

**Recyclable Metal Theft Task Force
Monday, September 12, 2016
10:00 a.m. – 12:00 p.m.**

**Illinois State Library, Room 403/404
300 South Second Street
Springfield, IL 62701**

Meeting Minutes

1. Welcome and Introductions

Co-Chair Hoffman called the meeting to order at 10:05 a.m. and informed the members that minutes for the meeting would be electronically recorded. A roll call was conducted and the following members were present:

Representative Mike Unes, 91st District
Representative Jay Hoffman, 113th District
Michael Mervis, Director Mervis Industries
Brad Serlin, President of United Scrap Metal, Inc.
Master Sergeant Scott Whitecotton, Illinois State Police
Lieutenant Troy Phillips, Illinois State Police
Lieutenant Tom Chandler, Secretary of State Police
Chief Deputy Sheriff Jeff Connor, Madison County Sheriff's Office
Chief Lindell Barton, Alton & Southern Railway Company
Kevin Martin, Executive Director, Illinois Insurance Association
Chief Brian Fengel, Bartonville Police Department
Chief Valdimir Talley, Maywood Police Department
Scott Whitener, AT&T
Ed VanHoose, Executive VP, Clay Electric Cooperatives.

The following members had scheduling conflicts and were unable to attend:

Director Sydney Roberts, Director of Secretary of State Police
Greg Fernandez, Ameren

Co-Chair Hoffman also recognized the following individuals who were in attendance:

Amy Williams, Assistant Legal Advisor, Illinois Secretary of State's Office
Bob Partridge, Purchasing Officer, Illinois Secretary of State's Office
Dan Weber, House Republican Staff
Jorge Ocasio Comparini, Maywood Police Department

Co-Chair Hoffman also recognized Scott Whitener, with AT&T, and informed the members that he was appointed as a public member of the Recyclable Metal Theft Task Force, via Public Act 99-0760. He also reminded the members that Mr. Whitener gave a presentation to the Task Force at the March meeting.

2. Approval of minutes

Having recognized that a quorum was present, Co-Chair Hoffman thanked everyone for attending, asked members to review the minutes from July and asked if there were any comments. Hearing none, Mr. Martin made the motion to approve the minutes and hearing no objections the minutes from July 28, 2016 were approved.

3. Continued discussion of draft outline report to General Assembly

Legislation/Electronic Reporting:

Co-Chair Hoffman asked for the members to locate information in their packets, which addressed some of the questions raised from the last meeting. He also reminded the members that they would be working from a draft outline of recommendations for the report, which is due to the General Assembly by October 31, 2016.

Co-Chair Hoffman asked the members to look at the information regarding Ohio and their recent legislation to combat metal theft. He asked if the any members were familiar with what they were doing and Mr. Mervis affirmed that he has some knowledge by virtue of the fact that he works closely with Indiana and they have talked about Ohio recently. Mr. Mervis continued that after considering several options, Ohio decided to build their own database in an effort to also develop a “do not buy” list where scrap dealers cannot conduct transactions with individuals convicted of scrap theft. He also indicated that the list may also include known associates, which could be problematic. He estimated the cost for Ohio to be approximately \$200,000 for initial set up, however it would be less costly to operate and that Indiana was talking to Ohio about their database template being licensed for use in other states.

Co-Chair Hoffman asked if Ohio’s “do not buy” system also required daily purchases to be uploaded. Mr. Miller indicated that he thought the “do not buy” list operated separately from the database which required dealers to register and to also report transactions electronically. Co-Chair Unes asked how these requirements were being received by the scrap dealers. Mr. Mervis said that the dealers are not necessarily upset, but the bigger question in Ohio was how to fund it, which he was not certain about. Co-Chair Hoffman asked if Ohio’s system addressed ISRI’s privacy concerns. Mr. Mervis said that from everyone he talked to, he believed that it did since the contract is between the state of Ohio and the dealers

Lt. Phillips asked how long these laws have been on the books in Ohio and Mr. Mervis indicated two years. Lt. Phillips asked if there were any studies on the effectiveness and Mr. Mervis indicated that he was unaware of any. Co-Chair Hoffman asked for clarification whether Ohio’s electronic database is searchable by law enforcement. Chief Barton pointed to the website that

allowed law enforcement to register. The members agreed that this sounded like a good database for Illinois to consider, as long as it meets the privacy concerns of dealers.

