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**Board of Private Detectives and Protective Agents**

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[dps.mn.gov/entity/pdb/Pages/default.aspx](https://dps.mn.gov/entity/pdb/Pages/default.aspx)

**AT A GLANCE**

- The Minnesota Board of Private Detective and Protective Agents (MNPDB) currently regulates 359 Private Detective and Protective Agent License individual and corporate license holders
- There are approximately 11,600 security personnel in the State of Minnesota
- The agency’s current budget is \$192,000 annually. This allows for 2 FTE’s – The Executive Director and an Administrative Assistant.
- MNPDB certifies more than 1,373 training courses and 201 instructors.
- MNPDB’s stakeholders include legislators, law enforcement, other state agencies, associations, media, license holders, and the general public.

**PURPOSE**

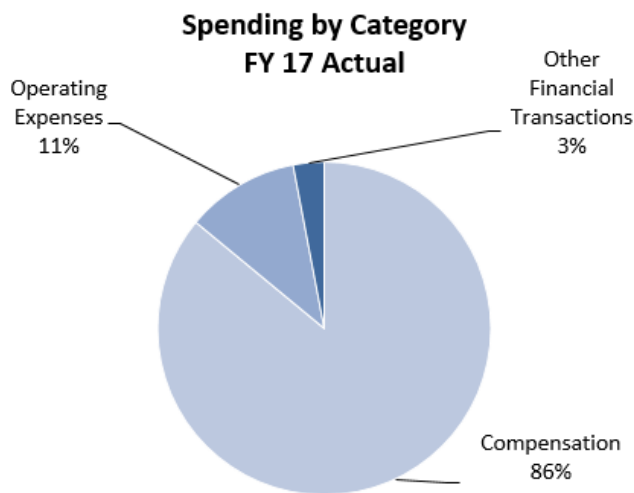
The mission of the Private Detective and Protective Agent Board (MNPDB) is to ensure investigative and security service license holders meet and maintain statutory qualifications and standards. This includes, but is not limited to, **meeting criteria in criminal background checks, educational requirements, proof of financial responsibility, and ensuring license holders are acting responsibly** and in the best interest of their clients.

With **public safety and consumer protection** as our main goals the agency: investigates complaints against license holders and violations of statutes, provides support to law enforcement and the courts in regard to unlicensed activity and police impersonation, and works towards increasing the quality of the industry.

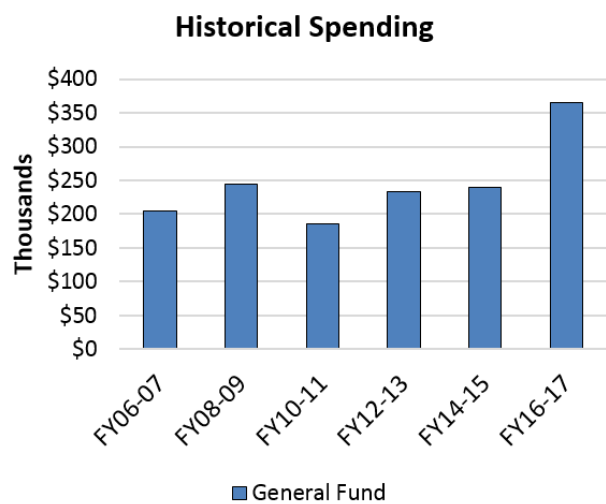
**MNPDB supports the following statewide outcomes.**

- Minnesotans have the education and skills needed to achieve their goals
- People in Minnesota are safe
- Efficient and accountable government services

**BUDGET**



Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

## STRATEGIES

Our strategies include:

**Streamlining Procedures:** In order to process applications, renewals, officer changes, and training certifications more quickly our agency has implemented a number of initiatives. These include the use of a consent agenda for timely approval by the Board, revising forms, revising the license renewal process, using email verses U.S. mail, and working with license holders to resolve issues before going to the board. Our agency will continue to review and revise processes in order to increase efficiency.

**Website Revision:** A large percentage of the agency's time is spent dealing with inquiries and providing various forms. The current website is unable to provide this information. Our agency will be revising the website to add downloadable forms and other information of interest to applicants, license holders, law enforcement, and the general public.

