

## Texas Metals Advisory Committee

### MINUTES

Thursday, February 11<sup>th</sup>, 2016

DPS Building T, 108B Denson Drive, Austin TX 78752

**Members Present:** Committee Chairman Arnold Gachman, Major Jay Alexander, Jim Shapiro, Tom Baker, Jesse Fite, David Landry,

**Pending Members Present:** David Bayouth, Carlos Breeden

**Non-Members Present:** Sherry Wright, Nick Rozumny, Steve Moninger, Michael Payne, Marc Losa, Melissa Cawthon, Jeremy LeCrone, Kim Avila, Luana Williams, Joyce Arceo, Stephanie Brady, Kevin Borth, Carrie Fortner, Liz Kisamore

**Member Absent:** Jeff Marin, Daniel Garcia

Chairman Gachman called the meeting to order at 10:04 am. Chairman Gachman and Major Alexander began the meeting by asking for all present to introduce themselves and explain their role with the Texas Metals Program. Tom Baker requested a list of names and job responsibilities to be sent to the Advisory Committee, potentially on a monthly basis. Major Alexander stated that this should not be a problem, and we would work to get that sent out as soon as possible.

### AGENDA ITEMS

- I. Old Business:** Major Alexander made a motion to accept the previous meeting minutes from 8/11/15, motion seconded by Sgt. Landry. Motion passed by all in attendance. Major Alexander provided a brief overview of the battery reporting guidelines (provided as handout) to familiarize new members with the procedures. Chairman Gachman expressed concern over the necessity for there to be consistency with how batteries are being reported. Major Alexander made a motion to approve the battery reporting guidelines, motion seconded by Jim Shapiro. Motion passed by all in attendance.
- II. Swearing-In Ceremony:** Chairman Gachman discussed the necessity for all members of the committee to take an official oath, to highlight the sensitive nature of the matters discussed at the meetings. All in attendance were reminded of the confidentiality and asked not to discuss the advisory committee's activities with anyone other than those directly involved in the advisory committee. Major Alexander also noted that the members of the advisory committee are allowed to view things happening in the Texas Metals Program "behind the scenes" to allow committee members to be better able to serve and offer constructive input. All official members of the advisory committee were sworn in by Chairman Gachman and given plaques of the oath of office.
- III. Online Metals Training:** Overview of the training program being designed for MREs and law enforcement given by Nick Rozumny and Carrie Fortner. The training will be available online by September 1, 2016 and will be required by all MREs. There will also be a training module designed specifically for law enforcement, to provide them further instruction geared

specifically from a law enforcement perspective. There will be no charge for this training. The training will be available on the website, and results will link to TOM to provide proof of completion for registration and renewal purposes. Modules in the training will cover the following topics: Introduction, Registration, Transactions, Reporting Requirements, Inspections, Violations & Reprimands. Carrie provided a demonstration of module 4 on Reporting Requirements, explaining the included features with each slide. Tom Baker asked if the link imbedded in the training to the Occupations Code, Chapter 1956 would link to the specific subsection being discussed. Major Alexander responded that yes, the intention is for it to link to each specific subsection, not Chapter 1956 as a whole. Jim Shapiro asked who within the MRE would be responsible for completing this training. Major Alexander and Nick responded that the individual listed on the MRE registration would typically be responsible, but the owner could also designate multiple employees to take the test. Major Alexander also urged the committee to keep in mind that this training is still a work in progress, and that DPS intends to contact Houston PD, Dallas PD, and the MREs active in the committee to ask for further participation. Additional meetings will be required, as well as review by DPS legal staff. Jim Shapiro asked if it would be possible to include information on requirements for purchasing a vehicle. Major Alexander responded that yes, we would include information on Texas Occupations Code Chapters 2302, 2305 and maybe 2309. Major Alexander also stated the intention to discuss this training with the Recycling Council of Texas and visit various MREs and city PDs to film videos to be included in the training. Chairman Gachman asked if a glossary of frequently used terms and explanation of regional vs commonly referred to in trade terms (example: optima / spiral cell batteries) would be possible to add. Major Alexander confirmed this would be possible and is a great suggestion for additional to the training. Carlos Breeden asked if there was a required waiting period before an MRE could retake the test if they do not pass. No time stipulations are in place, the test can be retaken immediately if desired. As a side note to the conversation concerning training, Major Alexander also mentioned the Law Enforcement Quick Reference Guide would be revised to include changes with the passage of HB2187, and at that time would be posted online for easier viewing.

