

Informational Hearing

Senate Committee on Agriculture
Senator Anthony Cannella, Chair

AGRICULTURAL METAL THEFT

Fresno, California

May 18, 2012

SENATOR ANTHONY CANNELLA: Good afternoon. Thank you for being here. I'm sorry that I'm a little tardy; I got lost in the complex here. I have some opening statements and then I'll turn it over to Senator Berryhill if he'd like to have some opening statements, and then we'll jump right into it.

Welcome to the Senate Agriculture Committee's informational hearing: Agricultural Metal Theft. This is the latest in a series of hearings that bring pressing agriculture issues before this committee so that we can continue to be an avenue for progress.

Today's hearing is intended to give this committee a chance to hear about the efforts of law enforcement and agriculture to address the problem of agricultural metal theft in California. As the fourth largest agriculture economy in the world, generating over \$34 billion, the negative impact of metal theft on agriculture affects every Californian.

Estimates place the annual loss of U.S. agricultural economic activity due to agricultural crime at well over \$5 billion. In California, our farm economy is losing tens of millions of dollars each year to thieves. Metal theft is particularly harmful as the farmer or rancher loses more than just metal. Typically, the damage to equipment far outweighs the value of the stolen metal. Farmers all across the state commonly find hundreds, if not thousands, of dollars of damage to their irrigation pumps from metal thieves' intent on stealing a few dollars' worth of wiring.

In 2008, the legislature attempted to stem the tide of metal theft in California with the passage of AB 844 (Berryhill), SB 691 (Calderon), and SB 447 (Maldonado).

Each of these bills attempted to provide local law enforcement with information about who is bringing in materials to be recycled and what is being recycled. However, with the increasing global demand for raw materials, California is still experiencing a rise in metal theft. The legislature is very interested in solving the metal theft problem. Already, seven bills attempting to address metal theft have been introduced during this legislative session alone—this one.

Our witnesses will help provide us with a good understanding of the issues, that we may proceed with any necessary action. However we attempt to solve the epidemic of metal theft in California's rural areas, it needs to be a collaborative effort of all stakeholders and law enforcement working together to find the best solution.

For anyone who is interested in testifying, please sign in with the sergeants, and we've got one in the back and one over here, I would guess, in the back of the room. We look forward to your testimony and welcome your input.

So before I turn it over to our witness, I'll turn it over to Senator Berryhill. Do you have any comments?

SENATOR TOM BERRYHILL: I do. Thank you, Mr. Chairman. It seemed like just yesterday that we were in this same drill when metal theft would become an epidemic about four years ago. I see Manuel Cunha in the back—he was a fantastic supporter through the whole process of getting AB 844 passed—Elizabeth Egan, Margaret Mims, the backbone of that bill. We just wouldn't have gotten everything in that bill if it hadn't been for them, and I thank them now for that.

It's interesting with the metal theft and the way that it has escalated, especially with the farming community once again. And as I pondered what we might be able to do and what might come out of this meeting today, it struck me that we really, in AB 844, put all the tools in place that we need to deter this crime that's just gone rampant again.

So I am looking forward today from hearing from public safety, from hearing from some of the recyclers, from hearing from some of the farmers that have their own horror stories once again. And maybe at the end of the hearing today, we'll be able to leave with maybe some thoughts on how we might work this out. I think what we're going to find today is that realignment in 109 is going to play a big role on why this whole ... this is escalating, and we can't seem to keep people in jail. And I've got some real concerns about that. And I've got real concerns about my farmers who are

typically irrigating at night, certainly spraying at night, and so are in harm's way at night; and that's not what government is for. It's to keep the people safe. It's to keep our wives and kids safe. And, hopefully, we're going to make California a better place when we come up with some ideas today, Mr. Chairman, on how to do that.

So thanks everybody for coming. I thank the press for coming today. We do appreciate it. And I look forward to the testimony.

SENATOR CANNELLA: Alright. Thank you, Senator Berryhill. So our first panel is Sheriff Margaret Mims and District Attorney Elizabeth Egan. Come forward, please. Thank you.

SHERIFF MARGARET MIMS: Good afternoon, Senators. I appreciate your attention to the matter of metal theft and the impact to crime in our agricultural community. For years, rural law enforcement has been dealing with metal thieves as they victimize those in the ag industry, utility companies, as well as construction companies. We've been the boots-on-the-ground and have seen firsthand the destruction that these thieves cause.

In 2007, I was proud to join Senator Berryhill when we partnered with the California State Sheriff's Association, farming groups, and recyclers and made inroads into the problem by passing stricter regulations, requiring a waiting period with payment by check, and stronger record keeping by recyclers. After the passing of the bill, the Fresno County Sheriff's Office Ag Task Force made a concerted effort to organize recyclers and our farming community and put in place a communications network to improve our response to, and the investigation of, metal theft. Regular meetings were held with the recyclers and it was made clear our intention was to work together but we also made clear that we would hold them accountable should they violate regulations.

We regularly have successful investigations because of cooperative businesses who report suspicious people and material to us. An ag crime email account has been set up for ease of reporting, but most importantly, the members of the task force freely share their cell phone numbers for instant access.

Most recently, a volunteer group of farmers on the east side of Fresno County has started an ag watch patrol. They have placed bumper stickers on their vehicles as a visual reminder to those who may be thinking about stealing that they are watching.

Our task force is also involved with other task forces throughout the state and they hold regular Central Valley meetings to compare cases and suspects and discuss emerging trends. Two emerging trends are worth mentioning: Recently, urban areas are now frequent victims of metal thieves. Streetlight wire is the most common problem. The second trend is the theft of telephone wire which disrupts not only telephone service but in many cases internet as well as television service. This is a very real public safety issue if someone does not have the ability to make a telephone call to emergency services when they need them.

Even though we've made significant efforts to impact these crimes, including helping to harden the target to make it harder for thefts to take place, we still see the increase of these crimes when there's an increase in the price and demand of metal.

This crime has close ties to drug abuse and the drug of choice is methamphetamine. Meth users do not care if a farmer's irrigation pump is disrupted or destroyed due to copper wire theft and that farmer runs the risk of losing their entire crop due to the lack of water and has to pay thousands of dollars in repair costs. These thieves are now part of the non, non, non population, which means that they will no longer do prison time for their crimes. They become part of the ever-increasing responsibility of the county public safety system, and we are now inundated in our county jail with more than projected realigned inmates.

Senators, the effort five years ago was successful because we partnered with all the stakeholders, and we came to an agreement. I encourage you to do the same again to see what else we can do together to make a difference.

Thank you.

SENATOR CANNELLA: Thank you.

DISTRICT ATTORNEY ELIZABETH EGAN: Thank you, Senators. Elizabeth Egan, District Attorney. The success of this program, the Rural Crimes Bill, the first funding for this was in 2001, and we've had to fight a couple of times to the wire to keep it going. And we haven't had a significant decrease in funding, where we have in other programs that start as grants, and I think that's because this is so unique. It affects individual victims, but the economic impact generally over the area is also a victim, and I think that's what keeps Sacramento and the governors and whoever else gets involved when it comes down to the wire to keep this going. And I'm hoping that you'll keep your eye on this as we move forward in this very uncertain time. The

victims are the ranchers, the farmers, the municipalities with our street lighting out and the public safety hazards there. The victims have become the recyclers.

A couple of the cases that we sent to prison were actually arrests made at the recycling yard. One was a defendant who had been on a crime spree. He showed up at the recycling yard with stolen material—wire—and a rifle and methamphetamine. These are dangerous people and they're frequent flyers.

We were looking through the cases. Jared Klein, our deputy DA has about 100 cases. He wouldn't have that many except that they fail to appear because they're out. So our caseload grows as we wait for them to be arrested and brought back in so we can get them into court. But we are getting prison sentences on almost 100 percent of the cases that are prison eligible. That means they have a strike prior and there are plenty of them. These people out stealing wire and high on drugs and in stolen cars with weapons have strike priors. And so, every one of those that we can we're getting to prison. The rest are just repeat felons, and we're waiting for the time where they're fleeing in the stolen truck they used to go out to the rural areas and get the metal. And it's serious, serious crime. You understand that.