**Auditing and Inspections:** License holders and Certified Training Courses are currently audited at their renewal time which is every two years. Recently the agency began conducting audits between these renewal dates and have found concerning results related to public safety and consumer protection. As we deal with security and investigative personnel it is imperative that these individuals are properly background checked and trained. Our agency will conduct onsite visits and more random audits in order to be more proactive in regulating the industry.

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Applications Processed	30	24	FY 2017 & FY 2018
Quantity	Renewal Applications Processed	157	119	FY 2017 & FY 2018
Quality	Training Courses Reviewed and Approved.	101	100	FY 2017 & FY 2018
Quality	Disciplinary Actions	37	27	FY 2017 & FY 2018

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MN Statutes 326.32-326.339 (<http://www.revisor.mn.gov/statutes/cite/326>) provides the legal authority for MNPDB.

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
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**Expenditures by Fund**

1000 - General	150	215	167	216	192	192	277	277
<b>Total</b>	<b>150</b>	<b>215</b>	<b>167</b>	<b>216</b>	<b>192</b>	<b>192</b>	<b>277</b>	<b>277</b>
Biennial Change				18		1		171
Biennial % Change				5		0		44
Governor's Change from Base								170
Governor's % Change from Base								44

**Expenditures by Program**

Priv Detect/Protect Agents Bd	150	215	167	216	192	192	277	277
<b>Total</b>	<b>150</b>	<b>215</b>	<b>167</b>	<b>216</b>	<b>192</b>	<b>192</b>	<b>277</b>	<b>277</b>

**Expenditures by Category**

Compensation	143	184	154	206	182	182	267	267
Operating Expenses	7	24	13	10	10	10	10	10
Other Financial Transaction		7						
<b>Total</b>	<b>150</b>	<b>215</b>	<b>167</b>	<b>216</b>	<b>192</b>	<b>192</b>	<b>277</b>	<b>277</b>

**Full-Time Equivalent**

	1.65	2.60	1.80	2.30	2.00	2.00	3.00	3.00
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**Private Detectives Board**

**Agency Financing by Fund**

*(Dollars in Thousands)*

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b>1000 - General</b>								
Balance Forward In		37		24				
Direct Appropriation	187	189	191	192	192	192	277	277
Transfers In	101							
Transfers Out	101							
Cancellations		11						
Balance Forward Out	37		24					
<b>Expenditures</b>	<b>150</b>	<b>215</b>	<b>167</b>	<b>216</b>	<b>192</b>	<b>192</b>	<b>277</b>	<b>277</b>
Biennial Change in Expenditures				18		1		171
Biennial % Change in Expenditures				5		0		44
Governor's Change from Base								170
Governor's % Change from Base								44
Full-Time Equivalents	1.65	2.60	1.80	2.30	2.00	2.00	3.00	3.00

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
FY2019 Appropriations	192	192	192	384
Forecast Base	192	192	192	384
<b>Change Items</b>				
Critical Oversight Initiative		85	85	170
<b>Total Governor's Recommendations</b>	<b>192</b>	<b>277</b>	<b>277</b>	<b>554</b>
 <b>Revenue Change Summary</b>				
<b>Non-Dedicated</b>				
<b>Fund: 1000 - General</b>				
Forecast Revenues	170	170	170	340
<b>Total Governor's Recommendations</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>340</b>

# Board of Private Detectives and Protective Agents

## FY 2020-21 Biennial Budget Change Item

### Change Item Title: Critical Oversight Initiative

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	85	85	85	85
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	85	85	85	85
<b>FTEs</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

### Recommendation:

The Governor recommends a general fund base increase of \$85,000 per year for the Private Detectives and Protective Agents Board (MNPDB) to hire one additional full time employee (FTE) to provide critical oversight activity for private detective licensing. This is a 44% increase in the board's base budget.

