

# The Rise in Catalytic Converter Thefts and Policy Responses

*March 11, 2023*

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# Catalytic Converter Basics

- **Catalytic Converter**

- Exhaust emission control device
- Converts toxic gases and pollutants in exhaust
  - = reduces emissions
- Located in exhaust system between exhaust manifold and muffler

- **Explosion in Thefts Since 2019**

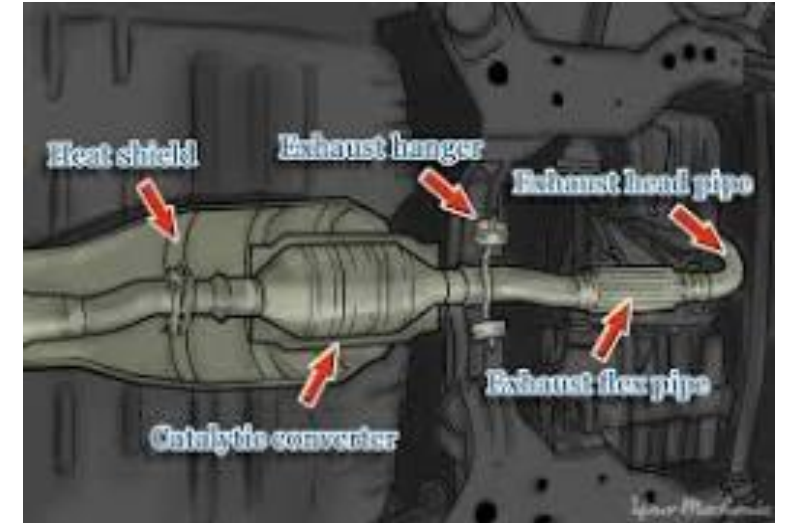
- Criminals stealing catalytic converters at alarming rates

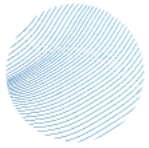
- **Consumer Impact**

- Violation of personal property and sense of community safety
- Disruption of daily life
- Loss of personal vehicles during lengthy repair process

