

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER
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DESCRIPTION

1223

2007 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1223

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1223

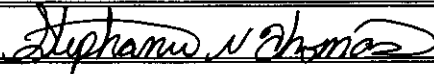
House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: January 17, 2007

Recorder Job Number: 1250

Committee Clerk Signature



Minutes:

**Chair Keiser** opened the hearing on HB 1223.

**Rep. C. B. Haas, District 36:** In the last legislative session, HB 1165 was a bill that dealt directly with ND private investigations and security board licenser. It seems like different members from the business community came to me and said some of things that we did in 2005 have created some problems. I signed onto this bill to see if we could air those problems, and see if there is something that needs to be done to modify it.

**Bill Shalhoob, Chamber of Commerce:** See written testimony #1.

**Rep. Ruby:** What are the requirements to become licensed?

**Bill:** From my understanding, it involves a fee.

**Rep. Johnson:** I got an email that says by deleting this portion you would then not have any of the armored car services in the state that would be under any regulations, would that have that impact?

**Bill:** I don't believe so.

**Pete Bowman, Presort Plus:** While processing mail, we are mandated by all federal rules and regulations, and everything we do can be federally prosecuted. We do not promote ourselves or represent a security service. We do also provide courier service, and do internal

document runs for concerned businesses, such as Cenex, which leads me to what happened here. We were doing runs from Cenex in Bismarck and Mandan, and they asked Presort Plus to carry a locked bag. A complaint was submitted to the State Board of Private Investigations. An opinion was given by Wayne Stenehjem and he decided we're doing nothing wrong. See written testimony #2.

Presort Plus that deputizing all of our drivers was something that we don't want to do. We are not the only company that does this, and we should not be singled out.

**Rep. Ruby:** You stated that you mainly deal with mail, that's your primary business?

**Pete:** Yes, but we do branch out, and do courier runs. We also do internal document runs.

**Rep. Ruby:** I see that mail was an exception in the original law. Are you transporting any money to financial institutions at this time?

**Pete:** Cash, no. We don't go to financial institutions and tell them we will pick up there money and deliver it from branch to branch. If they give us something in an internal document, it's locked up, and we have no idea if there's money in there, there could be.

**Rep. Dosch:** You indicated that you don't sell yourself as a private security service, correct? Who then is telling you that you have to be registered?

**Pete:** Correct. The State Board of Private Investigation has asked that we need to be licensed, and we fall under their jurisdiction, and their rules and regulations.

**Rep. Ruby:** If we remove all the language in this bill, we would allow you to transport money in the same way that the security companies do, correct?

**Pete:** We don't sell ourselves as transporting money, we do not want to do what security companies offer as a service.

**Rep. Ruby:** Maybe there should be more clear language as to what those services in security companies do, as opposed to some other line, and clear up those issues of what you are transporting.

**Pete:** That's not what we're looking for. We do not want to be known as a security company. If somebody wants us to take a locked bag from point A to point B, shouldn't we be able to do that? This line item was put in here specifically for Presort Plus, and to my knowledge no other company is required to be licensed other than us.

**Rep. Gruchalla:** Shouldn't there be another opinion. This says that private security companies can transport money or negotiable funds; it doesn't say that your company can't, or am I missing something?

**Pete:** Your right, it's not saying that we can't, it says that we need to be licensed, and I have a letter also from Mr. Edward Erickson from the state board saying that now with this amendment we fall under their jurisdiction, and we need to be licensed, or we have to cease providing that service. So we have ceased providing that service.

See written testimony #3.

**Rep. Keiser:** As I read this letter from the Attorney General, this is not an opinion that is favorable to you at all. In fact, if you read the opinions last paragraph it says on a case by case, so we would have to determine whether you would fall under the statute or not. This opinion is not one that says you're operating correctly.

**Pete:** What he did is he defined what a security service was and a courier service was.

**Rep. Amerman:** How much is this license, and what could be involved if you got one? What is the process?

**Pete:** It isn't a huge fee. I believe it is anywhere from \$200 to \$700, but it's something we don't want. We don't want to represent ourselves as a security company.

