

110TH CONGRESS
2D SESSION

S. 3666

To require certain metal recyclers to keep records of their transactions in order to deter individuals and enterprises engaged in theft and interstate fencing of stolen copper, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 1 (legislative day, SEPTEMBER 17), 2008

Ms. KLOBUCHAR (for herself and Mr. HATCH) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To require certain metal recyclers to keep records of their transactions in order to deter individuals and enterprises engaged in theft and interstate fencing of stolen copper, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Copper Theft Preven-
5 tion Act of 2008”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—Congress finds that—

1 (1) since 2006, metal theft, particularly the
2 theft of copper, has been on the rise, largely due to
3 a surge in the global demand for scrap metal;

4 (2) the price of copper has risen from \$2 per
5 pound in mid-2006 to more than \$4 per pound in
6 early 2008;

7 (3) theft of copper is jeopardizing the critical
8 infrastructure of the United States through theft of
9 the copper in transportation, electrical, and tele-
10 communications networks;

11 (4) from January 2006 through March 2007,
12 270 copper thefts from electric utilities in 42 States
13 were reported;

14 (5) many arrests of copper thieves show a grow-
15 ing connection between the thefts and illegal drug
16 activity, particularly activity relating to meth-
17 amphetamine;

18 (6) the 2008 Threat Assessment of the Na-
19 tional Drug Intelligence Center shows a growing
20 threat of methamphetamine use;

21 (7) law enforcement officials have testified that
22 legislation will help combat methamphetamine prob-
23 lems, as metal theft has become a favored method
24 of raising money to satisfy methamphetamine addic-
25 tion;

1 (8) copper thefts are increasing primarily be-
2 cause of the lack of pressure on the scrap and sal-
3 vage yards that pay for copper and other precious
4 metal without asking questions about the source of
5 the metal; and

6 (9) combating the problem of copper theft will
7 require improved communications between metal
8 businesses and law enforcement agencies.

9 (b) PURPOSES.—The purposes of this Act are—

10 (1) to protect consumers, businesses, critical in-
11 frastructure, and State and local governments in the
12 United States from the problem of copper theft (in-
13 cluding any related adverse health and safety risks
14 caused by copper theft); and

15 (2) to permit legitimate transactions to con-
16 tinue to take place by establishing a system to docu-
17 ment metal transactions between sellers and buyers
18 while addressing the growing problem of copper
19 theft that facilitates illegal drug use and other
20 crimes.

21 **SEC. 3. DEFINITION OF SECONDARY COPPER RECYCLER.**

22 In this Act, the term “secondary copper recycler”
23 means any person that is engaged, from a fixed location
24 or otherwise, in the business of paying compensation for
25 copper that has served its original economic purpose, re-

1 regardless of whether the person is engaged in the business
2 of performing the manufacturing process by which copper
3 is converted into raw material products consisting of pre-
4 pared grades and having an existing or potential economic
5 value.

6 **SEC. 4. REQUIREMENTS ON COPPER RECYCLERS.**

7 (a) RECORDS.—

8 (1) IN GENERAL.—A secondary copper recycler
9 shall maintain a legible record of all copper property
10 purchase transactions to which the secondary copper
11 recycler is a party that includes, for each trans-
12 action—

13 (A) the name and address of the secondary
14 copper recycler;

15 (B) the date of the transaction;

16 (C) the weight, quantity, or volume of cop-
17 per property purchased, including—

18 (i) the consideration paid by the sec-
19 ondary copper recycler; and

20 (ii) a description of the type of copper
21 property purchased in the purchase trans-
22 action, including a general physical de-
23 scription (such as by describing the copper
24 property as wire, tubing, extrusions, or
25 casting);

1 (D) the name and address of the person
2 delivering the copper property to the secondary
3 copper recycler;

4 (E) the distinctive number from a Federal
5 or State government-issued identification with a
6 photograph of the person delivering the copper
7 property to the secondary copper recycler, and
8 the type of the identification; and

9 (F) the license tag number, State of issue,
10 make, and model, if available, of the vehicle
11 used to deliver the copper property to the sec-
12 ondary copper recycler.

13 (2) REPEAT SELLERS.—In the case of a person
14 that sells copper property to the same secondary
15 copper recycler more than once, the secondary cop-
16 per recycler may comply with this subsection by—

17 (A) maintaining a record relating to the
18 seller; and

19 (B) including in the record for subsequent
20 transactions only the information relating to a
21 seller that has changed.

22 (3) MINIMUM PERIOD.—A secondary copper re-
23 cycler shall maintain or cause to be maintained the
24 records required by this subsection for not less than

1 1 year beginning on the date of the purchase trans-
2 action.

3 (b) PROHIBITION AGAINST CERTAIN CASH TRANS-
4 ACTIONS.—

5 (1) IN GENERAL.—A secondary copper recycler
6 shall not enter into any cash transaction in excess
7 of \$250 in payment for the purchase of copper prop-
8 erty.

9 (2) REQUIREMENTS.—For any purchase of cop-
10 per property in excess of \$250—

11 (A) a secondary copper recycler shall make
12 payment by check issued to the seller of the
13 copper property; and

14 (B) the check shall be payable to the name
15 and address of the seller or picked up in person
16 by the seller.

17 (c) PENALTY.—

18 (1) CIVIL PENALTY.—A secondary copper recy-
19 cler who violates subsection (a) or (b) shall be liable
20 to the United States for a civil penalty in an amount
21 not to exceed \$10,000.

22 (2) NO CRIMINAL LIABILITY.—Subject to sec-
23 tion 5, a violation of subsection (a) or (b)—

24 (A) shall not constitute a crime; and

1 (B) in the event of a judgment for the
 2 United States and imposition of a civil penalty
 3 pursuant to paragraph (1), shall not give rise to
 4 any disability or legal disadvantage based on
 5 conviction for a criminal offense.

6 **SEC. 5. RULE OF CONSTRUCTION REGARDING STATE AND**
 7 **LOCAL GOVERNMENT REQUIREMENTS.**

8 Nothing in this Act prohibits a State or local govern-
 9 ment from adopting any requirement in addition to the
 10 requirements under this Act to govern the purchase of
 11 copper property by a secondary copper recycler.

12 **SEC. 6. PROTECTION OF PERSONAL INFORMATION.**

13 (a) IN GENERAL.—A secondary copper recycler or
 14 the agent, employee, or representative of a secondary cop-
 15 per recycler shall not disclose personal information con-
 16 cerning a customer obtained under this Act without the
 17 consent of the customer unless the disclosure is made in
 18 response to a request from a law enforcement agency.

19 (b) SAFEGUARDS.—A secondary copper recycler shall
 20 implement reasonable safeguards—

21 (1) to protect the security of the personal infor-
 22 mation required under section 4(a)(1); and

23 (2) to prevent unauthorized access to or disclo-
 24 sure of that information.

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