



# North Carolina Department of Public Safety

## Private Protective Services Board

Pat McCrory, Governor  
Frank L. Perry, Secretary

Gregory K. Baker, Commissioner  
Barry S. Echols, Director

**MINUTES OF THE  
PRIVATE PROTECTIVE SERVICES BOARD MEETING  
JUNE 25, 2015  
HOLIDAY INN NORTH  
2805 HIGHWOODS BLVD  
RALEIGH, NC 27604**

### **BOARD MEMBER PRESENT**

Eric Weaver Sr.  
Bill Booth  
Ed Cobbler  
Clyde Cook  
Marcus Benson  
Richard Epley  
Robert Clark  
William MacRae  
Donald Foster  
Dustin T. Greene  
Steve Johnson  
Brian Lowman  
Nada Lawrimore

### **BOARD MEMBERS ABSENT**

Bud Cesena

### **STAFF PRESENT**

Barry Echols - Director  
Anthony Bonapart - Deputy Director  
Phillip Stephenson – Field Services Supervisor  
Jeff Gray – Attorney  
Melvin Turner - Investigator  
Garcia Graham – PPSB Board Secretary  
Maia Washington-Powell – PPSB Licensing Assistant

### **GUEST PRESENT**

Jeff Cathcart  
Glen Westbrook  
David Arndt  
Eugene Roberts Jr.

Michael Walker  
Danny Barham  
Gregory Hatten  
Muhammad Bilal

Kevin Deery  
Donald Miller  
Jim Salmon  
Beatrice Powers

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Samuel Witty  
Chris Green  
Pam Mayfield  
Dorian Dehnel  
George Daniels  
Mack Donaldson  
Sandra Epley  
John Dwiggins

Robert Dunn  
Kenneth Sheffield  
Keith Warren  
Laura Closson  
Suzanne Creech  
Jerry Walser  
Gary Pastor  
Don Williams

Tony Lashley  
Paul Scholl  
Paul Latorre  
Jerry Pittman  
Daitwan Hardy  
Yvonne Cobourn

### **CALL TO ORDER**

Chairman Eric Weaver called the June 25, 2015 Private Protective Services Board meeting to order at 9:00 a.m. Marcus Benson led the group in the reciting of the Pledge of Allegiance followed by Chairman Weaver introduction of new Board member Nada Lawrimore.

### **GOOD OF THE ORDER:**

Attorney Jeff Gray explained the State Ethics Act, which addresses the ethics of public officials. This Act states specifically that if any Board Member has any conflict of interest, potential conflict of interest, or the appearance of a conflict, he or she should remove themselves from deliberation and vote on that matter and so state on the record.

Mr. Christopher Green, addressed the Board on behalf of Gary Pastor and the NCAPI. Mr. Green stated that the Association will be holding their fall conference in New Bern, NC from November 5 through November 6, 2015. Mr. Green also stated that they will not be holding their regular meeting today following this Board meeting due to some members from the NCAPI will be heading to the Legislative Building to speak to their representative regarding the ability for Private Investigator to continue use of GPS tracking device. Mr. Green encouraged anyone in the audience that would like to join them in going to the Legislative Building are welcome.

### **MINUTES:**

#### **APPROVAL OF THE APRIL 23, 2015 BOARD MEETING MINUTES**

**MOTION BY MR. JOHNSON TO ACCEPT THE MINUTES; SECONDED BY MR. CLARK; MOTION CARRIED.**

### **SCREENING COMMITTEE REPORT:**

Mr. Clark reported that the Screening Committee met on Wednesday, June 24, 2015 from 2:00 p.m. to 4:45 p.m. to review a total of 57 applications. (See report). The committee members

were Mr. Clark, Mr. Cobbler, Mr. Foster, Mr. MacRae and Mr. Lowman. Mr. Clark read the report for the record. (See attachment)

It was noted Mr. MacRae recused himself from #50 of the screening report.