We are looking for something new. Let's be innovative again. We have to keep this task force operation going—the rural crime—where we meet with the other six or seven, eight counties all the time; the detectives working across the border all the time, being able to pull in those resources for the sting operations up and down this valley. It's an incredibly effective and unique law enforcement operation.

So with AB 109 realignment, we are, I think you're fully aware, we are headed into nothing but disaster. The rap sheets are growing with the arrests and our inability to complete the prosecution and get them into the rehabilitation that is hopefully going to affect their future lawful, or behavior, and that's our hope. But in the meantime, it's causing a lot of additional economic damage to the area.

Also, if you become aware with our foreclosed homes in these areas in the Central Valley, they're coming in and taking all the appliances and vandalizing those homes. We just toured the Bank of Italy building here in Fresno, and they dragged metal heaters down marble steps and shattered all the steps to get a metal heater that was inoperable. So the amount, the exponential amount of damage, you're well aware of for \$100—\$50 to \$100— worth of wire in cash is exponential damage and economic loss.

So we are here, the district attorneys up and down this valley, to do anything we can. And we really urge you to help continue this program of working directly with the ag detectives.

SENATOR CANNELLA: So did I hear you say because of AB 109 we're headed towards disaster? So just in general, because of AB 109 realignment, your position as the district attorney that sees it all, that we're headed towards disaster?

DISTRICT ATTORNEY EGAN: Yes, it is, Senator.

SENATOR CANNELLA: Alright. I have other questions too. Senator Berryhill.

SENATOR BERRYHILL: Yeah, I have a couple. First of all, I want to thank both of you for helping to get 844 through in the first place. It was a yeoman's effort on both your parts. But in that bill, we really got everything that we asked for. We thought we had given public safety all the tools they needed. You mentioned that you've still got full funding for all your task force.

DISTRICT ATTORNEY EGAN: No, it's not full funding. It's down. But you know, when you start with a grant program, it's usually 100 percent funded, and within four or five years, the grants are generally over to try to kick start this stuff. But grants for specific crimes, this started that way, and the funding has dropped but not like our other grants. And I think it's because it is so effective over a broad geographical area and all different kinds of crimes and the way we've done the work, the way that we've worked with the sheriff's department.

SENATOR BERRYHILL: As thorough as we were in 844, do either one of you just have any thoughts off the top of your head what things in addition we might do? Because I thought about this the last couple of days, I'm going, "You know what, we got everything and more than we wanted on this thing, including flexibility for all the local jurisdictions." And I'm very curious today as we listened to both yourselves, the recyclers, and of course some of the victims on getting some ideas of what else we might do to stop this. Obviously, we've got good actors and bad actors, and the good actors always get thrown in—one bad apple and they're all bad. I absolutely understand that we've got good recyclers that play by the rules, and they're really victimized when you get the bad actors either here or over in the Bay Area that are taking all this stuff. But it's epidemic.

I lost a Caterpillar the other night and it didn't even run. I don't know how they got that thing off that pad. But these guys are emboldened.

I think 109, as you mentioned, is an absolute disaster. It's a revolving door through no fault of your own but the fault of the majority party in my ...

But you know, I think that you got it right. I think the core of this thing, why it's going to get worse before it gets better is because 109, the early release of all these prisoners.

SENATOR CANNELLA: Yeah, but to follow up on Senator Berryhill's point: You know it's our ... his bill, Senator Berryhill's bill has been in effect for four years now. It's given everybody a chance to work within those parameters, and you know, we can learn from how we're trying to do things and what works and what doesn't work. So really, from your perspective, from law enforcement, what can we do differently to make that better and make your job easier to accomplish the goal?

SHERIFF MIMS: Senator, as we organized our testimony today, following us our task force sergeant, Mike Chapman, will be testifying, and they have some ideas and will be able to answer that particular question.

And to follow up on the grant funding: We have the sergeant and two detectives paid for with grant funding. However, I have more than matched that with my own general fund money. And so, altogether we've got seven detectives and the sergeant assigned to the ag task force, so six of those are paid with general fund money, three are paid for with grant money. In addition to that, we have the deputy DA as well as a CHP officer that is on the ag task force. And it's a great partnership, and we can all work together in the same office building to keep this in check, and that's what we've done.

SENATOR CANNELLA: Okay. So from a sheriff's standpoint, we're going to hear from the folks that are doing the job how we can do better. From a DA's perspective, are there any modifications of the law that can be made to make your job easier?

DISTRICT ATTORNEY EGAN: Since realignment is here and until however long it's going to take for people to realize the rampant criminality, we have to either carve exceptions out of AB 109 that will make them prison eligible. I believe ROCA now shouldn't be used as a term anymore. The prison is down over 22,000 in population and that will continue because of AB 109 as they're released. They're not going back. Parolees are not going back. So I don't think we should use prison

crowding as a reason not to carve certain crimes out and make them prison eligible again. These people are repeat offenders.

SENATOR CANNELLA: Yeah, but it seems like urban—first of all, urban metal theft has always been a problem. It's not recently. It's been a problem for a long time, especially where I'm from up north. We've had our streetlights, you know, the wire stolen from that. We've had fire hydrants stolen, manhole covers stolen, so it's been a long time. So it seems like it's gotten better, and some of it is Senator Berryhill's bill, but also it was the price of commodities went down so it wasn't as lucrative to steal these things. And now the price of commodities has come back up, and now there's a demand. So in your opinion, how much of the problem is due to the commodity prices going up and how much is due to AB 109 and the early release of prisoners?

SHERIFF MIMS: Well, I think the criminal mind says, you know, "What's the risk reward?" And the risk is minimal because you're not going to go to prison, and chances are you're not going to go to jail, so you could continue your criminal activity. And the reward is, they continue working their ...

SENATOR CANNELLA: Okay.

SHERIFF MIMS: So that's really a big part of it.

SENATOR CANNELLA: So now that they understand that it's going to be hard to go to prison, there's less risk and more reward?

SHERIFF MIMS: Absolutely.

SENATOR CANNELLA: So it all, in your opinion, most of this comes down to probably cutting funding for law enforcement in AB 109 and the early release of prisoners?

SHERIFF MIMS: Yes.

SENATOR CANNELLA: So if we just deal with those two things, we're fine?

SHERIFF MIMS: I think we'll have a greater impact.

SENATOR CANNELLA: Two easy ones. We'll just take those off the list.

DISTRICT ATTORNEY EGAN: Well, prior to 109 taking effect, as long as the price of metal goes up, you're going to have people that's going to take advantage of that, and that's where we are. When copper is at \$3.50 a pound, people are going to find a way to steal copper and sell it.

SENATOR CANNELLA: Yeah. So there are a lot of good actors, right? A lot of recyclers that are doing their job, and they wanted to be part of the solution, and

they've been part of the solution. They're probably your partners in a lot of this area. But I've heard of cases where it's a very sophisticated process where they steal bleachers, I mean, really significant things that obviously they didn't just find on the side of the road, but then they ship them either to another part of the state or they actually ship them out of the country. So how big is that as part of the problem, and what can we do about it?

DISTRICT ATTORNEY EGAN: We need more law enforcement. You know, I think there's been, probably a habit, a custom over the years, and I think that this latest push that we, through your bill, Senator Berryhill, and the attention, the task force has brought the recycling operation up to... It became visible and then as it became visible and they started saying, "Okay, let's tighten up how we do business," and then you get the uneven business practice of the other one still cheating, so to speak. So it's helping a lot, and they're helping law enforcement. But a lot of that is the presence. The detectives now, we have a reason to go there. It's not just sort of looked at as harassing the recyclers. We have a reason to be there. We're going to check the books. We're working together. Everybody knows what we're doing. And just the presence, the presence and working with them, developing the relationships. We do the stings. I think it's just a process that is evolving. And the more the recyclers take part and work with us, the more it's glaringly evident the ones that we need to focus on.

SENATOR CANNELLA: How often does the county conduct stings?

DISTRICT ATTORNEY EGAN: We haven't had one in a couple of years. But the beautiful thing is, when we do a sting, the detective/sergeant will tell you, but we do it across two, like say, a couple of counties. Because you know, as soon as you push here, they start running across the county line. And it's really effective. We'll do serial stings up the valley. So it's really... That's what's brilliant about this also, is that it's cross county.

