The background of the image consists of several interlocking golden gears of various sizes. The gears are rendered with a metallic sheen, showing highlights and shadows that give them a three-dimensional appearance. They are arranged in a way that suggests motion and interconnectedness.

# Selling America's Future



# Copper Theft

By Troy Anderson

**P**astor John W. Bowie's father followed the Lord's admonitions to build his church on the "rock" when he built the True Light Missionary Baptist Church 73 years ago.

Bowie's father, who pastored the historic church for 54 years, used rock and marble to construct the sanctuary – a solid foundation for a house of God.

Nearby, he built a glass education building, confident in the church's calling to feed the hungry, build housing for the homeless, and comfort the afflicted in a rough part of Houston north of downtown.

But the calloused criminals who twice broke into the metal boxes protecting the education building's central air conditioning units – and even made a third attempt – apparently didn't care about the church's mission to the poor.

They were only concerned about the copper inside the units – a metal that has become increasingly valuable in recent years.

"It's a sign of the times," Bowie says. "Afterwards, I called several other pastors in the area and found out a couple of them had been hit, too. We called our councilman and found more than 115 churches had been hit since the first quarter of the year. For some reason, they were just targeting churches. But now, they are targeting everybody."



Photo contributed by AT&T

Throughout Dallas, Houston and the rest of the nation, shameless burglars have torn the copper condenser coils out of air conditioning units at businesses, schools, and government buildings, stolen bronze vases from cemeteries, and yanked wiring out of utility poles. Thieves have cut telephone and power lines to police departments, hospitals, and entire neighborhoods – occasionally electrocuting themselves. The burglars have targeted construction sites, sneaking in at night and stealing copper pipes, wire, and other materials. At some oil fields and other types of businesses, employees have stole metals from their own bosses. These criminals have even stolen school buses in Houston, selling parts for scrap. Lately, the hoodlums have been crawling under cars and cutting off the catalytic converters to sell them to scrap metal recyclers.

From 2002 to 2007, the number of metal theft incidents in Dallas skyrocketed from 398 to more than 2,800. The Dallas Police Department's five-man Metal Unit inspects the 19 scrap yards each day, checking for stolen materials and making sure the businesses follow the city's revamped metal theft ordinance.

"It's a big problem, and we really haven't been able to put a stop to it," Dallas Police Department Metal Unit Sgt. W. B. Wilson said.

The Houston Police Department didn't start tracking the thefts until the City Council recently passed an ordinance to crack

down on the problem. But from May to November, the number of reports rose from 187 to 274. Annually, that's about the same amount occurring in Dallas. But the two-man scrap metal squad is charged with monitoring far more yards than Dallas – 115. That's up from less than 25 a decade ago.

Houston Squad Sgt. Mike McGinty says he's waiting to see if a new State law and the City ordinance will help put a damper on the metal theft explosion.

"I've gotten calls from numerous cities in Texas and in other states, wanting to know about the ordinance we passed here, because this is not just a Houston or a Texas problem – this is a nationwide epidemic," McGinty says.

While police say many of the perpetrators are drug addicts and the homeless, more sophisticated criminals have hijacked 18-wheelers at gunpoint, stealing tractor-trailers full of copper, bronze, brass, and other valuable metals. In a recent case in the Dallas area, armed criminals "truck-jacked" a big rig carrying a load of metal. In another one, a prostitute lured a truck driver into a motel room while thieves outside stole a load of copper. Several such truck hijackings occur each month in Houston and Dallas.

"There has been intelligence that there is a group of people who steal metal from truck drivers all over the United States and they take it back to their part of the country to dispose of it,"

Wilson says. "I know we've had thefts where tractor-trailers are stolen and we never see the metals in our yards. I'm sure there is some organized crime element involved in these higher-end deals."

The stolen metals obtained in these crimes are often sold to scrap recycling firms, an industry that generates \$65 billion-a-year processing more than 150 million tons of metal, glass, plastic, and paper into the raw materials used for industrial manufacturing around the world.

Bryan McGannon, spokesman for the Institute of Scrap Recycling Industries, Inc., representing 1,500 companies, part of the more than 200-year-old industry in the United States, says the association recognizes metal theft as a serious problem and is committed to being part of the solution.



“Recycling firms are also victimized by this,” McGannon says. “They want to do whatever they can to stop this from happening. Buying stolen materials is just bad for business.”

