Bureau of Security and Investigative Services

Advisory Committee Meeting Minutes

For **February 13, 2020 Meeting**

Department of Consumer Affairs
1625 North Market Blvd, Sacramento, CA 95834

Industry Members Present
Brian Boeglin (Alarm Company Industry)
Frank Huntington III (Private Investigator Industry)
Christopher Sayers (Proprietary Security Employer Industry)

Public Members Present
Anton Farmby
Lynn Mohrfeld
Nancy Murrish
Stanton Perez

Members Absent
Todd Inglis (Public Member)
Eli Owen (Public Member)

Bureau Staff Present
Lynne Andres – Chief
Gloriela Garcia – Deputy Chief, Licensing and Policy
Samuel Stodolski – Deputy Chief, Enforcement
Antoine Hage – Manager, Policy and Administration Unit

Minutes Taken By
Nicole Ishiura

1. **Call to Order**

   Meeting called to order by Bureau Chief Lynne Andres at 10:05am.

2. Swearing in of any new Advisory Committee Members by Department of Consumer Affairs Director Kimberly Kirchmeyer

At 10:05am, Chief Andres stated that the Bureau does not have any new members to swear in to the Committee at the time.

3. Roll Call

The Bureau's Policy Manager, Antoine Hage, called roll at 10:06am. Quorum was then subsequently established with seven Members present.

4. Review and Approval of Minutes from October 10, 2019 Meeting

This item was not addressed at the meeting.

5. Bureau Chief's Introduction, Welcome Remarks and Bureau Updates

The item was taken out of order- it followed roll call (Item 3).

Chief Andres announced the reintroduction of two applications to the Bureau's online licensing system- the firearms initial application and the firearms renewal application. She stated that the former was added to BreEZe in October 2019 while the latter was added in January 2020. She then noted that firearms applications submitted online are processed faster than those submitted by mail.

The Chief also detailed the Bureau's new computer kiosk, which is available in the BSIS lobby for applicants, licensees, and consumers. BSIS staff will be on-hand to assist individuals with their online (i.e. BreEZe) account. Additionally, she noted that the kiosk allows individuals the ability to pay fees online with a credit card.

Chief Andres stated that the Bureau has been focusing on stakeholder outreach and consumer education- working with seniors, legislators, and neighborhood groups to offer presentations on how to avoid scams by unlicensed companies or individuals. She highly encouraged anyone who believes their organization or event would benefit from the Bureau's consumer education/outreach to contact the Bureau so a representative can be sent to present at the event.

6. Update on the Bureau's Licensing Unit

Chief Andres introduced Gloriela Garcia, Deputy Chief of the Bureau's Licensing Unit, at 10:10am to present information on the state of the Licensing Unit.

Deputy Chief (DC) Garcia provided application processing statistics- licensing applications received in the previous fiscal year was 0.23 compared to the prior year, which did not indicate a significant change in the volume of applications

received (~92,000 in 2019). She noted that the licensing *initial* applications received in the previous fiscal year were down by 8% compared to the previous fiscal year. Approximately 80,000 new licenses were issued last year according to the Deputy Chief. Licensing *renewal* applications received last fiscal year were up 3% compared to the previous fiscal year; approximately 112,000 licenses were renewed last year. The Bureau's current active licensing population is roughly 500,000 individuals. DC Garcia noted that the current year's licensing performance measures, which measure the turnaround times, has increased by 8% when compared to the prior fiscal year. She added that the Licensing Unit meets its performance measures 79% of the time.

She emphasized the fast processing times for online applications and encouraged individuals and companies to continue to disseminate information about applying online in BreEZe to their contacts in the Industry. DC Garcia restated that initial and renewal applications submitted online are typically much faster than mailed applications and noted that the Bureau's website[1] posts the current processing times for initial and renewal applications that are submitted online or by mail.

The Deputy Chief then detailed the online application participation rate for various license types. Security guards, which is the Bureau's highest volume of licensees, has a participation rate of 88%. The Bureau is working to increase the online participation rate across all applicable license types and will be focusing on the largest populations first. The second highest volume of licensees is for a firearms permit, whose initial application has an online participation rate of 37%. She reminded those in attendance that the initial application was recently reintroduced online and has increased since December, when the rate was 27%. The firearms renewal application was recently added to BreEZe so further data is required before the Bureau can provide an accurate online participation rate. She then relayed feedback she received regarding the online firearms renewal application- the verbiage that instructs the applicant to provide an attachment can be misleading. She emphasized that applicants have <u>one</u> opportunity to attach the required documents to the application and stated that the Chief and herself are in the initial stages for outreach with the firearms training facilities to address the miscommunication. Additionally, the verbiage has been corrected in the application.

