

PRIVATE INVESTIGATORS LICENSING BOARD

MINUTES

MARCH 17, 2010

MEMBERS PRESENT:

DAVID SPENCER: BOARD CHAIRMAN

RICHARD PUTNAM: BOARD MEMBER

JIM NADEAU: BOARD MEMBER

MARK ZANE: BOARD MEMBER

OTHERS:

MECHELE RAY: EXECUTIVE DIRECTOR

TAMMY WHATLEY: INVESTIGATOR

JEFF MENICUCCI: BOARD COUNSEL

JOE DUPUIS: INVESTIGATOR

COLIN MURPHY: COMPLIANCE AUDITOR

BRANDI KING: ASSISTANT

ELAINE TRENT: ASSISTANT

KRISTEN GEDDES: ACTING BOARD COUNSEL

ABSENT:

ROBERT UITHOVEN: BOARD MEMBER

Chairman Spencer opened the meeting. He asked those to be requesting licensure to allow staff time to prepare approval letters after the meeting before contacting the office. He introduced and welcomed Reagan Alexander and Nick Roble, two new part-time investigators for the Board.

Executive Director Ray performed the roll call.

APPROVAL OF MINUTES:

Board Member Putnam moved to approve the minutes for the December 9, 2009 and December 10, 2010 meetings. Board Member Zane seconded the motion, which passed.

FINANCIAL REPORT:

Executive Director Ray provided a financial report for the Board. Executive Director Ray noted that collection total to date was \$786,045 and expenditures of \$705,843. Realized funding was \$260,195. She noted that the implementation of the work card process caused more expenditure. More fees had also been collected. The registered employee fees collected in December 2009 were \$25,445 and as of

March 5, 2010, the amount was \$103,960. The report did not require Board action and there were no Board comments.

SWEARING IN:

Board Counsel Menicucci swore in those present in Carson City and Las Vegas who were to testify or comment during the meeting.

STAFF REPORT:

Executive Director Ray reported 18 new complaints from December 1, 2009 to March 11, 2010. There were 17 closed complaints, 59 pending complaints, 12 pending complaints regarding licensees, 29 complaints were assigned to the north and 23 complaints were assigned to the south. Investigator Whatley issued 2 citations for unlicensed activity, 2 cease and desist letters, and approved 5 certified firearm instructor applications. She attended 8 conventions/shows to perform licensee checks. She attended 5 convention/show inspections. Investigator Jupp issued 1 unlicensed activity citation and issued 3 cease and desist letters. He attended 7 convention/show inspection and performed licensee compliance checks. Investigator DuPuis completed 43 background investigations, 19 of which were corporate officers, 8 were for corporations, and 16 were for qualifying agents or individuals. Investigative Assistant King processed 2 background updates and completed 43 preliminary background reports. One subpoena was issued. Currently, there were 2 corporate officer applications pending for licensure, 9 for corporations, 1 for change of status, 2 for process server, 1 for reposessor, 4 for private investigator, and 6 for private patrolman applications. A total of 3 applications were withdrawn and 5 were rejected. Investigator Murphy issued 1 notice of violation and attended 9 conventions for compliance checks. Executive Director Ray granted 1 authorization to work in Nevada pursuant to NAC 648.280. Since January 1, 2010 a total of 167 registrations were completed. She explained that the registration work card had been issued to 167 registrants. There were 44 denied registrations. A total of 357 provisional status registrations had been issued. As of March 11, 2010 there were 214 pending registrations and 810 were underway online, but not yet completed. There were no questions concerning the quarterly report.

CONSENT AGENDA:

6. **Hireright, Inc. (#1449)** requested corporate officer approval for **Michael Petruzzo** and **Robert Pickell**.

7. **Phillip Smith (#1249)** requested a change in licensing status. **USA-FACT, INC.** requested a corporate Private Investigator license with **Phillip Smith** as qualifying agent, and corporate officer approval for **Pamela Davidson** and **Leslie Davidson**.

8. **Robert Gardner (#852)** requested a change in licensing status and qualifying agent approval, **Contemporary Information Corporation** requested a corporate Private Investigator license, and **William Bower** and **Sabrina Bower** requested corporate officer status.

The Board did not request to pull any items from the Consent Agenda. Board Member Putnam moved to approve Items 6, 7, and 8 subject to all statutory and regulatory requirements. Board Member Nadeau seconded the motion, which passed.

PRESENTLY LICENSED CORPORATIONS REQUESTING NEW QUALIFYING AGENT OR OTHER CHANGES IN LICENSE STATUS NOT ON CONSENT:

Malca Amit Security Services, Inc. (#1414) requested qualifying agent status for **Michael Singh**. Board Member Nadeau moved to grant qualifying agent approval for **Michael Singh** and to place his individual Private Patrolman license in abeyance so that he may become the qualifying agent for **Malca Amit Security Services, Inc.**, subject to all statutory and regulatory requirements. Board Member Putnam seconded the motion, which carried.

Loomis Armored US, Inc. (#848) requested a corporate name change to **Loomis Armored LLC**. **Loomis Armored US LLC** requested qualifying agent status for **Benjamin Hatch**. Mr. Hatch had worked for Loomis Armored for 8 years in various capacities as a trainer and a manager. He moved from Salt Lake City to Las Vegas and had many hours of experience in training personnel. He was current with testing and Board compliance. Board Member Putnam recused himself from voting on the agenda item. Chairman Spencer noted that there were two separate agenda items that required motions to be made. Board Member Nadeau moved to grant **Loomis Armored US, Inc.** its request for a corporate name change to **Loomis Armored US LLC**, subject to all statutory and regulatory requirements. Board Member Zane seconded the motion, which carried. Board Member Nadeau moved to grant **Benjamin Hatch** an individual Private Patrolman license to be placed in abeyance so that he may become the qualifying agent for **Loomis Armored US LLC**, subject to all statutory and regulatory requirements. Board Member Zane seconded the motion, which passed.

COP Security, Inc. requested qualifying agent status for **Scott Gatewood**. Mr. Gatewood thanked the Board for their time and said the company had been in business since 1993. In 2003 he took over the operations of the company for his parents. Board Member Zane moved to approve **Scott Gatewood** as qualifying agent and to grant him an individual Private Patrolman license to be placed in abeyance so that he may become the qualifying agent for **COP Security, Inc.**, subject to all statutory and regulatory requirements. Chairman Spencer seconded the motion, which carried.

