

**STATE OF MINNESOTA  
PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD  
1430 Maryland Avenue East, St. Paul, Minnesota  
January 31<sup>st</sup>, 2017**

**MEETING MINUTES**

**MEMBERS PRESENT:** Rick Hodsdon, Pat Moen, Jim Hessel, Kip Sandoz

**MEMBERS NOT PRESENT:** Jeff Hansen

**ATTORNEY GENERAL REPRESENTATIVE:** Pete Magnuson

**EXECUTIVE DIRECTOR:** Greg Cook

**ADMINISTRATIVE ASSISTANT:** Shauna Jahnz

Hodsdon called the January 31, 2017 Board meeting to order at 10:00 AM. Hodsdon stated four members were present.

**1. REVIEW OF DECEMBER 2016 MEETING MINUTES & JANUARY 2017 AGING REPORTS [TABS 2&3]**

Hodsdon stated aging reports were informational only.

- **MOTION:** Hessel made a motion to approve the December 2016 meeting minutes. Sandoz seconded the motion. The motion carried.

Moen questioned the aging report and made reference to the officer changes. Specifically, Unified Investigations & Sciences had a date of notification as 2014. Moen questioned what the current status was and what the issues were. Cook explained they would need to look into it further.

**2. CURRENT CONTINGENCIES**

**PAC 313 – AEG Management TWN, LLC**

Cook stated that this license holder was originally licensed on 7/28/2008 with 117 employees. Their contingency was set to expire this month. Cook stated that the renewal was sent two months prior to due date via email and hard copy. The license holder thought that renewal was due December 2016 rather than November 2016 due to what was printed on his last license certificate. On 11/15/2016, the agency received a renewal packet. On 11/16/2016, the following renewal issues were sent to the license holder: conflicting CEO and CFO information, an issue with payment, Affidavit of Training issues, and a missing POST license for one employee.

Cook stated that on 1/18/2017, the license holder completed all issues listed above. The renewal was complete although there were a couple of issues which included missing BCA and FBI background check dates for three employees, 23 employees did not receive their preassignment training within 21 days of their hire date, and records of five employees' first year of continuing education were missing. Cook explained they provided a Letter of Explanation and referred to their disciplinary history.

Cook noted that a representative from AEG was present, and the disciplinary history occurred under a previous license holder of this company. Hodsdon stated he thought the Board would be interested in hearing from the representative to be sure the same thing wouldn't happen in two years. Cook stated that Qualified Representative Aaron Liepins was present and had signed the Tennessen warning.

Hodsdon welcomed Liepins and inquired about when he started with AEG and how the Board could be sure the same thing wouldn't happen again in two years. Liepins stated he had become the license holder in 2008. He explained that the issue with training was a challenge they had for several years. It was hard to find time to make it work because most of his employees worked full time or attended school. He found it difficult to get them to take two days of vacation from a full time job for \$12 an hour to go train, or to miss classes, which has made the coordination a struggle. He explained this was evident for the ones who had

missed it within the first 21 days. He explained that Target Center was where he operated out of and the building was scheduled to be closed for five months for renovations. During that time period he planned to develop and submit an in-house training program to prevent this from happening again.

Hodsdon then inquired about the background checks. Liepins explained this was clerical misfiling in their HR department. He stated he religiously submitted his background checks before he would even hire somebody so for him not have the records was as much of a mystery to him as it was to the Board. He stated his standard practice was to interview someone, take their prints, get informed consent delivered, and he wouldn't have them come in again until he had a good letter from the Board.

Moen stated she understood the problems with the part-time employees, but clarified that to have a quarter of AEG's workforce not receive the pre-assignment training within 21 days was a serious concern. Liepins then asked a question in reference to a statute about on-the-job certified training. Liepins asked what qualified as "on-the-job". He explained they do a four day on-the-job training program with new hires and clarified they weren't just "putting them in uniforms and throwing them out there." He said they did in-house, on-the-job training when new hires started.

Sandoz stated he thought what Liepins was talking about was that on-the-job training was separate from the 12-hour state certified, mandated pre-assignment training. Sandoz went on to say if AEG had elements of the state required, certified training in that program, that was something the Board would certainly entertain. Liepins was instructed to keep in mind those were two different things. On-the-job training was more specific to their company and their environment, but the state pre-assignment training covered all the areas that the state required. Hodsdon added that he supposed what they did in the on-the-job training could submit the course material to potentially qualify for continuing education for the next year. The idea of the 12-hour training was so that everybody would at least get some basic, across the board knowledge. If Liepins wanted to develop a training program and use that as part of his continuing education, he wouldn't be the first to do that.

Liepins explained the previous license holder did have an approved pre-assignment training program that he still had some documentation for. He planned to revise that, bring it up to current standards, and then submit it to the Board for approval.

Cook stated the Board's understanding was that AEG employed a number of off-duty police officers at the Target Center. Liepins confirmed this. Cook asked how many of his employees were police officers as opposed to regular security. Liepins explained he would have to check the numbers because it is a transient ebb and flow, but there were 75+ part-time and the Minneapolis roster was about 40 at that time. Cook asked if these became employees of Liepins. Liepins explained they had and they were on his payroll when they operated there.

- **MOTION:** Moen moved that the Board lift the contingency with a Letter of Education and Conciliation for AEG Management with a \$25 fee for the contingency. Sandoz seconded the motion. The motion carried.

#### **PAC 297 – Whelan Security, Co.**

Cook stated that Whelan Security, Co. was originally licensed on 3/27/2006 and has 127 employees. Cook explained the contingency expired in February 2017. Upon review of the renewal, it was found that no Affidavit of Training form had been submitted. This Affidavit of Training was received on December 28, 2016. The issues found included a lack of some course numbers, a significant time between employees' hire dates and their background check dates, and there was missing information on the license holder. On 1/05/2016, those issues were addressed and explained for. The company indicated that they would submit an updated Affidavit of Training.

Cook explained that at that time, the renewal was complete with issues including one employee who had not received their 1<sup>st</sup> year of continuing education, 20 employees' background checks were not completed until around 1 - 2 months after their hire date, one employee did not complete their pre-assignment training within 21 days because their course was split into three days due to the employee having to leave for the military, the license holder could not locate the date or provider which they took their pre-assignment training through, and the license holder took 6 hours of training which had not been approved by the Board. Cook referred to the disciplinary history and Affidavit of Training issues. Cook then noted a representative from Whelan Security was present if the Board wished to speak to him.

