

Noon to 1:15 p.m.

Attorney General's 2017 Outstanding Law Enforcement Officers of the Year Recognition

Attorney General Leslie Rutledge will present awards honoring law enforcement officers in every county. General Rutledge will also present Valor Tributes to the families of fallen officers.

1:15 to 1:30 p.m.

BREAK

1:30 to 2:15 p.m.

Cory Cox, Legislative Director, Arkansas Attorney General's Office

Law Enforcement Legal Update

2:15 to 3:15 p.m.

**Peggy Fletcher, Senior Investigator, AT&T Asset Protection
Walter Wright Jr., General Counsel, Arkansas Recycling Association
Stephen Svetz, Special Agent, Arkansas Attorney General's Office**

Metal Theft

Metal theft in Arkansas is a serious concern, often tied to the drug trade. With a statute requiring records (17-44-102) in our tool box, law enforcement has put a serious dent in the buying and selling of stolen metals. We will discuss the law in general, and what the responsibilities of the Attorney General's Special Investigation Unit are regarding the application of the law.

3:15 – 3:30 pm.

BREAK

3:30 – 4:30 p.m.

**Will Jones, Deputy Attorney General, Arkansas Attorney General's Office
Chris Cone, Special Agent, Arkansas Attorney General's Office**

Investigating Cyber Crimes on a Budget

#LESummit

 AGLeslieRutledge  AGRutledge  AGLeslieRutledge

 Attorney General Leslie Rutledge  ArkansasAG  AGRutledge

Copper Theft – Cutting the Lifeline to the Community

Law Enforcement Summit

October 3, 2017

Peggy Fletcher, AT&T Asset Protection

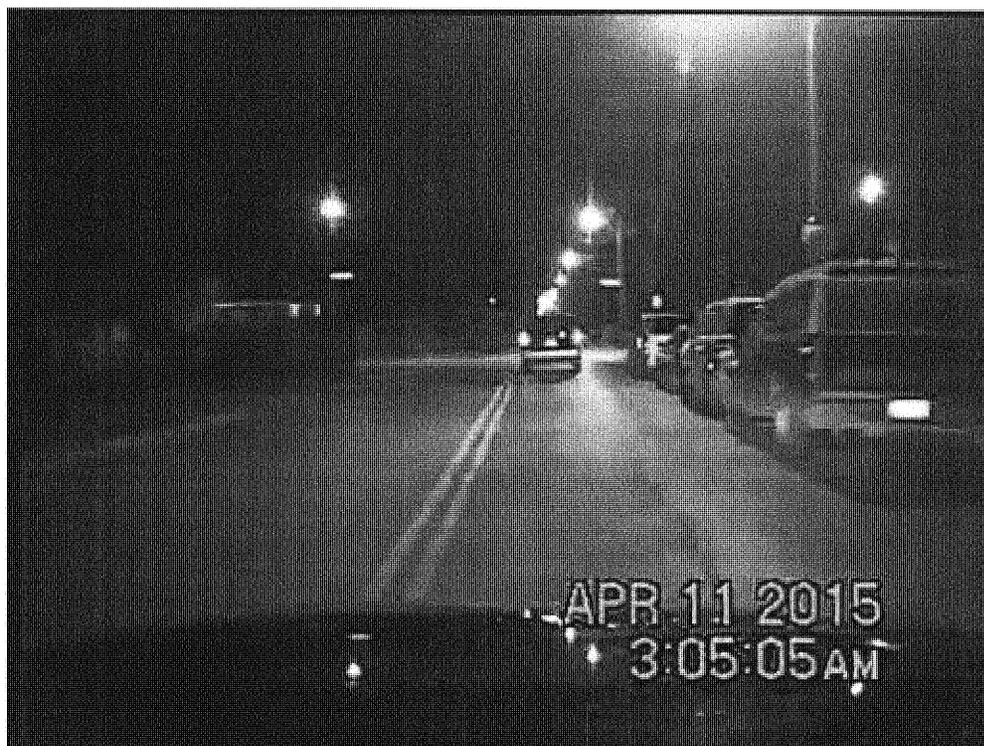
501-765-9706 or 800-807-4205 (24/7/365)

peggy.fletcher@att.com



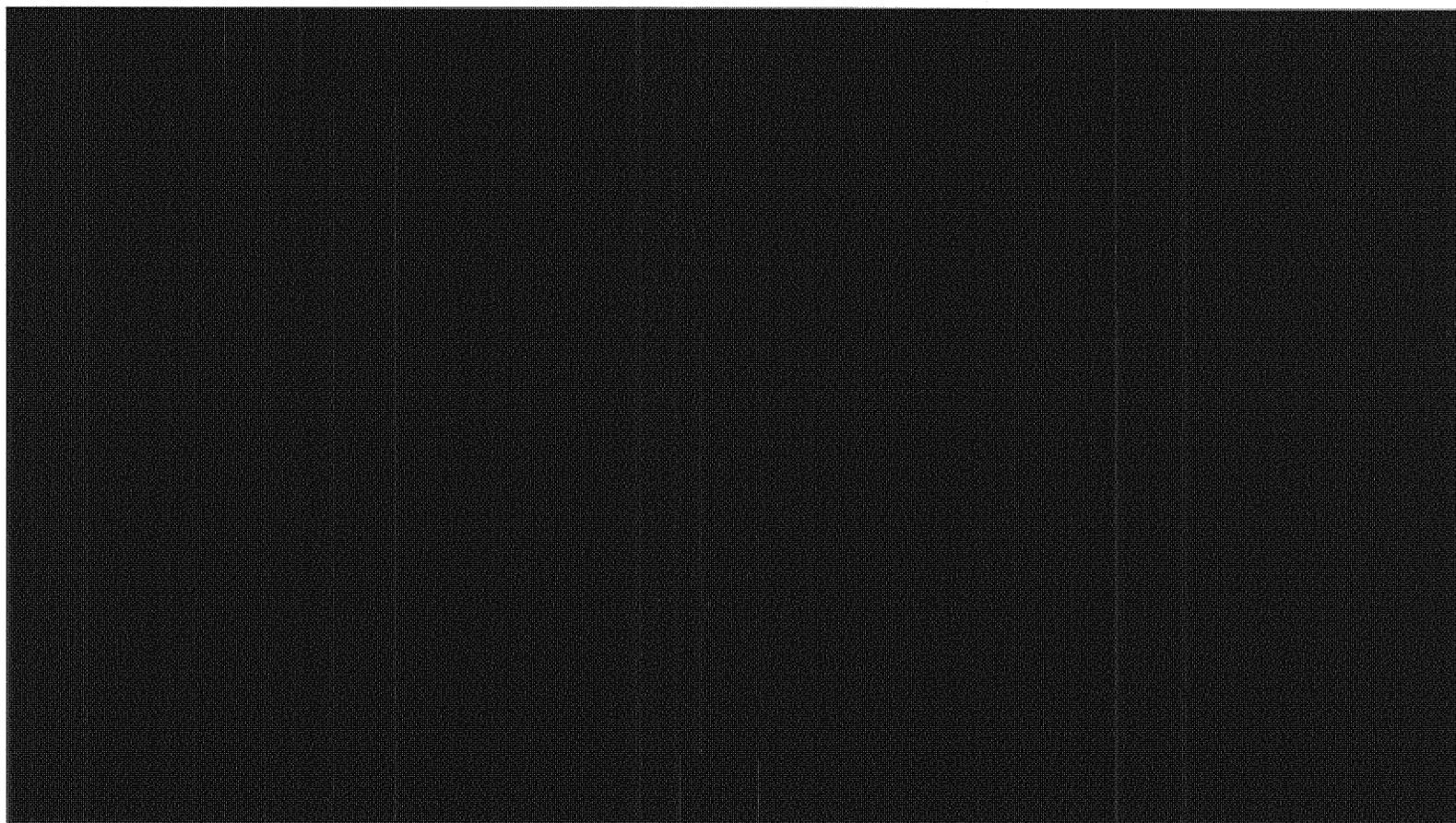
Cable Theft Impact – Why Does it Matter?