Green Valley Security, Inc. (#619) requested qualifying agent status for **Edward Napier**. Mr. Napier had 20 years of management experience. He began working for Green Valley Security in 1995 and was the director of operations. He worked for Quality Investigations for a time, but was asked to return to Green Valley Security, Inc. Board Member Nadeau asked Mr. Napier about a bankruptcy issue. Mr. Napier said the personal bankruptcy involved a medical issue. Board Member Nadeau said he was confused and asked if the bankruptcy issue involved the company or was personal. Board Member Nadeau asked Investigator DuPuis to elaborate. Investigator DuPuis found the information while performing a LexisNexis search. He found two records. The first record, dated June 2008, was the record to which Mr. Napier had just referred. It appeared the second record was the same issue; Investigator DuPuis explained that one record was the filing of the bankruptcy and the second record was the IRS lien in California, which appears to have been cleared. Mr. Napier agreed. Board Member Nadeau moved to grant qualifying agent status for **Edward Napier**, to grant him an individual Private Patrolman license to be placed in abeyance so that he may become the qualifying agent for **Green Valley Security, Inc.**, and to grant **Green Valley Security, Inc.** a new license number, subject to all statutory and regulatory requirements. Board Member Putnam seconded the motion, which carried.

PRIVATE INVESTIGATOR:

OPENonline LLC applied for a corporate Private Investigator license with **Richard Henderson** as the qualifying agent. Mr. Henderson retired from law enforcement after 27 years. He acquired OPENonline in 2005 with a business partner. The company was originally founded as an information broker for attorneys and private investigators for employment screening. His plan was to focus the business on pre-employment screening. Board Member Zane asked for clarification on the two other businesses. Mr. Henderson explained that his business partner holds an interest in the company through an entity. Mr. Henderson could not provide any information on Acquatic. He was in partnership with the other gentleman through Sunset Enterprises LLC. Board Member Putnam moved to grant **OPENonline LLC** a corporate Private Investigator license, to grant **Richard Henderson** an individual Private Investigator license to be placed in abeyance so that he may become the qualifying agent for **OPENonline LLC**, and to approve **Nicholas Vanoff** and **Richard Henderson** as corporate officer, subject to all statutory and regulatory requirements.

Stella Adkins dba Micco Investigations applied for an individual Private Investigator license. Ms. Adkins retired from the Las Vegas Conventions and Visitors Authority. She had 30 years experience in investigations. She also had a degree in criminal justice. She was proactive in the community events concerning the elderly and children. Board Member Nadeau moved to grant **Stella Adkins dba Micco Investigations** an individual Private Investigator license, subject to all statutory and regulatory

requirements. Chairman Spencer seconded the motion, which passed. She thanked Board staff for their assistance in the licensing process.

PreCheck, Inc. applied for a corporate Private Investigator license with **Robert Sartain** as the qualifying agent. Mr. Sartain formed PreCheck in 1995. The company began in Houston and currently operated in four states. Board Member Nadeau asked for an explanation of conducting business without a license in Nevada. Investigator Whatley said she issued a citation. Board Member Nadeau asked if Investigator Whatley sent the company a cease and desist order and then issued a citation. Investigator Whatley explained that she didn't issue a cease and desist letter. An employee of the company contacted the office who was conducting pre-employment screening for a hospital located in Las Vegas. Board Member Nadeau asked if the contact by the employee was made subsequent to the cease and desist letter. Investigator Whatley said that was correct. Mr. Sartain said he was aware the company was operating without a license, but intended to comply. Program changes were made in the software application to re-route the screening work to a Nevada private investigator. The system malfunctioned in the matter of the hospital pre-screening work, which was routed to the wrong person. Mr. Sartain said he fully intended to comply when the fine was issued. Board Member Nadeau asked him about his employees. Mr. Sartain said 110 private investigators worked for his company. Board Member Nadeau asked how Mr. Sartain delivered messages and information to the employees and if an effort had been made to educate the employees on how business should be done. Mr. Sartain said training had been held in New Mexico and Texas. The employee who contacted the PILB to gather information for the hospital had not attended the training meeting. Board Member Putnam asked who in the company was responsible for complying with the cease and desist letter dated July 22, 2009. Mr. Sartain said it was his responsibility. He wished to add that, since the fine was issued, no business had been conducted in Nevada. Peter Maheu said he was amazed that a firm was unable to see that Nevada requires a private investigator license to perform that business. Mr. Maheu said people who violated the statute, then apply for licensure, and pay a fine. He felt there should be a punitive period of 90 or 120 days. If one of Mr. Maheu's investigators did not know the statutes in the state in which he was working, he would be fired. Mr. Sartain commented that he had asked Board staff for direction. A Nevada private investigator was hired to perform records checks in Nevada later in July. After Executive Director Ray told Mr. Sartain the work should be performed by a licensee, he had contracted with a private investigator in Reno. He asked that no punitive measures should be taken against his company. Board Member Nadeau asked if the company still had a contract in place with Jim Weston. Mr. Sartain said that was correct and the contract would remain in place until the company could conduct investigations in Nevada under its own license. Board Member Zane agreed with Mr. Maheu's comment that companies doing business in Nevada should be familiar with statutory requirements. However, if the Board issued a citation and the company paid the fine, those two acts constituted the punitive portion of the process. He

