



BUREAU OF SECURITY AND INVESTIGATIVE SERVICES

Post Office Box 980550
West Sacramento, CA 95798-0550
(916) 322-4000
www.dca.ca.gov/bsis



COMPLAINT HISTORY

June 14, 2005

Dear Consumer:

This is in response to your inquiry about the complaints filed against the licensees listed below.

In compliance with the guidelines presented in the Public Information Act, the Information Practices Act and the Department of Consumer Affairs Complaint Disclosure Policy, the following is information which is considered public.

License No.: PI 15057
Business Name: Gold Star Investigations
Address: P.O. Box 9065
Canoga Park, CA 91309

Issue Date: 9/3/91
Qualified Manager/

Revocation Date: 10/21/02

Owner: John Leo Grogan
Business Type: Sole Ownership

License No.: PPO 10093
Business Name: Gold Star Protection
Address: P.O. Box 9065
Canoga Park, CA 91309

Issue Date: 2/19/88
Qualified Manager/

Revocation Date: 10/21/02

Owner: John Leo Grogan
Business Type: Sole Ownership

Firearm Permit No.: FQ 87293
Name: John Leo Grogan
Address: P.O. Box 9065
Canoga Park, CA 91309

Issue Date: 5/29/85

Revocation Date: 10/21/02

Baton Permit No.: BAT 473426
Name: John Leo Grogan
Address: P.O. Box 9065
Canoga Park, CA 91309

Issue Date: 3/1/86

Revocation Date: 10/21/02

Alleged Violations

Fail to render services/report
(7561.1 G Business & Professions Code)

Divulge Confidential Information
(7539 A Business & Professions Code)

Commit Dishonest/Fraud Act
(7561.4 Business & Professions Code)

Results

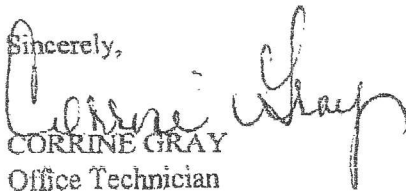
On February 5, 1998, an Accusation was filed against the Respondent's private investigator license, private patrol operator license, firearm and baton permit. On October 2, 1998, a First Amended and Supplemental Accusation was filed. On August 1, 2001, a Second Amended and Supplemental Accusation was filed. On December 10, 2001, a Third Amended and Supplemental Accusation was filed. On May 24, 2002, the Respondent appeared before the Administrative Law Judge (ALJ) of the Office of Administrative Hearings. On June 25, 2002, the Bureau received and adopted the Proposed Decision and Order submitted by the ALJ in this case. All licenses and permits issued to the Respondent by the Bureau were revoked effective October 21, 2002. In addition, the Respondent was ordered to pay the Bureau its costs of investigation and prosecution in the sum of 21, 810.00 on or before the thirtieth day following the effective date of the Decision. No payment has been received.

This information reflects only formal complaints filed during the past ten- (10) years against the licensee. You may wish to evaluate such other factors as the size of the company, the number of employees, and length of time the company has been licensed.

The data presented in the foregoing is not intended to represent any judgment on the part of this Bureau.

If you have questions, please contact me at (916) 445-3733.

Sincerely,


CORRINE GRAY
Office Technician

Enclosures

BUREAU OF SECURITY AND INVESTIGATIVE SERVICES

DEPARTMENT OF CONSUMER AFFAIRS

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation against:)	No. IA96 9688
)	
JOHN GROGAN)	OAH No. L-1998050163
dba Gold Star Investigations)	
P. O. Box 9065)	
Canoga Park, CA 91309,)	
)	
Respondent.)	
)	
)	

PROPOSED DECISION

This case was tried before Paul M. Hogan, Administrative Law Judge of the Office of Administrative Hearings, at Los Angeles, California, on May 24, 2002.

Glynda B. Gomez, Deputy Attorney General, represented complainant. John Grogan, respondent, appeared personally without legal counsel, and participated throughout the trial.

The parties presented oral and documentary evidence. Submission of the matter for decision was deferred until June 3, 2002 to permit respondent to offer proof of timely service by mail of a written demand for cross-examination of certain witnesses' testimony which complainant wished to present solely by way of declaration pursuant to Government Code Section 11514. Such proof was made, the parties were allowed ten days in which to object, move to strike, or argue, and the issue of the declarations was submitted for decision. The court finds the demand to have been timely made in accordance with law, and therefore sustains respondent's objection to receipt in evidence of the declarations offered, Exhibit 5 for identification. The general issue was submitted on June 3, 2002.

Findings of Fact

1. Sherrie Moffet, complainant, is the Program Manager of the above-entitled Bureau, and caused the accusatory pleadings in this matter to be filed and served while acting solely in her official capacity.

2. The Bureau has issued the following licenses to respondent, which are now in full force and effect:

<u>Type</u>	<u>Number</u>	<u>Date issued</u>
Private patrol operator	PPO 10093	2/19/88
Private investigator	PI 15057	9/3/91
Baton permit	BAT 473426	3/1/86
Firearm permit	FQ87293	5/29/85

3. The parties have timely filed and served on one another all pleadings, notices and other papers as required by law.

4. During the periods of time specified below, respondent acted, and/or omitted to act, in such a way as to subject his Bureau-issued licenses to discipline as more fully described in the Conclusions of Law hereinafter following.