SENATOR CANNELLA: I've heard also situations where—not the big recyclers, because you can conduct a sting on a large recycler, right, because they have an established business. But some of these folks operate out of their business or they operate at mobile sites where they'll pay cash. How do you deal with that?

DISTRICT ATTORNEY EGAN: You deal with that with the detectives who start to learn—like any focused law enforcement operation, they start to learn who the

players are. You know, when you talk to gang detectives or metal detectives, they start to know who the players are. They know who to talk to. They know where to look. And it's just that when I went riding with the detective a couple of years ago I was amazed at what she showed me. They know the area. They know their county. They know who the operators are. You know, we follow that truck out of Fresno right to the Bay Area. You know things like that, and that is very effective, and that's how you do it. There's no easy quick way. It's developing a relationship with recyclers and being on the ground.

SHERIFF MIMS: And these investigations are very labor intensive. It takes a lot of people, especially when you're doing the surveillance and those kinds of law enforcement activities. They are very labor intensive to do that.

I was just briefed by Sergeant Chapman that now he has somebody solely designated to visit every recycling yard twice a week just to go through the bins and look around, one person that solely just does surprise visits and looks around and looks through and sees what's there.

SENATOR BERRYHILL: Where's all the metal going, then, Margaret?

SHERIFF MIMS: Well, out of the area. A lot of it might stay here. Our problem is—and it's an ever problem with prosecution—is finding a victim in time to prosecute when they have this stuff because as you know, many times they might turn in the metal, and it's quite some time before a victim figures out they've been a victim.

SENATOR CANNELLA: Okay.

SHERIFF MIMS: And then finding the suspect again and associating it with the victim is what we need for a prosecution, so that's a big problem. And there are enough yards, recyclers that are out of the area that are unscrupulous and will take metal with no questions asked.

SENATOR CANNELLA: Are you using GPS technology? Those are things... A few years ago when construction was booming, I mean, these folks would go into these new construction areas and rip out backflow preventers. They would embed them with little GPS tracking devices. Is that a common thing to use? What kind of technology do you use to...

SHERIFF MIMS: Yeah, we do that. Now you're letting everybody know our secret, Senator, but that's alright.

SENATOR CANNELLA: Oh. They should be aware that the things they steal may have a GPS tracking device, right.

SHERIFF MIMS: Yes, we do use GPS trackers. I mean, we will actually have bait wire we will put out with a tracker and conduct those kinds of investigations.

DISTRICT ATTORNEY EGAN: Cameras over certain areas of yards. And you'll hear from some of the... I know PG&E's head of security; they do a lot to try to prevent the theft and then to track it so that we can prosecute.

SHERIFF MIMS: The latest thing we've purchased are cameras, portable cameras that we can put out when we believe there's a trend or a series of crimes, metal thefts. We'll put it out in a place and get video—digital.

SENATOR BERRYHILL: You know, I think this thing is running down, but, okay, let's say you put a camera out there, and let's say you catch the guy. Can you keep him in prison or is he back out on the street a day later?

DISTRICT ATTORNEY EGAN: It depends on his history. If it's a third strike and if he's charged with that third strike, we will keep him.

SHERIFF MIMS: Or a striker. If he has a previous strike, yeah.

DISTRICT ATTORNEY EGAN: However, if it's a straight property crime, those are the ones that are first to be released to make room for the murderers, robbers, and rapists.

SHERIFF MIMS: Which the ones with prior strikes are some of those. Of our real cases, it's 83, 84 percent are related to metal theft.

SENATOR CANNELLA: Say that again.

SHERIFF MIMS: 83 to 84 percent of the cases we currently have in the rural crimes caseload are metal theft related. We have rural home invasions, other crimes that our deputy handles, but the vast majority are metal theft related.

SENATOR CANNELLA: Anymore questions?

SENATOR BERRYHILL: No, I'm good.

SENATOR CANNELLA: Well, thank you very much. Thank you for being here. And I know you're on the frontline, and your budget has been cut by the state, and we just really appreciate what you do for all the residents of Fresno.

DISTRICT ATTORNEY EGAN: We appreciate you fighting, Senator. I know you're on the arson bill and the other things we're working hard to try to tailor. The

economic impact is greater than one individual rancher or farmer or business owner, so it really affects this entire valley, and I appreciate you focusing on that.

SENATOR CANNELLA: Alright. Thank you very much. Alright. So our next panel will be Sergeant Michael Chapman, Fresno County Sheriff's Department; Detective Adam McEwen, Madera County Sheriff's Department Ag Crimes Unit; and Detective Dan Kerber, Madera County Sheriff's Department. Thank you for being here.

SERGEANT MICHAEL CHAPMAN: Thank you. I apologize. My partner, Dan Kerber, couldn't be here today because, surprise, surprise, he got tied up in a metal theft case that happened this morning in Madera County.

SENATOR CANNELLA: That's more important, so you can handle us probably just fine. Well, great. Would you guys like to present anything first?

SERGEANT CHAPMAN: Yes, I would. I'd like to talk a little bit about 844. It helped us a lot, and it's been instrumental in initially decreasing the amount of metal theft we were having. Like anything else, once it's been out for a while, you see some places where it can be fine-tuned. I think what a lot of the people are doing to get past the immediate return on the money when they turn it in, where you have to be recycling for an extended period of time every day—what's happening is there are people that are doing that, and there are people who don't have that capability that take the metal to them, and they essentially become an itinerant dealer. They sell... The people who aren't capable to get paid on a daily basis sell the metal at half of the price to these itinerant people who have the capability to get paid on that day.

I think the other thing too that we're seeing is that there are a lot of people who are recycling metal on a daily basis, and that's their sole source of income. I think a lot of that income is probably going unreported.

One of the recent challenges that has hit us in the investigative portion of this is we can focus a lot of our attention on the yards or we can focus our attention on the people who are actually committing the thefts. And by and large for the most part, the yards, at least in Fresno County, are very compliant, and they're our best partners in fighting metal theft. They're quick to call and report. We made some great cases with them.

One of the things that's challenging us, though, is recently grand theft. The threshold amount was increased from \$400 to \$950. And as we've heard before,

oftentimes the amount of copper wire that's stolen is only a couple of hundred dollars' worth of wire, but it does thousands of dollars' worth of damage. Not only the initial repair cost, but if this happens at a time when the grower is counting on their wind machine to work to prevent frost damage or they're counting on their pump to work, you know, to, again, prevent frost damage, the loss can be significantly more than just the material.

I know there has been some legislation introduced in the past to reduce the amount, the threshold amount, for metal theft to make a grand theft down to \$2- to \$250, and that has been recently defeated. Fresno County is fortunate in that we're one of the few counties that still is able to get misdemeanor cases filed through the district attorney's office. Most of our counterparts in the 13-county umbrella that we all work together on the Rural Crime Task Force do not have that luxury, so if we catch people stealing metal, oftentimes it's a misdemeanor that if it carries any penalty at all it's significantly reduced, but yet it's still doing a significant amount of damage.

I know that the lobby group ISRI (The Institute of Scrap Recycles Incorporated) represents basically the metal groups. We have proposed some legislation that they felt would impact their business in a negative way so they have opposed it. And what I would, just at a grassroots level, I think what would work well is if we could get together with these people like we have with the metal yards here and partner with them and come up with some legislation that would work, that would be palatable to both sides. Instead of being kind of adversarial on this, we become allies with them. I think that would do more good than anything else. And look at these issues, how we can do better with the itinerant junk dealers that are picking it up, and we can work with them to reduce the dollar amount for grand theft on metal losses.

SENATOR CANNELLA: I've heard that the legitimate metal recyclers, and there are a lot of them, and probably most operating businesses have actually been hurt just because of these folks that...

SERGEANT CHAPMAN: That's correct.

SENATOR CANNELLA: ...are set up in their trucks where they're willing to pay cash. So a lot of the legitimate business—you know, people that recycle cans or whatever—they don't necessarily want to weigh, they don't necessarily want to get a check, they want cash. And so, even though they've collected those cans in a legal

way, they still will go to these, you know, one-time operators or whatever. Are you seeing that as a problem as well?

