

STATE OF MINNESOTA

PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD MINUTES – September 25, 2012

LOCATION – 1430 Maryland Avenue East, St. Paul, Minnesota

MEMBERS PRESENT – Dave Bjerga, Jim Hessel, Richard Hodsdon, Pat Moen, Steve Wohlman

ATTORNEY GENERAL REPRESENTATIVE – Sara Boeshans

STAFF – Greg Cook, Interim Executive Director; Lyn Crosby, Assistant

The meeting was called to order at 10:00 a.m. by Bjerga. The draft minutes of the August 27, 2012, meeting were reviewed. Wohlman moved to approve the minutes; Moen seconded. The motion passed unanimously.

Consent Agenda

The following licensees with reissuances due in September were presented by Crosby as having all materials provided and no issues. Hodsdon moved to grant reissuances to the licensees; Wohlman seconded. The motion passed unanimously.

Dunbar Armored, Inc.
Steven Swiatek, Qualified Representative
Joseph Simon, Minnesota Manager
50 Schilling Rd
Hunt Valley MD 21031-1105
Local: 1600 Fillmore Ave NE
Minneapolis MN 55413-1614
Protective Agent – Corporate/LLC (#189)

Commercial Reports, Inc.
Edward A. Wunsch, Qualified Representative
PO Box 5180
Hopkins MN 55343
Private Detective – Corporate/LLC (#520)

Dean S. Stack
dba/Integrity Claims Service (ICS)
26004 County 33
Nevis MN 56467-4253
Private Detective – Individual (#526)

North Country Security, Inc.
Keith L. Emerson, Qualified Representative
PO Box 34
Brainerd MN 56401
Private Detective – Corporate (#571)

Great Plains Claims, Inc.
Ross Rolshoven, Qualified Representative and
Minnesota Manager
220 S 3rd St, PO Box 5112
Grand Forks ND 58206-5112
Private Detective – Corporate (#648)

Dahl & Associates, Inc., Legal Investigations
Peter J. Dahl, Qualified Representative
PO Box 579
Chanhassen MN 55317
Private Detective – Corporate (#659)

Dean C. Mikel
dba/ Crescent Investigative Services
701 Country Estate Ct SE
Stewartville MN 55976
Private Detective – Individual (#664)

Advance Security
Virgil Anderson, Qualified Representative and
Minnesota Manager
200 Mansell Ct E #500
Roswell GA 30076
Local: 1620 26th St S
Moorhead MN 56560
Private Detective – Corporate (#897)

New License Applicants

T&R Investigations
Thomas Mutchler
19443 Hines Rd NE
Hines MN 56647
Private Detective – Individual

Cook reported that this applicant's application process was started by the former director in October 2007. On multiple occasions the former director requested various clarifications and corrections. In 2011 it was determined that since the file was aging they had to re-submit many documents as they were not current. The applicant continued to meet the criteria requested and has submitted the documentation necessary, with the final step being the bond approved recently.

Mutchler was present and testified that he plans to do criminal defense investigations and work with local attorneys. He is currently employed as a Deputy Sheriff in Cass County in patrol and recreation and plans to retire this week. He formerly directed investigations. He will not be armed. Wohlman alerted Mutchler that as a former peace officer, he needs to be aware of possible conflicts of interest. Bjerga noted that he cannot use information available to him as a peace officer, such as databases. Mutchler responded that he is very aware of those issues.

In answer to an inquiry from the board about the length of time of the application process, Mutchler said that the previous Sheriff felt there was a conflict of interest that he had to resolve. Then he had to resubmit many administrative documents. He spent a lot of time with the former director and felt there were many delays. Cook noted there is now a letter from the current Sheriff Tom Burch saying he is aware of Mutchler's application and does not feel there will be a conflict of interest.

Wohlman moved to approve the license; Hessel seconded. The motion passed unanimously.

R. Steven Rogers Protective Services
Steven Rogers
3750 Russell Ave N
Minneapolis MN 55412
Protective Agent – Individual

Cook summarized that Rogers had applied in October 2011 and the file had been started by the former director and completed by him. As there was a concern about the lack of documented employment to meet the 6,000-hour requirement, Cook requested the Board to interview the applicant and make a decision. The applicant contends that through his instruction of firearm and self defense, he believes he is qualified and has requested time in front of the board to explain his position.

