The Board also heard comments from one member of its legislative subcommittee concerning the proposed amendment to section 7054.7(a)(1). The member stated that the legislative intent was to avoid punishing the innocent operator who performs some commingling because of the incidental, unavoidable residue left in the retort, but does not commingle as a matter of course. (See supra MAJOR PROJECTS and CRLR 1988) pp. 47-48 for further information.) After considerable discussion, the Board directed Anita Scuri to draft some remedial language for the proposed amendment.

FUTURE MEETINGS:
To be announced.

BUREAU OF COLLECTION AND INVESTIGATIVE SERVICES
Acting Chief: Ernest Luzania
(916) 739-3028

The Bureau of Collection and Investigative Services is one of over forty separate regulatory agencies within the Department of Consumer Affairs. 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), repossession agencies, private investigators, alarm companies, and public agencies. The Bureau also 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 burglary 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, businesses and public agencies. The Bureau regulates 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:

Administrative Change. According to the Department of Consumer Affairs, former Bureau Chief Gary Kern was "relieved of his responsibilities" in late January. Deputy Chief Ernest Luzania is Acting Chief pending the Governor's appointment of a new Bureau Chief.

1988 CAAB Goals. At its January 19 meeting in Sacramento, the Collection Agency Advisory Board (CAAB) outlined the following goals for the coming year:

- The CAAB, through industry committees, will work with the Bureau to revise the qualified certificate holder examination. (See CRLR Vol. 8, No. 1 (Winter 1988) p. 49 and Vol. 7, No. 3 (Summer 1987) pp. 65-66 for background information.)

In conjunction with the Bureau, the CAAB will review the problems and proposals associated with unlicensed activity.

- The CAAB will continue to explore alternatives to conservatorship. (For background information on conservatorship, see CRLR Vol. 7, No. 1 (Winter 1987) p. 38 and Vol. 6, No. 4 (Fall 1986) p. 32.)

Regulations. The Office of Administrative Law (OAL) approved the package of proposed repeals affecting weapons regulations submitted to OAL in January. (See CRLR Vol. 8, No. 1 (Winter 1988) p. 49 for background information.)

In addition, the Department of Consumer Affairs (DCA) and the CAAB will make a final review of the proposed regulation regarding cash deposits in lieu of surety bonds. The proposed regulation would provide for retention of deposits offered in lieu of surety bonds for a period of four years beyond the date of license termination. (See CRLR Vol. 8, No. 1 (Winter 1988) p. 49 for a complete description of the proposed regulation.) The proposed regulation was scheduled for submission to OAL in late March.

Private Security Services Advisory Board. This recently-appointed Board held its first meeting on February 25 in Sacramento. The following Board officers were elected: John Roberts, Jr. (alarm operator representative) was selected as Board Chair; Alex Stiglitz (public member) is Vice Chair; and John Taylor (private patrol industry representative) is Secretary.

The Board began discussion of appointments and reappointments to the Alarm Company Operator and Private Security Disciplinary Review Committee. Action on the appointment of a new Review Committee was postponed, however, until new Advisory Board members could be provided with additional information. The Review Committee hears disciplinary matters, including actions to revoke or deny licenses.

Acting Bureau Chief Ernest Luzania addressed the Board regarding additional training for security guards. AB 646 (Stirling), which died in committee, would have increased the required two-hour powers of arrest training to eight hours of training. The Acting Chief also reported that a proposal by the Police Officers Standard Training (P.O.S.T.) for a Bureau study regarding increased training for security guards would be opposed by the Bureau, and suggested that P.O.S.T. conduct the study.

Mr. Luzania counseled the Board to identify its 1988 goals and the areas in which it wishes to concentrate. The Acting Chief informed the Board that revisions to the private investigator's examination are almost complete after three years of work. He also reported that several industries within Board purview—such as private security services, alarm company operators, and protection dog operators—are the second-largest contributor of fingerprint cards to the Department of Justice. Such industries generate 53,000 cards each year. All applicants within these industries must be fingerprinted and undergo a background check.

Further Advisory Board action included approval of firearms simulator training. The simulator training may be employed instead of actual firing on a range.

Legislation:

AB 3072 (Seastrand), introduced February 8, would delete the June 30, 1989 repeal date of the Collection Agency Act. This bill is pending in the Assembly Committee on Finance and Insurance.

AB 2753 (Lewis) was referred to the Assembly Committee on Public Safety on January 21, and would add section 11105.4 to the Penal Code relating to criminal records. The bill would authorize any employer or any person who is designated by an employer and who is licensed under the Private Investigator Act to request the Department of Justice to furnish conviction records regarding sex and drug crimes and crimes of violence, with respect to employees or applicants for employment.

AB 2807 (Duplissea) was referred to the Assembly Committee on Transportation on February 1. The bill would include a "roll-back carrier" within the definition of "tow car," and would subject such carriers to existing tow car requirements. The bill would also exempt specified repossession agencies from tow car equipment provisions and permit those agencies to substitute their DCA license number in lieu of a business address or the sign-in lieu of a vehicle existing law to be displayed on their tow cars.

AB 4007 (Lancaster), introduced February 18, is the DCA's omnibus bill. With regard to the Bureau, AB 4007 would amend existing law which defines an alarm company operator for purposes of licensing and regulation, and exempts from that definition a telephone answer-
REGULATORY AGENCY ACTION

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