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CITY OF MILWAUKEE

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PUBLIC SAFETY COMMITTEE

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In the Matter of COMMUNICATION FROM VARIOUS ALARM
BUSINESSES RELATING TO ENFORCEMENT
OF THE CITY OF MILWAUKEE'S ALARM
BUSINESS ORDINANCE

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HSM ELECTRONICS
FIRSTLINE SECURITY

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COMMITTEE MEMBERS

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ALD. ROBERT DONOVAN - Chair
ALD. ROBERT PUENTE - Vice-Chairman

13

ALD. TERRY WITKOWSKI
ALD. T. ANTHONY ZIELINSKI

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ALD. ASHANTI HAMILTON

15

LICENSING DIVISION by RICHARD PFAFF
POLICE DEPARTMENT by SEARGENT CHET ULICKEY
OFFICE OF THE CITY ATTORNEY by ATTORNEY BRUCE SCHRIMPF

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Proceedings had and testimony given in
the above-entitled matter, before the PUBLIC SAFETY
COMMITTEE OF THE CITY OF MILWAUKEE, on
the 3rd day of January, 2008.

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1 P R O C E E D I N G S

2 CHAIRMAN DONOVAN: It's File 071251,
3 communication from various alarm businesses
4 relating to the enforcement of the City of
5 Milwaukee's alarm business ordinance. Gentlemen,
6 you want to come forward with your - - Oh, I'm
7 sorry. Alderman Hines, you can go ahead.

8 ALDERMAN HINES: Thank you, Mr.
9 Chairman, members of the committee. Let me also
10 thank the Chairman and the Vice-Chairman for the
11 time and consideration that was given to this
12 communication file. So I do appreciate that.
13 And then, again, thank the committee for its
14 willingness to entertain the communication file
15 that is being put forth today.

16 I had the privilege to meet with some
17 security firms regarding their renewal. First of
18 all, let me say that there is ground for non-
19 renewal, and I respect the decision of this
20 committee. But at the same token, while the
21 Council is deliberating, I thought that it would
22 be helpful for additional information to be given
23 to allow for the Council to better serve our
24 residents and our constituents. Obviously, if
25 the non-renewal is forthcoming, it could

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1 potentially be some ramifications. And with that
2 being the case, I thought it would be a good
3 idea, as we are making again our decision, that
4 additional information being put forth by the
5 security firms could help us.

6 In discussion with the - - with the
7 security firms, there were two items specifically
8 that I asked to be presented today, that I
9 thought would be helpful, would be one,
10 remuneration as it relate to services that were
11 not rendered to Milwaukee's residents. And then
12 two, the steps to be taken to prevent false
13 alarms from occurring in the future. Those are
14 the two items. But even prior to then, I did ask
15 that - - that they would ensure that any
16 outstanding false alarm fees be brought current
17 and up-to-date. And so today with the
18 introduction of this communication file, I
19 anticipate that there would be some security
20 firms that will make their presentation. On the
21 15th, as indicated, Mr. Chairman, I think the
22 Council will be better poised to make a decision,
23 based upon information that's presented today, as
24 well as any additional information that will be
25 presented between now and the 15th. With that

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1 being the case, again, thank you. I know that
2 there are a number of, at least, security firms
3 that are here that is prepared. I have been in
4 contact with one who ran into some problems with
5 getting here from Utah.

6 CHAIRMAN DONOVAN: Um-hnh.

7 ALDERMAN HINES: Because of some plane
8 problems that they've had. And - - And I know
9 that information came, as well. So again, I want
10 to thank you, Mr. Chairman, Vice-Chairman of this
11 committee for their willingness to assist the
12 Council with some additional dialog. So, again,
13 thank you.

14 CHAIRMAN DONOVAN: Thank you, Alderman.
15 I, too, want to thank you for your commitment and
16 involvement in - - in moving this effort forward,
17 and I'm confident that out of this, the citizens
18 of the City of Milwaukee will be served much
19 better in this entire field. I know, gentlemen,
20 from HSM Electronics, come on forward, and I
21 appreciate your written response to us, and why
22 don't you just very briefly go through that. I
23 know we don't want to take a lot of time. And
24 we've had the opportunity to read it, but for the
25 listening audience, if you could just sort of

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1 very briefly outline the steps that your company
2 has taken to address some of the previous
3 concerns.

4 MR. WIEDEMANN: Absolutely. Thank you,
5 Alderman Donovan, and thank you, Alderman Hines,
6 for - - for having us in here, as well, today.
7 We did want to go over this. We - - Oh, my name
8 is Mark Wiedemann. My address is 3859 Regal
9 Court in Slinger, Wisconsin. My office is
10 located in Waukesha. Our corporate headquarters
11 is located in Lyle, Illinois. We are a full
12 service provider. I just wanted to point that
13 out, as well, too. That we do have sales,
14 installation, service, and we do have our own
15 monitoring center that is located in Minneapolis.
16 That has allowed us to take some of the steps
17 necessary to make - - to try and correct the - -
18 the errors that we've made in the past, and we
19 are certainly being proactive in trying to do
20 that.