SERGEANT CHAPMAN: Yes, we have. We had an incident... it's also kind of complicated for us because the larger recycling yards are located in the county. The smaller yards that focus primarily on CRV redemption but also take ferrous metals are located in the city. So we have a jurisdictional issue there where we end up crossing over into the city to take enforcement on that. There was one incidence where there's a city yard that, "we can't pay you for three days, but we do three-day loans, and we'll pay you 50 percent of the amount," and they're basically doing a loan thing. We found out about that and obviously there's some... a temporary loan and you have to have the proper certification and license. We shut that down real quick.

For the most part, we get great compliance from the yards. And it is the small individuals that you find on the side of the street. They don't even have storefronts. These itinerant dealers that we're talking about are people that—people that are stealing the metal and are wanting to get the instant return from it. They're acquaintances of these folks that are selling metal on a daily basis so they have a personal relationship. It's not necessarily always a storefront operation.

SENATOR BERRYHILL: You lost me a little bit. You call them "itinerary?"

SERGEANT CHAPMAN: Itinerant junk dealers, yes.

SENATOR BERRYHILL: Itinerant. Itinerant.

SERGEANT CHAPMAN: I'm sorry.

SENATOR BERRYHILL: You're using big words with us here. We're just senators. You've got to keep it simple.

So what can we do to deter... Do you think that this may be a big part of the problem that's out there now?

SERGEANT CHAPMAN: I think it will help close a loophole. In the grand scheme of things, if I had a number of things to pick from and I could only have one, it would be to decrease the threshold loss amount for metal theft and make it a grand theft. But what's going to be tough about the itinerant dealers is that they don't have storefronts. They're going to be tough to locate and take action. Actually, there's a county ordinance that requires itinerant dealers to have a license and a place of business. And we have actually gone after a couple of people just by looking at the

recycling records. Obviously, this is a source of income for them, and we've cited a couple of those. It hasn't been the most effective use of our manpower though.

Any legislation that we would propose... I think we really need to be on board with ISRI, on to make sure that this is something that's acceptable to them so we're not spending a lot of our effort on something that they're going to challenge later on.

SENATOR CANNELLA: Yeah. You know, we hear about growers and then we'll hear about them taking up their own precautions to try to battle metal theft because obviously they're the ones left footing the bill, right? Do you have some suggested actions a farmer or rancher can take to protect their property from metal theft?

SERGEANT CHAPMAN: Yes. They've done really well in being very creative on their own in hard pointing likely targets. One of our partners from AT&T, they've been experiencing a theft of a lot of wire, and they basically say it's like having an orchard that grows five-dollar bills and trying to put a fence around it. It's just not really practical to do that. They can certainly do a lot more to lessen the chance, deny access, you know, cabling off vineyard lanes and whatnot, reinforcing pumps and booster boxes, panel boxes. But what it comes right down to because of the nature of where the crimes are occurring—it's occurring in a rural area that's sparsely populated, and it's occurring at times when, you know, maybe the rancher or farmer grower isn't there. It's just really tough to hard point everything and prevent theft.

SENATOR CANNELLA: Okay. Have the data reporting requirements under the state law been helpful in your investigation of metal theft?

SERGEANT CHAPMAN: Yes, they have. We've made some significant cases because we're able to go back and search records. Someone just mentioned something about the... I think Ms. Egan mentioned about the theft of radiators from one of the old bank buildings. And we were at a yard two days ago, and we were wondering where these radiators come from. So I've got a detective actually working on that at this moment, making contact to find out who brought those radiators in so we can attach it to that crime. So by being able to go back and have those very good records in place, it's helped us expeditiously.

SENATOR CANNELLA: So understanding that most of the recyclers are working with you, trying to do the right thing—or “good actors” we'll call them—how often is an investigation started because of them contacting you and saying, “Wow,

this guy just brought in a bunch of bleachers. You know, this doesn't seem right to me."

SERGEANT CHAPMAN: Last Thursday I received a call. We just did a recent press release on the theft of telecommunication wire and how important it is. I received a call from a recycling yard, one of the larger recycling yards here in Fresno, and said, "Hey, I've got some wire that doesn't look quite right. You need to have someone come in and take a look at it." Unfortunately, we were tied up on another investigation. Friday morning I got a second call from that recycler saying, "You need to get over here." And we got a couple of detectives there, and sure enough, it was some telecommunication wire. And while they're there looking at and talking with the recycler, the suspect comes back in with a third load, and they were able to arrest him. If not for that call, we wouldn't have had that case. And it was like a \$10,000 loss to the communication business—so huge.

SENATOR CANNELLA: Detective McEwen, you didn't have any papers in front of you, so I'm sorry, I haven't referred to you yet. So I'll turn it over to you for a few minutes.

DETECTIVE ADAM MCEWEN: Yeah, I highly agree with Sergeant Chapman about the increase in the dollar amount going from \$400 to \$950. That's been, in my opinion, the biggest challenge, adjusting to that difference in dollar amount. We're finding that a lot of cases that before would have been felony cases, which has enabled us to make arrests on those suspects that commit these crimes, now a lot of them have turned into misdemeanor cases. And it's very discouraging when you have to spend the same amount of time investigating the case. And you may find out who the person is; and you find yourself instead of being able to arrest them like you were before, you're basically explaining to them you're going to file charges on them, they get to go free and continue to do the same thing. And then at the same time, you've got to tell the victim, "Hey, you know, unlike before with the same case, we can't make an arrest now because of the way the new law is written because the increase in the dollar amount," and it just makes a lot of people angry, discouraged. And you know, it's just frustrating.

SENATOR CANNELLA: What law changed that threshold, do we know?

DETECTIVE MCEWEN: I don't know what exactly changed it, but it was the violation of grand theft, PC487. Before, it used to be \$400 or more; it went up to \$950.

SENATOR CANNELLA: Yeah, but was it part of AB 109?

SERGEANT CHAPMAN: AB 316.

DETECTIVE MCEWEN: 316.

SENATOR CANNELLA: And when did that pass?

SERGEANT CHAPMAN: 2010, I think.

DETECTIVE MCEWEN: Yeah, okay.

SERGEANT CHAPMAN: We've been saddled with this for a little over a year.

SENATOR CANNELLA: Did you vote for that, Senator Berryhill? (Laughter)

SENATOR BERRYHILL: No, I didn't.

SENATOR CANNELLA: I'm just kidding.

Detective, do you see any loopholes in the current law other than the decrease in the grand theft amount? Are there any other loopholes that we should be looking at to try to help you folks do your job?

DETECTIVE MCEWEN: One of the things that I have noticed, especially when it comes to the wire thefts—a lot of times when I see the wire that's coming in that's not legitimate, from just basing my experience dealing with the suspects, we're seeing that a lot of the wire is stripped—that or it's been burned. So any of the insulation markings—which a lot of the insulation companies will mark their wire with their brand name, the size of the wire, any other information, like voltage information—that you can compare to the wire at the location where the theft occurred is now gone. You know, I've had personal cases in where I've gone to court where I've been able to show to the court that, you know, the shoe prints at the crime scene matched that of the suspects that you contact in the case. On top of that, with the fact that you prove that they're the ones that took the wire into the yard, but even though you show all that information to the court, you find yourself trying to explain how that exact wire that they brought in was the same wire that came from the crime scene. So it's very challenging to, as far as that aspect, to show it's the same exact wire. You know, it would be nice to, you know, like Sergeant Chapman—it would be nice to approach something or make something that's fair for not only us but for the victims and for the

business owners that are, like you say, the good actors—something that can be agreed upon where it can make it easier to identify this stuff because...

SENATOR BERRYHILL: Because right now they're required to take pictures, to take thumbprints and all that. But even with those tools, and you say you have a picture of the stolen equipment, you have a hard time proving that indeed that was the wire that happened to be stolen out of whatever given location?

DETECTIVE MCEWEN: Right.

SERGEANT CHAPMAN: And sometimes it's the quality of the pictures. You know, they're required to take a photograph, but sometimes what I see is their photograph is video surveillance where the quality is not that great. You have maybe an overall picture of it that's a faraway zoom. It's a photograph of it...

SENATOR CANNELLA: So the law requires, Senator, that you take a picture, but the recyclers are saying, "Well, we've got the video camera," and does that meet the...

SENATOR BERRYHILL: That's their picture, then, evidently.

SENATOR CANNELLA: That seems like a loophole.

SENATOR BERRYHILL: Yeah. It can be looked at as one, yes.

SENATOR CANNELLA: So you can just get a little camera and take a quick picture.

