

Nick Harris Detectives

Established 1907

& Detective Academy

California PI 25020

California Bureau of Private Postsecondary Vocational Education #1909541

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THE PRIVATE INVESTIGATOR ACT

California Business & Professions Code Sections 7512 - 7573

7512-7514: Terms & Titles

This Section of the Business & Professions Code is known as the “Private Investigator Act.

The “Bureau of Security & Investigative Services” (BSIS) is the governing body that oversees the activities and licensing of Private Investigators.

- BSIS also governs Security, Alarm Services, Repossession Services and Locksmiths.

The BSIS is a Bureau established under the supervision of the “California Department of Consumer Affairs.”

- Almost all “licensed” professionals are licensed under the different bureaus of Consumer Affairs. The only exceptions are:
 - The California Department of Real Estate
 - The California Bar Association
 - The California Department of Insurance Bureau

The head of the California Department of Consumer Affairs is known as the “Director”.

The Head of the BSIS is known as the “Chief”.

A “Licensee” is someone authorized by the bureau to conduct business as a Private Investigator.

A “Manager” or “Qualified Manager” is an individual under whose direction, control and charge or management the business of a Licensee is operated.

- A Qualified Manager is someone who has met all the criteria for licensing (experience and testing). A Qualified Manager is also a Licensee and is authorized to “manage” a “Private Investigator Agency” whereas someone who is only a Licensee can only operate as an investigator under the supervision of a Qualified Manager.
- A Licensee who is not a Qualified Manager can own an Agency, but only when there is a Qualified Manager partnered with the Licensee.

The Director can make or change the rules of this section as needed.

7515-7519: Powers of the Director

The Director may change the rules of the Private Investigator Act as to the Qualifications of Managers and Licensees in order to promote and protect the public welfare.

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7520-7539: Authorized Activities of a Licensee / Qualified Manager

No person shall engage in the practice of Private Investigation unless properly licensed to do so...

- Such a violation is an “infraction” unless determined to be a misdemeanor by local codes
- The standard fine is \$1000.00

A licensed private investigator from another state can operate in the state of California for a period of “60 days” without a California license, when the investigation originated in another state.

A Private Investigator can provide “Body Guard” services provided it is in connection with an on-going investigation.

- A “Private Patrol Operator” (PPO), commonly known as a “Security Contractor” normally provides services to protect “people and property”.
- A Private Investigator man not contract to protect property, but can contract to conduct investigations of property losses or theft.

When a Private Investigator provides Body Guard or Loss Prevention services, the rules that govern PPO services must be observed.

This section of the PI Act does not apply to:

- In-house private security
- Insurance Adjusters
- Government Employees
- Credit Reporting Agencies
- Charities
- Attorneys and Law Firms
- Admitted Insurance Agencies
- Banks and Financial Institutions
- Public Records Researchers
- Police
- Process Servers
- Mystery Shoppers
- Joint Labor & Management Committees

A person who operates a business (agency) without a license is subject to prosecution of a “Misdemeanor” with a fine of \$5000.00 and/or imprisonment not to exceed one year.

- The fine can be increased to \$10,000.00 if the subject also misrepresents himself by use of an actual licensee’s license, presents a badge or other “official looking” instrument that is intended to give the impression that the subject is a legitimate licensee.
- Any subject convicted of this type of activity is barred from ever receiving a License.

An applicant for a license shall meet the minimum standards for licensing and provide documentation on approved forms provided by the Bureau.

- See the Application checklist from the Bureau Web Site

A license is not assignable – it can belong only to the person to whom it is issued.

The Licensee is responsible for the good conduct of employees, agents and manager.

The licensee is responsible for maintaining employee records

- This is a requirement necessary for apprentice agents to obtain their hours of service towards their license.

The licensee can only conduct business under a “bureau approved” name.

The licensee must provide the bureau with the address of the principal place of business.

- It is allowable to use a PO Box as the business address, but the bureau must be provided with a physical address.

The licensee must notify the bureau within 30 days of any change in partners or officers of a corporate agency.

Every advertisement from the Agency shall include the bureau approved:

- Name of the Agency
- Address and/or telephone number of the agency
- License number of the agency.

A licensee is not allowed to advertise from anyplace other than an authorized location.

A licensee shall notify the bureau within 30 days when there is a change in location of the home or any branch office.

Each licensee shall be operated under the “active direction, control, charge or management” of a Qualified Manager.

- A licensee can not be a qualified manager for more than five agencies.
- The person acting as a Qualified Manager “shall share equally with the licensee the responsibility and any liability for the conduct of the business of the licensee and the actions of the employees and other personnel of the licensee.