21 You all did get the report. I just
22 wanted to kind of go through that. We did talk
23 with our Vice-President of the monitoring center,
24 went through these steps with - - with Mr. Walker
25 to ensure that - - that we got these things taken

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1 care of. And the first thing that we did was we
2 did a complete review of all the City of
3 Milwaukee accounts. That was an audit that we
4 had performed, and then also, did a manual review
5 of all the action plans that are - - that are
6 within the system, which essentially tells us how
7 to respond in the event - - in the event a
8 burglar alarm comes up on our monitoring screen,
9 these action plans tell us how to respond. We
10 went through and we ensured that each of these
11 action plans now direct us to respond to
12 Securitas for - - for verification prior to
13 having or prior to notification of the Milwaukee
14 Police Department.

15 In addition, to ensure, as we put in
16 new accounts, that we're not making any mistakes,
17 we put forth an automatic audit that can be run
18 on a monthly basis, and that is an electronic
19 audit. And what it will do is it will search all
20 of the City of Milwaukee accounts. It will look
21 for those specific action plans. If there is not
22 a specific action plan that's approved for the
23 City of Milwaukee, it will flag that, and then
24 that will go through a further manual review for
25 us to take a look at.

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1 In addition, we have taken the step of
2 moving, because of the - - the nature of the City
3 of Milwaukee, the verified response, because it
4 is outside of what we consider to be in the
5 industry, a standard action plan, and that is
6 verified response, we've taken the step of - - of
7 putting all of the Milwaukee accounts, along with
8 the - - the other cities under verified response,
9 we used this as a good learning tool for our
10 organization. We put them to a special team of
11 monitoring specialists. These are the most
12 senior monitoring specialists we have within
13 our organization. We have approximately 160
14 monitoring specialists. 40 of these specialists
15 comprise the special action team. We've put all
16 of the Milwaukee accounts and the other cities'
17 accounts to these individuals. They are more
18 accustomed to seeing alterations within the
19 action plans. And so they follow the action plan
20 step-by-step. That's a - - That's a further step
21 that we've taken to try to remove the human
22 error.

23 And those are essentially the steps
24 that we've taken to date. Additionally, one of
25 the other items and - - and there is a draft

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1 letter that I did provide you, or a draft form in
2 - - in this report. We do want to be proactive
3 in ensuring that - - that the - - the people that
4 we work with, the customers are completely aware
5 of the verified response in the City of
6 Milwaukee, the way that we will respond to them.
7 That it is not a Milwaukee Police Department
8 dispatch unless previously verified. We did put
9 together a draft form. That form has to go
10 through our legal department for some additional
11 review prior to issuing that, but what we'll do
12 at that point then, is any future service sales
13 call that we have, we'll have the customer
14 acknowledge on that form that they understand
15 that it is verified response in the City of
16 Milwaukee. That will be maintained in our file
17 locally, and it will also be sent up with the
18 paperwork so that when the action plans are
19 established for the account, it is another
20 reminder to our data entry team that this is a
21 verified response. It has to be put into that
22 special queue.
23 HSM Electronic Protection Services is
24 very - - very dedicated. We've been in Milwaukee
25 for - - for a lot of years. We're very dedicated

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1 to trying to work within the ordinances and we
2 are very supportive of any efforts taken by any
3 municipality to reduce false alarms. And we
4 certainly want to work within that. As the
5 verified response issue came up in the City of
6 Milwaukee, HSM did take part in putting together
7 letters that we got out to our customers,
8 arranging our contract with Securitas. And I did
9 include those letters in here, as well, too. But
10 one letter is, which was our - - one of our first
11 communications dated September 14th, but we did
12 send out letters in August, as well, too,
13 notifying all of our customers in the City of
14 Milwaukee of the verified response ordinance,
15 providing them an option of either going with
16 Securitas or responding on their own, or having
17 no - - essentially no response. When the Council
18 decided that it was in the best interest of the
19 citizens to not allow them to respond and ask
20 that first responders then be required, we did
21 make those changes, and that is reflected in the
22 letter dated May 16th. We also notified - - We
23 notified our customers again at that time of the
24 verified response, and let them know that - -
25 that we would be required to - - to dispatch

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1 Securitas. So we have complied with that through
2 - - through these letters in the past. I can - -
3 I can - - I am very confident that any new sales
4 that we've conducted in the City of Milwaukee, we
5 have been ethical and aboveboard. We have
6 ensured that the customers are aware that this is
7 a verified response city, and that we are
8 required to send Securitas prior to dispatching
9 the police department.

10 Also, in - - If in the event or in
11 support of the - - the actions of the - - of the
12 Public Safety Committee and the concerns that
13 have been raised by the citizens, we did prepare
14 a draft letter that we also intend on sending
15 out, as soon as we can get, once again, the legal
16 department to review it and give us our final on
17 it. That will remind people, and this will be
18 sent to all of our customers, reminding all of
19 our customers that there is verified response in
20 the City of Milwaukee, that - - what those
21 requirements are, that we have to dispatch a
22 first responder prior to the police department,
23 and also, we - - we do want to work in here, as
24 recommended, that there is some point a contact
25 where that customer could get in touch with us

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1 directly. If in the event we have in error not
2 informed the customer, we would consider that to
3 be inconsistent with our sales program, and we
4 would want to ensure that that customer is - - is
5 reimbursed for any expenses that they had. And
6 it's just a matter of we need to work that into
7 this draft letter that we intend on sending out.

