STATE OF MINNESOTA
PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD
MEETING: January 29, 2016
LOCATION: Woodbury Police Department, 2100 Radio Drive
MEMBERS PRESENT: Steve Wohlman, Rick Hodsdon, Jim Hessel
ATTORNEY GENERAL REPRESENTATIVE – Pete Magnuson
EXECUTIVE DIRECTOR – Greg Cook

Hodsdon called the meeting to order at 11:15 on January 29th, 2016.

1. REVIEW OF DECEMBER 2015 MEETING MINUTES & JANUARY 2016 AGING REPORTS

Wohlman made a motion to approve the December 2015 Meeting Minutes and January 2016 Aging Reports. Hessel seconded. The motion carried.

2. CURRENT CONTINGENCIES

PAC 257 – Securitas Critical Infrastructure - Present Nathan Macho, Minnesota Manager

Cook invited Mr. Macho, Minnesota Manager of Securitas Critical Infrastructure, forward. Cook read the Tennessen Warning to Macho. Macho stated he did not have any questions. Hodsdon stated that Board had some concerns about completing background checks and the lack of timing. He questioned Macho what had happened and how there would be reasonable assurances that it has been fixed. Macho stated that they had acquired the two nuclear sites in Minnesota in 2014. He stated all those who had been previous employees, they did not submit background checks for. Macho noted that all those employees since then have received their background checks. He stated that he thought they were 'grandfathered' and he wasn't aware they had to submit their backgrounds. Macho mentioned that it was clear in the statutes and that was something that they had missed. Macho stated they now had everybody cleared up through the past Wednesday.

Cook mentioned that the agency had received their current, updated and complete Affidavit of Training for those employees. He stated that they had now met all requirements. Cook questioned Macho who they took over the contract from. Macho stated it was G4S. Cook questioned if Macho had made an attempt to get the employees' background checks from G4S. Macho affirmed and stated that they weren't looking to help out—which is common in the industry when someone loses a contract.

Cook asked Macho to explain the difference between the Department of Defense's background checks and what the Board's statutes require. Macho stated that for all of their aerospace and defense business, all employees needed to have secret clearance. He stated that they would get the initial check from the BCA, their customer has their own check based on the requirements they have through the government. Macho stated they have a company background check and the Department of Defense has to grant them a security clearance before they can stand post.

Cook questioned if they primarily secure nuclear power plants. Macho affirmed and stated they also do aero defense—it's all government work, so DOE or DOD. Cook stated that the employees, in essence, were thoroughly background checked, but just didn't meet the Board's statutory requirements. Macho affirmed. He stated employees go through four background checks before they can stand post.

Hessel inquired where the two nuclear facilities were located. Macho stated Monticello and Prairie Island/Redwing. Wohlman stated it appeared everything was up to speed. Hessel agreed and stated that everything looked good. Hodsdon mentioned that while they were compliant with our statutes, at least they had had a background. Hodsdon questioned what the current status of the renewal was. Cook stated that the current status was that they had met all requirements. He stated that there was just the issue with taking

on employees and not doing it per the Board's statutory requirements. Wohlman stated that if everything had been met, he would make a motion to lift the contingency. Hessel seconded. The motion carried.

Macho made a note thanking the agency and the BCA which had processed 350 background checks in two weeks.

3. RENEWAL CONSENT AGENDA

Cook is requesting a motion of approval for the following reissuance's as they have provided all materials and have no issues. Files are available for review:

LICENSE HOLDERS
PDI 511 – Gary D. Bourdon
PDI 790 – David R. Van Wyk
PDI 1012 – Michael Lewandowski
PDC 1057 – Beacon International Group, Inc.
PAC 291 – Gulf Northern, Inc.
PDC 1033 – Peter Alexander & Associates, LLC

Wohlman made a motion to renew the consent agenda. Hessel seconded. The motion carried.

***4.* RENEWALS WITH ISSUES:**

NOTE: *For each of these situations the Board may consider a penalty be imposed.*

PDC 1005 – Triangle Services, Inc.

Cook stated that the agency had been working with Triangle Services on their renewal and that at this time they do not have everything complete. Cook noted that they had gone back and forth with multiple emails and they were still waiting on two employee's Preassignment training dates as well as one employee's background check date. Cook stated that the license holder did pose an interesting question regarding the definitions of 'Hire Date' and 'Start Date'. Cook stated that for now, they were still not complete and he would be requesting a contingency to ensure that they do meet the requirements. Hessel made a motion to grant Triangle Services a contingency until the requirements are met. Wohlman seconded. The motion carried.