2015 Kansas City, KS Police Department Pursuit



Cable Theft Impact – Why Does it Matter?

Kansas City, KS Fire Department Press Conference



Theft of Traditional Telephone Cable

Landline cable to homes, businesses, and cell sites



Cable Theft Impact – Why is this important?

Financial impact to AT&T is significant, but there are more important issues to the community:

- Ability to call 911
- Use of data lines: business, cellular, data, security systems, police mobile data terminals, healthcare monitoring
- Environmental concerns



Cable Theft Impact – Arkansas Statistics

Number of Thefts

2014: 125

2015: 56

2016: 12

2017: 20 (to date)

2014 Losses

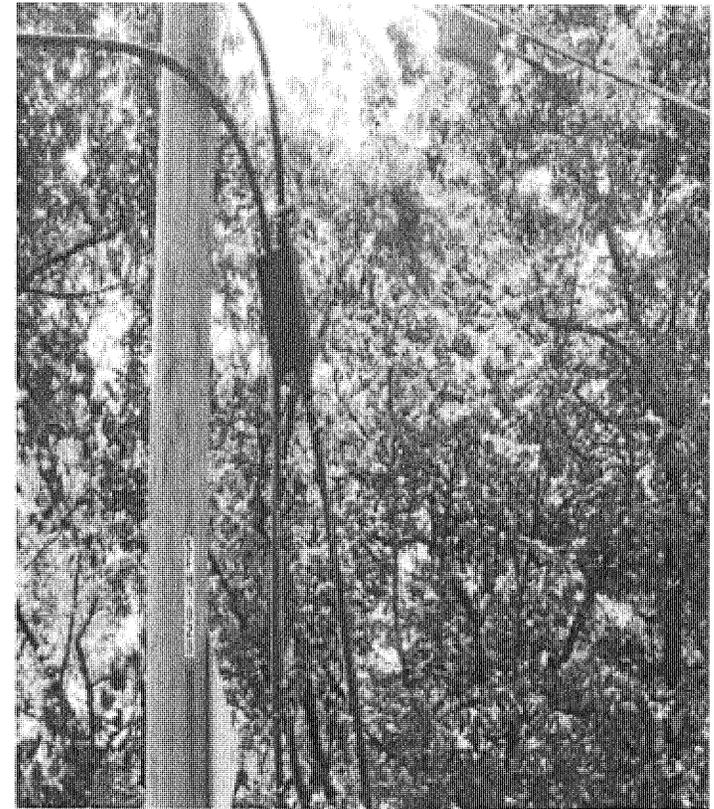
- 4.3K customers impacted
- \$1.3M in losses
- 17,000 lbs. of copper
- \$2.20/lb. ~ \$37,000
- Less than 3% of AT&T losses
- 28K feet of cable (+90 football fields)



Cable Theft Impact - Copper Identification & Images

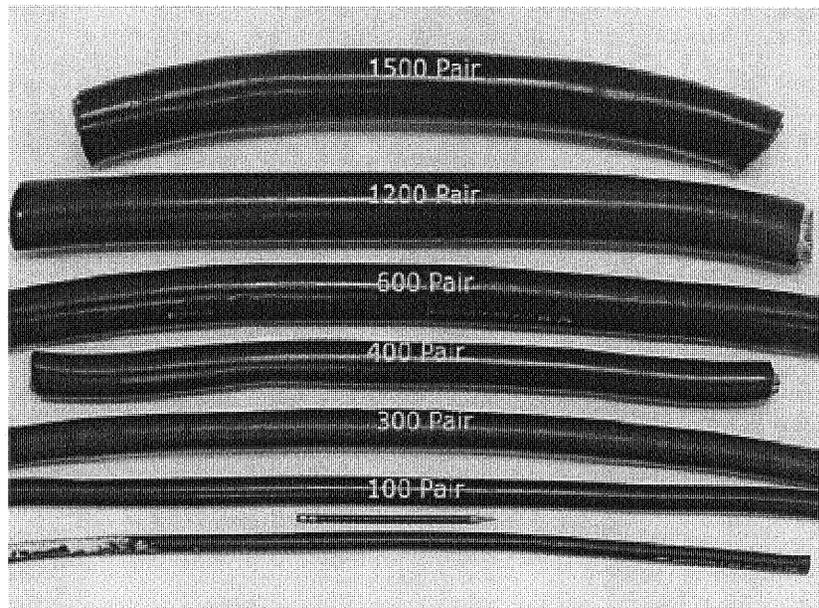
Cable is placed:

- On AT&T dedicated poles
- Below electrical service cable
- With cable services cable
- Black outer cover called “sheathing”
- Sheathing will typically be marked in white or yellow text

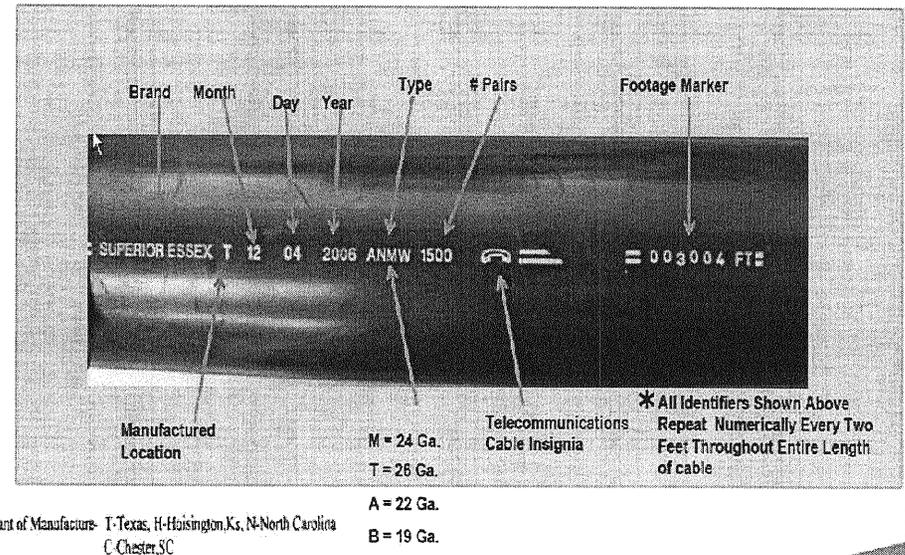


Cable Theft Impact – Copper Identification & Images

Communications Cables Are Manufactured In Various Sizes

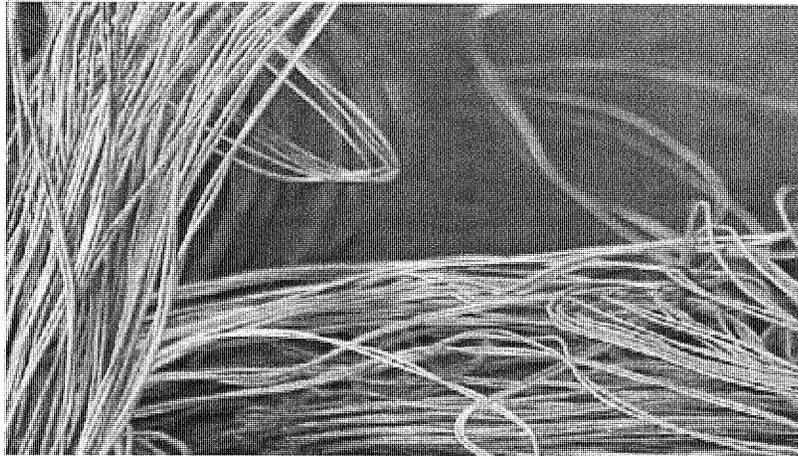


Superior Essex Telecommunications Cables used by AT&T are Uniquely Identifiable to the Owner