8 It is not our intent to - - to mislead
9 any customer. We've been in - - in the City of
10 Milwaukee for a number of years. We are part of
11 the Stanley Works organization. We are a major
12 corporation. We don't do door-to-door sales or
13 anything. We are primarily a commercial company.
14 So those - - those accounts that we're doing
15 business with I can be assured that we have let
16 them know that this is verified response and
17 there are certain procedures that we do have to
18 follow. Any questions?

19 ALDERMAN PUENTE: Yes. Regarding your
20 accounts that have been updated with a standard
21 Milwaukee action plan, when was that done?

22 MR. WIEDEMANN: That was done in, I
23 believe, that it was done - - that it was started
24 in November, and I know that I have had
25 confirmation at the end of December that they

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1 have updated all of the action plans to the
2 Milwaukee action plan. So as of the December
3 31st, we should be good on all accounts that are
4 in there. And then the audit process is, I
5 believe, set to be run at the end of every month,
6 try and pick up on any of those accounts that - -
7 that may in some way have been - - have been
8 altered or if there were new accounts that were
9 put in that - - that didn't have that appropriate
10 action plan put in.

11 ALDERMAN PUENTE: Since you put in the
12 plan, are you aware of any false alarms and non-
13 first response?

14 MR. WIEDEMANN: I am not aware of any.
15 I have reached out to Officer Ann McCarthy. I
16 have sent a - -

17 ALDERMAN PUENTE: Officer, could you
18 come to the table, please?

19 As it pertains to HSM and the first
20 responders, have you had any incidents since,
21 let's say, November?

22 MS. MCCARTHY: I have right in front of
23 me here from December 1st to January 2nd, there
24 have been seven. I'd have to look back in my
25 November notes to see if there are any

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1 further - -

2 ALDERMAN PUENTE: Just those two days,
3 do you have anything up until to date? How
4 far - -

5 MS. MCCARTHY: From - - From - - I'm
6 sorry. From December 1st through January 2nd.

7 ALDERMAN PUENTE: Oh.

8 MS. MCCARTHY: There have been seven.

9 ALDERMAN PUENTE: Okay. How do you
10 respond to that?

11 MR. WIEDEMANN: I would have to see
12 those accounts. I know that - - that, as I said,
13 from our protection net center, they - - In the -
14 - In the month of December we're in the process
15 of updating all of those action plans. I would
16 have to review those and see if there was some
17 type of error. I - - I do know that there are
18 some in the City of Milwaukee, there are some
19 zipcodes that are shared with some of the
20 suburbs. I don't know whether that has made any
21 effect on the updating of the action plans. But
22 I would have to see those to - - to address that.

23 ALDERMAN PUENTE: Officer McCarthy,
24 since these proceedings, have you seen a
25 reduction in the violations with HMM?

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1 MS. MCCARTHY: Yes, I have.

2 ALDERMAN PUENTE: Okay. Significantly?

3 MS. MCCARTHY: I would say so. Seven
4 is come down pretty much.

5 ALDERMAN PUENTE: Pretty good for a
6 month, huh?

7 MS. MCCARTHY: Yes. Yes.

8 ALDERMAN PUENTE: Prior to seven in a
9 day or week or whatever?

10 MS. MCCARTHY: Sure.

11 ALDERMAN PUENTE: Yeah, okay. I just
12 want to make sure that your action plan is
13 working. That - - that's what we're striving for
14 here. And so, Officer, before the Common Council
15 meeting on January 15th, I know I would, and
16 probably the rest of the members here would like
17 to know how many calls you - - you receive from
18 January 2nd until, let's say, the 14th, if you
19 could provide us a report?

20 MS. MCCARTHY: Okay. I will do that.

21 ALDERMAN PUENTE: Not only this alarm
22 company, but anyone else that's coming before us.

23 MS. MCCARTHY: Okay.

24 ALDERMAN PUENTE: To see if, in fact,
25 they implemented something that has reduced the calls.

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1 MS. MCCARTHY: Okay.

2 ALDERMAN HINES: Mr. Chairman, if I

3 may.

4 CHAIRMAN DONOVAN: Yes.

5 ALDERMAN HINES: I'd like to ask a

6 question as - -

7 CHAIRMAN DONOVAN: Please.

8 ALDERMAN HINES: And preface it,
9 probably first to the body, and then I'll pose
10 the question. This is a renewal, and we
11 currently have a system in place that votes it
12 either up or down, renew/non-renew, predicated
13 upon the totality of the record. Part of the
14 record reflects outstanding false alarms whereby,
15 at least, the citizens did not receive the
16 appropriate services that was initially either
17 promised or in compliance with City Ordinances.
18 As a reason of that, the body felt compelled to
19 not renew. And that file yet waits in the
20 Council right now to take action on. This,
21 again, was a communication file with the intent
22 of listening to two things. One, remuneration as
23 it relates to the services that our residents did
24 not receive. So given a up or down vote that we
25 had, this body was proposed - - prepared to do a