Hodsdon moved the conversation back to the question regarding the hire date. Cook stated that on the Affidavit of Training, it says 'hire date' and some of the larger security firms might define the hire date to be when they do all the paperwork, but their 'start date' isn't until they are actually working. Cook stated that the preassignment 21-day window starts from one of those dates. Cook stated that the license holder was a little confused on it, so he thought he would pose the question if the preassignment 21-day window would start when they sign the paperwork as an official employee or if it would start when they have them come in to start training.

Hodsdon noted that it was a good question. He made a reference as to how it's done in law enforcement where they make a conditional offer to an individual, but it is contingent on successful completion of their background. Hessel stated that his opinion would be that the 21-day window starts after the individual comes onboard. Cook stated that "onboard" was the term had has heard as well. Hodsdon questioned if Hessel meant on the payroll. Hessel affirmed. Hodsdon stated when their compensation starts. Hessel and Wohlman agreed. Hessel mentioned that prior to that, there could be two or three weeks where the individual is not working as they are completing documents. Cook noted that companies do run into issues with background checks and getting their employees into preassignment training within 21 days. Cook stated that would make it easier for the license holders and the agency.

Hodsdon stated he didn't think there needed to be a motion. Cook affirmed and noted that it was just for discussion purposes. Hodsdon stated that there seemed to be a unanimous consensus of three of the five present board members. Hessel agreed.

PDC 925 – Securitas Security Services
Cook explained that Securitas Security Services and Securitas Critical Infrastructure were two separate entities. Cook stated they just an issue with the Affidavit of Training. Cook stated that Securitas was a large entity with 823 employees. Cook mentioned that the agency worked with Kip Sandoz, the Qualified Representative and Minnesota Manager, and they did a good job getting issues corrected. Cook noted that they had no disciplinary history. Cook stated that a letter of explanation was provided.

Hodsdon stated it appeared it was more of an issue with their record keeping than the behavior. Hessel agreed. Hodsdon stated that there were a lot of incorrect dates in the documentation. Cook noted it was common—administrative errors and typos. Hodsdon questioned if the Affidavit of Training was the only issue. Cook affirmed. Hodsdon stated they wouldn't necessarily need a contingency. Cook affirmed and said they were complete. Wohlman made a motion to renew the license. Hessel seconded. The motion carried.

PAC 308 – Star Security, Inc.
Cook noted that the packet was late; Due on the 1st, it was received on the 11th. He stated there were issues with the Affidavit of Training and that the license holder did provide a letter of explanation. Cook stated that the agency was still working with them as they have made attempts to correct their Affidavit of Training. Cook noted that there were some questions regarding the continuing education for their employees. Cook stated he was requesting a contingency and that their disciplinary history included a letter of education and conciliation. Wohlman made a motion to grant a contingency to license PAC 308. Hessel seconded. The motion carried.

PAC 326 – Unity Security, Inc.
Cook stated that the license holder had not responded to the renewal issues after several attempts to contact them by email and phone. Wohlman made a motion to grant a contingency to PAC 326. Hessel seconded. The motion carried.

PDC 911 – EBG, Inc.
Cook stated the packet was late. The agency received it on 1/11/16. Everything else is in order. Hodsdon questioned if the agency had enough time to process the renewal. Cook affirmed and stated that the only issue was that the packet was late. Cook noted that the company's disciplinary history showed a $200.00 penalty on a lapse in insurance dates in the past and failure to respond to the criminal history process as well as a letter of education and conciliation. Wohlman made a motion to renew license PDC 911. Hessel seconded. The motion carried.

PDC 1031 – Lawgistic Partners, LLC
Cook stated that the issues related to the renewal were with their Affidavit of Training, and they did not provide Proof of Financial Responsibility. Cook stated that just recently, the company had met all requirements. Cook stated the packet was complete. Hessel made a motion that PDC 1031 – Lawgistic Partners, LLC be issued a renewal. Wohlman seconded. The motion carried.

PDC 1056 – Donan Engineering, Co., Inc.
Cook stated that their packet was late, but they did contact the agency ahead of time to inform them of that. Cook noted the agency received the packet on January 25th. Cook stated the issues were with some additional funds needed, AOT issues, and proof of financial responsibility. Cook stated that they still had issues as the packet wasn't received until the 25th, so there wasn't enough time to send the issues out to them. Cook requested a contingency. Hessel made a motion that PDC 1056 – Donan Engineering, Co., Inc. be granted a contingency. Wohlman seconded. The motion carried.