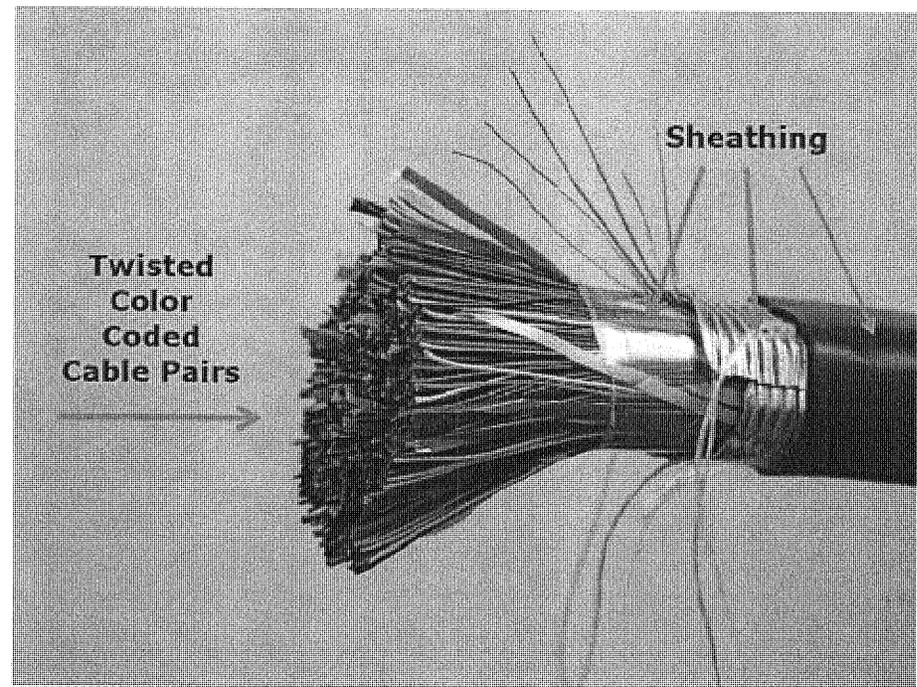


Cable Theft Impact – Copper Identification & Images

Even when Burnt, the Twisted Pairs of Copper Wires are Clearly Visible and the Gauge of the Wire Remains One of the Four Sizes used in Communications Cables : 26, 24, 22, and 19.



Cable Characteristics



Cable Theft Impact - Copper Identification & Images

Theft of cable is typically perpetrated by thieves who

- Climb trees where cable runs through limbs
- Home made ladders
- Standing on a vehicle (for low hanging cable)
- Nails or all-thread drilled/hammered into poles
- Tree / hunting stands
- Climbing spikes

Tools used to cut cable include

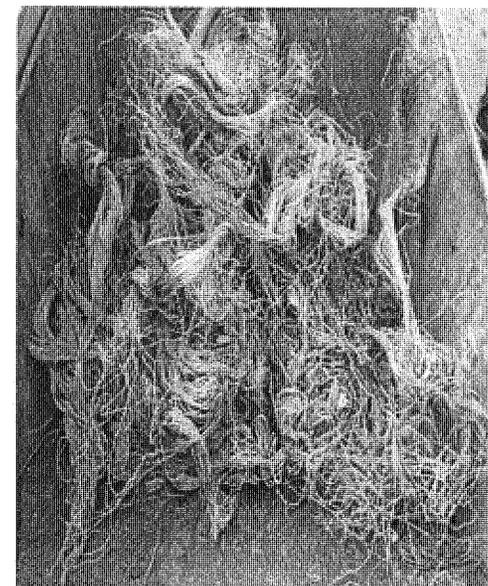
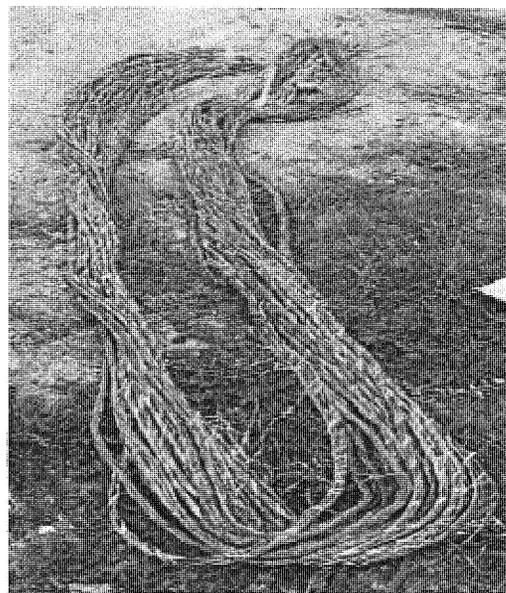
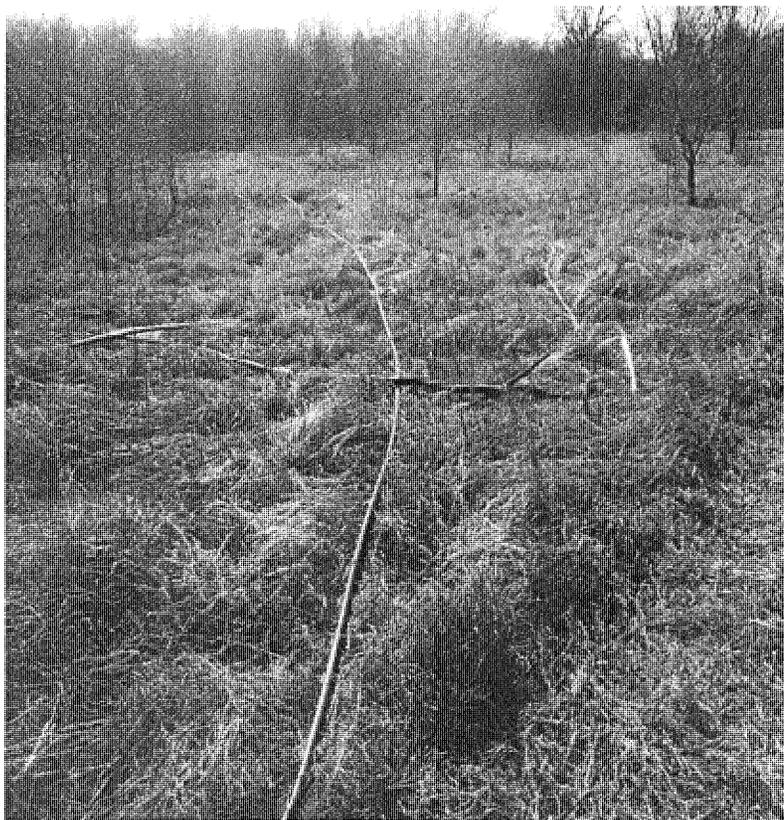
- Hand saws
- Cordless saws-all
- Hack saw
- Tree trimmers