5. In or about December 1997, respondent agreed to serve as a qualifying manager for C.M. in connection with C.M.'s application for licensure by the Bureau, and accepted \$3,000.00 from C.M. for this service. Respondent failed to be available to C.M. in connection with his application and C.M.'s questions thereon, and misled C.M. as to the nature of the charges pending against respondent in this case, and as to the likelihood of early and favorable resolution of such charges.

6. When C.M. thereafter had to obtain a new qualifying manager, respondent repeatedly failed and refused to refund any part of the \$3,000.00 fee he had taken.

7. Respondent fraudulently and dishonestly insisted he was entitled to retain all of the \$3,000.00.

8. In or about February 1998, respondent entered into a similar arrangement with one C.R. wherein, for a \$4,000.00 cash payment, respondent agreed to falsely state and certify, as part of an application to the Bureau by C.R. for licensure, that respondent had served as a

"Qualified Manager" for the performance of hours required for licensure as a private investigator as part of respondent's "sponsorship program", but told C.R. he would do all this for only \$2,000.00 because he "liked" C.R.

9. At a subsequent meeting, after C.R. paid respondent \$700., respondent told C.R. that his work experience was, in fact, probably insufficient but that he, respondent, would falsely certify that C.R. had worked with him for one year. C.R. decided not to complete the application under respondent's "sponsorship."

10. Respondent did the above for the purpose of benefiting himself and, by allowing C.R. to produce false evidence of his qualifications for licensure as a private investigator, for the purpose of benefiting C.R.

11. The conduct set out hereinabove constituted fraud and dishonest conduct and was deceitful.

12. The Bureau has incurred reasonable costs of investigation and prosecution of this matter in the aggregate sum of \$21,810.00.

13. Respondent testified as to his opinions regarding "sponsorship" and argued his cause. His testimony was overbroad and vague, and failed to indicate just what legal authority permitted the kind of "earn while you learn" program envisioned by him. In sum, respondent's testimony neither explained his position nor mitigated his conduct.

14. All evidence and argument tendered by respondent in his defense has been considered.

15. All allegations contained in the accusatory pleadings upon which no specific findings have been made hereinabove have not been proved by competent, relevant evidence.

Conclusions of Law

By reason of the foregoing findings of fact, respondent's licenses and permits are subject to discipline pursuant to Business and Professions Code sections 490, 7561.1(a), 7561.1(b) (for violation of Business and Professions Code sections 7539(a), 7561.2 and 7561.4), 7561.1(c)(taken in conjunction with Title 16, California Code of Regulations, section 660) 7561.1(g), and 7561.1(l)(taken in conjunction with Business and Professions Code sections 480(a)(2), 7538(b) and (c).

The Bureau is entitled to recover its reasonable costs of investigation and prosecution in the sum of \$21,810.00 pursuant to section 125.3 of the Business and Professions Code.

Order

All licenses and permits heretofore issued to respondent by the Bureau, together with incidental licensing rights, and specifically described in Finding 2 above are hereby revoked.

Respondent is hereby ordered to pay the Bureau its costs of investigation and prosecution in the sum of \$21,810.00 on or before the thirtieth day following the effective date of this decision.

No application by respondent for reinstatement of the said licenses and permits, or for issuance of an initial license shall be granted absent proof of payment of the Bureau's said costs as a condition precedent to the filing of such application or applications.

June 19, 2002



Paul M. Hogan
Administrative Law Judge
Office of Administrative Hearings

BEFORE THE DIRECTOR
DEPARTMENT OF CONSUMER AFFAIRS
BUREAU OF SECURITY AND INVESTIGATIVE SERVICES
STATE OF CALIFORNIA

In the Matter of the Accusation
Against:

JOHN GROGAN
dba Gold Star Investigations
P.O. Box 9065
Canoga Park, CA 91309,

Respondent.

No. IA96 9688

OAH No. L-1998050163

DECISION

The attached Proposed Decision of the Administrative Law Judge is hereby adopted by the Director, Department of Consumer Affairs as his Decision in the above-entitled matter.

This Decision shall become effective October 21, 2002

IT IS SO ORDERED September 16, 2002

By

Denise Brown
DENISE BROWN

Chief Deputy Director
Department of Consumer Affairs

rfm

1 DANIEL E. LUNGREN, Attorney General
WILLIAM L. MARCUS

2 Deputy Attorney General
State Bar No. 66706

3 300 S. Spring St., Suite 500
Los Angeles CA 90013

4 Telephone: (213) 897-2535

5 Attorneys for Complainant

6
7 BEFORE THE
8 BUREAU OF SECURITY AND INVESTIGATIVE SERVICES
DEPARTMENT OF CONSUMER AFFAIRS
9 STATE OF CALIFORNIA

10 In the Matter of the Accusation)
Against:)

CASE NO. IA 96 9688

ACCUSATION

11 JOHN GROGAN)
dba Gold Star Investigations)
12 P.O. Box 9065)
Canoga Park CA 91309)
13 PI #15057)
PPO #10093)
14 BAT (baton) #473426)
FQ (firearm) #87293)

15 Respondent.)
16)
17)

18 COMPLAINANT ALLEGES THAT:

19 1. She is Sherrie Moffet (hereinafter, "Complainant"),
20 Program Manager of the Bureau of Security and Investigative
21 Services (hereinafter, "the Bureau"), and makes and files this
22 Accusation solely in her official capacity as such.