PDI 929 – Warren J. Robinson
Hodsdon noted that the agency had not received the license holder's packet as he was working on it. Hodsdon noted the request for a contingency. Cook affirmed the statement and noted that a letter of explanation was provided explaining some personal issues. Cook noted that the license holder does not have a disciplinary history. Hodsdon noted that the packet wasn't in, but that the license holder was requesting a contingency. Hessel agreed. Hessel made a motion that PDI 929 – Warren J. Robinson be granted a contingency. Wohlman seconded. The motion carried.

PAC-E 310 – Escort Service, Inc.
Hodsdon mentioned that there was no contact from the license holder and it was speculated that due to the change with pilot cars, they will no longer pursue the license. Hodsdon stated that this appeared to be an instance where this would go into lapsed status. Cook stated that the agency had not heard from him. Cook stated he did pilot car escorts and he wasn't sure if he did funeral escorts. Cook noted he had tried to contact him multiple times. Cook stated he had not responded to any of his phone calls or emails. Hodsdon stated that the license would go into lapsed status and the Board would not need to take action since nothing has been asked of the Board. Hessel agreed.

5. **LAPSED LICENSES: None.**

6. **EXPIRED: None.**

7. **SURRENDERED LICENSES:**

PAC 1103 – Metro Security Corporation/ PDC 1104 – Metro Security Corporation
First renewal. Never got the business going. He has requested to surrender his licenses.

PDI 1055 – Michael Lyman, Sr.
Retiring.

PDC 1075 – Kroll Background America, Inc
They are merging into HireRight, LLC #1107

8. **TRAINING COURSE & INSTRUCTOR APPROVALS:** *Training packets available to Board for review.*

TYPE	PROVIDER	INSTRUCTORS	COURSE NAME	HRS
CPD	Leading Edge Legal Ed	Sabine Hilten	Ethics for Legal Professionals: Theory and Practice	2
CPD	Leading Edge Legal Ed	Sabine Hilten	Rules of Service: Sabbath Laws	2

Cook noted that these were online courses. Wohlman questioned if Leading Edge Legal Ed had any other certified courses. Jahnz stated they had one course approved in a previous month. Hodsdon noted that some people are moving to the online education. Cook stated that they will be seeing a lot of people moving to online. Hodsdon agreed. Hodsdon stated that as an online instructor for Northwestern, he sees the value of it.

Cook questioned if there would be anything different that the preassignment online course would have to do compared to the continuing education. Cook noted that in a previous conversation, the Board wanted some kind of human interaction with people taking the course. Cook stated he has received a lot of requests for this as they have a lot of out of state license holders. Cook informed them that to take a Minnesota certified course, they would either have to fly the employees into Minnesota or fly the instructor out to them.

Hodsdon stated that people can get their Master's and PhD's online—even a law degree. Hodsdon stated that as an instructor of an online course at the college level, he did not have any concerns with the concept. He noted that they would have to look at the curriculum and metrics they use to ensure successful completion. Hodsdon stated that they would want to make sure that no one else was taking the course for these employees. Hodsdon stated that if someone were to submit an application for a 100% online course for approval, he wouldn't have a problem with it. Hessel and Wohlman agreed.

9. <u>OFFICER CHANGES.</u> File available for review.

License Holder Business Name:	Dunbar Armored Officer Change
License Type/Number:	PAC 189
Change from:	Darren Nora
Change to:	Kimberly Wegner
Type of Officer Change (MM, QR, CFO, CEO):	MM

Hodsdon questioned if Cook would consider these to be on the consent calendar. Cook affirmed and noted that the first two listed were Qualified Representative and Minnesota Manager changes. The last three were CEO and CFO changes and were informational only. Hodsdon questioned if the first two were the only ones that needed approval. Cook affirmed. Wohlman made a motion to approve the Minnesota Manager change for Dunbar Armored – PAC 189. Hessel seconded. The motion carried. Hodsdon noted that as of 1/26/16, the agency was awaiting background information. Cook stated they had received it and it met requirements.