Once deemed of so little value that it was used to make pennies, the price of copper skyrocketed from 80 cents a pound in 2003 to around \$3.00 now as worldwide demand has increased, especially in industrializing nations. Bouncing between \$2.95 and \$3.05 a pound, the price of copper is expected to increase about seven percent in 2008. The prices of other metals like aluminum, nickel, bronze, brass, and stainless steel have also risen rapidly in recent years.

“Over the last three years, just about every metal price has gone up dramatically, in many cases close to historic highs,” says Mary M. Poulton, head of the Department of Mining and Geological Engineering at the University of Arizona. “There are a couple of reasons. One is an under-supply because we haven’t been able to get new mines into production. Some of it is because of political instability in other countries; and some of it is because of environmental regulations in this country. And demand has gone up dramatically worldwide, primarily in places like China, India, Russia, and Brazil.”

The thefts in Houston and Dallas are often very costly for the affected businesses, government agencies, utilities, and churches. Although no formal estimates have been made, law enforcement officials say the annual losses nationwide total billions of dollars.

“It’s extremely widespread,” says Harry Savio, executive vice president of the Homebuilders Association of Greater Austin. “I’ve talked to my counterparts in other municipalities and they are all having the same issues. All of the construction industry is having problems with metal theft.”

The costs to businesses and others not only involve the replacement of air conditioning units, utility pole wiring and construction materials, but the expense of repairing damage caused by the crimes.

In Houston, about half of the incidents involve air conditioning units. The average central air conditioner in a home contains 50 to 80 pounds of copper, which is worth up to a few hundred dollars at a scrap yard. But the units are usually damaged beyond repair, costing the owner \$2,500 to \$5,000 to replace. The units at businesses are often much larger, costing \$20,000 to \$50,000 to replace. McGinty expects the number of these thefts to slow since passage of the ordinance requiring those disposing of air conditioners at scrap yards to be licensed.

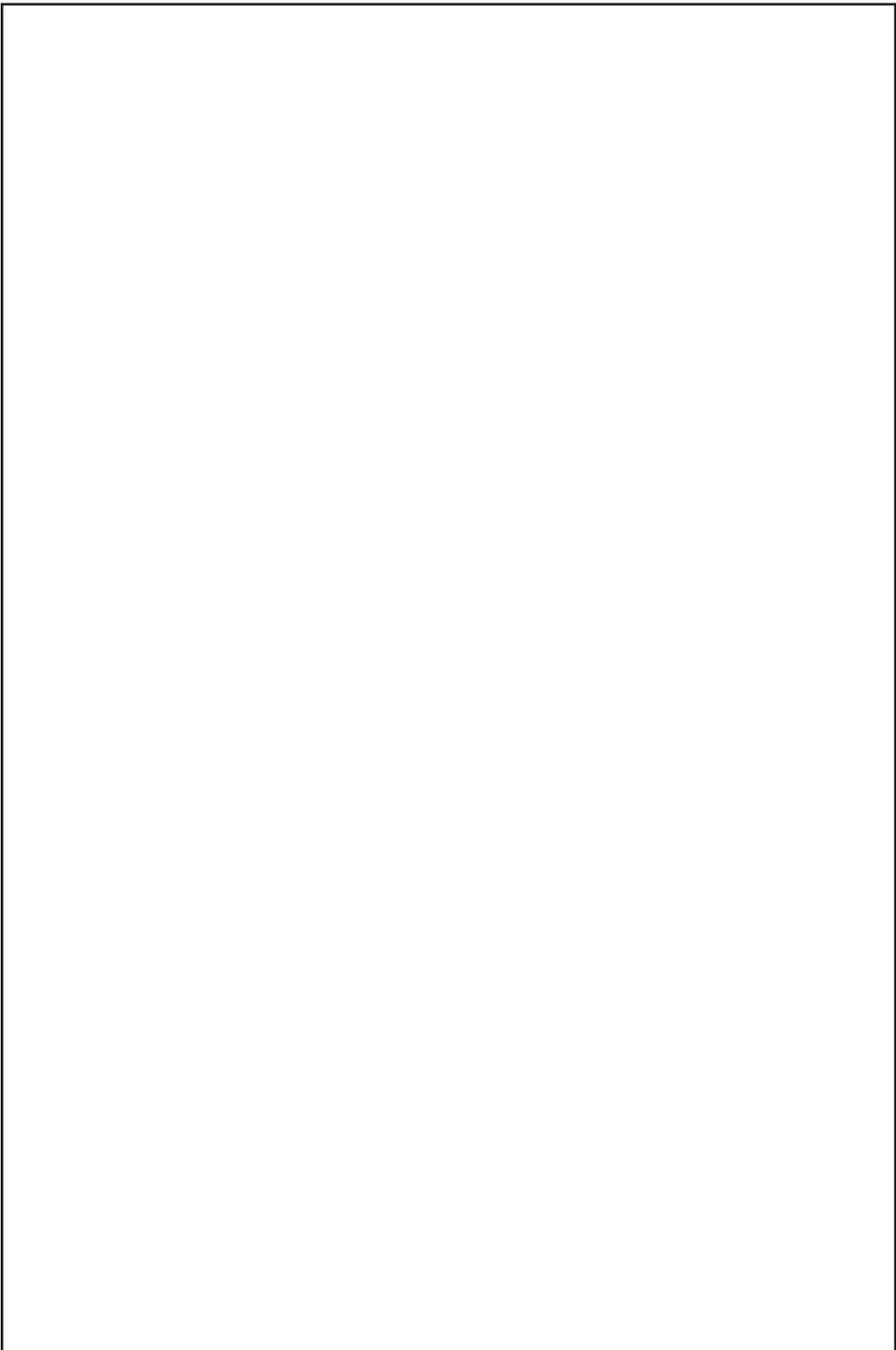
The costs of these crimes are often passed on to consumers. And the wave of thefts is having an enormous impact on