Rogers testified that he intends to work in the areas of executive protection, event security, security for political figures, and large events. He has worked as a firearms and self defense instructor since 2001, including the college level and teaching police and military. He has done extensive volunteer work with the Ron Paul presidential campaign for about five years, as chief of security for a congressional candidate, and also political events for local candidates. In answer to a question about whether he had ever worked for a protective agent for pay, he said he had not, only as a volunteer, but had provided information that he feels shows how his experience relates to the statutory requirements. He added that several protective agent business owners he has worked with have encouraged him to apply.

Bjerga said he is concerned about the lack of relevant professional experience. Wohlman added that he is not seeing the hours requirement being met, including lack of supervision and no experience in audit and security systems required by the statutes. Hodsdon, himself an instructor, said he does not feel that his own training experience qualifies himself to be licensed.

After discussion, Bjerga moved to defer this application to the next meeting to allow the Interim Executive Director and the applicant to provide more detailed information on his experience to the board and for the board to review this information. Motion seconded by Hessel; the motion passed unanimously.

Changes of Officers

Princess Trucking (PAC-E #316)
Tyra Beckers, Qualified Representative (change)
19922 Ulysses St
Elk River MN 55330

Cook noted that this officer change was received in September 2011 and not fully processed until just recently. Beckers was present and testified that she has worked in the trucking industry since 1994. Princess Trucking's business is in pilot cars and oversize loads; they often transport bridge beams. She has been working with former QR Judy Lefebvre to take over the QR position. They have five employees and work with about 10 independent people.

Wohlman moved to approve Beckers as the Qualified Representative; Hessel seconded. The motion passed unanimously.

Fairview Health Services (PAC #275)
Daniel Lee Ische, Qualified Representative (change)
2450 Riverside Ave S
Minneapolis MN 55454

Cook noted that this officer change was received in September 2011 and not fully processed until just recently. Ische testified that most of their security work is proprietary but they do work with one outside client in the medical area, thus they have this license. He has been with Fairview eight years in the security area, currently as Security Director. He has been in security since 1998. They have about 65 employees on two campuses and several clinics. He is becoming familiar with the reissuance process and knows they have reissuance materials which are overdue but has those materials with him today.

Bjerga moved to approve Ische as the Qualified Representative; seconded by Wohlman. The motion passed unanimously.

Brink's Inc. (PAC #154)
David Johnson, Qualified Representative
Truman Tabor, Minnesota Manager (change)
555 Dividend Dr. #100
Coppell TX 75019
Local: 830 Boone Ave
Golden Valley MN 55472

Cook noted that this officer change was received in July 2011 and not fully processed until just recently. All criteria have been met. Tabor testified the previous Minnesota Manager left two years ago. He has worked for 15 years for Brink's. They have about 30 armed employees in Minnesota in armed cars and money protection. They have their own trainer and train every employee twice a year. Wohlman moved to approve Tabor as the Minnesota Manager; Moen seconded. The motion passed unanimously.

Reissuances Due in September, With Issues

PATS, LLC
Dwight Patterson, Qualified Representative
31973 182nd Ave
Avon MN 56310-9623
Protective Agent – Corporate/LLC (#303)

Crosby reported that we received their reissuance packet late, after two inquiries. The Affidavit of Employee Training was not received until 9/20 and appears to be complete, though not fully reviewed; all other material was received and complete with no issues. Bjerga moved to grant a contingent license; Hessel seconded. The motion passed unanimously.

William G. Nelson
dba/Professional Investigations
816 St Germain St #102
St Cloud MN 56302
Private Detective – Individual (#1018)

Crosby reported the only outstanding issue is that the net worth statement was not signed by a CPA and we are awaiting a replacement, which Nelson said he was sending this week. Hessel moved to grant a contingent license; Wohlman seconded. The motion passed unanimously.

Fairview Health Services
Daniel Lee Ische, Qualified Representative (change approved earlier in meeting)
2450 Riverside Ave S, M-127 East
Minneapolis MN 55454-1450
Protective Agent – Corporate/LLC (#275)

Their reissuance materials had not been received before the meeting; Ische indicated due to the requested officer change he had not yet completed the application and was trying to get internal signatures. They have indicated they are interested in maintaining license. Ische did give Crosby the reissuance materials on his way out of this meeting. Bjerga moved to grant a contingent license; Moen seconded. The motion passed unanimously.