SERGEANT CHAPMAN: I'd like to see, the quality of the actual photograph that's required would be a good idea because a lot of times, you know, property identification is a challenge.

SENATOR CANNELLA: Hmm. Interesting. Now, we heard that Fresno recyclers are for the most part, the established ones, are doing a good job and working with law enforcement. Are you seeing the same thing in Madera?

DETECTIVE MCEWEN: Yes. I'd say we're fortunate; we only have a few recycling businesses in Madera. I'd like to say that we do have good relationships with those businesses. They have helped us out with making cases, and it's been great. But, you know, sometimes I'm finding that there are people that are doing recycling businesses out of their backyard.

SENATOR CANNELLA: What was the word again? Interant? What did you call it?

DETECTIVE MCEWEN: Itinerant.

SENATOR CANNELLA: Itinerant. So itinerant dealers, you have the same problem?

DETECTIVE MCEWEN: I'm seeing it's starting to be pretty common now.

SENATOR CANNELLA: So what does that look like? What would an itinerant dealer look like? I mean, how would you identify them?

DETECTIVE MCEWEN: Well, one is sometimes we're told by citizens untruthfully or sometimes they'll call and give their name and information and it will be something as simple as somebody that... Let's say they scrap, that's what they do for a living, but they also allow people that come to their place and they'll buy these items from them and pay them cash, and there's no receipt or paper trail. And that person that does recycling for a living will take those items which are, in my experience, almost always stolen. So you know, there's no proof of who exactly brought those items in, the guy that's not recycling it...

SENATOR BERRYHILL: He's still guilty of receiving stolen property, but we can't trace it. That was part of 844. I think part of the compromising getting it through was that one of the deals was the guys that make their money on this, if they're known people, if that's what they do, and they come in more than five times a month or whatever, and they're clean, then you don't have to ask for all that information, I believe. Is that right?

DETECTIVE MCEWEN: Yes, sir. And that's where the loophole is. It's not a business front. They don't have a sign that says, "I am an itinerant junk dealer." Usually it's a fellow in a pickup who pulls up next to a fellow on a bicycle, and he buys his stuff. It's very sleight of hand, almost like an illicit drug deal on the street. In my view—and again, this is just from the working cop kind of mentality—is these people who are the itinerant dealers who are providing this means for the immediate payment are redeeming scrap metals on a daily basis, and they're doing it, and they're making thousands of dollars a week, and this is unreported income. And I'm not sure how quite the mechanics would go about doing this, but if there's some way that we can control that and they could be accountable for where their income—the metal they're receiving for their income—is coming from, it's also a tax basis that's escaping us. You know, they're making thousands of dollars and not paying any sales tax or earning income tax on it. And oftentimes, we find through investigation that these same people are receiving some form of government subsidy. I think that might be the

way to approach it, is to have some kind of control of the reporting of income through the recyclers where these people who are regular recyclers or the itinerant dealers.

SENATOR CANNELLA: Well, I just don't know how that would work. It seems like you've got the person that steals the wire, who knows that he can't take it to a legitimate recycler because they will question him, so they do this deal where a guy in the pickup truck comes and he gives him the wire, and he gets pennies on the dollar, probably cash, and then the person that's the itinerant dealer drives to San Francisco...

DETECTIVE MCEWEN: The illegal dealer.

SENATOR CANNELLA: He's an illegal dealer. But he's not going to a legitimate recycler and trying to pedal...

DETECTIVE MCEWEN: Yes, he is. He goes to a legitimate recycler. He goes there daily to recycle, and now because there's no way... it's like, you know, a piece of copper wire is a piece of copper wire, is a piece of copper wire. I can't tell by looking at it who it belongs to, especially with the sheathing or the insulation removed on it. And as far as the legitimate scrap yard, yeah, this is a person who scraps for a living. They're in here every day. This is the regular...

SENATOR CANNELLA: So they don't have the same requirements because they're in there recycling every day.

DETECTIVE MCEWEN: Once you recycle on a daily basis for 30 days, I want to say, then you become paid instantly on the spot.

SERGEANT CHAPMAN: They don't have to wait the 3-day hold.

DETECTIVE MCEWEN: They basically get around the 3-day wait is what's happening. And that's the attraction for the people who have stolen the wire. They want to get paid right away, so the way they're getting around one of the key components in 844 is that they're—it was this itinerant person. And I think the only way that I can think of to stop that itinerant person or at least to identify them, or maybe recoup some of our losses back, is to start identifying them for taxing on this income that's unreported.

SENATOR CANNELLA: That sounds like a good idea.

SENATOR BERRYHILL: We should talk afterwards.

SENATOR CANNELLA: Okay, any other questions?

SENATOR BERRYHILL: No, I'm good.

SENATOR CANNELLA: Alright. Thank you very much for your time today. Thank you both very much. You guys can get back to your real jobs now, right? Thank you.

SENATOR BERRYHILL: Thank you both very much.

SENATOR CANNELLA: Alright. The last panel is Cannon Michael, Bill Boos, Delbert Unruh, John Sacco. Cannon Michael from Bowles Farming; Bill Boos, Fresno County farmer; Delbert Unruh is a senior security investigator, corporate security, Pacific Gas and Electric; and John Sacco, Sierra International Machinery. Thank you all for being here today. And we'll start, Cannon, with you and then we'll go to Bill, Delbert, and John.

MR. CANNON MICHAEL: Well, good afternoon. And I'd like to thank you for inviting me to testify at this hearing today. And I want to say a special thanks to you, Senator Cannella, for calling this hearing to hear about this very serious issue that's affecting our valley. And I appreciate both the Senators' efforts to improve the valley and the state. And I want to thank all the other panelists who are here. It's going to take a collaborative effort to come up with some solutions to this problem.

My name is Cannon Michael. My family has been farming in the Los Banos area since the 1850s. I'm the sixth generation of my family to be involved with our farming operation. When my great-great-great-grandfather came here, it was pretty much the Wild West, and unfortunately, I think, we're kind of devolving back into that state. Private property, to be honest, just isn't respected anymore. We see couches and unwanted animals and now thieves on a daily basis out in our area and with little fear of any repercussions.

Metal theft, and the copper wire in particular, has been an ongoing problem in our area for over five years now. As we've heard today, the problem is not unique to agriculture. It's been happening in the urban and suburban settings with the examples that have already been given. Everybody I know in agriculture has suffered to some extent from this. Every farmer that I know—and I know a fair number up and down the valley—they have been affected in some way by metal theft.

As has been mentioned several times before, the cost of the wire stolen is not high. I actually had one pump where the retail cost of the wire stolen was about \$13; so you figure on the black market—I don't know what they get—but maybe a dollar or two. But the cost to me to rewire was over \$800. Hiring electricians to come out to

the farm and then handling a dangerous task of having to rewire and do all that properly is something that costs us a lot of money. We have tried to reinforce some of our boxes and put in all steel conduit. They just attach trucks to it and rip it apart, and it does more damage and costs us even more to put it back. So all the effort we made of trying to come up with solutions have not worked.

As has been mentioned, the primary targets of these thieves are our irrigation pumps. Our most recent theft that we had cost over \$5,000 to just repair the damage, and the value of the wire stolen was over a thousand dollars. They did such a significant amount of damage by ripping it out with their truck that it took PG&E to come out to do a temporary disconnect, and that took about five days to get everything put back together. Those two pumps that they took out provided us with 22 feet of irrigation water. If this theft had happened in July... We were fortunate it happened in April where the demand was low, we were just getting started. But if it had happened in July with the heat wave as we all know is common in any of the summer months, tomatoes, if we left them for five days without water, the damage to us could be in the hundreds of thousands of dollars. So you hear these numbers, 800, 500, 1,000. It has nothing to do with that. The potential damage to us is tremendous. As I said, all of our pumps and ag pumps provide some level of water or drainage for our fields, and they're just essential parts of our operation. The loss of these units can just be traumatic.