The representative, Brian O'Connell, came forward and stated he was the general manager of the Minneapolis/St Paul branch of Whelan Security. He clarified he was not the license holder for Whelan but he had been in the business for 35 years and was the qualified representative for Allied Barton for 9 years. He stated there had been a lot of acquisitions in the industry, and he had been working for a number of different companies. He stated he was embarrassed to be present at this meeting because compliance was important to the industry and to Whelan. He accepted the position with Whelan in early November of 2016 and at that time he understood the license was up for renewal. He had embarked on the Affidavit of Training Process and discovered a lot of inconsistencies as he put the documents together. He stated he met with Jahnz on January 5<sup>th</sup> and did his own due diligence by coming forward with a lot of discrepancies he noticed that he couldn't go back in time to correct.

Sandoz questioned if it was the intent of Whelan Security to have O'Connell become the license holder. O'Connell stated he did not know and had not inquired about it. He stated he took full responsibility for the mess. Since he became the general manager, he went back and educated each staff member as far as what the licensing regulations are on paperwork. He put processes in place, such as walking their fingerprints to the BCA once a week because he found he got a quicker turnaround time. That enabled him to put an officer in the field for training and he got the fingerprints back in less than a week. He stated they maintained documentation in the office that did not allow anyone to schedule that person after training until they were released following return of the fingerprints. He explained this was a process to eliminate problems that had arisen.

Hodsdon stated he tended to be most troubled when people didn't have background checks more so than some educational things simply because they've seen scenarios where bad things had happened when people were hired who never should have been. He stated he appreciated that O'Connell was tight with that part especially. Hodsdon referred to the corporation's disciplinary history. He recognized that O'Connell was the guy at the end of the parade cleaning up after the elephant. These were things he stated needed to be taken into account by the Board.

Sandoz stated it would make sense for O'Connell to let the corporation know how serious this is and that it was hard for the Board to overlook year after year of problems. The same answer would always be to correct it, but it was difficult for the Board to do that. But they did understand that O'Connell was at the end of the parade and he had a lot of experience in the business with competence to clean this up. Sandoz said O'Connell did the right thing by going to the Board and encouraged Whelan to have a local Minnesota Manager to prevent these problems.

- **MOTION:** Sandoz made a motion to lift the contingency with a fine of \$250. Hessel seconded the motion. The motion carried.

### **PAC 1073 & PDC 1152 – Imperial Guard Services, Inc.**

Cook stated that Imperial Guard Services, Inc. had a protective agent and private detective license. They were originally licensed with their protective agent license on 12/18/2012 and with their private detective license on 12/30/2014. They currently had one employee. Cook stated the contingency expired February 2017. He explained that the issues included that they had changed their CFO without notification to the

Board, an incomplete Affidavit of Training, there were questions regarding their Minnesota business address, and they were taking some training courses not certified by the Board.

On the January 19, 2017, a completed officer change application and the updated Affidavit of Training were received. The agency was still trying to decipher the Minnesota address. Cook referred to their completed application for the training taken by the license holder which had not yet been approved.

The contingency would continue, allowing at least one or two issues to be addressed, and the Board could grant approval for courses taken by the license holder.

- **MOTION:** Moen moved that the contingency continue for Imperial Guard Services until the February meeting. Sandoz seconded the motion. Motion carried. Hodsdon clarified the contingency remained in effect so the license holder could continue to operate.

#### **PAC 1147– Mill City Protective Agency, LLC**

This license holder was originally licensed on 12/30/2014 and currently had 35 employees. Their contingency was set to expire at the February 2017 meeting. Cook reminded the Board that an audit of this agency was requested. On 12/28/2016, per request of the Board at the 12/20/2016 meeting, the agency sent the license holder a request for information as well as a consent form for the release of information. On 1/25/2017, the audit documentation was received. Cook stated that the agency would need more time to review this material. They aimed to have the information ready to provide to the Board at the February Board meeting. Hodsdon confirmed the contingency would still be valid at this point, Cook confirmed. Hodsdon stated this issue would be dealt with the following month.

#### **PAC 1153 & PDC 897 – US Security Associates, LLC**

Cook stated that US Security Associates, LLC held both a private detective and protective agent license. He was originally licensed with his private detective license on 2/25/2016 and his protective agent license on 12/30/2014. Their contingency would be set to expire at the February 2017 meeting. Cook confirmed that as of 1/30/2017, the agency had not received the renewal packets. Cook explained the agency received a phone call prior to the due date from the license holder who explained that they were having some issues. Hodsdon stated that no action would be taken until the following month after the packet had been received.

#### **PAC 1154 & PDC 1022 – JP Egelhof Investigations, LLC**

Cook updated the Board to inform them that these renewals were complete. On 12/28/2016, the license holder obtained 12 Board Certified CEUs to satisfy the training requirement. No disciplinary was history found. Hodsdon clarified the remaining issue is in regards to training courses taken over the last two years, which were not pre-approved for CEUs. Cook confirmed. Hodsdon encouraged all license holders to take useful, job-related classes but get paperwork right in after the course is done so it can be on file and you don't have to worry about getting jammed up in the future.

- **MOTION:** Hessel moved that the contingency be lifted. Moen seconded. The motion carried.

#### **PAI 1150– Sandra Kennedy**

Cook updated the Board and stated that on 1/10/2017, all items were received except for the date that the license holder was issued their ID card. Just prior to this Board meeting, Cook spoke with the license holder and she confirmed she had taken care of that. The remaining issue was a small check issue she was still trying to correct.

- **MOTION:** Hessel moved to lift contingency upon receipt of a correct check. Sandoz seconded. The motion carried.

Hodsdon clarified the license would go uninterrupted since the contingency didn't expire until February anyway and there were no unlicensed practice concerns.

**3. RENEWAL CONSENT AGENDA**

LICENSE HOLDERS
PAC 1156 & PDC 956 – Pitman Investigations, LLC
PDC 940 – Veracity Research Co.

- **MOTION:** Moen moved to approve the consent agenda and noted these license holders should be commended. Hessel seconded. The motion carried.

