

## MEMORANDUM

**To:** 2019-2020 Orange County Charter Review Commission  
**From:** Lee Steinhauer, Esq.  
**Re:** CRC issue for consideration related to unlicensed contractor program  
**Date:** April 9, 2019

### Issue(s) for Consideration

The Orange County Comptroller's office performed an audit of Orange County's Consumer Fraud Unit's Unlicensed Contractor Program ("Program) and issued a report regarding same in April 2017. The audit reviewed the Program and provided recommendations for improvement.

One of the findings of the audit was that County investigators were unable to enforce unlicensed contractor rules within incorporated cities in Orange County. Even though County investigators became aware of unlicensed contracting activity in those cities, they were unable to take any action due to jurisdictional issues.

As such, one of the audit's recommendations for improvement was for the Consumer Fraud Unit to work with the County to consider entering into interlocal agreements to authorize review of complaints and the issuance of citations within municipalities that do not investigate complaints within their jurisdictions.

Consumer Fraud Unit management provided the following response, recited in the audit, to the recommendation:

"Our office recently drafted in conjunction with the Division of Building Safety a 'survey monkey' which was sent to all of Orange County municipalities. We are presently waiting responses from the surveys. If the results from the survey prove positive, we will bring this issue before the BCC so we can receive the authority to enforce the ordinance countywide. By making these changes, it would enable our office to more effectively work our cases and receive information without the worries of jurisdictional boundaries. Each municipality handles the enforcement of unlicensed contracting differently."

**Requested Action**

Unlicensed contracting activity poses a threat to the health, welfare and safety of Orange County residents.

As such, and based upon the foregoing, I request that the CRC consider whether a potential charter amendment would be appropriate to allow the County to enter into interlocal agreements with incorporated County cities and municipalities to enforce unlicensed contracting activity.