**MOTION BY MR. BOOTH TO ACCEPT THE SCREENING REPORT; SECONDED BY MR. BENSON; MOTION CARRIED.**

Mr. Clark presented the following registration report for the period of March 25, 2015 to June 23, 2015. Total registrations 6,203; armed totals were 775 of which 258 were new and 448 were renewals, 7 duplicate and 62 reissue/dual. There were a total of 197 Armed Armored Car, 82 of which were new, 113 were renewals, 2 reissue/dual. There were a total of 17 Armed Private Investigators, 4 of which were new, 12 renewals and 1 duplicate. There were a total of 3 Armed Private Investigator Associates, 2 of which was new and 1 renewal. Unarmed totals were 5,185 which included 1958 new, 2885 renewals, 334 transfers, and 8 duplicates. There were a total of 26 unarmed armored cars, 11 of which were new and 15 renewals. Total denials were 990 of which 274 were for cause and 716 for correctable reasons. There were 751 applications approved which were previously denied for a total of 1741 denials reviewed.

**MOTION BY MR. COBBLER TO ACCEPT THE REGISTRATION REPORT; SECONDED BY MR. COOK; MOTION CARRIED.**

**GRIEVANCE COMMITTEE REPORT:**

Mr. Booth reported that the Grievance Committee met on Wednesday, June 24, 2015 from 8:00 a.m. to 9:58 a.m. and heard a total of 4 cases. The committee members were Mr. Booth, Mr. Greene, Mr. Cook, Mr. Benson, Mr. Johnson and Mr. Epley. Mr. Booth presented the attached report. (See attachment)

**MOTION BY MR. FOSTER TO ACCEPT THE GRIEVANCE COMMITTEE REPORT; SECONDED BY MR. JOHNSON; MOTION CARRIED.**

**TRAINING & EDUCATION COMMITTEE:**

Mr. Cobbler reported that the Training & Education Committee met on June 24, 2015 from 8:00 a.m. until 8:44 a.m. The committee members were Mr. Cobbler, Mr. Clark, Mr. Booth, Mr. Johnson, Mr. Epley, and Mr. MacRae.

Mr. Cobbler stated that the grant review committee recommends the following organization be awarded a grant in the following amount for grant cycle PPSB2015-1 under the Private Protective Services grant program:

Central Piedmont Community College – recommendation is \$5,000.00

**MOTION BY MR. BOOTH TO APPROVE THE GRANT AWARD TO CENTRAL PIEDMONT COMMUNITY COLLEGE; SECONDED BY MR. CLARK; MOTION CARRIED.**

Mr. Timothy Gosh, Watch Commander Training Program, addressed the Board regarding additional training to be used with the PPSB required unarmed guard training program.

**MOTION BY MR. FOSTER TO ACCEPT THE TRAINING VIDEO; SECONDED BY MR. CLARK; MOTION CARRIED.**

Mr. Cobbler stated that the following 9 continuing education training courses have been submitted for approval: Arson Investigation (6 hours); Undercover Operation (6); Overview of Standards and Continuing Education Requirements (1); Legal Aspects of 74C (1); Medico Legal Death Investigations for the Private Investigator (6); Auto Theft, Arson and Rate Evasion (2); Annual Fraud Awareness Training (4); California Unfair Claims Practices (2); and Claims Investigation 100 (8).

The courses will be listed on the web page.

**MOTION BY MR. BENSON TO ACCEPT THE COURSES SUBMITTED FOR CONTINUING EDUCATION TRAINING APPROVAL. DENY THE COURSE ENTITLED CALIFORNIA UNFAIR CLAIMS PRACTICES; SECONDED BY MR. MACRAE; MOTION CARRIED.**

**The following PPS Trainer courses are scheduled:**

July 13, 2015	(1000-2300) FT Re-Certification & Pre-Qualification Course NCJA
August 3-7, 2015	(0800-1700) UAGT Course & Workshop at WTCC
September 2, 2015	(1000-2300) FT Re-Certification & Pre-Qualification Course NCJA
September 14-18, 2015	FT Course & Legal Class at Salemburg NCJA
September 28- October 2, 2015	(0800-1700) UAGT Course & Workshop at WTCC

November 2– 6, 2015 (0800-1700) UAGT Course & Workshop at WTCC

November 16, 2015 (1000-2300) FT Re-Certification & Pre-Qualification Course NCJA

Presently we have 347 certified PPS unarmed guard trainers and 103 PPS certified armed guard trainers.