**4. RENEWALS WITH ISSUES:**

**PAC 305 – Shield Services, LLC**

Cook stated this license holder was originally licensed 10/30/2006 and had 2 employees at the time of the meeting. Upon review of the renewal packet, issues had been found and sent the license holder on 1/05/2017 which included missing officer information and Affidavit of Training issues. As of 1/30/2017, there had been no update.

- **MOTION:** Moen made a motion to grant a contingency. Sandoz seconded. The motion carried.

**PDC 559 – Fitz Corporation**

Cook explained Fitz Corporation was originally licensed on 11/16/1987 and had an unknown number of employees. On 1/04/2017, the agency sent the license holder a certified letter to notify them that they hadn't received their renewal. On 1/09/2017, the agency received the signed receipt from that certified letter. On 1/12/2017, the agency received notification of cancellation of the license holder's bond. As of 1/30/2017, no additional correspondence had been received. Cook confirmed the notification of bond cancellation came from the bond company. Hodsdon stated this was more troubling than the usual renewal packet issues.

Cook suggested it go into contingency status so they could confirm if they were still around and what their plans were. Cook had no correspondence with them, but they did have someone sign for the certified letter so they had been notified. It was agreed something still existed if there was someone there to sign for it.

- **MOTION:** Hessel made a motion to issue a contingency. Moen seconded. The motion carried.

**5. LAPSED LICENSES: None.**

**6. SURRENDERED LICENSES:**

**PDI 472 - John R. Wallace DBA: North Central Investigative Services**

**7. TRAINING COURSE & INSTRUCTOR APPROVALS:**

TYPE	PROVIDER	INSTRUCTORS	COURSE NAME	HRS
PPD	The Robison Group	Nathan LaCross	Surveillance Field Investigator Training	70

PROVIDER	COURSE NAME	COURSE #	INSTRUCTOR
American Security, LLC	Basic Threat Awareness	CPDPA 011	Dayton A. Moses
American Security, LLC	Basic Threat Awareness	CPDPA 011	Anthony L. Rootes
General Security Services Corporation	Preassignment Training Course	PPA 002	Nicholas Gustafson
General Security Services Corporation	General Continuing Education Course	CPA 049	Nicholas Gustafson
Allied Universal	Protective Agent Preassignment Training	PPA 044	Don Peterson
Allied Universal	Protective Agent Preassignment Training	PPA 044	John Nace
Centerra Group, LLC	Firearms Continuing Training	CA 161	Tomas Braucks

**NEW ITEM**

*Per Minnesota Administrative Rule 7506.0100, Subp. 2b and 7506.2700 Subp. 3, "A particular subject area in subpart 1 may be waived by the Board upon satisfactory evidence of approved, equivalent training."*

Individual/License Holder & License #	TYPE	PROVIDER	COURSE NAME	HRS	Tab Number
Arden Investigation, Inc. – PDC 942	CPD	Minnesota Association of Criminal Defense Lawyers	Looking into the Eye of a Defense Storm	6	12
HireRight, LLC – PDC 1107	CPD	US Postal Inspection Services, Forensic Laboratory Services, Digital Evidence Unit	3 Day X-Ways Forensics Training	24	13
Imperial Guard Service, Inc. – PAC 1073 & PDC 1152	CPD & CPA	SBI Seminars	Defending Criminal Cases Workshop for Legal Professionals	12	7
Imperial Guard Service, Inc. – PAC 1073 & PDC 1152	CPD & CPA	SBI Seminars	Lawyers & P.I.s...A Team Approach	12	7

Hodsdon noted that these courses were all reviewed by staff.

- **MOTION:** Sandoz made a motion to approve all training courses listed. Hessel seconded the motion. The motion carried.

8. OFFICER CHANGES.

<b>License Holder Business Name:</b>	CoventBridge Group
<b>License Type/Number:</b>	PDC 1047
<b>Change from:</b>	Charles Fox
<b>Change to:</b>	John Ferrante
<b>Type of Officer Change (MM, QR, CFO, CEO):</b>	Minnesota Manager
<b>Physical Address:</b>	5955 T.G. Lee Boulevard, #600, Orlando, FL 32822
<b>Local Address:</b>	10526 Kingsway Lane, St. Paul, MN 55129

- **MOTION:** Sandoz moved to approve the officer change. Moen seconded. The motion carried.

<b>License Holder Business Name:</b>	ERMC II, L.P.
<b>License Type/Number:</b>	PAP 238
<b>Change from:</b>	Michael J. Karasch
<b>Change to:</b>	Kevin Eisenhut
<b>Type of Officer Change (MM, QR, CFO, CEO):</b>	Minnesota Manager
<b>Physical Address:</b>	6148 Lee Highway, #300, Chattanooga, TN 37421
<b>Local Address:</b>	1178 Burnsville Center, Burnsville, MN 55306

- **MOTION:** Hessel made a motion to approve the officer change. Moen seconded the motion. The motion carried.

<b>License Holder Business Name:</b>	Fairview Health Services
<b>License Type/Number:</b>	PAC 275
<b>Change from:</b>	David Murphy
<b>Change to:</b>	James Hereford
<b>Type of Officer Change (MM, QR, CFO, CEO):</b>	CEO
<b>Local Address:</b>	2450 Riverside Ave, M-127 E, Minneapolis, MN 55454

<b>License Holder Business Name:</b>	AEG Management TWN, LLC
<b>License Type/Number:</b>	PAC 313
<b>Change from:</b>	Daniel Beckerman
<b>Change to:</b>	Robert Reed
<b>Type of Officer Change (MM, QR, CFO, CEO):</b>	CFO
<b>Local Address:</b>	600 – 1 <sup>st</sup> Ave N, Minneapolis, MN 55403 (Target Center)

<b>License Holder Business Name:</b>	Imperial Guard Service, Inc.
<b>License Type/Number:</b>	PAC 1073 / PDC 1152
<b>Change from:</b>	Michael G. Tardy
<b>Change to:</b>	Linda Moss
<b>Type of Officer Change (MM, QR, CFO, CEO):</b>	CFO
<b>Local Address:</b>	2555 Poplar Ave., Memphis, TN 38112

- **MOTION:** Moen moved to approve. Hessel seconded. The motion carried.