businesses, government agencies, and churches in the Houston and Dallas areas.

“This is such a high priority for Houston because it affects the affordability of living in the city,” Houston Mayor Bill White said. “It affects new housing prices. It affects work that can be done by churches and nonprofits. It’s a hidden tax. So we’re getting after them. We’re getting after the people engaged in this terrible activity.”

Dallas Mayor Tom Leppert said numerous churches, especially in the lower income portions of the city, have been targeted.

“It’s also impacted small businesses and other organizations,” Leppert said. “These smaller firms are the ones that are least able to afford the insurance rate increases and fix the damage.”





## Mayor Leppert's Take

Accompanying the police during a recent prostitution sting at a truck stop, Dallas Mayor Tom Leppert got a first-hand look at the magnitude of the city's metal theft epidemic.

While the prostitute was with the truck driver at a nearby motel, thieves helped themselves to the 18-wheeler full of valuable copper, Dallas Police Department Metal Unit Sgt. W. B. Wilson said.

"It's becoming a big enough problem that we've now got some more elaborate criminals involved in this," Leppert says. "That's where it becomes important to not only deal with this at the state level, but we're now getting into some federal issues because it's crossing state lines. If you look at the price of copper, unfortunately it can be very profitable for someone to engage in this sort of crime."

Recognizing the severity of the problem, the City Council passed an ordinance last year designed to reduce the incentives for criminals to steal copper and other metals from businesses, churches, construction and utility companies, and government agencies. The Dallas Police Department also beefed up its metal theft unit.

But despite those steps, metal thefts hit a record high last year, with more than 2,800 incidents.

"It's a big concern," Leppert says. "It's one we've tried to do some things about, but clearly, if you look at the numbers, they continue to rise – in large part due to the increasing price of copper."

In addition to actions the city has already taken, Leppert said he plans to push for a better electronic data system to track metals sold at the scrap metal recycling yards, helping the police catch those buying and selling stolen materials. And he wants to take steps to address a loophole in the system that allows thieves to steal metals inside the city limits, but sell the materials to scrap metal recycling yards outside the city where the laws are not as well enforced.

"That's exactly the challenge we've got," Leppert says. "As we crack down – and I think we've been a leader through our police department and regulations – it has forced people to drive miles out of town to sell the materials. We're trying to get other cities involved to understand the problem so we are not just treating it from a city standpoint, but from a regional standpoint."

As part of that effort, Leppert says he's open to a national conference of mayors to help address the metal theft epidemic on a much larger scale.