Another change to the Bureau's Licensing Unit is the update to the internal business processes for the review and approval of Private Patrol Operator badge and patches, which was recently streamlined for increased efficiency and faster processing times.

DC Garcia then addressed all Industries regarding the submission and completion of a Live Scan. She reminded the need to ensure that the name on the Live Scan

[1] Processing times are viewable at https://bsis.ca.gov/forms_pubs/app_processing_timeframes.shtml

form matches the name on the application, the applicant's social security number is included on the Live Scan form, and the applicant's date of birth is included on the Live Scan form. If the name, social security number, or date of birth do not match, Live Scan results are not automatically linked to their application and require staff review.

The Deputy Chief then detailed current projects in the Licensing Unit. First, staff are working to add a copy of a deficiency letter, which is sent to the applicant via mail, to their online user account in BreEZe. Alternatively, staff are determining the ability to add specific notes on the user account to indicate the specific deficiencies to be corrected. Second, staff are working on updating the hold messages that callers hear while waiting to speak with Bureau staff. The updates are to include information on applying online and Live Scan reminders.

The Deputy Chief asked if there were any questions on the licensing update.

Member Frank Huntington III, who represents the Private Investigator Industry, asked what steps are required to renew a firearms permit online.

DC Garcia had not gone through the steps of renewing a firearms permit online and thus provided the general process: the system asks the user questions and prompts him/her to add attachments. She noted that the system only allows users to upload attachments once during the process, so it is important that all documents are included in the upload.

Chief Andres stated that the process is very straight-forward and includes quality control such as the system's ability to kick a user out of a session if the application is completed incorrectly. The documents needed to renew a firearms permit and must be uploaded as an attachment are the four (4) range qualifications *[and the Department of Justice's Firearms Qualification Applicant (FQA) form]* as a single document. Once the documents are uploaded, the user finishes the online submission process by clicking submit. If everything in the online submission is correct, the application will then be reviewed by Bureau staff at a rate much faster than that of mailed applications.

Member Lynn Mohrfeld, who represents the public, asked if DC Garcia said there was an 8% increase in processing and if it was an 8% decrease. She confirmed that it was an 8% decrease in initial applications.

Member Brian Boeglin, who represents the Alarm Company Industry, asked DC Garcia asked if the LLC disclosure forms can be signed and then submitted electronically or if they needed to have a wet signature then submitted by mail or in-person.

DC Garcia said that licensees can submit the LLC disclosure forms electronically to the respective company email accounts.

Member Boeglin then asked whether there is a receipt number for an ACE (Alarm Company Employee) application that is submitted online as means of proof for the provisional ACE registration. Further, he asked if that receipt number can be used as their temporary/provisional registration.

Chief Andres asked Samuel Stodolski, the Enforcement Deputy Chief, for his opinion and his historical knowledge on past business processes.

Inaudible response from DC Stodolski at 15:22

Member Boeglin said that every executed contract must have an ACE license number on the contract. Therefore, within the scope of the law, he asked whether an ACO (Alarm Company Operator) could use the BreEZe application receipt number of an ACE applicant on the contract.

Inaudible response from DC Stodolski at 16:07

The Chief relayed DC Stodolski's response- further discussions would be needed to determine the Bureau's position.

Member Farmby, who represents the public, asked DC Garcia what time period observed the 10% increase in online participation for security guards.

DC Garcia stated that the 10% increase in online participation was for initial firearms applications. She then restated the online participation rate for security guards, which was 88%.

Chief Andres asked DC Garcia to further discuss potential reasons for the decline in the Bureau's licensing population.

DC Garcia noted that there are several factors that have led to a decrease in the Bureau's licensing population; however, she highlighted the most impactful – the firearms assessment, which has led to a significant decline in applications since its implementation.

Chief Andres then asked DC Garcia to provide common licensing delays.

DC Garcia said the main issue Licensing encounters is unmatched Live Scan results- specifically, when an applicant's social security number (SSN), date of birth (DOB), and/or name as listed on their Live Scan form do match the BSIS application. She noted that the Bureau is in the process of developing an in-house

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report to identify and correct unmatched Live Scan results, which should expedite the manual matching process.