9. **NEW LICENSE APPLICANTS – Tabled: NONE.**

10. **NEW LICENSE APPLICANTS – Present:**

<b>Applicant Business Name:</b>	Matthew Paul Mahony DBA: Peak Protection Services
<b>Type of License Applying For:</b>	Individual Protective Agent
<b>Local Address:</b>	4710 Lorinda Dr., Shoreview, MN 55126
<b>Date Received:</b>	11/23/2017
<b>Scope of Business:</b>	Armed and unarmed guards to provide security & safety at client sites.

Cook affirmed that they had received a signed Tennessee Warning from Matt Mahony. Hodsdon affirmed that proof of financial responsibility had been received. Hodsdon inquired about Mahony’s intent as a licensee. Mahony explained he had been in security for quite some time. From 1987-95 he was part of the United States Navy’s combat search and rescue team, which was a part of Special Forces. From there he went on to continue his education. He stated that about five years ago, he joined a company called Unity Security and Safety. The former founder brought Mahony on board when he decided to expand to Minnesota as the sixth state and asked Mahony for help. Mahony was then the director of the company. Two years later, Madison Security Company bought Unity, and Mahony was directed to run the DBA Unity in Minnesota. Mahony explained he was administrative staff who made phone calls, visited his clients, and so on. Later, Mahony went to the former founder of Unity and stated he was thinking about going on his own.

Cook confirmed Mahony currently had no employees and asked if he planned to. Mahony stated he had no employees at the time but would aim for about 30. He anticipated some would be armed but he would conduct background checks and such. Cook checked that Mahony was a certified firearm trainer in the state of Minnesota, which Mahony affirmed both this and that he would be providing the armed training.

Cook inquired what accounts Mahony would work if he were granted a license. Mahony explained his employees would work in University of Minnesota student housing and some section 8 housing. Cook confirmed Mahony had plenty of supervision experience, some security auditing experience, and he had conducted a reference check with Mr. Gaffney who had positive things to say.

Mahony explained he had no plans to be a large company and in the next ten years he would be somewhere in the realm of three to five. Cook confirmed Mahony was providing no security or investigative services at that time, Mahony affirmed he was not.

- **MOTION:** Hessel made a motion to grant Mahony DBA Peak Protection Services a protective agent license. Moen seconded the motion. The motion carried.



<b>Applicant Business Name:</b>	Coach Security Services, LLC
<b>Type of License Applying For:</b>	Corporate Protective Agent
<b>CEO:</b>	Abdulkadir Mohamed
<b>CFO:</b>	Abdulkadir Mohamed
<b>Qualified Representative:</b>	Abdulkadir Mohamed
<b>Minnesota Manager:</b>	N/A
<b>Local Address:</b>	2931 E Lake Street, #204, Minneapolis, MN 55406
<b>Date Received:</b>	11/10/2016
<b>Scope of Business:</b>	Providing security to a community center in the Midtown Phillips neighborhood in Minneapolis, MN.

Hodsdon inquired about Abdulkadir Mohamed's intention with a license. Mohamed explained his intention was to provide armed security for the Islamic center that he had been providing security at for some time. Sandoz inquired what professional security training Mohamed had that would qualify him for this license. Mohamed explained he did security in the gym at Normandale Community College for two and a half years and had provided security for the Islamic Center. Mohamed stated he had done firearm training, CPR training, and other courses and would be willing to complete the rest. Hodsdon stated the on-the-job training and CPR training he had received increased his comfort level with issuing a license. Moen inquired whether he would have employees, Mohamed expressed he was open to it.

- **MOTION:** Moen moved that the Corporate Protective Agent license be granted to Coach Security Services with Abdulkadir Mohamed as the Qualified Representative. Hodsdon seconded the motion. The motion carried.

Hodsdon followed up by saying he had very light formal training and the 12-hour training should be the tip of the iceberg. He strongly encouraged Mohamed to beef up his formal education. Cook added that Mohamed should contact the agency for a list of certified training courses.

<b>Applicant Business Name:</b>	Raymond Kenneth Graf DBA: Graf Agency
<b>Type of License Applying For:</b>	Individual Private Detective
<b>Local Address:</b>	15783 West Ave. SE, Prior Lake, MN 55372
<b>Date Received:</b>	12/20/2016
<b>Scope of Business:</b>	Loss prevention consulting and investigations

Cook introduced Raymond Graf and explained he had received a signed Tennessee Warning. Hodsdon noted that Graf had been in the industry a while and inquired what his game plan was if granted a license. Graf began by explaining he didn't want to limit himself to any type of investigation but he intended to initially focus on loss prevention with retailers that are unable to have in-house investigative services available to them. He also stated his scope would include surveillance, locates, missing persons, and backgrounds. Hodsdon indicated his employment history was largely in this so he certainly had the experience. Cook asked if Graf was providing any security services at that time and Graf confirmed he was not.

Cook stated that there were some issues with Graf obtaining records from his previous employers, but that he had done his due diligence to get as much information as possible in regard to his qualifying hours.

- **MOTION:** Moen moved to grant a private detective license to Graf. Sandoz seconded the motion. The motion carried.

## 11. New Applicants: Consent Agenda:

<b>Applicant Business Name:</b>	Constance Leaf DBA: Leaf Investigations
<b>Type of License Applying For:</b>	Individual Private Detective & Individual Protective Agent
<b>Local Address:</b>	3135 Brooks Lane, Wayzata, MN 55391
<b>Date Received:</b>	11/18/2016
<b>Scope of Business:</b>	<b>PDI:</b> Investigating suspected criminal activity and associated people. <b>PAI:</b> Provide security and asset protection services.

Hodsdon confirmed with Cook that Constance Leaf was applying for dual licensure. Cook explained that Leaf could not make it that day and referred to her extensive law enforcement experience, indicating that this was why she was placed on the consent agenda. Hodsdon indicated the only issue was in regards to Leaf's insurance and explained motion to approve licensure would be conditional upon meeting insurance requirements.

- **MOTION:** Hessel made a motion to grant Constance Leaf DBA: Leaf Investigations an Individual Private Detective license and an Individual Protective Agent license contingent upon receipt of proof of financial responsibility. Sandoz seconded the motion. The motion carried.

