

MINUTES

PRIVATE INVESTIGATORS LICENSING BOARD

JUNE 20, 2007

**MEMBERS PRESENT:**

DANIEL CRATE: BOARD MEMBER

EDWARD GONZALEZ: BOARD MEMBER

JAMES NADEAU: BOARD MEMBER

DAVID SPENCER: BOARD MEMBER

**OTHERS:**

KEITH MARCHER: CHAIRMAN

SUSAN LEE: BOARD COUNSEL

MECHELE RAY: EXECUTIVE DIRECTOR

RENE BOTELLO: SENIOR INVESTIGATOR

KRISTINE FARMER: INVESTIGATOR (Las Vegas)

ELAINE TRENT: ASSISTANT

Chairman Marcher called the meeting to order. He stated that this meeting would be the last he would serve as chair. He noted that the passage of Assembly Bill 531 removed the Attorney General from having a representative on the Board. The Board would now consist of 3 industry representatives and 2 public members. He said the Board would then elect a chairperson.

**APPROVAL OF MINUTES:**

The March 21, 2007 minutes were approved with a motion by Board Member Nadeau and a second by Board Member Gonzalez. The motion carried.

**FINANCIAL REPORT:** Executive Director Ray said that she had received a work program, which had been approved, and the Board was set for Fiscal Year 08. Chairman Marcher noted that the financial report was a non-action item, and asked if any Board member had questions. There were no further comments on the financial report.

**SWEARING IN:** Chairman Marcher asked Acting Board Counsel Session to swear in all those present who were to testify during the course of the meeting in both Las Vegas and Carson City.

**STAFF REPORT:** Executive Director Ray reported that there were 37 new complaints, 46 had been closed since March, 136 pending complaints, 7 of those complaints concerned licensees, with 59 in the north and 70 in the south. She reported that Senior Investigator Botello had written 9 citations, 6 cease and desist letters. She said he had completed a total of 70 background investigations in the last quarter. She stated that Senior Investigator Botello had attended 5 conventions for inspection purposes, one of which was the JCK Show. Executive Director Ray said Investigator Farmer had issued 6 citations, 1 cease and desist letter, 1 background had been rejected and 1 withdrawn. There were 33 pending investigations (11 for corporate officers, 7 for corporations, 1 for Repossessor, 7 for Private Investigator, and 7 for Private Patrol). There were 2 pending applications.

Executive Director Ray noted that she had conducted 1 audit since the last quarter and had issued 12 notices of violations.

Board Member Crate asked Senior Investigator Botello for comments regarding the JCK Show.

Senior Investigator Botello said he was pleased to report that the armored car industry performed well at that event and there were minimal problems, both at JCK and other jewelry shows. He said the employee registration process had run smoothly. He noted that 2 individuals were removed from the venue as they were armed, but did not have the proper documentation on their persons.

Board Member Crate commended Senior Investigator Botello and Investigator Farmer on their hard work in bringing such shows into statutory compliance.

**CONSENT ITEMS:**

6. Las Vegas Detectives, LLC applied for a corporate Private Investigator license, Malcolm Kirkman, #716, requested qualifying agent status and corporate officer approval.
7. TruthFinder Investigation, LLC applied for a corporate Private Investigator license, Dawn Ricci, #1334, asked for qualifying agent status and corporate officer approval, and Shawn Kessler also requested corporate officer approval.
8. PRA Location Services, LLC requested a corporate Repossessor license, Jim Snead requested qualifying agent status, and Kevin Stevenson, Craig Grube, and Steven Frederickson all asked for corporate officer approval.
9. Triple Canopy, #1366, requested corporate officer approval for Gregory Mulligan.
10. Alarmco, #608, requested corporate officer approval for Thomas Wilson.
11. Monument Security, Inc., #1258, applied for a corporate Private Investigator license, and Scott McDonald asked for both qualifying agent status and corporate officer approval.
12. Kroll Background America Inc applied for a corporate Private Investigator license, Phillip Smith asked to transfer his qualifying agent status from Infolink to Kroll Background America Inc, and Sabrina Perel and Albert Rosen asked for corporate officer approval.
13. Lexis Nexis Risk Management, Inc., #1369, applied for a corporate name change to Lexis Nexis Risk & Information Analytics Group Inc (Private Investigator category), and John Benson requested qualifying agent status from the Lexis Nexis Risk Management Inc to Lexis Nexis Risk & Information Analytics Group Inc.
14. Biometrica, #1295, requested corporate officer approval for Robert Schmitt.

Chairman Marcher asked if the Board wished to pull any items from the consent agenda.

Board Member Crate requested to pull 8, 11, and 12.

Chairman Marcher noted that no second was needed in order to pull agenda items. He asked if there were other items the Board wished to pull at that time, but there were none. He then asked for a motion for Items 6, 7, 9, 10, 13, and 14.

Board Member Spencer moved to approve the items, and Board Member Crate seconded the motion, which passed.

Chairman Marcher then addressed Item 8.

Jim Snead said he had been licensed for 10 years. He said his company, IGS Nevada, had been purchased by PRA. He said he wished to obtain a corporate Repossessor license and he asked to place his personal license into abeyance.

Board Member Crate said the reason he had pulled the 3 agenda items was that they all involved new corporations and new officers. He asked when PRA purchased IGS Nevada.

Mr. Snead said it occurred in April 2004.

Board Member Crate asked if the company had been operating as PRA or IGS.

Mr. Snead said there had been confusion on how many corporate officers needed to be listed for the corporation. He said the top 3 officers as shown on the agenda were the names finally chosen.

Board Member Crate again asked how PRA had been operating or advertising in Nevada since April 2004.

Mr. Snead said the company operated as IGS Nevada. He said the corporate name change took place in October 2005.

Board Member Crate asked if staff had been apprised of the name change.

Executive Director Ray said she had become aware of the name change during the renewal process.

She said that PRA had not been operating in Nevada and the company had operated as IGS Nevada.

Chairman Marcher asked if the Board or the public had any comments. As there were none, he asked for a motion.

Board Member Nadeau moved to grant PRA Location Services LLC dba IGS Nevada a corporate Repossessor license, to grant Jim Snead qualifying agent status, to place his individual reposessor license into abeyance, and to approve Kevin Stevenson, Craig Grube, and Steven Frederickson as corporate officer approval, subject to all statutory and regulatory requirements.

Board Member Gonzalez seconded the motion, which carried.

Chairman Marcher then addressed Item 11.

Scott McDonald said he was with the Placer County Sheriff's Office from 1986 to 1993. He obtained his Private Investigator license in California in 1994. He had operated a security company in California. He received a Private Patrolman license in Nevada in June 2006.

Board Member Gonzalez asked for Mr. McDonald's license number, and he said it was #1258.

Board Member Crate asked if Senior Investigator Botello had been able to segregate the hours Mr. McDonald showed between private investigative work and private patrol experience.

Senior Investigator Botello said the hours were gained by Mr. McDonald as a peace officer. He said there had been no issue in the separation of the hours. He said the certificates of experience had been verified. He said he had no questions regarding the hours.

Chairman Marcher asked for comments, but there were none. He then asked for a motion.

Board Member Crate moved to grant Monument Security, Inc. a corporate Private Investigator license, and to grant Scott McDonald both qualifying agent status and corporate officer approval, subject to all statutory and regulatory requirements.

Board Member Gonzalez seconded the motion, which carried.

Chairman Marcher moved to Item 12.

Francesca O'Keefe, attorney for Kroll Background America, Inc., spoke to the Board. She said the company performed background searches and criminal records searches. She explained that Kroll had purchased Infolink in March 2006.

Chairman Marcher asked if there were Board questions.

Board Member Nadeau asked for clarification of all the names shown in the background. He also asked about unlicensed activity in February 2006.

Ms. O'Keefe said there were several companies under Kroll, Inc. She said the chain was rather long involving all the names.

Board Member Nadeau asked if any of the other companies were doing business in Nevada, but she said she would not know that.

Board Member Crate asked about the citation issued to Kroll Factual Data.

Ms. O'Keefe said it was a separate company and a subsidiary of Kroll, Inc. She said it was a sister company and both Kroll Factual Data and Kroll Background America Inc. were subsidiaries of Kroll Inc. Board Member Crate asked about the ability of an officer to oversee either company.

Ms. O'Keefe said that the two companies had separate sets of officers and management.

Board Member Crate asked if Mr. Rosen was an officer of the cited company, but Ms. O'Keefe said he was not. She said he was the president of Kroll Background America.