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1 - - a non-renewal. I don't know what the Council
2 will do, but I do believe that this information
3 is beneficial and helpful as the Council
4 deliberates and ultimately make its decision on
5 January - - on January 15th. With that said,
6 we've heard the corrective action plan, and it
7 appears as if it's working. What we've not
8 heard, though, is how do we make our residents
9 whole, those who paid for services, and those who
10 did not receive them appropriately. Because it
11 was those actions or the failure by this company
12 to appropriately respond, that - - that currently
13 has a non-renewal before the Council. With that
14 said, I'd like to pose the question, if I may - -

15 CHAIRMAN DONOVAN: Please.

16 ALDERMAN HINES: - - Mr. Chairman, to
17 the operator or the owner, the managers, what
18 type of remun - - remuneration steps have then
19 taken place at this point in time to make whole
20 City of Milwaukee residents at relate to their
21 failure to receive services that they had paid
22 for?

23 MR. WIEDEMANN: Well, if - - And that
24 would have to be taken to some degree on a case
25 by case basis, as we take a look if we, in error,

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1 attempted to dispatch the City of Milwaukee
2 Police Department, there would be no additional
3 charge. However, we do have failure to provide
4 service in - - in our mind as - - as your mind,
5 as well, too. You know, in that case what we
6 would do is - - is we would apply a credit to
7 that customer, normally in the amount of one
8 month's service to try and - - and provide some
9 degree of remuneration. If the customer, you
10 know, comes to us and they have had a - - a
11 significant concern as a result of the actions of
12 our company, has lost trust in the company, in
13 the past and we've done it on numerous times, we
14 try to resolve their issue. If we cannot resolve
15 their issues to - - to satisfaction, we do allow
16 them the opportunity to get out of the contract.
17 So, you know, in - - in these particular
18 circumstances where we're talking about the false
19 alarms or - - or the false dispatches to the - -
20 to the City of Milwaukee, if - - if we were to
21 - - to go back and do an audit on these, there
22 are some customers that had - - If we didn't then
23 dispatch the - - the security company as - - as
24 appropriately, we would then be compelled to
25 provide some degree of credit back to that

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1 customer.

2 ALDERMAN HINES: With that said, the
3 decision - - We'll have to make the decision on
4 January 15th. I anticipate that the information
5 will then subsequently be submitted to the
6 Council before the 15th?

7 MR. WIEDEMANN: Absolutely.

8 ALDERMAN HINES: Thank you, Mr.
9 Chairman.

10 (End of HSM Electronics presentation.)

11 CHAIRMAN DONOVAN: Thank you, Alderman.
12 With that, we also have another company that,
13 Firstline, that is en route here. They were
14 delayed. Their flight was delayed. But I'm told
15 they are planning on coming in front of the
16 committee. So Alderman Puente would move to hold
17 this file until later in the meeting, and hearing
18 no objections, so ordered. Thank you, guys, very
19 much.

20 ALDERMAN HINES: Thank you, Mr. Chair.

21 CHAIRMAN DONOVAN: And with that we're
22 going back to item number 2A, File 071251.
23 Gentlemen, come forward, for a - - a very brief
24 explanation of - - from Firstline Security as to
25 steps that they have planned and in the works to

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1 address some of the issues previously discussed
2 regarding their alarm company. So go ahead,
3 gentlemen.

4 MR. NEWCOMER: We don't need to swear?

5 CHAIRMAN DONOVAN: We have these - -
6 Are we going to have to wait on him now? Okay.
7 We're going to take a five minute recess.

8 (Whereupon a recess was taken.)

9 CHAIRMAN DONOVAN: This is a resumption
10 of the Public Safety Committee meeting for
11 Thursday, January 3rd. The item we are
12 addressing is item 2A, File 071251, communication
13 from various alarm businesses relating to the
14 enforcement of the City of Milwaukee's alarm
15 business ordinance. And we have before us,
16 representatives from Firstline Security.
17 Gentlemen, I believe we need to swear you in. Is
18 that correct?

19 ALDERMAN PUENTE: Yes.

20 (Whereupon the applicants were sworn.)

21 CHAIRMAN DONOVAN: Could you please
22 state your names and addresses for the record,
23 please?

24 MR. NEWCOMER: Ryan Newcomer. Address,
25 I just moved, is 3122 North Eagle Way, Lee High,

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1 Utah 84043.

2 MR. TOMLINSON: Wayne Tomlinson, 724
3 East 1590 South, Lee High, Utah 84043.

4 CHAIRMAN DONOVAN: Very good. We
5 appreciate your being here today. And the - -
6 the purpose of this is very briefly to outline
7 for a listening audience, if for no other reason,
8 the proposal or the plan that you plan on
9 implementing to address some of the issues that
10 arose regarding the operation of your company as
11 it relates to alarm response for citizens of
12 Milwaukee. So go ahead, gentlemen.