We actually caught the two thieves who stole, who did this last theft, and since the value of the wire was over \$1,000, it is a felony. I met with our local DA, though, to see what would happen to these guys—you know, try to follow-up on it and be proactive—and it turned out that one of them actually was arrested and convicted by the same DA—felony copper wire theft back in October. And then he was on our property... Actually, the pump was hit previously in February and then again in this April. So he was back out, obviously, doing the same thing. I asked, since he was a repeat felony offender, same type of crime, what would happen to him. The DA told me that if he was convicted—and I think he said it was three years and eight months that he could go for, this DA could possibly go for it—he would most likely be out in 30 to 60 days with an ankle monitor. And so that would be the most of what he had. He didn't have a strike. So it was frustrating to hear that. I also asked if there would be a possibility to get them to be like an informant or... I'm not a law enforcement person,

so I don't know all the intricacies of how they do that, but maybe have a sting operation or something like that. But since they're facing so little jail time, there would be no reason for them to flip on a guy that they're probably going to go back to in a few days anyway, or 30 days or whatever it's going to be. It just seems to me now that a nonviolent felony just doesn't mean anything—it has no real meaning—which just blows my mind.

As mentioned here before, the realignment issue, I just see that as just for people in rural areas and even in some urban settings. Everybody should be concerned because all these guys being pushed back into the county system just seems insane to me because there's not enough local resources right now. Merced County, where I am, just doesn't have the resources to house all these people and all these nonviolent people especially. So the sheriffs just have to kind of push them back out as quickly as they get them in. I have a tremendous amount of respect for law enforcement and for the district attorneys doing the job that they're doing. I can see just how frustrating and how disheartening it must be for them to not have the ability to do anything really to these people, and I can just see that some of the wind has been taken out of their sails in a way just because they're up against something that's just so difficult.

So what are we as landowners supposed to do? I actually did something that I got a legal opinion to do it, but I had our shop make up spike strips. And we installed them in a road and it was an isolated area. It's miles from any county road and that's how we caught them. They crossed those. They tried to drive out. They ditched the wire, but we recovered it and recovered their footprints and everything that built a very strong case against them. But I had plenty of people—and there's probably people in this room—who worry about doing something like that. Even though I did get a legal opinion, there's contrary opinion that, you know, I could maybe face prosecution for trying to protect my property.

So really, we're at the point right now where the tax-paying and law-abiding citizens are going to be forced into a position to become lawless, in my mind. We have to protect our property. I have to protect my way of life. My wife and my family live out on the farm. I'm out on the farm on a daily basis. If these people are out there and they're doing these things, they don't have any concern for my safety, and I have to find some way to protect myself. I guess the part of it that I hate is that if I take

actions to push them off of my farm I'm just pushing them onto my friends, to my neighbors, to other people who are in my industry that I care about. I'm not solving any problem. I may be solving my problem temporarily, but I'm not really taking care of anything. It's like in a room, if I shine a light, the roaches will scatter to the corners, but they're still there, and they're still operating. It's just we're not really fixing anything.

A lot of the guys I know, farmers in my area, now are carrying concealed weapons with concealed weapon permits. I mean we're doing it legally and doing that. But I mean, I'd really worry about what the final consequences are going to be. It's like we're forming these armed posses. And yeah, it's a neighborhood watch, and it's the same kind of idea, but where we are, it's not going to be simple enough to just pick up the phone and say, "I see suspicious activity." It's going to be at a point where we have to confront those people ourselves, and most guys aren't really equipped to do that or don't maybe have the background to take hold of that.

I know that Senator Berryhill has worked with his legislation and that it's working to an extent, but there's got to be some way to cut them off from being able to move this wire, ultimately. And it seems like that we haven't figured that quite out yet. Maybe strengthening the cash sales requirement somehow or maybe—I don't know how you would do it—but maybe getting a prohibition on, you know, convicted criminals from being able to move the wire. I don't know how you would maybe do all that. Or maybe limiting the number of recyclers who could actually handle copper. I don't know. I'm not a big fan of regulation as a farmer in California—we're some of the most regulated folks in the world—but it just seems like this is a problem that's going to take some regulation to fix.

I think under AB 109, the ag offenses, maybe ag offenses could be carved out like felony vandalism or grand theft, that maybe those offenders could be sent to prison. I understand that maybe local sentencing first for them and then if it's a repeat, maybe second or third ag-related offense, that something could be done in that respect. The state, obviously, is not in great fiscal shape right now, but we need to find some way to get some more funds to local law enforcement and to the district attorneys, maybe additional funding for ag crime units that are doing these investigations. Maybe we could do some more sting-type operations to try to figure out where these things are going. If it is being containerized and shipped out of the

country, maybe we can identify some of those people who are doing that kind of activity. It's just going to take time to get creative, and it's going to take money—bottom line. Maybe we can focus on some things other than high-speed rail and put some money where we need it, which is back in our communities.

So I don't want to drop a bunch of political bombs right now, but anyway, I do really appreciate the time. And I thank you. This is an important issue to us, and it's a big concern kind of how we're going to be pushed to handle it on our own.

SENATOR CANNELLA: Alright. Thank you, Cannon. Bill Boos, next.

MR. BILL BOOS: Yes. Thank you, Senators. I'd like to introduce myself. My name is Bill Boos. I'm a third generation farmer. My son is a fourth. My family has been farming in the Sanger area here east of Fresno since the 1920s. And we have had a considerable amount of problems in the field. It used to be ongoing problems with fruit thefts, but that's almost nonexistent anymore.

I would like to thank the Fresno County Sheriff's Department, Margaret Mims, Michael Chapman, and the Ag Task Force, and the Nisei Farmers League which I sit on the board, the Farm Bureau, Ryan Jacobsen, and the Farm Bureau have all been instrumental in helping us in the local level trying to get our ducks together as far as what we can do to try to curtail the problems that we're having in the field.

We had coffee with this group over a year ago and sat down and hashed out some problems. I personally invited 36 individuals from our neighborhood in the East Valley here to attend. All farmers and farm managers and everybody had a moment to introduce themselves in a short testimonial as to some of the problems they were having. Thirty-five of these individuals out of 36 in the last six months had had something stolen from them, so that's pretty much the scope of it. We've developed hard targets. Farmers are pretty good fabricators; we've built hats(?) over our locks, protection over our pumps. But the problem with it is you can't be at all places at all times in rural areas. These individuals are high on methamphetamine; there's no doubt about it. And they are heavily armed, and I'm going to tell you straight out that we are also, and this is going to become a war zone before it's over. We've got to do something about this, and we need your help to put some teeth to it.

I'd like to try to just tell you what we did at our group, and I think this was very beneficial, and it works. We discussed having an ag watch patrol group. I had some bumper stickers made up that are highly visible from the back of your pickup. And

these individuals see that; they know that we're out and about. A little bit more alertness as far as our management skills and that sort of thing, paying a little closer attention to what's going on. And we've developed a network amongst our group, and our crime rates have gone down in our area. But believe me, they're still out there. They're just like rats; we run them off somewhere else.

We definitely have got some issues. I know for a fact that there's one individual from the Sanger area that's been caught multiple times and has not been prosecuted yet. And it is certainly not Margaret Mims and the Sheriff's Department's fault. We have a revolving door at the jail. We've got to somehow figure out from the past legislation to detain these individuals so we don't have so much problem in the field.

The ag industry is actively involved, and we're doing our part locally, but we would like to have some help from above if possible.

SENATOR CANNELLA: Great. Before we go to our next panelists, I have just a quick question, and I'll start with you Cannon. How much—and you may have mentioned this—but how much do you estimate the metal theft has cost your operation?

MR. MICHAEL: I would estimate, just in property damage alone, it's well over \$40- to \$50,000. Fortunately, most of it's happened during times when we haven't had peak irrigation. This was one of the closest to when it was an irrigating event, so it's just a matter of time, in my mind.

SENATOR CANNELLA: Is that total cost or is it per year, \$40/\$50,000?

MR. MICHAEL: That's probably just been in the last two years maybe.

SENATOR CANNELLA: Alright. Bill?

MR. BOOS: We started out two years ago on a program on our farming operation taking in... After farming since the '20s, we have a considerable amount of used equipment laying around. So for two purposes, we needed the cash first of all, but we decided we better take it in ourself before they help themselves to it. So we reduced our numbers down to where there isn't that much to steal—not nearly as much as there was before. I personally had two truck trailers stolen from me, and I didn't even know they were missing for six months. I know that sounds obscure, but when you farm for that long, we have a considerable amount of used or antiquated equipment. But nonetheless, anything with wheels, they love that because they can drive off with it.