**Ragetta Schmidt, Cenex:** We had Presort Plus doing all our transferring of information from one location to the other, but what was occurring also, was we had field locked bank bags that were being transferred. These bags only have a key at our store location, and at the bank. Each bank bag is labeled with a number on the front of them, plus a store location. When Presort Plus would pick up a particular bag, it was recorded, and if that bank bag was not returned to that same location, we would first contact the bank, which requires Presort Plus to sign off so there is a record of that. Then we would check with the other stores, and we have not in 8 years lost a bank bag. After the passing of the bill last session, Presort Plus can no longer transport on locked bank bags, because of the way that they have been put through the process. We now have an employee transporting the bank bags, because the fee charged by the armored car services was almost 3 times the amount that we were paying.

**Rep. Thorpe:** So, this bill as it is written would clarify to your satisfaction?

**Ragetta:** The way that it is currently written, if the last paragraph was not in there, then Presort Plus would be able to transport the locked bank bags again.

**Rep. Amerman:** The way the law stands now with this language, transport money and negotiable except for mail, if this was taken out these armored car carriers would be able to deliver mail and be a competition to Presort?

**Pete:** The security companies do also transport mail, and they do the same on the runs that we do also.

**Rep. Ruby:** You say you don't present your business to be a money carrier, but you do that. Basically, you do everything that they do, but just not have all the security provisions in place. Why should we make a distinction here to allow you to do the same thing that they do without there security provisions?

**Pete:** We do not want to be armored. If you want to put a dollar amount on there, that's fine.

**Rep. Nottestad:** If you were licensed as a carrier as they're asking you, would your bond be any different for the protection of Cenex, for example if the bag should be lost?

**Pete:** When we process anybody's mail, or transport anybody's mail, we know what it is worth if they tell us, and we have insurance for that. We say we're insured and bonded, and that usually is satisfactory enough.

**Rep. Nottestad:** When you transport a bag for Cenex, you do not know the value of it. Does your bonding company realize you're transporting maybe huge amounts above and beyond the bond?

**Pete:** If something would occur, yes they would.

**Rep. Dosch:** Your insurance company has no problem with you transporting as you have been? Does your insurance company have any problem with Presort transport these bags for you?

**Ragetta:** No. Our insurance company has no problem with Presort plus handling our bank bags with the cash in them. A lot of what's being transported is credit card, and check.

**Pete:** Our insurance company has no problem also.

**Rep. Keiser:** If the credit card transaction is in Dickinson, they're going to run it through right away, so are they sending the receipt in?

**Ragetta:** The receipt is sent through our memo transferring that's preferred, and is currently carrying anyway.

**Rep. Keiser:** Besides the money, what else is in the bag that would fall under this subsection?

**Ragetta:** The only thing that falls under that subsection is the fact of the cash that might be being transported in our field locked bag.

**Rep. Keiser:** Why not deposit it in Dickinson?

**Ragetta:** The deposit that is in Dickinson is made in Dickinson.

**Rep. Keiser:** So, what cash is in the bag?

**Ragetta:** Those that would be transported through Bismarck/Mandan/Sterling locations.

**Rep. Keiser:** Who is sending cash then?

**Ragetta:** We have 8 different locations, and when they get done with doing their book work in the morning, they would take that deposit and specifically put it into the bank bag.

**Rep. Keiser:** So, if the deposit is \$1200 for the day in the bag, and the deposit receipt says \$600, whose liable?

**Ragetta:** We go back and do an audit per say on that specific deposit.

**Russell Hons, ND Private Investigation and Security Board:** Opposed to HB 1223. See written testimony #4.

**Rep. Amerman:** There has been no complaint against Fed Ex, UPS, and all these doing basically the same thing, can you elaborate?

**Russell:** The difference is when they are delivering a package, with the proper postage and process those packages go through, that's considered mail.