13 MR. NEWCOMER: Basically there were two
14 main problems that we were - - addressed or we
15 talked about last time. I think one of the main
16 ones was the fact that the constituents weren't
17 aware of the policy of non-responders, and that
18 our representatives were not adequately informing
19 customers about the no response policy for
20 Milwaukee. So we'll be addressing that. And
21 then the fact that there were so many dispatches
22 getting called in directly to the police
23 department.

24 We can go on all day, and I'm sure you
25 guys have already heard other companies explain

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1 why those things are happening. We could go on
2 all day and talk about how it's somebody else's
3 fault. But we all recognize that it's our main
4 responsibility, being the ones that contract with
5 these monitoring services, to make sure that they
6 actually are compliant with 105-75.

7 So as far as that goes what we have
8 done starting in November, and luckily, I
9 inherited this mess at the beginning of November.
10 This was when this was put into my lap. And
11 since that first meeting, at which I felt wholly
12 unprepared or inadequate to be able to explain,
13 in the last six weeks we've been attacking this
14 problem. It's been the number one priority, even
15 though this is a small percentage of the total
16 accounts that we have, we've been spending a lot
17 of time making sure that these problems don't
18 happen again. So first step is we had to scrub
19 or go in and do what's called an audit of all of
20 our accounts. All of the accounts had an event
21 code structure which was the generalized event
22 code structure used in most areas that do not
23 have guard response. And that is that when an
24 alarm happens, the central monitoring station
25 receives the information and they have this

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1 dispatch procedure. First contact is always
2 premise, and usually it is the police department,
3 and then it's emergency contact list that the
4 constituents have on their contracts.

5 In Milwaukee that has to change in
6 order to be able to be compliant with the law.
7 It must be first the premise, then the private
8 responder service, and then the private responder
9 service, not the central monitoring station, is
10 the only one that is supposed to be contacting
11 the police department upon any kind of alarm
12 signal. And they will only do that, they're not
13 - - they're not supposed to contact the police
14 department until they verify that a crime has
15 occurred. So, we went through every one of our
16 Milwaukee accounts, every single one. That's
17 1,000 and three customers that we have that are
18 under our control that are in the City of
19 Milwaukee. Every one of those 1,003 customers we
20 went through and manually changed and re-audited.
21 We did it two times. Made sure that all of the
22 event codes and the dispatch procedures were
23 corrected. Now, there are also a total of 2804
24 that we installed. The remaining accounts are no
25 longer under our control, and those were given to

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1 other ownership, or they were bought out by the
2 central monitoring stations a while back. On
3 those accounts that we do not have control over,
4 we have evidence of e-mails and communication
5 we've sent to every single monitoring station in
6 this City that has anyone of our accounts or has
7 taken over our accounts to tell them this is the
8 law. We've sent them the law in PDF. We told
9 them, and we actually have a - - a statement that
10 we wanted them to sign saying we understand and
11 recognize that we acknowledge the fact that this
12 needs to happen. And even though we're not
13 responsible for those accounts, we understand
14 that we should have been responsible from the
15 beginning. So even though we don't have control
16 over that, and we can't absolutely make sure that
17 happens, we are warning them and letting them
18 know, hey, these customers need to be taken care.
19 So that's the auditing process that
20 we've already undertaken. We can 100 percent
21 guarantee that our accounts, those 1,003 will
22 not, or they should not ever contact the police
23 department, because it's clearly stated on the
24 monitoring screen when the operators have it
25 pulled up, that they're supposed to call the - -

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1 the private responder service.

2 Now we are still dealing with, and we
3 have been in communication with Officer McCarthy.
4 There are still some that are coming in. There
5 were three yesterday that she gave to us, and - -
6 and I don't know that I need to go into detail on
7 these, but none of these three belong to our
8 company. There was one that was called in, 3128
9 North 42nd Place. That belongs to Pinnacle
10 Security. When we spoke to SAI, they said they
11 don't know why they would have ever said
12 Firstline. They believe that it was a mistake of
13 your department, that assumed it was Firstline.
14 But it was not a Firstline account. There was
15 also one at 6531 West Verona Court. That one is
16 under control of SAI. That is nothing that we
17 can go in and change. Meaning that they lock us
18 out. When they buy an account from us, we no
19 longer have access to go in and change that.

20 Up until mid December there were still
21 accounts where even though we had gone through
22 and done the audit, police were getting contacted
23 about those, and we discovered that there was a
24 secondary, what's called a secondary mode of
25 communication or when a zone comes in, it comes

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1 on what's called a secondary path. The first
2 pathway was corrected. The secondary was not
3 corrected. So then we had to go in again and now
4 correct the secondary path and make sure that all
5 of those were correct. So we know, as far as
6 those 1,003 that we have, those are done.
7 There's nothing we need to do to them. That
8 doesn't mean that we're not going to continually
9 look over this process. On a weekly basis, Jill
10 Griggs, who works in the licensing department at
11 Firstline, and I have in this report that I
12 handed to you guys, her number and extension,
13 will be running a weekly audit. That starts
14 tomorrow, on Friday, every single week she's
15 going to pull a query from every single central
16 monitoring station, to make sure even though - -
17 We just want to make sure that they have it
18 correct, okay. Even though we don't have
19 control, at least we can notify them. We can
20 pull the query and say, hey look, this isn't
21 correct. Go back in and change this. That
22 shouldn't be happening, but if there's a move-in,
23 if there's something that falls through the
24 cracks, we can catch it at least within seven
25 days.

