

Compliance LAWS

Recyclers can use sites such as ISRI.org and ScrapLaws.com to find out what laws they must follow in order to stay compliant.

Scrap Metal Theft

Amidst the plethora of recycling centers, an almost endless field of industrial machinery moving millions of metric tons per month of metal, darkness looms. The darkness, of course, is increasing restrictions on recyclers. As many as one-third of all new recycling centers will involuntarily close within a year of opening due to one simple fact: Metal recycling is at an all-time high. It has become a primary income for some, and a required supplemental income for others. With our nation's economy slumping, desperation forces thieves to turn to scrap

metal theft, pushing it to a record high. Northern Cincinnati, OH alone saw a 162 percent increase between 2006 and 2007 in copper theft; these numbers have continued to grow throughout the years and are continuing now into 2012.

Today, copper prices are between \$3.00 and \$3.70 per pound, compared to \$0.60 per pound in 2002. Because of this, there were a total of 25,083 claims identified for the theft of copper, bronze, brass and aluminum submitted between January 1, 2009 and December 31, 2011 (according to the National Insurance Crime Bureau). From all 25,000, 96.1 percent of those involved copper. Fifty-five percent of those claims were on commercial policies and 45 percent involved personal policies.

It is for this reason that law enforcement officials are stepping up to combat this serious issue. The U.S. Department of Energy estimates that scrap metal theft costs businesses around \$1 billion per year. Unfortunately, the penalties for scrap metal thieves are not increasing, the penalties for non-compliance against recyclers are.

Legislators, it seems, have one simple thought process on how to combat this issue: "If thieves don't have anywhere to take the metal, they won't steal it." To most, that statement would seem to make logical sense; however, the number of recycling centers is increasing daily. Instead of limiting the number of facilities that can open, the States choose to allow the industry to grow. As scrap metal facilities increase in numbers, the prices of scrap metal will fall. This, in turn, will likely cause theft to rise because the value of the metal will be less, increasing the need for more to be stolen to make the same amount of money.

Forcing Compliance

Legislators simply don't understand how to deal with the growing problem. They are imposing nearly impossible-to-follow regulations on recyclers to force compliance. In some states, such as Florida and Georgia, offenses can now mean the owner or operator of a facility be prosecuted with felony charges for non-compliance. Advanced computer systems exist to keep recyclers in line, but legislators continue changing the laws in a futile attempt to seemingly "trip-up" recyclers.

Most states already require capturing pictures of materials and a picture of the seller (aka "customer"), as well as their driver's license, fingerprint, signature and vehicle information. However, some States have gone above and beyond what would normally be expected. Georgia law for instance now requires that a recycler inspect a customer's vehicle for passengers and obtain drivers license and identification information from everyone whether they are involved in a scrap metal transaction or just along for the ride. Florida law requires all daily transactions be electronically uploaded to an international audit company's system for review and cataloging. The federal government requires all salvage

vehicles to be reported to the National Motor Vehicle Title Information System. Several States have their own local reporting systems in addition to the others mentioned earlier, including Texas Department of Public Safety. New York requires a handwritten form for every motor vehicle recycled in the state to be mailed to the Department of Motor Vehicles within three days.

With regulations like this, it is no wonder why would-be entrepreneurs get in and out of the business within a year. Some of them unscathed, but some with permanent criminal records or stuck in perpetual financial turmoil over the potential of fines in the hundreds of thousands of dollars possible within only a year of operation.



A mobile metal recycler uses the Nexus recycling software to stay fully compliant in Florida during off-site pickups. Photo courtesy of AEON Blue Software.

Implementing a Unified Reporting System

The problem, as simple as it is, is also a complex one. How do you stop criminals without punishing legitimate business owners who are in some cases just as responsible as the thieves they are enabling? One national, unified reporting system for all States that connects law enforcement everywhere would be a good start, but until legislators stop trying to deal with a national problem on a localized level, recyclers may continue to feel the wrath for some years to come. | **WA**

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