**Rep. Johnson:** Is this section of the law the only place where it talks about armored cars?

**Russell:** This is it.

**Rep. Zaiser:** Can you describe to me the credentials check that you do on your personnel?

**Russell:** Basically, you would have to feel out the paperwork with your background and training, and fingerprints. If everything is clear and they have met their training, then they are issued a license to work for that armored car company.

**Rep. Thorpe:** Could they change the wording on the bank bag, and call it a mail bag?

**Russell:** It goes beyond that bag. The action itself of transporting negotiable and cash, that is a security service, and that requires them to be regulated and a background check.



**Rep. Thorpe:** I've mailed cash, and gotten cash in the mail, and it hasn't come in an armored car.

**Russell:** We go back to receiving it in the mail, and that is a completely different issue, and the mail issue is currently exempted in our current statutes.

**Rep. Thorpe:** Apparently, this company using Presorts services is willing to take that chance.

**Russell:** That is true in this case, but as a board we have to look at the whole state and we have to look at the issue in a totality of the state.

**Rep. Boe:** Is this an isolated incident, or is this a big problem throughout the state?

**Russell:** It's not a big issue as far as complaints coming to our board, it stems from one complaint 3 or 4 years ago. If we go back and strike this whole section, it would have overwhelming results within the armored car industry.

**Rep. Dosch:** You feel that Presort falls under your authority, because they are transporting cash to and from a business to a bank. I have a business, and everyday I transport cash to the bank, are you telling me there's a chance now that I'm going to have to fall under you and become a security firm?

**Russell:** No. Currently, there is an exemption for proprietary or your own employees. It's only when you're contacting a third party that comes into play.

**Rep. Nottestad:** You putting a stop on Presort Plus of carrying the money back, who is bonded on my lease that was set placing it in the hands of the Cenex employee. Does the company gain or lose as far as protection for that?

**Russell:** In this situation I don't know, but in general, there would be no reassurance that these people are trained, that they have any kind of insurance, background checks, or anything.

**Rep. Vigesaa:** Out in rural ND, there are still a lot of small banks; if they transfer some cash do they fall under the same regulation where they would need to have a security type of company do the transfer for them?

**Russell:** They would fall under that if they're hiring an outside party to transport that.

**Rep. Boe:** Let's say my neighbor delivers grain to the local elevator, and my agreement with the elevator is that we will settle every Friday, and they will cut the check and give it to him to drop off at my house on his way home; is he in violation of this law?

**Russell:** If there was a complaint made by you that he didn't bring the check, our board would have to make a decision on that, but it goes by a case to case basis.

**Rep. Boe:** Would the fact that I never hired him or paid him to deliver the check be a key thing, or not?

**Russell:** That is true. All those statutes say you are doing this for a fee, so it would not cover that, because it's not being done for a fee.

**Rep. Ruby:** What if they're hired as a currier and unknown to the currier there is money in that bag, and they do not know what they are transporting. Who's liable, and who's in violation there?

**Russell:** In a situation like that, I think you have to look at the knowing there.

**Rep. Zaiser:** In terms of mail, they are hired by the fact somebody put a stamp on that mail, and they don't have an armored service.

**Russell:** Correct. Under the current statutes, that is exempted, and that is partially because the people delivering the mail are federally regulated.

**Rep. Clark:** Is there no amendment that could be crafted to settle this issue?

**Russell:** At this point, we have not considered any amendments or options to it, because our board believes that this clearly defines the activities.

**Rep. Keiser:** If it were a small amount of money, how would you document it and track it?

**Russell:** I don't know how you would document that.

**Darcy Fossum, Armored Car and Security, Gladstone, ND:** Opposed to HB 1223. See written testimony #5.

**Rep. Keiser:** In your security business, do your carriers know how much is in the various bags?

**Darcy:** Yes. What's required by our insurance companies, when we pick up from a business, we have a book in there that they keep that they have to write down the dollar amount that is being transferred, how many bags, and what institution this is going to.