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1 Regarding the constituents, I don't
2 know if I need to hand this to anybody. But this
3 is the letter that we will be sending out to the
4 customers that we have in Milwaukee. Do I hand
5 this to somebody or do I - - This is an actual
6 customer and letter.

7 CHAIRMAN DONOVAN: Yes. Yeah.

8 MR. NEWCOMER: But we are offering - -
9 It's an explanation of the private responder
10 service, what it is, how it benefits them, the
11 fact that we neglected to tell them during the -
12 - the point of sale, an apology for not doing so,
13 and a monthly rebate, a one month free - - free
14 monitoring service valued at 40.49. This is a
15 45,000 dollar hit to the company, which, you
16 know, we - - we need to - - we need to do. We
17 want to take responsibility for that having
18 happened.

19 As far as future steps, we don't have
20 any - - we don't have any salespeople in this
21 area. And if we are allowed to come back, that
22 wouldn't happen until beginning of May or end of
23 April. But we have things that are in place, the
24 IT department, and we have e-mail confirmations
25 from them. They will have entered in, because -

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1 - The reason why this whole monitoring thing
2 happened so easily. When you have 50,000
3 customers and you have operators that are putting
4 in, day in and day out, the same exact coding
5 structure for most zones, to manually be able to
6 trust somebody to recognize that it's a Milwaukee
7 account and say, oh wait a minute. This is one
8 out of, you know, 50 accounts that - - that is
9 going to Milwaukee, I need to remember to go in
10 and change the coding structure for that. We up
11 - - Because we have in our training manuals here,
12 this is our operator training manual, just to
13 show you that since June of 2006, we've been
14 aware of the policy. In our training manual
15 there's a section right here, Milwaukee shells.
16 In the PT code we need to be enforcing 87 for all
17 new Milwaukee accounts. This is the new code
18 created for alarm responders, which is the guard
19 response company in Milwaukee. So we put it in
20 there for them to do it. Did they do it? No,
21 they didn't. Okay. That - - That's the main
22 thing. So we can't trust the fact that people
23 are going to be able to go ahead and remember
24 this, that in Milwaukee they have to change it.
25 So IT is creating an automated solution. So that

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1 any zipcode that's related to Milwaukee will
2 automatically enter in those data fields. So
3 that we don't have to rely on somebody making
4 that mistake anymore. It will - - It will force
5 them - - It will force through the correct
6 procedures. So now we won't have to worry about
7 that anymore.
8 As far as the sales process and
9 informing customers, we have entered in a change
10 in our - - our sales training manual, so that all
11 the cities that have guard response that we are
12 in are specifically mentioned, as well as the
13 fact that they have to notify them. Now, we're
14 not just going to trust the sales people are
15 going to do this. As part of the installation
16 process, before an installation is done and our
17 customer is loaded, they have to do what's called
18 a confirmation call. In that confirmation call
19 we can ask anything we want to to make sure that
20 they're understanding and satisfied. We will
21 implement for customers that are within this zip
22 or the zipcodes in Milwaukee City, the fact that,
23 do you understand or did the technician or did
24 the representative explain to you the "no
25 response policy" for the Police Department in the

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1 City of Milwaukee? In which case we can
2 reference them to the law. We have the website
3 noted. We can - - We can point them in that
4 direction. We can also inform them during the
5 confirmation call, just so you're aware when - -
6 when a dispatch happens, it's not going to be the
7 police that respond to the call. It's a company
8 called Alarm Responders, LLC, which I've come to
9 understand is the - - pretty much the only
10 company in Milwaukee that does it. They own a
11 lot of other companies that do guard response.
12 But it's Alarm Responders, LLC that actually
13 controls all those guard response companies or
14 those private responder companies. So, we will
15 inform them during the call, as well as on the
16 contract. On the contract they will have to
17 state, and there's a statement in there, "I
18 understand the no response policy of Milwaukee,"
19 known as the - - I'm sorry. I don't have the
20 exact wording, but 105-75. I understand that the
21 police will not make initial response to any
22 alarm calls, but that a private responder service
23 will be the first to be dispatched on the
24 premises. So that is an order, and that will
25 happen.

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1 The only other thing that we're worried
2 about is the fact that there is
3 misrepresentation. There - - The police
4 department is getting calls where people are
5 claiming that it's for Firstline, and it is not
6 our account. We have a number of them that we've
7 gone through our database, and they have never
8 been sold by us. I don't know why people are
9 saying that to you, when I had talked to SAI
10 yesterday, which by the way, is the largest
11 offender, I believe, in - - in these cases. We
12 are 100 percent taking every one of the customers
13 we control away from SAI, and that was going to
14 happen before, you know, this occurred. But no
15 longer - - No - - None of our controlled accounts
16 will be monitored by SAI any longer. Once we
17 remove our accounts, you're still going to get
18 problems from SAI, but they have nothing to do
19 with us. They were - - There's nothing we can do
20 about them. We want to help them. We're telling
21 them, hey, make sure this happens. But it - - It
22 won't be anything that we can do.