- **Insurance Impact**

- Replacement and repair costs

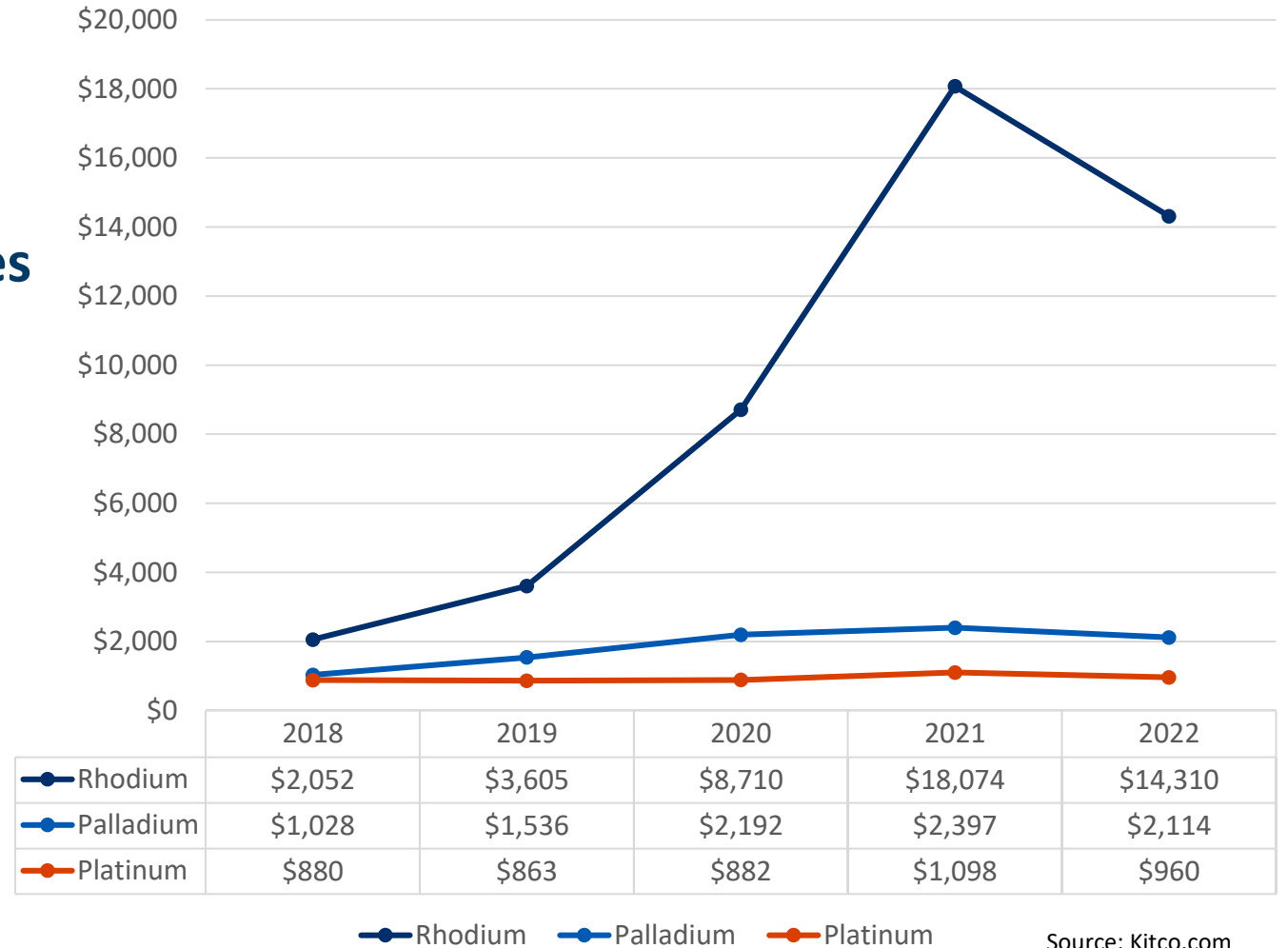




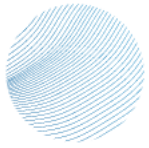
# Underlying Impact of Market Forces

- **Rhodium, platinum, and palladium**
  - Component precious metals within catalytic converters
- **Precious Metal Market Prices Increases**
  - Starting in 2018
  - Exploded during the pandemic
- **Market Shocks**
  - Covid-19 Pandemic/Supply Chain Issues
  - Russian invasion of Ukraine and associated sanctions
- **Secondary or Black Market Sales**
  - Several hundred dollars per unit