Grade A Security, LLC
John Moore, Qualified Representative
2427 E Franklin Ave
Minneapolis MN 55406-1026
Protective Agent – Corporate/LLC (#300)

Crosby reported that all materials have been received and are complete. However, she has been communicating with Moore about the company's insurance. The company was without insurance between their previous policy and agent, which ended 6/6/12, and beginning of a new policy with a new company and agent that began 6/29/12. Also they had an address change the end of August which was not reported until 9/13/12.

Bjerga moved to approve the license reissuance but to refer the issues of the lapse in insurance and the late address change report to today's Complaint Committee; Moen seconded. The motion passed unanimously.

Contingencies Expiring in September

Twin City Lawmen, Inc. (PDC #793)

Beth Pearson delivered the revised application and related documents on 9/20/12. Within those documents was a new bond that was just approved by the Attorney General's representative on 9/24/12. Cook reported that they have met all previous requirements. Dave Mars and Pearson were present. They asked if the board reissues the license today, would it be good for two years from now or from the original reissuance date. Bjerga responded that since they had a contingent license during this time and were able to do business, the license would continue for two years from the original reissuance date. Staff is working on the backlog so that in the future reissuances should be more timely. Bjerga moved to lift the contingency and reissue the license; seconded by Hessel. The motion passed unanimously.

Contingencies Expiring in October

David Asmus (PDI #729)

The contingency was due to a request by the former director to clarify criminal history dates regarding 4 employees that had been employed by him for over ten years. On his training affidavit he had left those dates out. He is conducting new background checks on the employees in question and will provide our office with the results and an updated training affidavit. No board action was taken since the contingency is good through October.

Joseph Collins – Topwater Investigations (PDI #1037)

The remaining issue with the contingency is in regards to training compliance regarding training for handcuff/baton/chemical agents and that being a requirement for providing protective agent services. Cook provided Rule 7506.2700 to the Board and requested Collins to attend the meeting so that the Board could make a decision on it. Collins testified that he did not take the class because he did not plan on using that training during the course of his work. It was noted that the Rule states "*...training is required for weapons used in the course of employment*". Hessel and Bjerga both asked if he is armed; Collins stated he is not usually armed and carries his gun very rarely. He did take armed training and got his conceal and carry permit in the past. He most recently took armed training in June 2012.

The board and counsel reviewed the statutes and rule and determined that the training was not required. Wohlman moved to lift the contingency and reissue the license; Moen seconded. The motion passed unanimously.

Wackenhut Services, Inc. (name change to G4S Government Solutions, Inc.) (PAC #294)

The contingency was due to issues regarding clarification of armed status and a bond rider. Through email correspondence provided by Nathan Marks, Qualified Representative, it was determined that he has clarified his armed status to the satisfaction of the former director. In regard to the bond rider, Mr. Marks forwarded our office a scanned/PDF copy of the rider he had sent to the office in August of 2011. This office as of this date has been unable to locate it. Marks was instructed to bring the bond rider to the Board meeting for review by the Attorney General.

Marks was present and said he is not a uniformed officer and did take handcuff and baton training. The board took no action since the contingency runs through October.

There is also a change in Qualified Representative that is complete, but due to the candidate being unable to make the September meeting, it will also be handled in the October meeting.

Signal 88 (PAC #325)

Cook reported that more time is needed to properly review the file. He has been in communication with Chris Loos, Minnesota Manager, and will be scheduling a time during October to meet with him and go over the file.

US Investigations (PDC #935)

Cook reported that more time is needed to properly review the file. He will be in communication with a representative from US Investigations in order to schedule a time during October to meet with them and go over the file.

Surrendered License (for board information)

Melanie A. Cole
dba/ Insight Investigation Services
23069 Rus Dic Circle
Fergus Falls MN 56537-8159
Private Detective – Individual (#1019)

Cole was first licensed in 2008; license expires September 2012. She sent email that she will not be reapplying as she feels the cost is too high and training documentation requirements are onerous.

