



## RISK ALERT

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# Copper Theft: New California Laws Will Track Thieves and Thwart Unscrupulous Recyclers

*Pico Rivera, Calif. — The theft of copper wire from a utility substation caused a power outage that affected 19,500 residents and businesses in West Whittier and Pico Rivera. The outage caused traffic signals to stop working, creating a significant public hazard. Maintenance crews discovered that the thief had cut a hole in the fence to gain access to the substation. The wire was probably worth about \$1,000; repairs cost more than \$30,000.*

*Vallejo, Calif. — During the two months that it was shut down for reorganization and legal concerns, a community theater was burglarized twice. Thieves removed all the copper wires and plumbing from the building, and in the process, destroyed a priceless collection of costumes and props which had been used for generations.*

With their market value having skyrocketed in recent years, copper and other metals have become attractive targets for theft. Unscrupulous recyclers readily accept salvaged copper, often paying up to 90% of market price. It is easy for thieves to convert copper to cash. Thieves look for copper in many forms and places:

- Wiring, piping, and electrical components in unused or vacant buildings or those under construction.
- Gutters, downspouts, and other roof components.
- Agricultural equipment, such as copper wiring and fitting in irrigation systems.
- Copper coils and piping in air conditioners.
- Outdoor sculptures or architectural components.

These thefts might become less likely with the October 2008 passage of a package of laws to provide California law enforcement officials with additional resources for identifying and stopping copper thieves.

**AB 844** is designed to help law enforcement officials track stolen metals sold to scrap dealers and recyclers. The new law requires recyclers to check and maintain identifying information (photo ID, thumbprint) about those who bring in scrap metal and report this information to local police each month. Recyclers and dealers are also required to photograph metals that are brought to their establishments and document where the metal came from. The bill also requires recyclers to withhold payments from sellers for three days; this removes the “quick cash for scrap” situation that has made metal theft popular among those wanting cash in a hurry. AB 844 also allows local jurisdictions to develop even stricter regulations, if they choose. All these measures will increase paperwork requirements for recyclers and scrap dealers and require them to interact regularly with law enforcement officials, factors which may make them less willing to deal in stolen goods. Recyclers who break the law face suspension

or revocation of their business licenses, increased fines, and jail time. AB 844 also requires that anyone convicted of metal theft must pay restitution for the stolen materials and for any collateral damage that resulted from the theft. **SB 691** is identical to AB 844.

**AB 1859** discourages the theft of fire hydrant fittings and fire department connections by fining (up to \$3,000) any person who knowingly receives any part of a fire hydrant, including fittings and parts.

**SB 447** assists local law enforcement officials in quickly investigating stolen metal and apprehending thieves by requiring scrap metal dealers and recyclers to report, on a daily basis, what materials are brought to their facilities, and by whom.

**AB 1778** requires recyclers to obtain identifying information on individuals who bring in more than \$50 worth of California Redemption Value recyclables and newspapers. It also requires that payments of \$50 or more be made by check.

Though these laws will help law enforcement officials track down metal thieves and unscrupulous dealers, property owners should continue to take all necessary steps to protect their properties. For detailed guidance, request any of these guides from Sequoia Insurance:

### Sequoia Risk Alerts

SRA-001 Understanding and Preventing Copper Theft  
SRA-023 Copper Theft from Air Conditioners: What's the Risk?

SRA-024 Copper Theft: Challenges for Apartment Managers

### Sequoia Risk Management Guides (technical guides)

SRMG-017 Understanding and Preventing Theft of Copper from Air Conditioners

SRMG-018 Understanding and Preventing Copper Theft