

Title 32 - Professions and Occupations

Chapter 24 PRIVATE INVESTIGATORS

Article 1 General Provisions

32-2401. Definitions

In this chapter, unless the context otherwise requires:

1. **"Advertising"** means the submission of bids, contracting or making known by any public notice, publication or solicitation of business, directly or indirectly, that services regulated under this chapter are available for consideration.
2. **"Agency license"** means a certificate that is authenticated by the department and that attests that a qualifying party is authorized to conduct the business of private investigations in this state.
3. **"Applicant"** means a person who has submitted a completed application and all required application and fingerprint processing fees.
4. **"Associate"** means a person who is a partner or corporate officer in a private investigation agency.
5. **"Board"** means the private investigator and security guard hearing board established by section 32-2404.
6. **"Conviction"** means an adjudication of guilt by a federal, state or local court resulting from trial or plea, including a plea of no contest, regardless of whether the adjudication of guilt was set aside or vacated.
7. **"Department"** means the department of public safety.
8. **"Director"** means the director of the department of public safety.
9. **"Emergency action"** means a summary suspension of a license pending revocation, suspension or probation in order to protect the public health, safety or welfare.
10. **"Employee"** means an individual who works for an employer, is listed on the employer's payroll records and is under the employer's direction and control.
11. **"Employer"** means a person who is licensed pursuant to this chapter, who employs an individual for wages or salary, who lists the individual on the employer's payroll records and who withholds all legally required deductions and contributions.
12. **"Identification card"** means a card issued by the department to a qualified applicant for an agency license, an associate or a registrant.
13. **"Insurance adjuster"** means a person other than a private investigator who, for any consideration, engages in any of the activities prescribed in the definition of private investigator in this section in the course of adjusting or otherwise participating in the disposal of any claim under or in connection with a policy of insurance.
14. **"Letter of concern"** means an advisory letter to notify a private investigator that while there is insufficient evidence to support probation or suspension or revocation of a license the department believes the private investigator should modify or eliminate certain practices and that continuation of the activities that led to the information being submitted to the department may result in further disciplinary action against the private investigator's license.
15. **"Licensee"** means a person to whom an agency license is granted pursuant to this chapter.
16. **"Private investigator"** means a person other than an insurance adjuster or an on-duty peace officer as defined in section 1-215 who, for any consideration, engages in business or accepts employment to:
 - (a) Furnish, agree to make or make any investigation for the purpose of obtaining information with reference to:

(i) Crime or wrongs done or threatened against the United States or any state or territory of the United States.

(ii) The identity, habits, conduct, movements, whereabouts, affiliations, associations, transactions, reputation or character of any person or group of persons.

(iii) The credibility of witnesses or other persons.

(iv) The whereabouts of missing persons, owners of abandoned property or escheated property or heirs to estates.

(v) The location or recovery of lost or stolen property.

(vi) The causes and origin of, or responsibility for, a fire, libel, slander, a loss, an accident, damage or an injury to real or personal property.

(b) Secure evidence to be used before investigating committees or boards of award or arbitration or in the trial of civil or criminal cases and the preparation therefor.

(c) Investigate threats of violence and provide the service of protection of individuals from serious bodily harm or death.

17. "Qualifying party" means the individual meeting the qualifications under this chapter for an agency license.

18. "Registrant" means an employee of a licensed agency qualified to perform the services of the agency.

19. "Registration certificate" means a certificate that is authenticated by the department and that attests that an employee of a business holding an agency license has satisfactorily complied with article 3 of this chapter.

20. "Restructuring" means any change in a business' legal status.

21. "Unprofessional conduct" means any of the following:

(a) Engaging or offering to engage by fraud or misrepresentation in activities regulated by this chapter.

(b) Aiding or abetting a person who is not licensed pursuant to this chapter in representing that person as a private investigator in this state.

(c) Gross negligence in the practice of a private investigator.

(d) Failing or refusing to maintain adequate records and investigative findings on a client. For purposes of this subdivision, "adequate records" means records containing, at a minimum, sufficient information to identify the client, the dates of service, the fee for service, the payments for service, the type of service given and copies of any reports that may have been made.

(e) Committing a felony or a misdemeanor involving any crime that is grounds for denial, suspension or revocation of a private investigator license or employee identification card. In all cases, conviction by a court of competent jurisdiction or a plea of no contest is conclusive evidence of the commission.

(f) Making a fraudulent or untrue statement to the department, the board or its investigators, staff or consultants.

32-2402. Administration by director; duty to keep records; rules; criminal history records checks

A. The director of the department of public safety shall administer this chapter.

B. The department shall keep a record of:

1. All applications for licenses or registrations under this chapter.

2. All bonds and proof of workers' compensation required to be filed.

3. Whether a license, registration certificate, renewal license or renewal registration certificate has been issued under each application and bond.