**The following PPS Training Courses have been completed:**

January 26-30, 2015 (0800-1700) UAGT Course & Workshop at WTCC

March 2, 2015 (1000-2300) FT Re-certification & Pre-Qualification Course NCJA

March 16-20, 2015 (0800-1700) UAGT Course & Workshop at WTCC

April 6-10, 2015 FT Course & Legal Class at Salemburg NCJA

May 4-8, 2015 (0800-1700) UAGT Course & Workshop at WTCC

June 1, 2015 (1000-2300) FT Re-certification & Pre-Qualification Course NCJA

The following PPS Training Courses for CEU Credits have been scheduled:

August 27, 2015 1:00 p.m. – 5:00 p.m. Raleigh, NC

December 17, 2015 1:00 p.m. – 5:00 p.m. Raleigh, NC

The following PPS Training Courses for CEU credits have been completed:

December 11, 2014 1:00 p.m. – 5:00 p.m. Raleigh, NC

February 19, 2015 1:00 p.m. – 5:00 p.m. Concord, NC (Cancelled – Inclement Weather)

April 23, 2015 1:00 p.m. – 5:00 p.m. Raleigh, NC

**MOTION BY MR. CLARK TO ACCEPT THE TRAINING AND EDUCATION COMMITTEE REPORT; SECONDED BY MR. MACRAE; MOTION CARRIED.**

**GRIEVANCE COMMITTEE:**

NONE

**SCREENING COMMITTEE:**

NONE

**LAWS AND RULES COMMITTEE**

Mr. Epley asked Attorney Gray about the status of the House Bill 299. Attorney Gray reported that the bill was amended in committee to authorize the acquisition of real property. The State Budget is currently being debated in the legislature and hopefully, a decision on the bills will be made soon.

**MOTION BY MR. MACRAE TO ACCEPT THE LAWS AND RULES COMMITTEE'S REPORT; SECONDED BY MR. BOOTH; MOTION CARRIED.**

**FINANCE REPORT:**

Mr. Foster stated that he has been working on several issues with Director Echols such as the pay increase for staff, computer system and scanning of all documents stored at the Board's office. Mr. Foster also stated that the lease on the office will expire in 2016. We are currently looking at options regarding leasing and the Board owning property.

**MOTION BY MR. BOOTH TO ACCEPT THE FINANCE COMMITTEE'S REPORT; SECONDED BY MR. CLARK; MOTION CARRIED.**

**ETHICS COMMITTEE:**

Mr. Cook stated that he is pleased to report that he spoke with a representative at the Ethics Commission office and she informed him that the SEI annual reports shows everyone is in 100% compliance. Mr. Cook also stated that he checked on the bi-annual refresher course that is required for all members to complete. Three or four members still need to take that course. The Ethics Commission is really putting pressure on Ethics Liaisons to track required reports and required training of Board members.

**MOTION BY MR. BENSON TO ACCEPT THE ETHICS COMMITTEE'S REPORT; SECONDED BY MR. CLARK; MOTION CARRIED.**

**OLD BUSINESS:**

NONE

BREAK: 9:45 a.m.  
RECONVENED: 10:02 a.m.

**NEW BUSINESS:**

Gary Pastor addressed the Board regarding his concerns for armed Private Investigator Associates having their own personal liability insurance. He requested that the Board review the requirement for PI Associates to acquire their own liability insurance. Mr. Pastor also addressed the Board about unethical behavior within the industry. He requested that the Board establish specific rules for professional conduct.

Attorney Gray stated that these issues will be addressed in his Attorney's Report.

Mr. Pastor also asked the Board if office personnel such as receptionist, etc., should be licensed because there is no clear definition of who needs to be licensed and who does not.

Mr. Booth stated that license requirements for the industry is defined in North Carolina General Statute Chapter 74C. The Grievance Committee has to routinely weigh possible unlicensed activity against the requirements outlined in Chapter 74C but the requirements are specified in the statute.

Mr. Weaver agreed and stated that if the individual is not engaging in investigative activity the Board does not have jurisdiction.