did not feel the Board could extend the punitive period without legislative or statutory authority to do so. The Board could only follow what the legislature gave it the ability to do by statute. Board Member Zane moved to grant **PreCheck, Inc.** a corporate Private Investigator license and to approve **Robert Sartain** as the qualifying agent. Chairman Spencer stated that, in the past, the Board had taken further punitive means; he had never looked at the matter the way it had just been presented by Board Member Zane. He asked Board Counsel Menicucci for clarification. Board Counsel Menicucci agreed that Board Member Zane's assessment was correct. No legislative mandate existed to extend the punitive portion for those who were fined. There were occasions when the Board granted a license to applicants who had satisfied citations. He said the Board could consider an applicant's character and if insufficiencies existed, they could be a factor in the licensing decision. No automatic waiting period existed after fines were paid. Chairman Spencer asked Executive Director Ray if Mr. Sartain complied after the citation was levied. Executive Director Ray said the events were exactly as Mr. Sartain had stated. He immediately contracted with a Nevada private investigator to conduct the business in Nevada. There had been a breakdown in communication on the part of Pre-Check, Inc. Mr. Maheu asked if the company responded and then paid the citation. Executive Director Ray said that was correct. Mr. Maheu asked why the citation was issued. Executive Director Ray reiterated what Investigator Whatley had said earlier. A call had been made to the PILB office by an employee of Pre-Check, Inc. which resulted in a fine after the cease and desist letter had been sent. Board Member Nadeau outlined the chain of events. It came to the Board staff's attention that Pre-Check, Inc. was conducting business in Nevada without a license. A cease and desist letter was issued August 18. The company began the licensing application process and hired Jim Weston. On August 27, the company continued to conduct business without a license. Chairman Spencer said that was correct. Mr. Maheu asked when the call was made to the Board by the company's investigator. Mr. Sartain said the call was made July 14. Mr. Sartain stated again that he called Executive Director Ray to ask about using the services of a Nevada private investigator. Executive Director Ray noted that occurred July 20. Pre-Check wrote a letter about contracting with a Nevada private investigator. An employee called the Board office. Pre-Check stopped doing business at that point. Due to a software error, an investigator from the company contacted that Board to do business. Poor training generated the citation. The application process then began, as Mr. Sartain recollected it. Mike Kirkman said statute did not mandate punitive time; it was at the discretion of the Board to do so. Board Member Putnam then asked about Glenn Woolsey, one of the corporate officers who was asking for Board approval for Pre-Check, Inc. He noted that the Board investigator showed that Mr. Woolsey was arrested by the Houston Police Department in 1972, but Mr. Woolsey did not recall the arrest. Board Member Putnam said it was difficult for him to believe that Mr. Woolsey would forget he had been arrested. Mr. Sartain explained that Mr. Woolsey was now 55 years old; to the best of Mr. Woolsey's knowledge, he did not recall that he had ever been arrested. Board Member Putnam noted that he was 75 years old and he had not forgotten an arrest that occurred when he was

19. Mr. Sartain further explained that Mr. Woolsey saw a car that was burning, he took a fire extinguisher out of a hotel, then ran outside to use it on the car. He returned the fire extinguisher to the hotel. He was not placed into custody. Later, Mr. Woolsey went downtown and was fingerprinted. Board Member Putnam said that was apparent, as the FBI had Mr. Woolsey's fingerprints on file. Board Member Nadeau noted that a motion had been made, but no second. Chairman Spencer said that was correct. Board Member Nadeau moved to deny the request by **Pre-Check, Inc.** for a corporate Private Investigator license and to deny **Robert Sartain** an individual Private Investigator license to be placed in abeyance so that he may become the qualifying agent for Pre-Check, Inc., and to deny corporate officer status for **Bruce Butler**, **Glenn Woolsey**, and Robert **Sartain**. Board Member Putnam seconded the motion. Board Member Zane voted "nay" on the motion. Chairman Spencer voted for the denial. He believed the request needed further consideration by the Board. Board Member Nadeau commented that the company was doing business without a license, made the effort to contract with a licensed private investigator, but then continued to do business in Nevada without a license, which was his concern. Chairman Spencer agreed with that concern. The license was denied.

Private Patrolman:

Virgil Hammond DBA Capital City Patrol and Transit applied for an individual Private Patrolman license. Mr. Hammond was a special officer on the Los Angeles Police Department. He accumulated approximately 9,500 hours of experience there. He moved to Carson City and became a reserve deputy sheriff. He had been a sworn peace officer for 10 ½ years with 23,000 hours of experience. He also had worked in Douglas County. Board Member Nadeau asked him where he currently worked. Mr. Hammond said he was currently unemployed. Board Member Nadeau asked him about a bankruptcy. Mr. Hammond said the bankruptcy was filed two years ago. He had filed Chapter 13, which was converted and dismissed. He had followed the advice of legal counsel. He explained that his father died in 2006 and three other family members died shortly thereafter. The economy worsened and the business experienced a 95% drop. His wife became pregnant and he experienced a great financial burden because of the downturn in the business. Board Member Nadeau said his explanation was sufficient. Board Member Putnam moved to grant **Virgil Hammond DBA Capital City Patrol and Transit** an individual Private Patrolman license, subject to all statutory and regulatory requirements. Board Member Nadeau seconded the motion, which carried. Mr. Hammond thanked the Board and staff.

Kevin Leahy requested an individual Private Patrolman license. Mr. Leahy was employed by Malca-Amit in 1996 and served in various capacities there with Malca-Amit Armored. In 2002 he became involved in the security service function. He served as a supervisor in New York and Las Vegas. Board Member Zane noted that Mr. Leahy was seeking licensure so that he could be a back-up qualifying agent. Mr. Leahy agreed. Board Member Zane asked Mr. Leahy if his license would be placed in

abeyance; he said that was correct. Board Member Nadeau moved to grant **Kevin Leahy** an individual Private Patrolman license to be placed in abeyance, subject to all statutory and regulatory requirements. Board Member Putnam seconded the motion, which passed.

Blackstone USA applied for a corporate Private Patrolman license with **Aaron Sorenson** as qualifying agent. Mr. Sorenson was in the United States Army. He held numerous security positions with Loomis Fargo. Security was his passion and he wished to provide that service in Nevada. Board Member Putnam noted that Mr. Sorenson disclosed to the Board that he was not compliant with workmen's compensation insurance. Mr. Sorenson said that was true. Board Member Putnam said that spoke well of Mr. Sorenson that he self-reported the matter to the Board. Mr. Sorenson said he appeared in court and was fined \$500 by Reno Justice Court. He said the issue caused him embarrassment. He had hired an employee and it completely slipped his mind that he needed to acquire workmen's compensation insurance at the time. When he learned he was not in compliance, he remedied the situation. Investigator DuPuis said Mr. Sorenson self-reported the matter and provided proof of payment. Pam Coates had reported that Mr. Sorenson had taken care of the issue. Mr. Sorenson said he regretted it and apologized; it would not happen again. Chairman Spencer asked Investigator DuPuis if the hours of security experience reported by the applicant at a men's club were applicable. Investigator DuPuis spoke to a supervisor who indicated primarily security work was performed by Mr. Sorenson at the club. Investigator DuPuis was confident with the hours of experience that were reported by the applicant. Board Member Putnam moved to grant **Blackstone USA** a corporate Private Patrolman license, to grant **Aaron Sorenson** an individual Private Patrolman license to be placed in abeyance so that he may become the qualifying agent for **Blackstone USA**, and to grant **Aaron Sorenson** corporate officer approval, subject to all statutory and regulatory requirements. Board Member Nadeau seconded the motion, which carried.