4. If a license or registration certificate is revoked, suspended, cancelled or denied or if a licensee or registrant is placed on probation, the date of filing the order for revocation, suspension, cancellation, denial or probation.

5. All individuals, firms, partnerships, associations or corporations that have had a license or registration revoked, suspended or cancelled or that have been placed on probation and a written record of complaints filed against licensees and registrants.

C. The department shall maintain all records kept pursuant to subsection B of this section for at least five years. The records, except the financial statement of licensees, are open to inspection as public records.

D. The director shall adopt and enforce rules that are not in conflict with the laws of this state and that are necessary to enforce this chapter.

E. The director may conduct periodic criminal history records checks pursuant to section 41-1750 for the purpose of updating the licensing and registration status of current license and registration holders.

32-2404. Private investigator and security guard hearing board; qualifications; appointments; terms; compensation; immunity

A. The private investigator and security guard hearing board is established consisting of seven members and an alternate member who are appointed by the director.

B. Each member of the board shall be a citizen of the United States and a resident of this state at the time of appointment. Two members shall be qualifying parties who are licensed as provided in this chapter. Two members shall be qualifying parties who are licensed as provided in chapter 26 of this title. Two members shall be certified peace officers with a rank of at least lieutenant who are not employees of the department. One member shall be a public member who shall not have a financial interest in a private investigation or security guard agency and shall not have an immediate family member or a household member who is licensed or registered under this chapter or chapter 26 of this title or who is a certified peace officer. The alternate member shall be a public member who does not have a financial interest in a private investigation or security guard agency and does not have an immediate family member or a household member who is licensed or registered under this chapter or chapter 26 of this title or who is a certified peace officer.

C. Each member of the board shall serve for a staggered term of five years beginning and ending on the third Monday in January. The alternate member shall serve a five year term beginning and ending on the third Monday in January. A member, including the alternate member, shall not serve more than one term, except that a member appointed to fill a vacancy may be reappointed for one full term. If a qualified replacement has not been found by the end of the member's term, the director may extend the member's term for no more than six months or until a replacement is found, whichever occurs first.

D. The director shall fill a vacancy on the board occurring other than by the expiration of term by appointment of a member for the unexpired term as provided in subsection C of this section. The director, after a hearing, may remove any member of the board for misconduct, incompetency or neglect of duty.

E. Members of the board, including the alternate member, are eligible to receive compensation pursuant to section 38-611 for each day actually and necessarily spent in the performance of their duties.

F. Members of the board, including the alternate member, are personally immune from suit with respect to all acts done and actions taken in good faith and in furtherance of the purposes of this chapter.

32-2405. Power and duties of hearing board

A. The board shall:

1. Submit recommendations to the director on disciplinary actions or the denial of licenses or registrations.
2. Annually elect from its membership a chairman and a secretary, who serve at the pleasure of the board.
3. Determine good cause exceptions pursuant to sections 32-2412 and 32-2609.
4. Adopt rules to establish good cause exceptions for the issuance of licenses or registrations pursuant to this chapter and chapter 26 of this title.
5. Furnish a copy of its rules, on request, to all applicants who petition the board for a good cause exception pursuant to sections 32-2459, 32-2640 and 32-2641.

B. The board may take and hear evidence, administer oaths and affirmations and compel by subpoena the attendance of witnesses and the production of books, papers, records, documents and other information relating to an investigation or hearing.

32-2406. Hearings and special meetings; quorum

A. The board shall hold hearings at a time and place determined by the director. The board may hold special meetings the chairman determines necessary to carry out the functions of the board.

B. A quorum consists of three members.

32-2407. Fees; renewal of license or registration certificate

A. The department shall charge and collect reasonable fees as determined by the director to cover the operational and equipment costs of regulating the private investigator industry.

B. Except as provided in section 32-4301, the director may renew a license or registration certificate granted under this chapter after receiving an application on such forms as the department prescribes and receipt of the fees prescribed pursuant to subsection A of this section. The renewal of an agency license requires the filing of a surety bond as prescribed in section 32-2423, subsections B and C. Renewal of a license or registration shall not be granted more than ninety days after expiration. No licensee or registrant may engage in any activity subject to this chapter during any period between the date of expiration of the license or registration and the renewal of the license or registration.

C. The department shall renew a suspended license or registration certificate as provided in this article. Renewal of the license or registration does not entitle the licensee or registrant, while the license or registration remains suspended and until it is reinstated, to engage in any activity regulated by this chapter, or in any other activity or conduct in violation of the order or judgment by which the license or registration was suspended.

D. The director shall not reinstate a revoked license or registration. The director shall not accept an application for a license or registration from a person whose license or registration has been revoked until at least one year after the date of revocation.