### Rationale/Background:

- The agency employs two FTEs – the Executive Director and the Administrative Assistant.
- The agency is responsible for regulating 351 license holders that include both security and protective agent services as well as private detective services. The board licenses both private security companies and their employees who provide security services to private businesses around the state. These include over 11,000 security and investigative personnel statewide.
- Over the past 6 years, the number of license holders has increased 27%.
- Recent audits of license holders found serious violations requiring additional oversight by the board and its staff.
- The agency identified 159 monthly administrative procedures and 91 continuous internal control items that are required by state policy and laws.
- The private investigative and security industry provides services that include armed personnel as well as entities that obtain information that can have a significant effect not only on businesses, but personal lives as well. These services have a substantial impact on public safety and consumer protection. As such, this industry needs increased critical oversight and heightened regulation.

### License Renewals

To achieve critical oversight, the Board audits more than 150 license renewals per year. Some license holders are individuals, some are security companies with more than 1,500 employees. The Board does not have an online system for license applications and renewals. All documentation is reviewed for violations and completeness and stored hard copy, which is time intensive.

The Board requests a full audit of the license holder when serious violations are discovered. This includes gathering data from employees that worked for the license holder within a two-year period.

When the Board votes to revoke or not renew a license, it is crucial that our agency does its due diligence. This involves verifying facts, conducting background investigations, preparing legal documents and discovery, and testifying at the Office of Administrative Hearings and the Legislature.

The Board recently conducted an analysis of all renewal issues during a 25-month period. These ranged from security agents lacking insurance to non-compliance of background check compliance and training. Of the licenses analyzed, the Board found that 87% (295 out of 338) were submitted with significant concerns that our agency had to audit and work with the license holder to correct.

**Audits**

Within the past 2 years the Board began directing staff to conduct audits of license holders in which serious violations were discovered. The process involves gathering data on each employee, whether current or terminated within the two-year renewal period, employed by the license holder.

The key components of the audit are to ensure that each employee has a qualifying background check, has received the required training, and has been issued a proper identification card. Results from six recent audits displayed below show some concerning data as it relates to public safety and consumer protection.

Total Employees Reported	No Background Checks	Background Check After Active Starting Date	Did not Take Pre-assignment in Timely Manner	Total Background Violations	All Training Violations
3,730	262	544	947	806	1,180
	7%	15%	24%	22%	32%

**Data Requests**

The Board has seen an increase in data requests and takes all requests seriously. Some requests are very labor intensive and take hundreds of hours. The Board is one of the only licensing agencies that does not have an online licensing system. Subsequently, all documentation dates back to 1974 and is stored in hard copy. This results in excessive labor hours.

**Unlicensed Activity/Police Impersonators**

The Board has found more than 300 potential instances of unlicensed activity. In some instances, this involved police impersonators. These entities/individuals are often not qualified, do not have insurance, are not trained, and some are found to have criminal records. In some situations, they provide armed protective services. This is a serious issue in regard to public safety and consumer protection.

**License Applications and Officer Changes**

The Board processes license applications and officer change applications to ensure candidates meet statutory qualifications. This includes an extensive background check process to ensure all required information and documentation has been provided.

**Projects**

With the additional staff person, the projects listed below will be addressed.

**Website**

The Board’s current website lacks basic information, resources, and tools. Revision of the website is a labor-intensive project. All data must be accessible, understandable, and accurate. A revised website that contains the information and forms needed by applicants, license holders, law enforcement personnel, and the general public will drastically reduce the time necessary to respond to inquiries and requests.

**Certified Training Auditing**

Currently the Board manages more than 1,400 certified training courses and 800 instructors. These courses are reviewed, but extensive analysis and class inspections/audits are needed to ensure security and investigative attendees are receiving adequate training that meets statutory compliance.



**Proposal:**

An additional position is needed to increase efficiency with regulating the private security and investigative industry. This includes processing applications, renewals, officer changes, data requests, reviewing certified training and instructors, complying with internal controls, and completing stalled projects. Labor resources are stretched thin when our agency is involved with conducting audits, investigating violations, and dealing with the legal aspects of those activities. Lacking labor resources creates delays in investigations and audits, increased probability of error, and lack of due diligence. This adversely effects public safety and consumer protection.

**Results:**

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Applications Processed	30	24	FY 2017 & FY 2018
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**Equity and Inclusion:**

N/A

**IT Related Proposals:**

N/A

**Statutory Change(s):**

None