**IV. New Members:** Geanna Tubbs has resigned from the Advisory Committee; recommended replacement is David Bayouth from Jarvis Metals. Carlos Breeden from CMC Recycling has also been recommended for appointment to the committee. Joshua Dean from the San Antonio Water System has also been recommended for appointment to the committee as a member of the industry impacted by metals theft. Background investigations have been completed, and are currently awaiting approval. Law enforcement representatives are in the process of being appointed from Orange County and El Paso County, based on recommendations received from the Sheriff's Association of Texas. The advisory committee also intends to remove current representatives on the committee from Midland PD and Laredo PD. The advisory committee hopes to add law enforcement representatives from Brownsville PD and Lubbock PD in their place.

**V. North Texas Wire Issue:** Chairman Gachman brought to light an issue involving a stretch of new highway near Grapevine that has been targeted for theft six (6) times within the last year. Each one of these incidents has resulted in a \$258, 000 loss. Conversations have taken place

concerning how many times the State can justify replacing this wire; only to have it stolen again. Changes to plastic, aluminum, etc. are now being considering to minimize the threat of theft. Chairman Gachman wanted to make sure all committee members are aware of this type of threat, so that the committee can do their part to ensure that all those impacted are aware of the STORM (Stop Theft of Regulated Metals) link on the DPS website. It is believed that some of these thefts are tied to former employees who are very knowledgeable about the day to day operations, and are better equipped to carry out the theft successfully. Tom Baker noted that technology is advancing to a point that companies may actually be able to implement them due to lower costs and better accessibility. Carlos Breeden also mentioned the need for better education on internal controls to the MREs – keeping frequently stolen items locked, less easily accessible for someone to steal. Sgt. Fite shared some of the issues they see with current employees selling materials to an MRE – sometimes these sales are authorized by their employer, other times they are not.

**Legislative Session (Item not included on the agenda):** Policy Analyst Steve Moninger asked that all advisory committee members begin formulating thoughts and suggestions for the next upcoming legislative session. DPS does not advocate or lobby in any way, but we are available for advice or input from a law enforcement perspective. Tom Baker advised he feels that the advisory committee should be very cautious advocating for any new legislation, so as not to overload the industry or law enforcement with excessive changes. Chairman Gachman and Tom Baker asked for information as to the effectiveness and cost of the implementation of HB 2187. Chairman Gachman stated that he feels that any additional burden on the industry would be nearly impossible to implement, the industry is increasingly overburdened due to increasing regulations and a depressed market. Steve Moninger also noted that deregulation could also be discussed – if bills have been implemented that are not working and should potentially be repealed. Jim Shapiro noted the frustration the industry feels when some MREs are not complying with the new reporting requirements and are not being properly reprimanded. Major Alexander reiterated the importance of notifying DPS when these instances occur, so that we can look into those complaints. Sgt. Fite shared some of the challenges encountered in the Houston area trying to ensure that MREs stay in compliance. The possibility was mentioned to potentially publish the lists of disciplinary actions, to show the MREs that action is being taken against those companies who are not in compliance.