"As long as there is a structured agenda then that would really make sense," Leppert says. "If we can add other cities – doing the same sort of things and strengthening their ordinances – then it would really benefit everyone. There really is a movement building now. With Houston Mayor Bill White trying to strengthen enforcement too, I think the major cities are reacting to it, probably better than the smaller cities. So that's the challenge."

Over the last two years, metal thefts at Houston government facilities have cost the city \$150,000, said Houston General Services Department Director Issa Dadoush. This included an incident involving a cut power line that forced the city to shut down for a day the Julia Ideson Building, which houses various services for the Houston Central Library.

In addition to targeting government buildings, thieves have stolen wire out of railroad company signal boxes, disabling crossing arms and lights and creating a potentially deadly hazard to drivers. Telephone and power companies have been hit hard, as thieves have snipped utility pole wires, leaving telltale curled wires up the poles at about arm's reach.

Any business that handles copper and other metals is at tremendous risk now, said Dan Feldstein, spokesman for AT&T in Houston. The company repaired more than 1,000 telephone poles in 22 western states in 2006.

"It's very frustrating," Feldstein says. "And it's extremely dangerous, both for the people committing the theft and for our customers and the general public. Think about it. You lose your 911 service. For the elderly, their children can't check up on them. If you have a small business, it could be very frustrating."

In response, AT&T is now offering \$3,000 rewards for information leading to the arrest and conviction of anyone responsible for stealing wire from telephone poles. The AT&T Theft Line in Texas is 1-800-807-4205.

Christina Garza, spokeswoman for the Greater Houston Partnership business association, said the organization supports Mayor White and local law enforcement agencies in their efforts to combat the crime.

"Metal theft is a serious and growing crime adversely impacting businesses in the Houston region," Garza said in a prepared statement.

As the metal theft scourge has surged in intensity, Dallas was one of the first cities in Texas to take steps to respond to the problem. The Dallas Police Department first formed a metal theft unit in 1996 with a few officers, after seeing a pattern of thefts involving metals.

"We realized there is a big business out there with recycled metal," Wilson said.

The Dallas City Council passed an ordinance in 1996 to address the issue. But the recent proliferation of metal theft crimes convinced elected officials the decade-old ordinance was too weak. So in early 2007, the City Council revamped the ordinance,

## Mayor White's Take



When Houston Mayor Bill White learned in November that metal thieves had ripped apart air conditioners at Atherton Elementary School and the nearby Hester House community center, he was so incensed he offered to personally pay a \$10,000 reward for information leading to the arrest and conviction of those responsible.

"I guess I was extremely angry when I heard about the low-lives that had ripped off a social services agency and a school," White said.

In an effort to address a wave of metal thefts in the nation's fourth most populous city, White met nearly two years ago with the police chief, homebuilders and scrap dealers, and told them the city had a crisis on its hands. In response, the City Council recently passed one of the "tightest ordinances" in the state, White says.

"Metal theft is one of the most heinous property crimes, because people will destroy many times the value of equipment just to get some metal, particularly copper," White says. "We don't have an annual estimate of the losses, but it runs in the millions of dollars."

The City has also used its organized crime task force to conduct undercover operations to break up the rings responsible for much of the crime. The new ordinance bans some of the mobile scrap dealers who have purchased stolen metals, says White.

"People set up so-called scrap and recycling operations often in trailer-trucks," White says. "Usually, these operations are in lower-income neighborhoods and they serve as a magnet for those who steal this material. Somebody with a shopping cart full of air conditioner parts cannot act alone and make money like this. They need to be able to sell it. And that's where Houston's, Texas' and the United States' resources need to be focused on."

Some of the largest cities in Texas and others throughout the nation have passed ordinances to address the problem. States' lawmakers have passed laws, stiffening the criminal penalties. But White says the federal government has done little to go after the organized criminal syndicates involved in metal theft nationwide.

"I believe the federal government needs to do more, and a lot more, because we have found already in our undercover work that this involves organized crime, and our ability to shut down some of the people who purchase the stolen materials ends at the city limits," White says.

Last spring, Houston's organized crime task force arrested more than 50 people, many of whom were associated with two different criminal rings allegedly engaged in metal theft. Some of those arrested worked at scrap dealer yards, says White.