Mr. Vanhose asked how the funding for this system could be handled. Mr. Mervis said that he thought it would also be interesting to see how much it would cost Indiana if the database is licensed. Chief Barton asked if the electronic records, which are uploaded in Ohio, include pictures. Mr. Mervis said he did not know, but could check.

Mr. Mervis restated the value of the “do not buy” list, which would keep people from trying to shop around for a dealer who would accept their goods. Chief Barton also expressed frustration that not all dealers are currently recording their transactions electronically.

Licensing Requirement:

Co-Chair Hoffman asked if the members agreed that scrap recyclers should be licensed by the state and that there should be a fee for the license. The members agreed. Co-Chair Hoffman asked if a condition of the license should be that they comply with all state laws including electronic reporting and environmental laws. The members agreed. Co-Chair Hoffman said that the members should also continue to look at the Ohio database, which could potentially be licensed for use in other states, along with other options for an electronic database.

Co-Chair Unes said that he was concerned about fees being used to generate a fund that could be swept and he didn't want to see these funds misused. Co-Chair Hoffman asked if there was a general consensus on the concept of a searchable database for law enforcement to access, which protects the privacy concerns of scrap recyclers. The members agreed. Mr. Martin asked if Co-Chair Unes could use his legislation to combine with some of the efforts that Ohio has made. He also stated the value of the task force potentially having a discussion with Representative Sims about their objectives. Both Co-Chairs agreed that the legislation will need to be revisited, so the report should simply reference the prior endorsement of HB5521.

Mr. Vanhose asked about non-compliance of a potential state issued license and asked if the members were considering specific penalties. The members agreed that there should be a penalty, but they should not make any specific suggestions. Chief Barton suggested that potential fees could be used for resources to the Illinois State Police or the Secretary of State Police (or other entity) that would license and/or conduct the audit process for scrap recyclers.

Mr. Serlin pointed to the information in the member packets regarding Cook County recycling facility permit fees and said that this process has shut down quite a few bad operators. He continued that in addition to the annual license, the Cook County Department of Environmental Control conducts quarterly inspections and a thorough review of operations. He said that this system is a great aid to the good operators and a detriment to the bad operators. Mr. Serlin also said the license fee structure that Cook County set up is very reasonable and the assurance that recyclers are licensed helps to keep everyone accountable. Co-Chair Hoffman agreed and added that if you see someone operating without a license then that should be a red flag.

Motor Vehicle Theft Prevention Council:

Co-Chair Hoffman pointed to the information in member packets regarding the Motor Vehicle Theft Prevention Council. He specifically referenced the breakdown in how grants were distributed in prior years. He reminded members that there were discussions about using this fund for other insurance related claims and wanted to discuss the possibility of using it to combat recycled metal theft.

Mr. Martin indicated that at the year's end, there would probably be two years worth of funds that had not been distributed. Chief Fengel said that the statute limited funds to motor vehicle theft purposes. Co-Chair Hoffman concurred and said it would require a change in statute. Co-Chair Hoffman also noted that he thought the funds were put to good use, but in an effort to get the funds released he thought they would have a better chance if they could make a case for additional uses like metal theft.

Co-Chair Hoffman asked about the likelihood of inspecting a scrap processor leading to solving auto theft cases. Mr. Mervis said that smaller dealers, who do not have access to steel mills, might sell bulk scrap to a larger processor. He continued that in these cases, any automobiles would require a title to be surrendered, which would be proven by a certificate.