## 12. REQUEST TO SPEAK TO THE BOARD:

- **Susan Johnson – Arden Investigation, Inc.: [CANCELLED]**

Susan Johnson was unable to make it and had cancelled the day prior. Cook brought up a couple points she had intended to talk about as he was curious about them as well. He referred back to the list of new items of approving training that wasn't already certified. She had mentioned the Minnesota Association of Criminal Defensive Lawyers. Cook mentioned that the Board had given a blanket acceptance over such courses in the past (Minnesota Sherriff's Association, for example) which had already been vetted through organizations. Hessel inquired if it was a POST approved course to which Cook stated he did not know, but POST was an example of something the Board had automatically accepted. Johnson was looking for pre-approval for anything that came out of the Minnesota Association of Criminal Defensive Lawyers. Cook explained that if somebody was going to take a course that wasn't already pre-certified they had to fill out the one page application Jahnz developed which would ask for basic information about the course and for either a biography or resume about the instructor.

Cook, who spoke on Johnson's behalf, told the Board she had some issues with this and felt it was cumbersome. Cook then confirmed with the Board they were still looking for some information on the instructor. Hodsdon explained he had just submitted a biography about himself to the State Board of Continual Legal Education. It was regarding a conference he went to and was an instructor at. He explained that the lawyer's Board would require submission of a biography for anybody who was looking to get approved credit. He didn't think it was cumbersome because the lawyer's Board basic brochure for continuing legal education usually gave enough of a biography.

Hodsdon said he wouldn't be inclined to approve one specific entity as a standing approval in advance. He explained they had told the POST Board if a course met their requirements, because it had been vetted and pre-approved, that the MN Private Detective Board would do the same thing. Hodsdon didn't necessarily have a problem doing that with the Lawyer's Board as well. But it wouldn't be any mile or provider of legal services he'd be focusing on, it would be focused on the fact that it had continuing legal education credit. He gave a forewarning that for most licensing Boards, an hour of credit was 50 minutes of class time. With the Lawyers Board this was not the case and you would be shorting yourself if you went to a daylong CLE and thinking you had received 8 hours credit, you may only get approved for 6. Moen confirmed Johnson was seeking preapproval for any CLE course. Hodsdon confirmed and clarified a private detective or protective

agent with credit for CLE from the Lawyer's Board could put this on their 2 year renewal. He also explained it was trackable and would be easy to find and verify.

- **Stephen Salmonson – PROtective Services:** Police officers working security tab [18].

Cook welcomed Stephen Salmonson to the Board and confirmed he was there voluntarily and it was a public meeting at which the information would be considered public. Stephen explained he was there to speak to the Board because he was fact-finding documentation in consideration for police officers working off-duty. Hodsdon welcomed Salmonson and asked for an executive summary of the written materials submitted prior to the meeting. Salmonson explained he had been in this business 20 years as well as being an MN peace officer for a long time. He stated law enforcement officers often work off-duty. His opinion was that the Board basically agreed that as long as a police officer is working within their jurisdiction they can provide private services or services to an individual and asked if that was a correct assumption.

Hodsdon explained that legislation probably came from 1978, 79, and 80 and licensed peace officers were allowed to act on- or off-duty within their political subdivision they work for and if they intervene they have peace officer rest authority. Cook then explained that January 30, 1989, Attorney General Representative Lebowski explained that if they're working within their jurisdiction under the authority of their supervisor they could provide security services.

Salmonson then noted that everybody was present for risk management and presumed everyone would agree with that. It's impossible to avoid it and that's why we have peace officers, private security, and attorneys. To reduce it, as it had been discussed earlier, training and post orders are things that help us to keep up with the guidelines. He noted mitigation would fall under insurance, and financial responsibility could be listed in lieu of that. He noted, however, that he didn't always see that. One of his team members was a licensed police officer in St. Paul and a licensed Private Detective and Protective Agent, and if she worked outside the city of St. Paul she was on her own, as her chief said it.

Salmonson stated he wanted to pose the question to the Board and provide some general documentation, noting he was in a dual position coming from both sides. His initial call went to his corporate insurance provider who had come up with the question, "Who is liable?" He then contacted the two entities he was familiar with—the League of Minnesota Cities for Police Departments and MCIT for counties. He provided scanned copies of the first page and another page which began to explain their off-duty restrictions, conduct, etc. The MCIT specifically referred to the League of Minnesota Cities which said they didn't really have a document per se but we would reflect the comment of the League of Minnesota Cities. He explained this was a brief overview of just a couple considerations.

Salmonson stated that in essence, if you were to be working off-duty in any scenario as a peace officer, you must be getting paid from your department to ensure that insurance or those sorts of coverages would continue. He explained that on page 29, he had highlighted some areas of non-police-related off-duty employment and legal risks. The League of Minnesota Cities went into detail on things like whether you show a badge, wear a uniform, drive a police vehicle, who would pay the officer, if your supervisor knew of your off-duty work, and whether you would work with approved equipment. He clarified he was not there to question, but to make sure people who are employing police officers may want to consider getting their own insurance. Because if an officer is not working through their department, they can be held liable as well as the person who is effectively hiring them. He indicated there was also interesting verbiage on bouncers and related items.

His primary concern was for the Board to revisit the verbiage and determine where the liability was for the people they were working with, some of which are off-duty peace officers. Salmonson had mentioned to several peace officers he had worked with, in this case they were working off-duty, and asked them if they have any insurance over and above the department. He was told no. He stated there was a concern there. He was also concerned for the fact that Salmonson was involved in the detailed investigation and he would probably be listed in the litigation. Essentially, he wanted to provide some documentation and some

consideration. Salmonson stated that perhaps an opinion could from the Board eventually, that if someone was going to be working off-duty without the knowledge of their department that they should be requiring or looking for some form of insurance.

Cook questioned if a police officer working outside his jurisdiction without the authority of his supervisor would be considered unlicensed activity.

Hodsdon responded that it depended on if you had peace officer authority – a licensed Minnesota peace officer with a full time license – unless your employer says don't exercise it. It would good for management, as recommended, to regulate that issue. For 1983 civil rights liability, on-duty/off-duty was silly. It made no difference whether you were on-duty or off-duty. If one were using any official authority and wanted to get sued for a 1983 constitutional violation, which is usually your 4<sup>th</sup> amendment arrest use of force, that's the primary issue in private security. One would be on the hook for a 1983, for which there were no tort liability caps. He referenced a case out of Ohio where two people got nailed for 26 million dollars apiece and a third guy who stood around while the other two beat somebody almost to death got nailed for 24 million. Their agencies didn't have to cover that because it was a personal civil rights liability. On or off-duty, it didn't make any difference. He agreed it was a conversation worth having, but he thought they would have to know the difference between their licensing function and getting into liability/legal advice because that would ultimately be the enforcement mechanism.