Precious Metal Avg. Price Per Ounce

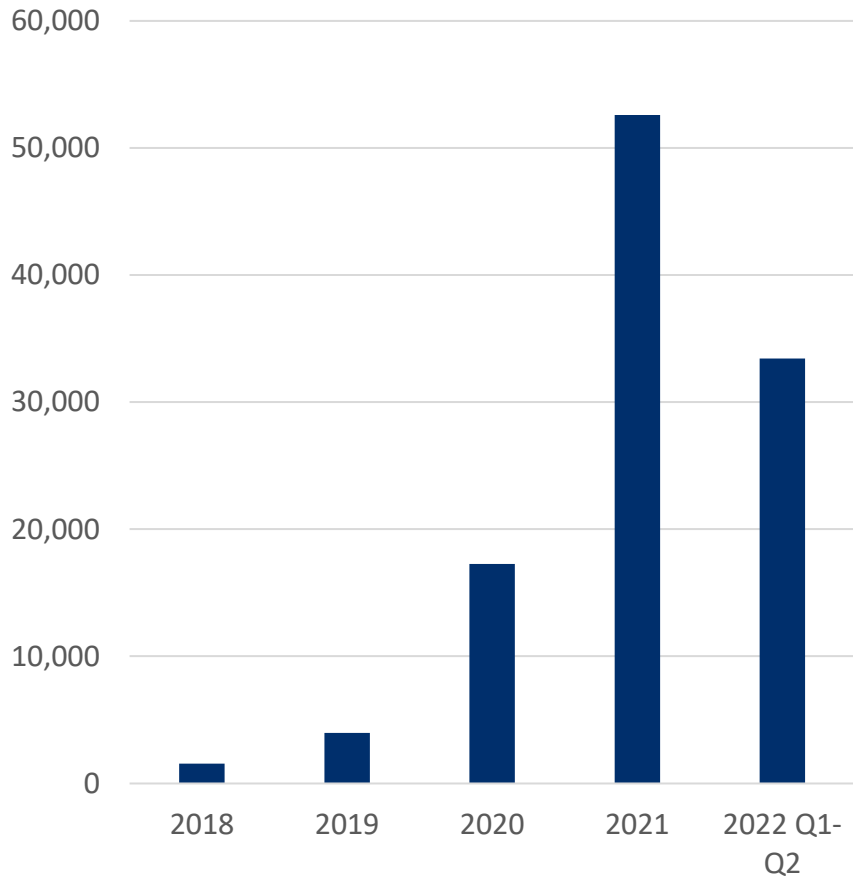


Source: Kitco.com

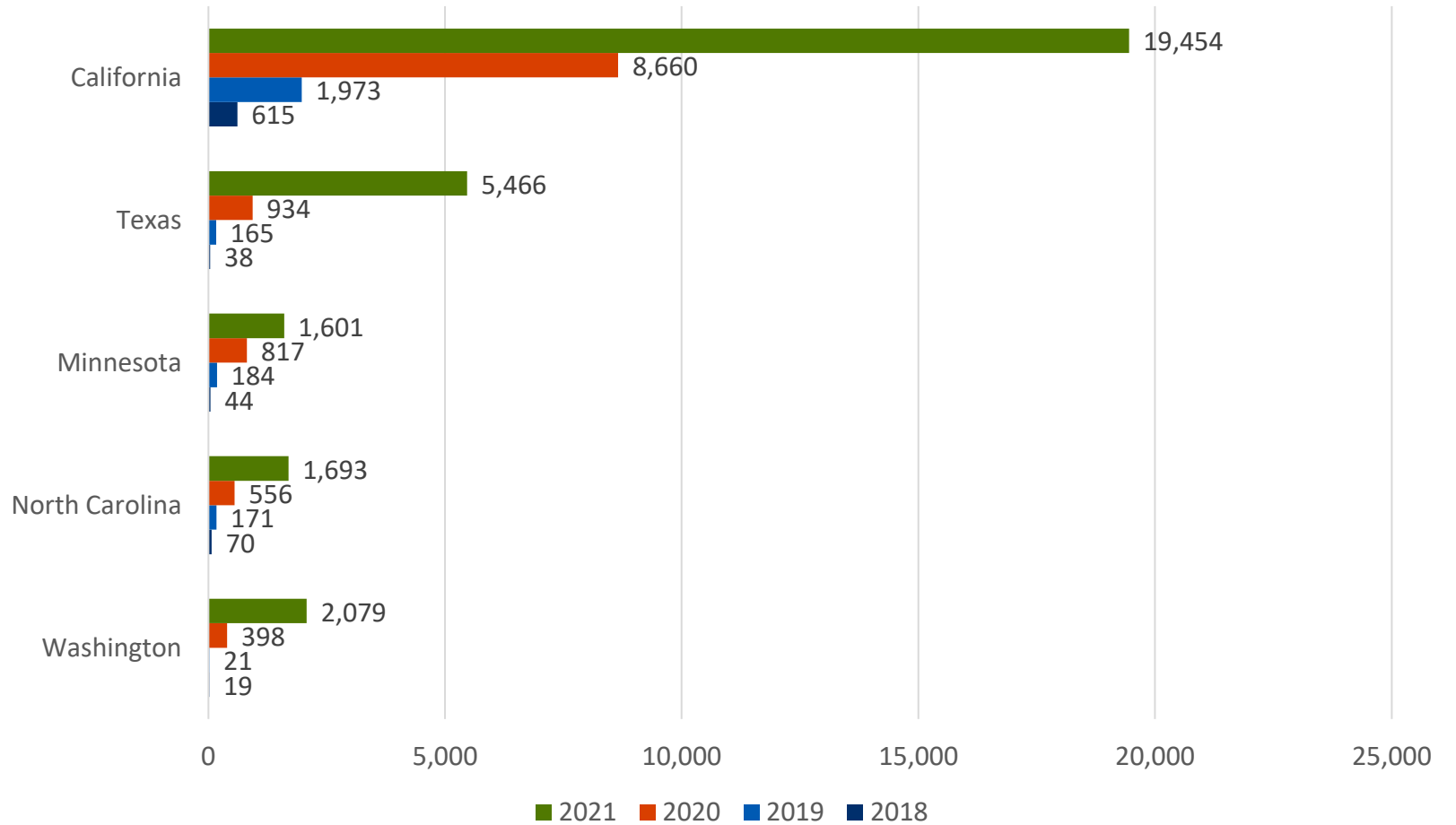


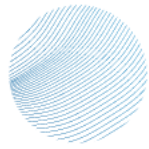
# Theft Trends and Hardest Hit Jurisdictions

### Catalytic Converter Thefts 2018-2022



### Top 5 Catalytic Converter Theft States





# Secondary Violent Crime

## Off-duty Harris County deputy shot and killed by catalytic converter theft suspect

by KFDM/Fox 4 | Friday, April 1st 2022



HARRIS COUNTY — Off-duty Harris County Sheriff's Deputy Darren Almendarez, 51, was shot and killed while trying to stop suspects who were stealing a catalytic converter from a car at a shopping center.

Sheriff Ed Gonzalez said Almendarez, a 23-year veteran of the department, assigned to the auto theft division, was shot while confronting suspected car burglars outside the Joe V's Smart Shop in the 2900 block of FM 1960 at Aldine Westfield at 8:40 p.m. Thursday. He died at a hospital.



## Catalytic converter theft victim shot during robbery in Henrico



Around 2:52 a.m. on Oct 8, police responded to the 9400 block of Windy Cove Court on reports of a shooting. (WWBT)

By NBC12 Newsroom

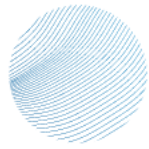
Published: Oct. 11, 2022 at 4:08 PM EDT | Updated: Oct. 12, 2022 at 8:24 AM EDT



HENRICO, Va. (WWBT) - A man was shot in Henrico after he found someone attempting to steal the catalytic converter from his car last weekend.

Around 2:52 a.m. on Oct. 8, police responded to the 9400 block of Windy Cove Court on reports of a shooting. Once on scene, they found a man who had been shot. Police and EMS rendered aid and took him to the hospital, where police say he is in critical condition.

Henrico Police confirmed this shooting happened in relation to a catalytic converter theft. The victim of the shooting was also the victim of having his converter stolen and was shot in the process.



# Secondary Violent Crime

## Shot fired during attempted catalytic converter theft in Wallingford



Push to slow catalytic converter thefts

By Rob Polansky and Susan Raff

Published: Mar. 30, 2022 at 8:19 AM EDT



WALLINGFORD, CT (WFSB) - One of three suspects interrupted while trying to steal a catalytic converter in Wallingford fired a shot at a victim, according to police.

Wallingford officers said they responded to 69 South Turnpike Rd. on March 27 around 2:35 a.m. for a reported "shots fired" incident.

The victim interrupted the theft of catalytic converters.

The person reported that the suspects were males who wore ski masks and dark clothing.

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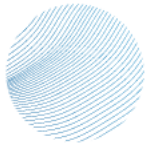
## 'It happened so fast.' Victim of violent attack during catalytic converter theft speaks with News 12

Jun 15, 2022, 6:44pm • Updated on Jun 15, 2022

By: Marissa Alter



Luke O'Brien, 60, has more than 300 stitches in his face after trying to stop a catalytic converter theft. Talking is hard for him right now, but the Milford man spoke exclusively with News 12 about what happened. O'Brien knows he could've been killed. "He just missed my artery by an inch," he said.