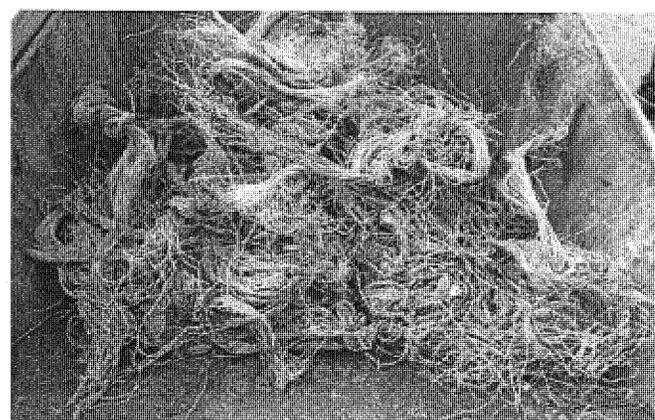
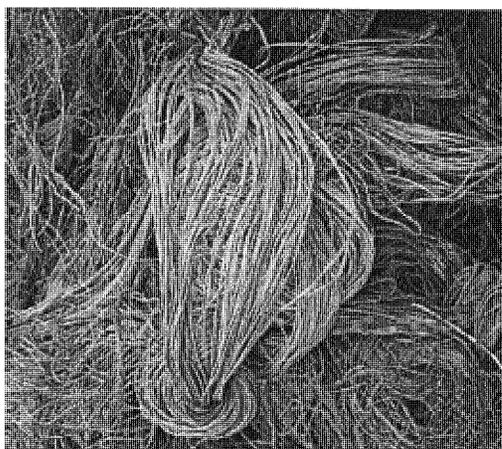
Cable Theft Impact - Copper Identification & Images

After the cable is on the ground

- Pulled into field/woods and stripped of outer sheathing
- Cut into 4 – 5 foot pieces for transport or
- Burned



Cable Theft Impact – Burnt Wire is the Most Common Form



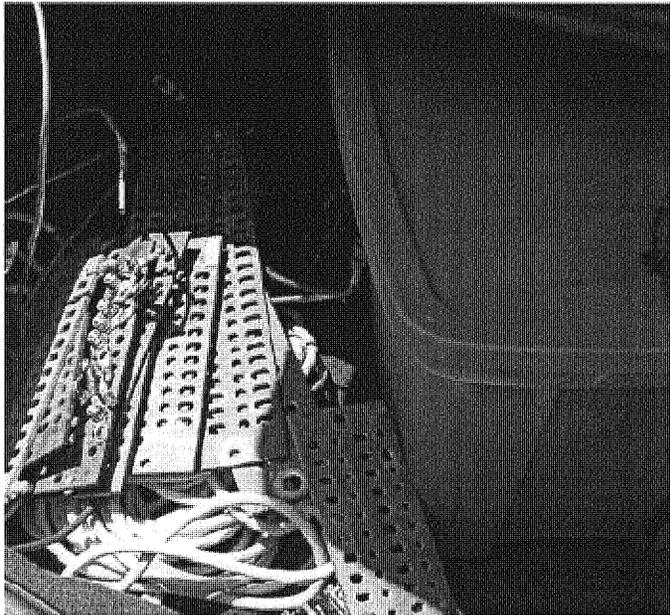
Cell Towers - Theft of Copper and Batteries

Grounding Wire, Buss Bars, Power Wire, and Batteries



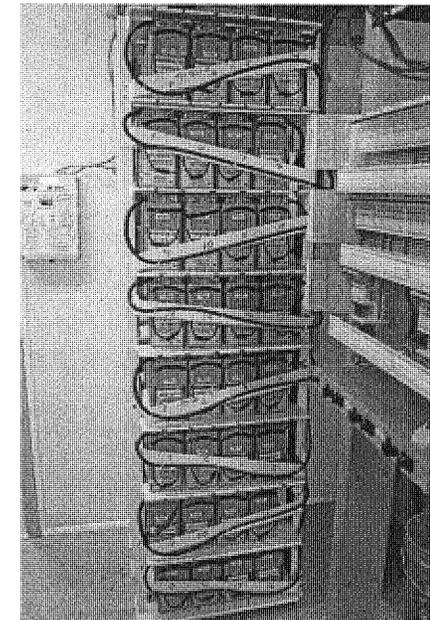
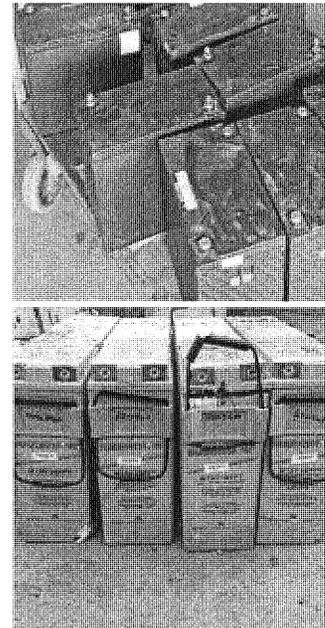
Cable Theft Impact – Cell Tower Thefts

Cell Tower “Bus Bar” is also known as buzz bar refers electrical power distribution to a flat thick strip of copper containing holes in which grounding wires from the cell towers connect to the bus bar.



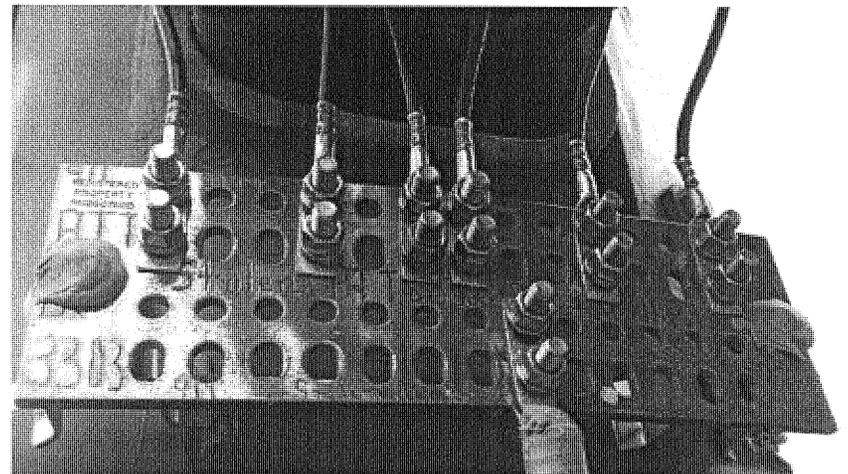
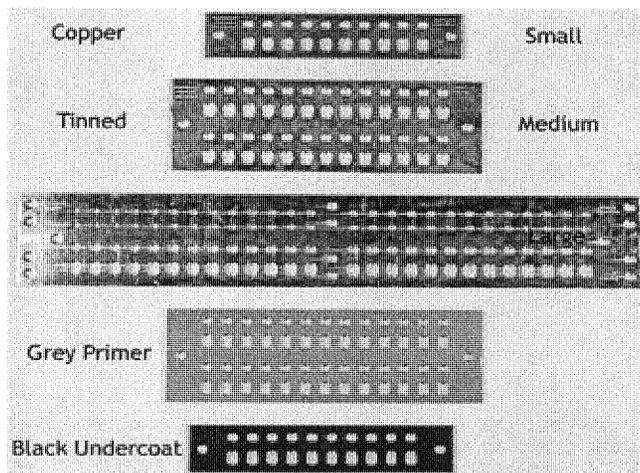
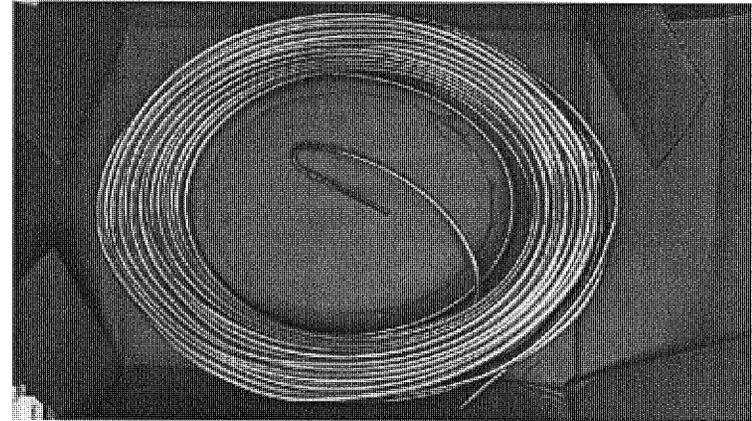
Batteries from cell towers and generators:

- Used for back up power
- Used in both shelters and outside cabinets
- Copper leads to the batteries typically taken
- Most batteries will have an AT&T identifier



Cable Theft Impact – Cell Tower Thefts

- Bare wire, also known as “bright wire”, used for grounding and has no insulation, no marking, typically used on tower
- Shielded ground, also used for grounding and is protected by green or black plastic cover, no marking, used inside and outside of shelter/cabinets
- Copper buss may be tinned, painted and etched



Proactive Tools for Mitigation of Thefts



Cable Theft Impact – Mitigation

Cable alarms (auto dialer):

➤ Triggers immediately upon cut (AD2000 & CopperWATCH)

CopperWATCH™ by System Studies, Inc.

- -----Original Message-----
- From: root [mailto:map@airtalk.com]
- Sent: Thursday, February 21, 2013 10:46 AM
- To: WHITENER, SCOTT R
- Subject: CWATCH ALARM 0520004 [0475]
-
- COPPER TELEPHONE CABLE THEFT IN PROGRESS / VERIFIED ALARM
- CREATED: 09:45 02/21/2013
- CONTACT: CONTACT (618) 482-6767 E ST LOUIS PD, ILLINOIS
-
- CABLE CUT BETWEEN TWO LOCATIONS:
- LOCATION 1: STATE ST @ N 82ND ST-MAP3
- LOCATION 2: WASHINGTON ST @ N 82ND ST-MAP4
-
- REMARKS: ALLEY BETWEEN N 82ND ST AND 83RD, SOUTH FROM WASHINGTON ST TO STATE ST
-
- MAP_LINK: [http://maps.google.com/maps?saddr=N38+35.581%20W90+3.983%20\(Device:%202-1.2%20Address:%20STATE%20ST%20@%20N%2082ND%20ST-MAP3\)&daddr=N38+35.621%20W90+3.944%20\(Device:%202-1.3%20Address:%20WASHINGTON%20ST%20@%20N%2082ND%20ST-MAP4\)&hl=en](http://maps.google.com/maps?saddr=N38+35.581%20W90+3.983%20(Device:%202-1.2%20Address:%20STATE%20ST%20@%20N%2082ND%20ST-MAP3)&daddr=N38+35.621%20W90+3.944%20(Device:%202-1.3%20Address:%20WASHINGTON%20ST%20@%20N%2082ND%20ST-MAP4)&hl=en)



Cable Theft Impact – Mitigation

GPS Tracking technology (3Si, ETS, CopperStopper)



Cable Theft Impact – Mitigation

Surveillance – CCTV utilized at work centers and cell towers with high incident rates; monitored remotely 24x7



Cable Theft Impact – Mitigation

- Partnership with Law Enforcement, Recyclers, Other Carriers
- Marking / Etching of assets such as buss bars & batteries
- Anti-theft mounting hardware
- Cabinet Armor
- Rewards
- Metal Theft Task Force involvement
- Notification of thefts through ScrapTheftAlert.com
- Laminated Posters for Recyclers on What NOT to Buy
- In person training for Law Enforcement and Recyclers
- Legislation – “elimination of the Value Exchange”



STOP It is a criminal act to possess stolen copper!

If presented with stolen copper take the following actions:

- Identify potential sellers and contact law enforcement
- Burned copper with twisted pairs should be refused
- When presented with telephone cable still in sheathing, immediately contact  Asset Protection @ 1-800-807-4205



Cable Theft Impact - Mitigation

- AT&T does not give permission to any contractors to take scrap from job sites to recycle
- AT&T contracts nationally for disposal and recycling of materials and rarely in Arkansas
- AT&T rarely works on phone lines at night – ask for employee badges if on patrol



Cable Theft Impact – How Can AT&T Help You?

Asset Protection:

- Calculate the copper weight for Leads Online searches
- Track known suspects
- Track all thefts and provide cross-jurisdictional assistance



Eyes on the road,
not on your phone



Scrap Industry Perspective on Metal Theft

Walter G. Wright
Mitchell Williams Law Firm

General Counsel/Arkansas Recyclers Association

wwright@mwlaw.com

- ▶ The Arkansas Recyclers Association (“ARA”) is a state trade association founded in 1989 whose members include manufacturers (including 3 Arkansas steel mills) and processors, brokers and industrial consumers of scrap commodities, including ferrous and nonferrous metals, paper, electronics, rubber, plastics, glass and textiles.
- ▶ Many ARA members belong to the Institute of Scrap Recycling Industries in Washington, D.C.
- ▶ ARA has been an active participant in various legislative and regulatory activities involving scrap and solid waste for the past 28 years.

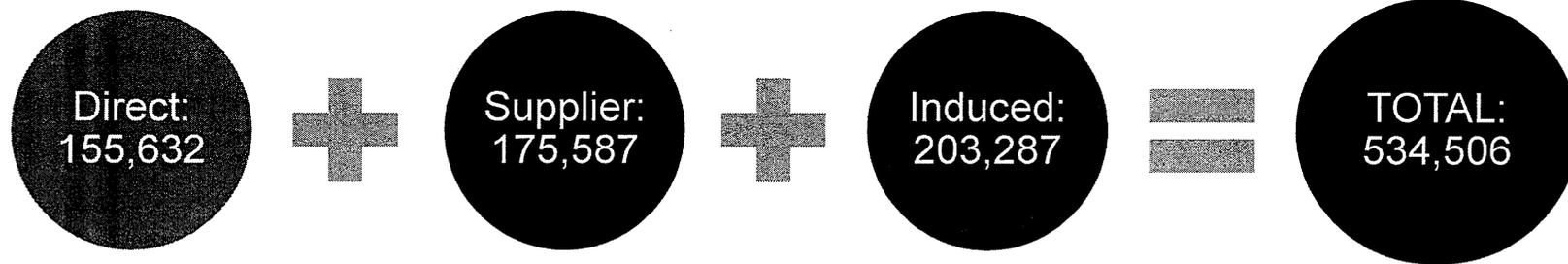
- ▶ A key focus of ARA legislative efforts starting four legislative sessions ago was the drafting of more comprehensive legislation to reduce scrap theft.
- ▶ Very limited Arkansas legislation had been in place for years but was ineffective.
- ▶ The ARA and other companies and associations help draft, over the course of three legislative sessions, the legislation Stephen described.