The Chief provided additional background on the extent of the Live Scan issue. If an applicant fills out everything correctly on both the Live Scan form and the BSIS application then it is automatically approved if the fingerprints come back clear. She approximated that a completely error-free process can happen in less than a week but if a name, DOB, or SSN aren't matched up, staff must go and manually locate the Live Scan results.

Inaudible question from Member Farmby at 20:04

DC Garcia responded to Member Farmby's inaudible question in the affirmative and said it would be addressed in the upcoming update to the Bureau's hold messages.

Member Boeglin asked if there was a possibility to require an applicant to bring a photocopy of their application to the Live Scan Operator, who would then be required to input the information directly from the application.

DC Garcia said she is planning on reaching out to Live Scan Operators to get an understanding of their constraints and limitations and hopes to find a happy medium.

Chief Andres noted that quality control varies amongst Live Scan Operators- some input the full middle name while others only enter the middle initial.

Inaudible question from Member Farmby at 22:09

Chief Andres thanked Member Farmby for his idea and said the Bureau would work with him to develop a paragraph or two.

7. Update on the Bureau's Enforcement Unit

The Chief introduced Deputy Chief (DC) Sam Stodolski at 10:28am, who then proceeded to present the Enforcement update.

DC Stodolski reminded attendees that the Bureau's Enforcement Unit was rearranged in 2019 to reevaluate how it approaches carrying out different investigations – the complaint resolution unit was separated from the enforcement unit and made into its own entity. The change has led to an increase in productivity through the emphasis on triaging complaints and a reduction in the workload of enforcement staff who were previously tasked with the duty. DC Stodolski stated that the enforcement unit takes a proactive approach to investigations – in the previous fiscal year, a total of 166 inspections were completed; in the current fiscal

year, 144 inspections have been completed. The Enforcement Unit is focusing on unlicensed activity- in the previous fiscal year, approximately 40% of citations issued were for unlicensed activity. In the current fiscal year, 54% of citations issued have been for unlicensed activity.

DC Stodolski then reviewed trends observed in complaints – the majority of which revolve around technical issues. The other commonly seen complaints include issues involving unprofessional conduct, contractual issues, unlicensed activity, and false and misleading *[statements]*. He clarified that false and misleading *[statements]* are typically found in the Alarm Company and Locksmith Industries whereas contractual disputes are usually found in the Alarm Industry.

Next, DC Stodolski described a major function of the Enforcement Unit – the firearms assessment. There is currently a 19% failure rate for the assessment, which includes the denial of a firearms permit. The Unit handles the appeals, which comprises a significant portion of their workload – in the first fiscal year of the assessment, there was a 75% appeal rate, however, in the current fiscal year there is an 85% appeal rate. He said the Bureau has been working with the Attorney General's Office on best practices to handle the influx of appeals and have been working directly with the applicants to suggest that they withdraw their appeal as they can retake the assessment in 12 months.

DC Stodolski then asked if there were any questions on his presentation.

Member Boeglin asked how the process of refining the complaint intake process has lowered the amount of complaints that have come in.

DC Stodolski provided historical background on the process. Previously, once a complaint was received, complaint intake staff would assign it to an enforcement analyst. Resources have been shifted so more staff are focused on complaint resolution. Now, when a complaint is received, complaint resolution staff will do some of the preliminary investigative work and will then make a determination on whether it needs to be referred to Enforcement. For example, if the complaint is non-jurisdictional or something that the complaint resolution staff can resolve quickly, they will do so without referring it to Enforcement. He stated that only 10% of the complaints received are referred to Enforcement so a majority of complaints can be completed in a shorter timeframe.

Member Huntington III said that he received a complaint and wanted to provide feedback on his experience. He received a call from the Complaint Resolution Unit and then wrote a letter to the complainant and sent a copy to the Bureau. He said the matter was handled by the Unit and he was not referred to the Enforcement Unit. Member Huntington III praised the new structure and said it was a much smoother way to handle complaints.

Chief Andres discussed the Bureau's enforcement statistics as they are reported by the Department of Consumer Affairs (Department or DCA). She said DCA reports data differently than the Bureau, so the data seems high. She asked DC Stodolski to explain the difference in the reporting.

