

## Texas Metals Advisory Committee

### MINUTES

Monday, April 25<sup>th</sup>, 2016

Houston Police Department, North Patrol Command Station  
9455 W. Montgomery Road, Houston, TX 77088

**Members Present:** Committee Chairman Arnold Gachman, Major Jay Alexander, Tom Baker, David Bayouth, Carlos Breeden, Joshua Dean, Jesse Fite, David Landry, Jeff Marin, Jim Shapiro

**Non-Members Present:** Liz Kisamore, Nick Rozumny

**Member Absent:** Daniel Garcia, Kevin Lanahan, Keith Merritt

Chairman Gachman called the meeting to order at 10:33 am.

### AGENDA ITEMS

- I. Old Business:** Chairman Gachman began the review of the previous meeting minutes by requesting that one small change in the minutes be made – that optimum battery be changed to optima. This change will be made to the meeting minutes. Major Alexander made a motion to accept the previous meeting minutes from 2/11/16, motion seconded by Jim Shapiro. Motion passed by all in attendance.
- II. Swearing-In Ceremony:** Chairman Gachman swore in members David Bayouth, Carlos Breeden, Joshua Dean and Jeff Marin. All members were given certificates of appreciation from the Department of Public Safety for their dedication to the committee.
- 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. An overview of module 4 on the reporting requirements was given to the committee at the last meeting held 02/11/16. Nick began by answering questions from the committee that were asked at the last meeting. Jim Shapiro had asked who would be responsible for taking this test; this question will be added to the FAQs on the website. Nick clarified that it would be the person on the license application that would be responsible for taking the test. Carlos Breeden asked who would be responsible for the test for an MRE with multiple locations. Major Alexander clarified this and stated that the individual listed as the primary point of contact for that location (could potentially be statutory agent) would be responsible for the test. Chairman Gachman shared concerns over the owner/primary contact being too far removed from the day-to-day operations to be able to properly answer the questions on the test. Major Alexander reminded everyone that this had been decided over the summer, that the owner/primary contact would be the person responsible, but that others could be added as necessary. Major Alexander mentioned that he would talk to our legal staff if we have the authority to change the authority of who is responsible for taking the test. We cannot approach the Public Safety Commission with a change at this time, but we may be able to handle it internally. Chairman

Gachman stressed the importance of this to the industry, to allow for the owner to not be punished in the event of fraudulent/criminal actions committed by employees that the owner may be unaware of. Major Alexander reminded everyone that DPS has little to no authority over anyone but the owner and statutory agent, particularly the owner. The owner is the person responsible for that company and all actions, this is the person who will enforcement action taken against them should anything go wrong. Major Alexander stated that he would discuss with legal staff the possibility of creating a form and designating a person other than the owner responsible for training for an MRE location. This will be particularly helpful for MREs with multiple locations.

Continuing with the discussion concerning online training, Chairman Gachman asked if information concerning local ordinances would be linked in the test. Nick responded that no, the test would not link to information concerning all local ordinances within your respective area, but the test will provide a reminder to MREs to check on local ordinances in their area and be sure they are in compliance. Major Alexander reiterated the importance of support and assistance from the industry and from other law enforcement agencies throughout Texas to film video and take pictures. This will allow the online training to showcase both the industry and other law enforcement agencies, to show that this is a collaborative effort and not just DPS. Jim Shapiro asked how soon before your certificate expiration you would be able to take the test. Nick responded that it would be the same time frame as renewing your license, 45 days in advance. Tom Baker asked how long the training certificate would be valid. Nick responded that the training would be valid for the same 2 years as the MRE license. Multiple committee members asked how the test will be structured for pass/fail- will you have to pass each module in succession? There are six modules, and you must achieve a score of 70% or higher to pass, the score is compiled across six modules. Nick stated that we would work with our ETR department to let those that have failed know which module they need to go back and review. Jim Shapiro asked how long the test would be from beginning to end. Nick responded that we were not sure at this point in production how long the test would be, especially considering that people test and absorb information at a different rate. The goal is for the test to take roughly two hours, on average. David Bayouth brought up the question that if an owner has multiple yards, would the test need to be taken for each yard. Major Alexander and Nick responded that no, the test would be applicable to all yard under that owners purview. Chairman Gachman asked if upon completion a certificate would be available to print. Nick responded that yes, the MRE will be responsible for printing. Chairman Gachman also mentioned the possibility of being able to print this certificate on a small card, similar to the cash transaction card that could be carried in a wallet. Major Alexander and Nick confirmed that DPS would speak to the vendor about the possibility of printing onto a card size document. Chairman Gachman also asked if the videos imbedded in the training would be viewable on all speeds, connections, systems, etc. Nick responded that yes, DPS' Education, Training, and Research Division is required to make sure it is compatible with all systems and connections; and to ensure that videos are short enough to make load time faster and easier. Major Alexander noted that we could potentially discuss with ETR the possibility of adding a disclaimer to MREs to contact DPS in the event they have technical problems viewing the videos. Nick recommended adding text to detail the