32-2408. Department of public safety licensing fund

- A. A department of public safety licensing fund is established consisting of fees collected pursuant to this chapter and chapter 26 of this title.
- B. The director shall administer the fund. Monies in the fund are continuously appropriated to the director to cover the operational and equipment costs of regulating the private investigator and security guard industry.

32-2409. Exemptions

This chapter does not apply to:

1. An officer or employee of the federal government, this state or a political subdivision of this state, while engaged in the official performance of the officer's or employee's duties.
2. A person, firm or corporation, or an employee of a person, firm or corporation, engaged in the business of obtaining and furnishing financial and related personal information for others, including a consumer reporting agency as defined in the fair credit reporting act (15 United States Code section 1681a), if the person, firm or corporation does not engage in other investigative research that is an investigative consumer report as defined in the fair credit reporting act (15 United States Code section 1681a) and if the employee is not employed or connected with any private investigator or private investigator's business.
3. A practicing attorney involved in a case for which the attorney has been retained or a person employed under an employee-employer relationship with a practicing attorney, in the employee's performance of duties related to a case for which the attorney has been retained.
4. A collection agency licensed in this state, or its employee while acting within the scope of employment, while making an investigation incidental to the business of the agency, including an investigation of the location of a debtor or the debtor's property if the contract with an assignor creditor is for the collection of claims owed or due or asserted to be owed or due or its equivalent.
5. Insurance brokers, adjusters and agents licensed by this state in performing their duties in connection with insurance transacted by them.
6. The legal owner of personal property that has been sold under a sales agreement in making investigations relating to the sales agreement.
7. A member of the news media and its employees when engaged in obtaining information for the purpose of disseminating news to the public.
8. Public service corporations engaged in transmitting messages, furnishing public telegraph or telephone service or investigating the use or misuse of their equipment and facilities or the use or misuse of the equipment and facilities of any connecting telecommunications company.
9. Private process servers who are duly registered and performing their duties pursuant to the Arizona rules of civil procedure.
10. A person, firm or corporation, or an employee of a person, firm or corporation, that, for any consideration, observes consumer purchases of products or services in the public environments of a business establishment for the purpose of evaluating customer service, operational procedures, cleanliness, product quality and availability if all of the following apply:
 - (a) The information is obtained from questionnaires that the business establishment approves in advance of use.
 - (b) The obtained information is used for employee training or incentives.
 - (c) The obtained information is not used for prosecution of an employee.
 - (d) The business establishment does not use a single evaluation as the only basis for an employee's termination from employment.

11. A person or entity that is performing duties pursuant to statute and that is certified or registered by the supreme court.

32-2410. Power of local authorities

This chapter does not prevent a political subdivision of this state from imposing local regulation on any person engaged in the business of accepting employment for the location or recovery of personal property that is sold under conditional sales agreements or that is subject to the terms of a chattel mortgage, but the political subdivision may not assess an additional fee.

32-2411. License required; violation; classification

A. A person shall not act or attempt to act as a private investigator or represent that the person is a private investigator unless the person is registered as a private investigator pursuant to this chapter and is acting within the scope of the person's employment for an agency that is licensed pursuant to article 2 of this chapter.

B. A person who knowingly violates this section is guilty of a class 1 misdemeanor.

32-2412. Good cause exceptions for felony offenses

A. The board may grant a good cause exception for a felony offense if ten or more years have passed since the person completed all terms of sentencing and if the person shows at a hearing to the board's satisfaction that the person is not awaiting trial on or has not been convicted of committing any of the offenses listed in section 41-1758.03, subsection B. Before granting a good cause exception at a hearing the board shall consider all of the following in accordance with board rule:

1. The extent of the person's criminal record.
2. The length of time that has elapsed since the offense was committed.
3. The nature of the offense.
4. Evidence supporting any applicable mitigating circumstances.
5. Evidence supporting the degree to which the person participated in the offense.
6. Evidence supporting the extent of the person's rehabilitation, including:
 - (a) Completion of probation, parole or community supervision.
 - (b) Whether the person paid restitution or other compensation for the offense.
 - (c) Evidence of positive action to change criminal behavior, such as completion of a drug treatment program or counseling.
 - (d) Personal references attesting to the person's rehabilitation.

B. If seeking a good cause exception, at least five days before the hearing the applicant shall submit to the department any evidence the applicant will be presenting at the hearing.

32-2413. Reciprocal agreements

A. The department may enter into a reciprocal agreement with a state that has private investigator qualification laws substantially similar to this chapter to allow a private investigator license or registration to be used by the licensee or registrant within the jurisdiction of either this state or the other state. The department may enter into the agreement if the issuing authority for the other state meets all of the following conditions:

1. Issues a private investigator identification card with an expiration date printed on the card.
2. Is available to verify the license or registration status for law enforcement purposes within three business days after a request for verification.

