fake license numbers; don't be fooled by fraudulent advertisements, always check out the license number in the ad with the CSLB website or go to the UCA website for a link to the CSLB check license page: [www.gouca.org](http://www.gouca.org)

The UCA website is a one-stop shop of free information for both consumers and contractors whom want to know more about this underground economy. Licensed contractors from around the State will be rallying on the West Steps of the Capital here in Sacramento on June 22nd from 11am-1pm to demand change in the industry. Stay informed, stay safe and hire only licensed contractors.

Steven Styles  
UCA Chairman  
[www.gouca.org](http://www.gouca.org)

## BUSINESS AND PROFESSIONS CODE SECTION

7027. Any person who advertises or puts out any sign or card or other device after the effective date of this section which would indicate to the public that he or she is a contractor, or who causes his or her name or business name to be included in a classified advertisement or directory after the effective date of this section under a classification for construction or work of improvement covered by this chapter is subject to the provisions of this chapter regardless of whether his or her operations as a builder are otherwise exempted.

7027.1. (a) It is a misdemeanor for any person to advertise for construction or work of improvement covered by this chapter unless that person holds a valid license under this chapter in the classification so advertised, except that a licensed building or engineering contractor may advertise as a general contractor.

(b) "Advertise," as used in this section, includes, but not by way of limitation, the issuance of any card, sign, or device to any person, the causing, permitting, or allowing of any sign or marking on or in any building or structure, or in any newspaper, magazine, or by airwave or any electronic transmission, or in any directory under a listing for construction or work of improvement covered by this chapter, with or without any limiting qualifications.

(c) A violation of this section is punishable by a fine of not less than seven hundred dollars (\$700) and not more than one thousand dollars (\$1,000), which fine shall be in addition to any other punishment imposed for a violation of this section.

(d) If upon investigation, the registrar has probable cause to believe that an unlicensed individual is in violation of this section, the registrar may issue a citation pursuant to Section 7028.7 or 7099.10.

7027.2. Notwithstanding any other provision of this chapter, any person not licensed pursuant to this chapter may advertise for construction work or work of improvement covered by this chapter, provided that he or she shall state in the advertisement that he or she is not licensed under this chapter.

7027.3. Any person, licensed or unlicensed, who willfully and intentionally uses, with intent to defraud, a contractor's license

number that does not correspond to the number on a currently valid contractor's license held by that person, is punishable by a fine not exceeding ten thousand dollars (\$10,000), or by imprisonment in state prison, or in county jail for not more than one year, or by both that fine and imprisonment. The penalty provided by this section is cumulative to the penalties available under all other laws

of this state. If, upon investigation, the registrar has probable cause to believe that an unlicensed individual is in violation of this section, the registrar may issue a citation pursuant to Section

7028.7. 7028. (a) It is a misdemeanor for any person to engage in the business or act in the capacity of a contractor within this state without having a license therefor, unless the person is particularly exempted from the provisions of this chapter.

(b) If a person has been previously convicted of the offense described in this section, unless the provisions of subdivision (c)

are applicable, the court shall impose a fine of 20 percent of the price of the contract under which the unlicensed person performed contracting work, or four thousand five hundred dollars (\$4,500), whichever is greater, and, unless the sentence prescribed in subdivision (c) is imposed, the person shall be confined in a county jail for not less than 90 days, except in an unusual case where the interests of justice would be served by imposition of a lesser sentence or a fine. If the court imposes only a fine or a jail sentence of less than 90 days for second or subsequent convictions under this section, the court shall state the reasons for its sentencing choice on the record.

(c) A third or subsequent conviction for the offense described in this section is punishable by a fine of not less than four thousand five hundred dollars (\$4,500) nor more than the greater amount of either ten thousand dollars (\$10,000) or 20 percent of the contract price under which the unlicensed person performed contracting work or by imprisonment in a county jail for not more than one year or less than 90 days, or by both that fine and imprisonment. The penalty provided by this subdivision is cumulative to the penalties available under all other laws of this state.