# Financial Impact

The Columbus Dispatch

CRIME

## Police: Theft ring stole some 13,000 catalytic converters worth \$19M in central Ohio

**Cole Behrens** The Columbus Dispatch

Published 8:14 p.m. ET Sept. 15, 2022 | Updated 8:16 p.m. ET Sept. 15, 2022

Six people have been arrested in connection with the theft of thousands of catalytic converters from Franklin County and other areas in central Ohio, and Groveport police are saying legislative change by Ohio's lawmakers is needed to help address the problem.

Groveport police Chief Casey Adams said a multi-agency investigation led by his department found that as many as 13,000 catalytic converters have been stolen in central Ohio in a 14-month period, causing an estimated \$19 million in losses to the community or about \$1,500 per converter.

Adams did not identify the suspects, because police are waiting on what they expect will be grand jury indictments on felony charges of engaging in a pattern of corrupt activity, receiving stolen property, scrap law violations and money laundering.

"The city of Groveport will not tolerate thieves targeting hard-working members of our community," Adams said. "It hurts everybody — whether you live in Groveport, you live in Reynoldsburg or you live anywhere in the central Ohio community — it just affects us all."

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TEAM 12 INVESTIGATES

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## Police: Catalytic converters stolen off nearly 20 Amazon delivery trucks

Jan 09, 2023, 8:20pm • Updated on Jan 09, 2023

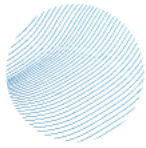
By: News 12 Staff



Police in Hackettstown say that catalytic converters were stolen off of nearly 20 Amazon trucks parked in a secluded area of town.

The thefts happened late Saturday night off Willow Grove Street. Police say 18 trucks were hit. It is an estimated \$20,000 worth of parts.

Thieves have been targeting catalytic converters on vehicles across the state and country over the last few months.



# Financial Impact

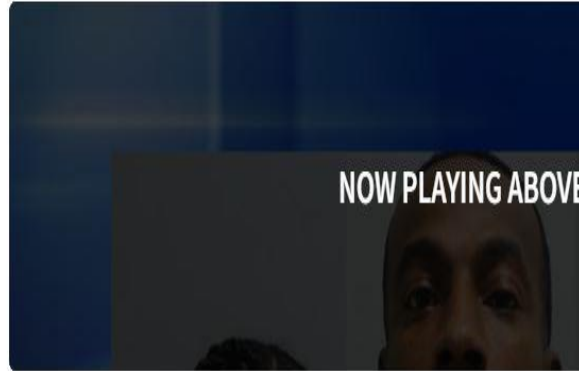
LOCAL

## 3 men accused in multi-county catalytic converter theft ring



By Liz Kilmer, WPXI-TV

January 24, 2023 at 6:28 pm EST



3 men accused in multi-county catalytic converter theft ring

GREENSBURG, Pa. — Investigators have nabbed three men suspected of running a destructive catalytic converter theft ring that spanned several counties across our region.

“The brazen acts of these suspects not only cost innocent drivers and business owners thousands, hundreds of thousands of dollars in repairs, but these suspects terrorized our neighborhoods, our businesses across Western Pennsylvania for months,” said Westmoreland County District Attorney Nicole W. Zicarelli.

During a news conference on Tuesday, Zicarelli announced charges against three men from Chicago: Harold Wade, Antonio Johnson and Christian Buie.



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### JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Wednesday, November 2, 2022

### Justice Department Announces Takedown of Nationwide Catalytic Converter Theft Ring

**The United States is seeking forfeiture of over \$545 million in connection with this case**

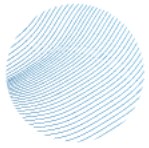
Federal, state, and local law enforcement partners from across the United States executed a nationwide, coordinated takedown today of leaders and associates of a national network of thieves, dealers, and processors for their roles in conspiracies involving stolen catalytic converters sold to a metal refinery for tens of millions of dollars.

Arrests, searches, and seizures took place in California, Oklahoma, Wyoming, Minnesota, New Jersey, New York, Nevada, North Carolina, and Virginia. In total, 21 individuals in five states have been arrested and/or charged for their roles in the conspiracy.

The 21 defendants are charged in two separate indictments that were unsealed today in the Eastern District of California and the Northern District of Oklahoma following extensive law enforcement arrest and search operations. In addition to the indictments, over 32 search warrants were executed, and law enforcement seized millions of dollars in assets, including homes, bank accounts, cash, and luxury vehicles.

“Amidst a rise in catalytic converter thefts across the country, the Justice Department has today carried out an operation

