

Good morning Mr. Chairman and members of the committee. I appreciate your time and attention to the matter that is before us all today. My name is Jon Pumphrey and I'm the owner and operator of Elite Security Solutions, LLC, located in West Fargo, ND. I've personally been licensed in North Dakota in various capacities at other companies since 2018 and my company has been licensed with the North Dakota Private Investigation & Security Board (NDPISB) since 2022. My company is also licensed for operations in Minnesota and Colorado. Despite fear of potential retaliation for my testimony, I'm coming before you all today to state my complete and direct opposition of Senate Bill 2051.

This bill, in its most basic and simple form, would put a completely unfair and unnecessary financial burden on all security and investigation license-holders. Upon further reflection from a more complex perspective though, this proposed bill, and the way in which the NDPISB appears to have had it pushed through, gives all of us license-holders a much deeper concern with the board's operations and oversight. On Wednesday, January 8<sup>th</sup>, 2025, while appearing before the Senate Industry and Business committee, the NDPISB Executive Director indicated that all affected members of this state's private security and investigation industry had been made aware of this proposed bill. I, and numerous other license-holders, were not made aware of this bill by NDPISB. Instead, we had the link for the January 8<sup>th</sup> hearing emailed to us by a fellow professional in the industry on Wednesday, January 29<sup>th</sup>, 2025. I was very disappointed and alarmed by the statements made in that hearing. I reviewed all physical mail and emails at our office and noted that the last official correspondence that I received from NDPISB were two emails on Monday, December 30<sup>th</sup>, 2024 at approximately 2:04pm. The emails were indicating a reduced price for Fingerprint-Based criminal history record checks, bringing the price down by \$1.25. As I am a license-holder for both our company's Security Agency License and Private Detective Agency License, I received this email as a notice for both licenses. So, a total of two emails. However, there has been no correspondence, notices, emails, or other such notification to license-holders regarding the proposed SB-2051.

In order to see if I had missed any online notices, I went onto the NDPISB's website and found nothing referring to SB-2051. I searched under Recent News, Meeting Agendas, and Meeting Minutes. Again, this was on Wednesday, January 29<sup>th</sup>, 2025 and I checked all available meeting minutes and meeting agendas. The only items that appeared to have ever been posted for the previous 13 months, that related to anything involving any Legislative items, was for the following two meeting entries which were printed out by me on 01/29/2025 and are noted on the following page:

“The North Dakota Private Investigation & Security Board (NDPISB) will hold a special meeting on July, 25<sup>th</sup>, 2024 at 1:30P.M. The meeting will be a Zoom conference.

**Special Meeting Agency**

1. Discussion regarding Legislative Study S.B. 2249 and questionnaire.
2. Discussion regarding agenda item #1 with Labor Commissioner Nathan Svihovec and Research Assistant Carolyn Laird.
3. Adjourn

“The North Dakota Private Investigation & Security Board (NDPISB) will hold a special meeting on January 15<sup>th</sup>, 2025 at 8:00 A.M.. The meeting will be a Zoom conference.

**Special Meeting Agency**

1. Legislative Session Update on Pre Filed Bills
2. Legislative Board funding options
3. Application Procedures, additional information letter and requests, withdrawn application procedure.
4. Adjourn

This information was available online on Wednesday, January 29<sup>th</sup>, 2025, but as of the writing of this testimony on 03/05/2025 at approximately 9:00P.M., that information appears to have been removed from the NDPISB website. In fact, as of the writing of this testimony, all information relating to previously held meetings, meeting agendas, and meeting minutes appears to no longer on the NDPISB website. On Tuesday, February 25<sup>th</sup>, 2025 during a NDPISB meeting that I was informed of and attending via Zoom, the board indicated that a letter/correspondence should be sent out to members of the industry, in order to notify them of the proposed changes. To my knowledge, this has yet to happen. These instances, in addition to all other mentioned items, give me and all other license-holders great cause for concern, as it all appears to show an apparent lack of communication, transparency, and professional respect and courtesy towards us.

As license-holders, we look to the board to protect our interests and our ability to provide services in an ethical, professional, and morally upright manner. The board's role is to license and regulate all Private Investigation and Security services in the state. This includes helping us all to ensure that our companies operate within full compliance of all applicable laws, rules, and regulations. As license-holders, how are we supposed to successfully operate within our authorized scope of practice if we have a board that currently appears to not be able to effectively license and regulate all operations? Before the board expects us to pay a 100% increase in all necessary expenses, they should explore options that would allow them to get caught up, develop a practical plan that could be implemented, and then utilize the data learned from implementing that plan to justify all necessary cost increases.

I absolutely do agree that the NDPIBSB needs to update, streamline, and maximize the efficiency and effectiveness of their operations. However, I do not believe that the answer to this is to increase all fees by 100% before they have a practical and definitive plan of action in place. Since approximately 2021, the board has appeared to constantly blame their delayed and inconsistent operations on this “backlog”. This “backlog” has been the reason given to license-holders who enquire of the status of receiving their wall certificates and pocket cards, which license-holders are required to be in possession of by the NDPIBSB. Although the board requires us all to be in possession of these items in order for our licenses to be considered valid, numerous agencies and individuals appear to have not received their items in reasonable or timely manner. Not having these items when needed has caused license-holders to have issues with potential clients, law enforcement officials, insurance companies, and database companies.