DC Stodolski explained that DCA runs a report for all DCA Boards and Bureaus to gather enforcement data. The Bureau's enforcement data is not properly captured in the standardized report ran by DCA, which results in the inflated workload numbers. Fortunately, the current manager of the Complaint Resolution Unit has experience working reports and is able to provide more detailed numbers for the Bureau's complaints. He noted that the total number of open investigations displayed in the Department's reports includes active investigations based on complaints, the review of rap sheets, and application investigations for applicants with an open arrest record.

The Chief asked DC Stodolski approximately how many rap sheets the Bureau receives each month.

DC Stodolski stated that the Disciplinary Review Unit under the Enforcement Unit receives approximately 2,000 rap sheets each month.

Chief Andres then asked the turnaround for the review of an applicant's rap sheet.

DC Stodolski noted that the processing timeframes for Licensing differ from those for Enforcement. The Licensing processing timeframe starts once a complete application, including Live Scan, is received. The Enforcement timeframe for reviewing rap sheets starts once they receive the results from the Department of Justice (DOJ), which can vary from days to months. Enforcement staff strive to review rap sheets within 2 weeks of receiving results from DOJ, which typically occurs prior to the application review and processing by Licensing staff. In cases where the application has already been processed by Licensing staff but the rap sheet has yet to be reviewed, the turnaround time is within the same week.

Member Boeglin asked if there is anything noted on an applicant's file when a rap sheet is being reviewed. Employers often subscribe to their employee's licenses and he wondered if there was anything that the employers could view on the employee's license that would indicate that they were under review.

DC Stodolski reminded Member Boeglin that an employer is not legally privy to any information regarding the application processing as it is not the applicant. The only information the Bureau could provide over the phone to someone is that their background is being reviewed. He added that the applicant will be notified in writing but their progress in the process will not be reflected on their BreEZe account.

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8. Update Regarding Private Investigator Pocket Cards

At 10:38am Antoine Hage, Manager of the Bureau's Policy and Administration Unit, provided an update on pocket cards for private investigator licensees. He stated that Senate Bill (SB) 385, which was signed into law in 2019, requires an upgraded pocket card for licensed private investigators. The Bureau has a Request for Information (RFI) open until 2/14/20; however, a low response rate dictated the extension of the RFI until March 2020. The RFI is used to obtain feedback on the market conditions for photo IDs. He said the main issue at the moment is adding the photos of out-of-state licensees to the Bureau's database. The New York State DMV uses a vendor who also issues professional licenses, as such, the Bureau has began working with the California State DMV to determine the feasibility of working with their vendor.

Member Huntington III said he recalled a previous conversation about how utilizing the DMV's vendor was cost prohibitive.

Mr. Hage confirmed that the vendor's price was cost prohibitive, which is why the Bureau did not immediately begin the implementation process with the vendor. However, he noted that the Bureau is dedicating funds in the budget to the project and highlighted that the cost to build the infrastructure (approximately $500,000) would only be incurred once. Mr. Hage said that the private investigator fees would not see an increase due to the saving found in costs gained by the increased level of efficiency and reliability.

Member Huntington III asked if the Bureau is looking at other states' photo ID cards for professional licensees.

Mr. Hage confirmed that the Bureau is reviewing other states' ID cards.

Member Huntington III asked if the Private Investigator Industry could review the ID cards before the Bureau enters an agreement with a vendor.

Mr. Hage stated that the Bureau would be happy to share information such as that contained in a Request for Proposal (RFP), which is subject to the Public Records Act. He said that Member Huntington III may be able to view the proposals if the Chief allows it or if the it is put to a vote by the Committee. He informed the Member that the Bureau is still exploring all of its options.

9. Update Regarding Claim Reporting for Alarm and Private Investigator Licensees Organized as LLCs

Deputy Chief (DC) Gloriela Garcia addressed the Committee at 10:43am regarding claim reporting requirements for select licensees. DC Garcia reminded Alarm Company Operator and Private Investigator licensees organized as a Limited

Liability Company (LLC) to provide the insurance claim form(s) for the prior calendar year (i.e. 2019) by March 1, 2020. She noted that the Alarm Company Operator LLC[2] and Private Investigator LLC[3] forms are available on the Bureau's website. She reminded the Alarm and Private Investigator LLC licensees to ensure the forms are submitted by the deadline regardless of whether a claim was filed in 2019.

DC Garcia asked if there were any questions on the claims reporting requirements.