# NEWS

From the Office of the City Attorney  
ROCKARD J. DELGADILLO



Suite 800, City Hall East  
Los Angeles, CA 90012

Phone: 213-978-8340 Fax: 213-978-2093  
<http://www.cityofla.org/atty/>

**FOR IMMEDIATE RELEASE**  
**WEDNESDAY, APRIL 11, 2007**

**Contact: Nick Velasquez**  
(213) 978-8340 (O)  
(213) 507-4434 (M)

## **L.A. CITY ATTORNEY ROCKY DELGADILLO FILES MULTIPLE CRIMINAL CHARGES AGAINST 32 UNLICENSED CONTRACTORS**

**LOS ANGELES** – Los Angeles City Attorney Rocky Delgadillo today announced his office's Corruption, Fraud, and Enforcement Unit, as part of an ongoing partnership with the Contractors State License Board (CSLB), has filed charges against 32 unlicensed contractors as part of the latest crackdown on unlicensed contractors across the city for abandoned and shoddy work.

"I will not allow L.A. homeowners to be bilked out of their hard-earned money by con artists who flout the law, and cut corners to turn a profit," said Delgadillo, who's made consumer protection one of his top priorities as City Attorney for Los Angeles.

Delgadillo announced his filing of the 29 cases while standing in the front yard of a South Los Angeles home owned by the Rosa family – victims of unlicensed contractor Ricardo Araya, the operator of Special Design Group. Araya was charged with contracting without a license, grand theft, charging an excessive down payment, and frontloading.

In June 2004, the victims entered into a \$60,300 written contract with Araya and Special Design Group to build an addition of two bedrooms and one bathroom to their duplex. After collecting an initial \$6,000 down payment, Araya requested an additional \$12,000 a month later before abandoning the project in August 2004. The victims eventually filed a complaint with the CSLB in July 2006 after repeated promises from Araya to repay the money.

Arrest for Araya is scheduled for May 30 in Division 81 of Los Angeles Superior Court.

Other defendants include Mahmood Sotoudeh of Torrance, who collected \$200,000 from a property owner before abandoning an unfinished project. Sotoudeh was charged with unlicensed contracting and grand theft.

Issac Mizrahi of Valley Village also has been charged in two separate cases. In the first case, Mizrahi is charged with grand theft, unlicensed contracting, unauthorized use of a contractor's license with intent to defraud, and frontloading, after entering into a \$150,000 contract with his victim. He was paid \$76,000 before the contract was terminated.

-more-

In the second case, Mizrahi has been charged with grand theft, unlicensed contracting, unauthorized use of a contractor's license with intent to defraud) and contract calls for an excessive deposit, after entering into a \$74,000 contract with his victim. He was paid \$62,800 before the contract was terminated. Mizrahi has three prior convictions for unlicensed contracting.

Each count of unlicensed contracting and advertising without a contractor's license is punishable by up to six months in jail and a \$1,000 dollar fine. The other offenses are each punishable by up to one year in county jail. Additionally, crimes of charging an excessive down payment and frontloading have maximum fines of up to \$5,000 and fraudulently using an incorrect license number have fines of up to \$10,000.

Investigations for each of the 29 cases were conducted by officials from the CSLB and the results were forwarded to the City Attorney's Corruption, Frauds and Enforcement Unit of the Criminal and Special Litigation Branch for prosecution.

"This partnership is an important step in helping protect consumers from these phony contractors," said CSLB Registrar Steve Sands. "The quick prosecution shows that our two organizations are serious about going after people who break the law and put consumers at risk."

In April 2006, Delgadillo announced a partnership between his office and the CSLB to streamline the procedure for processing consumer complaints, enabling the CSLB to refer cases to the City Attorney's Office within 60 days of receipt. Since then, the City Attorney has prosecuted more than 80 cases of unlicensed contractor fraud across the city.

In order to avoid the most common complaints against unlicensed contractors, the City Attorney's Office and the CSLB are urging consumers to understand and exercise their rights and responsibilities, including:

- The right to hire licensed contractors;
- The right to check a contractor's license at [www.cslb.ca.gov](http://www.cslb.ca.gov) or by calling 1-800-321-CSLB (2752);
- The right to pay only 10 percent or \$1,000, whichever is less, as a down payment;
- The right to a written contract that specifies project costs, the down payment, a payment schedule and start and completion date.

The State Senate Oversight Committee ranks contractor fraud among the Top Five consumer complaints in California – a problem that costs consumers nationwide more than \$100 billion annually.

To report unlicensed contracting activity, please call the CSLB's Statewide Investigative Fraud Team, 562-345-7600, or the Consumer Protection Division of the Los Angeles City Attorney's Office, 213-978-8070.

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