



## **Bureau of Security and Investigative Services Advisory Committee Meeting Minutes For October 11, 2018 Meeting**

Department of Consumer Affairs  
1747 North Market Blvd, Sacramento, CA 95834

### **Industry Members Present**

Simon Cruz (Training Facilities Industry)  
Frank Huntington III (Private Investigator Industry)  
Roy Rahn (Proprietary Private Security Industry)

### **Public Members Present**

Todd Inglis  
Lynn Mohrfeld  
Nancy Murrish  
Eli Owen  
Stanton Perez

### **Members Absent**

Anton Farmby

### **Bureau Staff Present**

Darrel Woo- Chief  
Gloriela Garcia- Deputy Chief  
Antoine Hage- Policy & Administration Manager  
Jasmine Argo- Licensing Manager  
Marti Shaffer- Enforcement Manager  
Karissa Huestis- Policy Analyst  
Nicole Ishiura- Policy Analyst  
Tina Jacobson- Policy Analyst

### **Minutes Taken By**

Nicole Ishiura

**1. Call Meeting to Order**

Meeting called to order by Bureau Chief Darrel Woo at 10:03am.

**2. Roll Call/Establish Committee Quorum and Pledge of Allegiance**

Roll was taken; 8 committee members were present, and quorum was established.

**3. Review and Approval of Minutes from April 12, 2018 Meeting**

Member Frank Huntington III, who represents the Private Investigator Industry, made a motion to approve the minutes from the April 12, 2018 Advisory Committee Meeting. Member Roy Rahn, who represents the Proprietary Private Security Industry, seconded the motion. The motion to approve the minutes passed on an 8-0 vote.

**4. Bureau Chief's Welcome Remarks and Bureau News and Updates**

Chief Woo introduced himself as the new Bureau Chief and gave a short summary of his professional experience. Chief Woo then introduced the Bureau and Department of Consumer Affairs staff in attendance. He also asked the Committee Members (Members) to provide a brief introduction of themselves.

*Licensing Update:* Chief Woo provided the latest statistics, which compared the first quarter (Q1) of fiscal year (FY) 2017/18 to Q1 of FY 2018/19, for the Bureau's Licensing Unit. Between Q1 of FY17/18 and FY18/19, the Bureau experienced a decrease of 8% of total initial and 7% of total renewal applications. Initial security guard applications submitted online in BreEZe saw a 2% increase between the data periods. Chief Woo noted that increased BreEZe participation rates were also observed for Alarm Agent initial ( $\uparrow 38\%$ ) and renewal ( $\uparrow 8\%$ ) applications.

According to data from Q1 FY17/18 and Q1 FY18/19, BreEZe participation rates fell for multiple license and application types: Locksmith Employee ( $\downarrow 39\%$  for initial;  $\downarrow 8\%$  for renewal), Proprietary Private Security Officer ( $\downarrow 65\%$  for renewal), Locksmith Company ( $\downarrow 13\%$  for initial;  $\downarrow 20\%$  for renewal), Alarm Company Qualified Manager ( $\downarrow 10\%$  for initial;  $\downarrow 30\%$  for renewal), Firearm Training Instructor ( $\downarrow 50\%$  for initial;  $\downarrow 43\%$  for renewal), and Baton Training Instructor ( $\downarrow 50\%$  for renewal). In contrast, the following license and application types' participation rate in BreEZe increased between Q1 in FY17/18 and Q1 in FY18/19: Proprietary Private Security Officer ( $\uparrow 70\%$  for initial), Private Patrol Operator ( $\uparrow 29\%$  for initial), Alarm Company Operator ( $\uparrow 350\%$  for initial; 9% for renewal), Private Investigator ( $\uparrow 31\%$  for initial), Firearm Training Facility ( $\uparrow 37\%$  for renewal), Baton Training Facility ( $\uparrow 67\%$  for renewal), Repossession Agency Qualified Manager ( $\uparrow 35\%$  for renewal), and Baton Training Instructor ( $\uparrow 100\%$  for initial).

The number of Proprietary Private Security Officer renewal applications submitted in BreEZe decreased by 65% while the number of paper applications submitted by mail increased by 63%. Chief Woo noted that the Bureau did not receive any online applications for Baton Training Facilities or Repossession Agency Qualified Managers and reiterated the benefits of submitting applications online. Finally, submission rates for initial firearms applications continue to be on a downward

projection, which aligns with previously reported data. The Bureau experienced a 16% decrease in initial applications and a 22% increase in renewal applications. With a monthly average of 1,600 firearm applications received, the Bureau projects around 19,120 firearm applications to be submitted in FY 18/19. Despite the overall downward trend, the projected number of applications surpasses the 14,168 firearm applications (initial and renewal) received in FY 17/18.