Inaudible question from Member Huntington III at 38:38

DC Garcia repeated the deadline of March 1, 2020 to submit the required forms.

10. Update on Including Physical Addresses on Company Branch Certificates

At 10:44am Antoine Hage, Manager of the Bureau's Policy and Administration Unit, updated the Committee on the change to company branch office certificates. He stated that the addition of the branch's physical address on the certificate was initiated at the request of Member Boeglin at a previous Advisory Committee meeting. He said that the new design, which includes both the physical address and the address of record, will be implemented to all branch office license types. Testing of the new format will begin in the next few months with an anticipated roll-out date in May or June 2020.

11. Public Comment on Items Not on the Agenda

At 10:45am the Chief invited members of the public to make comments.

Mark Miller, who works for Securitas Security Services USA and is a member of the California Association of Licensed Security Agencies, Guards & Associates (CALSAGA), was first to comment. He thanked the Bureau for adding the initial and renewal firearms applications to BreEZe, adding that the process has helped immensely. He then provided background on the issues surrounding Live Scan results matching to an application in BreEZe. He said newer Live Scan machines pull applicant information from their driver's license, which is swiped in the machine. He urged applicants to follow their names, exactly as it appears on their driver's licenses, if they are using a Live Scan that swipes driver's licenses. Mr. Miller said that the Industry is experiencing a labor crunch and is having difficulty finding employees. He then asked how many individuals failed the assessment.

[2] The 2019 *Alarm Company Operator Limited Liability Company Licensee Insurance Claim Data Reporting* form is available at https://www.bsis.ca.gov/industries/aco_llc_insuranceclaim.pdf

[3] The 2019 *Private Investigator Limited Liability Company Licensee Insurance Claim Reporting Form* is available at https://www.bsis.ca.gov/industries/pi_llc_insuranceclaim.pdf

Chief Andres said that there is a failure rate of 19% for the current fiscal year. She noted that it is only the second year of the assessment and it may drop as more applicants take the assessment in the second half of the fiscal year.

Andy Washington, a firearms training instructor, detailed concerns he had regarding the current BSIS firearms training, which he argued is outdated. He mentioned that he has contacted the Bureau multiple times over the course of a year about his concern but has yet to hear back. He urged the Bureau to update its training course and be proactive rather than reactive.

The Chief said she would look into why a response hadn't been sent to Mr. Washington and thanked him for his comment.

Shane M. Clary, who represents the California Alarm Association (CAA), asked if the Bureau has made an opinion whether an Alarm Company Operator (ACO) that provides subcontracting services for the installation of intrusion detection systems to another ACO is considered an independent contractor or an employee of the ACO pursuant to Assembly Bill (AB) 5, which was signed into law in 2019.

The Chief deferred to the Bureau's legal counsel, Rebecca Bon, and the Deputy Chief of Enforcement, Sam Stodolski.

Inaudible response from audience at 48:37

The Chief then said that the Bureau does not have a position at this time.

Member Farmby stated that the intricacies of AB 5 are still being determined.

Member Boeglin added to the conversation by referencing the Contractors State License Board's (CSLB) opinion on AB 5. The bill excludes the construction industry; however, a definition of the construction industry was not included in the bill. In response, CLSB released an opinion that outlined the definition of the construction industry. The Alarm Industry is requesting a similar opinion from the Bureau. Specifically, the Industry wants to know if Alarm Company Operators and their employees are considered part of the construction industry.

Mr. Clary said he would like the discussion of AB 5 to be added as a future agenda item and noted that the CAA has received questions from their membership AB 5.

Member Boeglin said there are multiple legislators working to draft legislation to address the issues arising from AB 5. He then restated the need for the Bureau to develop an opinion on AB 5 as it relates to the Alarm Industry.

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12. Committee Members' Recommendations for Items for Future Advisory Committee Meeting Agenda

At 10:57am the Chief opened the floor to the Members to voice recommendations for future agenda items.

Inaudible question from Member Farmby at 52:13

The Chief said the Bureau would look into his suggestion and then agendize it.

Member Huntington III asked to get continuous updates on the private investigator ID cards.

Chief Andres said the pocket IDs will remain on the agenda.

Member Boeglin requested that the Alarm Company Operator Qualified Manager (ACQ) review cycle be added to the next meeting's agenda.

13. Adjournment

At 10:59am the Chief adjourned the meeting.

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