**Rep. Keiser:** Is there special insurance for this?

**Darcy:** Yes. They say that there insurance companies are OK with it until something happens, then it would probably be a different scenario. Transport insurance is separate from general liability.

Hearing closed.

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1223

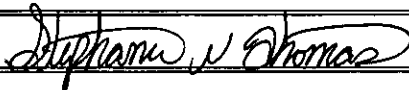
House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: January 22, 2007

Recorder Job Number: 1498

Committee Clerk Signature



Minutes:

**Chair Keiser** opened the hearing on HB 1223.

**Rep. Ruby:** I spoke to Rep. Haas, and he said he doesn't believe the committee would support the movement, because we totally eliminate the need for all these security service transport companies to go through this level of licensing and, that possibly if there was an amendment drafted that would allow for a certain amount or a certain level.

**Rep. Keiser:** I thought long and hard about it, but that would become a nightmare. You go to pick it up, and suddenly it has whatever limit you put on it, and then you've got excess.

**Rep. Johnson:** In testimony, if something were to happen to those deposits, the insurance companies probably wouldn't cover it, because they were doing something illegal, according to our state law.

**Rep Ruby:** Talking with other people, they mentioned that a place like Fed Ex or UPS, in some ways they're not the US mail, so basically if you package up money and sent it over, they would do the same thing, however it's a little different because of the packaging.

**Rep. Gruchalla:** I just don't think that UPS or Fed Ex picks up a locked bank bag.

**Rep. Johnson:** Not only that, but going to the bank, waiting for the bank to process the deposit, and taking the receipt, and returning it.

**Rep. Johnson:** I move a do not pass.

**Rep. Gruchalla:** Second.

**Roll call vote was taken. 10 Yeas, 1 Nay, 3 Absent, Carrier: Rep. Gruchalla**

Hearing closed.

Date: 1-22-07  
Roll Call Vote #: \_\_\_\_\_

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. #B 1223

House Industry Business & Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Not Pass

Motion Made By Rep Johnson Seconded By Rep Gruchalla

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Rep. Amerman		
Vice Chairman Johnson	X		Rep. Boe		
Rep. Clark	X		Rep. Gruchalla	X	
Rep. Dietrich	X		Rep. Thorpe		X
Rep. Dosch	X		Rep. Zaiser		
Rep. Kasper	X				
Rep. Nottestad	X				
Rep. Ruby	X				
Rep. Vigasaa	X				

Total Yes 10 No 1

Absent 3

Floor Assignment Rep Gruchalla

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**HB 1223: Industry, Business and Labor Committee (Rep. Keiser, Chairman)**  
recommends **DO NOT PASS** (10 YEAS, 1 NAY, 3 ABSENT AND NOT VOTING).  
HB 1223 was placed on the Eleventh order on the calendar.

2007 TESTIMONY

HB 1223



#1



**Testimony of Bill Shalhoob  
North Dakota Chamber of Commerce  
HB 1223  
January 17, 2007**

Mr. Chairman and members of the committee, my name is Bill Shalhoob and I am representing the ND Chamber of Commerce. We are appearing before you today in support of HB 1223.

In the 2005 session HB 1165 was passed and one of the effects of that bill was to prevent services such as Presort Plus from transporting money or negotiable securities from one business to another and customers such as Cenex from having this service performed by their vendor of choice. Pete Bauman from Presort Plus and Rogetta Schmit from Cenex will follow me to provide more depth to the issue they now face and why we believe this revision is needed.

Taking a broad view the requirement to have money or securities transported only by a "private security service" seems to fly in the face of business freedom. Many business owners have thousands of dollars daily transported by themselves or by an employee. In the case of a courier the company may not even know they are transporting securities. They are handed an envelope and a charge to take it from one location to another. In each case the business owner understands the costs and risks associated with whichever method he selects. Companies like Presort Plus are bonded and insured to

certain limits but are not necessarily licensed. The owner or employee may or not be insured for theft or dishonesty. In each instance the business has made a decision based on need and comfort level on how to handle cash and security needs and the interest of the business community in general is not served by a statute restricting this freedom of choice.

