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BIENNIAL REPORT OF LICENSING BOARD

BOARD: Private Detective and Protective Agent Services Board

LOCATION(S): 445 Minnesota Street, St. Paul, MN 55101-5530
Effective 11/03: 1430 Maryland Avenue East
St. Paul, MN 55106

STATUTORY AUTHORITY: MN SS 326.32 - 326.339

REPORT PERIOD: July 1, 2002 to June 30, 2004

SUBMITTED BY: Marie Ohman, Executive Director

PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD
General Statement of Board Activities
FY 03 - FY 04

This five member board administers the licensing, regulatory and compliance provisions of MN SS 326.32 to 326.339. The board is an independent regulatory activity, receiving administrative service assistance from the Department of Public Safety. The board's business office is located at 445 Minnesota Street, St. Paul, Minnesota 55101-5530.

The board meets monthly and in special session to carry out the licensing and regulatory functions.

LICENSING FUNCTIONS: The board is empowered to grant two kinds of licenses.

- 1) **PRIVATE DETECTIVE:** Authorizes the recipient; an individual, partnership or corporation, to engage in the business of contract investigative and security services.

- 2) **PROTECTIVE AGENT:** Authorizes the recipient; and individual, partnership or corporation, to engage in the business of contract security and protection services.

The board accepts applications for both license categories. The procedure of application is three-fold: submission of application, background investigation and oral interview with the licensing board.

After the investigation has been completed, a personal interview is held with each applicant. If a license is granted, it is valid for a two-year period. In the event that an application would be denied, the applicant is entitled to appeal the board's decision through an administrative hearing.

The Executive Director investigates complaints that have been referred to the Complaint Committee of the board. Resolution of complaints are arrived at following investigation of irregularities in the financial, professional and legal conduct of the license holder's business as it impacts on the consumer and broader citizen community. Disciplinary actions, fact finding hearings, license restrictions, education, administrative penalties, license revocations and suspension are the board's responsibility.

The administrative rules of the board (7506.0100 - 7506.2700), refers to definitions, procedural processes, training particulars, violations/discipline, fees and testing (the reference to fees and testing were amended in 2003 to omit reference to testing, and to eliminate most language referring to fees to be in step with statutory requirements for fees).

PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD
General Statement of Board Activities
FY 03 - FY 04

TRENDS IN THE FIELDS:

Both Private Investigation and Security Services continue to grow, and to do so at a pace more rapid than public law enforcement. For instance, nationally the ratio of private security personnel to public law enforcement is estimated to be 3 to 1. The events of September 11, 2001 have created more need for such services, particularly with security services. It is estimated nationally that 80% or more of critical infrastructure for our country is protected by security other than law enforcement. Previously, it had been common for public law enforcement to respond to non-crime related situations. With changing times however, through variables of increased calls for service, limited budgets, and fewer additional personnel, there has been serious influence of the private sector dealing with what have been traditional law enforcement tasks. Studies have shown that there will be an accelerated opportunity for contract services to continue to assume more criminal justice activities in the new century. Such progress has also influenced partnerships between the public and private sector services concerning public safety.

The continued growth of these service fields calls for the maintenance of a sound regulatory program, and continued enhancement. Minnesota experiences an annual growth in these services; demonstrating significant expenditure for these services, a consistent and strong employing field, as well as sustaining revenues for these services. This regulatory authority balances the aspects of ensuring public trust and confidence if these services are upheld, and the knowledge that regulation should not be unduly intrusive.

Private investigation and security are increasing their role and responsibility in our communities. They are involved in matters of:

- > crime prevention,
- > personal and business protection, and
- > investigation into crime that might otherwise go unaddressed, as well as civil disputes.

There has been a significant increase in work place crime, an increase in community fear of crime, and an increased awareness of the use of private security and its cost effectiveness. Yet, spending for public protection has decreased. The community demands a program that ensures qualified companies offering these protection services; and a responsive agency when there are abuses in power and failure to maintain standards of conduct.

PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD
Board Employees
FY 03 - FY 04

NAME	JOB CLASSIFICATION/TITLE	STATUS	DATES OF SERVICE
Marie Ohman	Executive Director	FT	7/25/84 to present
Michelle Darveaux	OASI	FT and PT	3/4/02 to 3/9/04 & 6/2/04 to present
Andrea Sobaski	OASI	FT	4/2001 to 2/13/02

**Board Members and Meetings Attended
FY 03 - FY 04**

* This board is comprised of five statutory members. The length of a member's term is four years. Appointment to the Board is made by the Commissioner of Public Safety.

NAME/ADDRESS	OCCUPATION	APPOINTMENT	MEETINGS
Michael Campion 1246 University Ave. St. Paul, MN 55104	Bureau of Criminal Apprehension	On-going	2 regular
Thomas Spence 2117 Southwind Drive Maplewood, MN 55109	Attorney – Public Citizen	Temporary Appt. 5/03 – 4/04	7 regular
Andriel Dees 1410 Sherburne Avenue St. Paul, MN 55104	Attorney – Public Citizen	1/01 to 1/05	2 regular
Steve Wohlman Knight Security, Inc. 222 East Park Avenue P.O. Box 739 Renville, MN 56284	Licensed – Protective Agent	8/97 to 1/01 1/01 to 1/05	24 regular
Patrick Skelly 4279 Hawksbury Circle Eagan, MN 55123	Attorney – Public Citizen	12/00 to 1/02 1/02 to 1/06	12 regular
Tim O'Malley 1246 University Avenue St. Paul, MN 55104	Bureau of Criminal Apprehension	On-going	19 regular
Patricia Moen 1907 Grand Avenue St. Paul, MN 55105	Attorney, Association Administration – Public Citizen	4/03 to 1/05	11 regular
James Hessel 11382 Louisiana Circle Bloomington, MN 554438	Licensed – Private Detective	5/02 to 1/04 1/04 to 1/08	22 regular

PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD
Receipt and Disbursements of Board Funds
FY 03 - FY 04

	FY 03	FY 04	TOTAL
Total State Appropriation	\$148	\$146	\$274
Total Non-Dedicated Fee Receipts	\$141	\$146	\$287
TOTAL DISBURSEMENTS	\$131	\$116	\$247

All figures in thousands of dollars.

