

**Private Security Entity Workgroup
Minutes
September 27, 2022**

The Private Security program of the Department of Public Safety Standards and Training (DPSST) held a workgroup meeting for the implementation of House Bill 2527 on September 27, 2022, at 2:00 p.m. in Conference Room A234 at DPSST, located at 4190 Aumsville Highway SE, Salem, Oregon.

Workgroup Members Present

Suzy Herring	DPSST, Professional Standards Division Director
Jeff Henderson	DPSST, Private Security Program Manager
Michael Holsapple	DPSST, Compliance Investigator
Jennifer Howald	DPSST, Administrative Rules Coordinator
Jeremy Simer	SEIU Local 49
Erin Seiler	Bureau of Labor and Industry
Laura Vanenckevort	Bureau of Labor and Industry
Michele Timfichuk	Pacific Patrol Services Inc.
Thomas Hoeffft	Cover Your Assets Event Security LLC
Eric Nebeker	Angus Operations
Zac DePaoli	Willamette View
Brian Johnson	Black Wolf Protection Group
Killian Kuhn	Cornerstone Security Group
Shawn Cosby	Lake Health District
David Henretty	Oregon Law Center

Workgroup Members Absent

Dala Ann Johnson	Dala's Blue Angels
Richard Nassar	Command One Protective Services
John Werts	Securitas Inc.
Tammy Cozby	ADT

1. Introductions

David Henretty with the Oregon Law Center was introduced as a new member of the workgroup.

2. Review of Section 1 (6)(a) and (b)

Presented by Jeff Henderson

The workgroup discussed the definition of private security entity and the two exemptions in Section 1, subsections (6)(a) and (b) of HB 2527 (ORS 181A.840) as outlined in the Private Security Entity Workgroup Section Review document.

There was discussion of who will be subject under the contracting and subcontracting provision in subsection (6)(a)(B). Specifically, whether companies that enter contracts to receive private security services would be required to have an entity license. Clarification was provided that the entity licensing requirement relating to contracting and subcontracting applies to companies that provide private security services. Companies that do not employ private security providers and do not contract or subcontract to provide private security services will not be required to have an entity license.

The workgroup discussed the two exemptions to the definition of private security entity provided in subsection (6)(b) for special campus security providers commissioned under ORS 352.118, and for providers on a campus of an institution of higher education regulated under ORS 181A.912. The department will provide clarification of the two exemptions at the next meeting.

3. Review of Section 3

Presented by Jeff Henderson

The workgroup discussed the provisions in Section 3 of HB 2527 (ORS 181A.900) in order as outlined in the Private Security Entity Workgroup Section Review document.

There was discussion of the requirement in Section 3, subsection (2)(c) for the applicant to be the principal owner or principal partner who exercises operational control over the entity. The question was raised whether the executive manager would be considered the principal partner with operational control over the entity since it's the executive manager that has responsibility for the company's compliance with the private security provider licensing and certification requirements. The intent is to have the owner or someone at the top of the organization be the applicant similar to the Labor Contractor licensing requirement as detailed in OAR 839-015-0135.

The workgroup expressed concerns with the requirement for the principal owner or principal partner to be the applicant when the entity is a large multistate company located outside of the state, or a large instate corporation where the owner is several levels removed from the entity's private security operations, or when the entity is a governmental agency.

There was discussion of the requirement in Section 3, subsection (2)(e) for the applicant to be covered by a general liability insurance policy for which the applicant is a primary insured. Workgroup members stated general liability insurance is an existing requirement for certain contracts so this provision to require general liability coverage will not impact those companies.

Workgroup members expressed concerns with an applicant having to be listed on the policy as a primary insured when the insurance policy is written in the company's name. The department relayed information received from insurance companies stating the applicant could be listed as a primary insured on the certificate of insurance for policies issued in the company's name. The workgroup raised concerns with the primary insured requirement again in the situation of a large multistate company located outside of the state, or a large instate corporation where the owner is several levels removed from the entity's private security operations. The workgroup discussed the potential difficulties of having the principal owner or principal partner for those large companies listed as a primary insured on the certificate of insurance. Workgroup members expressed concerns that requiring the principal owner or principal partner to be listed as a primary insured would potentially subject them as individuals to company liabilities that they are currently protected from under their company's corporate structure.

There was discussion of the insurance requirement in Section 3, subsection (2)(h)(B) for the applicant to provide proof of the existence of adequate insurance as defined in rule by the department. The workgroup discussed existing private security contract requirements along with other state insurance requirements.

There was discussion of the requirement in Section 3, subsection (2)(h)(D) for the applicant to inform the department of any claims for unpaid wages that have been made against the applicant within the preceding two years. The question was asked, for companies that provide other services in addition to private security services, whether the wage claim requirement was specific to just the private security services, or the company's entire business operations. It was shared with the workgroup that for Labor Contractor purposes, the requirement covers the entity's entire business operations.

There were concerns expressed by the workgroup with the requirement in Section 3, subsection (2)(h)(E) for the applicant to provide the department with a physical address of the work locations at which private security services are provided. Workgroup members stated the work locations for private security companies change frequently and the information provided to the department would only reflect the information as of a snapshot in time. The workgroup asked what the intent was for requiring companies to provide a list of physical addresses.

It was stated that private security companies will often enter into confidentiality agreements with high-profile individual clients which may prohibit the company from disclosing the client's physical address.

4. Tasks for Next Meeting

The workgroup finished with a discussion of the requirement in Section 3, subsection (2)(h)(F) and will carryover the discussions of subsections (3) and (4) to the next meeting.

The department will provide follow-up at the next meeting for the discussion items and issues raised during the meeting regarding:

- Clarification of the two exemptions to the definition of private security entity provided in subsection (6)(b) of Section 1.
- The definition of principal owner or principal partner who exercises operational control over the entity.
- The applicant requirements and whether any of the requirements can be delegated.
- The definition of primary insured and adequate insurance for the general liability requirement.
- The intent of the physical address requirement and whether that information would be prohibited from disclosure by the department.

5. Next Scheduled Meeting

Tuesday, October 11, 2022, at 2:00 p.m.