- VI. Database Improvements:** Nick Rozumny provided a high level overview of the improvements currently in progress for Texas Online Metals (TOM). TOM will, going forward, have a separate URL and website, instead of being linked to the Crime Records Sex Offender Database. The application process as well as some of the links within TOM will be redesigned. The new design of TOM will allow for easier visibility for the MRE from start to finish, and allow them to log in and out at their convenience to complete all requirements of registration. The new application/renewal design will also check for duplicate information, to prevent MREs from completing a new application as opposed to only a renewal. The new design will also allow for multiple members of a law enforcement agency to be linked to one individual within that agency, to allow that individual more control over the visibility their staff has to information housed within TOM. The new case file feature will allow for increased accessibility for DPS staff and other law enforcement agencies.

- VII. TOMS Transactions Demonstrations:** Brief demonstration by Nick Rozumny of the inspections transactions that can be entered by other law enforcement agencies into TOM. This will allow for greater visibility for all law enforcement into the activities taking place at a particular MRE. (Example, Houston PD has inspected this MRE multiple times within the last six (6) due to complaints, violations found).
- VIII. Statistics:** Overview of program statistics provided by Merri Sheahan concerning inspections, investigations conducted, and various enforcement actions. Major Alexander noted that this will potentially be posted on the DPS website, along with the reports on active MREs. Major Alexander also pointed out the seven (7) tier level investigations conducted over the year. While DPS is unable to share details concerning these investigations, these were investigations involving large amounts of metals and/or money, and/or impacting the operations of critical infrastructure sites, governmental agencies, or private businesses. Sgt. Fite shared the issues they face in Houston involving proper compliance (lack of education on legislation, lack of knowledge of local ordinances, etc.). Chairman Gachman asked that Sgt. Fite provide him with further information on MREs failing to properly report transactions. Sgt. Fite stressed the importance of photos being taken by the MREs, the better quality photos drastically help law enforcement with their investigation, and minimize contact with the MRE.
- IX. Active MRES:** Information is sent to the Advisory Committee monthly, and is also posted on the DPS website.
- X. HB 2187:** Most topics involving HB 2187 have already been discussed during this meeting. Chairman Gachman mentioned the check cashing scam that has been discovered with the implementation of HB 2187. The number of fraudulent checks discovered being submitted to MREs is very large. Major Alexander advised of the importance of forwarding this information to DPS so that investigative actions can be taken on these complaints.
- XI. Stop Theft of Regulated Metals (STORM):** Major Alexander stressed the importance of communicating this link to the Metals industry. There are no delays with this reporting mechanism; the complaints are forwarded for potential action immediately. Any questions or issues with the STORM link can be sent to Liz Kisamore for proper forwarding.
- XII. Metals Inspection Form:** topic not discussed. Multiple committee members asked whether proper adherence to cash transaction card requirements would be part of the inspection process. It is reported that MREs are not properly adhering to rules and finding multiple “work arounds” to avoid adherence to rules. Major Alexander stated that DPS will work with legal staff to prepare language to send all MREs reminding them of the specific rules to properly abide by cash transaction card rules.
- XIII. Explosives:** No explosives incidents reported recently. Explosives information is being sent to all MREs monthly to remind them of what to watch out for. DPS is currently working to organize training involving explosives that will be catered specifically to MREs and law enforcement. Sgt. Fite stated that Houston PD will also be hosting a training session in April with the vendor that provides Leads Online for local law enforcement and DPS.

**XIV. ISRI National Convention:** Convention to be held in April in Las Vegas, NV. DPS will be in attendance. Assistant Director RenEarl Bowie will be the DPS representative present.

**XV. Other Topics:** No other discussion topics noted. Major Alexander suggested to the advisory committee holding the next meeting two (2) months from now, potentially at a different location than DPS HQ. Chairman Gachman asked if having the meeting at a different location would limit technology or access to information. Major Alexander advised that would not be a problem. Houston has been suggested as a possibility for the next meeting location. DPS will contact Sgt. Fite in the near future to further discuss this possibility.

**XVI. Denson Building Tour**

**Meeting adjourned by Chairman Arnold Gachman at 1:05 pm.  
Advisory Committee Members at this time began tour of Denson building.**