NASCLA Orchestrates Nationwide Coordinated Initiative to Strengthen Contractor Regulations

THE OPERATION INCLUDED 12 STATE MEMBERS ACROSS THE COUNTRY, TARGETING UNLICENSED CONTRACTORS

PHOENIX, AZ – JUNE 29, 2023

The National Association of State Contractors Licensing Agencies (NASCLA) successfully executed a synchronized nationwide enforcement endeavor, spanning from June 5 – 23, 2023. A total of 12 esteemed NASCLA State Members actively participated in this significant initiative that unfolded across various regions of the country. The participating state regulatory agencies included Arizona, California, Connecticut, District of Columbia, Florida, Mississippi, Nevada, North Carolina (2), Oregon, Tennessee, and Texas.

The primary objective of this comprehensive enforcement campaign was to enhance the presence of regulatory agencies both within local communities and at the national level. Our state members joined forces in a collaborative partnership aimed at safeguarding consumers and the general public through the proper licensing and registration of contractors and tradesmen. This impactful effort involved the active participation of state public information departments, investigative units, executive directors/officers, as well as the engagement of the public media.

The cooperative spirit exhibited by our state members during this nationwide initiative offered an invaluable opportunity to alert and protect consumers, discourage illicit construction activities, and establish a level playing field for legitimate contractors within the construction industry. In addition to curbing the escalating incidence of illegal unlicensed practices nationwide, the overarching goal was to raise awareness among consumers regarding these actions and ensure regulatory compliance.

As a result of the concerted enforcement endeavors spanning the weeks of June 5 – 23, 2023, NASCLA State Members have reported a total of 1,002 complaints and instances of non-compliance with state licensing requirements. In response, the state contractor licensing agencies have taken swift and decisive action by issuing administrative citations, criminal notices, legal measures, and initiating supplementary investigations, among other measures. The following regulatory agency statistics were reported by the NASCLA State Members based on their national coordinated enforcement efforts:
On Thursday, June 15, 2023, about 30 investigators from the Arizona Registrar of Contractors (AZ ROC) participated in a statewide effort intended to combat unlicensed construction activity and provide education and outreach to support the agency’s mission of promoting quality construction performed by licensed Arizona contractors.

AZ ROC investigators patrolled cities and towns throughout Coconino, Maricopa, Mohave, Pima, Pinal, and Yavapai Counties as part of an annual nationwide operation planned in coordination with the National Association of State Contractors Licensing Agencies (NASCLA). The effort resulted in 20 unlicensed entity contacts, with 11 receiving warnings for compliance violations and 5 being issued cease and desist orders.

During these interactions, investigators provide information about Arizona laws that regulate construction activity and encourage unlicensed entities to take advantage of the agency’s resources to help them apply for a license, such as AZ ROC’s free online Applicant Education Seminars, held every month in order to explain application requirements and answer questions in real time.

View the Arizona Registrar of Contractors Full Press Release

The California Contractors State License Board (CSLB) recently completed a statewide sting and sweep enforcement operation to uncover unlicensed activity in the construction industry. The multi-state agency effort organized by the National Association of State Contractors Licensing Agencies (NASCLA) resulted in 90 legal actions related to unlicensed contracting. An additional 37 legal actions were taken for workers’ compensation insurance violations.

Over three weeks, CSLB joined forces with local law enforcement to conduct undercover sting operations in Sonoma, Sacramento, Madera and San Bernardino counties. The stings targeted unlicensed contractors, with investigators contacting the suspects through their advertisements.

During the four sting operations, suspected unlicensed operators arrived at designated locations to bid on various projects, such as drywall, bathroom remodeling, turf installation, framing, flooring, exterior and interior painting, concrete, tree removal, landscaping, and plumbing. As a result, 50 individuals may face criminal charges for contracting without a license. These individuals were provided with information on how to obtain a license.

“Unlicensed contractors pose a significant danger to consumers,” said CSLB Registrar David Fogt. “CSLB’s Statewide Investigative Fraud Team performs sweeps and stings regularly, and we are proud to be a top contributor in this year’s NASCLA’s coordinated enforcement effort.”