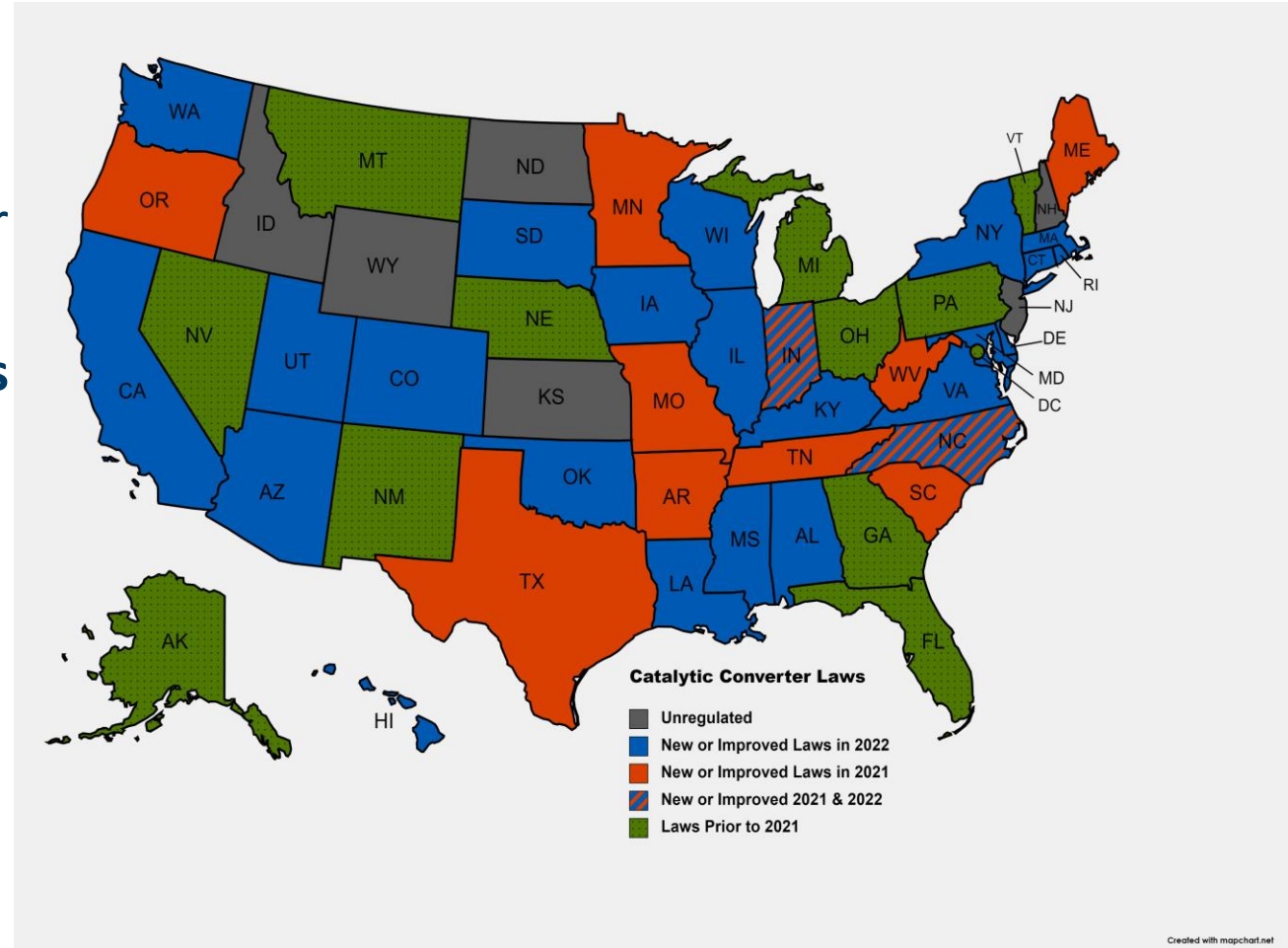


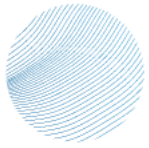


# 2018-2022 State Policy Responses: Overview

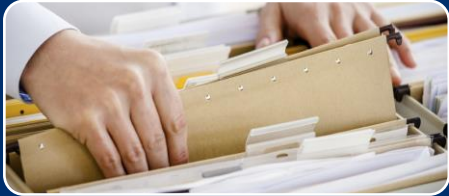
- Before 2020, 35 states already had some form of scrap metal regulation.
- Beginning in 2019, legislatures started introducing bills focused on catalytic converter theft.
- Positive correlation between **increased metals prices, increased thefts, and increased bill introductions.**