23 2. On or about February 19, 1988, John Leo Grogan dba
24 Gold Star Protection (hereinafter, "respondent") was issued
25 private patrol operator license No. PPO 10093, which is currently
26 in full force and effect; on or about July 8, 1989, respondent,
27 dba Proguard, was issued private patrol operator license No. PPO
10439, which expired on July 31, 1995; on or about September 3,

1 discipline pursuant to Business and Professions Code section
2 7561.1, for violation of section 7561.1(b), taken in conjunction
3 with Business and Professions Code section 7539(a), and
4 7561.1(g), as follows:

5 A. In or about March 1996, M.P. retained respondent to
6 perform an investigation of residential premises in Malibu,
7 California, which were jointly owned by her and her estranged or
8 ex-husband, W.P. and to provide M.P. a written report of his
9 findings, including certain specified areas and assets. M.P.
10 paid respondent \$1,000 in advance.

11 B. The entry into the premises was to take place on
12 April 13, 1996. Respondent, despite receiving the \$1,000,
13 willfully failed and refused to make said investigation,
14 willfully failed and refused to prepare a report for M.P., and
15 willfully failed and refused to refund all or part of the \$1,000
16 received from M.P..

17 C. Respondent further, and without authorization from
18 M.P. or anyone on her behalf, contacted W.P., the estranged or
19 ex-husband, about respondent's assignment from M.P., including
20 advising W.P. of the fact respondent had been retained by M.P..
21 to conduct such an investigation of the Malibu premises.

22 6. Pursuant to Business and Professions Code section
23 125.3, the Bureau is authorized to seek and recover its costs of
24 investigation and enforcement of a case in the event that one or
25 more of the charges in an accusation are sustained following
26 hearing.

27

1 1991, respondent, dba Gold Star Investigations, was issued
2 private investigator license No. PI 15057, which is currently in
3 full force and effect; on or about March 1, 1986, respondent was
4 issued baton permit No. BAT 473426, which is currently in full
5 force and effect; on or about May 29, 1985, respondent was issued
6 firearm permit No. FQ 87293, which is currently in full force and
7 effect.

8 3. Pursuant to Business and Professions Code section
9 7561.1, the Director of the Department of Consumer Affairs
10 (hereinafter, "the Director") may discipline a license, including
11 a baton permit and a firearm qualification card, for violation of
12 any of the provisions of 7561.1, including, but not limited to:
13 violating any provision of Chapter 11.5 of Division 3 of the
14 Business and Professions Code (subsection (b)); willfully failing
15 or refusing to render to a client services or a report as agreed
16 between the parties and for which compensation has been paid or
17 tendered in accordance with the agreement of the parties
18 (subsection (g)).

19 4. Pursuant to Business and Professions Code section
20 7539(a), a licensee or officer, director, partner, or manager of
21 a licensee may not divulge any information acquired by him or her
22 to any other person (except persons not relevant to this case),
23 except when at the direction of the employer or client for whom
24 the information was obtained or as required by law.

25 5. Respondent's license as a private patrol operator
26 (PPO 10093) and private investigator (PI 15057) and his baton
27 permit (BAT 473426) and fire arm permit (FQ 87293) are subject to

1 7. The Bureau has incurred reasonable costs of
2 investigation and enforcement of this case in an amount to be
3 established according to proof at hearing.

4 WHEREFORE, Complainant prays that a hearing be held on
5 the matters alleged hereinabove and, following said hearing, a
6 decision issue:

7 1. Revoking or suspending private patrol operator
8 license No. PPO 10093, heretofore issued to respondent, dba Gold
9 Star Protection;

10 2. Revoking or suspending private investigator license
11 No. PI 15057, heretofore issued to respondent, dba Gold Star
12 Investigations;

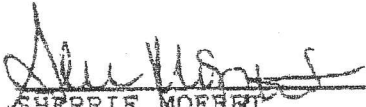
13 3. Revoking or suspending baton permit No. BAT 473426,
14 heretofore issued to respondent;

15 4. Revoking or suspending firearm permit No. FQ 87293,
16 heretofore issued to respondent;

17 5. Pursuant to Business and Professions Code section
18 125.3, awarding the reasonable costs of investigation and
19 enforcement of this case to the Bureau; and

20 6. Taking such other and further action as the
21 Director may deem necessary.

