



No. 3 (Summer 1989) p. 43 for background information.)

The Board amended existing section 2340(a) to require that holders of a cemetery certificate of authority who operate a crematory maintain specified records. The Board also amended section 2340(a)(8), which requires licensees to keep records regarding the exact date, time, place, and type of disposition of cremated remains. The proposed change adds the option of recording only the name of the person or entity to whom the cremated remains were released. Finally, the Board added subsection (c) to section 2340 to read as follows: "This section shall not be interpreted to require the holder of a certificate of authority to maintain a separate set of records pertaining to cremation."

At this writing, these regulatory changes are being prepared for submission to the Office of Administrative Law (OAL) for review. The Board also authorized Executive Director John Gill to make any nonsubstantive changes required by OAL.

**Endowment Care Fund Rates.** At the Board's December meeting, the Board's Endowment Care Fund Subcommittee made a proposal to the Board regarding a proposed increase in endowment care fund contributions. (See CRLR Vol. 9, No. 4 (Fall 1989) p. 48 for background information.) The Subcommittee recommended graduated increases over a three-year period in the following areas: grave space—from the current level of \$1.75 per square foot up to \$2.50 in 1993; crypts—from the current level of \$75 each to \$120 each in 1993; additional crypts—from the current level of \$40 each to \$60 each in 1993; and niches—from the current level of \$25 each to \$40 each in 1993. The Board approved the Subcommittee's recommendations, and plans to have this proposal introduced as legislation in the near future.

**Salesperson Licensing.** The Board discussed the issue of salesperson licensing at its December meeting. (See CRLR Vol. 9, No. 4 (Fall 1989) p. 48 for background information.) Executive Officer John Gill suggested that the temporary licensing fee of \$20 and the original cemetery salesperson license fee of \$20 could be combined into a one-time \$30 fee. The Board is also considering reducing the effective period of a temporary license from the current ninety days to thirty days. These changes would require legislative action.

In conjunction with these changes, the Board would offer two exams per month rather than one. Also, instead of requiring potential licensees to sign up for a particular exam, they would be issued a ticket that they could use at any exam within the temporary licensure period. These changes in exam procedure would reduce paperwork and could be accomplished administratively, according to Mr. Gill. This matter was continued until the March meeting.

#### RECENT MEETINGS:

At its December 5 meeting, the Board considered a number of licensing applications: one application for a certificate of authority; four applications for crematory licenses; nine applications for corporate cemetery broker licenses; and one application for an individual cemetery broker license.

#### FUTURE MEETINGS:

To be announced.

#### BUREAU OF COLLECTION AND INVESTIGATIVE SERVICES

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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.

Pursuant to the Collection Agency Act, Business and Professions Code section 6850 *et seq.*, 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. The Bureau also plays an important role in protecting collection agencies from unlawful competition by the detection and prohibition of unlicensed activity within the industry.

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.** Regulated by the Bureau pursuant to Business and Professions Code section 7544 *et seq.*, 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. Pursuant to the Repossessors Act, Business and Professions Code section 7500 *et seq.*, 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. Pursuant to Business and Professions Code section 7540 *et seq.*, 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, monitor, and respond to burglar alarms. These services are provided to private individuals, businesses, and public entities. Pursuant to the Alarm Company Act, Business and Professions Code section 7590 *et seq.*, 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. Pursuant to Business and Professions Code section 7550 *et seq.*, 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. Medical provider consultants may be licensed by the Bureau pursuant to Health and Safety Code section 1249.5 *et seq.*

**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. The Bureau certifies and regulates these facilities pursuant to Business and Professions Code section 7552 *et seq.*

**Locksmiths.** As of July 1987, SB 1540 became effective, resulting in the creation of a locksmith regulation program within the Bureau, pursuant to Business and Professions Code section 6980 *et seq.*

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.