The Hospitality Security Consulting Group LLC requested a corporate Private Patrolman license with **Thomas Daly** as qualifying agent. Prior to working for The Hospitality Security Consulting Group LLC, Mr. Daly had worked at the Hilton Hotel for 24 years as vice-president of loss prevention. He had worked in the security portion in world-wide security for Hilton. Board Member Putnam moved to grant **The Hospitality Security Consulting Group LLC** a corporate Private Patrolman license, to grant **Thomas Daly** an individual Private Patrolman license to be placed in abeyance so that he may become the qualifying agent for **Hospitality Security Consulting Group LLC**, and to approve **Thomas McElroy**, **Geoffrey Permenter**, and **Thomas Daly** as corporate officers, subject to all statutory and regulatory requirements. Board Member Nadeau seconded the motion, which carried.

Guardian USA applied for a corporate Private Patrolman license with **Miguel Hernandez** as qualifying agent. Mr. Hernandez had worked in the security field since 1995. He was in the military for over 18 years and had worked in the security field ever since with 16,000 hours of security experience. He said September 11, 2001 changed his life. Board Member Zane asked about a domestic violence issue. Mr. Hernandez said he was involved in an argument with his wife in 1999. He was arrested and went to court. He was found not guilty of domestic violence, but a battery charge was placed in his record. There had never been any issues with domestic violence before or after that one incident. He was a law-abiding citizen. Chairman Spencer asked if he was still married to the woman involved in the incident; he was not. Board Member Nadeau asked Investigator DuPuis for some clarification on the domestic battery charge and if he was able to verify the actual charge. Investigator DuPuis said the original charge was 273.5 (California Penal Code), which refers to domestic violence. He said Mr. Hernandez was convicted of a lesser charge, domestic battery, in the case. There was a notation that Mr. Hernandez could not possess either firearms or ammunition in the report, nor could he distribute said items to guards. Investigator DuPuis was not certain if the company provided armed security or not, but included the prohibition of firearms/ammunition for the Board's information as a result of the misdemeanor domestic battery conviction. Chairman Spencer asked if Mr. Hernandez was aware of the restriction shown in the report. He said he was aware of the fact and his company was unarmed. Board Member Putnam stated that there was an arrest on January 13 in which Mr. Hernandez indicated he was arrested but was found not guilty in a trial. Court records showed that he was indeed found guilty of domestic battery and sentenced to 36 months of probation and 45 days in jail. Board Member Putnam asked why Mr. Hernandez stated in his application that he was not guilty. Mr. Hernandez said there was no jail time served and he paid a fine. Board Member Putnam again stated that Mr. Hernandez said he was found not guilty. Mr. Hernandez said he was not found guilty of the domestic violence charge. Board Member Putnam again said Mr. Hernandez stated he was found not guilty on January 13. Board Member Putnam said Mr. Hernandez was found guilty of something related to domestic battery; Mr. Hernandez agreed. Board Member Putnam further stated that Mr. Hernandez was not entirely candid during the interview process with the investigator. Mr. Hernandez said he indicated to the investigator about the battery issue. Board Member Putnam asked Investigator DuPuis to elaborate. Investigator DuPuis said in Mr. Hernandez's application, he showed he was not convicted of 273.5, which is a felony for domestic violence. He was found guilty of 243, which is a lesser offense of battery related to domestic violence. There was a difference in the information included in the application and when Investigator DuPuis interviewed Mr. Hernandez after he finished the exam for licensure. That information obtained after Mr. Hernandez took the exam was reflected in his questionnaire. Chairman Spencer asked if Investigator DuPuis was concerned with the way the applicant answered the questions. Investigator DuPuis said he would not go so far to say that Mr. Hernandez was intentionally deceitful. He said Mr. Hernandez possibly did not understand the ramifications of his answer. Board

Member Nadeau noted a question on the application which asks if the applicant had ever been arrested. The answer shown was battery, LASD. Investigator DuPuis said the applicant responded “yes” and the notation below that was Investigator DuPuis’s handwriting. Mr. Hernandez could not recall the exact dates. The follow-up question below asked if the applicant had ever been convicted of a misdemeanor, and Mr. Hernandez initially answered “no” to that question. When Investigator DuPuis questioned him regarding the battery conviction, then Mr. Hernandez agreed he should have answered “yes” instead of “no”. Board Member Putnam said the investigation also showed that Mr. Hernandez’s guard firearm and baton licenses had been revoked in California. Mr. Hernandez said that was correct. Board Member Putnam asked if Mr. Hernandez knew why the revocation happened. Mr. Hernandez said it was due to the pending charges on the battery charge. He had not requalified for those licenses. Investigator DuPuis clarified the issue. He contacted the licensing authority in California regarding the revocations. They were due to the conviction on the battery offense. Some were not renewed by Mr. Hernandez. Board Member Nadeau said the conviction on 243 made Mr. Hernandez ineligible to apply for the licenses in the future. Mr. Hernandez said that was correct. Chairman Spencer asked Investigator DuPuis if he was satisfied with the responses given by Mr. Hernandez and with his qualifications. Investigator DuPuis said he was, so long as the provision that he not handle ammunition or firearms does not become a problem in the future with Mr. Hernandez or the company. Board Member Zane moved to approve the request of **Guardian USA, Inc.** for a corporate Private Patrolman license and to grant **Miguel Hernandez** an individual Private Patrolman license, and to approve **Miguel Hernandez** as corporate officer, subject to all statutory and regulatory requirements. Board Member Nadeau seconded the motion for discussion purposes. He asked Board Counsel Menicucci to clarify that the conviction of a domestic violence charge precluded an individual from becoming a licensed guard. Board Counsel Menicucci explained that he was not aware of the California statutes. It did not appear to him that the applicant would be automatically disqualified in Nevada because of license revocations in another state. Mr. Kirkman remarked that 342 pertained to a felony and 243 involved misdemeanors. There was a distinct difference between a felony conviction and a misdemeanor conviction. Board Member Putnam asked Board Counsel Menicucci if the Board could issue a license with a caveat attached that the licensee shall not possess firearms or ammunition. Chairman Spencer said that would present a case of double jeopardy. Board Counsel Menicucci said that preclusion already existed in federal law, which applies regardless of what the Board directs. Chairman Spencer noted that Mr. Hernandez stated the company would not utilize firearms. Board Member Nadeau noted that, regarding the suggestion to place a caveat in the licensing language by the board, Mr. Hernandez was already prevented from carrying a firearm by Nevada statutes. Executive Director Ray said there would be discussion relating to the issue at tomorrow’s meeting. Appeals were scheduled to be heard at that meeting because of armed situations. The motion was seconded, which carried. Board Member Putnam voted “nay” against the motion.

