

**Special Regulatory Statutes in Place for All Mystery Shops Performed in the State of California**

The state of California has special exemptions / requirements for “typical” mystery shops performed in the state. National Shopping Service is compliant with California laws and statutes.

In California, there are four primary areas to be aware:

1. “Traditional” mystery shoppers cannot perform loss-prevention shops - They have to be performed by a California licensed Private Investigator or their authorized / documented employee
2. Mystery shop results cannot be used as the sole source for disciplining shopped employees – Unless the shop was performed by a California licensed Private Investigator or their authorized / documented employee
3. “Traditional” mystery shops (non-loss prevention) CAN be used as a part of a shopped employee’s discipline process as long as the shop is NOT the sole source of information in the discipline process
4. If the mystery shop is used as a source of information in a discipline process, a copy of the shop itself must be presented to the employee

**It is strongly advised that appropriate legal counsel be sought to ensure compliance with all California laws and statutes.**

The California statutes can be found:

<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=bpc&group=07001-08000&file=7520-7539>

**CALIFORNIA BUSINESS AND PROFESSIONS CODE**

**CHAPTER 11.3. PRIVATE INVESTIGATORS**

**Article 3. Regulation, Licensing, and Registration ..... [7520-7539](#)**

**BUSINESS AND PROFESSIONS CODE  
SECTION 7520-7539**

7522. (n) (1) A person or business engaged in conducting objective observations of consumer purchases of products or services in the public environments of a business establishment by the use of a pre-established questionnaire, provided that person or business entity does not engage in any other activity that requires licensure pursuant to this chapter. The questionnaire may include objective comments.

(2) If a pre-established questionnaire is used as a basis, but not the sole basis, for disciplining or discharging an employee, or for conducting an interview with the employee that might result in the employee being terminated, the employer shall provide the employee with a copy of that questionnaire using the same procedures that an employer is required to follow under Section 2930 of the Labor Code for providing an employee with a copy of a shopping investigator's report. This subdivision does not exempt from this chapter a person or business described in paragraph (1) if a pre-established questionnaire of that person or business is used as the sole basis for evaluating an employee's work performance.