
The Other Side of the Penny

Scrap Dealers' Opinion on Thefts

By Troy Anderson

Even though he's known as the superhero of the scrap metal recycling industry, Dennis Laviage says he can't stop the copper theft epidemic alone.

After experiencing nearly a dozen break-ins since last year, the owner of C & D Scrap Metal Recycling Co. has spent \$180,000 to install security cameras, an alarm system, and barbed wire fencing around his Houston yard to keep metal thieves out.

"We've built a jail around this establishment," Laviage says. "They are breaking into scrap yards as fast as they're breaking into construction sites. Sometimes they sell the metal they stole from us back to us, or to another scrap dealer."

And since politicians passed laws and ordinances shifting much of the burden to address the problem to metal recyclers, he estimates it's cost him \$165,000 to buy equipment to thumbprint and photograph sellers and record, tag, and hold precious metals for three days before selling the materials.

Despite the time and money scrap dealers are investing to comply with the new rules, Laviage says the metal theft scourge is not only continuing unabated, it's the worst he's seen in his 36 years in the business.

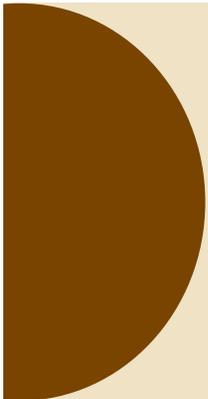
"It's all a dog and pony show," Laviage says. "I think the City Council is just trying to appease the general public. We have ma-and-pa shops that can't afford to do all these things. They are the ones that will continue to buy the scrap."

As the price of copper soared from 80 cents a pound in 2003 to nearly \$3.00 now as worldwide demand has increased, brazen thieves have stripped copper out of church and school air conditioners, stolen bronze vases from cemeteries, and pulled copper wiring out of light poles in Texas and across the nation. They have stolen copper plumbing and wiring out of homes, and other materials from construction sites and utility companies – losses often passed on to consumers.

Scrap recyclers say too much of the burden to address the problem has been placed on their shoulders. They argue that more detectives need to be assigned to the cases, and that prosecutors should take their responsibility to hold criminals accountable more seriously. Also, county areas and smaller cities on the outskirts of Dallas and Houston have to do a better job of enforcing laws and ordinances designed to reduce the rising amount of copper, bronze, and brass thefts. And utilities and construction companies must better secure their sites, using security guards, locks, and other measures to discourage thieves.



*Dennis Laviage, owner of
C & D Scrap Metal Recycling Co.*



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“There are a lot of things cities can do, too,” says Jimmy Evans, owner of All American Alloys in Dallas. “Cities leave a lot of their wire out in the open, and expect nobody to steal it. I’ve driven down city streets a million times and seen rolls of wire sitting on the sidewalk, and there is nobody around.”

The state law, Senate Bill 1154, which went into effect September 1st, requires scrap recyclers to make copies of the identifications of metal sellers and to take pictures of their faces, vehicles, and license plates. It also requires them to tag, record, and hold purchased metals for at least three days before selling it. It directs them to require proof of purchase for air conditioners and other appliances. And it increases the criminal penalties for anyone who knowingly buys or sells stolen metals.

But Louis Okon, owner of Okon Metals, Inc. in Dallas, says the law is only as effective as it’s enforced. Okon is glad Dallas has beefed-up its metal theft unit and passed an ordinance to crack down on the problem.

“But other surrounding cities don’t have that,” Okon says. “What happens is people will steal in Dallas, take it to a neighboring city six or seven miles down the road, and sell it there. I’d like to see stricter enforcement in the areas surrounding Dallas. Until that happens, the problem won’t get better.”

Even in Dallas, Okon says the police are overwhelmed by the volume of thefts. Dallas Police Department Metal Theft Unit Det. Ron Mason says the unit has a sergeant and four detectives, but that’s more than many cities have. Fort Worth doesn’t have a metal theft detail. Houston started a two-man unit in April, and Houston Police Department Sgt. Mike McGinty has requested eight more officers to investigate about 250 reports of metal theft each month.

“Dallas has a sergeant and four detectives,” McGinty says. “But they have about 16 scrap yards, and we have 115. I’ve requested eight more officers; but to be realistic, I’ll be lucky to see two or three more before I retire in six years.”

Scrap dealers in both Dallas and Houston say the solution boils down to everyone working together to do their part, from politicians, police, and prosecutors to scrap dealers, utility, and construction companies.

At Bodner Metal & Iron Corporation in Houston, President Emanuel Bodner says improved cooperation and communication is the key. The use of e-mail and fax alerts is also important, letting scrap recyclers know when materials have been stolen so they can contact the police.

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“I don’t think we need any more laws,” Bodner says. “I think we need better relationships. The way to stop this is to continue the dialogue. I think that is the best deterrent.”

Although the jury is still out in Dallas and Houston on how well efforts to attack the problem are working, Rhonda Sauter, chief of staff to Houston City Councilman Adrian Garcia, says she is optimistic that the new city ordinance passed October 24 – combined with the creation of a metal theft unit and increased cooperation by scrap recyclers – will start making a bigger dent in the problem.

“So far, we’ve seen some really good arrests,” Sauter says. “Obviously, not all the theft has stopped, but we’re seeing a lot of scrap dealers calling the police to say, ‘This was stolen.’ Not all scrap dealers are bad. They are very honest businessmen, and they want to do the right thing also.”

Bryan McGannon, spokesman for the Institute of Scrap Recycling Industries, Inc. in Washington, D.C., says the association has issued recommendations to scrap recyclers to open

communication channels with law enforcement agencies. And the association, which represents about 1,500 companies that are part of the \$65 billion-a-year

industry, has set up a theft alert system that sends e-mails and faxes out to members in a large geographic swath where precious metals are reported stolen.

“Everybody has a part to play in the solution,” McGannon says. “And it’s important that law enforcement and prosecutors take these crimes seriously, because they are very costly to the victims. The cost impact of these crimes far exceeds the scrap value of the materials.”

One of the biggest success stories in cracking down on the crime wave has occurred in Macon, Ga. The metal theft problem peaked in December 2006 when 84 cases were reported. Since the creation of the Macon Middle Georgia Metal Theft Committee, those numbers had fallen to nine in October. Police have made 43 arrests. The Committee encouraged prosecutors to seek stiff prison sentences, working closely with the media to publicize arrests and sentencing. Macon police also cited the creation of an e-mail network among scrap recyclers, police, utilities, railroads, and others that keeps everyone informed of any thefts. That system often allows recyclers to call the police while the criminals are still at their yard, and arrest them.

“Recyclers need to understand that their reputations are at stake and that the public perception of scrap recycling is so important that it’s worth their time to put something like this together in the community, because it does work and we have the numbers to prove it,” says Chip Koplin, co-owner of Macon Iron and Paper Stock Company. **N**

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Louis Okon, owner of Okon Metals, Inc. in Dallas