Two advisory boards function within the Bureau to advise the Chief and the DCA Director on policy matters relating to their respective industries. The Collection Agency Advisory Board (CAAB) acts pursuant to Business and Professions Code section 6863.5 *et seq.*, and the Private Security Services Advisory Board (PSSAB) is created under Business and Professions Code section 7516 *et seq.*

At the October 19 PSSAB meeting, Francis Stoffels was introduced as the newest member of the Board; he replaces Margaret Morgan, who was forced to resign due to illness. Mr. Stoffels was in state service for 36 years, served in the Air Force reserves for 39 years, has served as an arbitrator, and is currently a professor at Golden Gate University.

## MAJOR PROJECTS:

**Legislative Proposal to Standardize Firearms.** At PSSAB's October 19 meeting, Bureau Chief Alonzo Hall initiated discussion of a proposal to standardize the firearms which may be used by private security guards. Chief Hall suggested that all security services restrict the type of firearms used by their employees to .38 caliber revolvers similar to those used by police officers.

The proposal came in response to various surveys and other studies which indicate that security guards currently use five or six different types of firearms in the course of their duties, including high-powered weapons. Because of the increased liability presented by such firearms, Chief Hall suggested that uniformity of firearms and restrictions with respect to the type of ammunition used would better serve the security industry as a whole.

Prior to the Advisory Board's meeting, the Bureau had mailed notification of the proposal to over 2,000 private security services. The security industry responded in record numbers to register its opposition. Generally, the industry representatives present at the meeting were concerned with increased costs of acquiring the standardized revolvers, and objected to the proposed restrictions especially with regard to those who have been qualified to use higher caliber revolvers or semi-automatic weapons on duty. The industry also expressed its fear of inadequate protection when coming into contact with aggressors who might have greater firepower.

Chief Hall acknowledged audience concerns and urged the industry to form a unified association to allow its voice to be heard collectively by legislative representatives and the Bureau.

**Increases in Security Guard Training.** Also at PSSAB's October meeting, Chief Hall once again stressed the need to enhance the training given to security guards and security officers. (See CRLR Vol. 9, No. 4 (Fall 1989) p. 50 for background information.) Hall believes that such steps will improve the image and services of the industry.

The security industry has become one of the fastest-growing industries in the state, increasing from 6,500 new entrants per month in 1988 to 7,300 per month in 1989. Because security agencies will be increasingly relied upon in the future, it is critical to guarantee higher levels of training and service. To promote a higher level of proficiency, the Chief stated that he would work to raise overall wages for the security industry to attract employees of higher quality. "Professional wages" will be required to reward professional training, according to Chief Hall.

**Illegal Security Services.** In response to complaints about illegal security services which refuse to follow the proper procedure for licensing their security officers and fail to provide adequate training, Chief Hall suggested that the industry form associations which could assert organized pressure on local enforcement agencies to close down such activities. Currently, there is a reluctance on the part of district attorneys' offices and local city attorneys to pursue such misdemeanor violations. However, these violations undercut legal business operations and are thus very detrimental to some of the smaller licensed security services. Chief Hall



also stressed the need to report such illegal competition so that the Bureau can promptly investigate the allegations.

**Collection Agency Conservatorships.** Although no new action has been taken regarding the out-of-trust collection agency/conservatorship issue, Leroy Bell, the staff services officer of the Bureau's Collection Agency program, insists that efforts will be made in the future to monitor conservatorships more closely. Although the Bureau still has no concrete ideas as to specific changes in the process, it continues to focus on creating an intermediate step between collection agencies (CAs) becoming out-of-trust and the appointment of a conservator. The Bureau wishes to explore the possibility of providing a consultant to bring expertise and guidance to financially troubled CAs with the hope that such CAs can recover before it is too late. (See CRLR Vol. 8, No. 4 (Fall 1988) p. 48; Vol. 8, No. 3 (Summer 1988) pp. 51-52; Vol. 7, No. 4 (Fall 1987) p. 44; Vol. 7, No. 3 (Summer 1987) pp. 64-65; and Vol. 7, No. 1 (Winter 1987) p. 38 for background information.)

According to one spokesperson from the California Association of Collections (CAC), the Bureau sometimes oversteps its duties in providing a conservator to "interfere" with an endangered CA's operations. Some in the CAC view the conservatorships as "a waste of money." If the CA is financially troubled, they suggest, it can always declare bankruptcy like any other business. In general, CAC believes that the Bureau should act as a licensing authority only, and should refrain from exercising a "parental role" over licensed CAs.