Culpepper & Associates Security Services, Inc. applied for a corporate Private Patrolman license with **Louis Culpepper, Jr.** as qualifying agent. Chairman Spencer noted that Mr. Culpepper was more qualified than most applicants. Mr. Culpepper spent 23 years in the United States Air Force and then retired. He was the security director for Airborne Express. He had 17 years of experience in the federal sector. Board Member Putnam thanked Mr. Culpepper for his service to the country. Board Member Putnam moved to grant **Culpepper & Associates Security Services, Inc.** a corporate Private Patrolman license, to grant **Louis Culpepper, Jr.** an individual Private Patrolman license to be placed in abeyance so that he may become the qualifying agent for **Culpepper & Associates Security Services, Inc.**, and to grant **Louis Culpepper, Jr.** and **Vera Culpepper** corporate officer status, subject to all statutory and regulatory requirements. Chairman Spencer seconded the motion, which carried.

Private Patrol and Process Server:

Unity One, Inc. applied for a corporate Private Patrolman license and a corporate Process Server license with **David Howard** as qualifying agent. Mr. Howard had 14 years of experience in the military and had served on bodyguard detail for President Clinton and President Bush. He had served warrants and subpoenas world-wide. Board Member Nadeau moved to grant **Unity One, Inc.** a corporate Private Patrolman license and a corporate Process Server license, to grant **David Howard** an individual Private Patrolman license and an individual Process Server license to be placed in abeyance so that he may become the qualifying agent for **Unity One, Inc.**, and to grant **David Howard** corporate officer approval, subject to all statutory and regulatory requirements. Board Member Putnam seconded the motion, which carried.

Old Business and Possible Closed Session:

The next agenda item was a request by **Scarborough, Estus & Associates LLC** for a corporate Repossessor license and qualifying agent status for **Chad Estus**. Board Member Zane expressed concerns with the possible request by the applicant for a closed meeting. He referred to NRS 648.030 and the requirements of the Open Meeting Law. He asked Board Counsel Menicucci to clarify the reasons for closure. He explained that closed meetings were requested to shield matters of personal character and professional competence, work history, or trade secrets that were commonly protected. He was not clear on what trade secrets would be disclosed during today's meeting. Board Member Zane said if a reasonable reason existed for the closed meeting, the public could be asked to leave. He noted that agenda stated a possible closed session. Board Member Nadeau again questioned whether or not the request adhered to the requirements of the Open Meeting Law. Scott Scarborough said he would withdraw the request for a possible closed meeting. Mr. Estus said he was a Las Vegas native and had

worked for 3 years in the repossession field. Board Member Zane noted that he had 2 ½ years with the Camping Company. Board Member Zane referred to NRS 648.010. He read the language from the statute and stated that subsection 4 was added by the legislature stating that 1 year equaled 2,000 hours of experience. Board Member Zane questioned whether it met statutory requirements if an applicant amassed 10,000 hours of experience in 2 ½ years. Chairman Spencer said the question rested in experience in years as opposed to the number of hours of experience gained by the applicant. It was Board Member Zane's impression that 10,000 hours of experience meant 5 year's experience. He said it was possible to gain the amount of hours of experience more quickly than 5 years if the employee worked 15 hours a day, seven days a week. Board Member Zane said experience hours should be gained from length of time and not just hours accumulated. Scott Scarborough said a person could work in the private investigative field for 10 years and still not have the requisite amount of hours needed for licensure. He said Mr. Estus was able to gain the 10,000 hours needed due to long hours worked. He said there was a discrepancy because Mr. Estus had trained for 3 months. Mr. Estus never took vacation time and received pay for it instead. Mr. Scarborough believed the 10,000 hour requirement was most important. Chairman Spencer did not believe a person could adequately gain enough experience for a Private Investigator license in the space of 3 years, even if that person worked 24 hours per day. Investigator DuPuis said he had provided documentation of a follow-up investigation he performed in January 2010. He said a number of the issues were addressed by Mr. Estus and Mr. Scarborough in this supplemental report. There were perceived discrepancies in hours, though they were not significant. There were 179 fewer assignments versus the company report, 44 fewer vehicles recovered, and over 5,400 assigned cases. In the initial investigation, Investigator DuPuis spoke to Brian Serrano, who stated 50-60 hours per week worked by Mr. Estus was accurate. Investigator DuPuis met with Mr. Brian Serrano, who maintained that average weekly hours were still correct. Investigator DuPuis reviewed the information regarding case assignments, accumulations, and income and determined there were no discrepancies in income. Mr. Serrano offered to provide a more detailed employment record on January 12th. In February, Investigator DuPuis received a report showing records that 144 weeks were worked from January 1, 2007 to Mr. Estus's last day in January 2010. Investigator DuPuis contacted Mr. Serrano, who changed his estimate to 70 worked by Mr. Estus per week. That amount of weekly hours would amount to 10,080 hours, which was over the minimum amount required by statute. A supplemental document was provided by a co-worker showing 18 hours or more worked per day on occasion. Investigator DuPuis did have a problem verifying the hours, as there were no records available. He did not doubt the number of hours of experience, but he was unable to verify those hours. Chairman Spencer questioned how much downtime occurred in a typical 12-hour day. Mr. Estus said he always had the truck with him and was available 24/7. He never knew when he would receive a phone call to repossess a vehicle. He said he was not constantly performing repossessions, but was also investigating, as well. Mr. Estus explained that his pay was commission-based and he worked very