Co-Chair Hoffman asked the members if there was a general consensus in recommending that the Motor Vehicle Theft Prevention Council be allowed to utilize their funds for deterring metal theft in addition to auto thefts. Chief Fengel agreed as long as it was a statutory change and restated his commitment to using those funds as currently designated. Chief Connor concurred. Mr. Miller reminded the members that Scott Adams, with Adams Development Company offered testimony in March in regard to his extensive insurance claims related to HVAC thefts. Mr. Martin said that the insurance industry would look at it from that perspective, minimizing insurance claims and thefts, and he did not anticipate a pushback from the industry.

Co-Chair Hoffman stressed the fact that with the money being swept from the Motor Vehicle Theft Prevention Council fund currently, he and Mr. Martin have an interest in seeing this money restored for law enforcement. He continued that broadening the scope of how the funds could be used may allow for more support in reinstating this fund. Mr. Vanhose asked if the Motor Vehicle Theft Prevention Council had the discretion to grant funds to non-auto related causes and Co-Chair Hoffman said that it would be better to make it clear via statute. Co-Chair Unes also suggested that we recommend the Council add a member representing scrap metal dealers in Illinois. The members agreed.

Awareness and Training:

Co-Chair Hoffman asked the members for thoughts on recommending more awareness and training. Mr. Miller said that in prior meetings, there were conversations about extra training for law enforcement and awareness for State's Attorneys in explaining the different ways to charge penalties for metal theft. Co-Chair Hoffman suggested reaching out to the Appellate Prosecutors in our efforts to reach State's Attorneys.

Chief Talley asked if the Institute of Scrap Recycling Industries (ISRI) already had a curriculum available and Mr. Mervis said that they do. Chief Talley said that if that is the case, then a recommendation could be made by the members and then MSG Whitecotton could submit it to the Training and Standards Board. He continued that the board would have to meet and approve the curriculum, before it could be implemented as a training platform. MSG Whitecotton also said that the basic training hours were increasing from 480 to 560 and he thought a couple hours would be sufficient for basic metal theft curriculum.

Mr. Vanhose said that they had a utility yard that was raided and copper was stolen along with an entire truck. He said that the process of reporting and trying to recover the material was frustrating and, as a representative of utilities, he would welcome a closer relationship with law enforcement. He continued that anything he could do to work with law enforcement to help advise them on what to look for would be appreciated. Mr. Whitener concurred and said that on the telecommunications side, AT&T would also be willing to assist in any way with training. Chief Barton said that many times when law enforcement would conduct an audit or sting, both Mr. Whitener and Mr. Fernandez would accompany his team and he suggested something similar could occur for utilities with regional law enforcement.

Co-Chair Hoffman and Co-Chair Unes said that the report should reflect both the utility and telecommunication industry's commitment to helping with training for law enforcement in any way.

Lt. Phillips said that another consideration for training would be the use of Mobile Training Units (MTU) that travel throughout the state, and the possibility that they could incorporate metal theft related material into a presentation. Co-Chair Hoffman asked who the MTU's are organized by and the members replied that the point of contact would be Dave Hayes with the Southwestern Illinois Law Enforcement Commission.

Chief Connor said that while a two hour training course from the academy would be beneficial, he is more interested in opportunities for continued education. MSG Whitecotton said that maybe they could recommend a basic training course for the academy and offer an 8-hour MTU class afterward. Chief Connor said that he thought a MTU class would be more beneficial for achieving the results that the members are focused on. He continued that this would also be better to focus additional training efforts on law enforcement personnel who have an eye for inspecting.

4. Public Comment Period

Co-Chair Hoffman asked if there were any public comments to be made. Hearing none, he thanked everyone for their efforts in reviewing the report outline draft.

5. Next Meeting Date

Co-Chair Hoffman said that Mr. Miller would draft all of the agreed upon recommendations into the report to the General Assembly and he would share a draft of this report electronically with members before the next meeting. He stressed the importance of meeting the October 31, 2016 deadline as outlined in Public Act 99-0052 and indicated that vote would be taken on the report at the next meeting. The members tentatively agreed upon October 24, 2016 at 10:00 a.m. for the next meeting of task force.

6. Adjournment

The meeting adjourned at 11:15 a.m.