View the California Contractors State License Board’s Full Press Release
The Connecticut Department of Consumer Protection participated in its second National Coordinated Enforcement Effort with multiple state members of the National Association of State Contractors Licensing Agencies (NASCLA). During the months of February 1, 2023, to June 16, 2023, the department focused its enforcement and outreach efforts on large commercial and residential construction sites.

The Occupational Licensing Enforcement Unit conducted 44 licensing compliance inspections of various construction sites and found a variety of potential violations including performing work without a license and commencing work without a permit. The Department continues to investigate several cases as a result of this enforcement effort.

“We were honored to participate for the second year in this nationally coordinated effort organized by the National Association of State Contractors Licensing Agencies,” said DCP Commissioner Bryan T. Cafferelli. “Our Occupational Licensing Enforcement Unit works hard year-round to protect the public by deterring illegal and unlicensed construction activity throughout the state and provide a fair marketplace for legitimate licensed tradespeople.”

View the Connecticut Department of Consumer Protection’s Full Press Release

The District of Columbia Department of Licensing and Consumer Protection (DLCP) protects the health, safety, economic interests, and quality of life of residents, businesses, and visitors in the District of Columbia by ensuring code compliance and regulating businesses. DLCP is dedicated to promoting regulatory compliance, consumer protection, and professional standards within the industrial trade and construction industry. Our agency coordinates with the DC Department of Buildings (DOB) to assist with issuing construction permits, to ensure compliance with building codes and zoning regulations. Construction activity, buildings, and rental housing establishments are inspected, and housing code violations are abated, if necessary.

To protect consumers, DLCP issues business and professional licenses, registers corporations, inspects weighing and measuring devices used for monetary profit, and issues special event permits.

Within the DLCP includes the Consumer Protection Unit (CPU), a team of investigators who are dedicated to enforcing District regulations in many areas, including but not limited to Unfair and Deceptive Trade Practices, Unlicensed Business Operations or Operation Beyond the Scope of a License, Home Improvement Services and Warranty Claims. During the weeks of June 5 – 23, 2023, DLCP participated in the national coordinated enforcement effort by state members of the National Association of State Contractors Licensing Agencies (NASCLA) to assist in consumer awareness and combat unlicensed activity by confuting site visits based off filed complaints.

View More Information on Filing a Complaint within the District of Columbia
Last week, the Florida Department of Business and Professional Regulation (DBPR) concluded a national coordinated enforcement effort alongside 11 other National Association of State Contractors Licensing Agencies (NASCLA) members to fight unlicensed activity.

“Keeping Floridians safe from unlicensed, unregulated activity is one of DBPR’s biggest priorities,” said DBPR Secretary Melanie S. Griffin. “The DBPR Division of Regulation is proud to partner with NASCLA to promote public protection while deterring illegal construction activity.”

From June 5 – 23, 2023, the DBPR Division of Regulation conducted a coordinated statewide sweep, targeting unlicensed construction and electrical contractors scamming Floridians out of their hard-earned money. The sweeps were performed by Fort Myers, Miami, Margate, West Palm Beach, Tallahassee, Orlando, Tampa and Jacksonville regional field offices and resulted in a total of 416 unannounced site visits with more than 650 license checks of construction and electrical contractors.

Additionally, the DBPR Division of Regulation’s Tampa field office performed stings where individuals were provided the opportunity to offer services that require a license. These individuals often provide a bid, proposal, or performance of the service to an undercover investigator and/or law enforcement personnel. Once confirmed that the individuals are unlicensed to provide such services, cases are initiated against them.

As a result of all sweeps and enforcement operations, 97 unlicensed activity cases were initiated.

View the Florida Department of Business and Professional Regulation’s Full Press Release

The Mississippi State Board of Contractors (MSBOC) participated in a national coordinated enforcement effort during the weeks of June 5 – 23, 2023, aimed at deterring illegal, unlicensed activity. MSBOC’s involvement represented one of multiple participating in coordination with the National Association of State Contractor Licensing Agencies (NASCLA). During the 3-week time period, MSBOC Investigators conducted 177 compliance checks resulting in 62 complaints filed.