3. Has disqualification, suspension and revocation requirements for licenses and registrations.
 4. Requires that the applicant for a license or registration submit to a criminal history records check pursuant to section 41-1750 and applicable federal law.
- B. The reciprocal agreement shall be limited and is intended only to allow private investigators to continue investigations that originate in the investigator's home state and that require investigation in another state. The reciprocal agreement shall include the following provisions:
1. The private investigator shall possess a private investigator license or registration in good standing.
 2. The private investigator shall spend no more than thirty days per case while conducting an investigation in this state.
 3. The private investigator shall provide written notification to the department describing the case and the dates to be worked in this state on the case.
 4. The private investigator shall not solicit any business while in this state.

32-2414. Licensure or registration of peace officers prohibited

The department may not issue a license or registration certificate pursuant to this chapter to a peace officer, including a reserve peace officer. This section does not apply to retired peace officers or peace officers who are accident reconstructionists.

Article 2 Agency Licenses

32-2421. Qualifying party

- A. An applicant for an agency license must have a qualifying party.
- B. For a sole proprietorship, the qualifying party shall be the agency licensee.
- C. For a partnership, corporation or limited liability company, the qualifying party shall be the individual who is responsible for managing the agency. All other partners or corporate officers shall register as associates pursuant to article 3 of this chapter.
- D. If required, the qualifying party shall maintain workers' compensation insurance in effect.

32-2422. Qualification of applicant for agency license; substantiation of work experience

- A. An applicant as a qualifying party for an agency license under this chapter shall:
 1. Be at least twenty-one years of age.
 2. Be a citizen or legal resident of the United States who is authorized to seek employment in the United States.
 3. Not have been convicted of any felony or currently be under indictment for a felony.
 4. Within the five years immediately preceding the application for an agency license, not have been convicted of any misdemeanor act involving:
 - (a) Personal violence or force against another person or threatening to commit any act of personal violence or force against another person.
 - (b) Misconduct involving a deadly weapon as provided in section 13-3102.
 - (c) Dishonesty or fraud.
 - (d) Arson.
 - (e) Theft.
 - (f) Domestic violence.
 - (g) A violation of title 13, chapter 34 or 34.1 or an offense that has the same elements as an offense listed in title 13, chapter 34 or 34.1.
 - (h) Sexual misconduct.

5. Not be on parole, on community supervision, on work furlough, on home arrest, on release on any other basis or named in an outstanding arrest warrant.
 6. Not be serving a term of probation pursuant to a conviction for any act of personal violence or domestic violence, as defined in section 13-3601, or an offense that has the same elements as an offense listed in section 13-3601.
 7. Not be either of the following:
 - (a) Adjudicated mentally incompetent.
 - (b) Found to constitute a danger to self or others pursuant to section 36-540.
 8. Not have a disability as defined in section 41-1461, unless that person is a qualified individual with a disability as defined in section 41-1461.
 9. Not have been convicted of acting or attempting to act as a private investigation agency or a private investigator without a license if a license was required.
 10. Have had a minimum of three years of full-time investigative experience or the equivalent of three years of full-time investigative experience that consists of actual work performed as an investigator for a private concern, for the federal government or for a state, county or municipal government.
- B. If the applicant for an agency license is a firm, partnership, association or corporation, the qualifications required by subsection A are required of the individual in active management who shall be the qualifying party of the firm, partnership, association or corporation.
- C. Applicants for an agency license shall substantiate investigative work experience claimed as years of qualifying experience and provide the exact details as to the character and nature of the experience on a form prescribed by the department and certified by the employers. On written request, an employer shall submit to the employee a written certification of prior work experience within thirty days. The written certification is subject to independent verification by the director. If an employer goes out of business, the employer shall provide all employees with a complete and accurate record of their work history. If applicants are unable to supply written certification from an employer in whole or in part, applicants may offer written certification from persons other than an employer covering the same subject matter for consideration by the department. The burden of proving the minimum years of experience is on the applicant.
- D. The department may deny an agency license if the department determines that the applicant does not meet the requirements of this section.

32-2423. Application for agency license; financial responsibility; notice and opportunity to supply additional information

- A. Every application for an original or renewal agency license to engage in the private investigator business shall set forth verified information to assist the department in determining the applicant's ability to meet the requirements prescribed in this chapter and shall contain the following:
1. The full name and business address of the applicant.
 2. The name under which the applicant intends to do business.
 3. A statement as to the general nature of the business in which the applicant intends to engage.
 4. If the applicant is other than an individual, the full name and residence address of each of its associates.
 5. A verified statement of the applicant's experience and qualifications.
 6. Photographs of the applicant of a number and type prescribed by the department.

7. Fingerprints of the applicant of a quality and number prescribed by the department for the purpose of obtaining state and federal criminal records checks pursuant to section 41-1750 and Public Law 92-544. The department may exchange this fingerprint data with the federal bureau of investigation. The department may conduct periodic state criminal history checks to ensure continued qualification under this chapter.