Board Member Gonzalez asked about liens mentioned in the background information.

Ms. O'Keefe said she believed those liens involved personal liens. She thought they had been satisfied, but could not state with certainty.

Senior Investigator Botello said it was his understanding that the liens had been satisfied. He said he had no written confirmations.

Board Member Crate asked about the liens concerning Mr. Rosen. He said there were 4 pages and wanted to know if Ms. O'Keefe could confirm with staff as to the status of the multiple liens.

Ms. O'Keefe said that she would definitely do so.

Board Member Crate asked if Senior Investigator Botello would follow up on the liens, and he said he would do so.

Chairman Marcher asked for public comment. There was none.

Board Member Crate said, subject to the follow-up on the questions raised on Mr. Rosen's liens, he moved to grant Kroll Background America Inc a corporate Private Investigator license, to allow Phillip Smith to transfer his qualifying agent status from Infolink to Kroll Background America, Inc, and to grant Sabrina Perel and Albert Rosen corporate officer approval, subject to all statutory and regulatory requirements.

Board Member Gonzalez seconded the motion.

Chairman Marcher asked if Board Member Crate was making the motion contingent on the satisfaction of the liens, and Board Member Crate said that was correct.

Chairman Marcher questioned what would happen if the liens were not satisfied.

Board Member Crate amended the motion to state that a report would be provided by staff to show that whatever arrangements had been made regarding the liens were satisfied and that Mr. Rosen was current on whatever obligations were part of the liens.

Chairman Marcher asked if the second agreed with the amended motion, and he did.

The motion then carried.

### **OLD BUSINESS:**

DAVID WOOD, dba PROFESSIONAL INVESTIGATIONS & POLYGRAPH, applied for an individual Private Investigator license and Polygraph Examiner license.

Mr. Wood said he had missed the March 2007 meeting. He had been with the Reno Police Department since 1986. He said 17 of those years had been spent in investigations. He attended the Baxter School of Lie Detection in 2002 in San Diego. He had completed 750 polygraph examinations, most of which were pre-employment in nature and the rest were forensic in nature.

Board Member Gonzalez asked where Mr. Woods completed his internship.

Mr. Woods said it was with Jim Colbert. He further stated that the internship was at the school.

He also said that Mr. Baxter was in a wheelchair.

Chairman Marcher asked if there were further Board questions, but there were none.

Board Member Spencer asked Mr. Wood how much longer he would be employed by the Reno Police Department and he said until September 2007. He then asked if Mr. Woods was aware of the fact that his license would need to be placed in abeyance. He said he was aware of the fact.

Board Member Spencer moved to grant DAVID WOOD an individual Private Investigator license and individual Polygraph Examiner license to be placed into abeyance, subject to all statutory and regulatory requirements.

Board Member Gonzalez seconded the motion.

For clarification, Chairman Marcher asked what Mr. Wood would need to do in September, and

Executive Director Ray said he would just need to activate his license. The motion carried.

LISANDRA SEPULVEDA-ADAMS requested an individual Private Investigator license.

Ms. Sepulveda-Adams said she had missed the March 2007 meeting. She said she held a Bachelor's degree in Psychology and Criminal Justice. She had also worked for the Jackson County Sheriff's Department.

Board Member Crate noted that Ms. Sepulveda-Adams showed that much of her experience hinged on her duties at Community Works.

Ms. Sepulveda-Adams said she was a sex offender treatment provider. She performed initial intake evaluations and investigations on backgrounds.

Board Member Crate noted that group therapy and investigations of client histories were noted on the application.

Ms. Sepulveda-Adams said that was correct.

Board Member Crate asked if a majority of her time was spent on investigative work, and she agreed that was true.

Board Member Crate then asked Senior Investigator Botello for his opinion.

Senior Investigator Botello said he had spoken at length with Ms. Chappel and was quite satisfied with the hours shown by the applicant.

Board Member Gonzalez moved to grant LISANDRA SEPULVEDA-ADAMS an individual Private Investigator license, subject to all statutory and regulatory requirements.

Board Member Spencer seconded the motion, which passed.

**PRESENTLY LICENSED CORPORATIONS REQUESTING NEW QUALIFYING AGENT:**

ADT SECURITY SERVICES INC, #1338, requested qualifying agent status for SCOTT SCHLIEP.

Mr. Schliep said he was a retired military police officer from the US Army. He said his background was primarily correcting or supporting law enforcement operations on military installations, overseas communities, and missile sites. He retired in 1994. He was the Vice-President of Northwest Protective Service in Washington.



Board Member Nadeau asked about corporate officers.

Executive Director Ray said there was no change in corporate officers. She said they were only asking for a new qualifying agent. She said the parent corporation was going to submit the 3 corporate officer applications.

Board Member Nadeau asked Mr. Schliep if one of his first responsibilities as qualifying agent would be to obtain new corporate officers, and he agreed.

Board Member Crate asked about the relationship of Simplex with Tyco and ADT.

Mr. Schliep said Simplex was a separate company that was also owned by Tyco. He said it was separate from ADT.

Board Member Crate asked if Simplex was in the business of installing hardware and monitoring.

Mr. Schliep said that was correct. He asked if Simplex would not sell alarm response services.

Mr. Schliep said that was also correct.

Board Member Nadeau moved to grant ADT SECURITY SERVICES, INC. qualifying agent status for SCOTT SCHLIEP, to grant an individual Private Patrolman license to SCOTT SCHLIEP, and to place that license into abeyance, subject to all statutory and regulatory requirements.

Board Member Crate seconded the motion, which carried.

SMITH AND CARSON, #1251, requested qualifying agent status for SHANNON BARRETT.

Mr. Barrett said his educational background was in finance. He said he had been an investigator for about 10 years and was licensed or registered in approximately 10 states.

Board Member Gonzalez asked if it was Mr. Barrett's intent to set up shop in Nevada.

Mr. Barrett explained that the company would not be setting up a shop in Nevada at the present time.

Board Member Nadeau moved to grant SMITH AND CARSON qualifying agent status for SHANNON BARRETT, and to grant SHANNON BARRETT an individual Private Investigator license to be placed into abeyance, subject to all statutory and regulatory requirements.

Board Member Gonzalez seconded the motion, which passed.

**PRIVATE INVESTIGATOR:**

VICTOR MATERA requested an individual Private Investigator license.

Mr. Matera said he had been born in Las Vegas. He attended Drake University in Iowa. He majored in marketing and insurance. He had worked in the casino industry for the past 15 years. For the past five years, he had worked with James Ash.

Chairman Marcher noted that there was a supplemental report regarding Mr. Matera's hours. He asked for questions.

Board Member Gonzalez asked about the unlicensed activity citation. He asked for the status.

Executive Director Ray explained that the citation had been paid in full.

Board Member Crate asked Senior Investigator Botello about his concern that each "shop" done by the applicant amounted to 2-3 days. He thought that seemed extraordinarily long.

Senior Investigator Botello said more time was spent per "shop" than was actually shown by the applicant.

Board Member Crate said the overall concern that there was a lack of documentation for hours, as Mr. Matera had been paid on a salary basis.

Senior Investigator Botello said the amount of time spent on each shop by Mr. Matera was not the traditional mystery shop. He said the service was provided for the gaming industry and was quite extensive. He noted that both NYPD and LAPD had similar programs. He said that, in Mr. Matera's situation, he evaluated many services for each gaming properties. He said not only did Mr. Matera compile the data, but also presented live presentations of the information he gathered. Senior Investigator Botello said he was quite satisfied that Mr. Matera met the required hours of experience.

Board Member Crate asked if Mr. Matera had continued to operate since the last meeting.

Mr. Matera said he only operated under Mr. Ash's company, Ash Investigations.

Board Member Crate asked if Marketing Focus had not been operating since the last meeting, and Mr. Matera said it had not.

Board Member Crate asked if Mr. Matera would consider himself an investigator.

Mr. Matera said he would and that there were many aspects of investigation. He felt the work he did was an incredible asset to the gaming industry.

Board Member Spencer moved to grant VICTOR MATERA an individual Private Investigator license, subject to all statutory and regulatory requirements.

Board Member Nadeau seconded the motion, which carried.

PAUL FRONTERHOUSE applied for an individual Private Investigator license.

Mr. Fronterhouse said he had been a private investigator in California since 1987. He obtained his license as Personal Investigations in 1995. In 2006 he began working as an employee for Investigative Specialists, Inc. in Las Vegas.

Board Member Crate asked Senior Investigator Botello about a negative reference on the criminal history check.