In addition to placing an emphasis on compliance, MSBOC Enforcement staff made 595 educational contacts by attending multiple conferences, fielding phone calls, and getting out into local communities informing members of the public of the licensing law and the requirements to become a licensed contractor in the state of Mississippi. “Our state has been hit rather hard this season by bad weather causing destruction statewide. We want to make sure homeowners and business owners are aware of the red flags when it comes to unscrupulous contractors,” stated MSBOC’s Director of Enforcement Joe Hawkins.

View the Mississippi State Board of Contractors’ Full Press Release
In support of its ongoing mission to protect the health, safety, and welfare of the public and promote integrity and professionalism in the construction industry, the Nevada State Contractors Board’s (NSCB) joined 12 total state agencies in a national enforcement effort led by the National Association of State Contractors Licensing Agencies (NASCLA) to combat unlicensed construction activities.

Over the course of three weeks, the NSCB visited 168 jobsites across the state where licensed and unlicensed contractors were found in violation of NRS Chapter 624. The Board also conducted a consumer awareness summer workshop and two coordinated undercover operations in which six of ten individuals were found to be unlawfully contracting. In total, the Board’s efforts resulted in 28 criminal cases opened against unlicensed contractors, and the issuance of 19 Cease and Desist Orders, 26 Administrative Citations, and three Violation Letters.

“The dangers of unlicensed contracting activities are not often apparent to the victim until it is too late,” cautions NSCB Executive Officer Margi A. Grein. “Our goal at the Contractors Board will always be protection of the public, and we appreciate the opportunity to contribute to a national conversation about the importance of hiring licensed contractors. We want those operating unlawfully to know we are working daily to prevent them from harming members of our community, and we encourage the public to always verify a contractor is properly licensed with the Contractors Board to ensure they have access to every option for remedy and recourse available in their time of need.”

View the Nevada State Contractors Board Full Press Release

During the weeks of June 5 – 23, 2023, the National Association of State Contractors Licensing Agencies (NASCLA) brought together NASCLA State Members from across the country in a national coordinated enforcement effort. While formal efforts were not constructed by the North Carolina State Board of Examiners of Electrical Contractors, during these three (3) weeks, the agency did receive 35 complaints by consumers alleging charges against applicants, non-licensees, licensees, or qualified individuals with the Board.

“Our mission is to protect the life, health and property of the public through examination of applicants, education of licensees and discipline of individuals to promote quality electrical contracting in accordance with the North Carolina General Statutes,” said Tim Norman, Executive Director of the North Carolina State Board of Examiners of Electrical Contractors. “The efforts made by NASCLA and its members to support the licensing of contractors and tradesmen is extremely important to the consumer, to increase awareness of the potential risks of hiring unlicensed and to deter illegal construction activity.”

View More Information on Filing a Complaint within the North Carolina State Board of Examiners of Electrical Contractors
The North Carolina Licensing Board for General Contractors (NCLBGC) is pleased to join with NASCLA and enforcement agencies from across the United States during the month of June in a coordinated effort to raise consumer awareness and shine a bright light on contractors who are not operating in full compliance with the law,” Frank Wiesner, Executive Director, NCLBGC explained. The focus of the effort is to enhance consumer awareness and educate consumers on the importance of hiring licensed contractors. When a citizen hires an unlicensed contractor and gets scammed, they may be putting themselves and their property at great risk,” he added.

This year marks the second time the NCLBGC has participated in a nationally coordinated enforcement effort. The 2023 effort included 12 NASCLA State Enforcement Agency Members who participated in this event across the country.

“This nationwide effort is a key part of educating consumers on the importance of contractor licensing and the role it plays in ensuring consumer protection. Over the month of June, the NCLBGC’s investigative team identified and opened 53 investigations against unlicensed contractors who were allegedly found to be performing work that requires a general contractors license in North Carolina,” Wiesner, Executive Director, NCLBGC, advised.