8. Such other information, evidence, statements or documents as the director may reasonably require.

9. The fee prescribed pursuant to section 32-2407.

B. Before the issuance of an original or renewal agency license the applicant shall provide to the department:

1. A surety bond in the amount of two thousand five hundred dollars.

2. A certificate of workers' compensation insurance, if applicable.

C. The bond shall be executed and acknowledged by the applicant as principal and by a corporation licensed to transact fidelity and surety business in this state as surety. The bond shall be continuous in form and shall run concurrently with the license period. The bond required by this section shall be in favor of the state for the benefit of any person injured by any acts of a private investigator or the private investigator's agency or employees and is subject to claims by any person who is injured by these acts.

D. The department shall cancel the agency license of any licensed agency on the cancellation of the surety bond. The qualifying party may reinstate the license on filing:

1. A surety bond that is concurrent with the remainder of the license period.

2. Payment of the reinstatement fee prescribed pursuant to section 32-2407.

E. If an application is incomplete, the department shall notify the applicant pursuant to section 41-1074. If the department requires additional information to make a decision on licensure, the department shall notify the applicant pursuant to section 41-1075. The department shall send notices under this subsection to the applicant's last known residential address and shall include sufficient information to assist the applicant in completing the application process. The applicant has forty-five calendar days from the date of notification to provide the additional documentation. If the applicant fails to respond within forty-five calendar days, the application and any certificates issued are automatically suspended until the department receives the necessary documentation to approve or deny the application.

32-2425. Issuance of license and identification card; deadline for completing application; transfer of license prohibited

A. The department shall issue an agency license to any applicant who complies with this chapter. Each license shall contain the name and address of the licensee and the number of the license and shall be issued for a period of two years.

B. On the issuance of a license, an identification card described in section 32-2461 shall be issued without charge to the licensee if an individual, or if the licensee is other than an individual, to its qualifying party, and to each of its associates and directors. The identification card is evidence that the licensee is duly licensed pursuant to this chapter. If a person to whom the card of a licensee other than an individual is issued terminates the person's position, office or association with the licensee, the person shall surrender the card to the licensee and within five business days the licensee shall mail or deliver the card to the director for cancellation. If the person fails or refuses to surrender the card to the licensee, the licensee shall notify the director within five business days of the termination of the person's position, office or association with the licensee.

- C. On notification by the department to an applicant that the agency license is ready for issuance, the applicant shall complete the application process within ninety calendar days. Failure to complete the process shall result in the application being cancelled and all fees shall be forfeited by the applicant. Subsequent application by the same applicant requires the payment of all application and license fees prescribed pursuant to section 32-2407.
- D. A licensee shall notify the director in writing within thirty calendar days of any change in the name or address of the licensee's business and of any change of associates.
- E. All new associates shall submit applications on forms prescribed by the director.
- F. No license issued under this chapter is transferable or assignable.

32-2426. Branch office certificate

- A. No licensee may establish a branch office of a licensed agency unless the department has issued a branch office certificate.
- B. A branch office certificate authorizes the qualifying party of an agency licensee to conduct the business of private investigations in this state at a location other than the principal place of business shown on the agency license.
- C. An application for a branch office certificate shall be on such form as the director prescribes.
- D. The branch office certificate shall be issued in the name of the licensed agency only.

Article 3 Registration Certificates

32-2441. Qualification of applicant for associate or employee registration

An applicant for an associate or employee registration certificate shall:

1. Be at least eighteen years of age.
2. Be a citizen or legal resident of the United States who is authorized to seek employment in the United States.
3. Not have been convicted of any felony or currently be under indictment for a felony.
4. Within the five years immediately preceding the application for an associate or employee registration certificate, not have been convicted of any misdemeanor act involving:
 - (a) Personal violence or force against another person or threatening to commit any act of personal violence or force against another person.
 - (b) Misconduct involving a deadly weapon as provided in section 13-3102.
 - (c) Dishonesty or fraud.
 - (d) Arson.
 - (e) Theft.
 - (f) Domestic violence.
 - (g) A violation of title 13, chapter 34 or 34.1 or an offense that has the same elements as an offense listed in title 13, chapter 34 or 34.1.
 - (h) Sexual misconduct.
5. Not be on parole, on community supervision, on work furlough, on home arrest, on release on any other basis or named in an outstanding arrest warrant.
6. Not be serving a term of probation pursuant to a conviction for any act of personal violence or domestic violence, as defined in section 13-3601, or an offense that has the same elements as an offense listed in section 13-3601.
7. Not be either of the following:
 - (a) Adjudicated mentally incompetent.
 - (b) Found to constitute a danger to self or others pursuant to section 36-540.

