



Colorado Society of Private Investigators

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January 2, 2014

Senator Linda Newell
Colorado District 26
200 East Colfax Avenue
Denver, CO 80203

RE: CSPI Position Document concerning Government Regulation of Colorado PI's

Dear Senator Newell:

Thank you for inviting the Colorado Society of Private Investigators (CSPI) to participate in the recent discussions concerning the proposed regulation of Colorado private investigators.

On Tuesday, November 26, 2013, members of CSPI and a number of non-member private investigators, after a two-hour discussion, unanimously voted against initiating new government regulation of the profession, whether by registration or by licensing.

We believe this to be a bad business investment and a guaranteed no return on the state's investment. It was agreed that **no** demonstrable issues exist with private investigators in Colorado that cannot be adequately addressed by civil remedies that now exist.

Colorado presently has a volunteer licensing PI program that became law in 2011 as a direct result of inflated and incorrect information provided to the Colorado legislators by the Professional Private Investigators Association of Colorado (PPIAC) and was relied on by the legislators and the Department of Regulatory Agencies (DORA). The majority of Colorado private investigators have no interest in the volunteer program as is evident by the small number of licenses issued. The program, which was proposed by the PPIAC, has not even drawn support from a majority of the directors of the PPIAC – only five of their 12 directors applied for voluntary licensing. As of this correspondence, 85 voluntary licenses have been issued of which 19 are out of state. Those numbers alone should strongly reflect the interest that Colorado private investigators have in regulation. Moving to a mandatory program is unnecessary, both from a perspective of cost to taxpayers – since it is unlikely to be self-sustaining – and from a perspective of need.

As a result of misinformation provided to lawmakers, there now exists a \$40,000 deficit in the DORA PI volunteer licensing program; if there is going to be a mandatory program, whether it is simply registration or licensing, the cost will rise again, sufficient to be prohibitive to those

already in business and a discouragement to others trying to enter the profession. This \$40,000 deficit is a direct result of exaggerated numbers provided by the PPIAC to Legislators and DORA, compared to the actual number of private investigators working in the state – and those interested in voluntary licensing. Only 85 voluntary licenses have been issued, which does not cover program costs. Before any new legislation is proposed, our membership and others would suggest that the outstanding \$40,000 deficit should be paid off by PPIAC; it was their program, they are the ones that inflated numbers. The voluntary licensing program should be terminated before it results in additional costs to the state.

Colorado hasn't regulated private investigators for nearly 40 years and within that time very few complaints were made. For this reason, proposed mandatory licensing has become 'frivolous legislation,' and should **not** be proposed in the 2014 General Assembly.

Colorado presently has a number of venues for complaints to be handled by Colorado consumers. There is Title 18 of the Colorado Criminal Code, which covers theft issues, and the Office of Consumer Protection with the Colorado Attorney General's Office. There is the option of civil court and there is small claims court.

We would contest the notion that because Colorado is only one of a handful of states without a licensing program that those licensing efforts have been effective in consumer protection; however, to date there has been no evidence or witnesses produced to show that that is true.

If this process continues, we assume you will be hearing from PPIAC about a lack of professional, even alleged criminal behavior by some private investigators. But I would challenge them to point to any hard evidence to back up such claims, and would challenge legislators to demand to see the proof before further burdening DORA and the state with unnecessary and unproductive costs and new regulatory requirements. It is widely known that DORA struggles to keep up with its current obligations to protect consumers, and added responsibilities that merely create paperwork will not alleviate that situation.

Earlier this year there was committee testimony that the law firm of Holland & Hart and Denver International Airport would not hire Colorado private investigators because they're not licensed. This is untrue. Holland & Hart has been a client of mine for the last 23 years as has Denver International Airport, as was Stapleton International Airport prior to that. I am more than happy to verify that information. There was also committee testimony that unlicensed private investigators who might be arrested for sex crimes could potentially interview young children. For the record, Colorado private investigators do not interview children unless parents are present.

Lastly, regarding John who testified at a number of hearings that a private investigator tried to break into his home, brandished a weapon, and scared his family – these would be violations of

criminal law. Yet no police reports were introduced to validate these assertions and police action would have been the appropriate response, not an investigation of a state license.

The true motivation for regulation has nothing to do with consumer protection but everything to do with initial effort to restrict entry into the profession, and later with the escalating costs of the volunteer license program. Those in favor of moving to mandatory licensing simply want to drive the cost down of their ill-conceived voluntary license measure by forcing private investigators to pay hundreds of dollars for a license that will protect no one.

It is the responsibility of Colorado private investigators to establish with the public and their clients professionalism and credibility, not the government which has its fair share of public trust issues. We believe education and training are far more effective tools for private investigators than government regulation.

Sincerely,

Rick Johnson
President, CSPI