22
23 DATED: 66 5, 1998


SHERRIE MOFFET
Program Manager
Bureau of Security and
Investigative Services

24
25
26 Complainant
27

1 DANIEL E. LUNGREN, Attorney General
WILLIAM L. MARCUS
2 Deputy Attorney General
State Bar No. 66706
3 300 S. Spring St., Suite 500
Los Angeles, CA 90013
4 Telephone: (213) 897-2535
5 Attorneys for Complainant

6
7 BEFORE THE
BUREAU OF SECURITY AND INVESTIGATIVE SERVICES
8 DEPARTMENT OF CONSUMER AFFAIRS
9 STATE OF CALIFORNIA

10 In the Matter of the Accusation) CASE NO. IA96 9688
Against:)
11 JOHN GROGAN)
dba Gold Star Investigations) FIRST AMENDED AND
12 P.O. Box 9065) SUPPLEMENTAL
Canoga Park CA 91309) ACCUSATION
13 PI #15057)
PPO #10093)
14 BAT (baton) #473426)
FQ (firearm) #87293)
15 Respondent.)
16)
17)

18 COMPLAINANT ALLEGES THAT:

19 1. She is Sherrie Moffet (hereinafter, "Complainant"),
20 Program Manager of the Bureau of Security and Investigative
21 Services (hereinafter, "the Bureau"), and makes and files this
22 First Amended and Supplemental Accusation solely in her official
23 capacity as such.

24 2. On or about February 19, 1988, John Leo Grogan dba
25 Gold Star Protection (hereinafter, "respondent") was issued
26 private patrol operator license No. PPO 10093, which is currently
27 in full force and effect; on or about July 8, 1989, respondent,
dba Proguard, was issued private patrol operator license No. PPO

1 10439, which expired on July 31, 1995; on or about September 3,
2 1991, respondent, dba Gold Star Investigations, was issued
3 private investigator license No. PI 15057, which is currently in
4 full force and effect; on or about March 1, 1986, respondent was
5 issued baton permit No. BAT 473426, which is currently in full
6 force and effect; on or about May 29, 1985, respondent was issued
7 firearm permit No. FQ 87293, which is currently in full force and
8 effect.

9 3. Pursuant to Business and Professions Code section
10 7561.1, the Director of the Department of Consumer Affairs
11 (hereinafter, "the Director") may discipline a license, including
12 a baton permit and a firearm qualification card, for:

13 a. Making any false statement or giving any false
14 information in connection with an application for a license or a
15 renewal or reinstatement of a license (subsection (a));

16 b. Violating any of the provisions of the Private
17 Investigator Act (Business and Professions Code section 7512
18 et.seq.) (subsection (b));

19 c. Violating any rule of the director adopted pursuant
20 to the authority in the Private Investigator Act (subsection
21 (c));

22 d. Willfully failing or refusing to render to a client
23 services or a report as agreed between the parties and for which
24 compensation has been paid or tendered in accordance with the
25 agreement of the parties (subsection (g)); or

26 /

27 /

1 e. Committing any act which is a ground for denial of
2 an application for licensure under the Private Investigator Act
3 (subsection (1)).

4 4. Pursuant to Business and Professions Code section
5 7539(a), a licensee or officer, director, partner, or manager of
6 a licensee may not divulge any information acquired by him or her
7 to any other person (except persons not relevant to this case),
8 except when at the direction of the employer or client for whom
9 the information was obtained or as required by law.

10 5. Pursuant to Business and Professions Code section
11 7561.2, any person who knowingly makes a false statement in his
12 or her application for a license or registration as a security
13 guard is guilty of a misdemeanor.

14 6. Pursuant to Business and Professions Code section
15 7561.4, a licensure is subject to discipline for any act in the
16 course of the licensee's business constituting dishonesty or
17 fraud.

18 7. Business and Professions Code section 480(a)(2)
19 provides that a board may deny a license regulated by the
20 Business and Professions Code on the grounds the applicant has
21 done any act involving dishonesty, fraud, or deceit with the
22 intent to substantially benefit himself or another, or
23 substantially injure another.

24 8. Pursuant to Business and Professions Code section
25 7538, an applicant for licensure by the Bureau is subject to
26 denial for:

27

1 B. The entry into the premises was to take place on
2 April 13, 1996. Respondent, despite receiving the \$1,000,
3 willfully failed and refused to make said investigation,
4 willfully failed and refused to prepare a report for M.P., and
5 willfully failed and refused to refund all or part of the \$1,000
6 received from M.P..

7 C. Respondent further, and without authorization from
8 M.P. or anyone on her behalf, contacted W.P., the estranged or
9 ex-husband, about respondent's assignment from M.P., including
10 advising W.P. of the fact respondent had been retained by M.P..
11 to conduct such an investigation of the Malibu premises.

12 D. Respondent, by the above conduct, committed fraud
13 and engaged in dishonest conduct, failed to complete a project
14 for which he was paid, failed to provide a report for which he
15 was paid, and engaged in unauthorized disclosures to the subject
16 of the investigation for which M.P. hired and paid him.

17 C.R.

18 E. On or about February 1998, respondent agreed to
19 falsely state and certify, as part of an application to the
20 Bureau by C.R. for licensure, that respondent had served as a
21 "Qualified Manager" for the performance of hours required for
22 licensure as a private investigator for \$4,000 as part of
23 respondent's "sponsorship" program, but told C.R. he would do it
24 for \$2,000 because he "liked" C.R.. This was part of a program
25 promoted by respondent.

26 F. At a subsequent meeting, after C.R. paid respondent
27 \$700, respondent told C.R. that his work experience was, in fact,

1 probably insufficient but that he, respondent, would falsely
2 certify that C.R. had worked with him for one year. C.R. decided
3 not to complete the application under respondent's "sponsorship".