8. Not have a disability as defined in section 41-1461, unless that person is a qualified individual with a disability as defined in section 41-1461.
9. Not have been convicted of acting or attempting to act as a private investigator without a license if a license was required.

32-2442. Application for employee registration certificate; registration period cancellation

- A. Every application for an employee registration certificate shall provide verified information to assist the department in determining the applicant's ability to meet the requirements prescribed in this chapter, as follows:
1. The full name and address of the applicant.
 2. The name of the agency for which the applicant will be an employee.
 3. Authorization of the qualifying party or the qualifying party's designee to issue an employee registration.
 4. Fingerprints of the applicant of a quality and number prescribed by the department for the purpose of obtaining state and federal criminal records checks pursuant to section 41-1750 and Public Law 92-544. The department may exchange this fingerprint data with the federal bureau of investigation. The department may conduct periodic state criminal history checks to ensure continued qualification under this chapter.
 5. Photographs of the applicant of a number and type prescribed by the department.
 6. Such other information, evidence, statements or documents as the department may reasonably require.
- B. An application for an employee registration or renewal shall be accompanied by the fee prescribed pursuant to section 32-2407.
- C. An original employee registration is valid from the date of issuance to the date of expiration of the agency license under which the employee is employed. The renewal period of an employee registration runs concurrently with the agency license. An employee registration may be denied as prescribed in section 32-2459 and shall be canceled on the cancellation, termination or revocation of the agency license under which the employee registration is issued.
- D. An employee registration or renewal shall not be issued to an applicant unless the employer has on file with the department evidence of current workers' compensation coverage. An employee registration is cancelled on cancellation of the employer's workers' compensation coverage and may be reinstated only on verification of the reinstatement of workers' compensation coverage and payment of the reinstatement fee prescribed pursuant to section 32-2407.
- E. If an application is incomplete, the department shall notify the applicant pursuant to section 41-1074. If the department requires additional information to make a decision on registration, the department shall notify the applicant pursuant to section 41-1075. The department shall send notices issued under this subsection to the applicant's last known residential address and shall include sufficient information to assist the applicant to complete the application process. The applicant has forty-five calendar days from the date of notification to provide the additional documentation. If the applicant fails to respond within forty-five calendar days, the application and any certificates issued are automatically suspended until the department receives the necessary documentation to approve or deny the application.

32-2443. Employee identification card required; denial

A. Each employee of an agency licensed under this chapter shall obtain an identification card, except those employees engaged exclusively in clerical and office work.

B. The department may issue an identification card to an applicant who, on initial application for a registration certificate, complies with the application requirements of section 32-2442, subsection D and who on the face of the application appears to meet the requirements of section 32-2441. On completion of the investigation of the applicant's qualifications, the department may deny the applicant's registration as prescribed in section 32-2459.

C. On termination of a registered employee from a licensed agency, the employee shall immediately surrender the identification card to the agency's qualifying party or designee. The qualifying party or designee shall forward the registrant's identification card to the department within five business days of receipt. If the employee fails or refuses to surrender the card to the qualifying party or designee, the qualifying party or designee shall notify the director within five business days of the termination of the employment with the licensee.

Article 4 Regulation

32-2451. Impersonation of a public officer; display of identification

A. No licensee, associate, registrant or employee of a licensee may wear a uniform, use a title, insignia, badge or identification card or make any statement that would lead a person to believe that he is connected in any way with the federal government, a state government or any political subdivision of a state government unless he is authorized by proper authorities to do so. No badge of any type may be used, shown or offered as identification in conjunction with the identification card or independently.

B. A licensee or registrant, on claiming to be a private investigator, shall display the identification card issued by the department to such persons as may have reasonable cause to verify the validity of the license or registration. The licensee or registrant shall display the identification card for a reasonable period of time for the requester to verify the information on the identification card.

32-2452. Authority required to operate under fictitious name

A licensee may conduct an investigative business under a name other than the licensee's by first obtaining written authorization from the director. The director shall not authorize the use of an agency name that is so similar to that of a public officer or agency or of that used by another licensee that the public may be confused or misled by the use.

32-2453. Business address; posting of license

A. Each licensed agency shall have at least one physical location from which the normal business of the agency is conducted. The address of this location shall be on file with the department at all times as required by section 32-2423, subsection A and section 32-2425, subsection D.

B. The agency license certificate issued by the department shall be posted in a conspicuous place in the principal office of the private investigation agency. The branch office certificate shall be conspicuously posted in the branch office of the agency for which it is issued.

32-2454. Advertising

All display or broadcast media advertising by a licensee soliciting business shall contain the licensee's name and license number as they appear in the records of the department. The licensee shall not use any advertising that is false, deceptive or misleading.