Senior Investigator Botello said they were dismissed.

Board Member Crate asked if those references were declared on the application, and Senior Investigator Botello said they were included by the applicant.

Board Member Gonzalez moved to grant PAUL FRONTERHOUSE an individual Private Investigator license, subject to all statutory and regulatory requirements.

Board Member Nadeau seconded the motion, which passed.

HIRERIGHT, INC. requested a corporate Private Investigator license and an individual Private Investigator license for RONDA BELVILLE-PEREZ.

Mark Marchardi introduced himself and Eric Boden, Greg Freeman, Lori Gleason, and Ronda Belville-Perez. He explained that HireRight performed background screening for employees by public record searches. He said the company worked for 50 of the Fortune 500 companies. He said the company employed over 850,000 people who performed millions of transactions per year. He said the growth in the field of background screening had been very rapid in recent years. He said HireRight had worked hard to complete the application process in Nevada. He said Ms. Perez had passed the exam required by the Board to be licensed with flying colors. He said HireRight had a high level of integrity. He noted

that HireRight had a spotless reputation in other states and had received awards for their excellent service.

Board Member Spencer noted that Senior Investigator Botello had included in his notes 7,000 hours of certified investigative experience that could not be verified.

Senior Investigator Botello said the hours were verified, as shown in the supplemental report.

Ms. Perez said she was a California resident and held a BA in Criminology in 2002. She had just received a Master's Degree in Criminal Justice. She was licensed in California. She was knowledgeable in skip tracing.

Board Member Crate asked if the work Ms. Perez performed in Irvine was volunteer work or paid.

Ms. Perez said it was a paid position.

Board Member Gonzalez asked about Ms. Perez's degrees, and she said she had a Bachelor of Arts degree and an MS degree.

Board Member Gonzalez asked Ms. Perez about her study time at Long Beach. She said it was an 18-month program.

Board Member Crate asked when Ms. Perez was originally hired by HireRight. She said the date was March 23, 2002. She said she had been an intern at the White House just prior to that.

Board Member Crate asked what attracted her to HireRight.

Ms. Perez said she was always interested in law enforcement. She said the position was open for a public records researcher. She said she was drawn to that area of investigation.

Board Member Nadeau asked Senior Investigator Botello to explain the citation issued to HireRight.

Senior Investigator Botello said the Board had cited HireRight in the summer of 2006 by Investigator Farmer. He said they had also received a second citation.

Board Member Nadeau asked if there had been a cease and desist letter sent prior to the citation.

Board Member Crate asked Investigator Farmer when she had issued the citation.

Investigator Farmer said a verbal cease and desist had been given, as she had spoken to the general counsel. She said the company did not have a qualifying agent in place and were taking quite a long

time to comply with that requirement. She had contacted them several times about putting a qualifying agent in place. She said one possible candidate did not work out, so now they were asking for Ms. Perez to be their new qualifying agent. She said a citation was then issued.

Board Member Crate asked when the first citation was issued. Board Member Nadeau asked to whom the citation was issued.

Investigator Farmer said it was August 2006. She said she did not recall to whom it was issued, but it was sent to HireRight, Inc.

Board Member Crate asked when the second citation was issued.

Senior Investigator Botello said he issued that citation a couple of months ago and was specific to engaging in unlicensed activity. He said since that citation was issued the company had stopped the activity.

Board Member Crate asked if the second citation before March 2007 or after April 2007.

Senior Investigator Botello said he believed it was just prior to March, but could not say for certain, as he did not have that file with him.

Board Member Crate asked if Ms. Perez was aware of the citations.

Ms. Perez said she first became aware of the citation the day before she took the PI exam in April. She said she had not received a copy of the first citation until April 2007.

Board Member Crate asked if Ms. Perez knew there had been a citation issued in August 2006. She said she knew about it.

Board Member Crate asked when she became aware that the company needed to be licensed in Nevada.

Ms. Perez said she learned that fact when the other person who was going to be the qualifying agent decided not to go forward.

Board Member Crate said she was aware that a license was needed in August 2006 and that was when HireRight requested an application.

Board Member Crate asked what her awareness or involvement of any continuing business by HireRight in Nevada since August 2006.

Ms. Perez said there had been no solicitation of new business.

Board Member Crate said that was not what he had asked; he again asked about her awareness of any continued business by HireRight in Nevada. He then asked if Ms. Perez was aware that HireRight was still doing business in Nevada.

Ms. Perez said she was aware of that fact.

Board Member Crate asked what her actions were at that point.

Ms. Perez said she worked with counsel to secure a licensed vendor in the state.

Board Member Crate stated that Ms. Perez was aware that HireRight needed a license in August 2006.

Ms. Perez agreed.

Board Member Crate then asked if Ms. Perez was aware that HireRight was unlicensed from that point forward, and she agreed. He then asked Ms. Perez if she was aware that HireRight was continuing to do business at that time, though the company was unlicensed.

Ms. Perez said she believed HireRight was able to continue to do business in Nevada, as they were using licensed sub-contractors to perform the actual work.

Board Member Crate asked if it was Ms. Perez's opinion that HireRight had not performed unlicensed activity in Nevada.

Ms. Perez said to her knowledge, when she signed all the paperwork, she did not believe so.

Board Member Crate asked, since Ms. Perez had studied the statutes to take the exam, for her opinion as to whether or not HireRight was in compliance.

Ms. Perez said at the time, HireRight was not in compliance, but they believed at that time they were on the right track by speaking to Board staff and securing a licensed vendor.

Board Member Crate asked where Ms. Perez felt HireRight had crossed over the line.

Ms. Perez said the unlicensed activity was the searches that were performed by the licensed entity HireRight had contracted.

Board Member Crate asked Senior Investigator Botello for clarification. He asked if the conversation had to do with the unlicensed activity because HireRight hired another company or because they were contracting to work in Nevada. He asked if the licensed entity was generating the business and then sub-contracting that work.

Senior Investigator Botello said in the initial background report, the information in reference to the citation was made. He said, in reference to the second citation, HireRight had subcontracted with a firm in Arizona names PDG Legal Services, Inc. He said HireRight entered into a contract to perform record searches in Nevada counties. He said PDQ Legal Services, Inc. was purchased by an individual. That person called the PILB office for direction. He asked about Nevada law, as PDQ was not licensed in Nevada. He explained that the contract was specific to a service provided for HireRight and its clients. Hence, the second citation was issued.

Board Member Crate asked for clarification. He said that, even though HireRight was not performing the searches themselves, they had contracted for another company to perform them in Nevada. That company also was not licensed in Nevada. Senior Investigator Botello agreed.

Board Member Crate said that HireRight was aware that a license was needed. He said they also knew a qualifying agent was required in order to obtain the license. He said that HireRight knew it didn't have a license, so it attempted to sub-contract to a company to perform the searches. He said they felt they were in compliance, but had not learned whether or not PDQ was licensed.

Ms. Perez said PDQ said they would provide licensure information directly to the Board, but not to HireRight.

Board Member Crate asked if Ms. Perez had ever obtained a copy of their license. She said she had not.

Board Member Crate said, though HireRight knew the requirements, they had not bothered to learn whether or not PDQ was licensed or if they had provided that information to the Board.

Investigator Farmer said that HireRight had heard from the Board in 2004 and knew then that a license was required. She said she had not been employed by the Board at that time, but had received the file in 2006. She said the file contained correspondence from Carol Hanna explaining to Mr. Freeman and

HireRight the need to obtain a license. She said that HireRight had continued to work in Nevada, even though they knew they were not properly licensed.

Mr. Freeman said he wanted to give a brief history. He said HireRight had initially been contacted by the PILB in 2004. He did say that HireRight did not feel that the way they were doing business should require a private investigator license. HireRight and the PILB conversed and HireRight looked at their options in relationship to the statutes. He felt there were challenges they could make to the statute, but didn't want to do that. They wanted to cooperate and follow the statutory requirements. He said HireRight hired a California licensed private investigator who was to obtain a Nevada license. That person said he had submitted his applications for both California and Nevada licenses. He told them he was waiting to be approved at that point.

Board Member Crate asked for the timeframe of these events.

