

Texas Metals Advisory Committee (TMAC)

Meeting Notes October 20, 2020

1. Call to Order

The regular meeting of the Texas Metals Advisory Committee (TMAC) was called to order at 11:07 a.m. on October 20, 2020 via conference call.

2. Roll Call

Present:

Arnold Gachman	Chairman	Metals Recycling Representative
David Bayouth		Metals Recycling Representative
Carlos Breeden		Metals Recycling Representative
Kevin Haynes		Metals Recycling Representative
Jesse Fite		Law Enforcement Representative
Joshua Dean		Industry Member
David Lankford		Industry Member
Jason Hester	Assistant Chief	Texas Department of Public Safety
JoJo Heselmeyer	Service Director	Texas Department of Public Safety
Chris Sims	Service Director	Texas Department of Public Safety
Sherrie Zgabay	Service Director	Texas Department of Public Safety
Pablo Luna	RSD Deputy Manager	Texas Department of Public Safety
Anne Yusim	RSD Deputy Manager	Texas Department of Public Safety
Robert Hawkins	RSD Assistant Manager	Texas Department of Public Safety
Lawrence Cortez	RSD Sr. Investigator	Texas Department of Public Safety
Luana Williams	Case Support Specialist	Texas Department of Public Safety
Leslie Stevens	Executive Assistant	Texas Department of Public Safety
Krystal Sanders	Executive Assistant	Texas Department of Public Safety

3. Minutes from September 19, 2020

The previous meeting minutes contained the wrong date. Motion introduced by Arnold Gachman to approve the corrections to the minutes. Motion seconded by Kevin Haynes. After which, the minutes were unanimously approved.

4. Reports from Regulatory Services Division

a. Licensing Statistics

Jason Hester presented information to the committee members. In 2019, RSD issued 387 licenses and 240 licenses in 2020.

b. Compliance Statistics

Jason Hester presented this information to the committee members. In 2019, RSD received 11 complaints: five were referred for administrative action, and the remainder resulted in no action due to insufficient evidence or no violation found.

In 2019, the Regulatory Services Division conducted 216 investigations: 11 from complaints, 204 from inspection findings, and one from another agency.

In 2020, Regulatory Services Division received 4 complaints. One was referred to law enforcement and the remainder resulted in no action due to insufficient evidence or no violation found.

In 2020, RSD conducted 60 investigations: 4 from complaints and 56 from inspections.

In 2019, the Regulatory Services Division issued 199 formal disciplinary actions: 88 advisory notices, six fines, 98 reprimands, five revocations, and two suspensions. In 2020, the Regulatory Services Division issued 294 formal disciplinary actions: 92 advisory notices, three fines, 191 reprimands, five revocations, and three suspensions.

c. Executive Office Report

Jason Hester acknowledged a previous question posed by Arnold Gachman in reference to license to carry fingerprints being used to obtain a Metal Recycling Entities (MRE) license. This will not be allowed due to the design of the federal fingerprint que. DPS is unable to reuse a set of fingerprints across all licenses that they have. DPS must upload fingerprints on an Originating Number (ORI) that ties it to a specific program. In addition, being that fingerprints may change over time, all fingerprints must be up to date.

Arnold Gachman questioned licensing as it relates to fingerprints. He requested clarification on other cities having access to fingerprints for their licensing, as this would prevent fingerprint duplication. Jason Hester will complete more research into requirements.

5. Industry Reports

a. Metal Recycling Entities

No comments.

b. External Law Enforcement Agencies

Jesse Fite addressed the committee. Jesse advised that catalytic converters are the most stolen item in the City of Houston. Approvals are in place to regulate the purchase of catalytic converters. The seller must produce documents for each catalytic converter they are selling.

David Lankford asked Jesse Fite if he has noticed the converters being sold as a unit, or just the beads of the converter. Jesse Fite states thieves are bringing in entire units. Jesse also notes that etching the serial number on the converters may be a deterrent.

Arnold Gachman asked Jason Hester if this could be addressed in rule from a legal perspective. Per Hester, he will receive more clarification if this can be addressed in rule, or if it's an overreach without legislative authority.

c. Industry Impacted by Metal Theft

No comments.

6. Discussion and Possible Recommendation Item

No comments.

7. Future agenda items

a. Fraudulent Checks

Arnold Gachman addressed the committee. In recent years, fraudulent checks have used as a vehicle of scamming. Scammers have made fraudulent withdrawals using checks Metal Recycling Entities are paying to customers. This is impacting the credibility of MREs issuing checks and banks not taking accountability for the fraudulent withdrawals.

Jason Hester commented that this statutory requirement would be a legislative item the Industry would have to bring forward to legislators. Jason Hester asked if PayPal, Venmo, etc. have been used as methods of electronic payments. Per Gachman, this has yet to be explored. Hester will receive input from legal staff and report back to the committee.

8. Adjourn

Meeting adjourned at 12:10 p.m.