32-2455. Divulging investigative information; false reports prohibited

A. Except as otherwise provided by this chapter or other law, no licensee, associate, registrant or employee of a licensee may divulge or release to anyone other than his client or employer the contents of an investigative file acquired in the course of licensed investigative activity. However, the department shall have access to investigative files if the client for whom the information was acquired, or his lawful representative, alleges a violation of this chapter by the licensee or a registrant, the licensed agency or any employee or if the prior written consent of the client to divulge or release the information has been obtained.

B. No licensee, associate, registrant or employee of a licensee may wilfully make a false statement or report to a client, employer or authorized representative of the department concerning information acquired in the course of activities regulated by this chapter.

C. The licensee shall submit investigative reports to a client at such times and in such manner as agreed on between the licensee and the client. On demand by the client, the licensee shall divulge to the client the results of an investigation if payment has been tendered for the charges levied.

32-2456. Authority to investigate complaint; filing; response; retention of records

A. The department may investigate any licensee, registrant, associate, employee or person if that licensee, registrant, associate, employee or person is advertising as providing or is engaged in performing services that require licensure or registration under this chapter.

B. The department shall investigate if a licensee or registrant is engaged in activities that do not comply with or are prohibited by this chapter.

C. The department shall enforce this chapter without regard to the place or location in which a violation may have occurred.

D. On the complaint of any person or on its own initiative, the department may investigate any suspected violation of this chapter or the business and business methods of any licensee, registrant or employee of a licensee or applicant for licensure or registration under this chapter.

E. Complaints filed against any licensee, associate, registrant or employee of a licensee shall be in writing on such forms as the department prescribes and shall be filed with the department.

F. In any investigation undertaken by the department, each licensee, associate, registrant, applicant, agency or employee, on request of the department, shall provide records and shall truthfully respond to questions concerning activities regulated under this chapter. These records shall be maintained for five years at the principal place of business of the licensee, or at another location for a person whose license has been terminated, cancelled or revoked. On request by the department during normal business hours or at another time acceptable to the parties, the records shall be made available immediately to the department unless the department determines that an extension may be granted. The licensee shall provide copies of any records requested by the department.

32-2457. Grounds for disciplinary action; emergency summary suspension; judicial review

A. The following constitute grounds for which disciplinary action specified in subsection B of this section may be taken against a licensee or registrant or, if the licensee is other than an

individual, against the licensee's qualifying party or any of its associates, directors or managers:

1. Fraud or wilful misrepresentation in applying for an original license or registration or the renewal of an existing license or registration.
2. Using any letterhead, advertisement or other printed matter in any manner or representing that the licensee, associate, registrant or employee of the licensee is an instrumentality of the federal government, a state or any political subdivision of a state.
3. Using a name that is different from that under which the licensee, associate, registrant or employee of the licensee is currently licensed for any advertisement, solicitation or contract to secure business unless the name is an authorized fictitious name.
4. Impersonating, permitting or aiding and abetting an employee to impersonate a law enforcement officer or employee of the United States, any state or a political subdivision of a state.
5. Knowingly violating, or advising, encouraging or assisting the violation of, any statute, court order, warrant or injunction in the course of a business regulated under this chapter.
6. Falsifying fingerprints, photographs or other documents while operating under this chapter.
7. Conviction of a felony.
8. Conviction of any act involving a weapon pursuant to section 13-3102.
9. Conviction of any act of personal violence or force against any person or conviction of threatening to commit any act of personal violence or force against any person.
10. Soliciting business for an attorney in return for compensation.
11. Conviction of any act constituting dishonesty or fraud.
12. Being on parole, on community supervision, on work furlough, on home arrest, on release on any other basis or named in an outstanding arrest warrant.
13. Serving a term of probation pursuant to a conviction for any act of personal violence or domestic violence as defined in section 13-3601 or an offense that has the same elements as a domestic violence offense listed in section 13-3601, subsection A.
14. Committing or knowingly permitting any employee to commit any violation of this chapter or rules adopted pursuant to this chapter.
15. Wilfully failing or refusing to render to a client services or a report as agreed between the parties and for which compensation has been paid or tendered in accordance with the agreement of the parties.
16. The unauthorized release of information acquired on behalf of a client by a licensee, associate or registrant as a result of activities regulated under this chapter.
17. Failing or refusing to cooperate with or refusing access to an authorized representative of the department engaged in an official investigation pursuant to this chapter.
18. Employing or contracting with any unregistered or improperly registered person or unlicensed or improperly licensed person or agency to conduct activities regulated under this chapter if the licensure or registration status was known or could have been ascertained by reasonable inquiry.
19. Permitting, authorizing, aiding or in any way assisting a registered employee to conduct services as described in this chapter on an independent contractor basis and not under the authority of the licensed agency.
20. Failing to maintain in full force and effect workers' compensation insurance, if applicable.
21. Conducting private investigation services regulated by this chapter on an expired, revoked or suspended license or registration.