Mr. Weaver presented the following 2016 Board Meeting Dates:

February 17 & 18, 2016 - Raleigh  
April 20 & 21, 2016 - Raleigh  
June 22 & 23, 2016 - Raleigh  
August 24 & 25, 2016 - Raleigh  
October 18, 19 & 20, 2016 - Raleigh  
December 14 & 15, 2016 - Raleigh

**MOTION BY MR. BENSON TO ACCEPT THE 2016 BOARD MEETING DATES;  
SECONDED BY MR. MACRAE; MOTION CARRIED.**

Mr. Bonapart made the grant announcement for PPSB2015-2. The Private Protective Services Board is pleased to announce that they are open to receiving grant applications from 8:00 a.m. on June 25, 2015 until 5:00 p.m. on September 30, 2015.

### **FINAL AGENCY DECISION**

NONE

### **DIRECTOR'S REPORT:**

Director Barry Echols read the report for the record. The current PPS budget as of May 31, 2015, has a balance of \$1,050,596.44; the Education Fund balance is \$74,379.31. As of May 31, 2015, the total registrations for PPS is 17,315, 1,770 licensees, and 571 certifications.

Mr. Echols reported that there have been a total of 3,510 various correspondences printed from the PPS database, 5,843 registration cards have been printed and a total of 5,666 applications received since the last Board meeting. Mr. Echols thanked the staff for tremendously decreasing the backlog.

Director Echols stated that he is looking at a company named Omni Scan that is currently contracted with DPS who can scan the agency files and integrate with our current system. He stated that the estimated cost would fall between \$200,000 - \$250,000. This will help the process move smoother as we migrate to a new computer system.

### **MOTION BY MR. BOOTH FOR PPS TO PAY SEVENTY FIVE PERCENT (75%) OF THE COST FOR SCANNING AND STORAGE OF ALL FILES; SECONDED BY MR. MACRAE; MOTION CARRIED.**

Mr. Echols updated the Board on the completion of the DPS internal audit. He reported that the auditors were amazed with what staff had accomplished based on the resources they had to work with. He also informed the Board that all other occupants have now moved out of our leased facility; the PPS/ASL is the only remaining tenant. He is in the process of looking at other properties that can accommodate staff and Board meetings. He reported that the pay increase for staff is currently at DPS human resources.

Mr. Weaver asked Director Echols to update the Board on the status of the previous vendor GLS. He advised that they are currently in litigation which has been turned over to DPS's attorneys. Mr. Echols also stated that the Board will not pay any more invoices for services that were never delivered by GLS. Mr. Echols also reported that he is currently looking at other companies that can handle our process. He reminded the attendees that a new computer system will increase the turnaround time and improve and modernize our processes.



**MOTION BY MR. MACRAE TO ACCEPT THE DIRECTOR’S REPORT; SECONDED BY MR. FOSTER; MOTION CARRIED.**

**MOTION BY MR. JOHNSON TO GO INTO CLOSED SESSION TO RECEIVE LEGAL ADVICE FROM THE BOARD’S ATTORNEY; SECONDED BY MR. BOOTH; MOTION CARRIED.**

CLOSED SESSION: 10:52 a.m.  
RECONVENED: 11:21 a.m.

**ATTORNEY’S REPORT:**

Attorney Gray discussed the following:

**I. CONSENT AGREEMENT, SETTLEMENT AGREEMENTS & CIVIL PENALTIES**

1. Mr. Owence Pascal Jean-Baptiste/Centinel Armed Service, LLC - Consent Agreement in the amount of \$1,101.60 has not been received. Letter sent to appear at June Grievance Committee Meeting.
2. Mr. Maurice La-Von Hayes/Carolina Security Agency - Consent Agreement in the amount of \$6752.40 has not been received. Letter sent to appear at June Screening Committee Meeting.
3. Gerald Stickl/Universal Protection Service, LLC - Consent Agreement in the amount of \$92,230.00 has not been received.
4. Kenneth Webb/Champion National Security, Inc. - Consent Agreement in the amount of \$2,590.80 has not been received.

The schedule of hearings in the Office Administrative Hearings is attached to the Attorney’s Report.