We have moved a bunch of equipment to different locations that's safer. Like I said, we're making harder targets for them. They're aware that we're out and around. Hopefully, we don't have a problem here, but I can see a train wreck ahead.

But as far as dollar amounts, I don't know, maybe \$30,000 myself personally that I'm aware of.

SENATOR CANNELLA: Yeah. Could be another train wreck up there.

MR. BOOS: After tonight you never know.

SENATOR CANNELLA: Yeah.

MR. BOOS: Thank you, Senator.

MR. MICHAEL: The number I gave you was just in copper-wire-related damage. I mean we've had plenty of other farm equipment, pumps, chemicals even, a lot of other theft out on the farm, so it's probably closer to \$100,000 in the last two to three years.

SENATOR CANNELLA: Okay. Tom, do you have any questions?

SENATOR BERRYHILL: No. I have some comments though, when this train wreck is over. It has been very frustrating.

SENATOR CANNELLA: The hearing is not the train wreck, the metal theft is.

SENATOR BERRYHILL: No, the metal theft is not a good thing.

SENATOR CANNELLA: Okay. Mr. Unruh.

MR. DELBERT UNRUH: Yes, sir. Good afternoon. It's an honor and a privilege to appear before you today on behalf of Pacific Gas and Electric Company and the PG&E Corporate Security Department. My name is Del Unruh. I am a security investigator for Pacific Gas and Electric Company. My assigned area actually covers eleven counties, starting south with Kings and Tulare Counties, continuing north through the Central Valley and San Joaquin to Amador and Alpine Counties.

PG&E, like other industries, have become a favorite target of wire thieves. The Fresno area has been no exception, and wire thieves aggressively attack PG&E facilities, job sites, and the infrastructure. The wire thieves have become very brazen, as has been mentioned at this hearing today, and endanger their own lives as well as PG&E employees' lives who have to respond at all hours of the day and night to make repairs as a result of their actions.

This year, beginning January through early May, wire thieves have forced entry into PG&E storage facilities, stealing wire and cut down power poles, causing outages

in our communities. Wire thieves, upon cutting down these power poles for stolen transformers in order to dismantle the transformers, they'll remove the copper windings. Each time this occurs, a related oil spill results, requiring costly cleanups and tens of thousands of dollars, not to mention the severe environmental hazards that are created as a result of them downing the transformers. The crimes are so prevalent throughout PG&E regions in the Central Valley, it's being called "urban mining."

As recent as April 5, 2012, wire thieves cut down numerous power poles in the areas of Marks and Nielson's right here in Fresno. The result was outages to customers, again requiring oil spills to be cleaned up due to the oil leaking from the downed transformers.

While the purchase price and the operational costs to replace stolen wires many times that of the scrap value, the danger to the public is significant. Reliability and public safety have been jeopardized when a subject attempts to steal an energized commodity. Lives have been placed in danger because of this type of criminal activity as related to the loss of power, including 911 phone systems, traffic signals, and railroad crossing controls.

Just recently, thieves broke into an underground vault in the early morning hours in the San Francisco area. They stole approximately 100 feet of copper wire. When the day began and customers arrived at work, the transformers overheated and this was because the copper wire was missing to share the load. This resulted in the transformers actually exploding, which took a hospital out of service for two days. Although the emergency generators were activated, emergency services had to be redirected, and surgical procedures had to be cancelled at that time. Members of the public, public safety personnel, and PG&E employees are at risk. Besides being illegal, it's extremely dangerous to steal the energized electrical wire, and it can lead to serious injury or even death.

To help aggressively combat wire thefts, we do engage in partnerships with the local law enforcement and local recyclers to help identify and to report stolen PG&E wire. PG&E also assists the district attorneys' offices as needed in their prosecutions and persons that are being charged with wire thefts.

We also help educate recyclers by showing them the types of wire PG&E uses in hopes that should they see that coming through they'll notify law enforcement and Pacific Gas and Electric Company.

I must say, in this area here in Fresno, both the Sheriff's Department and the District Attorney's office are very aggressive in their investigations and prosecutions, which we all appreciate greatly. But I think we can see from all of this that the theft of wire has very serious societal impacts.

Thank you.

SENATOR CANNELLA: Alright. And maybe you said this, but how much would you estimate that metal theft costs the average PG&E customer in increased costs? Let me ask it a different way: How much does it cost PG&E per year?

MR. UNRUH: I don't have those figures, sir. I'm sure ...

SENATOR CANNELLA: Not even an approximation of what it would cost?

MR. UNRUH: I could probably say back... I came out of 30 years of law enforcement and moved into this position. And in 2006-7, it was near a million dollars if not more.

SENATOR CANNELLA: A million dollars. Gosh, it seems like it would be more than that.

MR. UNRUH: Well, that was back in 2007. It depends on what area PG&E we're talking. So I mean, it's huge; it's an enormous amount.

SENATOR CANNELLA: And you mentioned this one case where the transformer blew up. But I would think that would happen a lot, there would be some power outages by folks stealing wire. Does it happen more often than not?

MR. UNRUH: Absolutely, it does. The significance, as just mentioned, this was in the San Francisco area, heavily populated...

SENATOR CANNELLA: Is that the one that when we were watching the football game and that transformer blew up ...

MR. UNRUH: No, this was a different one.

SENATOR CANNELLA: Was that due to someone stealing copper as well? It kind of messed the game up for a while.

MR. UNRUH: I didn't get the call on that one if it was, so I don't think so.

SENATOR CANNELLA: It was pretty tragic because it delayed the game.

MR. UNRUH: That is equally as serious, I'm sure.

SENATOR CANNELLA: Yes, it is. The one you mentioned, is that the worst case where power was interrupted? I mean, can you think of anything worse than that?

MR. UNRUH: Well, to me, they're all equally bad. Where any customer that's affected is definitely a concern, but that was definitely one that affected, as mentioned, hospitals, 911 system. It's in the heart of a major city. I mean, that is significant.

SENATOR CANNELLA: Yeah. It takes a lot of courage to steal copper from a charged line, you know, from PG&E. That's stupidity, I think would probably be a better description.

MR. UNRUH: That is a criminal.

SENATOR CANNELLA: Yeah. Has anybody ever been killed stealing wire?

MR. UNRUH: Yes, most definitely.

SENATOR CANNELLA: Okay. Any questions?

SENATOR BERRYHILL: No. I'm good.

SENATOR CANNELLA: Alright. Well, next we'll move on to the recycler, Mr. Sacco from Sierra International Machinery.

MR. JOHN SACCO: Right. Hi. I'm John Sacco. Thank you for having me here today. I'm second generation owner with my brother, Phillip. We own Sierra Recycling and Demolition and Delano Recycling. Sierra International Machinery, unfortunately got tagged in there. That's another company of ours that we provide equipment for the recycling industry throughout the world. Our family has been into recycling since right after World War II. And my father, when he was discharged from World War II, was located out in Hanford and found his way into Bakersfield.

A little background on Sierra: We owned a company called Sierra Bag, and we were in the agri-packaging industry along with the scrap metal industry. I grew up in the fields of Bakersfield with potato farmers and onion farmers and citrus farmers. And we invented the cotton module cover that you see. When you see cotton modules in the field today, that was an invention of our family. So I understand the pain of farmers—what they lose—because I grew up in the farms. That was our job. That was my first job when I graduated from USC.

Most recently, I have been the chairman of the Institute of Scrap Recycling Industries, and the acronym is ISRI. It's a 1,700-member company throughout the United States, and we are for-profit recyclers. And I just finished being chairman this

April. So I can say metal theft isn't just a problem here in the Central Valley, it isn't a problem in the state of California, it is a problem throughout the world. The problem of metals theft isn't just rural and urban, it's industrial as well.

We've had many pounds of copper stolen. They're stealing containers at the ports full of copper. The level and sophistication of metal theft is growing with the price of the commodity. So it just isn't on the rural level, it is industrial, and it is very sophisticated, as I said.

Our trade association ISRI, here, met Tuesday, our chapter out here in California. We had a meeting on Tuesday. We fully support working with law enforcement and legislators on finding a solution here. I think Sergeant Chapman hit the nail on the nose. We want open discussion. We want cooperation. We support zero tolerance for thieves. We support, undoubtedly, let's lower this threshold from 950; let's get it down to \$100 where we can really get these guys.