"People who typically lived on the streets and had drug problems were recruited to participate in the thefts," White says. "Sometimes, they were paid in drugs. They were provided with vans and cell phones and instructions on where to show up. And then they abandoned the van, and the others higher in the chain took the van and eventually sold the metals to either scrap dealers, or there was one retail place that purchased construction and building products."

To address this, White says the Texas Legislature needs to further tighten up the law it passed in September and hold scrap recyclers more accountable for purchasing stolen materials. White says the law should address a loophole that allows thieves to commit their crimes inside the city limits, but sell the materials to scrap yards outside the city. White also would like to see national legislation passed requiring scrap yards to thumbprint and make copies of the identifications of metal sellers and to provide law enforcement agencies with digital photos and other information about the materials purchased.

"If you did that and had licensing requirements that would shut down the fly-by-night operations, you'd see a big improvement in our cities and throughout the nation," says White. "And if the law was statewide, even national, it wouldn't put any scrap dealer at a disadvantage."

White recently spoke to the mayors of Texas' largest cities about the ordinance passed in Houston.

"I think the mayors are on board," White says. "What I think we need is more leadership, especially at the federal level, both with law enforcement resources and legislation."



Vandalized rooftop air conditioning unit.



Photo by Integrated Theft Solutions Inc.

Commercial ground air conditioning enclosures prevent copper theft.

requiring scrap recyclers to thumbprint and make photocopies of sellers' identifications, and to record, tag, and hold metals for three days before selling the materials. The ordinance also restricts the sales of manhole covers, guard rails, and similar metal objects. The City worked with the State legislature to expand the ordinance statewide. The law, Senate Bill 1154, went into effect on September 1st, increasing the criminal penalties for anyone who knowingly buys or sells stolen materials.

The Houston City Council passed a similar ordinance in September, placing stringent rules on who can sell metals, requiring scrap dealers to be licensed and limiting the types of

metals they can purchase. Police have also set up an electronic database used to track the sales of metals to scrap yards. This includes photographs of the materials, allowing investigators to compare the items with reports of stolen materials to help determine if a theft has occurred and apprehend those responsible.

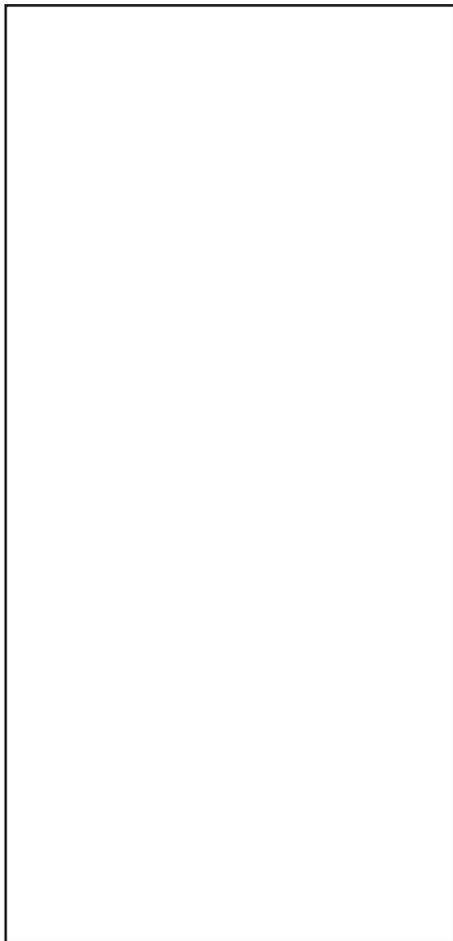
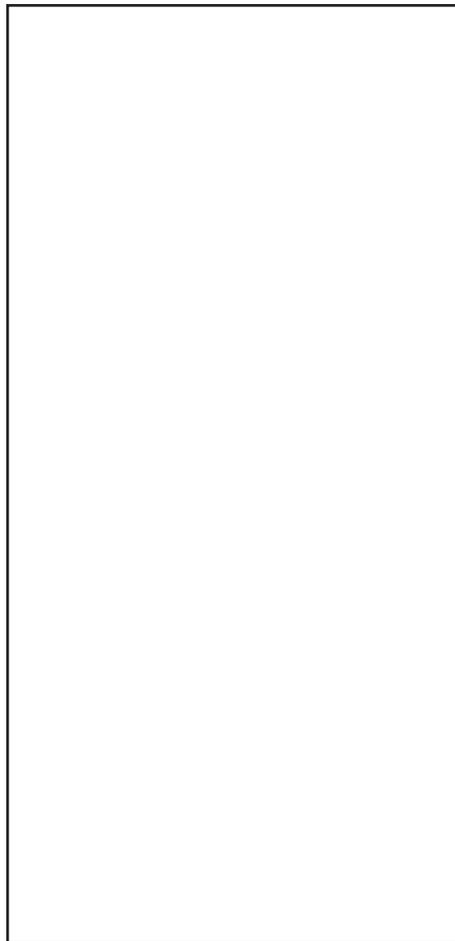
"The electronic reporting has really paid off, because now when we get a suspect that may be selling some wire or any kind of metal, I can run him in the computer," McGinty says. "The yards now have pictures of these people, and we've been able to use that to make some cases."