Year	Introduced	Enacted
2018	0	0
2019	1	0
2020	12	0
2021	64	11
2022	123	24

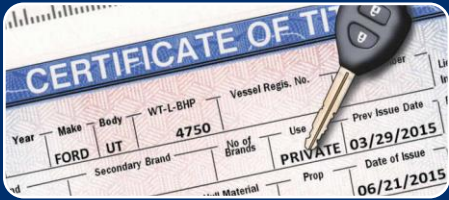




# 2018-2022 State Policy Responses: Legislative Provisions



## Scrap Yard Regulations



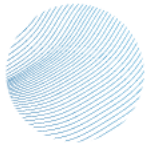
## Buyer/Seller Restrictions



## Presumption of Guilt

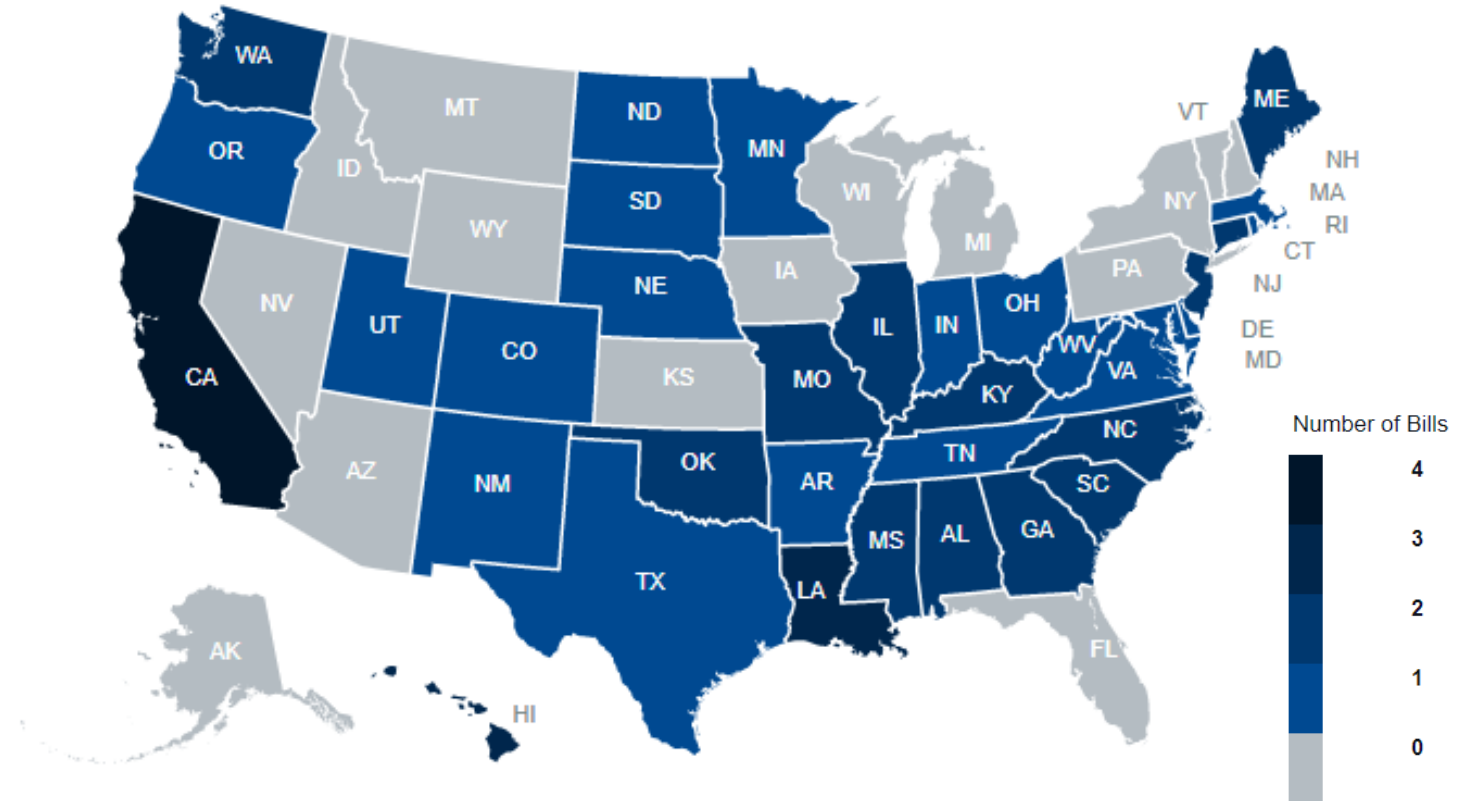


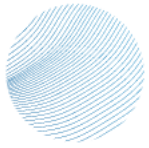
## New Criminal Statutes



# 2018-2022 State Policy Responses: NICB Advocacy

- NICB lobbied 55 bills related to catalytic converter theft and regulation.
- 26 of the bills lobbied by NICB were enacted into law.
- NICB assisted with developing bill language in Kentucky and Louisiana.





# 2018-2022 State Policy Responses: Bill Examples



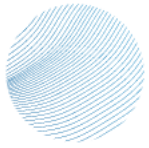
## Louisiana

- Senate Bill 70 (2022)
- Established the crime of theft of a catalytic converter and associated criminal penalties.
- NICB provided data to bill sponsor.



## Mississippi

- Senate Bill 2565 (2022)
- Established regulations for the purchase, transfer, or sale of catalytic converters.
- NICB provided written testimony to House and Senate Leadership.

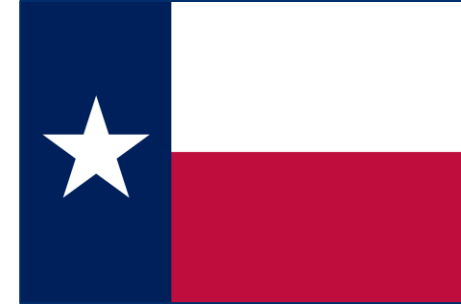


# 2018-2022 State Policy Responses: Bill Examples



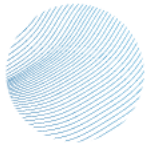
## Kentucky

- Senate Bill 114 (2022)
- Created recordkeeping requirements for purchases involving catalytic converters.
- NICB worked with bill sponsor.