22. Accepting employment, contracting or in any way engaging in employment that has an adverse impact on investigations being conducted on behalf of clients.

23. Advertising in a false, deceptive or misleading manner.

24. Failing to display on request the identification card issued by the department as required under section 32-2451, subsection B.

25. Committing any act of unprofessional conduct.

B. On completion of an investigation, the director:

1. May dismiss the case.

2. May take emergency action.

3. May issue a letter of concern, if applicable.

4. May forward the findings to the board for review and possible disciplinary action.

5. Shall place all records, evidence, findings and conclusions and any other information pertinent to the investigation in the public records section of the file maintained at the department.

C. A letter of concern is a public document and may be used in future disciplinary actions against a licensee.

D. If the department finds, based on its investigation, that the public health, safety or welfare requires emergency action, the director may order a summary suspension of a license or registration pending proceedings for revocation or other action. If the director issues this order, the department shall serve the licensee or registrant with a written notice of complaint and formal hearing, setting forth the charges made against the licensee or registrant and the licensee's or registrant's right to a formal hearing before the board pursuant to title 41, chapter 6, article 10.

E. If the department finds, based on its investigation, that a violation of subsection A of this section occurred, a hearing by the board may be scheduled pursuant to title 41, chapter 6, article 10. The department shall send notice of the hearing by certified mail, return receipt requested, to the licensee's or registrant's last known address in the department's records.

F. Based on information the board receives during a hearing pursuant to title 41, chapter 6, article 10, it may recommend to the director that the director:

1. Dismiss the complaint if the board believes it is without merit.

2. Fix a period and terms of probation best adapted to protect the public health and safety and to rehabilitate or educate the licensee or registrant.

3. Place the license or registration on suspension for a period of not more than twelve months.

4. Revoke the license or registration.

G. On a finding by the board and review and concurrence by the director that a licensee or registrant committed a violation of subsection A of this section, the probation, suspension or revocation applies to all licenses or registrations held by a licensee or registrant under this chapter.

H. Except as provided in section 41-1092.08, subsection H, a person may appeal a final administrative decision made pursuant to this section to the superior court pursuant to title 12, chapter 7, article 6.

32-2458. Violation; classification

Except as provided in section 32-2411, a licensee, associate, registrant or employee who violates any provision of this chapter is guilty of a class 1 misdemeanor.

32-2459. Grounds for refusal to issue agency license; associate and employee registration and identification; judicial review; good cause exceptions

A. Except as provided in subsection F of this section, the department may deny an agency license or the renewal of an agency license if the applicant:

1. Committed any act that, if committed by a licensee, would be grounds for the probation of a licensee or the suspension or revocation of a license under this chapter.
2. Does not meet the requirements prescribed in section 32-2422.
3. While not licensed under this chapter, committed, or aided and abetted the commission of, any act for which a license is required by this chapter or has acted or attempted to act as a private investigator service or private investigator.
4. Knowingly made a false statement in the application.
5. Has been denied an agency license under this chapter.
6. Has been an associate of an agency that has had a license revoked.
7. Failed to provide adequate verification of required investigative experience.

B. The department may deny the issuance of an identification card to an applicant for an associate or employee registration if the applicant:

1. Fails to meet the qualifications under section 32-2441.
2. Has committed any act that would be grounds for suspension or revocation of registration pursuant to this chapter.
3. Has knowingly made any false statement on the application.

C. The denial of the issuance of an identification card or license under this article shall be in writing and shall describe the basis for the denial. A hearing to contest a denial shall be held in accordance with title 41, chapter 6, article 10.

D. Except as provided in section 41-1092.08, subsection H, final decisions of the director are subject to judicial review pursuant to title 12, chapter 7, article 6.

E. An applicant may petition a denial to the board for a good cause exception.

F. If the board granted a licensee or a registrant a good cause exception pursuant to section 32-2412, the department may not deny the licensee's or the registrant's renewal application based on factors already reviewed by the board when granting the good cause exception.

32-2460. Authority to employ unlicensed persons; duty to maintain records

A. Except as provided in this chapter, a licensee may employ as many unlicensed or unregistered persons as may be necessary to assist the licensee in business and the licensee is at all times legally responsible for the good conduct in the business of each person employed. This section does not authorize any unlicensed or unregistered person to perform any service of a type for which a license or registration is required under this chapter unless the person performs the service as a properly registered employee of a licensee.

B. Every licensed agency shall keep an accurate and current record of pertinent information on all employees that is available to the department on request.

32-2461. Identification card; form

The department shall issue a standard identification card to each holder of a license or registration certificate. The department shall determine the size and design of the identification card, and the card shall contain the following information:

1. Name of employee.
2. Photograph of employee.
3. Physical description of employee.

4. Employer's registration certificate number.
5. Expiration date.
6. Any other information that the department determines to be necessary.