

Texas Metals Advisory Committee (TMAC)

Meeting Notes

May 14, 2024

1. Call to Order

The regular meeting of the Texas Metals Advisory Committee was called to order at 10:06 a.m. on May 14, 2024, via conference call and in person at 5806 Guadalupe St., Bldg. I, Austin, Tx 78745.

2. Roll Call

Arnold Gachman	Chairman	Metals Recycling Entity Representative
David Bayouth	Member	Metals Recycling Entity Representative
Carlos Breeden	Member	Metals Recycling Entity Representative
Jim Shapiro	Member	Metals Recycling Entity Representative
Joshua Dean	Member	Industry Impacted Representative
Raul Flores	Member	Industry Impacted Representative
JR Willis	Member	Industry Impacted Representative
Robert Carson	Member	Law Enforcement Representative
Bo Stallman	Member	Law Enforcement Representative
Ron Joy	Service Director	Texas Department of Public Safety
Chris Sims	Service Director	Texas Department of Public Safety
Steve Moninger		Texas Department of Public Safety
Mark Berry	Captain	Texas Department of Public Safety
Lisa Cargill	Deputy Manager	Texas Department of Public Safety
Christopher Lyons	Deputy Manager	Texas Department of Public Safety
Pablo Luna	Manager	Texas Department of Public Safety
Leslie Stevens	Sr Personnel Admin Spec	Texas Department of Public Safety
Renee Davis	Personnel Admin Spec	Texas Department of Public Safety
Deborah Failey	Personnel Admin Spec	Texas Department of Public Safety
Carlos Romero	Admin Operations Spec	Texas Department of Public Safety

3. Minutes from November 14, 2023

The minutes of the previous meeting were unanimously approved as distributed.

4. Reports from Regulatory Services Division

a. Committee Members

Service Director Ron Joy stated that the committee still has three (3) vacancies. He had contacted Dallas PD regarding a pending application but has not received a response. He stated that if he did not hear back from Dallas PD, he would contact Denton County regarding interest in filling the position.

b. Statistics Report

Service Director Ron Joy discussed the statistics with the committee stating that from an RSD standpoint Metals Recycling Entities equates to approximately 4% of the regulatory work of the Division. He stated that to give them an idea, there are 650 to 660 MRE licenses, while private security has approximately 186,000 licenses and 42,000 vehicle inspection licenses with 12,000 station owners.

c. Legislative Implementations Update

Service Director Ron Joy stated that one of the significant results of the passing of Senate Bill 224 was a funding mechanism that was given to the Department of Motor Vehicles (DMV) through the Comptroller of Public Accounts (CPA). He stated that his section had been working closely with that unit, especially Captain Mark Berry, and getting funding for full time employees. We received approval to fund the hiring of sixteen full time employees, two will be analyst positions and fourteen will be program investigators. The addition of these employees will increase the ability to focus on MRE regulation. One of the main focuses will be complaints along with focusing on entities that have violations that go unresolved.

Chairman Gachman asked if the newly hired employees would already be trained or if they would need a period of training. Service Director Ron Joy stated that they had asked for volunteers from the existing investigators and had received eight (8). He stated that the remaining employees would likely be newly hired and would require training. Lastly, he stated that they were also going to change the way new Metal Recycling Entities (MRE) were opened going forward. Rather than doing an inspection after a facility opens, they would perform this before they open ensuring the business is starting off on the right footing.

d. Enforcement

Captain Mark Barry addressed the committee stating that DPS did a catalytic converter operation in San Antonio. He stated that the entity thought to be doing illegal business did not take the converter, but the undercover officer was approached in the parking lot by an individual who attempted to buy it. This person was arrested. In another operation RSD received a complaint from someone who was trying to sell catalytic converters and was upset that he couldn't because the regulations prevented that. Captain Barry stated that a third operation in the Houston area revealed that an entity did not have the proper paperwork. He stated they were preparing to do further investigating.

Manager Chris Lyons addressed the committee. He stated he went to the ISRI conference and learned of a company, United Catalytic Converters (UCC) that used a database system which could trace catalytic converters using the make, model, and VIN of the vehicle. He company did not currently have a law enforcement component to the database but were working on one.

5. Industry Reports/Information

a. Metal Recycling Entities

Mel Wright stated that yards are still experiencing copper wire thefts. Jim Shapiro added that they had four of these thefts in the past week. He stated that people are hacking into the system and changing destinations and diverting deliveries. Insurance companies are not wanting to payout on these thefts any longer. David Bayouth stated that they have seen a lot of brass being stolen so they started putting tracking devices in the

trucks and having the trucking companies mail them back to them once they reach their destination. Arnold Gachman stated that the same theft ring is still operating and cutting holes in facility roofs to gain access. He further stated that washing of checks also remains a problem.

b. External Law Enforcement Agencies

Nothing additional reported.

c. Industry Impacted by Metal Theft

Robert Carson stated his area assembled a task force with all major communication providers. Meetings of this task force are held monthly. One of the task force's recommendations was to have a single point of contact for those with multiple locations. Josh Dean stated they had seen this task force program and he was working to replicate the program in the San Antonio area as well.

6. Discussion and Possible Recommendation Items

a. Cash Card Survey Results

Ron Joy reported that the Cash Card Survey of 100 MREs with the most transactions conducted, resulted in only 8 providing comments. He stated that they would proceed to complete a report with the information they received from the surveys. Jim Shapiro added that since check altering continues to be a problem there is a need for a cash card. Mel Wright stated that people will set up in parking lots and offer to pay the full amount of the checks, rather than those people having to pay a check cashing place a percentage to cash them. He believes this is how they are obtaining the account numbers and altering the checks.

b. Possible legislation to regulate mobile Catalytic Converter business entities

Arnold Gachman stated there is still a need to implement a documentation system regarding moving catalytic converters. If a person is a hauler but not employed by you, documentation would be needed to prove the legitimacy of them moving the converters.

7. Future agenda items

David Bayouth asked if changes were to be made regarding cash cards, would they need to be statutory or regulated changes. Ron Joy stated that both could be required. As an example, if the committee wanted to put a limit on cash cards for up to \$20 as an example, it would be a rule change. Arnold Gachman suggested further discussion outside of the meeting and bringing ideas back to the committee.

Further discussion regarding the Cash Card was placed on the agenda for the next meeting.

8. Date of next meeting

Date of the next meeting will be held October 29, 2024, at 10:00 a.m.

9. Adjourn

Meeting was adjourned at 11:42 a.m.