Salmonson added that the department decided there were some multi-million dollar lawsuits not far from there involving officers who were working. And the city did, in fact, decide to indemnify them. He again recapped that there was overview and consideration that day of things he wanted to get in front of the Board to start considering. He also stated that coming from both sides of this, his concern was that insurance was always a major issue, and was it something they really wanted to make sure any employer could understand. Salmonson thanked the Board for their time. Hessel complimented his time before the Board as very well put together and very well done. He reiterated it was written and established and he thanked the young lady from the League of Minnesota Cities. Salmonson said he was impressed and that MCIT said they reflect that verbiage. He pointed out that every county has a risk manager at MCIT and she was very helpful and reflected what was discussed in his conversation with the Board. The Board thanked Salmonson.

- **Derek Nelson – Guardian Fugitive Recovery**

Cook explained Derek Nelson was present to discuss the proposed regulation of fugitive recovery agents. Nelson then introduced himself as the president of Minnesota Professional Bail Bond Association, and that he was involved in the lobbying efforts throughout the United States. He had done speaking engagements in various other states, most recently New York and Nevada. He stated his full name, Derek Nelson, for the record. Cook confirmed Nelson was there voluntarily and that Nelson understood it was a public meeting with public information.

The Chair welcomed Nelson to the Board and explained materials had been submitted in advance for them to review. He stated his understanding was Nelson was looking for potential regulatory intervention and inquired why he went to the Board and not the MN Legislature. Nelson stated he was working with the legislature as well and had a successful meeting the prior day with Representative Nick Zerwas, who had brought the issue to several of his colleagues as well. He stated he was to report to Zerwas's office at the conclusion of the current meeting. Zerwas planned to pursue the drafting of a bill pertaining to the licensing of bail enforcement. What they were looking to do at the time because of the small size of the industry was to conduct analysis on the legislative side to identify any budgetary constraints that could potentially be placed on the Board for regulating this.

What they were identifying at the time was the possibility of making it a requirement that if involved in performing bail enforcement or bounty hunting duties in Minnesota, once would have to have a commercial bail license. That way they would be held to the same regulatory authority as the bail bond companies

under insurance law. One would be required to do a 12 hour preassignment training, and would be required to do training for handcuffing, baton, mace, and OC. If one chose to carry a firearm, they would be required to do the same firearm training that protective agents and private detectives have to do as well. Following that, it would be required to do a fingerprinted BCA background check. The purpose of this was to reign in some of the rogue activities that were currently taking place throughout the industry while also providing a solution to concerns that have been brought by, for instance, the police chief association, the sheriff's association, and other law enforcement legal entities throughout the state of Minnesota.

Hodsdon stated that the Department of Commerce regulated the insurance side of it so one option would be to have the Department of Commerce be the regulatory body since they were already regulating the insurance carriers. Certainly the Private Detective Board may have been thought of as a logical place, but it was also possible to have Commerce regulate as they do have their own police department. He stated he was not trying to pass the cup, but he was opening it for discussion with the Board members.

Hessel inquired how many bounty hunters there were in the state of Minnesota. Nelson responded there were currently an estimate of 50-60. The issue being brought most urgently was in the last 30 years, the industry never really required a need for regulation as it was self-contained. In fact, he stated, most of the general public didn't even realize their industry existed unless they tangled with the criminal justice system. If there was an issue, it was brought to the companies, and it was handled internally. For the most part, this worked.

Approximately 15-20 years prior, through TV shows, media, and YouTube channels, a lot more light was shed on the industry. It had attracted a lot of individuals that may not necessarily have been qualified to work for security companies or to provide any type of security service. The state of Minnesota had no current regulation in place pertaining to the act of recovery other than statute 629.63 where it stated under the recognizance of the surety, an apprehension could take effect. This unfortunately meant there were individuals that were acting as bail enforcement or bounty hunters without any formal training whatsoever. They had never gone through a handcuff class, they didn't know what OC was, and they would just classify it as mace. They didn't know how to properly use a baton, yet they had one on their persons. They had been through no defensive tactic training or any type of firearm training other than a carry permit course, and yet they would carry a firearm or shotgun and proceed to go after people.

Hessel stated that was his next question, whether one would get any type of training whatsoever or if it was incumbent upon themselves to get that training if one felt they needed it. Nelson answered it was completely up to them. Cook clarified no one was telling them to get the training, they were not regulated at all at that point. Hessel then asked how many of the agents received some sort of training on an annual basis. Nelson responded that, to his knowledge, he would say an appropriate estimate would be between 12 and 15. Hessel verified this was about a quarter and Nelson affirmed.

Hodsdon stated he carried a license in several other states, and he knew that in other states it fell in the statutes that covered the private investigation board. He asked if Nelson knew what other states this actually fell under – any neighboring states. Nelson stated that in Wisconsin and Illinois, commercial bail was illegal. The state of North Dakota had not provided any immediate legislation towards the regulating of bail bond companies, but their industry was also far smaller, and any issues that did take place were usually handled fairly swiftly by local municipalities. States that had stepped up within recent years and provided some sort of regulation most recently were Oklahoma and Tennessee. In Oklahoma, what they considered a POST Board was the same law enforcement regulatory authority, and that was where they placed their bail enforcement training. For Tennessee, they put it under their private detective and protective agent related board. The reason why they did this was it was easier to pass things legislatively. It allowed them to make changes moving forward from that point administratively since there were already training models in place through those boards. At that point, it was a matter of deciding what kind of licensing fees would take place and what kind of background checks needed to take place. In some states, their industry became so small after placing licensing into effect that instead of opting to have an investigator put on salary by the

board itself or by the state, they instead elected to have a contractor on standby to investigate any claims and then bring it before a regulatory authority for review.

