



## REGULATORY AGENCY ACTION

### MAJOR PROJECTS:

**Enforcement.** The Board recently investigated a complaint regarding an alleged retroactive increase in the membership fees of the Neptune Society from \$255 to \$799. The Neptune Society, which is under new ownership, has agreed to honor existing contracts. However, the Board is still concerned that other membership contracts which were written during the same time period will be retroactively altered. To address the issue, the Board will notify the Board of Funeral Directors and Embalmers of the Neptune Society's intent to honor the contracts. The Society will also be contacted to ensure that the contracts will be honored as written, and to ascertain exactly how many contracts were sold.

### LEGISLATION:

**SB 698 (Petris)** would amend section 9650 of the Business and Professions Code, which currently requires each cemetery authority in charge of endowment care funds to file an annual report with the Board on or before April 1, or within three months after close of their fiscal year with approval of the Board. This bill would extend the annual report requirement to all cemetery authorities, and would require the report to be filed on or before June 1, or within five months after close of the fiscal year with approval of the Board. This bill is pending in the Senate Appropriations Committee at this writing.

### RECENT MEETINGS:

At its February 8 meeting in San Diego, the Board considered a number of licensing applications. Board members heard four application for certificates of authority, seven applications for crematory licenses, and eleven applications for cemetery brokers.

### FUTURE MEETINGS:

To be announced.

### BUREAU OF COLLECTION AND INVESTIGATIVE SERVICES

**Chief: Alonzo Hall**  
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The Bureau of Collection and Investigative Services (BCIS) is one of over forty separate regulatory agencies within the Department of Consumer Affairs (DCA). The chief of the Bureau is directly responsible to the director of the Department.

The Bureau regulates the practices

of collection agencies in California. Collection agencies are businesses that collect debts owed to others. The responsibility of the Bureau in regulating collection agencies is two-fold: (1) to protect the consumer/debtor from false, deceptive, and abusive practices and (2) to protect businesses which refer accounts for collection from financial loss.

In addition, eight other industries are regulated by the Bureau, including private security services (security guards and private patrol operators), repossessioners, private investigators, alarm company operators, protection dog operators, medical provider consultants, security guard training facilities, and locksmiths.

**Private Security Services.** Private security services encompass those who provide protection for persons and/or property in accordance with a contractual agreement. The types of services provided include private street patrols, security guards, watchpeople, body guards, store detectives, and escort services. Any individual employed for these services is required to register with the Bureau as a security guard. Any security guard who carries a firearm on the job must possess a firearm permit issued by the Bureau. The Bureau operates to protect consumers from guards who unlawfully detain, conduct illegal searches, exert undue force, and use their authority to intimidate and harass.

**Repossessioners.** Repossession agencies repossess personal property on behalf of a credit grantor when a consumer defaults on a conditional sales contract which contains a repossession clause. The Bureau functions to protect consumers from unethical methods of repossessing personal property, such as physical abuse resulting in bodily harm, threats of violence, illegal entry onto private property, and misrepresentation in order to obtain property or information about property.

**Private Investigators.** Private investigators conduct investigations for private individuals, businesses, attorneys, insurance companies, and public agencies. The scope of their job generally falls within the areas of civil, criminal, and domestic investigations. The Bureau oversees private investigators to protect consumers and clients against investigators who misrepresent, impersonate, or make threats in order to obtain desired information; perform inadequate or incompetent investigations; fail to substantiate charges or charge more than the amount agreed upon; and alter, falsify, or create evidence.

**Alarm Industry.** Alarm company operators install, service, maintain, mon-

itor, and respond to burglar alarms. These services are provided to private individuals, businesses, and public entities. The Bureau regulates this industry in order to protect clients from potential theft or burglary, invasion of privacy or misrepresentation by alarm companies, and failure on their part to render service as agreed.

**Protection Dog Operators.** Protection dog operators train, lease, and sell dogs for personal and/or property protection. They also provide patrol services using trained dogs. These services are employed by private individuals, business entities and law enforcement agencies. The Bureau serves to protect against possible violations in this industry, such as inadequately trained or physically abused dogs, overcharges for services, invasions of privacy, or potential theft or burglary of property.

**Medical Provider Consultants.** Medical provider consultants are contract collectors who provide in-house collection services to medical facilities. They contact insurance companies and/or patients to try to collect on medical debts on behalf of the medical provider. Nevertheless, consultants cannot themselves collect on delinquent debts. Instead, they must turn the debt over to an independent, licensed collection agency in order to avoid any conflict of interest.

**Security Guard Training Facilities.** These facilities provide necessary training for those desiring to become security guards. Training is given in legal procedures, public safety, minimum standards, and professional conduct. Firearm training is especially important for those guards who will carry a firearm on the job. Upon completion of training, guards must pass an exam before they can be registered.

**Locksmiths.** As of July 1987, SB 1540 became effective, resulting in the creation of a locksmith regulation program within the Bureau. (For additional information on SB 1540, see CRLR Vol. 6, No. 3 (Summer 1986) p. 25.)

The purpose of the Bureau is to protect the health, welfare and safety of those affected by these industries. To accomplish this, the Bureau regulates and reviews these industries by its licensing procedures and by the adoption and enforcement of regulations. For example, the Bureau reviews all complaints for possible violations and takes disciplinary action when violations are found. The Bureau's primary method of regulating, however, is through the granting or denial of initial/renewal license or registration applications. Education



is also utilized to assist in achieving Bureau goals.

Consumers and clients may pursue civil remedies to resolve complaints and disputes currently within the regulatory authority of the Bureau. In addition, class action suits may be filed on behalf of consumers by the Attorney General's office and local district attorneys against businesses which engage in repetitive unethical business practices.