4 G. Respondent did the above for the purpose of
5 benefitting himself and, by allowing C.R. to produce false
6 evidence of his qualifications for licensure as a private
7 investigator, for the purpose of benefitting C.R..

8 H. The conduct set out hereinabove at subparagraphs E-
9 G, inclusive, constituted fraud and dishonest conduct and was
10 deceitful.

11 R.C.

12 I. On or about June 18, 1997, respondent agreed with
13 R.C. to investigate a pool contractor who failed to show up for a
14 job after being paid \$29,000 "up front" and accepted \$200,
15 through his associate, Debra Burdette, for that purpose.

16 J. Despite the repeated requests of his client, R.C.,
17 respondent failed and refused either to produce and provide the
18 report or to return the client's payment.

19 K. Respondent's conduct as set out hereinabove was
20 dishonest, fraudulent, and deceitful and committed for his own
21 benefit.

22 W.K.

23 L. At least in or about 1997 and 1998, respondent
24 owned and operated the National Investigation Academy, offering
25 training and certification for investigators.

26 M. On or about August 20, 1997, W.K., who resides in
27 Georgia, based on an advertisement by the Academy, applied to

1 take the Certified Master Investigator" course offered by the
2 academy; respondent offered W.K. a discounted price of \$149 (the
3 regular price was listed as \$175), and W.K. submitted and
4 respondent received and accepted \$149 from W.K. for said training
5 and certification.

6 N. Respondent never provided materials for the program
7 to W.K. and never returned or refunded the \$149 or made any other
8 restitution or arrangements, despite the repeated requests and
9 demands by W.K. for information and, ultimately, for a refund.

10 O. Respondent's conduct as to W.K. was false,
11 fraudulent, dishonest, and deceitful, with the intent of
12 benefitting himself.

13 General

14 L. Respondent's conduct as to M.P., C.R., R.C., and
15 W.K., and each and all of them, demonstrates a pattern of false,
16 fraudulent, dishonest, and deceitful conduct, committed with the
17 intent to benefit himself.

18 11. Pursuant to Business and Professions Code section
19 125.3, the Bureau is authorized to seek and recover its costs of
20 investigation and enforcement of a case in the event that one or
21 more of the charges in an accusation are sustained following
22 hearing.

23 12. The Bureau has incurred reasonable costs of
24 investigation and enforcement of this case in an amount to be
25 established according to proof at hearing.

26 /

27 /

1 BILL LOCKYER, Attorney General
of the State of California
2 GLYNDA B. GOMEZ, State Bar No. 143448
Deputy Attorney General
3 California Department of Justice
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6 Attorneys for Complainant

7
8 **BEFORE THE**
9 **BUREAU OF SECURITY AND INVESTIGATIVE SERVICES**
10 **DIRECTOR OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

11 In the Matter of the Accusation Against:

Case No. LA96 9688

12 **JOHN GROGAN**
13 **dba Gold Star Investigation**
P.O. Box 9065
14 Canoga Park, CA 91309
PI #15057
PPO #10093
15 BAT (baton) #473426
16 FQ (firearm) #87293

**THIRD AMENDED AND
SUPPLEMENTAL ACCUSATION**

17 Respondent.

18 Complainant alleges:

19 13. Complainant makes and files this Third Amended and Supplemental
20 Accusation solely in her official capacity as such.

21 14. The allegations, and each of them, contained in the First Amended and
22 Supplemental Accusation in Case No. LA96 9688 are incorporated by reference herein as though
23 fully set forth at this point. This Third Amended and Supplemental Accusation supersedes and
24 replaces the Second Amended and Supplemental Accusation.

25 15. At all times pertinent herein the licenses and permits described in
26 paragraph 2 of the First Amended and Supplemental Accusation were in full force and effect.

27 16. Respondent's licenses and permits, as set out in paragraph 2 of the First
28 Amended and Supplemental Accusation, are subject to discipline pursuant to Business and

1 Professions Code sections 490, 7561.1(a), 7561.1(b) (for violation of Business and Professions
2 Code sections 7539(a), 7561.2 and 7561.4), 7561.1(c) (taken in conjunction with 16 Calif. Code
3 of Regs. Section 660), 7561.1(g), and 7561.1(1) (taken in conjunction with Business and
4 Professions Code sections 480(a)(2), 7538(b) and (c), as follows:

5 C.M.

6 A. In or about December 1997, C.M. paid respondent \$3,000.00 for
7 respondent to serve as C.M.'s qualifying manager in connection with an application for licensure
8 by the Bureau. Despite the fact the license was never issued, because of the filing of charges in
9 Case No. IA96 9688, respondent failed to be available to C.M. in connection with the application
10 and C.M.'s questions about the application and misled C.M. as to the nature of the charges in the
11 case against respondent and as to the likelihood of early and favorable resolution of those
12 charges.

13 B. When C.M. thereafter had to obtain a new qualifying manager, respondent
14 repeatedly failed and refused to refund any part of the \$3,000.00 fee he had taken.