Other Issues and Discussion

1. Entity type question – must a person who has a PD/PI-related corporation, apply for license as the corporation (rather than as an individual)?

Crosby reported her understanding from the previous director was that an applicant must apply as a corporate/LLC entity, if they in fact have a corporation that is related to the business for which they are applying. We have an issue right now with an applicant applying as an individual, and he also has a related corporation. The bond is in the corporate name. Crosby also read an email received from the Secretary of State's office which registers entities which do business in

Minnesota. There is a difference in our fee amount between application for an individual and a corporation.

Board members and counsel reviewed the statutes and rules and determined that the board's interpretation is that if there is a corporation/LLC related to the person's business, they cannot be licensed as an individual and must apply as the corporation.

2. Follow up on background check procedures

In the previous Board meeting Cook presented the Board with a memorandum that explained that the current process for background checks on applicants is confusing to all involved, burdensome to applicants and inefficient. (Cook noted that this proposal was for applicants only, and license holders were responsible to process the necessary background checks on their employees.) To find solutions to this issue he proposed having our office directly receive the documentation necessary from the applicants and process it ourselves. Cook further stated that a more thorough background check be completed. Cook requested a review of current statutes by the Attorney General's office for statutory compliance of the proposed changes. He recommends a start date for new procedures in January 2013. Bjerga said he will set up a meeting with Boeshans, Cook, himself, and MN-JIS to discuss and find solutions.

3. Instructions for completing bond – Cook reported that Boeshans, Crosby, and he will be meeting after the board meeting to discuss issues with a high number of incorrect bonds and finding a solution to the constant denial of these documents. Cook noted that removing the bond all together is on the agenda for the statutory changes that will be worked on over the next year.
4. Procedures of cashing checks received per statute – Cook reported that Finance has instructed him to cash all checks immediately, rather than hold them until an application has been accepted or processed. This procedure has been implemented.
5. Training situation – Cook reported that Boeshans has advised that a training committee, or anyone outside the Board, cannot review training course approvals due to data privacy concerns and thus the director must review all of them. He had sent out a letter to training providers and they have been submitting email addresses, though we only have half or fewer. He and Crosby have been processing course reaffirmations (courses that have no changes) and updating the expiration dates, but again not all providers have responded. Board members suggested a second letter go out with a deadline date and a statement that if the trainers do not respond by that date, their expired courses will be deactivated and no longer listed.
6. Budget considerations – Cook reported he is working on the next phase of the budget project that includes ideas on reducing expenses by 5%, which is a statewide initiative. He informed the Board that the agency was currently at a deficit and he is working with the Finance Department to find solutions.
7. Fees

Cook proposed that license and reissuance fees be reduced. Minnesota has one of the highest fee structures in the country and there are frequent complaints about it. Application fees are based on the level applied for (individual, partnership, or corporate); reissuance fees are on a sliding scale based on a calculation of number of employees. He also noted that Crosby recently pointed out to him that the statute authorizes the board to charge for training course certifications and recertification's, which was not being done. Cook noted that reduction in fees has no bearing

on the budget as the Board is allotted a certain amount, and any funds received go to the general fund.

The board also discussed penalty fees. Statutes sets those limits. There is a limit of \$499 for a penalty which is not subject to a contested case hearing.

8. Question regarding net worth statements

As a net worth statements are one option for licensees to prove financial responsibility, Cook asked the Board what is required in the document. Cook noted the recent inquiries from applicants, the variety of documentation he has reviewed in application files, and requested a definition from the Board as to what they thought met criteria. Crosby reported that in her work as a volunteer with a non-profit organization, she asked a CPA what constitutes a net worth statement, and was told that most CPAs would provide a balance sheet, which shows assets on hand and liabilities, with the difference being net worth. As the statement must be signed by a CPA verifying the figures they would be attesting to reviewing documentation that supported the numbers. Cook asked legal counsel if the information on a net worth statement was considered private data. Boeshans noted that the statute does provide that the statements are considered private information. Upon further discussion from the Board it was decided that a balance sheet would be required.

At 12:14 p.m., Hessel moved to adjourn the meeting; Wohlman seconded. The motion passed unanimously.

Next meeting: Tuesday, October 30, 2012 at 10:00 a.m.