hard. He traveled long distances and used his own laptop to perform skip-traces to recover vehicles. Chairman Spencer asked Investigator DuPuis for his thoughts on the time issue. Investigator DuPuis had no question that Mr. Estus worked very hard for the Camping Companies and was a top employee. Investigator DuPuis's issue was if the hours accumulated in the time stated fulfilled statutory requirements. He said it was ultimately the Board's decision to grant or deny licensure. If the Board accepted Mr. Serrano's estimate of 70 hours per week worked, it would just satisfy the statutory requirement. Mr. Scarborough said the experience Mr. Estus had accumulated was key. He was comfortable that Mr. Estus had accumulated enough hours of experience in the time shown because of hard work. Board Member Zane said the issue presented a two-way sword. He said the hours of experience shown in the amount of time did not show that Mr. Estus had administrative hours of experience. Chairman Spencer said, from his standpoint, the statute reads that at least 5 years of experience are required to be licensed or the equivalent as determined by the Board. He noted Mr. Estus had provided very good documentation with no negatives. He said the Board had discretion because Mr. Estus provided documentation and Chairman Spencer was willing to make an exception in this case. Mike Yepko asked if Mr. Estus could explain that he had adequate experience dealing with the public. Mr. Estus said he had been approached more than once by an individual who threatened him with a firearm if he did not unhook the vehicle he was about to repossess. He left the scene and contacted the authorities in each case, who then dealt with the threatening individuals. He said some people he dealt with were deceitful, while others willingly turned over the keys to him upon request. Chairman Spencer moved to grant **Scarborough, Estus & Associates LLC** a corporate Repossessor license and an individual Repossessor license requested by **Chad Estus**, to approve **Chad Estus** and **Scott Scarborough** as members, subject to all statutory and regulatory requirements. Board Member Putnam seconded the motion. A roll call of votes was performed: Board Member Nadeau-aye, Board Member Putnam-aye, Board Member Zane-aye, and Chairman Spencer-aye. Board Member Nadeau then moved to deny the application and Board Member Zane seconded the motion. Board Member Nadeau said he was in a dilemma in that the hours varied for the applicant and it was unclear if the hours were 60 or 70 hours per week. In his opinion, the only way to allow licensure was to accept the maximum hours, which would barely make the necessary 10,000 hours needed. He noted that Mr. Estus was instructed at the last meeting to provide his documentation of hours to Investigator DuPuis. Board Member Nadeau wondered if the hours reported were reaching too far to meet the requirement. Board Member Zane's issue was that one year equaled 2,000 hours of experience. Historically, applicants must show 5 years of experience with 2,000 per year. He felt that if the Board allowed the license today for this applicant, it would be unfair to those people who were licensed in the past who put in 5 years of time to gain the experience. Granting the license would allow Mr. Estus to circumvent the statutory requirement. He felt it could set a precedent whereby a person, for instance, could apply for a license with only seven months of experience by working massive amounts of over-time. Chairman Spencer

asked Board Counsel Menicucci for any comments on NRS 648.110(2)(a). Board Counsel Menicucci said the statute implies hours, rather than calendar time. The statute requires that the Board is satisfied with the hours and time as shown by the applicant. Chairman Spencer noted that Investigator DuPuis was satisfied that the applicant had gained enough hours as reported by Mr. Serrano. Chairman Spencer understood Board Member Zane's dilemma. Board Counsel Menicucci could not mandate what actions should be taken by the Board. The statute defines experience in terms of hours and years. Mr. Serrano provided a lower estimate of weekly hours before offering the 70/week amount. Ultimately, the Board must decide if a license should be granted, but did not necessarily mean similar action must be taken on different categories of licensure. Many jobs simply could not be performed in 12-14 hour days. Board Member Nadeau said, based on the discussion, he was prepared to either withdraw his motion or vote against it. Board Member Zane withdrew his second to the motion. Board Member Putnam said a motion was needed to reconsider the previous motion. He moved to reconsider the original motion. Board Member Nadeau seconded the motion, which carried. Board Member Zane voted nay on the motion.

James Baron DBA Diamond Investigations applied for an individual Private Investigator license. Mr. Baron was a retired United States Air Force officer. He worked his own business, which failed after September 11, 2001. He had also worked as an officer with the school police in Clark County. He was currently employed by The Law Offices of Glen Lerner in Las Vegas. He said he had 6 years and 2 months of experience as of today. Board Member Putnam asked if this was the third time Mr. Baron had appeared before the Board. Mr. Baron said that was correct. Board Member Putnam asked if Mr. Baron recalled the reasons he was initially denied licensure. Mr. Baron said he did recall the reason; Investigator DuPuis gave his personal interpretation on Mr. Baron's hours and Investigator DuPuis stated in the background report that Mr. Baron only had 1 ½ years of experience, and 3 years of law enforcement hours. Mr. Baron said he had spent the past two meetings trying to establish his hours. Board Member Putnam read from the December 2009 minutes. Chairman Spencer had moved to deny Mr. Baron's request for an individual Private Investigator license based, not on his hours of experience, but due to the fact that Mr. Baron willingly withheld information of a negative nature regarding his activities while in a police agency in his application and he was not suitable for licensure due to his lack of truthfulness. Board Member Putnam asked if Mr. Baron wanted a closed session. Mr. Baron asked for a closed session.

This portion of the meeting was held as a closed session.

After the meeting re-opened to the public, Board Member Putnam moved that **James Baron DBA Diamond Investigations** be denied an individual Private Investigator license pursuant to NRS 648.100(3)(c)(g). Board Member Zane seconded the motion, which carried.

Board Member Nadeau informed Mr. Baron that, under NRS 289.040, he is entitled to any information regarding any investigation. He may want to pass the information along to his attorney.