15 C. Respondent fraudulently and dishonestly insisted he was entitled to retain
16 all of the \$3,000.00.

17 R.D.

18 D. In or about June 1998, R.D., after reading an article by respondent in PI
19 Magazine in which respondent promised various materials for "a twenty", sent respondent a \$20
20 bill for the materials. Receiving no response, R.D. then sent respondent a check for \$20.00 for
21 the same materials on or about August 2, 1998, which was deposited.

22 E. Despite repeated calls and letters to respondent and promises by
23 respondent over the period of many months, respondent neither supplied the materials nor
24 refunded R.D.'s money.

25 E.W.

26 F. In or about April 1999, in response to an on-line solicitation she received,
27 E.W. paid respondent \$49.00 for membership in respondent's National Investigation Academy,
28 ///

1 which was to include, among other things, provision of certain materials and subscription to the
2 NIA's monthly journal.

3 G. Despite repeated requests by E.W., respondent has failed and refused to
4 provide any information or materials, or the journal, or to refund the \$49.00.

5 E.O.

6 H. In or before October 1999, respondent advertised the availability, through
7 his National Investigation Academy, of a Certified Master Investigator title. In or about October
8 1999, E.O. sent \$129.00 by check for testing materials, and the check was deposited by NIA in or
9 about November 1999.

10 I. Despite repeated demands, including to respondent personally and by
11 certified mail, NIA and respondent failed and refused either to provide the materials or to refund
12 the \$129.00. In fact, when E.O. contacted PI Magazine, where he had seen the advertisement,
13 respondent contacted E.O. by telephone, but only to, in obscene language, attack E.O. for having
14 contacted PI Magazine about the problem.

15 L.B.

16 J. On or about January 6, 2000, L.B. retained respondent to perform an asset
17 search on an individual. L.B. paid respondent for the search.

18 K. Respondent, despite claiming he had completed the report on the search,
19 has repeatedly failed and refused to provide L.B. with the report.

20 M.M.

21 L. On or about January 14, 2000, M.M. paid respondent \$350.00 to perform a
22 surveillance on one K.H.

23 M. Despite repeated requests by M.M. for the contracted for information and
24 services, respondent failed and refused to provide them. Respondent further falsely claimed he
25 had visited K.H.'s residence some eight times and falsely promised to provide an accounting of
26 time, an accounting which respondent never provided.

27 N. In connection with the investigation of M.M.'s complaint by the Bureau
28 respondent also provided information which he knew was false, including that:

- 1 1. M.M. did not want a written report;
- 2 2. M.M. knew every attempt to conduct surveillance would involve a
- 3 minimum of 4 hours;
- 4 3. Respondent responded to virtually all of M.M.'s calls, when, in fact and
- 5 as respondent well know, he responded to none and only spoke with M.M.
- 6 once prior to M.M.'s filing a complaint with the Bureau;
- 7 4. Respondent made multiple surveillances of K.H., including multiple
- 8 "free" surveillances after the \$350.00 M.M. paid him was exhausted.

9 H.E.

10 O. On or about April 12, 2000, H.E. responded to an offer in respondent's
11 column in the Spring 2000 issue of PI Magazine to provide various materials for \$20.00. H.E.
12 sent respondent a check for \$20.00, which was deposited.

13 P. Despite repeated requests to respondent, respondent failed and refused to
14 provide said materials or a refund.

15 Q. In or about early July 2000, H.E. reached respondent's office by telephone
16 and was offered a refund. H.E. said she still preferred to receive the materials for which she had
17 paid and was promised the materials would be sent, but they were not.

18 R. On or about July 31, 2000, H.E., in writing, demanded a refund of her
19 \$20.00, but neither the materials nor the refund were received.

20 W.M.

21 S. On or about April 19, 2000, W.M. paid respondent \$95.00 for study
22 materials for the Bureau's private investigator examination.

23 T. Despite repeated requests for the materials or a refund, respondent has
24 failed to provide either.

25 U. In his communications with W.M. respondent also repeatedly and
26 fraudulently claimed he had mailed the materials when, as he well knew, the materials had not
27 been sent.

28 ///

J.D.

V. In or about August 2000, J.D. paid respondent \$500.00 to obtain information on the current location and circumstances of a friend's son.

X. Despite repeated inquiries and requests, respondent failed and refused to provide the information.

Y. On at least one occasion respondent falsely represented to J.D. that he had provided the information orally to the son's mother, when, as respondent well knew, he had not.

G.D.

Z. In or about February 2001, G.D. retained respondent for private investigator services at a rate of \$50.00 per hour, specifically to have respondent follow an individual on February 16-18, 2001. Respondent was to photograph the individual and follow the individual to, among other things identify his residence and work addresses and his vehicle. If the individual did not leave his residence, respondent was to terminate surveillance on any given day after 4 hours. G.D. paid respondent a \$500.00 retainer.

AA. Respondent failed, despite repeated demands by G.D., to provide a report which properly and adequately described services rendered and photographs he allegedly took.

BB. Respondent failed to follow the subject on two of the three days, billed 10½ hours for surveillance on February 16th, despite the fact the subject never left his residence, said he did not surveil on the 17th because of rain, and said he merely attempted to make calls to the subject's residence on the 18th. Respondent provided no photographs.