While I can appreciate how complex and detailed the board’s operations are, I believe that there are still a number of options for the board that could increase efficiency. One option to consider would be in implementing a 2-year license, which would give the board more time to process licensing items, would allow them to justify an increase in fees, and free them up to carry out their operations more effectively. This would prevent an ongoing “backlog”. Since 2021, I also have volunteered my time and energy numerous times in order to assist with the processing of application items in whatever way they needed, if it would help them with their reported “backlog”. I assured the indicated NDPIBSB party that I would be more than willing to work free of charge, that I’d sign a Non-Disclosure agreement, and that I’d be even be willing to just assist during renewal season if needed. I also indicated that I’d be sure to recuse myself from any work that could potentially cause a conflict of interest, since I would be technically handling licensing items for competing companies. I was told each time by this individual that they preferred to do things in a certain way based off of their personality and organizational habits. While I can respect that, I feel that if the board is attempting to declare an emergency and have SB-2051 passed through, then having authorized and approved license-holders voluntarily come in to assist with the “backlog” should have at least be considered as an option for all of these years. My offer to reasonably assist NDPIBSB with this also still stands.

Many other license-holders, have made similar offers to NDPIBSB but it doesn’t appear that any of the offered help has been accepted. All license-holders in North Dakota want our industry to be effective, successful, and professional. In order to accomplish this, we want the board to be equally effective, successful, and professional. I believe that before moving forward with expecting 100% cost increase on its license-holders, the NDPIBSB must first demonstrate that it can properly and efficiently manage it’s finances and overall operations. I feel that a simple audit of the NDPIBSB’s overall operations, finances, and plans for improvement going forward would be of great benefit for all involved.

Without a doubt, North Dakota does need a licensing and regulation board. A board that assists all involved with constantly improving overall operations, profitability, and professionalism of the industry. Having a more effective and operational NDPISB is good for all of us. As license-holders, we are all trying our best to work with NDPISB in order to ensure effective operations. However, the board needs to look to us for input and feedback in times like this, while also extending us professional courtesy and respect, as we all have a large collective knowledge and experience in this industry, not to mention the stake we all hold in this industry's success. We all want operations to improve and for everyone to succeed, including NDPISB, but the way to do it is **NOT** with SB-2051. If the board cannot properly manage the funds that are currently coming in yearly, how can we all trust that they will now be responsible with double that amount? Especially without having an actual plan in place? Before increasing ANY costs, NDPISB operations need to be properly audited, researched, and analyzed. Operations can then be more effectively planned out and implemented. If this was done, then potential increased costs could be better justified to all of us. I greatly appreciate your time and consideration in this matter and I trust you all to do the right thing for the collective success in our industry going forward.

Respectfully,

**Jon M. Pumphrey**

Owner | CEO

Elite Security Solutions, LLC

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

### **Title 43 of the North Dakota Century Code**

43-30-05. License required to provide private investigative or security services - Exclusivity. A person may not provide private investigative or security services without a license issued by the board. Notwithstanding any other law or ordinance, a person may not be required to obtain a license to provide private investigative or security services in this state other than the license required by this chapter.

43-30-10. Penalty - Injunction - Unlicensed activity. Any person who violates this chapter or rules adopted under this chapter, or any person who provides a private investigative service or private security service without a current license issued by the board, or falsely states or represents that the person has been or is an investigative officer or employed by an investigative or security officer or agency is guilty of a class B misdemeanor. In addition to the criminal penalties provided, the civil remedy of an injunction is available to restrain and enjoin violations of any provisions of this chapter, without proof of actual damages sustained by any person. An injunction does not preclude criminal prosecution and punishment of a violator. The board is not liable for the lost income, costs, or any other expenses that may be incurred by a person against whom an injunction is sought, and the board may not be required to provide security or a bond. The board may seek costs for reimbursement of expenses for obtaining an injunction, including attorney's fees. In addition to issuing the injunction, the court may impose an administrative fee consistent with section 43-30-10.1 if the person has violated a provision of this chapter. The board may seek an injunction, impose administrative fees, or seek an order of abatement through an administrative action or in district court.

### **Chapter 93 Administrative Rules**

93-02-01.1-09. License - Posting. Each individual who, or agency that, is licensed by the board shall conspicuously display that license at all times in the licensee's place of business. If the licensee has more than one office as a place of business, the licensee shall display a duplicate license at each office. An agency need not display the licenses of all the individual licensees employed or contracted by the agency. If the board revokes, suspends, or disapproves renewal of any license, the board may require the holder of the license to return the license to the board within fourteen days.

93-02-01.1-10. Issuance of pocket cards. To each individual licensed or registered by the board, the board shall issue a pocket card. The board will not issue a pocket card to an individual performing private investigative services for a detective agency on a contractual basis if that individual is already licensed as a private investigator. Each individual licensed or registered by the board shall have on that individual's person, the pocket card issued while providing private investigative services.

93-02-02.1-13. License - Posting. Each individual who, or private security agency that, is licensed by the board shall conspicuously display that license at all times in the licensee's place of business. If the licensee has more than one office as a place of business, the licensee shall display a duplicate license at each office. An agency need not display the licenses of all the individual licensees employed or contracted by the agency. If the board revokes, suspends, or disapproves renewal of any license, the board may require the holder of the license to return the license to the board within fourteen days.

93-02-02.1-14. Issuance of pocket cards. To each individual licensed or registered by the board, the board shall issue a pocket card. Each individual licensed or registered by the board shall have on that individual's person, the pocket card issued while providing private security services.

93-02-03-05. Suspension, revocation, or refusal to renew license. In addition to the causes for suspension, revocation, or refusal to renew a license listed in North Dakota Century Code section 43-30-12, the board may either refuse to renew, suspend, revoke, or place on probationary status any licensee, or issue a letter of reprimand for any of the following causes:

5. Providing private investigative or private security services under a lapsed license - or registration.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]