Hessel inquired approximately how many states may have had some sort of licensing where the agent had to be licensed through the state. Nelson stated the majority of the states in the US that had bail bonds also had bail enforcement regulation or had it in development with their legislator at that time. Hessel stated that beyond the two Nelson mentioned, there were other states that had abolished commercial bail, including Oregon. Nelson stated Oregon, Kentucky, and New Jersey had abolished the use of commercial bail and the states that had abolished commercial bail were actually in the process of speaking with their legislators and looking at reversing those decisions. He knew the state of Illinois had recently begun having conversations with their legislators to various entities throughout the commercial bail industry, to identify means to try and bring it back or change it.

Over the previous three years, there had been lawsuits brought in front of various states as well as against courts and states claiming that monetary and commercial bail was of racial disparity and was discriminatory. Their goal was to eliminate bail altogether and go to a risk assessment system where, based on one's criminal history and the nature of the charge, they would either be released on a promise to appear, released on a promise to appear with a monitor or some sort of supervisory person you can make contact with, or they would be held indefinitely with no option of release whatsoever. The states that had, for instance New Jersey, was expecting the annual cost of implementing that program, just on the court level alone, was going to cost the state upwards of around \$250-500 million that year.

Hessel inquired who typical clients would be. Nelson responded that their clients came directly from the bail bond company. So what would happen was either bail bond companies or the surety would contract them. For himself, his company, he had contracts held with bail bond companies and surety. So if a bail bond company were to begin operating fraudulently, they were to pull their license, or the owner were to retire and not manage their ongoing risk, that's when the surety would then contract somebody like Nelson to oversee the book of business. He would also maintain communication with clients, make sure people were returning to court, and ensure communication was maintained with the state of Minnesota.

Hessel stated his understanding was there were no formalized licensing requirements and asked if any type of organization, club, or group in Minnesota that represents bond enforcement. Nelson responded not bail bond specifically. The unfortunate fact of their industry, Nelson stated, was half of their industry worked very well together and the other half did not. It was very difficult to bring even a majority count of bail bond professionals in the state together, and not just Minnesota, but that was a fact with most states. Unfortunately their industry, like he had stated previously, did not attract the most upstanding or professional at times, especially in recent years. That was one of the reasons why a lot of states had opted to provide some sort of licensing requirement or regulatory requirement. When the statistics were reviewed of the different types of pretrial release programs out there, time and time again it had been shown that commercial bail was the most effective option of release. This was why states opted to license, regulate, and try to work with the industry to find the most effective means to do so rather than to completely eliminate the program altogether.

Hodsdon stated that as the public member, they kind of divided it up when they got complaints, but he felt there were a lot of unlicensed, unauthorized activity enforcement. There were some people that were executive that he had to cope with on multiple occasions and were of the more rogue nature. They were already a regulatory problem for the Board in a sense. They were creating complaints, and at that point the response to complainants was, "We have no authority. If they were engaging in criminal activity, tell the local police." Hodsdon said he was not sure there was anything for this entity to do. They did what the legislature told them to do and he didn't think it would be appropriate as a body to politically endorse, oppose, or take any political stance, unless members of the board felt differently. He didn't foresee this to be their role as a regulatory body. He noted that he thought Nelson's concerns were well taken for whatever that was worth and said to pass that to Representative Zerwas.

Cook then asked if somebody were to skip on bail, what the rules of apprehension were. His understanding was that they had forfeited their rights at that point and one could actually enter into their dwelling or home to apprehend these people. Nelson explained that unless state law regulated alternatively, there was a Supreme Court ruling *Taylor v. Taintor* which was identified as 16 U.S. 366 and stated that a bail enforcement or a bail bond or surety entity could make arrests on Sabbath day and if necessary could break and enter into their known residence for that purpose. The seizure would not be made by due process as none was needed. Effectively, when a bail bond was posted, the custody status of that person was extended to that of the surety entity or the bail bond company. So when somebody engaged in the activity of bail bonds, they were not enforcing a due warrant, they were not enforcing a due process arrest, they were enforcing the custody status that currently existed.

In most states, the proper procedure that they had found to affect these apprehensions was if they could do it individually and on their own without risk. When he said risk he stated he meant the individual was least likely to create an aggressive stance against them. At that point, they would do so. If it was a situation where they knew the person had a significantly violent history or a substantial history of aggression towards people of authority, at that point they would be coordinating directly with law enforcement. Nelson stated in his company specifically as well as several other companies in the state and in the US, it was proper procedure that they were communicating directly with dispatch before any contact was made in any residence. In addition to that, they were making the inquiry, "When was the last time police had contact? Were there any officers that were on duty that would like to make contact regarding this person or this address?"

Cook stated it sounded like Nelson was doing things right, but he wanted the Board to hear the severity of this type of business. He clarified Nelson was saying they can break into a house and grab somebody. Nelson affirmed. Hodsdon stated they thought they could. The case Nelson cited existed prior to the civil rights act of 1871. Under the theory they've got, in its own way, ties directly back to their prior speaker. There was a huge amount of civil liability out there that had been cropped up in various scenarios across the country. There had been criminal prosecutions for false arrests, and false imprisonment. Responsible individuals such as Nelson knew better, but the ones he was worried about were the ones who heard about that Supreme Court case and thought that the Constitution did not apply to them.

Cook asked if there were laws against them being armed. Hodsdon stated there was the carry permit law. Cook inquired about if they were to have a canine unit. Nelson responded that to his knowledge there was no regulation that currently existed on the terms of bail bonds or bail enforcement for the use of canines or any type of aggressive or use of force to take somebody into custody. So, essentially, if hypothetically Nelson was to release a dog on somebody, shoot somebody, or he was to physically injure someone in the course of taking them into custody, he should be expected to immediately be taken into custody by law enforcement and he would have to justify his actions to a court. In his understanding, especially in the state of Minnesota where there was no current regulatory authority or current legislation in place, that would be an extremely uphill battle and a very high level of liability.

Pertaining to the individuals that they were particularly looking to have licensed or possibly even be unable to obtain a license to do this, there have been situations where they had been criminally prosecuted and they turned around and went out and engaged in the same activity. Two years prior in the city of Monticello an individual, convicted felon, was carrying a firearm, a badge, and a law enforcement regulated walkie talkie. He was taken into custody covered in blood and was heavily intoxicated at the time. There had been countless situations that had taken place.