View the North Carolina Licensing Board for General Contractors Full Press Release

This June, the Oregon Construction Contractors Board (CCB) participated in a national effort coordinated by the National Association of State Contractors Licensing Agencies (NASCLA), along with other NASCLA State Members across the country. During the three-week enforcement effort, CCB Field Investigators performed 153 jobsite checks, uncovered 52 potential violations, and identified 26 instances of working without a license. “Working with a licensed contractor is paramount to both the success of a construction project and the guarantee of protections in place,” said Vena Swanson, CCB Enforcement Manager. “Unlicensed contractors fail to carry a bond or workers compensation insurance, which puts the consumer in a position of financial risk.”

CCB’s sweep is a part of the agency’s continuous effort to protect consumers, support responsible licensed contractors and promote a positive business climate in the state of Oregon. “Enforcement efforts in Oregon are a priority for the CCB,” said Swanson. “Our efforts educate consumers about the dangers of scams. We also prioritize the identification of unlicensed contractors working and advertising in the area. Our strong presence in the community acts as a deterrent to illegal activities.”

View More Information on Filing a Complaint within the Oregon Construction Contractors Board
With the arrival of summer and warmer weather, Tennessee homeowners frequently launch home improvement and renovation projects that can add beauty, increase comfort, and improve a property’s value. Unfortunately, scammers, bad actors, and fly-by-night contractors can create headaches and frustrations for unsuspecting consumers.

To help consumers avoid the pitfalls during renovation season, the Tennessee Department of Commerce & Insurance (TDCI) and the Tennessee Board for Licensing Contractors remind consumers of the steps they can take today to ensure they hire a licensed contractor — and what they should do if they discover a contractor has not lived up to his or her end of the bargain.

“Before hiring a contractor to begin any home improvement project large or small, we encourage consumers to learn Tennessee’s rules governing contractors,” said Board Executive Director Michael Morrelli. “While the majority of Tennessee’s contractors play by the rules and deliver quality work, there may be some who leave consumers dissatisfied. If consumers ever feel mistreated, they can contact our team to file a complaint.”

View the Tennessee Department of Commerce & Insurance’s Full Press Release

Enforcement investigators for the Texas Department of Licensing and Regulation (TDLR) opened 37 cases in June against people in the Houston area who offered to perform work but did not have electrician or air conditioning contractor licenses as required by state law.

The cases were filed after the investigators ran a one-week undercover sting as part of a national enforcement effort in June that was coordinated by the National Association of State Contractors Licensing Agencies (NASCLA).

One of the unlicensed individuals who offered to perform work was a high-risk registered sex offender who had been convicted of indecency with a child several times.

“Hiring an unlicensed electrician or air conditioning contractor can put you and your family at great risk,” said TDLR Executive Director Mike Arismendez Jr. “Licensed service providers have had criminal background checks – and if they have certain criminal convictions, they can only work in specific areas under direct, in-person supervision.”

View the Texas Department of Licensing and Regulation’s Full Press Release
Angie Whitaker, CAE, NASCLA Executive Director, expressed her gratitude and commended the collective efforts of all participating state members in this year's National Coordinated Enforcement Effort. She stressed NASCLA's dedication to fighting illegal construction practices nationwide, guaranteeing a fair environment for professional contractors who follow state laws and regulations. Whitaker extended heartfelt appreciation to all state members for their steadfast partnership and dedication to national enforcement endeavors in order to protect the public and curb unlicensed activities.

NASCLA encourages consumers when looking for a construction contractor to:

- Verify the contractor is actively licensed; always hire a licensed contractor
- Get 2-3 estimates and don't automatically accept the lowest bid
- Check at least 3 references
- Require a written contract
- Don’t make a large down payment; make payments as work is completed
- Monitor the job in progress
- Don’t make the final payment until the job is complete
- Keep all paperwork related to your job

The association would like to reinforce the message to consumers always Hire a Licensed Contractor and Verify Your Contractor is Licensed. To review our consumer awareness information, please visit our website located www.nascla.org/page/ConsumerReferenceLib. To verify your contractor is licensed and in good standing with the state contractor board, please visit our website located at www.nascla.org/page/LicensingInfo or contact your local state contractor licensing agency for state specific information.

For more information on NASCLA, please visit our website at www.nascla.org or contact the association office at (623) 587-9354.