Mr. Freeman said HireRight had been contacted by the Board in 2004. The potential qualifying agent was hired in 2005. He admitted that they should have taken a different course of action. He said he believed that the California investigator had submitted his application to the Board and HireRight was waiting for the approval process. Mr. Freeman then stated that Senior Investigator Botello contacted HireRight. He told HireRight that their case was still open and there had been no activity for quite some time concerning licensure. HireRight was then contacted by Investigator Farmer. She told them the proper checks had not been submitted or processed, and the application had not been submitted. They sent Investigator Farmer information regarding the vendor they were using. He said he then learned the vendor they had been using to process searches was not licensed in Nevada. He said they completed the application process as soon as they could. Investigator Farmer had again contacted HireRight, but they did not understand the problem. They believed they were conducting business properly because they were not soliciting new business. He said it was only in April 2007 that the citation was brought to HireRight's attention. Investigator Farmer said they would receive the citation in writing. He said Senior Investigator Botello gave him a copy of the citation, but that was the first anyone at HireRight had seen of them. He said they went back to their vendor and asked for verification of the license. It was then they



learned the vendor had changed hands. The new owner of PDQ then asked Senior Investigator Botello to explain the situation. He said HireRight had not done everything right, but their intent was to work with the Board.

Board Member Spencer said HireRight should have investigated the situation on their own and showed a lack of follow-up in their business practices. He then asked why HireRight hired a California investigator to be their Nevada qualifying agent.

Mr. Freeman said the point was well taken. He said they wanted to have a licensee in their home state first and then become licensed in Nevada.

Board Member Nadeau asked who had received the 2006 citation.

Chairman Marcher noted that HireRight said they had never seen the August 2006 citation until Senior Investigator Botello had shown it to them.

Investigator Farmer said she sent the citation to HireRight, Inc. and was fairly certain Greg Freeman's name was on it.

Chairman Marcher asked if the citation had been sent by regular or certified mail.

Investigator Farmer said it was sent by regular mail.

Chairman Marcher asked if that was a normal procedure. Investigator Farmer said she sent the citation that way in this case, but sent subsequent citations by registered mail. She had not been familiar with the procedure at the time of the citation for HireRight.

Chairman Marcher said since the original had not been sent as certified mail, there was no way to prove if they had received it or not.

Board Member Crate asked Ms. Perez about a written response in her questionnaire showing that HireRight was pursuing licensure in Texas, Nevada, and California. He asked if Texas and California require HireRight to be licensed.

Ms. Perez said they did in California, but Texas was still a grey area for them. It was a new area for Texas as well.

Board Member Crate asked if HireRight had received a cease and desist order in Texas or California, and Ms. Perez said they had not.

Chairman Marcher again noted that HireRight claimed they had never received the first citation. He asked Ms. Perez if they received notice of the first citation just prior to receiving notice of the second citation.

Ms. Perez explained that they received the first citation and a week or two later, the second one was received.

Chairman Marcher asked if the Board had any more questions. He then allowed Mr. Kirkman to speak. Malcolm Kirkman said on behalf of Nevada Society of Professional Investigators that, based on 3 years of unlicensed activity shown by HireRight, he was opposed to their licensure.

Eric Boden said he was the president of HireRight and had been the CEO since 1999. He said he felt the Board had an impression of HireRight that was not accurate, based on the chain of events of the past three years. He said the company prided itself on its integrity and compliance with state laws. He said he was ashamed of the company's current predicament. He offered an apology. He wanted to look forward instead of dwelling on the past. He noted the company had grown over 72% in the past 5 years.

He said the company offered valuable services and it would negatively impact Nevada significantly if they were not allowed to be licensed. He asked for the license to be granted.

Board Member Spencer asked if Mr. Boden was aware of counsel's letters regarding the citations.

Mr. Boden said he had a team of managers and had confidence in those who had spoken at the meeting. He said he would not knowingly violate Nevada laws.

Board Member Crate asked when the problems with licensing were brought to Mr. Boden's attention.

Mr. Boden replied that he had received a letter from the state and believed it was 45-60 days ago. He said that was the first time he realized that there were serious problems. He said there had been a definite lack of follow-through on the company's part. He said the company had expected Mr. Hess to become the qualifying agent, and there would not be a problem today if that had occurred.

Mr. M (inaudible) said he was not involved with representing HireRight at the time of the mix-up with Mr. Hess. He said since that time, HireRight had been briefed on all statutes and would have instant access to legal advice from him.

Chairman Marcher noted that Carol Hanna was the executive director for the Board when the events with HireRight occurred in 2004.

Executive Director Ray said that 1 or 2 cease and desist letters had been sent.

Chairman Marcher pointed out that the Board had explained to HireRight in 2004 that there was a potential problem, but did not follow up on the matter until August 2006.

Executive Director Ray noted that the previous investigator had an old complaint file for HireRight.

Chairman Marcher asked when Executive Director Ray recalled revisiting the issue.

Executive Director Ray said it was when the Board received the application from HireRight and looked into the old complaint case file. She said they discovered the citation had not been sent by registered mail.

Board Member Crate noted that it was not unusual for out-of-state companies to not respond to cease and desist letters.

Senior Investigator Botello said Carol Hanna had contacted HireRight. He said there was a response from Mr. Freeman in 2004. He said he recalled that in his response, there was some question at that time as to whether HireRight needed to be licensed.

Chairman Marcher said that was the point he was attempting to make. He said when the Board issued a citation, the company involved sometimes responded by saying they disagreed with the citation. The appeal process then usually came into play. He said at that point, with HireRight, the Board had sent a citation and then had not taken the issue further for 2 years.

Senior Investigator Botello said, to his recollection, there was a denial on the part of HireRight. He said that HireRight said it was not engaged in doing the business for which the Board cited them. He said the Board accepted it.

Chairman Marcher asked if staff accepted the denial at that time.

Senior Investigator Botello said at that point, the denial was accepted by the Board. From 2004 to 2006, the word in the industry was that HireRight was indeed performing searches in Nevada. He said during that time, the matter could not be pinned down. No positive proof of activity could be brought forward. Chairman Marcher asked for clarification on the term "denial" as used by Senior Investigator Botello. He asked if the denial meant HireRight said they were not engaging in unlicensed activity or they disagreed with the citation and the statutes.

Senior Investigator Botello said he could not say for sure.

Executive Director Ray said she believed there were two separate complaints, one from 2004 and one from 2006. Senior Investigator Botello agreed.

Executive Director Ray said the complaint from 2004 was handled by Carol Hanna in which HireRight denied the merits of the citation. Then, in 2006, another complaint was filed.

Chairman Marcher said that was his question. He asked if HireRight's response in 2004 was that they did not agree with the citation and interpretation of the statute, and therefore, continued to do business in Nevada.

Senior Investigator Botello said the company denied doing any business at all.

Mr. Freeman said he had written a letter to Carol Hanna stating that HireRight did not feel that the statute applied to them. He said the company wanted to comply with the Board anyway. He said the Board had never contacted them again about the matter. He again stated that the company, on its own initiative had hired a California PI who was to obtain his Nevada license. He again noted that HireRight had not received the citation until the past 8 weeks.

Chairman Marcher asked why HireRight hired a California private investigator, since they had not heard any directive from the Board.

Mr. Freeman said they hired the person because they wanted to comply with Nevada laws.

Chairman Marcher stated for clarification purposes that the citation in 2004 fell through and that another citation was issued in 2006.

Senior Investigator Botello said he gave HireRight a copy of the original citation and issued the second citation a few weeks later.

Mr. Freeman said the copy was unsigned.

Board Member Gonzalez said he had a problem with HireRight stating that they had not deserved the citation. He felt they were taking no responsibility for their actions.

Chairman Marcher said HireRight wanted to pay the fine without admitting guilt.

Mr. Marchadi (sp) said competitors might use the fine against HireRight. He said they wanted to pay the fine, but they did agree that they were guilty of unlicensed activity.

Chairman Marcher asked for a motion.

Board Member Crate moved to deny HIRERIGHT, INC. a corporate Private Investigator license based on NRS 648.100 (3) (f) "While unlicensed, performed any act for which a license is required by this chapter".

Board Member Gonzalez seconded the motion.

Board Member Crate then summarized his reason for denial. He noted that 2 of the 3 proposed corporate officers should have been aware in 2004 of the statutory requirements in Nevada. He said the company acknowledged that they should have been aware of the need for licensure and the qualifying agent they had attempted to hire was only marginally qualified and had only been with the company 3 months.

Executive Director Ray clarified that Ms. Perez had not been with the company for only 3 months.

Board Member Crate acknowledged the misstatement.

Chairman Marcher asked Board Member Crate to restate the motion.

Board Member Crate moved to deny Agenda Item #21 in its entirety, pursuant to NRS 648.100 (3) (f).

The motion to deny was passed without opposition.

CHRISTINA GALVEZ applied for an individual Private Investigator license.