23 So basically our - - our plea is that I
24 feel that we've made huge steps to make sure this
25 doesn't happen again. I believe that we're

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1 trying to demonstrate that we do care about the
2 constituents in this City. We don't want to be a
3 company that comes along and sells and doesn't
4 care about what's happening. We recognize our
5 mistake in not informing them. I believe it is
6 you, Alderman Hamilton, that raised that concern
7 the most last time. We do apologize for that,
8 and there are certainly steps we will take to
9 make sure that that doesn't happen. Certainly,
10 you're going to get customers who claim they
11 still didn't understand things. But I - - I
12 believe that we can go so far as to - - to make
13 sure that we can do everything possible. So
14 that's - - that's it in a nutshell.

15 CHAIRMAN DONOVAN: Very good. I thank
16 you for the presentation. I would ask that you
17 get a copy of this to all the aldermen, all 15
18 aldermen or get it to Diane Morgan and she can
19 distribute that. Also, add to this a copy of the
20 letter that was presented, as well as to the
21 letter you're sending to your customers. I would
22 encourage you to continue to proactively touch
23 base with Officer McCarthy, and that you - -

24 MR. NEWCOMER: We've become good pals,
25 I think, by the way.

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1 CHAIRMAN DONOVAN: - - would inform
2 them of any issues and keep those lines of
3 communication open. I would also further ask
4 that prior to the meeting on the 15th, the
5 Council meeting, that you contact Alderman Hines
6 and ensure that any issues that he may have are -
7 - are being addressed, as well.

8 MR. NEWCOMER: Okay.
9 CHAIRMAN DONOVAN: And with that, are
10 there any other questions or comments by
11 committee members?

12 ALDERMAN PUENTE: Mr. Chair.

13 CHAIRMAN DONOVAN: Alderman Puente.

14 ALDERMAN PUENTE: Officer McCarthy, how
15 is it that you identify the provider of these
16 alarms? Obviously, there are some mistakes being
17 made here, and how - - how are we going to
18 correct that on our end, or on your end?

19 MS. MCCARTHY: When the alarms are
20 called in, sometimes they're called in under
21 Security Associates. The ones for Firstline,
22 most of them are called in as Firstline. So our
23 telecommunicators take down that information just
24 how it's given to them. They don't question them
25 any further. They just take their information as

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1 it's given to them. The ones that are called in
2 just under Security Associates, I call them
3 personally to see who they're calling for. Some
4 of them they call in for Pinnacle, some of them
5 Firstline. They - - They call in for a number of
6 people.

7 ALDERMAN PUENTE: So you get the
8 information from Security Associates. Is that
9 - - is that what you're saying?

10 MS. MCCARTHY: Correct.

11 ALDERMAN PUENTE: And - - And the other
12 providers that are doing this, and - - and you
13 take them for their word. I mean - -

14 MS. MCCARTHY: Right. They call in
15 and - -

16 ALDERMAN PUENTE: He - - He mentioned,
17 you know, on the second page, number three,
18 existing problems, was dispatched to 3128 North
19 42nd Place, and that's belonging to Pinnacle
20 Security. It never has been a Firstline account.
21 So Security Associate told the police department
22 that this account belongs to Firstline. Is that
23 correct?

24 MS. MCCARTHY: No. No. With that
25 particular one, I believe we talked yesterday on

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1 the phone, with that one that came up yesterday?

2 MR. TOMLINSON: Yeah, that was one from
3 yesterday.

4 MR. NEWCOMER: Yeah.

5 MS. MCCARTHY: And - - Because Mr.
6 Tomlinson has been touching base with me, wants
7 to know which ones are called in. So I - - I
8 told him the ones that came in under Firstline,
9 and I said Security Associates also called in
10 two, but I haven't checked further. I don't know
11 if it's yours or Pinnacle's or someone else's.
12 So upon further checking on their end, they found
13 out it was Pinnacle. I have - -

14 ALDERMAN PUENTE: But you would have
15 found that out prior to them?

16 MS. MCCARTHY: Correct.

17 ALDERMAN PUENTE: Is that correct?

18 MS. MCCARTHY: Correct. I didn't make
19 the phone call yet.

20 ALDERMAN PUENTE: And what do you do -
21 - Oh, you - - You just didn't know?

22 MS. MCCARTHY: No, I didn't know yet.

23 ALDERMAN PUENTE: Okay. But we had it
24 - - Or you had it in the police department as
25 listed as Pinnacle versus Firstline. Is that

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1 correct?
2 MS. MCCARTHY: I had it listed just as
3 Security Associates. I didn't call them yet to
4 find out - -
5 ALDERMAN PUENTE: Oh.
6 MR. NEWCOMER: I was under the
7 assumption that we got that one.
8 ALDERMAN PUENTE: You have to call them
9 back?
10 MS. MCCARTHY: Yes.
11 ALDERMAN PUENTE: To find out who it
12 was?
13 MS. MCCARTHY: Yes.
14 ALDERMAN PUENTE: On every one of
15 these?
16 MS. MCCARTHY: The ones that are just
17 called in under Security Associates, yes, to - -
18 to monitor our licensed alarm companies.
19 ALDERMAN PUENTE: That's a lot of them.
20 Right?
21 MS. MCCARTHY: Yes, it is.
22 MR. SCHRIMPF: That's a lot of work,
23 essentially.
24 ALDERMAN PUENTE: Yeah. You ought to
25 get a police aide.