Mr. Chairman, I would be happy to answer any questions before Mr. Bauman and Ms. Schmit testify



**The following chambers are members of a coalition that support our 2007  
Legislative Policy Statements:**

**Beulah Chamber of Commerce - 107**

**Bismarck - Mandan Chamber of Commerce - 1080**

**Cando Area Chamber of Commerce - 51**

**Chamber of Commerce Fargo Moorhead - 1800**

**Crosby Area Chamber of Commerce - 50**

**Devils Lake Area Chamber of Commerce - 276**

**Dickinson Chamber of Commerce - 527**

**Greater Bottineau Area Chamber of Commerce - 153**

**Hettinger Area Chamber of Commerce - 144**

**Langdon Chamber of Commerce - 112**

**Minot Chamber of Commerce - 700**

**North Dakota Chamber of Commerce - 1058**

**Wahpeton Breckenridge Area Chamber of Commerce - 293**

**Watford City Area Chamber of Commerce - 84**

**Williston Chamber of Commerce - 401**

**West Fargo Chamber of Commerce - 400**

**Total Businesses Represented = 7236 members**

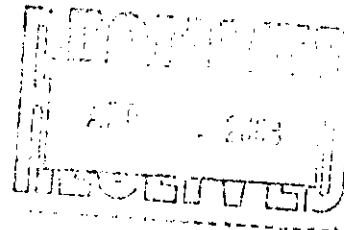


Wayne Stenejem  
ATTORNEY GENERAL

STATE OF NORTH DAKOTA  
OFFICE OF ATTORNEY GENERAL

STATE CAPITOL  
600 E BOULEVARD AVE DEPT 125  
BISMARCK, ND 58505-0040  
(701) 328-2210 FAX (701) 328-2226

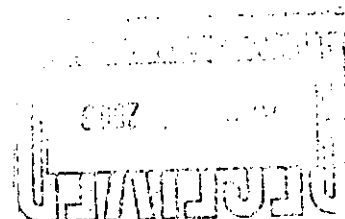
#2



LETTER OPINION  
2003-L-23

April 3, 2003

Ms. Francine Johnson  
Executive Director  
North Dakota Private Investigative and Security Board  
513 E Bismarck Expy Ste 5  
Bismarck, ND 58504-6577



Dear Ms. Johnson:

Thank you for your request for my opinion regarding whether courier services fall within the definition of "private security service" in N.D.C.C. § 43-30-01(5).

"Private security service" means furnishing for hire security officers or other persons to protect persons or property, or to prevent the theft or the unlawful taking of goods, wares, and merchandise, or to prevent the misappropriation or concealment of goods, wares, merchandise, money, bonds, stocks, choses in action, notes, or other valuable documents or papers, or the business of performing the service of such security officer or other person for any of these purposes.

N.D.C.C. § 43-30-01(5).

The definition focuses on activities the primary purpose of which is to protect persons or property. Thus, someone hired to protect persons or property may be covered by the definition of "private security service."

"Courier" is defined as "[a] messenger, especially one who delivers parcels, packages, and the like." Black Law Dictionary, 356 (7th ed. 1999). The examples of services you gave in your letter included couriers who collect checks, deposits and other negotiable instruments<sup>1</sup> and physically take them to other persons, entities or locations. One would

<sup>1</sup> Couriers are also known to transport documents or papers between parties which have little intrinsic value although they may be of great importance to the parties. In