CC. When respondent asserted the above to G.D. on February 19th, G.D. agreed to pay another \$500.00 to have the subject followed, starting February 23rd, for no more than 4 hours in a day if the subject did not leave his residence. G.D. again specified that photographs were to be taken.

DD. Respondent failed to return any of G.D.'s telephone calls between February 24th -26th, although he did send a bill, by e-mail, on or about February 26th, which claimed the 10½ hours of surveillance on February 16th, now claimed 8½ hours of surveillance on February 17th, and claimed 7¼ hours of surveillance on February 23rd.

1 EE. Respondent, in the above e-mail, said he had taken photographs and
2 promised to send them to G.D., but failed and refused to do so despite repeated demands by G.D.
3 for those photographs.

4 FF. Respondent further falsely, knowing it was false, billed for hours of
5 surveillance beyond those actually provided, including, but not limited to, billing for 8½ hours of
6 surveillance on February 17th, a day on which respondent, in fact, conducted no surveillance at
7 all.

8 General

9 GG. Respondent repeatedly offered to certify experience to qualify an
10 individual for licensure by the Bureau for a fee of as much as \$2,000.00, for persons when he had
11 no knowledge of such experience, including at least as to C.F. in 1996 and, as set out in the First
12 Amended and Supplemental Accusation, C.R.

13 HH. Respondent directly, and through his partner, associate and colleague
14 Debra Burdette, attempted to mislead the Office of Administrative Hearings and complainant's
15 counsel in or about July 1998, by falsely representing he had contacted M.P.'s husband with the
16 approval, and even (purportedly) at the recommendation or direction of Department of Consumer
17 Affairs staff, contacted the subject of M.P.'s requested surveillance-her husband.

18 II. Respondent further, in connection with the allegations set out in
19 subparagraph HH, falsely represented that in June 1998 that same employee had reaffirmed her
20 previous advice when, as respondent well knew, the employee had never made the statements or
21 given the advice attributed to her by respondent and, in fact, did not do so in June 1998 and
22 further, in June 1998, denied to respondent that she had ever done so.

23 JJ. Respondent has repeatedly threatened clients or customers, including
24 electronically, who have pursued complaints to which respondent failed to respond, especially
25 those who have complained either to the Bureau or to PI Magazine, including, but not limited to,
26 W.M. and E.O.

27 KK. Respondent's conduct as to each and every individual identified
28 hereinabove and in the First Amended and Supplemental Accusation, and all of said individuals

1 16. Respondent's licenses and permits, as set out in paragraph 2 of the First
2 Amended and Supplemental Accusation, are subject to discipline pursuant to Business and
3 Professions Code sections 490, 7561.1(a), 7561.1(b) (for violation of Business and Professions
4 Code sections 7539(a), 7561.2 and 7561.4), 7561.1(c) (taken in conjunction with 16 Calif. Code
5 of Regs. Section 660), 7561.1(g), and 7561.1(l) (taken in conjunction with Business and
6 Professions Code sections 480(a)(2), 7538(b) and (c), as follows:

7 C.M.

8 A. In or about December 1997, C.M. paid respondent \$3,000.00 for
9 respondent to serve as C.M.'s qualifying manager in connection with an application for licensure
10 by the Bureau. Despite the fact the license was never issued, because of the filing of charges in
11 Case No. IA96 9688, respondent failed to be available to C.M. in connection with the application
12 and C.M.'s questions about the application and misled C.M. as to the nature of the charges in the
13 case against respondent and as to the likelihood of early and favorable resolution of those
14 charges.

15 B. When C.M. thereafter had to obtain a new qualifying manager, respondent
16 repeatedly failed and refused to refund any part of the \$3,000.00 fee he had taken.

17 C. Respondent fraudulently and dishonestly insisted he was entitled to retain
18 all of the \$3,000.00.

19 R.D.

20 D. In or about June 1998, R.D., after reading an article by respondent in PI
21 Magazine in which respondent promised various materials for "a twenty", sent respondent a \$20
22 bill for the materials. Receiving no response, R.D. then sent respondent a check for \$20.00 for
23 the same materials on or about August 2, 1998, which was deposited.

24 E. Despite repeated calls and letters to respondent and promises by
25 respondent over the period of many months, respondent neither supplied the materials nor
26 refunded R.D.'s money.

27 E.W.

28 F. In or about April 1999, in response to an on-line solicitation she received,

1 E.W. paid respondent \$49.00 for membership in respondent's National Investigation Academy,
2 which was to include, among other things, provision of certain materials and subscription to the
3 NIA's monthly journal.

4 G. Despite repeated requests by E.W., respondent has failed and refused to
5 provide any information or materials, or the journal, or to refund the \$49.00.

6 E.O.

7 H. In or before October 1999, respondent advertised the availability, through
8 his National Investigation Academy, of a Certified Master Investigator title. In or about October
9 1999, E.C. sent \$129.00 by check for testing materials, and the check was deposited by NIA in or
10 about November 1999.

11 I. Despite repeated demands, including to respondent personally and by
12 certified mail, NIA and respondent failed and refused either to provide the materials or to refund
13 the \$129.00. In fact, when E.C. contacted PI Magazine, where he had seen the advertisement,
14 respondent contacted E.C. by telephone, but only to, in obscene language, attack E.C. for having
15 contacted PI Magazine about the problem.