## MAJOR PROJECTS:

**Conservatorships.** The conservatorship issue continues to be a concern for the Collection Agency Advisory Board (CAAB). (See CRLR Vol. 8, No. 4 (Fall 1988) p. 48; Vol. 8, No. 3 (Summer 1988) pp. 51-52; and Vol. 7, No. 4 (Fall 1987) p. 44 for background information.) At CAAB's January 18 meeting in Palm Springs, Bureau Chief Alonzo Hall was questioned about the status of the Bureau's search for an alternative to the present conservatorship program for out-of-trust collection agencies. Chief Hall stated that the Bureau Chief is the only person who may put a collection agency into conservatorship, through a delegation of statutory authority from the DCA Director. Only a statutory amendment could authorize a change in this procedure.

**Qualified Managers Exam.** One of the CAAB's goals for 1989 is to draft and implement a new qualified managers examination. (See CRLR Vol. 8, No. 3 (Summer 1988) p. 51 for background information.) In order to legally operate in California, a licensed collection agency must have a qualified manager (QM) on its premises 51% of the time it is doing business. The QM must pass the exam in order to be licensed. Although CAAB discussed the exam at its January meeting, no specific completion date was set for the project.

**Powers to Arrest Manual.** The updated and edited version of the Private Security Services Advisory Board's (PSSAB) Powers to Arrest Manual is being reviewed by DCA's legal staff. The updated manual contains no new policy or procedural changes, but was edited to correct errors concerning the Penal Code, and to clarify and simplify procedural instructions.

**Baton Manual.** The PSSAB is in the process of creating a Baton Manual so that training facilities will have uniform criteria for certifying guards to carry a baton. This manual is still being revised by Bureau staff and will then be reviewed by DCA.

## LEGISLATION:

**AB 613 (Lancaster)** would delete the authority of the DCA Director to deter-

mine the equivalent amount of experience in investigation work required for a private investigator's license. Existing law requires a specified amount of experience or the equivalent as determined by the Director. The bill is pending in the Assembly Government Efficiency and Consumer Protection Committee at this writing.

**AB 1644 (Peace)** would require BCIS to develop a powers to arrest training manual which shall be used by certified instructors in a course of training on the power to arrest. This training would be required to obtain a security guard registration card. This bill is pending in the Assembly Committee on Governmental Efficiency and Consumer Protection.

**AB 1501 (Quackenbush)** would prohibit a security guard from carrying a baton or firearm unless he/she is in uniform, and would require any person wearing a badge, baton, or firearm to wear a patch reading "security guard" of a design approved by the DCA. This bill would also require any person required to be registered as a security guard to carry his/her registration card while on duty. This bill is pending in the Assembly Committee on Governmental Efficiency and Consumer Protection.

**AB 268 (Chacon)** would provide that no person who is wearing the uniform of a peace officer or a security officer, or who is carrying a firearm, shall be permitted in the voting booth area of polls on election day, except under specified conditions. AB 268 is pending in the Assembly Committee on Elections, Reapportionment, and Constitutional Amendments.

The following is a status update on bills reported in detail in CRLR Vol. 9, No. 1 (Winter 1989) at page 43:

**SB 104 (Robbins)**, which would increase the maximum fees and expenses that may be charged by a conservator appointed to take over the business of a collection agency, is still pending in the Senate Committee on Insurance, Claims and Corporations at this writing.

**SB 141 (Deddeh)** was amended on March 9 to change the existing law which prohibits the Bureau from releasing the home address or home phone number of any person licensed as a collection agency or registered as an employee of a collection agency, unless the request is in writing. This bill now provides that BCIS applicants, licensees, and registrants may provide to the BCIS either their home or business address; that registrants and licensees must be notified by BCIS of any request for information concerning that registrant or licensee; and that BCIS is prohibited from releas-

ing the home address or phone number if the licensee or registrant has provided a business address or phone number.

**SB 141** would also authorize BCIS to issue interim licenses under specified conditions, and make several other changes to the Collection Agency Act. This bill is pending in the Senate Committee on Insurance, Claims and Corporations.

**AB 255 (Floyd)**, which would permit DCA to adopt regulations that a security guard must meet in order to become a professional bodyguard, is pending in the Assembly Committee on Governmental Efficiency and Consumer Protection.

## RECENT MEETINGS:

**Collection Agency Advisory Board.** The CAAB set a number of goals for itself at its January 18 meeting in Palm Springs. A resolution of the conservatorship issue and the drafting of the QM exam were the primary goals stated. The Board also approved a motion to maintain an open line of communication between the Bureau and its licensees, develop a collector education program, and support the Bureau's enforcement programs.

The CAAB elected new officers for 1989. Bette Meyers retained her position as Board Secretary. Board Member John Espinosa was elected Vice-Chair and Esther Winston was elected as Board Chair.

**Private Security Advisory Board.** At its January 26 meeting in Sacramento, the Board elected John Roberts as Chair, Alex Stiglitz as Vice-Chair, and John Taylor as Secretary. The Board also announced its goals for 1989, including review of the Firearms Training Manual for accuracy; publication of the Baton Manual; and approval of the Powers to Arrest Manual by the DCA counsel.

## FUTURE MEETINGS:

Collection Agency Advisory Board: September 22 in San Diego.

Private Security Services Advisory Board: July 20 in Sacramento; October 19 in San Diego; January 18, 1990 in San Francisco.

## CONTRACTORS STATE LICENSE BOARD

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The Contractors State License Board (CSLB) licenses contractors to work in California, handles consumer complaints, and enforces existing laws pertaining to contractors.

The thirteen-member Board, consisting of seven public members, five con-