Nelson's greatest focus at the time was to provide a means to legislate the bail industry and proctor a healthier industry overall. He stated he firmly believed this was the most effective industry for controlling pretrial release and ensuring that justice was served at the end of the day. However, at his industry's worst, they still showed to be most effective. If they became regulated and they had proper procedures in place, he did firmly believe they would truly be the best. But that was contingent on them being able to work with the

courts and law enforcement. At the time, they had law enforcement agencies where they would make contact and say, "We are in a situation where we need law enforcement assistance," and they were told no.

Six or seven months prior, Nelson had two professionals who worked with him very closely. They had a self-surrender setup and were going to the individual's house to physically take them into custody. The suspect was going to willingly come outside and Nelson was going to give that person a ride to jail. Most often, that was the situation. It was usually somebody who was scared or didn't know what was going on, so they would just hide out in their basement and wait for something to happen. When they made contact at the property, the defendant brandished a firearm and pointed it at them directly from the window. Per their standard operating procedure, they stepped off of the property, maintained visual on the home, and made contact with Hennepin County and requested immediate assistance. They were declined that assistance and it wasn't until 45 minutes after talking to various administrators that they were finally given the assistance requested. They then made contact with the courts and from what he understood obtained a search warrant, showed up at the property, and took the individual into custody as well as several others. New charges were filed for felon in possession of a firearm.

In Nelson's opinion, that was how that situation should be handled. Nelson said, who was to say that other people in the industry were going to have that mindset. There were also other things they were pursuing legislatively in terms of bail bonds with the courts and different aspects of the industry. They could not carry or move that forward in any way if they still had their own skeletons in the closet and they still had their own issues taking place.

Hodsdon thanked Nelson again and stated the conversation would be part of the minutes. Nelson offered the Board an update. He mentioned he did not know if it would be appropriate but stated he had a question. He himself within the next week or week and a half would be submitting an application for his private detective license. He would also like, in working with the legislator, to develop a training course specifically to operations and investigative efforts pertaining to the bail industry and submit that to the Board for approval as a training course. He asked if that was something the Board would entertain. Hodsdon replied he only knew they'd had a number of courses relative to that over the years which the Board had approved. He taught one of them, where it was the intersection between police and private security. It was a time to teach cops what private security was and vice versa. The Board had a history of approving these types of courses if they met all the criteria. He stated this was the best he could tell Nelson without seeing the contact. He also stated he was looking forward to it and thought it would be very helpful to folks in security as well as private investigations to understand those roles and maybe get rid of some of the mythology, too.

Nelson added they had been talking extensively with Minnesota CLE in developing a CLE program for the courts and various members in law as well to bridge that gap in the education of what his industry did. Hessel asked Nelson if he was local. Nelson stated he lived in Big Lake and his office was in Buffalo, Minnesota in Wright County. The Board wished Nelson luck.

### **13. OTHER ISSUES AND DISCUSSION:**

- **Permit to carry statute – Tab [20].**

Cook stated he wanted to bring this discussion up at a public meeting due to the agency's receipt of several phone calls on this. There seemed to be some confusion among the armed individuals related to 'permit to carry' versus working an armed account. Cook was referred to statute 624.714 subd.1a., which stated:

"Subd. 1a. **Permit required; penalty.** A person, other than a peace officer, as defined in section 626.84, subdivision 1, who carries, holds, or possesses a pistol in a motor vehicle, snowmobile, or boat, or on or about the person's clothes or the person, or otherwise in possession or control in a public place, as defined in section 624.7181, subdivision 1, paragraph (c), without first having obtained a permit to carry the pistol is guilty of a gross misdemeanor. A person who is convicted a second or subsequent time is guilty of a felony."



Cook then stated his understanding of that was that security officers that were armed were not exempt from this statute. If one were an armed security guard, at a bare minimum they had to have a permit to carry and their Board certified armed training. Cook questioned if this was correct. Hodsdon responded that there were a couple of factors. There was another statute that was not referenced, 626.84 subd. 2, that explained if one was private security, but had a contract with a government entity, then under that statute an agent or appointee of a political subdivision could not lawfully carry a firearm on duty, even if they were to be licensed security. This was true unless they were also a licensed peace officer.

The only exception to that rule was found in yet a different statute versus the county attorneys. There was an attorney general opinion from several years prior where a county thought they would use private security for transport purposes as well as security at a medical facility and wanted armed security. They retained a private security company. The attorney general opinion in that case said they didn't care whether one were licensed or not under this other statute, they were precluded from carrying a firearm while working on behalf of the municipality or the county in that case. Being authorized to carry a firearm, meaning in their regulatory requirements, those were separate distinctions from the carry permit statute. There were exceptions to the carry permit statute. For example with the carry permit, to have a firearm in your home or at your office may not apply. But if one were serving as a private security out on patrol, driving from building A to building B to building C, they would need to permit to carry unless they wanted to unload their weapon and put it in your trunk.

Cook responded this was the point he was getting at and thanked Hodsdon for the clarification. Hodsdon stated this was from his perspective as the guy who taught that class a little bit. The Attorney General Representative Magnuson stated for the record that the Board had no jurisdiction to prosecute violations of section 624.714. He mentioned for the notes to reflect that any opinions in the meeting carried no weight with a prosecutor who might want to charge this or a police force or deputy who might want to investigate it. Cook clarified the Board was only seeking to educate people. Hodsdon added that the Board did not have authority to prosecute violations of their statutes either and this would also be determined by local prosecutors.

#### **14. ANNOUNCEMENTS:**

##### **Introduction to Intern Brynn Campbell**

Cook introduced Brynn Campbell who was the Board's newest intern. She would be with them for 200 hours. He stated she attended Hamline University and was majoring in criminal justice and criminology. He asked her to share a little about herself. Campbell stated she was currently a major studying criminal justice and forensics, and she would be graduating in May. She was not entirely sure what route she wanted to head down, but was thinking about becoming a criminal analyst. The Board welcomed her and she stated she was grateful to be there.

#### **15. CLOSED SESSION:**

**Pursuant to Minn. Stat. 13D.05, subd. 3(b) to discuss pending litigation: NONE.**

**THE BOARD MUST OPEN THE MEETING TO THE PUBLIC AGAIN AND THEN ADJOURN THE BOARD MEETING.**

- **MOTION:** Hessel made a motion to adjourn. Sandoz seconded the motion. The motion carried and the motion stood adjourned.

**Next meeting is scheduled for Tuesday, February 28th, 2017 at 10:00am.**