



North Carolina Department of Public Safety

Private Protective Services Board

Roy Cooper, Governor
Eddie M. Buffaloe, Jr., Secretary

Tamara Rabenold, Chair
Paul Sherwin, Director

June 22, 2023
(Amended December 14, 2023)

MEMORANDUM FOR RECORD

SUBJECT: Consent Agreement Policy

The Private Protective Services Board voted during its meeting on Thursday, June 22, 2023, to enact the following policy regarding how the Board calculates money owed when a consent agreement is used to settle allegations of registration violations:

The use of this policy is optional and subject to the discretion of the Board, and nothing herein shall prevent the Board from denying, suspending, or revoking a license for registration violations, in accordance with NCGS 74C-5(6).

This policy may be used to settle any registration violations discovered during an investigation that was initiated on or after January 1, 2024.

The registration compliance history of a company or licensee within the previous five years shall be considered when determining if the increased consent agreement formulas within this policy are applicable.

Increased consent agreement formulas shall not be used to settle violations discovered during a follow-up registration compliance audit. Only the standard consent agreement (no imposition of a per-violation civil penalty) shall be used.

Findings, such as the licensee's cooperation and responsiveness during the investigation; the company's overall registration compliance rate (the percentage of employees who were registered as required); whether the violations were self-reported; if there has been a recent change of the company's qualifying agent; or other aggravating or mitigating factors may be used to determine how the amount owed as part of the consent agreement is calculated.

The Board's following standard consent agreement formula may be used when a company's qualifying agent is settling registration violations for the first time within a 5-year period:

The total amount of past-due registration fees
+8% interest on the total amount of the past-due fees (See N.C.G.S. 24-1)
+Cost recovery fee of 3x the past-due fees

= Total consent agreement

Example: An investigation has found that Acme Security Company failed to register 10 unarmed security guards, and the Board has agreed to enter into a consent agreement with the company's qualifying agent to settle the violations. This is Acme Security Company's first time violating the Board's registration requirements. For the purposes of this example only, the fee to register an unarmed security guard is \$30—the actual fee may be different.

Past due fees: 10 violations x \$30 per violation = \$300

Interest: \$300 x 8% interest = \$24

Cost recovery: 3 x \$300 past-due fees = \$900

Total consent amount: \$1,224

If a company is found to have committed registration violations for a second time within a 5-year period, or if other aggravating factors exist, the Board may utilize the following increased consent agreement formula when settling alleged registration violations:

The total amount of past-due registration fees

+8% interest on the total amount of the past-due fees (See N.C.G.S. 24-1)

+Cost recovery fee of 3x the past-due fees

+Up to \$500 civil penalty per violation

= Total consent agreement

Example: An investigation has found that Acme Security Company failed to register 10 unarmed security guards, and the Board has agreed to enter into a consent agreement with the company's qualifying agent to settle the violations. This is Acme Security Company's second time violating the Board's registration requirements within the previous five years. For the purposes of this example only, the fee to register an unarmed security guard is \$30—the actual fee may be different.

Past due fees: 10 violations x \$30 per violation = \$300

Interest: \$300 x 8% interest = \$24

Cost recovery: 3 x \$300 past-due fees = \$900

Civil penalty: 10 violations x \$500 civil penalty = \$5,000

Total consent amount: \$6,224

If a company is found to have committed registration violations for a third time within a 5-year period, or if other aggravating factors exist, the Board may utilize the following increased consent agreement formula when settling alleged registration violations:

The total amount of past-due registration fees

+8% interest on the total amount of the past-due fees (See N.C.G.S. 24-1)

+Cost recovery fee of 3x the past-due fees

+Up to \$1,000 civil penalty per violation

= Total consent agreement

Example: An investigation has found that Acme Security Company failed to register 10 unarmed security guards, and the Board has agreed to enter into a consent agreement with the company's qualifying agent to settle the violations. This is Acme Security Company's third time violating the Board's registration requirements within the previous five years. For the purposes of this example only, the fee to register an unarmed security guard is \$30—the actual fee may be different.

Past due fees: 10 violations x \$30 per violation = \$300

Interest: \$300 x 8% interest = \$24

Cost recovery: 3 x \$300 past-due fees = \$900

Civil penalty: 10 violations x \$1,000 civil penalty = \$10,000

Total consent amount: \$11,224

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