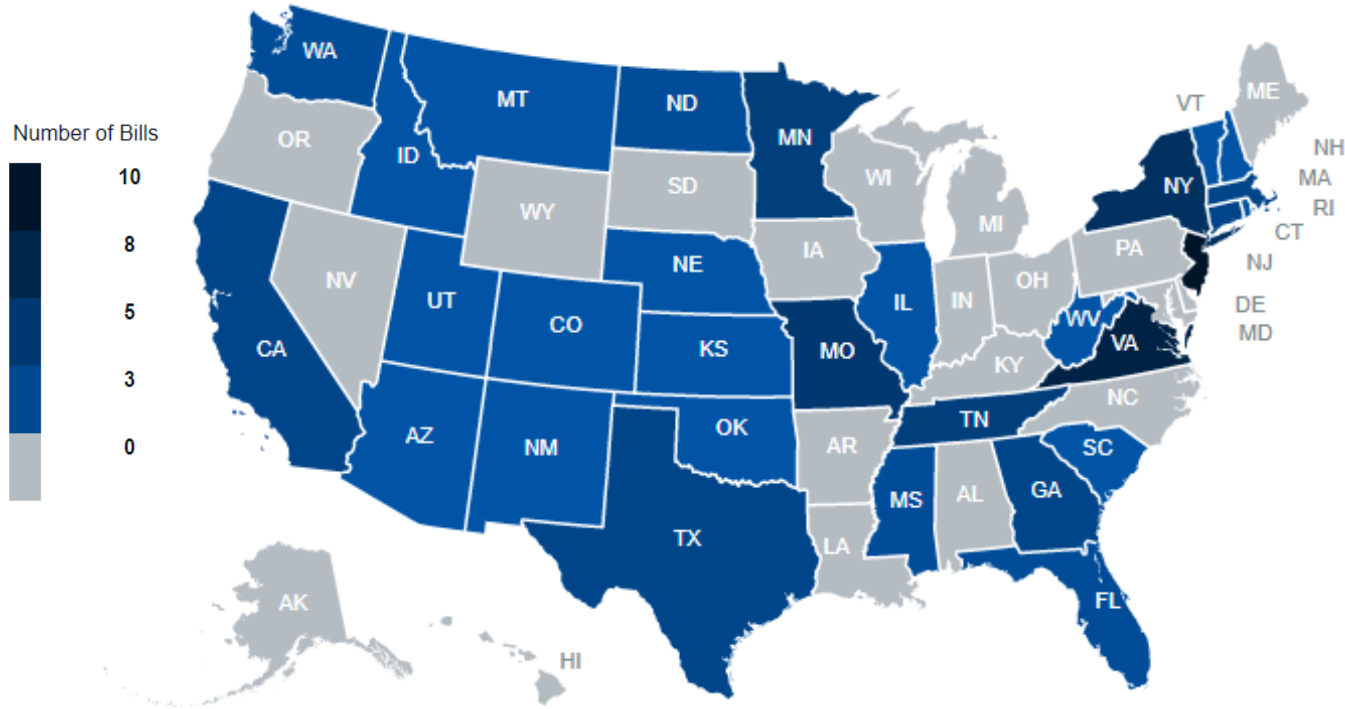


## Texas

- House Bill 4110 (2021)
- Established recordkeeping requirements for metal recycling entities related to the purchase of catalytic converters.
- NICB worked with law enforcement in advocating for passage.