#### LEGISLATION:

The following is a status update of bills described in detail in CRLR Vol. 9, No. 4 (Fall 1989) at page 50:

**AB 1644 (Peace).** Existing law provides for the issuance of a temporary registration card for employees of private patrol operators, subject to specified conditions. An employee who has been convicted of a crime prior to applying for a position as a security guard may not be issued a temporary registration card. This bill would authorize BCIS to ascertain from governmental or other official documents whether an applicant has been convicted of a criminal offense outside California. At this writing, AB 1644 is pending on the Assembly floor.

**AB 255 (Floyd),** as amended January 3, would permit DCA to adopt rules requiring private investigators to comply with those requirements of current law applicable to private patrol operator licensees with respect to the completion of courses of training in the exercise of powers to arrest and the carrying and use of firearms. At this writing, AB 255 is pending in the Assembly Ways and Means Committee.

**SB 141 (Deddeh)** proposes to set new expiration dates for qualification certificates issued under the Collection Agency Act, and extend several reporting and/or registration deadlines for collection agency licensees. SB 141 is pending in the Senate Business and Professions Committee.

**SB 104 (Robbins)** would change the bond requirement for collection agency licensees. In lieu of the \$10,000 surety bond requirement, a licensee would be permitted to file with the Bureau Chief an insurance policy that meets specified requirements. The bill would require insurers to notify BCIS when insurance coverage is terminated and would require the Bureau to notify the licensee of this termination. The licensee would then be obligated to file a new bond or insurance policy within 30 days, or else his/her license shall be void. This bill is pending in the Assembly Committee on Finance and Insurance.

**Proposed Legislation.** The following legislative proposals have been approved by the Bureau. The proposed language may change as the proposals are drafted in bill form and work their way through the legislative process:

-BCIS proposes to set a minimum age requirement for applicants for guard registration, firearm permits, or alarm agent registration. Since criminal history information is generally not available for persons under 18 years of age, all future applicants would have to be at least 18 years old.

-BCIS proposes to prohibit unlicensed persons or businesses from bringing court actions against clients for compensation for services rendered, in an attempt to curtail instances of unlicensed activity. Such legislation would apply to private patrol operators, private investigators, protection dog operators, repossessors, collection agencies, and locksmiths.

-Currently, only telephone answering services retained by an alarm company operator to monitor alarms are excluded from licensure as alarm company opera-

tors. BCIS proposes to extend this exclusion to cover any entity retained by an alarm company operator to monitor alarm systems, under specified conditions.

#### RECENT MEETINGS:

The Bureau's Powers-to-Arrest manual has been revised and approved. Additionally, the baton and firearms manuals have also been completed. These manuals are currently in the printing stage and will be available shortly. (See CRLR Vol. 9, No. 4 (Fall 1989) p. 50 and Vol. 9, No. 3 (Summer 1989) p. 44 for background information.)

#### FUTURE MEETINGS:

To be announced.

#### 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 Board is authorized pursuant to Business and Professions Code section 7000 *et seq.*; CSLB's regulations are codified in Chapter 8, Title 16 of the California Code of Regulations (CCR).

The thirteen-member Board, consisting of seven public members, five contractors and one labor member, generally meets every other month. The Board maintains six committees: legislative, enforcement, licensing, public information, strategic planning, and budget/administration. In addition, the Board maintains a Fire Protections Systems Ad Hoc Committee. Committees meet every one to three months, and present recommendations for requested action at the full Board meetings.

#### MAJOR PROJECTS:

**Unlicensed Activity Unit.** CSLB's Unlicensed Activity Unit was fully staffed and operational on October 1. Created pursuant to AB 2279 (Eastin) (Chapter 1363, Statutes of 1989), the Unit is authorized to conduct surprise "sting operations" on construction job-sites to ensure that all contractors are properly licensed. The Unit has investigated many written and telephone leads filed by members of the public regard-