License Holder Business Name:	Universal Protection Service, LLC
License Type/Number:	PAC 1093
Change from:	Nick Luciano (QR/MM)
Change to:	Brian Beilke (QR/MM)
Type of Officer Change (MM, QR, CFO, CEO):	(QR/MM)

Hessel stated that he knew Nick Luciano and he questioned who Brian Beilke was. Cook stated the Beilke had been around in the industry for a while. Hessel questioned if everything was in order for him. Cook affirmed and stated that he had the qualifying experience. He referred to his employment history from his application where he listed his past employment: Universal Protection since October, prior he was with Guardsmark from 2007-2015, Best Buy Asset Protection from 2008-2010, Public Safety at St. Katherine's University 2006-2007, Guardsmark 2002-2006. Hessel made a motion that PAC 1093 – Universal Protection Services, LLC have a Qualified Representative/Minnesota Manager change from Nick Luciano to Brian Beilke. Wohlman seconded. The motion carried.

These next officer changes are for CEO/CFO's. No Board approval required. Informational only.

License Holder Business Name:	Examination Management Services, Inc. dba:ICS-Merrill
License Type/Number:	PDC 704
Change from:	Mark Davis
Change to:	James Calver
Type of Officer Change (MM, QR, CFO, CEO):	CEO

License Holder Business Name:	Centerra Group, LLC
License Type/Number:	PAC 294
Change from:	Laura Thomas
Change to:	Debbie Ricci
Type of Officer Change (MM, QR, CFO, CEO):	CFO

License Holder Business Name:	HireRight, Inc.
License Type/Number:	PDC 1107
Change from:	Mark Mayo
Change to:	Thomas Spaeth
Type of Officer Change (MM, QR, CFO, CEO):	CFO

10. **NEW LICENSE APPLICANTS – Tabled:** None.

11. **NEW LICENSE APPLICANTS – Present:** None.

12. **NEW APPLICANTS: Consent Agenda: None**

13. **Additional Applications:** For those current license holders that wish to meet the requirements of dual licensing.

Applicant Business Name:	Peter Alexander & Associates
Type of License Applying For:	Corporate Protective Agent
Corporate Officers: CEO/CFO/QR	CEO/CFO/QR: Kypros Alexander Stavrou

Hodsdon questioned if all of the documentation was in order. Cook affirmed and mentioned that he meets the criterion that was set forth by the board prior to July 2014, so he is in the dual licensing paradigm. Cook noted that July 1, 2016 will be the deadline for those previously licensed before July 1, 2014, to be able to get the dual licensing with a 50% refund of the licensing fee. Hessel made a motion to grant Peter Alexander & Associates a Corporate Protective Agent license. Wohlman seconded. The motion carried.

14. REQUEST TO SPEAK TO THE BOARD: None.

15. OTHER ISSUES AND DISCUSSION:

a. The Wohlman Penalty Resolution

Hodsdon stated it was proposed to have a certain set of decision-making guidelines. Hodsdon noted that this would be without making rules, but help constitute what makes a violation. Hodsdon mentioned that he believed that it was a consensus with those Board Members present at the last meeting that, for example, failure to meet proper continuing education training or background investigations, that a violation could be considered one penalty as opposed to one per employee. He stated that if the act is made by ten people, that could be ten different violations and penalties could be imposed appropriately.

Hodsdon stated the he didn't know if the Board needed to take any formal action with the consensus and the decision-making direction. Wohlman stated he was hoping all the Board Members would be present to get the full input. Wohlman questioned if everyone would be showing up to the next meeting. Cook stated he did not know. Hessel stated there would probably be at least one more member present. Wohlman state he would like to have full board participation.

Wohlman stated he has been on the Board for a lot of years. This is something he has wanted to do the entire time he was on the Board. Wohlman stated that when he first arrived on the Board, he was the champion for the small security guard companies. Wohlman stated, nothing against the large security companies, but the Board makes it really easy for the large security companies to violate some of the provisions of the statutes. Wohlman stated he doesn't blame the companies for doing it. Wohlman stated that if you think about what the turnover rate is in their organizations in two years, and if they never did background checks, preassignment training, and the continuing training, you can imagine the amount of money they can save. Wohlman questioned why wouldn't they? Wohlman questioned what the companies get fined. He stated the first time, they get a letter stating they can't do that. The second time they get a fine of possibly $499.00. He stated that the amount of money saved is astronomical. Wohlman stated that was not fair to the smaller company—it doesn't put a level playing field for everybody out there. Wohlman stated that that was why he instituted the resolution. Wohlman stated he is doing it now because it never cumulated or came out to the way it should have been.