# 2023 Legislative Outlook

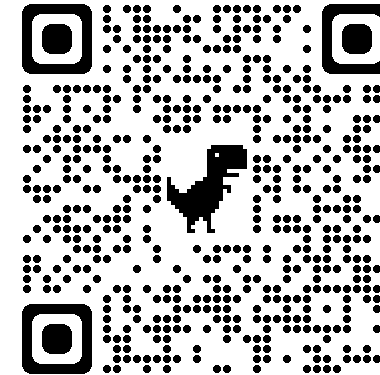


- **Catalytic Converter Legislation**

- Introduced: 74
- Passed First Chamber: 10
- Passed Both Chambers: 2

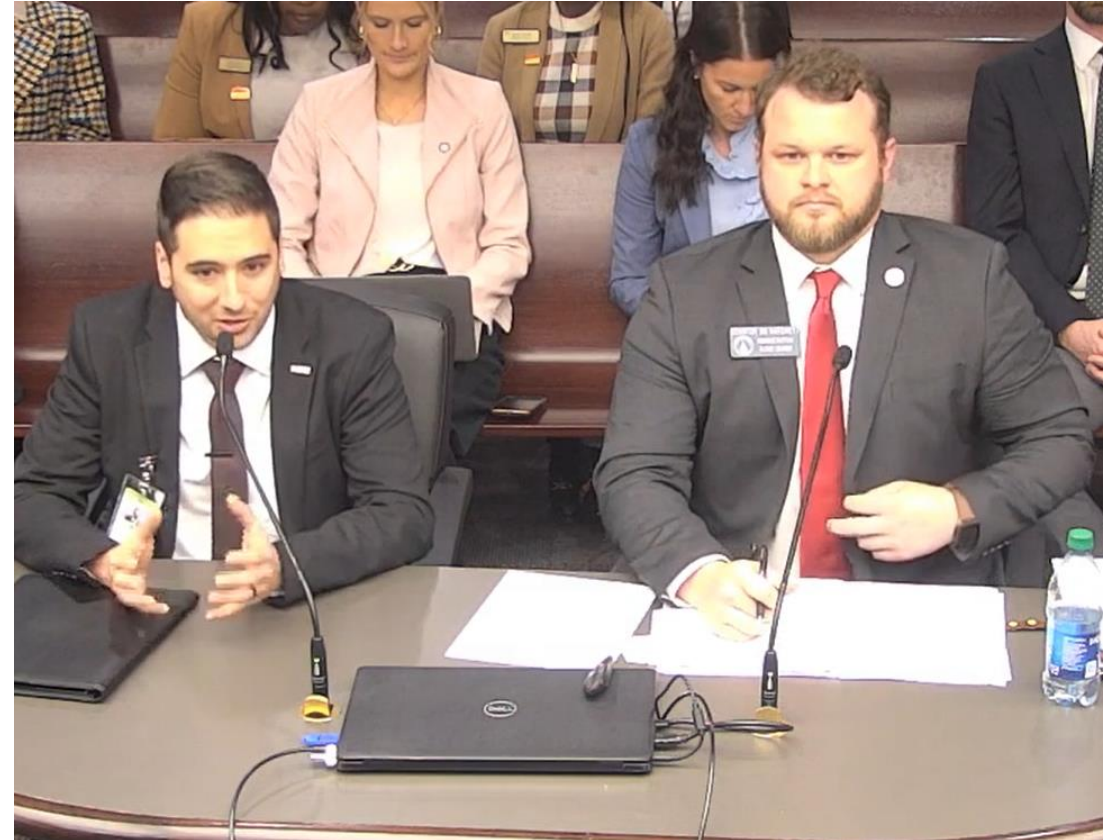
- **NICB Advocacy**

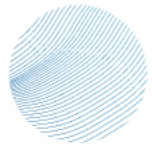
- Written Testimony Submitted: 6
- Oral Testimony: 1



# NICB 2023 Advocacy: Georgia

- **Senate Bill 60** – Secondary Metals Recyclers
- Provisions:
  - Registration requirements for purchasers.
  - Prohibits cash transactions.
  - Reporting requirements with Georgia Bureau of Investigation.
- NICB provided oral testimony in support of SB 60 during committee hearing.





# NICB 2023 Advocacy: Virginia

- **Senate Bill 1135 – Catalytic Converters**
- Provisions:
  - Establishes selling a detached catalytic converter as a Class 6 felony.
  - Establishes a permissive inference that a catalytic converter was stolen if in possession by a person without proper documentation.
- NICB provided written testimony during committee hearing.





# Federal PART Act

- NICB worked with Congressman Jim Baird (IN-04) to introduce the “**Preventing Auto Recycling Theft Act**” in 2022.
- 3 pillars to help prevent catalytic converter theft
- Partnering with stakeholders:
  - P&C Insurance Industry
  - Rental Car Industry
  - Scrap Metal Recyclers
  - Vehicle Dealers



**VIN Stamping**



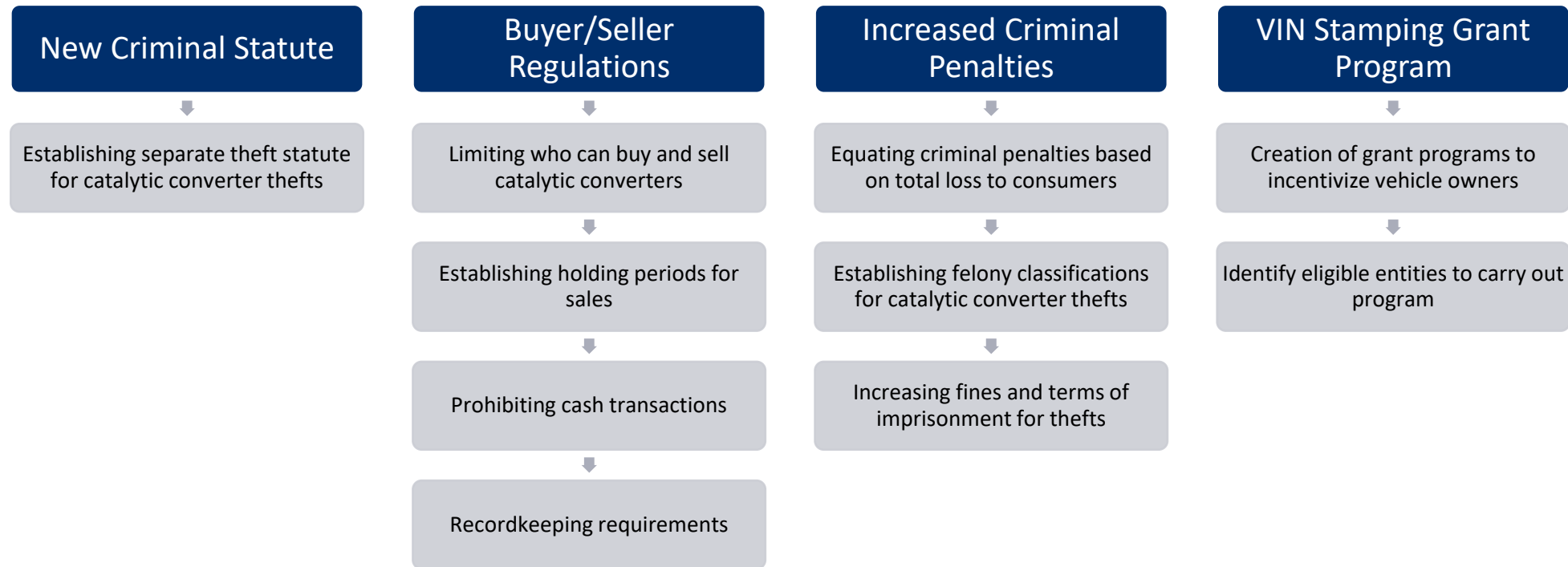
**Regulating  
Catalytic  
Converter  
Purchases**



**Strengthening  
Criminal Laws  
and Penalties**

# Model Legislation

- NICB is working on model legislation with provisions being tested in select jurisdictions.
- Model Legislation Overview:



Questions?