**III. RULES**

1. As a part of the transfer to the Department of Public Safety, the Board’s administrative rules will also have to be amended to reflect this change and transferred to another Title within the North Carolina Administrative Code. There are five (5) references to “Attorney General” in the Board’s rules and one (1) reference to “Department of Justice.” The Budget Act made all the appropriate

changes throughout the General Statutes, including Chapter 114 which governs the Attorney General and the Department of Justice, Chapter 74C which governs Private Protective Services and Chapter 74D which governs Alarm Systems Licensing Board, but the Board will have to go through an “abbreviated” rule amendment process to make the conforming changes to its administrative rules. Notice and a public hearing will not be required, but review by the Rules Review Commission will.

Numbers have been assigned under Title 14B (DPS’s section of the Code) and I have completed the process of reassigning numbers to the Board’s rules and making conforming changes within certain rules (i.e. “cross-references.”) Next, I will be changing the references from “Attorney General/Department of Justice” to “Secretary/Department of Public Safety,” then submit everything to the Rules Division of the Office of Administrative Hearings.

#### **IV. LEGISLATION**

1. House Bill 299, “Amend Private Protective Services Act/Changes,” was heard in the House Committee on Judiciary III on May 6, 2015. It was amended to add a provision allowing the Board to own real property (with a similar provision for the Alarm Systems Licensing Board), and received a favorable report. However, the serial referral to the House Finance Committee was stricken and it was referred to the House Committee on Rules, Calendar and Operations of the House. To date, there has been no further action on this bill. Jason Combs and Jarrett Burr, Legislative Liaisons for DPS will continue to monitor this bill, and I will report to you its progress. A copy of the Bill, as amended, attached to the Attorney’s Report.
2. A number of other bills of interest - - either directly effecting the Board, or tangentially effecting it - - have been introduced this Session. They are:
  - a. Senate Bill 408, “Firearms on School Grounds/Security Guards,” would provide that the prohibition on carrying a weapon on educational property would not apply to an armed security guard registered under Chapter 74C of the General Statutes when acting in the discharge of the guard’s duties with the permission of the college, university, or superintendent of the local school administrative unit. This bill would also allow any local law enforcement agency to request a list of the armed security guards employed by the college, university, or local school administrative unit. It was referred to Senate Committee on Rules and Operation of the Senate and has seen no further action, to date.

- b. Three bills, Senate Bill 469, “Occupational Licensing Board Reporting Requirements,” Senate Bill 361, “Occupational Licensing Reform Study,” and House Bill 760, “Regulatory Reform Act of 2015,” each address some aspect of the Program Evaluation Division’s Report on occupational licensing boards that was released last December. For the most part, the Board was not affected by this Report, however, its status as an “Article 3A agency” under Chapter 150B, the Administrative Procedures Act, could be challenged. (Note: Article 3A is the section that allows the Board to make the final decision following an administrative hearing before the Office of Administrative Hearings.)

I hope to use Senate Bill 469 as the vehicle for a Committee Substitute to ensure the Board remains an Article 3A agency. I have discussed this on numerous occasions with Jarrett Burr, Legislative Liaison for DPS.

House Bill 760 is the only one of these three bills that has seen any action; it was passed by the House on May 6<sup>th</sup> and was referred to the Senate Committee on Agriculture, Environment and Natural Resources.

- c. One bill is of particular interest to the Board in that it would help resolve when someone is an “employee” and when the person is an “independent contractor.” Aimed at reducing lost tax revenue due to intentional worker misclassification, House Bill 482, “Employee Fair Classification Act,” has a specific provision that would require all occupational licensing boards to: 1) include on every application for licensure, permit, or certification, or application for renewal, a certification that the applicant has read and understands the employee misclassification notice set forth in new G.S. 95-278(a)(7); 2) require all applicants to truthfully certify on the appropriate application that the applicant has read and understands the employee misclassification notice set forth in new G.S. 95-278(a)(7); 3) deny the license, permit or certification application of any applicant who fails to comply with the certification requirement; and 4) revoke such license, permit, or certificate and deny and refuse to grant any renewal or other application therefor until the licensee, permittee, certificate holder or applicant shall have furnished evidence sufficient to establish compliance with new G.S. 95-279(a). The bill also provides a succinct definition of “employee.”