16 L.B.

17 J. On or about January 6, 2000, L.B. retained respondent to perform an asset
18 search on an individual. L.B. paid respondent for the search.

19 K. Respondent, despite claiming he had completed the report on the search,
20 has repeatedly failed and refused to provide L.B. with the report.

21 M.M.

22 L. On or about January 14, 2000, M.M. paid respondent \$350.00 to perform a
23 surveillance on one K.H.

24 M. Despite repeated requests by M.M. for the contracted for information and
25 services, respondent failed and refused to provide them. Respondent further falsely claimed he
26 had visited K.H.'s residence some eight times and falsely promised to provide an accounting of
27 time, an account which respondent never provided.

28 //

1 N. In connection with the investigation of M.M.'s complaint by the Bureau
2 respondent also provided information which he knew was false, including that:

- 3 1. M.M. did not want a written report;
4 2. M.M. knew every attempt to conduct surveillance would involve a
5 minimum of 4 hours;
6 3. Respondent responded to virtually all of M.M.'s calls, when, in fact
7 and as respondent well knew, he responded to none and only spoke with
8 M.M. once prior to M.M.'s filing a complaint with the Bureau;
9 4. Respondent made multiple surveillances of K.H., including multiple
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11 G.D.

12 Z. In or about February 2001, G.D. retained respondent for private
13 investigator services at a rate of \$50.00 per hour, specifically to have respondent follow an
14 individual on February 16-18, 2001. Respondent was to photograph the individual and follow
15 the individual to, among other things identify his residence and work addresses and his vehicle.
16 If the individual did not leave his residence, respondent was to terminate surveillance on any
17 given day after 4 hours. G.D. paid respondent a \$500.00 retainer.

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19 which properly and adequately described services rendered and photographs he allegedly took.

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21 ½ hours for surveillance on February 16th, despite the fact the subject never left his residence,
22 said he did not surveil on the 17th because of rain, and said he merely attempted to make calls to
23 the subject's residence on the 18th. Respondent provided no photographs.

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25 to pay another \$500.00 to have the subject followed, starting February 23rd, for no more than 4
26 hours in a day if the subject did not leave his residence. G.D. again specified that photographs
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2 February 24th-26th, although he did send a bill, by e-mail, on about February 26th, which claimed
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4 February 17th, and claimed 7 ½ hours of surveillance on February 23rd.

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11 all.

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13 GG. Respondent repeatedly offered to certify experience to qualify an
14 individual for licensure by the Bureau for a fee of as much as \$2,000.00, for persons when he
15 had no knowledge of such experience, including at least as to C.H. in 1996 and, as set out in the
16 First Amended and Supplemental Accusation, C.R.

17 HH. Respondent directly, and through his partner, associate and colleague
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20 approval, and even (purportedly) at the recommendation or direction of Department of Consumer
21 Affairs staff, contacted the subject of M.P.'s requested surveillance—her husband.

22 II Respondent further, in connection with the allegations set out in
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25 given the advice attributed to her by respondent and, in fact, did not do so in June 1998 and
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1 JJ. Respondent has repeatedly threatened clients or customers, including
2 electronically, who have pursued complaints to which respondent failed to respond, especially
3 those who have complained either to the Bureau or to PI Magazine, including, but not limited to,
4 W.M. and E.O..

5 KK. Respondent's conduct as to each and every individual identified
6 hereinabove and in the First Amended and Supplemental Accusation, and all of said individuals
7 taken together, and the general conduct set out in subparagraphs GG through JJ, inclusive,
8 demonstrates and constitutes a long-term, ongoing pattern of a variety of false, fraudulent,
9 dishonest and deceitful actions and omissions, all committed with the intent to benefit himself.

10 17. Pursuant to Business and Professions Code section 125.3, the Bureau is
11 authorized to seek and recover its costs of investigation and enforcement of a case in the event
12 that one or more of the charges in an accusation are sustained following hearing.

13 18. The Bureau has incurred reasonable costs of investigation and
14 enforcement of this case in an amount to be established according to proof at hearing.

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1 WHEREFORE, Complainant prays that a hearing be held on the matters alleged
2 hereinabove and, following said hearing, a decision issue:

3 1. Revoking or suspending private patrol operator license No. PPO 10093,
4 heretofore issued to respondent, dba Gold Star Protection;

5 2. Revoking or suspending private investigator license No. PI 15057, heretofore
6 issued to respondent, dba Gold Star Investigations;


7 3. Revoking or suspending baton permit No. BAT 473426, heretofore issued to
8 respondent;

9 4. Revoking or suspending firearm permit No. FQ 87293, heretofore issued to
10 respondent;

11 5. Pursuant to Business and Professions Code section 125.3, awarding the
12 reasonable costs of investigation and enforcement of this case to the Bureau; and

13 6. Taking such other and further action as the Director may deem necessary.

14
15 DATED: 8-1-01


16 SHERRIE MORFETT-BELL
17 Deputy Chief
18 Bureau of Security and
19 Investigative Services

20 Complainant

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25 wlm/wlm
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