McGinty's unit has made 40 metal-related arrests since the ordinance went into effect in late 2007. Using the database, investigators in November arrested a suspect on felony theft charges for allegedly stealing and selling several thousand pounds of AT&T copper telephone cable worth more than \$4,000.

Despite the increase in arrests, Wilson says the offenses are still just property crimes that carry light to moderate sentences. Offenses involving metals worth up to \$1,500 are misdemeanors. Those involving more than \$1,500 are felonies.

"Of course, the jails are already full," Wilson says. "These people usually don't get a full two- or three-year term in jail. It's usually two or three days, maybe 10 to 15 days, and a small fine to get them out the door because they have violent offenders they are trying to keep in. The recidivism levels for these criminals are high and they are not discouraged by getting arrested."

Although there are signs that State law and City ordinances are helping to slow the wave of thefts, officials in Dallas and Houston say many thieves are continuing to commit their crimes inside the city limits, but are now selling the materials to scrap recycling firms outside the cities where the laws are lightly enforced.



“The other little cities don’t have the manpower to check these yards daily or every other day,” Wilson says. “This has resulted in what you might call unlicensed underground or fly-by-night yards that pop up in an apartment complex or in the lower socioeconomic parts of a town. They pop up in crack houses where they will buy copper and aluminum in trade for dope or money. Then they will take all the stuff to a secondary metal recycling yard and sell it.”

While these smaller cities and county areas are covered under the state law, McGinty says many cities aren’t enforcing the law and the Harris County Sheriff’s Department doesn’t have anybody solely dedicated to inspecting the yards and investigating the crimes.

And as many scrap metal firms have obtained permits and are in compliance with the new law and ordinances, others have not.

“There are laws on the books in Houston that have caused the major scrap dealers to itemize, request identification, and to keep very accurate records of the scrap metal that comes into their yards,” says John Kahn, nationally recognized senior security analyst for The Arrow Group Inc., a security consulting firm, headquartered in Houston. “Does that mean that everybody is following the rules? No. That’s how come this is still going on.”

In Houston, 60 of the 115 licensed scrap yards are in compliance with the new laws, McGinty said. But about a half-dozen have been issued \$500 citations on three occasions for noncompliance. Under the new ordinance, the City can revoke the license of a scrap yard that gets more than three citations in a two-year period.

“I guess they want to test the waters to see if the City is going to come and take their business away,” McGinty says. “We’re waiting for these to go to court.”

Meanwhile, as officials in Houston, Dallas, and across the nation wait to see how effective the new laws and scrap metal squads are going to be, the businesses and churches that continue to be targeted face potentially higher insurance premiums.

“Their insurance policies are going through the roof,” McGinty says. “They are all filing the same claim that their air conditioner units have been scavenged, and it’s driving their premiums to the point where a lot of churches can’t carry insurance anymore. They have to pay for repairs themselves, or set up a special fund for air-conditioning work.”

Initially, Pastor Bowie’s insurance agent told him his insurance costs could go up about \$5,000 a year if the thefts were to continue, which he said could have a

devastating impact on his 250-member church. But the agent recently assured him his rates weren’t in immediate jeopardy. For now, Bowie is trusting in God, along with “guardian angels” like McGinty, to protect the church his father built on the rock – against which the “gates of Hell shall not prevail against it.”

“I’d like to say to these thieves that the institution they are targeting is charged with helping the least of these, the people who otherwise wouldn’t get help,” Bowie says. “If you are going to rob the church, you are hitting at the very core of what makes us human.” **N**

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