Chief Woo asked if there were any questions regarding the statistics provided in his Licensing Update.

Member Lynn Mohrfeld, who is a public representative, asked why there was such a high degree of variance in the reported figures.

Chief Woo suggested that the data be examined in more detail after the second quarter of FY 18/19 to determine if there are any trends. He noted that he was appointed as Chief two months prior and did not want to speculate on the reason for the varying figures given his short tenure at the Bureau.

Antoine Hage, the Policy Manager at the Bureau of Security and Investigative Services, stated that the Bureau typically experiences a dip in application submissions before the Holidays and an increase in application submissions during the Holidays due to an increase in temporary employment in the security services industry. He noted that the Bureau encourages individuals to apply online in BreEZe and requested assistance from the associations to encourage members to apply online.

Member Mohrfeld then asked what time-period the Bureau used to compare the percentage change (e.g. monthly, by fiscal year).

Antoine Hage stated that the licensing data from first quarter of fiscal year 2017-18 was compared to licensing data from the first quarter of fiscal year 2018-19. He then said that the Bureau would strive to provide the Committee with updated numbers at the next Advisory Committee Meeting to identify any emergent trends.

Member Simon Cruz, who represents the Training Facility Industry, argued that the Bureau should also expect a decrease in the submission of firearms application. Anecdotally, since July 1, he noted that his training facility has not received a single firearms applicant due to the increased fees and the new required firearms assessment. He furthered that the minimal increase in salary between an armed and unarmed guard is not motivating applicants to pursue the firearms permit.

Chief Woo thanked Member Cruz for his feedback and emphasized the need for training facilities to remind firearm permit holders to submit their renewal applications on time.

Member Cruz added that since October 2017, three or four revisions of the firearms application were published without notification from the Bureau. He asked that the Bureau notify the training facilities and instructors of any application changes and note which version will not trigger an application deficiency.

Chief Woo thanked Member Cruz for his comment and said that the Bureau would complete additional research on his comments.

*Enforcement Update:* Chief Woo introduced the new Enforcement Manager, Marti Shafer, and gave a brief summary of her previous work experience in the field. He then presented the Unit's statistics, stating that in FY 2017/18, the Bureau's Enforcement Unit conducted a total of 120 company inspections (48% Private Patrol Operators, 23% Firearm Training Facilities, 10% Repossession Agencies, and 5% Baton Training Facilities). He stated that the Bureau is working to increase the number of inspections but staffing challenges have prevented the added workload.

Chief Woo asked if there were any questions regarding the Enforcement Update. After no questions from the Committee or audience, Chief Woo discussed legislation impacting the Bureau.

*Legislative Update:* Chief Woo described three bills that are expected to impact the Bureau: AB 2138, SB 904, and SB 1217. He stated that SB 1217 adds provisions to the Private Investigator (PI) Act regarding firearms permits and removes the cross-references to the Private Security Services Act. SB 904 clarifies the term manager, extends the sunset for alarm companies organized as limited liability companies (LLCs), and establishes reporting requirements for paid claims against the company's liability insurance policies.

AB 2138 limits disciplinary actions on criminal convictions older than seven years and affects multiple licensing and regulatory agencies in the State and is therefore not specific to BSIS. He noted that the Bureau will be able to license more applicants with criminal histories but the bureau will be diligent when reviewing their background information. He then asked the Industries to be vigilant in policing their own membership due to the potential impact on consumer safety with regards to the implications of AB 2138. Chief Woo stated that the provisions of the bill are effective July 1, 2020.

Chief Woo opened the floor for questions regarding his legislative update.

Member Huntington III asked if the term "disciplinary action" included the denial of a license.

Chief Woo confirmed that disciplinary action included a denial of a license.

Member Huntington III stated that pre-employment background investigations may only examine the previous seven years of an individual's criminal history. He asked whether the provisions of AB 2138 continue to allow the Bureau the ability to deny a firearms permit if the applicant had a twenty-year-old felony conviction as it is illegal for felons to possess a firearm.

Chief Woo said that the bill included language regarding whether a conviction is substantially related to the qualifications, functions, and duties of the licensee and stated that the Bureau is in the process of developing regulations that will provide guidance on implementing the provisions of AB 2138.