- ▶ ARA has and will always support efforts to ensure scrap facilities are compliant with this law.
- ▶ Why? Many reasons (it's the law, etc.)
However, a key reason is our members do not want to have to compete with facilities that do not make the required investment in equipment, manpower, etc. to be compliant.
- ▶ ARA supported legislation two legislative sessions ago to provide the Attorney General's office the resources to assist in the effort to prevent scrap theft.

- ARA's position is to support legislation that effectively addresses scrap theft.
- ARA believes Arkansas now has a system in place that through vigorous enforcement will be effective.

- ARA has opposed legislation that will unnecessarily impede recycling/resource recovery activities that are a key part of our economy and help conserve or protect natural resources, energy and the environment.
- ARA opposes laws that needlessly disrupt or stigmatize this industry.
- The importance of an efficiently performing scrap industry to Arkansas and the nation should not be underestimated.

Jobs Supported by the U.S. Scrap Recycling Industry, 2017*



\$116.9B
Economic impact

534,500+
U.S. jobs supported

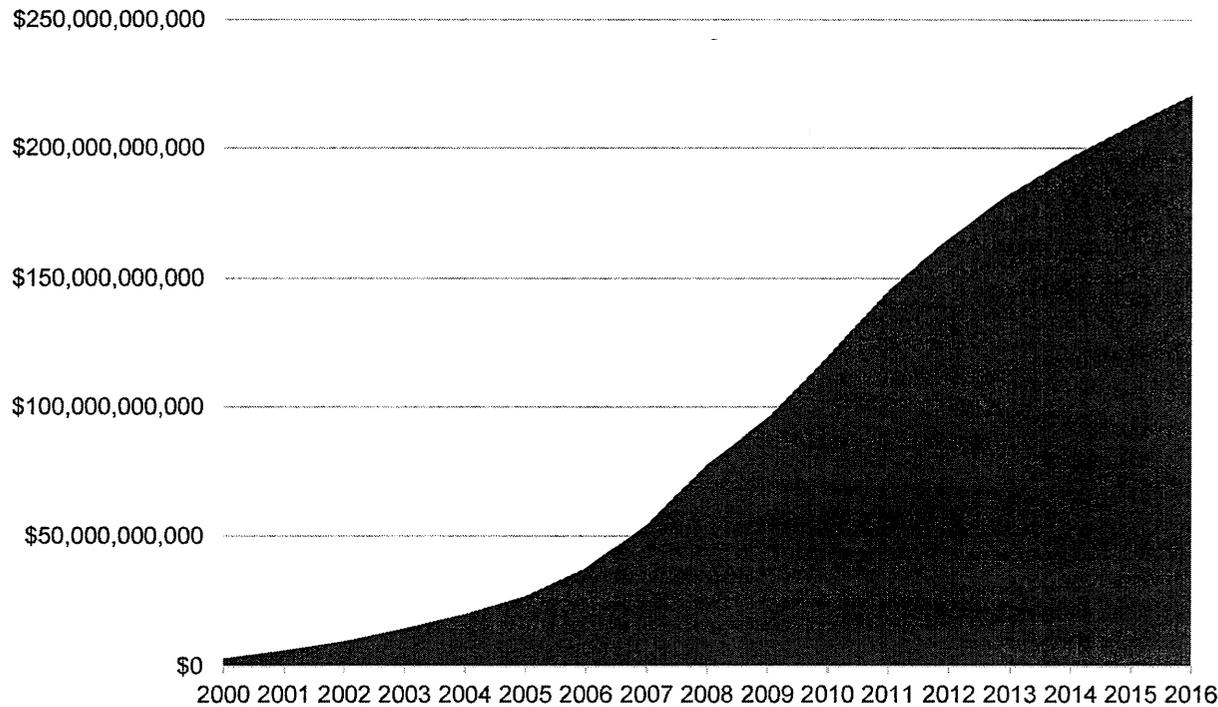
\$13.2B
Federal, state and
local taxes paid

*Source: "Economic Impact Study U.S.-Based Scrap Recycling Industry," John Dunham and Associates, 2017.

Globalization of the Scrap Market

With between 30 & 40% of all scrap processed in US destined for export each year, the health of the US recycling industry is directly tied to the health of the global economy

Cumulative Impact of U.S. Scrap Exports on the U.S. Trade Balance since 2000 (\$)



The Global Industry

37

Total exported
(million metric tons)

\$16.5B

Value of materials
exported

155

Destination countries
where recyclables are sold

IMPACT OF METALS THEFT

Economic losses to individuals, businesses, & governments

- *U.S. Dept. of Energy estimates \$1 billion / year to copper theft alone*
- *Damage to critical infrastructure*
- *Interruption of services*
- *Value of stolen materials vs. cost of damage / repair / replacement*

COMPLIANCE CHECKS:



Institute of
Scrap Recycling
Industries, Inc.

IDENTIFYING ILLEGAL OPERATIONS

Legitimate Industry Welcomes Enforcement &
Inspection of ALL operations

Illegal Operations are Hidden in Plain Site

- How does law enforcement identify non-compliant yards?
- What visible indicators might warrant deeper inspection & investigation?

Appearances can be deceiving – but sometimes it is just plain obvious

Industry Members



Institute of
Scrap Recycling
Industries, Inc.

- **Larger, industrial purchasers**
- **90% or more of purchasers from authorized sellers**
- **Millions of dollars worth of equipment**
- **Typically is a long-standing community partner**



Rogue Dealers

Other Indicators

- *Rusty / old equipment*
- *No drive on scales or scales with digital readouts*
- *No warehouses / Cashier's office*
- *Unsafe conditions*
 - ✓ *Employee safety equipment*
- *Unreasonably high prices*



- ▶ ARA supported the requirement in current law that requires investment in equipment, manpower, and integration with government authorities such as:
 - Database/integration with authorities
 - Licensing
 - Demonstration of utilities
 - Evidence of required environmental permits

➤ Why?

- These are indicators of a permanent facility that has made required investment to properly operate within the law.
- If a facility is operating outside of the system, then they should not be in this business.

- ▶ Metals theft, and specifically copper theft is often a crime of opportunity in which the risk is outweighed by the reward.
 - Risk outweighed by reward
 - Unsecured locations, i.e. construction sites, railroads, secluded utility substations, abandoned residences or buildings

A number of factors which can account for the increase in metals theft over the past decade include:

- ▶ Increase in exports
- ▶ Increase demand results in higher prices for metals.
 - Copper \$.80/lb in 2003, \$4.00/lb in 2006

ARA members are prepared to support local law enforcement and the Attorney General's office in providing information on operations in the area, clarification of industry issues/materials, report of suspicious attempted sales, etc.