Ms. Galvez said she was from Las Vegas and had been employed at her brother's firm. She said she was experienced in bankruptcies and investigating all clients.

Board Member Nadeau asked about Martin Artega, whose name appeared in the background material.

Ms. Galvez said he was her spouse.

Board Member Nadeau asked Ms. Galvez to elaborate on her work experience.

Ms. Galvez said she began working in September 1999 for her brother, Miguel, at his law firm. She said he practiced family law, which involved child abuse cases and the locating of deadbeat parents. She said she had worked, through Miguel, for numerous attorneys over the years.

Board Member Crate asked Ms. Galvez to explain a statement in her background made by Mr. Stafford. He said he had known Ms. Galvez for 5 year, but attested to 9 years of experience for Ms. Galvez. Board Member Crate said the duties shown were not entirely investigative. He asked if there were additional employees.

Ms. Galvez said there were 2 other paralegals. Mr. Stafford had known her for several years, but she couldn't recall exactly how long. She said she had worked closely with him for the past 5 years.

Board Member Crate asked about her experience based on the work performed by investigators. He asked about her work and if it was done on a full-time basis.

Ms. Galvez said she extensively investigated clients. She said she investigated every case that came to the office. She said she investigated family law cases, bankruptcies, and personal injury cases.

Board Member Crate moved to grant CHRISTINA GALVES an individual Private Investigator license, subject to all statutory and regulatory requirements.

Board Member Nadeau seconded the motion, which passed.

#### **PRIVATE INVESTIGATOR AND PRIVATE PATROLMAN:**

MASTO GROUP applied for a corporate Private Investigator license and a corporate Private Patrolman license.

Chairman Marcher asked if Paul Masto was married to the Attorney General (Catherine Cortez Masto), and he affirmed that fact. Chairman Marcher stated that she was his boss. He said he would then recuse himself from voting on the current item.

Mr. Masto said he was retired from the United States Secret Service after 25 years. He was assigned to Nevada in 1995 and spent 4 years here. He was then sent to Washington, D.C. for 4 years. He then returned to Nevada in 2002. He had 13 years of investigative experience and 12 years experience in protection.

Board Member Spencer moved to grant MASTO GROUP a corporate Private Investigator license and a corporate Private Patrolman license, to grant PAUL MASTO an individual Private Investigator license and an individual Private Patrolman license to be placed in abeyance so he could become the qualifying agent of MASTO GROUP, and to approve PAUL MASTO as the corporate officer, subject to all statutory and regulatory requirements.

Board Member Nadeau seconded the motion, which carried.

**PRIVATE INVESTIGATOR AND PROCESS SERVER:**

DONALD FRITSCH applied for an individual Private Investigator license and an individual Process Server license.

Mr. Fritsch said he was the president of American Legal Investigation Service, Inc. He said he was licensed in California and Arizona. He began working at the age of 19.

Board Member Gonzalez asked him about the tax liens shown in his background information.

Mr. Fritsch said all liens were satisfied.

Senior Investigator Botello said the liens were shown as satisfied. He then informed the Board that an unlicensed activity citation had been issued to Mr. Fritsch that same morning.

Chairman Marcher asked if Board Counsel Lee had spoken to Mr. Fritsch, and she said she had not.

Chairman Marcher asked if Mr. Fritsch wanted to seek the appeal process.

Mr. Fritsch said that was absolutely the case. He said he had not conducted any unlicensed activity in Nevada.

Chairman Marcher said the agenda item should be tabled until the appeal hearing.

Board Member Spencer moved to continue the applicant's request until the September 2007 meeting.

Board Member Nadeau seconded the motion.

Board Member Crate said, for purposes of discussion, the only means to address the licensure request would be if Mr. Fritsch were to pay the citation.

The motion to table the agenda item passed unanimously.

**PROCESS SERVER:**

CAVALIE & ASSOCIATES was the next agenda item, but Executive Director Ray stated that CYNTHIA CAVALIE had withdrawn her request for licensure.

STEPHEN GREER'S request for an individual Process Server license was the next item.

Chairman Marcher noted that the current agenda item was tied to Item #41. He asked Senior Investigator Botello if he was going to dismiss the citation, and Senior Investigator Botello said that was correct.

Chairman Marcher said the items would both be discussed later in the meeting.

**REPOSSESSOR:**

CARS VEGAS, LLC, requested a corporate Repossessor license.

CURTIS BLANCETT said he had been a reposessor in California from 1987 to 1992. He said he had worked from 1995 until recently for WS Financial, which had been purchased by Wachovia. He had managed repossessions and repossessing agents.

Board Member Gonzalez moved to grant CARS VEGAS, LLC, a corporate Repossessor license, to grant CURTIS BLANCETT an individual Repossessor license to be placed in abeyance so he could become the qualifying agent, to approve CURTIS BLANCETT and RICHARD SLINGERLAND as corporate officers, subject to all statutory and regulatory requirements.

Board Member Spencer seconded the motion, which carried.

**PRIVATE PATROLMAN:**

CYRPRESS PRIVATE SECURITY NV, LLC, requested a corporate Private Patrolman license.



NILS WELIN said his background was in the military. He had a BS in finance from the University of Sweden. He also had an MBA degree. He was CEO of Cypress Security for the past 2 ½ years and had been with the company for 6 years.

Board Member Crate asked Mr. Welin to explain if all his patrol experience had been gained at Cypress Security.

Mr. Welin said not initially.

Board Member Crate asked Senior Investigator Botello if the background information all relied on experience gained at Cypress Security, and he said that was true.

Board Member Crate asked about the 2 -3 year span as Director of Marketing and how that translated to security experience.

Mr. Welin said he had overseen 15 employees when he started working. He said his title was Director of Marketing, but he actually worked with clients and was very hands-on with the crew and clients on-site. He said the company ownership changed over the years. He said it became apparent that he was more suited to act as the CEO than the current person holding the job.

Board Member Crate asked if Mr. Welin was hired by the company to help them grow.

Mr. Welin agreed and said he brought in numerous accounts for the company. He said he was very hands-on and detail oriented.

Board Member Crate asked again about the work Mr. Welin had actually performed and if it translated into actual approved hours of experience.

Mr. Welin said he had a very good working knowledge of what the clients wanted and how the employees delivered on those services. He said it was his job to deliver the work expected of the clients.

Board Member Crate asked Senior Investigator Botello about the hours of experience gained by Mr. Welin with regard to marketing and operations.

Senior Investigator Botello said he looked at the language in NRS 648.110 and felt that Mr. Welin had definitely been “engaged in the business of” patrol work. Mr. Welin had definitely gained the hours needed to become licensed in Nevada. He said he was quite comfortable with the hours claimed.

Board Member Gonzalez asked about Mr. Welin's experience at post. He asked if Mr. Welin gave instructions to officers on post and if he gave post assignments.

Mr. Welin said that was correct and he was involved in all aspects of post orders. He had assigned and trained the employees himself.

Board Member Gonzalez asked if Mr. Welin had been hands-on with regard to errors.

Mr. Welin said that was true and he was concerned with the requests of the clients.

Board Member Gonzalez asked if he had ever stood post.

Mr. Welin said he had done so, but not with Cypress Security. He had done so in the military as a security officer.

Board Member Gonzalez asked if he had been an armed guard.

Mr. Welin said he had not done so with Cypress Security.

Board Member Gonzalez moved to grant CYPRES SECURITY, NV, LLC a corporate Private Patrolman license, to grant NILS WELIN an individual Private Patrolman license to be placed in abeyance so he could become the qualifying agent, to approve corporate officer status for NILS WELIN and KES NARBUTAS, subject to all statutory and regulatory requirements.

Board Member Crate seconded the motion, which passed.

TRITON SECURITY, INC. applied for a corporate Private Patrolman license.

LINDA CHILDERS said she had worked from 1992 to 1997 as an officer and had been in charge of hiring and firing employees. She moved to Nevada in 1996. The corporation was licensed in 6 states.

Board Member Crate asked what her capacity was for #1174a.

Ms. Childers said she had been manager for Elite Professional Services, Nevada.

Board Member Crate asked if Elite was currently licensed.

Executive Director Ray said the dba was under Steven Baker's license.

Board Member Nadeau moved to grant TRITON SECURITY, INC. a corporate Private Patrolman license, to grant LINDA CHILDERS an individual Private Patrolman license to be placed in abeyance so she

could be the qualifying agent, to approve LINDA CHILDERS as corporate officer, subject to all statutory and regulatory requirements.