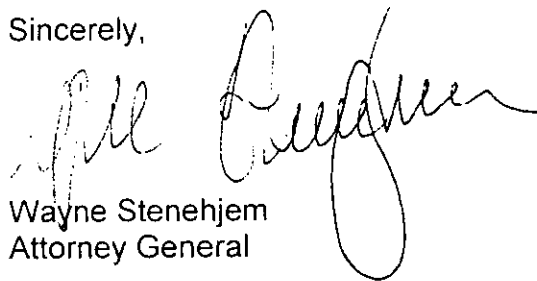
April 3, 2003

Page 2

assume the couriers would have the responsibility to safely transport those instruments to the intended destinations, and prevent the theft of those instruments. However, whether the courier's seemingly ancillary duty to protect the instruments the courier has collected results in the courier service itself falling within the definition of a "private security service" is a factual determination on which this office can not opine.<sup>2</sup> See N.D.A.G. 93-L-26 (stating that whether a specific individual falls within an exemption to the investigative and security service licensing requirement is a factual question which this office cannot answer).

Therefore, it is my opinion that persons providing courier services are not necessarily performing a private security service under N.D.C.C. ch. 43-30. Whether the activity constitutes a private security service is a factual question which must be determined on a case-by-case basis.

Sincerely,



Wayne Stenehjem  
Attorney General

sam/vkk

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such cases the parties seeking courier services are more concerned with speed and convenience than theft prevention.

<sup>2</sup> Unlike N.D.C.C. ch. 43-30, several states specifically list courier services as falling within security services. For example, see Tex. Occ. Code Ann. § 1702.102 (Vernon 2003) and Va. Code Ann. § 9.1-138 (Michie 2002) (which only applies to couriers who perform their services while carrying a firearm).

#3



STATE OF NORTH DAKOTA  
OFFICE OF ATTORNEY GENERAL  
STATE CAPITOL  
600 E BOULEVARD AVE DEPT 125  
BISMARCK, ND 58505-0040  
(701) 328-2210 FAX (701) 328-2226  
www.ag.state.nd.us

Wayne Stenehjem  
ATTORNEY GENERAL

September 22, 2005

Mr. Tim Herrmann  
President  
Presort Plus  
PO Box 1555  
Bismarck, ND 58502-1555

Dear Mr. Herrmann:

The North Dakota Private Investigative and Security Board has received information that Presort Plus may be providing a private security service without licensing required by law. This letter is to inform you that it is unlawful to provide a security service in the State of North Dakota without a license issued by the North Dakota Private Investigative and Security Board. See North Dakota Century Code (N.D.C.C.) § 43-30-05.

Based on prior communication with the Board, it is my understanding that you may believe Presort Plus is not subject to licensure by the Board. The Legislative Assembly recently amended the laws defining a private security service to include within the licensure requirement persons furnishing for hire to "[t]ransport money or negotiable securities to or from a financial institution or between business locations on a regular or daily basis, except for mail delivery." N.D.C.C. § 43-30-01(6)(f). The Board's executive director, Francine Johnson, wrote to Presort Plus on June 1, 2005, to inform you of this new law. The Board has not received a response from Presort Plus to its letter. The Board, however, has been informed that you continue to transport money or negotiable securities for your clients on a regular or daily basis.

The Board requires you to cease and desist transporting money or negotiable securities to or from financial institutions or between business locations, as outlined in the law, or the Board will be forced to investigate the matter and bring legal action on its own behalf, or refer the matter to the appropriate state's attorney for prosecution. If you believe the Board is mistaken in its belief that you are transporting money or securities in violation of the law, please contact me immediately with an explanation. Further, if Presort Plus wants to provide this service to its customers, please also contact me immediately so that I can get you the information necessary for Presort Plus to be licensed.

Sincerely,

Edward E. Erickson  
Assistant Attorney General  
General Counsel for North Dakota Private  
Investigative and Security Board

vkk

cc: Francine Johnson, Private Investigative and Security Board

House Bill 1223  
Before the House Industry, Business and Labor Committee  
Russell Hons, Chairman, North Dakota Private Investigation & Security Board  
January 17, 2007

Members of Committee:

- George J. Keiser– Chairman
- Nancy Johnson– Vice Chairman
- Bill Amerman
- Tracy Boe
- Donald L. Clark
- Donald D. Dietrich
- Mark A. Dosch
- Edmund Gruchalla
- Jim Kasper
- Darrell D. Nottestad
- Dan J. Ruby
- Elwood Thorpe
- Don Vigesaa
- Steve Zaiser

Chairman Keiser and members of the committee, I am Russell Hons, chairman of the North Dakota Private Investigation and Security Board and I am here on behalf of the Board to ask for a Do Not Pass on this bill.