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1 MR. SCHRIMPF: Mr. Chairman.

2 ALDERMAN PUENTE: If - - If I may

3 continue.

4 MR. SCHRIMPF: Oh, I'm sorry.

5 ALDERMAN PUENTE: Is the same thing I
6 requested earlier, that from tomorrow you're
7 implementing this, I want to see how things have
8 progressed with this new implementation, if we
9 are going to be getting false calls and that, so
10 if you can, also give me those numbers, or this
11 body, if it's okay with you, Mr. Chair, again, I
12 would give both of those reports to Staff
13 Assistant Diane Morgan, and I'm sure she'll get
14 it to all the members.

15 MS. MCCARTHY: Okay. I will do that.

16 ALDERMAN PUENTE: All right. So - -

17 MS. MCCARTHY: I'll get it to you
18 either the 14th or early the morning of the 15th?

19 ALDERMAN PUENTE: Yeah, 14. We need it
20 by the 15th, no later than the 15th.

21 MS. MCCARTHY: Oh, okay.

22 CHAIRMAN DONOVAN: Yeah. Yeah, I would
23 get it to us on the 14th.

24 MS. MCCARTHY: Okay.

25 CHAIRMAN DONOVAN: Go ahead, Bruce.

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1 MR. SCHRIMPF: Thank - - Thank you, Mr.
2 Chairman. I would like to ask the gentleman, in
3 terms of the individual's from the responders
4 that go out and check these alarms when they come
5 in, do you have any contractual arrangements with
6 them that specify the qualifications for the
7 people doing that. And specifically what I'm
8 looking at, do you check for police records,
9 backgrounds? You understand I would - - I think
10 there would be a concern, Mr. Chairman, if the
11 people we're sending out to respond to these
12 first alarms, are themselves individuals that
13 have criminal records. Do you follow my - -

14 MR. NEWCOMER: Yeah, I - - I
15 understand. I understand, and, no, up to this
16 point we haven't. Now that we've discovered that
17 there's really one company running this entire
18 operation in the City of Milwaukee, there's one
19 company that has bought out the other companies.
20 That's Alarm Responders, LLC. We can certainly
21 talk to them and say, hey, look, this is a
22 concern of ours. I don't know how much control
23 we can have over demanding this out of them, if
24 they're the only one that provide the service,
25 we're kind of stuck between a rock and a hard

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1 place, as to who we can hire to do the service
2 for us. Because they're essentially the only
3 ones in the City that do it.
4 MR. SCHRIMPF: Well, it's something
5 that, Mr. Chairman, I think might want to be
6 looked at.
7 CHAIRMAN DONOVAN: I would agree.
8 MR. TOMLINSON: Yeah, we can definitely
9 report on - - on what their - - what their
10 standard operating procedure is regarding
11 background checks and who they hire and what
12 qualifications they have.
13 CHAIRMAN DONOVAN: Yeah, let me know.
14 MR. TOMLINSON: It will be in the
15 report.
16 MR. NEWCOMER: Will do.
17 CHAIRMAN DONOVAN: Thank you.
18 ALDERMAN PUENTE: Mr. Chair, real
19 quick.
20 CHAIRMAN DONOVAN: Go ahead, Alderman
21 Puente.
22 ALDERMAN PUENTE: If you could touch
23 briefly under number 2B about notifying
24 customers, a letter will be sent. But under B2,
25 President Hines had asked us of the other company

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1 and that, what are you going to do for the
2 customers who have been inconvenienced, and
3 again, you touched on it, but I - - I have to
4 mention that that you are going to do a rebate
5 worth one month of free monitoring service.

6 MR. NEWCOMER: Yes.

7 ALDERMAN PUENTE: Which is given to
8 over 1,000 Milwaukee customer, and it's going to
9 cost you guys approximately 45,000 dollars. So
10 that's good. Thank you.

11 CHAIRMAN DONOVAN: Thank you. Any
12 other questions or comments by committee members?
13 If not, I want to thank you, gentlemen. I know
14 it was a difficult flight out here. You were
15 delayed, but we appreciate you being here and
16 putting this together, and help us out in - - in
17 staying on top of this issue, and - - and as I've
18 requested, please contact President Hines, as
19 well. So with that, Alderman Puente would move
20 to receive and place on file, and hearing no
21 objections, so ordered. And there being no
22 further business to come before us, we stand
23 adjourned.

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3 STATE OF WISCONSIN)

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5 MILWAUKEE COUNTY)

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8 I, JEAN M. BARINA, of Milwaukee Reporters
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10 Milwaukee, Wisconsin 53208, certify that the foregoing
11 proceedings is a full and complete transcript of the
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Court Reporter

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21 Dated this day of January, 2007.

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