Board Member Crate seconded the motion, which carried.

DIVERSIFIED SECURITY SERVICES, LLC, applied for a corporate Private Patrolman license.

Mr. Pittman's legal counsel introduced herself and Mr, Pittman. She reiterated the agenda items and approval it was seeking from the Board.

ROBERT PITTMAN said he entered the United States Air Force in 1980. He had 23 years of experience as a security policeman. From 1982 to 1987 he was a trainer in the air force. He oversaw 800 security force members. He held a Bachelor's degree in Psychology and an associate's degree in security administration. He also had a Master's degree in Adult Education. He was currently taking courses in Organizational Leadership.

Board Member Spencer remarked on how young Mr. Pittman appeared.

Board Member Nadeau moved to grant DIVERSIFIED SECURITY SERVICES, LLC, a corporate Private Patrolman license, to grant ROBERT PITTMAN an individual Private Patrolman license to be placed in abeyance so he could become the qualifying agent, and to approve EUGENE BURROUGHS as a corporate officer, subject to all statutory and regulatory requirements.

Board Member Gonzalez seconded the motion, which passed.

SHERMAN HATCHER applied for an individual Private Patrolman license.

Mr. Hatcher said he had recently retired from the Nevada Department of Corrections. He said he had spent over 30 years with that department. He began as a corrections officer in 1976. He had served as a caseworker and was warden at 4 different correctional facilities. He left the department July 31, 2006.

Board Member Gonzalez moved to grant SHERMAN HATCHER an individual Private Patrolman license, subject to all statutory and regulatory requirements.

Board Member Spencer seconded the motion, which carried.

PETER ALEXAN ENTERPRISES, INC. dba RA CONSULTING applied for a corporate Private Patrolman license.

PETER ALEXAN said he was the owner and CEO of RA Consulting. He said he had been in business for about 12 years.

Board Member Crate asked about the citation for unlicensed activity.

Mr. Alexan said he misunderstood the statutes and had had a contract with a licensee to perform the work.

Board Member Crate noted that the citation was issued for providing service at a trade show. He asked how many employees from Mr. Alexan's office had worked at that show.

Mr. Alexan said there were 2 people.

Board Member Crate asked if the work had been subcontracted.

Mr. Alexan said he always did so, and only brought 1 or 2 people as supervisors.

Board Member Crate asked if Mr. Alexan had any qualms about the citation.

Mr. Alexan said he agreed with the citation and paid it.

Board Member Crate asked which investigator issued the citation.

Senior Investigator Botello said he had issued it. He said about a month later he had received a list of employees from Mr. Balicki.

Board Member Crate asked why Mr. Balicki hadn't registered Mr. Alexan's employees and yet those people were cited. He asked if Mr. Balicki had also received a citation.

Executive Director Ray said they were separate issues and the matter of Mr. Balicki was not the current agenda topic.

Board Member Crate asked if Mr. Alexan had provided services previously to that show in Las Vegas.

Mr. Alexan said he had not done so.

Board Member Gonzalez asked if the citation had been satisfied.

Chairman Marcher said it had indeed been paid.

Board Member Gonzalez moved to grant PETER ALEXAN ENTERPRISES, INC. dba RA CONSULTING a corporate Private Patrolman license, to grant PETER ALEXAN an individual Private Patrolman license

to be placed in abeyance so he could become the qualifying agent, and to grant PETER ALEXAN corporate officer approval, subject to all statutory and regulatory requirements.

Board Member Crate seconded the motion for discussion purposes. He noted that Investigator Farmer spoke with RA Consulting in August 2006 and advised them that consulting required a license. He noted that in-house counsel had advised on August 29, 2006 that RA Consulting needed a license. He said that an agreement had been signed on January 25, 2005. He said he was attempting to build a chronology of events.

Senior Investigator Botello said there was a different chain of dates. He said the citation was issued March 30, 2007.

Board Member Crate again stated the dates as Investigator Farmer conversed with RA Consulting in 2006 and a week later had a session with counsel in August 2006. He said an application was requested by RA Consulting. He said a citation was made in 2007.

Board Member Gonzalez asked if there were multiple citations against the company.

Senior Investigator Botello said there was only 1 citation for 1 show.

Board Member Gonzalez said the company was cited because of the failure of the current licensee to register employees.

Board Member Crate said, according to the citation, there was a complaint against RA Consulting for services at a show in April of 2006.

Investigator Farmer said there was a cease and desist letter sent to RA Consulting in 2006. She stated that John Lafferty who represented himself as a representative of RA Consulting at a home design group convention in Las Vegas.

Board Member Crate asked if it was 2007 or 2006.

She said in 2007 it was the home design group and that was ultimately where the citation originated by Senior Investigator Botello. She said last year she contacted RA Consulting regarding the same home design group and had warned them not to provide services at that show.

Mr. Alexan said his company did not work at the show this year.

Board Member Crate asked if Mr. Alexan was aware that there was an advisement in 2006.

Mr. Alexan said the only time he was aware that there was a problem was when Senior Investigator Botello issued the citation.

Senior Investigator Botello said Mr. Alexan's company did not work at the 2007 show.

Board Member Crate asked about the home design show in 2006 and if the company worked there even though they were advised against it.

Senior Investigator Botello said he could not prove it.

Board Member Crate said the work at that show was the basis of the citation.

Senior Investigator Botello said it was actually a complaint that was in reference to the 2006 show.

Board Member Nadeau asked if the citation was based on the 2006 complaint.

Senior Investigator Botello said the citation was in reference to yet another show involving the World Market Center. He said RA Consulting had forfeited the contract with the HD 2007 show as a result of the citation. He said another company took over that contract that was also unlicensed.

Board Member Crate said the HD 2007 show did not happen as far as the Board was concerned.

Board Member Crate said Senior Investigator Botello was comfortable issuing the citation because Mr. Alexan had previously been warned about unlicensed activity.

Senior Investigator Botello said that was correct.

Board Member Crate asked why the work at the World Market Center occurred.

Senior Investigator Botello said he believed Mr. Balicki's involvement at that point caused the work to go forward. He said when he initially contacted Mr. Balicki, he didn't know what employees were in place from RA Consulting. He did say that Mr. Alexan was "borrowing" his license and Mr. Balicki was actually unaware of what was exactly going on with the work at the show.

Board Member Crate asked Senior Investigator Botello if he thought Mr. Alexan believed he was proceeding properly.

Senior Investigator Botello said he perhaps thought so.

Board Member Gonzalez said it was his understanding that there had not been a direct intent to violate the statutes to perform the work.

Board Member Crate said, after the warning, Mr. Alexan had appeared to try to do the work differently by utilizing a licensee.

Board Member Nadeau asked about the date of the contract and how long it had been in effect.

Mr. Alexan said it was a couple of years.

Chairman Marcher said the contract was signed January 2005.

Chairman Marcher called for the question. The motion passed.

FPK SECURITY, INC. requested a corporate Private Investigator license and a corporate Private Patrolman license.

MARK DAVID said he had served for 3 years in the military. He worked in loss prevention. He said he worked for the LA County Sheriff's Office. He said he had his Private Investigator license in Nevada. He noted that a citation had been issued to him by the Board. He said the citation was entirely his fault. In April 2005 he entered into loss prevention work and did that work until April 2007. Senior Investigator Botello went to the site at that time and was told he was performing security work without the proper license. He asked for a meeting with Executive Director Ray and Senior Investigator Botello to apologize for the oversight.

Board Member Crate said Mr. David had been licensed since 1997 and should have known he needed a Private Patrol license to offer the loss prevention services.

Mr. David said he knew he needed a Private Patrolman license. He said he was in the process of obtaining the application.

Board Member Crate asked how long Mr. David had provided service to FedEx.

Mr. David said he began servicing the account in California in June 1994. He said all his training was in loss prevention. He explained the picture of the uniforms the workers were wearing, and he agreed that they should not have worn them.

Board Member Crate asked him about the 10 years he had spent with the LA County Sheriff's Office. He said Mr. David should know the difference between loss prevention and security guard work.

He said no matter how the employees were dressed, they were acting as security guards.

Mr. David again stated that his training was in loss prevention.

Board Member Crate noted the name of Mr. David's predecessor at the facility in Reno, TLG.

Mr. David said he took over for TLG. He said that company was losing the account in Nevada, Arizona, and California.

Board Member Crate asked about the status of the account and if it had been transferred to a Nevada account. Mr. David said that by 5:00 P.M. the following day the account had been transferred.