Cook stated that he would like to commend Wohlman for his resolution. Cook noted from the Executive Director and the agency staff standpoint, they are running into issues on approximately 80% of the renewals every month. Cook stated this would help motivate license holders to be more prompt and complete with renewal packages at renewal time. Cook noted that the question was would this need to be done per rule change or statute revision. Cook stated he didn't think that this was something they could answer today.

Wohlman stated he tried to draw the resolution up in a way that it made common sense to the rules already put in place. Wohlman stated he had tried to move it around so that the rules and laws the Board already has would be able to fit into the resolution. Wohlman stated that it was not unprecedented that the Board fine on a per occasion basis—like fining an individual for three different things at the maximum penalty. Wohlman stated he thought this was a way to do this so that they didn't have to do a rule change or a statute change.

Cook noted that the Board has the ability to do up to $2,500.00 in penalties, but if they went over $499.00, the issue would go to a Office of Administrative Hearing. Cook noted he had made a Plan B, which would be a statute revision. Cook stated that as he understood it, statutes trump rules. Cook stated that in Statute 326.3388 it stated that, "The board shall, by rule, establish a graduated schedule of administrative penalties for violations . . . ". Cook Stated that a simple, or a not so simple, answer would be to do a statute change in which you removed the words 'by rule'.

Cook mentioned that North Dakota does it per occurrence and they dish out $20,000.00 to $25,000.00 fines for some of the larger companies. Wohlman stated that this would make everybody want to take this more seriously. He stated this will make them do their paperwork correctly. Wohlman stated that if companies received this kind of fine, or knew they could receive this type of fine, they would become organized as they go to prevent these problems instead of waiting until the last minute when their renewal is due.

Hodsdon stated that he had the impression as of today and from last month, that all the members want to go in that direction. He stated that the question is how they get there— by rule making or a statute revision. Hodsdon stated that he found it ironic that when the rulemaking was made it was meant to be so that they could be a low-cost and expedited way to change policy without having to go to legislature. Cook stated it could cost between $40K- $70K to do a rule change and it's hundreds of hours of work.

Wohlman stated that if they were to write a penalty phase of, if on said date with said individual, they did not do this, the fine would be a specific amount. Wohlman stated it would take a little while to draft up what the penalty phase would be. This way the Board would be describing what each one of the infractions were that they are being penalized for. Wohlman noted this would not be going over the amount to go to Office of Administrative Hearings (OAH).

Hodsdon stated that the Board could table this until they had the whole body present. He noted the last Tuesday of February to be the 23rd, so they could hopefully get everyone there. Hodsdon stated that for the

interim using the sentencing guidelines, so that they are not in chains because the U.S. Supreme Court wouldn't let the Federal Courts have super strict guidelines as judicial discretion. He stated that even our state sentencing guidelines since 1980 have been guidelines as opposed to rules, but they do provide notice, prevent arbitrary capricious actions on our part. If somebody comes in and has mitigation or an aggravation, they have some options. Hodsdon stated that for the very reasons Wohlman described, to let the industry out there know that there are going to be increased consequences for increased severities. Hodsdon stated that right now, we don't distinguish between one person and one hundred. Hodsdon stated that he believed everyone here agreed with where Wohlman wanted to go.

Wohlman stated that another thing that bothered him was if a company was providing security at sporting events, the general public goes there with the idea that these security guards have been background checked and have received their training. He stated that in some cases, that hasn't happened and the repercussions of that can be just as bad. Wohlman stated that they need to think about public safety.

Hodsdon stated that if he wished to have all Board Members present for the discussion, a motion to table the proposal to next month. Wohlman made a motion to table the discussion to next month. Hessel seconded. The motion carried.

16. AT THIS TIME THE BOARD MAY ADJOURN THE MEETING SO THAT PURSUANT TO MINNESOTA STATUTE 13D.01 SUBD. 2 IN ORDER TO DISCUSS DISCIPLINARY MATTERS.

AFTER THE CLOSED DOOR SESSION THE BOARD MUST OPEN THE MEETING TO THE PUBLIC AGAIN AND THEN ADJOURN THE BOARD MEETING.

Next meeting is scheduled for February 23, 2016 at 10:00am.

Wohlman made a motion to adjourn the meeting. Hessel seconded. The meeting adjourned at 12:00.