In the 2005 Legislature our board presented a bill to more clearly define the definition of Private Security Services. In that bill we included the "Transportation of money or negotiable securities to or from a financial institution or between business locations on a regular or daily basis, except for mail delivery." The reason for this is that unlicensed courier companies were transporting negotiables with no form of protection, no requirements for background checks to prevent criminals or others from making these transports, and no requirements to insure the funds being transported. It was our board's opinion that this was also illegal under the previous definition, but at the suggestion of our legal counsel, we added this wording to the definition to make it very clear that we intended this type of work to be regulated by our board. This wording covers the entire industry, to include Armored Car companies as well as these other courier companies. There is an exemption for mail delivery currently within the statute.

This bill passed both the House and Senate unanimously.

If this portion of the definition of Security Services is removed, there could be drastic consequences. There would be nothing stopping some ex-convicts from getting out of the state pen, starting up ABC Courier Service, or ABC Armored Car Company and going out and securing clients to transport their money to banks or between their branches. They would not need any training, any insurance, a background check, or any type of license. The individuals transporting these negotiables often times are given a high degree of trust by their clients. Banks allow them into the vaults, other businesses entrust them with keys to their facilities, access to their cash, etc. If these individuals did not have to have training and background checks, there is no telling what types of crimes could begin happening. If they disappeared one day with their client's money, or God forbid, injured someone trying to protect their clients' money, there would be limited recourse for the injured party. Our board is appointed by the Governor to regulate this industry and to set standards and regulations to protect the public from untrained, or dangerous or unscrupulous individuals. As you many know, the Attorney General has given notice that they will be filing a bill to require background checks on more and more professions and individuals. By passing this bill, you would actually be removing individuals who are transporting other people's money from the background check requirement. For these reasons, we are asking you not to remove this section from our definition of Private Security Service.

I thank you for your time today and ask again for a "Do Not Pass" vote on this bill. I would be happy to answer any questions you may have.



#5

House Bill 1223  
Before the House Industry, Business and Labor Committee  
Darcy L. Fossum, Owner and President, Alpha 6, Inc. Armored Car & Security  
January 17, 2007

Chairman Keiser and members of the committee, I am Darcy L. Fossum, Owner and President of Alpha 6, Inc. Armored Car and Security from Gladstone, ND and I am here on behalf of my company to ask for a Do Not Pass on this bill.

Being involved in the armored car industry for the past eleven years and now an owner for the past five, I have been involved with all facets of the business. As an armored car company, we are contracted by Financial Institutions, both corporate and independent and retail and gaming businesses, to handle the transportation of currency, coin, deposits, negotiables and other sensitive documents. The armored car industry in the State of North Dakota is governed by laws and rules, which are enforced by the North Dakota Private Investigation and Security Board. These laws must be followed to insure the safety of the public and clients we work for. These laws include: A requirement that all companies be licensed in the state of ND, proof of insurance, and registration of all employees, this includes BCI and FBI background checks.

In this time of increased scrutiny in the banking and retail industries due to identity theft and other security issues, if this portion of the definition of Security Services is removed the repercussions may be more than one could imagine at this time.

The Attorney General is backing a bill where he is asking that background checks be done on Security Guards, health care workers, and other employees in sensitive jobs. If HB 1223 passes, it would cause the armored car industry to be unregulated in the state of North Dakota.

So, on one hand, you have the Attorney General introducing a bill to dramatically increase the number of background checks for people working in sensitive areas; Yet HB 1223 eliminates background checks in an industry employing persons handling money and sensitive documents. Therefore, I urge a "Do Not Pass" on this bill and I thank you for your time today. I would be happy to answer any questions you may have.