Board Member Crate moved, without prejudice to reapply, to deny FPK SECURITY, INC.'s request for licensure based on NRS 648.100(3)(f) for unlicensed activity.

Board Member Nadeau seconded the motion.

Chairman Marcher commented that any time an application was denied, the applicant was free to reapply.

Board Member Crate said the burden was on established businesses to comply with regulations.

The motion to deny the application carried.

STAFF PRO, INC. applied for a corporate Private Patrolman license.

CORDELL MEREDITH said he was the sole shareholder of the company. He said his company supplied security for sporting and entertainment events. He said he was licensed in California and in other states.

He had an office in Nevada previously, but had shut it down. He said he had recently been issued a citation. He said he paid the citation. He said John Sutton worked through Security Unlimited. He said Mr. Sutton was a registered employee and was on the payroll. He said he paid the citation in order to avoid a delay in receiving his license.

Board Member Crate asked if there was a contract between Staff Pro and Nielsen Business.

Mr. Meredith said there was a contract. He said, once he realized the company was not going to be licensed in time, Security Unlimited became involved.



Board Member Crate said they entered into the agreement knowing they were not going to be licensed in time.

Mr. Meredith said Mr. Sutton, who signed the contract, assumed that based on the information he had received, they would be licensed. He said they contracted with Security Unlimited.

Board Member Nadeau asked about Mr. Sutton's relationship with the company.

Mr. Meredith said he was a consultant.

Board Member Nadeau asked if he were an employee or a contractor, and Mr. Meredith said he was an employee. During the conference, they employed Security Unlimited.

Board Member Nadeau restated the chain of events. He said Mr. Sutton was working for Mr. Meredith, he entered into a contract using Mr. Meredith's corporation, then subsequently, once the license was not going to be granted soon enough, he then entered into a contract with Security Unlimited.

Mr. Meredith said he was an individual who worked for Security Unlimited during the time of the conference.

Board Member Nadeau asked if he were an employee of Mr. Meredith's at the time he entered into the contract, and Mr. Meredith said that was correct.

Board Member Crate said this was a similar scenario to a previous applicant.

Senior Investigator Botello said that was correct.

Board Member Nadeau said Mr. Sutton entered into the contract, though the company was not licensed, but was anticipating getting a license.

Mr. Meredith said he was told by the corporate office that they would be licensed in time. That was when Security Unlimited was contacted when they knew they would not be licensed in time.

Senior Investigator Botello said that he had requested that the contract should be amended.

Board Member Crate said one of the items on the citation was that an employee was being dismissed from StaffPro.

Mr. Meredith said the investigator had requested a cease and desist.

Investigator Farmer said she responded to the Sands Convention Center. She contacted Mr. Sutton and he showed his proper identification, but he introduced himself as a security consultant. She said that before she found Mr. Sutton, a security guard, who told her that Mr. Sutton was being introduced as the boss. She said a pamphlet showed that John Sutton was the security consultant for the event.

Board Member Crate asked Investigator Farmer what Mr. Sutton's association with Staff Pro was at the time she spoke with him.

Investigator Farmer said Mr. Sutton said he was an employee of Staff Pro. She said he did have a work card and was also acting as the security consultant.

Senior Investigator Botello said Mr. Sutton was never registered with Security Unlimited.

Mr. Meredith said Mr. Sutton was the boss at the show for Security Unlimited.

Board Member Crate asked if Staff Pro or any of its employees were compensated by Nielsen.

Mr. Meredith said all funds went through Security Unlimited.

Board Member Crate asked Investigator Farmer if that sounded reasonable to her.

Investigator Farmer said in her opinion, Staff Pro and Mr. Sutton were running the show.

Board Member Crate asked if there was an overarching agreement that Staff Pro knew it was subcontracting with Security Unlimited.

Senior Investigator Botello said he conversed with Ms. Webb and according to Nielsen Media, the contract was valid and entered into with Mr. Sutton on behalf of Staff Pro. He said Staff Pro was at the show as the consultant. He said the contract was then amended and all fees were to go to Security Unlimited. He said the contract was not amended until he made contact with Nielsen.

The dates the contract was signed was discussed. It was determined to be May 4, 2007.

Board Member Crate asked if Mr. Meredith was aware of the chain of events.

Mr. Meredith said he was aware that an application for licensing was in the works.

Board Member Crate moved , conditioned on staff follow-up on the citation and the assurance that no fees were paid directly to Staff Pro provided in writing, to grant STAFF PRO, INC. a corporate Private Patrolman license, to grant CORDELL MEREDITH an individual Private Patrolman license to be placed

in abeyance so that he could become the qualifying agent, to approve CORDELL MEREDITH, DOUGLAS MITCHELL, and SUZANNE THORESON as corporate officers, subject to all statutory and regulatory requirements. As part of the motion, STAFF PRO needed to provide documentation and possibly an affidavit from Mr. Sutton.

Board Member Spencer seconded the motion.

Board Member Gonzalez noted that Mr. Meredith appeared before the Board 17 years ago for his Private Patrolman license. He asked if the license had always been in abeyance.

Mr. Meredith said he had not continues to place his license in abeyance.

Board Member Crate, Board Member Gonzalez, and Board Member Gonzalez voted for the motion.

Board Member Nadeau voted against the motion, which passed.

#### **APPEAL HEARING:**

Mr. Greer was issued an unlicensed activity citation #C-029-07A and was requesting an appeal hearing.

Chairman Marcher said it was his understanding that the citation was going to be dropped.

Senior Investigator Botello said that was correct.

Board Member Spencer moved that the citation not be upheld.

Board Member Gonzalez seconded the motion.

Board Member Nadeau asked for clarification on the motion.

Board Counsel Lee said Senior Investigator Botello and she had discussed the citation and agreed that there was insufficient evidence to proceed with it.

The motion carried.

STEPHEN GREER requested an individual Private Investigator license and individual Process Server license.

Mr. Greer said he had lived in Nevada since 1978. He said he had worked for the past 12 years in the legal field. He said he had worked for Compex Legal Service from 2001-2005 serving process. He learned that they were not licensed in Nevada.

Board Member Crate asked if all Mr. Greer's experience was based on his work at Compex Legal Service.

Mr. Greer said that was correct. He said they were a legal record retrieval service and were based in California.

Board Member Crate asked if they were licensed to serve process in Nevada.

Senior Investigator Botello said they were not licensed.

Mr. Greer agreed that they were not licensed in Nevada.

Board Member Crate noted that Mr. Greer's experience came from an unlicensed company. He said in the past, the Board had not accepted experience gained from performing unlicensed activity.

Chairman Marcher asked if Compex was licensed in California, and Senior Investigator Botello said they were licensed.

Chairman Marcher asked if Mr. Greer had performed the work for Compex in California and then come to Nevada for licensure, those hours would be accepted. Senior Investigator Botello said that was correct.

Chairman Marcher asked if the work was performed by Compex in Nevada, and Senior Investigator Botello said that was true.

Board Member Spencer asked Senior Investigator Botello if the hours subtracted from the work done for Compex would be enough to grant a license.

Senior Investigator Botello said certification was based only with his employment with Compex in Nevada.

Board Member Spencer asked if Mr. Greer had any knowledge that Compex was unlicensed.

Mr. Greer said he did not know they were unlicensed.

Mr. Greer said he served subpoenas when he was first employed by Compex. The company assumed that it was alright to serve an entity. If the service was for an individual, a process server license was needed.

Board Member Spencer asked if it was fair to penalize Mr. Greer for being misinformed by the company.

Board Member Crate said he was striving for consistency and the fact that the Board historically did not allow hours of experience gained performing unlicensed activity.

Board Member Gonzalez noted the distinction between volunteer work or paid work. He stated that Mr. Greer had worked for Compex 4 ½ years and had been paid.

Senior Investigator Botello said there was difficulty in the fact that Compex denied they were performing process service in Nevada, but Mr. Greer gained the experience while working for them in Nevada.

Board Member Spencer said he had gained his experience while performing unlicensed activity.

Chairman Marcher said the Board could license Mr. Greer and let Compex fend for themselves. He said that was his rationale for tabling the item.

Board Member Spencer asked if Mr. Greer still worked for Compex, but he said he had quit working there 2 ½ year ago.

Board Member Nadeau asked what work Mr. Greer performed for Bruce Schupp and for Bernstein.

Mr. Greer said both jobs were similar in that he delivered documents to courthouses and maintained files. He also wrote demand letters.

Board Member Crate asked how the demands were sent.

Mr. Greer said they were sent by certified mail.