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ARKANSASAG.GOV

Metal Theft in Arkansas

Special Agent

Stephen Svetz



93 Scrap Yards in Arkansas



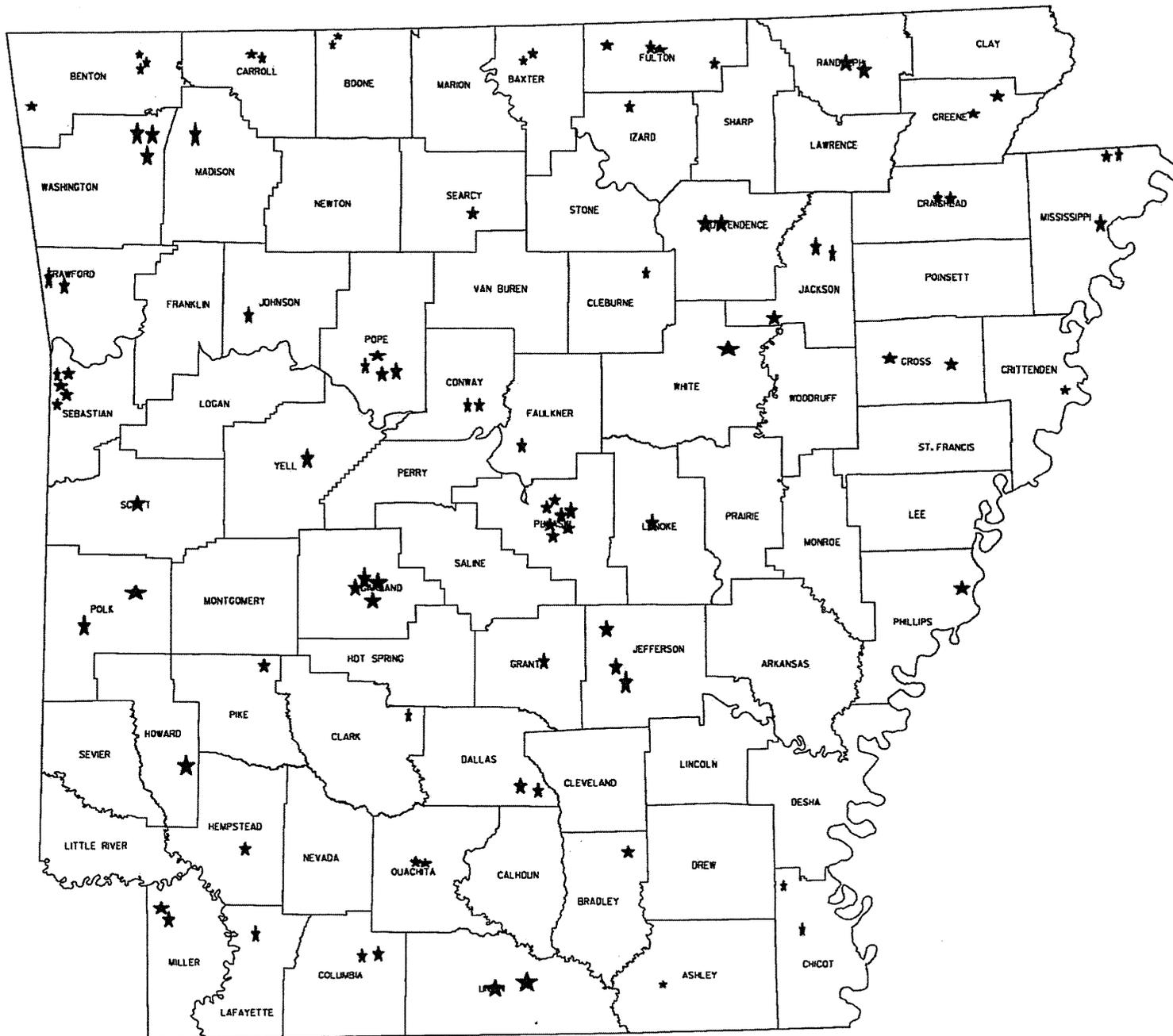
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47 Counties Have Scrap Yards



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Attorney General's Office
Scrap Metal Dealer
Compliance Inspection Report

Date: _____ Time: _____ AG Report #: _____

Agent Name: _____ Agent Signature: _____

Name of Business: _____

Address of Business: _____

City, State and Zip Code of Business: _____

Ticket # being inspected: _____ Date of ticket: _____

Name of clerk processing the ticket: _____

Has this scrap metal dealer been inspected previously:

If Yes:

Date of last inspection:

Number of Previous Violations:

Was a copy of Ark Code Ann. § 17-44-102 provided during previous inspection:

Has the employee had any previous convictions for violations of this statute:

Ark Code Ann. § 17-44-102. Records Required:

(B) (i) A scrap metal recycler who fails to file a daily electronic record of scrap metal purchases as required by this section shall be subject to the civil penalty provided for under § 17-44-106(a) for the first offense.

(ii) A second violation of the daily reporting requirement of this section is a Class A misdemeanor.

(iii) A third or subsequent violation is a Class D felony.

Ark Code Ann. § 17-44-106. Penalties:

(a) A person who violates this chapter may be assessed a civil penalty of no more than one thousand dollars (\$ 1,000) per violation.

(b) Any person who knowingly gives false information with respect to the matters required to be maintained in the records provided for in this chapter is guilty of a Class A misdemeanor.



Attorney General's Office
Scrap Metal Dealer
Compliance Inspection Report

(a) As used in this section, "reasonable, written documentation" means a written document that includes the following information provided by the seller of the scrap metal to the scrap metal recycler: Was there a written document?

(1) Was the name of the entity or individual from whom the seller acquired the scrap metal on the document?

(2) Was the date the seller acquired the scrap metal on the document?

(3) Was the physical address from where the seller acquired the scrap metal on the document?

(4) Was an affirmation or certification from the seller in the written document that he or she is the owner of the scrap metal or is the employer, agent, licensed contractor, licensed HVACR, plumber, electrician, or other person authorized to sell the scrap metal on behalf of the owner?

(5) Was an affirmation or certification from the seller in the written document that he or she has not pleaded guilty or nolo contendere to or been found guilty of theft, burglary, or vandalism when the offense involved scrap metal?

(c) (1) Each scrap metal recycler doing business in the State of Arkansas shall maintain an accurate and legible record of each scrap metal purchase transaction. Was there a record for the above listed transaction?

(d) The record of each scrap metal purchase transaction shall contain the following information taken at the time of sale and kept on record:

(1) Did the record contain the name, address, gender, birth date, and identifying number from the seller's driver's license, military identification card, passport, or other form of government-issued photo identification;



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Attorney General's Office
Scrap Metal Dealer
Compliance Inspection Report

- (2) Did the record contain a photocopy of the government-issued photo identification provided under subdivision (d)(1) of this section;
- (3) Did the record contain the date of the scrap metal purchase transaction;
- (4) Did the record contain the digital thumbprints of the seller;
- (5) (A) Did the record contain a general description of the predominant types of scrap metal purchased.
- (B) The general description shall be made in accordance with the custom of the trade;
- (6) Did the record contain a general description of the configuration of the scrap metal and whether the material is insulated;
- (7) Did the record contain the weight, quantity, or volume, recorded in accordance with the custom of the trade, of the scrap metal purchased;
- (8) Did the record contain the consideration paid;
- (9) Did the record contain the license plate number of the vehicle used in transporting the materials to the scrap metal recycler's place of business; and;
- (10) (A) Did the record contain a clearly identifiable date-and-time-stamped digital photograph of the:
- (i) Seller; and
- (ii) Scrap metal in the form in which it was purchased.
- (B) Did the record contain the name of the person taking the photographs under this subdivision (10) shall be recorded and provided with the photographs.