topics covered in the videos for those unable to view them. Chairman Gachman advised that we need to discuss adding a disclaimer that the training videos are not to be reproduced or used for unauthorized reasons; Major Alexander and Nick advised that this is standard protocol for ETR to add such a disclaimer. As Nick discussed the training module on the inspection process, Chairman Gachman asked how the video on inspections would be handled, since all agencies do inspections slightly differently. David Bayouth suggested adding to the video and/or text portion advising law enforcement to check in with office personnel and to observe safety practices to ensure safety for both law enforcement and the MRE. Nick moved to the module that covers violations and disciplinary actions, and Chairman Gachman asked if we could possibly add a flowchart to the training, to show the process from beginning to end. It was also recommended that this information be added to the law enforcement guidebook. During the review of training module 4 over reporting requirements, Chairman Gachman asked if the training would reference the differences between regulated material and metals in order to illustrate what is and is not required to be reported. Major Alexander responded that type of information most likely should be included on the law enforcement training, that maybe we could look at including the law enforcement guide as a pdf to be viewed. Upon completion of the training modules demonstration, Chairman Gachman asked if we were still on target to reach the deadline of September 1 to make this test available. Major Alexander responded that yes, we are on target for the September 1 deadline.

- IV. Disciplinary Actions:** During the previous meeting, it was asked if it was possible to post disciplinary actions taken against an MRE. DPS spoke to legal staff and had this request approved. DPS is in the process of creating a list of final disciplinary actions taken dating back to January 1, 2016 and this information will be posted on the DPS website. An example of the format was provided as a handout to all members present. This information will be posted on the website for 12 months, at that time it will then drop off. This information posted will only include final orders, not advisory letters or any action that has not gone through the potential appeal process. This information will most likely be emailed monthly, similar to the Active MREs report that is posted and emailed monthly.
- V. Upcoming Legislative Session:** DPS does not lobby or advocate for/against state law, but is providing the committee with this opportunity to share thoughts and/or concerns. Tom Baker stated that the industry has not yet heard of any pending legislation. Jim Shapiro feels that the actions that have been taken in the last several months is a great step forward for proper enforcement with the laws that are currently in place now. Chairman Gachman asked it would be possible for the bill authors of HB2187, or some type of legislative representation present at an advisory committee meeting, to be able to hear directly from the committee their thoughts/opinions on HB2187 or other potential legislation in the future. Major Alexander also stated that once this meeting is completed and all meeting minutes have been finalized, that they would be forwarded to both DPS Governmental Relations and to the Sheriff's Association.
- VII. Vehicle Sales/Scrapping (Agenda item VI moved down):** Sgt. Fite shared the frustrations that they are experiencing in the City of Houston with MREs are directing customers looking

to sell a scrap vehicle to a salvage dealer directly outside the MRE. The MRE is not required to report the vehicle sale if it's purchased through a commercial dealer and this creates a "loophole" that prevents law enforcement for locating stolen vehicles when they are sold this way. The MRE reports these sales as misc. scrap, and there is no record of the vehicle sale. Tom Baker shared that this issue has been a point of frustration for years within the industry, most MREs will not purchase vehicles without a proper title, RCOT has met with DMV on this issue and has not gotten a definitive answer. Jim Shapiro mentioned possibly adding a section to the online training covering vehicle sales/detitling. Major Alexander mentioned that if the committee was interested in meeting with DMV to discuss this issue further, that DPS would reach out to facilitate a meeting to do so.

**VI. Check Fraud & Forgery:** Tom Baker stated that the issue with fraudulent checks is becoming worse within the industry. The small checks being written by the MRE and given to customers are being altered to much larger amounts and being fraudulently cashed. Chairman Gachman stated that this has been handled previously by having the MRE hold the transaction until the customer receives their cash transaction card, and then having the customer return to collect their cash. This will deter customers who want payment immediately, but would prevent fraud for the MRE. This issue will be discussed further in the future.

**VII. Other Topics** – Chairman Gachman asked the committee for a potential timeframe for the next meeting. With the pending online training, we should look at meeting again sometime around mid-July.

**Meeting adjourned by Chairman Arnold Gachman at 1:25 pm**