Administrative Business:

Michael Singh of Malca Amit Security Services, Inc. requested an exemption (NAC 648.338) to utilize out-of-state officers for the JCK jewelry shows from May 25, 2010 to June 10, 2010. He was requesting 30 people. Executive Director Ray asked if Mr. Singh was familiar with the new registration process. Mr. Singh said he was learning it. Chairman Spencer said he would need to follow the statutory requirements. Mike Kirkman said it was a recurring problem that companies were requesting these exemptions for out-of-state employees to come work in Nevada. He noted the high unemployment rate in the state and that employees from Nevada could be utilized to fill these positions for various shows and events. He noted that 3 years ago, there were a handful of exemption requests made by companies to the Board. Now, he estimated that 300 out-of-state people were being brought to Nevada to work. Chairman Spencer said he did not disagree with the statement. He said the companies were telling the Board they were unable to find local people to man the various jobs. Mr. Kirkman said he monitored ads and these companies were not advertising to fill the positions in Nevada. Mr. Capanelli noted that many of the out-of-state people were used as inventory control and not for security. His company does hire armed officers in Nevada. The people brought in from out-of-state were laborers. His company worked with Ted Farace of Elite. Mike Spriggs said he owns a company in Nevada. He opposed granting the exemptions for out-of-state employees. Chairman Spencer noted that the practice was fairly recent, but the numbers of requests were growing. He said more effort to hire Nevada employees must be made. Mr. Spriggs noted he had never been contacted to provide employee to any companies who requested exemptions. Mr. Kirkman asked how it was possible to provide enough security for huge venues in Las Vegas, but somehow it was impossible to provide enough staff for one show. Mike Yepko said there was a big pool of talent in Las Vegas. Mr. Spriggs noted there were many retired peace officers who were available to work. Chairman Spencer asked William Callaghan how many people he was requesting for the exemption; he said there were 12 individuals. Mr. Callaghan said it was difficult to hire enough people, as armored car companies were also hiring at the same time. Mr. Capanelli said 25 local people would be hired. Peter Maheu said the Board was allowing out-of-state people to work in Nevada, while the unemployment rate here is so high. He noted that the out-of-state people working in Nevada do not pay taxes. Mr. Maheu said if companies were having difficulties hiring enough people, they should begin now to find enough staff for next year. Mr. Capanelli said most retired peace officers want to provide security, not act as laborers. Chairman Spencer was impressed that Malca Amit was hiring 25 local people. Board Member Nadeau moved to approve the request by Michael Singh of Malca Amit Security Services, Inc (#1414) to utilize 30 out-of-state officers for the JCK jewelry shows from May 25, 2010 to June 10, 2010. Chairman Spencer seconded the motion, which carried.

William Callaghan of Century Security Management requested an exemption (NAC 648.338) to utilize out-of-state law enforcement officers for the JCK shows from May 25, 2010 to June 10, 2010. He asked

to bring 12 out-of-state people to Nevada. He said at this same time next year, he would not request an exemption. He said he was willing to hire, but was getting no response. He utilized Craig's List. Board Member Nadeau moved to approve the request by William Callaghan of Century Security Management for an exemption (NAC 648.338) to utilize out-of-state law enforcement officers for the JCK shows from May 25, 2010 to June 10, 2010. Chairman Spencer seconded the motion, which passed.

Discussion was held to determine if NAC 648.520 pertaining to affiliation by an existing corporation with qualified person to continue operating until Board approval of a new qualifying agent should be modified. Executive Director Ray said when a qualifying agent leaves a corporation, Board staff sends a letter to a corporate officer stating the company has 120 days to affiliate with an acting qualifying agent. She said there were instances in which the letter was sent, an application was received and in process, but then the acting qualifying agent would resign. She noted that this occurrence caused the process to take much longer than 120 days. She had begun to place the issue on the agenda in order to show the companies that they needed to comply as quickly as possible with naming an acting qualifying agent and putting an active qualifying agent in place. Executive Director Ray had crafted proposed language that a senior corporate officer would become the acting qualifying agent until the next regularly scheduled meeting. She read the proposed language into the record. The regular work shop process would be followed in order to approve the language and change the regulation language. Board Member Zane moved to move forward to modify NAC 648.520 pertaining to affiliation by and existing corporation with qualified person to continue operating until Board approval of a new qualifying agent. Chairman Spencer seconded the motion, which carried.

Discussion took place regarding companies providing audits of systems that may cause job loss or reveal criminal activity. Executive Director Ray said a cease and desist letter was sent to an individual who performed the acts as described in the agenda item. She said the individual referred to the activity as an audit, rather than an investigation; Board staff did not necessarily agree. Investigator Whatley agreed that Executive Director Ray's explanation was accurate. She said a complaint was received and she issued a cease and desist letter to a firm hired by a governmental agency to evaluate the investigatory procedures involving complaints received from the public, to review laws and procedures to ensure they are sufficient and to make recommendations if insufficient. The firm noted weaknesses existed in which employees could make changes, making the data unreliable. The firm recommended cases lacking sufficient documentation should be re-investigated. The firm denied any wrong-doing and asked that the cease and desist letter be rescinded. The company website stated their services were forensic accounting, computer forensics, corporate investigation and risk management. Board Member Nadeau said it would appear to him that the company should be licensed, similar to the mystery

shopping industry. He had difficulty in seeing a need for a motion. Board Counsel Menicucci advised the Board not to take a position at this time, as it would need to take a position if a violation occurred.

Discussion took place concerning Verizon Business Services/Cybertrust, Inc and if they should be licensed pursuant to NRS 648. Executive Director Ray said this agenda item had been continued and that Verizon contacted the office to inquire if a license was required. Executive Director Ray said her opinion was that they needed to be licensed. She said the computer forensic issue was still new to the Board. The letter stated they had approximately 600 employees and approximately 20 employees who handle computer forensics and IT investigative work. Based on that information, she felt they needed to be licensed. Executive Director Ray said the packet supplied by Verizon relied heavily on an opinion *from the American Bar Association urging State, local and territorial legislature to refrain from requiring Private Investigator licenses for persons engaged in computer or digital forensic services or network testing*, but the Board *had already addressed in previous meetings that they* did not necessarily take that position. She said she would be in contact with Verizon.

The next agenda item involved discussion, direction, and possible action regarding whether or not professional engineers are exempt from NRS 648 to conduct investigations. Lorne Lomprey was sworn in by Board Counsel Menicucci. Mr. Lomprey read from the statutes language pertaining to fire investigations and various statutory requirements. Anyone who secured evidence was required to be licensed. There were some exceptions to the rule. He noted that any single act for which a license is required is a violation of statute. He said engineers were coming to Nevada to work at fire scenes. There were various organizations for fire investigators. One was the International Association of Arson Investigators. Certified fire investigators were called CFIs. There were also certified fire investigations who were also explosion investigators (CFEI). Some engineers wore tee shirts on scene with CFEI or AFI on them. The word "investigator" was printed on the shirts. Educational requirements were necessary to obtain those titles, such as master's degrees and bachelor degrees. He said 6 years of experience were needed to be CFIs and education counted as part of the hours of experience. He said fire investigators determined the cause and origin of fires. They pinpoint fire origins. He noted that the job of engineers was to come and take samples only in one area. Now, engineers go all over the fire scene. Procedures must be followed at a fire scene. The course of work at a fire scene was to start at the least burned to the most burned area. He said the opposite was true of explosions. Engineers typically examine one thing. He said engineers were now acting as investigators at fire scenes. He noted that the engineers often remove evidence, creating a "gatekeeper" who others must pay in order to examine the evidence at a later date. He said the practice generated revenue and evidence was