Attorney General's Office
Scrap Metal Dealer
Compliance Inspection Report

- (e) The photocopy required under subdivision (d)(2) of this section, the digital thumbprints required under subdivision (d)(4) of this section, and the digital photographs taken required under subdivision (d)(10)(A) of this section shall be reasonably clear.
-
- (f) (1) (A) For records required under subsections (a) and (d) of this section, a scrap metal recycler shall file a daily electronic record of scrap metal purchases made for that day.
- (B) The report shall be made daily by entering the information into an automated database which may be accessed by law enforcement statewide.
-
- Was the record entered into an electronic database?
- (g) The records required under this section shall be:
- (1) Kept for a period of one (1) year;
- (2) Made available to any law enforcement office of the State of Arkansas and any Arkansas municipality or county; and
- (3) Available for use in any legal proceeding.
-
- (h) This section does not apply to transactions:
- (1) In which a scrap metal processor purchases, transfers, or otherwise conveys scrap metal to another scrap metal processor if the purchaser or transferee obtained a bill of sale or similar document at the time of transfer;
- (2) Involving only beverage or food containers; or
- (3) Involving only ferrous metals.
-
- Narrative:
- Any items listed above with a "No" constitute violations of Ark Code Ann. § 17-44-102.



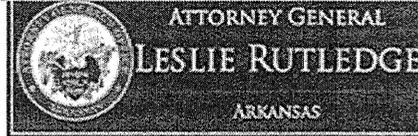


ARKANSAS STATE STATUTE:

Ark. Code Ann. § 17-44-102. Records required.

(a) As used in this section, "reasonable, written documentation" means a written document that includes the following information provided by the seller of the scrap metal to the scrap metal recycler:

- (1) The name of the entity or individual from whom the seller acquired the scrap metal;
- (2) The date the seller acquired the scrap metal;
- (3) The physical address from where the seller acquired the scrap metal;
- (4) An affirmation or certification from the seller in the written document that he or she is the owner of the scrap metal or is the employer, agent, licensed contractor, licensed HVACR, plumber, electrician, or other person authorized to sell the scrap metal on behalf of the owner; and
- (5) An affirmation or certification from the seller in the written document that he or she has not pleaded guilty or nolo contendere to or been found guilty of theft, burglary, or vandalism when the offense involved scrap metal.



(b) A seller shall not sell and a scrap metal recycler shall not purchase scrap metal unless reasonable, written documentation is provided that the seller is the owner of the scrap metal or is an employee, agent, or other person authorized to sell the scrap metal on behalf of the owner.

(c) (1) Each scrap metal recycler doing business in the State of Arkansas shall maintain an accurate and legible record of each scrap metal purchase transaction.

(2) Individual records shall not be required for a series of scrap metal purchase transactions made under a contract.

(3) The data required under subdivision (d)(1) of this section may be maintained for repeat sellers in a relational database allowing the scrap metal recycler to record the information one (1) time and relate future purchase records to that information.

(4) A municipality or county may require by ordinance electronic or digital records and reporting methods.

(d) The record of each scrap metal purchase transaction shall contain the following information taken at the time of sale and kept on record:



(1) The name, address, gender, birth date, and identifying number from the seller's driver's license, military identification card, passport, or other form of government-issued photo identification;

(2) A photocopy of the government-issued photo identification provided under subdivision (d)(1) of this section;

(3) The date of the scrap metal purchase transaction;

(4) The digital thumbprints of the seller;

(5) (A) A general description of the predominant types of scrap metal purchased.

(B) The general description shall be made in accordance with the custom of the trade;

(6) A general description of the configuration of the scrap metal and whether the material is insulated;

(7) The weight, quantity, or volume, recorded in accordance with the custom of the trade, of the scrap metal purchased;

(8) The consideration paid;

(9) The license plate number of the vehicle used in transporting the materials to the scrap metal recycler's place of business; and

(10) (A) A clearly identifiable date-and-time-stamped digital photograph of the:

(i) Seller; and

(ii) Scrap metal in the form in which it was purchased.



ATTORNEY GENERAL
LESLIE RUTLEDGE



(B) The name of the person taking the photographs under this subdivision (10) shall be recorded and provided with the photographs.

(e) The photocopy required under subdivision (d)(2) of this section, the digital thumbprints required under subdivision (d)(4) of this section, and the digital photographs taken required under subdivision (d)(10)(A) of this section shall be reasonably clear.

(f) (1)(A) For records required under subsections (a) and (d) of this section, a scrap metal recycler shall file a daily electronic record of scrap metal purchases made for that day.

(B) The report shall be made daily by entering the information into an automated database which may be accessed by law enforcement statewide.

(2) (A) The operator of the electronic database under this section shall send a report that shall include a list of all scrap metal recyclers in the county that have accessed or that have access to the database but have not filed a daily electronic record of scrap metal purchases as required by this section:

- (i) To the county sheriff every seven (7) days; and
- (ii) To any law enforcement agency that



requests periodic copies of the report more frequently than every seven (7) days. (B) (i) A scrap metal recycler who fails to file a daily electronic record of scrap metal purchases as required by this section shall be subject to the civil penalty provided for under § 17-44-106(a) for the first offense.

(ii) A second violation of the daily reporting requirement of this section is a Class A misdemeanor.

(iii) A third or subsequent violation is a Class D felony.

(C) The report by the operator of the electronic database shall include a list of all scrap metal recyclers in the county that have accessed or that have access to the database but have not filed a daily electronic record of scrap metal purchases as required by this section.

(g) The records required under this section shall be:

- (1) Kept for a period of one (1) year;
 - (2) Made available to any law enforcement office of the State of Arkansas and any Arkansas municipality or county; and
 - (3) Available for use in any legal proceeding.
- (h) This section does not apply to transactions;
- (1) In which a scrap metal processor purchases, transfers, or otherwise conveys scrap metal to another scrap metal processor if the purchaser or transferee obtained a bill of sale or similar



- document at the time of transfer;
- (2) Involving only beverage or food containers; or
- (3) Involving only ferrous metals.

For any questions about the State Statute, Contacts for the Attorney General's Office:

**Special Agent Stephen Svetz
Special Agent Jeremy Farquharson
Special Agent Jerry Keefer
Special Agent Jeremiah Terrell**

E-Mails:

stephen.svetz@arkansasag.gov
jeremy.farquharson@arkansasag.gov
jerry.keeper@arkansasag.gov
jeremiah.terrell@arkansasag.gov

For any questions about using Leads Online please notify them at:

Phone Numbers:

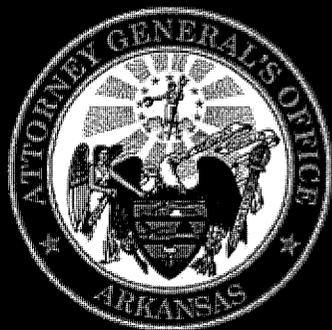
1-972-361-0900 or 1-800-311-2656

E-mails:

storesupport@leadsonline.com
support@leadsonline.com



**ATTORNEY GENERAL
LESLIE RUTLEDGE**



ATTORNEY GENERAL
LESLIE RUTLEDGE

ARKANSASAG.GOV

800.482.8982

consumer@ArkansasAG.gov



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Pinterest: ArkansasAG



Snapchat: AGRutledge



YouTube: Attorney General Leslie Rutledge

