



Department of Consumer Affairs
Contractors State License Board

CSLB Press Release - 07/19/2004

Consumers Warned about Illegal Swimming Pool Consultants

Suspects Caught in an Undercover Sting

SACRAMENTO — At an undercover sting held in Sacramento last week, the Contractors State License Board (CSLB) cited suspects, who call themselves "consultants" but act as unlicensed swimming pool contractors. The sting was held to send a message that swimming pool contracting requires a license and that consumers need to be aware of the risks they take when hiring such illegal consultants.

Action was taken against 13 suspects. Six will be required to appear in Municipal Court to answer to misdemeanor charges for contracting without a license; they could face a maximum of six months in jail and/or \$1,000 fine for a first offense. During the sting, the Roseville Police Department arrested one suspect on unrelated outstanding warrants. Seven others were issued administrative citations.

The CSLB has seen an increase in the number of businesses that offer their services as "swimming pool consultants." These unlicensed consultants convince homeowners to act as their own general contractor — or what is known as an owner-builder. They claim that homeowners can save substantially on their swimming pool project by doing so. The consultant contracts to direct and control the project, promising to select and supervise workers and inspect the project as it progresses. What they don't say is that the homeowner assumes all of the risk, responsibility and liability for the workers and the job they do — and often end up paying as much or more for the project.

It is not illegal for a homeowner to act as an owner-builder, but the CSLB recommends that unless the homeowner is very experienced in construction, it is best to hire a legitimate, licensed expert.

To qualify as an owner-builder, the homeowner must take on the responsibility of an employer, including providing workers' compensation insurance and withholding taxes. If a subcontractor is hurt on the job, the homeowner could be asked to pay for injuries and rehabilitation through their own homeowner's insurance policy.

If the job is done improperly, or if any of the construction doesn't pass building inspections, the homeowner is responsible for correcting the work.

Here's how the sting worked: CSLB investigators posing as homeowners invited suspected illegal swimming pool consultants to an undercover sting house to offer their services. The suspects were targeted from leads provided by the Swimming Pool Education Council and from consumer complaints. If they offered to work in the capacity of a contractor and the fee was \$500 or more and they did not have a contractor's license, they were issued an NTA or cited.

"It's our duty to protect consumers throughout the state and maintain integrity within the building industry," said Department of Consumer Affairs Director Charlene Zettel.

By law, anyone who contracts for or bids on a construction project valued at \$500 or more (total labor and materials) must be licensed by the CSLB. These swimming pool consultants were found to be acting in the capacity of a contractor. To qualify for a license, a contractor must pass a trade and license law examination, verify four years of journey-level experience in the trade, and post a license bond. Unlicensed contractors can advertise only if they state in their ad that they are unlicensed and bid on work valued at less than \$500.

The CSLB urges consumers to follow these tips when dealing with a building contractor:

- Be wary of unlicensed contractors or agents who call themselves consultants
- Be wary of contractors who try to convince you to act as an owner/builder on the project
- Hire only licensed contractors and ask to see the license
- Verify the contractor's license by going online at www.cslb.ca.gov or calling toll-free at (800)321-CSLB
- Do not pay more than 2 percent or \$200, whichever is less, as a down payment on swimming pool construction
- Do not pay cash, and do not let the payments get ahead of the work
- Get three bids, check references, and get a written contract.

The Contractors State License Board operates under the umbrella of the California Department of Consumer Affairs. The CSLB licenses and regulates California's 278,000 contractors, and investigates 25,000 complaints against contractors annually.