Laws of 2001, 1st Special Session, Ch. 8 Article 4, Section 12.

Laws of 2003, 1st Special Session, Ch. 2, Article 1, Section 11.

PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD
Brief Summary of Board Rules Proposed or Adopted
FY 03 – FY 04

The board, as a result of changes in fee administration by the legislature amended its rules to eliminate specific citation of dollar amounts for fees for license processes. Fees will continue to be monitored and set by the board, however, there is now legislative oversight of fees set by agencies in connection with meeting budgetary requirements. The boards rules were amended in this regard in 2003.

PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD
Number/Types of Licenses Issued
FY 03 - FY 04

PRIVATE DETECTIVE/INVESTIGATOR FOR FEE		
FY 03	Individual	60
	Partnership	5
	Corporation/LLC	63
TOTAL ISSUED FY 03		128
FY 04	Individual	42
	Partnership	0
	Corporation/LLC	64
TOTAL ISSUED FY 04		106

PROTECTIVE AGENT FOR FEE		
FY 03	Individual	3
	Partnership	3
	Corporation/LLC	29
TOTAL ISSUED FY 03		35
FY 04	Individual	3
	Partnership	0
	Corporation/LLC	31
TOTAL ISSUED FY 04		34

** It should be noted that these numbers do not represent the number of persons employed or working in these industries, but those businesses that have been licensed by the regulatory board. Pursuant to statute, license holders may hire any number of employees to work for them under the aegis of their license. The license holder must ensure that state and federal criminal history record checks are performed, identification issued, and is at all times responsible for the conduct and supervision of their employees. (Changes to qualifying positions on a license, or change in status FY 03 – 13, FY 04 – 19)

PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD

Number of Persons Previously Licensed Whose License Was:

Revoked, Suspended, or Status Altered

FY 03 - FY 04

Lapsed Licenses – FY 03 – 6 FY 04 – 7

Revoked – FY 03 – 1 FY 04 - 2

License Applications Denied

PRIVATE DETECTIVE <u>or</u> PROTECTIVE AGENT FOR FEE		
FY 03	Individual	None
	Partnership	None
	Corporation	None
TOTAL DENIED		None
FY 04	Individual	None
	Partnership	None
	Corporation	None
TOTAL DENIED		None

*The above is not representative of the numbers of applicants who determine that they will withdraw their application for license prior to the board voting to deny.

Number of Out-of State Licenses

Private Detective/Protective Agent FY 03	46
Private Detective/Protective Agent FY 04	25
TOTAL	71

PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD

Complaint Activity

FY 03 – FY 04

Summary

Disposition

FY 03

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| 1. Failure to respond to board. | \$250 Administrative Penalty & file written report with the board. |
| 2. Failure to communicate with board for extended period of time, changes without required notifications particularly on qualifying positions. | \$2,000 Administrative Penalty |
| 3. Failure to provide required notification and failure to respond to board communication. | \$750 Administrative Penalty |
| 4. Failure to promptly attend to qualified position change. | \$300 Administrative Penalty |
| 5. Contingent license application filing. | \$50 Administrative Penalty |
| 6. Failure to have qualified position filled. | \$800 Administrative Penalty |
| 7. Failure to have qualified position filled. | \$800 Administrative Penalty |
| 8. Failure to have qualified position filled. | \$800 Administrative Penalty |
| 9. Failure to have qualified position filled. | \$499 Administrative Penalty |
| 10. Contingent license application filing. | \$50 Administrative Penalty |
| 11. Failure to be licensed and delay in filing. | \$2,320 Administrative Penalty |
| 12. Failure to have qualified position filled. | \$499 Administrative Penalty |

FY 04

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| 1. Failure to be licensed and delay in filing. | \$3,400 Administrative Penalty |
| 2. Failure to promptly change qualifying position. | \$499 Administrative Penalty |
| 3. Failure to promptly change qualifying position. | \$499 Administrative Penalty |

4. Failure to maintain bond and communicate w/board.	\$499 Administrative Penalty
5. Failure to promptly fill qualifying position.	\$499 Administrative Penalty
6. Failure to comply with training.	\$300 Administrative Penalty
7. Failure to comply with training.	\$499 Administrative Penalty
8. Failure to comply with training.	\$200 Administrative Penalty
9. Failure to comply with training.	\$499 Administrative Penalty
10. Failure to comply with training.	\$250 Administrative Penalty
11. Failure to comply with training.	\$400 Administrative Penalty
12. Failure to comply with training.	\$499 Administrative Penalty
13. Contingent license application filing.	\$50 Administrative Penalty
14. Failure to comply with training.	\$250 Administrative Penalty
15. Failure to comply with training.	\$300 Administrative Penalty
16. Failure to comply with training.	\$150 Administrative Penalty

End