House Bill 482 received a favorable report in the House Committee on Commerce and Job Development and re-referred to the House Judiciary II Committee on June 17<sup>th</sup>.

- d. An interesting bill that may or may not affect the Board and similar licensing boards is Senate Bill 502, “Prohibit Employment Discrimination/Poor Credit History,” which would prohibit any person, firm, corporation, as well as any “**State agency** or unit of local government” from denying or refusing employment on account of a person’s credit history. The bill does just say “employment” (and not license, permit, or certification), but could easily be cited in a challenge to the Board’s requirement that applicants for licensure have proven financial responsibility.
- e. Twice over the past three (3) years, the Board has had to amend its administrative rules to reflect first the passage of, then an amendment to, G.S. § 93B-15.1, entitled, “Licensure for individuals with military training and experience; licensure by endorsement for military spouses; temporary license.” Chapter 93B of the General Statutes governs all occupational licensing boards. House Bill 545, “Workforce Enhancement/Veterans,” would require licensure based solely on proof of a military occupational specialty and passage of a proficiency exam. If enacted, a third round of rule amendments would be necessary.

Senate Bill 545 passed the Senate on April 29<sup>th</sup> and was referred to the House Committee on Rules, Calendar and Operations of the House.

- 3. In meeting individually with Board members and others, Director Echols has received a number of suggested amendments to Chapter 74C, or ideas that would require a change to Chapter 74C in order to implement the idea. In the hope of having such amendments enacted this legislative session, I was asked to compile them into a “bill draft” (along with similar amendments to the Alarm Systems Licensing Board’s statute) for consideration. A copy was attached to the Attorney’s Report.

If the Board wishes to proceed, a motion would be in order.

**MOTION BY MR. BENSON TO MOVE FORWARD WITH FURTHER ADMENDMENTS TO CHAPTER 74C; SECONDED BY MR. JOHNSON; MOTION CARRIED.**

## **V. PENDING CASES**

For the past two (2) years Attorney Gray has been reporting to the Board the status of a civil action filed against Board Investigator Sarah Conner, the Board, the City of

Charlotte, the Charlotte-Mecklenburg Police Department and various officers of the Charlotte-Mecklenburg PD in *Kelly v. Conner, et al.*, No. 3:13-cv-636 - - WDNC. (Mr. Kelly was unlicensed as a security guard business and unregistered as a security guard, but performing armed security guard and patrol services. He was arrested by the Charlotte-Mecklenburg Police Department and charged with violating Chapter 74C.) Attorney Gray informed that the Court granted the Board's Motion to Dismiss Pursuant to Fed.R.Civ.P. 12(b)(6) and Motion for Summary Judgment, as well as similar motions filed by the other Defendants, on May 27, 2015. This action has been dismissed with prejudice.

The Plaintiff had until Monday, June 29<sup>th</sup> to give notice of appeal. The Plaintiff filed Notice of Appeal yesterday, June 24<sup>th</sup>.

A copy of the Court's Memorandum and Order was attached to the Attorney's Report.

## **VI. MISCELLANEOUS**

At the Board's April meeting Attorney Gray was instructed to notify Duke University of the provisions of Chapter 74C and its implications arising out of the Celia Irvine matter heard by the Grievance Committee on April 22nd. A copy of Attorney Gray's letter to Duke's General Counsel, and Duke's acknowledgment of that letter, is attached. (See, attachment 5 of Attorney's Report.)

Attorney Gray informed the Board that his retainer agreement with the Board expires June 30<sup>th</sup> and asked if the Board wished to renew it.

**MOTION BY MR. BENSON TO APPROVE THE CONTRACT FOR LEGAL SERVICES OF JEFFREY P. GRAY; SECONDED BY MR. BOOTH; MOTION CARRIED.**

**MOTION BY MR. BOOTH TO ACCEPT ATTORNEY'S REPORT; SECONDED BY MR. EPLEY; MOTION CARRIED.**

### **PUBLIC COMMENT:**

NONE

**MOTION BY MR. BOOTH TO ADJOURN; SECONDED BY MR. MACRAE; MOTION CARRIED.**

11:51 P.M. Adjourned

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Anthony B. Bonapart, Deputy Director

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Garcia Graham, Board Secretary