Member Huntington III then explained that the State has redefined a "serious felony" and inquired whether the Legislature has explicitly outlined which crimes constitute a serious felony.

Chief Woo deferred to Antoine Hage who stated that the Bureau is in the process of researching the definition because it is in the Penal Code not the Business and Professions code, the latter of which the Bureau oversees. Mr. Hage affirmed that if an individual was convicted of a felony or if s/he is otherwise prohibited by the Department of Justice from carrying a firearm, the Bureau would deny the application for a firearms permit.

Member Cruz asked about the staff who answer questions, over the phone, about criminal convictions from applicants. He asked if those staff had a list of crimes that disqualified individuals from certain license types.

Mr. Hage stated that the staff answering calls about convictions are from the Disciplinary Review Unit, which reviews applications with rap sheets. He noted that the Bureau often receives calls from potential applicants who are inquiring whether their criminal history disqualifies them from licensure. In these cases, staff inform the caller that they are unable to determine eligibility without review of his or her application.

Member Cruz rephrased, stating that callers are attempting to determine whether they qualify for licensure before they spend money on the fees associated with applying. He then asked if there was someone at the Bureau that potential applicants could speak with to determine whether their criminal history disqualifies them from licensure.

Mr. Hage explained that it takes time and resources for staff to review an individual's criminal history, which could include multiple convictions. Further, he noted that the purpose of the Bureau's application fee is to cover the resources utilized to research and process those applications. Ultimately, the Bureau does not have the wherewithal to predetermine an individual's eligibility absent the submission of the application fee.

Chief Woo noted that the Bureau is still determining the full extent to which AB 2138 will affect the Bureau and stated that he will provide additional information pertaining to the bill at the next Advisory Committee meeting.

## **5. Discussion on Firearms Assessment Program**

Chief Woo stated that the Bureau was able to successfully roll out its Firearms Assessment Program in August 2018 with the first exam candidates taking the assessment on September 11<sup>th</sup>.

Member Huntington III asked Chief Woo if he could provide a refresher on the Firearms Assessment Program.

Chief Woo referred back to a previous comment made by Member Cruz regarding a “psychological evaluation” but noted that the assessment does not rise to that level. He explained that the assessment evaluates whether an applicant possesses certain criteria.

Chief Woo then presented the applicants’ results from the firearms assessments taken between September 11, 2018 and September 28, 2018. He noted a total of 76 applicants took the exam with 70 (92%) earning a passing score and 6 (8%) failing the assessment. Chief Woo said that the 8% failure rate aligned with the Bureau’s projected fail rate.

Member Cruz asked when an applicant could reapply if s/he fails the firearms assessment.

Mr. Hage replied, stating that the individual would be ineligible to reapply/retake the assessment for 12 months. However, he noted that individuals who fail the assessment have the ability to appeal to an administrative law judge.

Member Cruz then asked about the Bureau’s current processing timeframe for firearms applications given the addition of the firearms assessment. Specifically, he asked how the results of the assessment were delivered to the Bureau and how long it takes Bureau staff to approve the firearms permit for an individual who successfully passes the assessment.

Mr. Hage stated that the Bureau receives assessment results daily via file transfer and that Bureau staff input those results and approve or deny the application daily.

Member Cruz asked whether the processing timeframe for firearms permits is still 60 days.

Mr. Hage deferred to Jasmine Argo, the Bureau’s Licensing Manager. Mrs. Argo stated that firearms applications take approximately 4 – 6 weeks to process and said that she prioritizes the approval/denial of applications once assessment

results are received. She noted, however, that the physical firearms permit takes between 2 – 3 weeks to arrive via mail once it has been approved by the Bureau.

Member Cruz asked how often the Bureau's website is updated.

Mrs. Argo said that the Bureau's website is updated weekly to reflect the current application processing timeframes.

Member Cruz asked for further clarification on the total processing timeframe- from the time the application is submitted to the time the application is approved.

Mrs. Argo restated that the processing times vary based on each application but confirmed that if the application is complete and the assessment is immediately taken and passed, the process should take approximately 60 days.

Member Huntington III asked about the format of the assessment tool.

Mr. Hage stated that the Bureau utilizes the Sixteen Personality Factor (16pf), which is a multiple-choice exam, administered by PSI Services LLC for the firearms assessment. He further explained that the 16pf is widely used in the Private Security Industry and law enforcement. He directed those in attendance to visit the Bureau's website, which has additional information about the assessment.