routinely being taken out of state. Chairman Spencer asked if the chain of custody was maintained. Mr. Lomprey was sure they did so. He said these practices caused much inconvenience by people committing unlicensed activities that they felt were legal. Chairman Spencer asked what function engineers could perform that fire licensed arson investigators could not do in Nevada. Mr. Lomprey said engineers held bachelor degrees. The main job of an engineer was to come in and affirm that Mr. Lomprey's findings were correct at a fire scene. Often, subsequent engineers were brought to the scene. Mr. Lomprey noted that engineers were performing a huge number of fire investigations and removing evidence from Nevada. They should not be allowed to do so, as they were committing unlicensed activities. Executive Director Ray asked if any of the engineers were based in Nevada. Mr. Lomprey said only perhaps one or two. Executive Director Ray explained that she asked the question because Mr. Lomprey's complaint was not specific to any Nevada engineers of which he was aware. Mr. Lomprey said his complaint was toward all engineers. Executive Director Ray asked if there was any reciprocity existing between out-of-state engineers and Nevada engineers. She said a licensed Nevada engineer could only conduct investigations involving application of engineering principles in which they were trained. Mr. Lomprey said those engineers were performing investigations as outlined in NRS 648 and asked where the line was drawn. Executive Director Ray said there were two issues. The out-of-state engineers were coming to Nevada to conduct investigations. He asked at what point an engineer becomes a fire investigator. Chairman Spencer questioned the legality of removing evidence on the part of the engineers from fire scenes. Mr. Lomprey said local fire departments were not involved in the fire scenes where he worked. Engineers were not supposed to act as fire investigators. They were supposed to fulfill their designated roles at each fire scene. Mr. Lomprey noted he may need to speak with the Engineering Board concerning the issue. Executive Director Ray stated that NRS 625 was the statute pertaining to engineering. Mr. Lomprey thanked the Board for hearing his concerns. Board Counsel Menicucci left the meeting. Kristen Geddes was acting board counsel.

The next item discussed regarded possible licensing requirements for John Grogan & Associates and similar organizations advertising polygraph examination referrals in Nevada. Ron Slay suspected the company was conducting polygraph exams. He noted John Grogan said he did not personally conduct the polygraph exams, but was referring them to other examiners in the state. Mr. Slay did not believe any licensed polygraph examiner would perform examinations for Mr. Grogan. He said Mr. Grogan had been notified for over 2 years to cease, but he continues to work anyway. Mr. Grogan sends anyone who claims to be a polygraph examiner to conduct the exams. Board Member Putnam said Mr. Grogan's website shows logos for the Nevada Alliance of Polygraph Examiners, the California Alliance of Polygraph Examiners, and Texas, as well. Mr. Grogan offered his services in the state of California. He said no examiners were listed in "All Other States". He said it appeared to him the entire website and operation was a sham. Board Member Putnam said he did not know if the law would allow the Board to

pursue Mr. Grogan for referring polygraph services. Investigator Whatley said the fact that 6 licensed polygraph examiners and 1 intern worked in Nevada who all said they were not performing any work referred by Mr. Grogan must mean that unlicensed people were doing the work in Nevada. Investigator Whatley said that Mr. Grogan was licensed at one time as a private patrol operator and private investigator in California with a baton permit and a firearm permit, all of which were revoked in 2002. She said he noted on his website that licensing requirements were met by the company. Investigator Whatley read the cities in Nevada posted on the website where polygraph examiners were immediately available. Executive Director Ray said the office had attempted to take action. Investigator Whatley said that Investigator Botello sent Mr. Grogan a cease and desist letter dated March 31, 2008. Attempts had been made on 3 occasions; it was returned to the PILB as undeliverable. A citation was not sent on advice from board counsel. Chairman Spencer asked if the Board should put a notice on the internet. Executive Director Ray said, with the information Investigator Whatley had just shared about examiners available in Nevada cities, perhaps another approach could be taken. Chairman Spencer asked if the California Alliance of Polygraph Examiners was aware of Mr. Grogan's activities. Mr. Slay said they were aware of him and were very alarmed, but were powerless to stop him. Investigator Whatley said the website does not show John Grogan's name, but the phone number is the same as on all other websites on the internet. Mr. Slay said Mr. Grogan's actions were affecting the lives of many people. Mr. Slay said the web developers should be warned that their client is operating illegally, though they probably would not care. Mike Kirkman recommended that the Board pay a licensed process server in California to serve Mr. Grogan with a cease and desist letter. Mr. Yepko said it would be very difficult to serve Mr. Grogan. Mr. Slay said if Mr. Grogan sent an examiner to a business or residence, that individual could be arrested and the equipment confiscated. Chairman Spencer asked about casinos. Mr. Slay said casinos hadn't used polygraph much since 1988. Executive Director Ray noted that Board Counsel Menicucci was no longer present.

The Board then discussed possible action to amend NRS 648 with regard to polygraph examiners and Board Member Putnam's proposed language. Board Member Putnam drafted proposed changes to NRS 648. The reason for the proposed changes was to reflect changes in the way polygraphs were done. He read the proposed changes he had written into the record. He asked for the Board's support for the changes so he could tell the person introducing the changes to the legislature of that support. Chairman Spencer said he supported the changes. Board Member Zane also supported the changes. Board Member Zane moved that the Board take a position of support for the proposed language changes in NRS 648 as it pertains to polygraph examination standards, licensees, and equipments as provided by Board Member Putnam. Chairman Spencer seconded the motion, which carried.

There was no Board comment and no future agenda items were discussed.

Public comment and discussion. Mike Yepko asked if any comments significant for the schedule tomorrow could be provided ahead of time. Acting Board Counsel Geddes asked for clarification. She was in favor of deferring the matter until tomorrow.

Jose Hernandez asked to reinstate his license. Executive Director Ray said no action could be taken during public comment and discussion. She advised him that, based on the circumstances, he was ineligible for a license.

Board Member Putnam moved to adjourn. Chairman Spencer seconded the motion, which passed.