A Licensee can remove their license from “active” status with the bureau, but maintain the license.

- Should the Licensee want to re-activate the license by conducting business and notifying the bureau within 30 days.

If a licensee should die – the family of the licensee can conduct business under that license for a period of 120 days provided the bureau is notified within 30 days of the death and an extension is requested; otherwise, the licensed will cease at the end of the 30 day period.

If a licensee loses the qualified manager for any reason, the licensee must notify the bureau within 30 days with a request for the full 90 days of continued operation. During that time the licensee must obtain a new qualified manager or risk having the license suspended.

- The license can be extended with the approval of the director to one year.
- A suspension is different from a revocation.

(As a standard, the bureau must be notified of any change within 30 days.)

The Director can refuse to issue, suspend or revoke a license for any violation of rules or law during or prior to the applicant obtaining a license.

A licensee must divulge to law enforcement any on-going criminal activity of the client.

- The licensee owes the client a “duty of confidentiality” known as “agency” or “fiduciary” where the licensee must act in the best interest of the client.

No licensee shall knowingly make a false statement to the client. The licensee must exercise “due diligence”.

No written report shall be submitted to the client except by the licensee, qualified manager or by a person authorized by one or both of them.

No licensee shall use a “badge” in connection with their official duties.

No licensee shall use a title or wear a uniform that would give the impression that they are law enforcement or a government official.

Only bureau approved identification can be used

- An agency can issue employee identification cards.

A licensee is not authorized to trespass.

A licensee is prohibited from direct solicitation to the victim of an accident or the victim’s family members. (Commonly known as “capping” or “running”)

- Employers, insurance, attorneys, and others with an indirect interest are fair game...

This agency can not compensate employees on a bonus system or bounty where the fee is based on the number of violations discovered as a result of an investigation.

The agency shall use only the bureau approved fictitious business name in connection with any agency business.

Section 7540 – 7542.1: License Qualifications

To qualify for a license, the applicant must have a minimum three years experience & six-thousand hours of “compensated” experience.

- Exceptions:
 - A four-year degree in law or criminal justice is equal to two years experience.
 - A two-year degree in law or criminal justice is equal to one year experience

Employment hours must be verified by the “licensed agency” employer of the applicant.

- The agency is required to respond and verify hours within 30 days of request from the applicant.

Other methods of gaining experience that count toward “experienced” hours.

- Sworn Law Enforcement
- Military Police
- An Insurance Adjuster
- Persons employed by a Repossessor, skip tracing activities only...
- Fire Department Arson Investigator
- Public Defender employees

Areas of employment that will not count towards experience as an investigator.

- Process Serving
- Heir Searching and Public Record Researcher
- Custodial Attendant (jailer) of prisoners (not sworn law enforcement).
- Debt Collection (skip tracing can be used)

The Director may apportion that percentage of experience for which any applicant is entitled to credit. He can take into account any job or experience...

The applicant may be required to show proof of completion of a course in “Professional Ethics” by an approved provider of the bureau.

No licensee or manager is authorized to carry a weapon unless they have obtained certification by the bureau – Firearms Qualification (FQ) Card – and follow the rules of the license.

- Authorized caliber
- Carry the required insurance (one-million, ½ Causality and ½ Property)

No licensee or manager will carry pepper spray or other chemical agent without completing an approved course on its proper use.

Section 7558 – 7560: The License

The license expires in two years.

A license can be renewed up to three years after it has expired.

- Any licensed renewed more than 30 days after expiration is subject to a late fee
- All outstanding fees and penalties must be paid before the license is renewed.

A “suspended” license can be renewed, but the licensee can not conduct business until the suspension is lifted.

A “revoked” license can not be renewed.

- A revoked license that has been reinstated after the expiration date can be renewed the same way as a delinquent license.
- A revoked license that has been reinstated after the three year limit on renewing a delinquent license, must obtain a new license.

Section 7561 – 7567: Enforcement of the License Rules

The Director may Deny, Suspend or Revoke a license under the following circumstances...

- False information on the application
- Violated any provision of the PI act or related regulations
- Failed to provide services or a report to a client as agreed
- Conviction of a crime or act constituting grounds for denial
- Impersonating law enforcement or a government official
- Using force or violence on a person without proper justification
- Knowing violate any court order or injunction
- Act as a runner or capper
- Violation of 148 of the penal code (Resist or delay a public officer)
- Unauthorized use of “government” stationary

The Director may revoke or suspend a license for dishonesty or fraud

- Knowingly making a false statement
- Using an illegal means to gain evidence
- Manufacture of evidence

7570 – 7573: Fees ...