Member Huntington III asked how many questions are in the 16pf.

Mr. Hage said that there are approximately 80 questions and was designed to take a maximum of 45 minutes to complete. Additionally, candidates are able to request reasonable accommodations from the vendor.

Member Cruz asked whether an individual who fails the assessment but who wins the appeal goes to another vendor to retake the assessment.

Mr. Hage explained the appeals process as it relates to the firearms assessment. If the administrative law judge, who oversees the appeals process, upholds the denial, the Bureau will not issue the firearms permit. If the judge does not uphold the denial, the Bureau issues the permit- the individual does not need to retake the assessment.

Chief Woo added that Mr. Hage's explanation is the Bureau's theoretical process; however, based on the Chief's history with administrative law judges, the theoretical process doesn't always align with the judges' practical application of said process.

## **6. Discussion on Private Investigator Fund Audit**

Chief Woo then discussed the audit of the Bureau's Private Investigator Fund, which has been completed but had not been published at the time of the meeting.

The report recommended that the Bureau increase the fees in the Private Investigator Act as it is “woefully inadequate” to cover the expenses the Bureau expends to process and regulate the Private Investigator Industry. He noted that the Private Investigator (PI) fees have not increased in 20 years and if the Bureau does not increase fees, it will be bankrupt in a year. He stated that Bureau management will review the recommendations from the report with leadership at the Department of Consumer Affairs (DCA) to determine the next steps forward.

Member Huntington III asked whether the overall cost to process PI applications included the cost to process renewal applications.

Chief Woo affirmed that the processing of renewal applications was included in the overall cost of processing PI applications. He then noted that the Bureau will be working with the Industry to discuss changes to the PI fees as it relates to this report.

## **7. Public Comment on Items Not on the Agenda**

David Chandler, who is the President of CALSAGA, an association that represents the Security Industry, welcomed Deputy Chief Gloriela Garcia and thanked the Bureau for its decreased application processing timeframes. He stated that within the last 30 days, the processing time for Security Guard registrations reduced from 58 days to 45 days. He said that the Security Industry strives to put individuals in jobs; therefore, the decrease in processing times is greatly appreciated by both the association and the Industry. He then offered the association’s assistance to the Bureau.

Chief Woo thanked Mr. Chandler for his comment and said that the Bureau will endeavor to reduce application processing timeframes so it can get individuals working quicker.

## **8. Committee Members’ Recommendations for Items for Future Advisory Committee Meeting Agenda**

Member Roy Rahn, who represents the Proprietary Private Security Industry, referenced previous conversations about whether a Private Patrol Operator (PPO) is able to be licensed by the Bureau if it is organized as a limited liability company (LLC). Currently, companies organized as LLCs are ineligible for licensure as a PPO. Member Rahn then asked whether a discussion on the organizational structure of PPOs could be addressed during the Bureau’s Sunset Hearing or in a future Advisory Committee meeting.

Member Cruz asked for an update on the possibility of a baton refresher course and clarification on OC and pepper spray regulations. He then asked whether the Bureau regulates pepper spray.

(inaudible 52:51 – 52:53)

Member Cruz restated Bureau staff's inaudible response to his question, which confirmed that the Bureau does not regulate pepper spray training. He then asked if an agenda item can be added that addressed the inclusion of a new firearms training elective course titled *Active Shooter Response Training for Armed Security*. Member Cruz also suggested that the Committee reexamine holding one of the Advisory Committee meetings in Southern California, which he believed could increase public attendance and participation.

#### **9. Bagley-Keene Training**

Chief Woo stated that the Committee is not subject to Bagley-Keene so the training will not be conducted. He said that the Committee works in an advisory capacity to the Bureau and should ensure that all Members conduct themselves in an open and transparent manner. Therefore, the Advisory Committee is conducted in the spirit of Bagley-Keene even though it is not legally mandated to abide by its provisions.

Member Stanton Perez, who is a public representative, asked if the reason the Advisory Committee was not subject to Bagley-Keene was a result of the Committee not being a requirement of the Legislature.

Chief Woo confirmed that because the Advisory Committee is not a governmental body created by the Legislature, it is not subject to Bagley-Keene.

#### **10. Adjournment**

Chief Woo requested a motion to adjourn the meeting. Member Huntington III made the motion, which was seconded by Member Mohrfeld. The motion to adjourn the meeting passed on an 8-0 vote and the meeting adjourned at 11:01 AM.