Board Member Nadeau asked what service Mr. Greer performed at Legal Wings.

Mr. Greer said he picked up and delivered legal documents for attorneys and filings at court.

Board Member Spencer asked Senior Investigator Botello if he found anything else negative in Mr. Greer's file, beside the Compex unlicensed issue.

Senior Investigator Botello said there was nothing else negative.

Board Member Spencer asked if it was positive across the board, and Senior Investigator Botello said it was all positive. He further stated the Mr. Greer performed the work and gained the experience in good faith.

Board Member Crate agreed that Mr. Greer was in an unfortunate situation caused by Compex.

Board Member Spencer asked if the certified letters were the same type of letters as legal process.

Mr. Greer said a demand letter was sent by a personal injury attorney to an insurance company which detailed the client's medical history, treatment, and the dollar figure that was being requested. He said it was not similar to process serving.

Board Member Spencer moved to grant STEPHEN GREER an individual Process Server license, subject to all statutory and regulatory requirements.

Board Member Gonzalez seconded the motion.

Board Member Nadeau said there was a distinction between people who knowingly perform unlicensed work and yet want to obtain a license and Mr. Greer who worked in good faith for a company believing it was properly licensed.

Board Member Gonzalez, Board Member Spencer, and Board Member Nadeau voted in favor of the motion.

Board Member Crate voted against the motion, which carried.

#### **ADMINISTRATIVE BUSINESS:**

The salary for Executive Director Ray was discussed.

Board Member Spencer said the Board could set her salary.

Chairman Marcher said the change could not be made until July 1, 2007.

Board Member Spencer said he supported raising Executive Director Ray's salary to be in line with other executive directors.

Board Member Spencer moved that, effective July 1, 2007, the executive director of the PILB be granted an increase in pay to \$80,000 per annum and commensurate with other board directors.

Board Member Nadeau seconded the motion.

Board Member Nadeau asked about the documentation provided in regard to the Ethics Commission.

He asked Executive Director Ray the amount of the realized funding for the Board.

Executive Director Ray said it was \$503,000 at the present time. She said that was the amount of cash on hand.

Board Member Nadeau asked about the staffing levels at the Ethics Commission.

Executive Director Ray said they had 1 administrative assistant, 1 investigator, and a staff attorney.

Board Member Nadeau asked if they were self funded.

Executive Director Ray said they were now under the General Fund. She said the Board was now under the General Fund as well, du to AB531. She said the Board had its own budget.

Board Member Nadeau asked if the Board budget did not need approval by the legislature.

Executive Director Ray said that was true.

Board Member Crate asked about the financial impact that would occur July 1, 2007.

Executive Director Ray said there should be no change at all.

Board Member Crate asked if the budget would be available for the September 2007 Board meeting.

Executive Director Ray said she had the budget on hand. She noted that \$200,000 had been taken out of reserve to begin the new fiscal year. She said the budget she had provided for the Board gave a breakdown of each category and how much money was left for FY 07 that had remained unspent.

Board Member Nadeau asked if perhaps \$80,000 was not enough. Chairman Marcher called for the question.

The motion carried.

There was discussion and approval of language for a proposed regulation change to NAC 648.431 concerning notices of violations.

Executive Director Ray said at the last meeting, the Board had approved making some amendments.

She said she was going to submit language to the LCB and then would go through the workshop process. She made a chart on statutory authority and what the Board was allowed to issue on specific violations. She said the biggest area for concern for her with compliance checks involved the exam for security guard employees. She said often the test was not administered or the employees were given the answers ahead of time. She said she was hesitant to fine employees for not having their proof of test cards, as they were not generated until after the registration was sent to the Board. She said the Board currently had no authority to fine licensees for the exam issue. She said she had checks she made during audits for the employee files. She said there should be a copy of the original exam card in the file

for each employee. She said Board Member Crate had heard that some licensees automatically hand the employee a completed test answer sheets and the employee merely signed it.

Executive Director Ray said the Board had no authority to issue a violation at the present time, but could only discipline the licensee.

Board Member Crate asked in the case of an employee for not having a work card. He asked if the \$35.00 fee for not having a work card with them or not having a work card at all.

Executive Director Ray said the policy was that the employee was sent home if he or she had no work card to provide on demand. She said the verbiage might need to be changed to reflect that an employee should have a work card on their person.

Board Member Crate said not carrying a work card should be fined, but not having a work card at all should carry a much stiffer penalty. He said anything the Board required should have a penalty attached to it. Board Member Crate asked about the forms for reporting the quarterly as provided by the Board.

Executive Director Ray said the form will be on the website.

The group discussed approval of language regarding a proposed regulation change to NAC 648 concerning miscellaneous fee for duplicate licenses, id cards, etc.

Executive Director Ray said this topic was brought up at the last Board meeting.

Board Member Nadeau asked if the fees covered the cost of doing business.

Executive Director Ray said they did.

Board Comment was added at the last meeting.

Chairman Marcher said this was a non-action item.

Board Member Spencer said he wanted to point out the Chairman Marcher had done an exceptional job in chairing the meetings and acting as Board Counsel in the past. He said the Board will miss him and wanted to wish him well.

Board Member Nadeau wanted to offer kudos to the staff for enforcement of the statutes.



For future agenda items, Board Member Nadeau noted that AB531 had passed. He said that the supervision of the Executive Director would now be handled by the Board.

Chairman Marcher said no motion was necessary. He said staff could place AB531 and its impact on a future agenda.

Executive Director Ray said she had started policies and procedures and they would appear on future agendas.

**PUBLIC COMMENT:**

Ryan Flood asked for guidance regarding voice stress analysis.

Chairman Marcher said no action could be taken, but the Board could listen to Mr. Flood and respond.

Mr. Flood said voice stress analysis was used by many law enforcement agencies and the Attorney General's office. He said he did not meet the requirements for Polygraph Examiner. He asked if he would need a Private Investigator license. He asked for guidelines.

Chairman Marcher said there was no answer today. He said that Executive Director Ray and Board Counsel Lee could discuss the issue and decide what they could tell Mr. Flood.

Executive Director Ray said she had spoken with Mr. Flood in the past. She said from her recollection of conversations with Mr. Flood that voice stress analysis was used for the purpose of detecting the truth. She said under the statutes, there was no place for Mr. Flood to receive a license. She asked Mr. Flood if he had no PI experience.

Mr. Flood said he did not. He said he had been working on the issue for approximately a year.

Chairman Marcher said the Board could discuss if the work he wanted to perform fell under any of the Board's licensing categories. He said the Board could determine whether or not voice stress analysis would be licensed by the Board. He said there needed to be an interpretation of the statutes.

Mr. Flood said voice stress analysis was theoretically the same as Polygraph. He said it was a form of lie detection. It used different technology. He said the instrument he used did not meet the requirements as laid out in the statutes for Polygraph Examiner.

Chairman Marcher asked if Mr. Flood had brought the issue before the legislature, and he said he had, but the bill had not moved forward.

Mr. Flood said he would try to bring the bill before the legislature again in the future.

Board Member Spencer asked if Mr. Flood had set up criteria showing the necessary qualifications needed to be licensed for voice stress analysis.

Mr. Flood said he did have qualifications set out in the legislation he submitted during the 2007 Legislative Session, but the bill did not pass.

Chairman Marcher asked if Mr. Flood had engaged in performing voice stress analysis all along, but he said he had not.

Chairman Marcher said, in order for the Board to become involved in the issue, Mr. Flood would have to engage in the activity and then have a complaint filed against him to the Board for unlicensed activity.

Board Member Spencer asked if he knew of any state or states that licensed voice stress analysts.

Mr. Flood that said 6 states required polygraph licensure.

Board Member Gonzalez said one state, Nebraska, licensed voice stress analysts and several states outlawed the practice.

Mr. Flood disagreed and said voice stress analysis was not outlawed, but was just not licensable.

Board Member Gonzalez reiterated that the use of voice stress analysis to determine truth or deception has been outlawed in several states.

Mr. Flood again disagreed.

Chairman Marcher asked for further public comment, but there was none.

#### **APPEAL HEARINGS:**

Chairman Marcher noted that Item 41 regarding Stephen Greer and unlicensed activity had been dismissed.

Chairman Marcher stated that Item 42, the appeal hearing for Compex Legal Services, Inc. had been continued until the September 2007 meeting.

Board Member Nadeau moved to continue Item 42 until the next meeting.

Board Member Crate seconded the motion. Motion carried.

Board Member Spencer moved to adjourn.

Board Member Gonzalez seconded the motion.