We're a multimillion-dollar corporation as recyclers. Buying \$10,000 of stolen materials is ludicrous. To jeopardize... I mean, some of these companies are hundreds, 300-, 400-million-dollar-a-year recyclers, okay. The number one export item in the state of California by weight—ag is number one—but by weight is recyclables. We are the number two export item to China—the recycling industry. So we have a big impact on the economy of the state of California and throughout the United States.

Like I said, we support... I think Sergeant Chapman said it just perfectly: We want to cooperate. Let's lower the threshold.

I absolutely concur with DA Egan; this AB 109, the situation of metal thefts is only going to get worse. Our sergeant in Kern County, Walt Reed, and his deputies, in a meeting in our facility last week, all agree, "Guys, get ready. It's getting worse."

I submitted for the panel up here based on the last go around, Senator Berryhill, what fingerprinting, photographing, and storage and electronic records does help law enforcement, and without it, it makes law enforcement's job almost impossible to track. So I don't want to be called "legitimate recyclers;" we're responsible recyclers. We are doing what the law says we're supposed to do, and our trade association and our members recognize this. We want to see enforcement, without a doubt, of the rogue recyclers. The people, as the itinerant recyclers, as Sergeant Chapman... This is a big problem, not only here in the Central Valley, that

affects our families and our farming friends and the food that gets to our table; but in the L.A. Basin, it is an absolute joke.

The L.A. Basin at any... Either 65 of these unlicensed—more than that—that are unlicensed recyclers, people who aren't even on the radar. Sierra Recycling Demolition, we are on the radar because we have our Stormwater Compliance Program. We have our CRV license. We have the cooperation. So we're on the radar. But do you know how many recyclers aren't on the radar, that aren't even licensed? And this is a big problem. We want to see enforcement against these people; but there is no enforcement against these people.

SENATOR CANNELLA: Just a question. I hate to interrupt you.

MR. SACCO: No problem.

SENATOR CANNELLA: It seems like there's agreement on these kinds of recyclers that are just working out of their pickup that aren't playing by the same rules that you are. So do they sell to you guys, then?

MR. SACCO: Okay. That's a great question. It takes many forms. And you have to understand, there are truly legitimate scrappers out there, people who go out there and do scrap for a living. And I, unfortunately, do disagree with Detective McEwen, or Sergeant Chapman, on tax evasion. I'm not in the job to... The IRS is in the business of tax evasion. People are supposed to pay their taxes. So I have no idea what they're doing. So these people who go out and they do buy legitimately scrap from sources, they do go to some farms. One of the largest carrot producers in Kern County in a meeting last year told me directly—now this is very important—they much prefer to do business with the recycler who comes and pays them cash. And I looked at them, and I was befuddled. Are you kidding me? They have no insurance. We have \$26 million of liability insurance so we can go out to the Chevrons(?) and work on their fields or go out to the big farms and work and know that that farmer who we are doing paid scrap pickup, where we pay the farmer... but there's a segment that is legitimate, unfortunately.

Now do these people, as you described, bring scrap into, who've been coming in five times a month; yes, that is true. They come in. Can we possibly identify every piece of scrap that they bring in? Walt Reed, the sergeant of the Rural Crime Unit, we've had this discussion. The law says if they come in five times a month, we are capable of paying for it. Just last week, to understand, you know... Not just

everybody who brings something in is automatic, “Hey, bring it in. Welcome.” No. Last week Mr. Unruh and I were having a discussion. We caught a subcontractor of PG&E bringing in a large amount of PG&E scrapped wire from, not because they stole it from a live line, but in a repair line. So as soon as that wire came in, we stalled the thief by saying, “Well, it takes three days.” And they said, “Well, we want cash.” “Hey, no problem. But three days.”

At the same time while we’re stalling them, we had Sergeant Reed on the phone. The next day, the investigation starts; and sure enough, this is a great deal. We’re going to put the thieves behind bars, hopefully.

The thieves are on the streets, gentlemen. Senators, this is a problem.

SENATOR CANNELLA: So back to the scrapping. So if you have these folks that come in routinely, now they don’t have to go through the same guidelines, right? They don’t do fingerprinting or the pictures, and they can get cash as well, right? Can you still pay...

MR. SACCO: You can.

SENATOR CANNELLA: So now if we dealt with the cash component and said, “Okay, look. Everybody gets a check. Everybody has to wait three days;” in your opinion, you’re in the industry, would that help?

MR. SACCO: No. It would absolutely drive thieves underground.

SENATOR CANNELLA: To where? Where would they go? All the legitimate recyclers wouldn’t buy that—where underground?

MR. SACCO: All the people in L.A.... I talked about the L.A. Basin. All the itinerant... Here’s the problem. Walt Reed, sergeant, told me, “John, if we go only to check...” My company is prepared. “You want to go check; we’ll go check tomorrow. I don’t have a problem with that. I have the computer systems, the sophisticated camera system. I can do this. This is not a problem. But what happens is, this thief who stole from—the subcontractor who stole from PG&E—because he thought he could get cash—the thought of getting cash from Sierra—he came in. If he knows Sierra won’t pay him cash, guess what happens. He’s not coming to me. We don’t catch this guy. And so check versus cash is a great argument because, yes, it _____ the cash. But also you have to understand, too—and somebody said it earlier in this hearing—that the three-day loans or, “Hey, I’ll pay you a check. Hey, my brother over

here has a check cashing service, and it's 2 percent." So it really won't do it. It drives them underground.

You say, "Well, what is the underground? Where do they go?" Well, the drug cartels are sophisticated people; and they are trading now—as Walt and I talked about this—they trade 10 pounds of copper for a dime bag, okay. So what does that mean? I don't know, but they're trading drugs for stolen copper or stolen metals of some sort.

It's child's play to load a container and sell scrap overseas. Now, in the Port of Long Beach, how many hundreds of thousands of containers are shipped out a year? Impossible to identify every container, open every container on the inbound as in the outbound.

I don't have the solutions, but our trade association is absolutely prepared to sit down with all stakeholders. Let us come together, because there are possible solutions. But without enforcement of the rogue recycler, without putting them out of business, because they can't be put out of business today... You call the cops in the L.A. Basin or in Kern County, they can't shut them down, Senators. They've got to be able to be prosecuted for criminal activity. They have to be put out of business. You have to have teeth.

I liken the analogy to drunk driving. Have we stopped drunk driving? Absolutely not. Has it gone down? Yes. Why? Enforcement of the law, putting people behind bars for drinking and driving. That's a good law, and it's working. But when you have rogue recyclers out there giving us a bad name... The responsible recyclers, I don't want any more regulations. We have EPA "up to here" in the state of California, okay, and on the federal EPA. I don't need more regulation. I need enforcement of the laws.

And we will sit down wherever that place or that meeting is to be. Our trade association wants to try to solve this and try to condense it. As Walt Reed—and I use him a lot because of the cooperation—and I submitted a letter in our package from Sheriff Don Youngblood of Kern County supporting and giving us thanks for the help that we give him. So it behooves us responsible recyclers to sit down with all stakeholders. Let's see if we can come up with a solution because we want the thieves off the street just as bad as you do because they're stealing from us too. We're just not buying stolen property. They're stealing from us, and we have major operations.

You know, if you come to a scrap metal operation, just the material handlers, the cranes you see... Our company this year has spent over a million dollars in brand new equipment, on cranes. We have, in our facility—and Mr. Toosey(?) is in the room... We have tens of millions of dollars of equipment in our facilities. We're highly sophisticated operations. So we want to stop the thief because we have no need for them on the street. We don't need their stolen material. Our farmer friends don't need their stuff stolen. We want to work, and we want to be at the table at any discussion, to come up with a cooperative and a comprehensive way to stop metal thieves.

SENATOR BERRYHILL: John, real quick. You mentioned containers a couple of times. I know when we talked earlier before the hearing, we talked about the containers going out are a big problem. Basically, you think a majority of that stuff is coming out of the L.A. Basin?

MR. SACCO: Well, in Kern County, because an hour-and-twenty-minute drive from southern Bakersfield (Arvin, Lamont, Taft area)... In an hour and twenty minutes, you're in Sun Valley. And if this group were to take a little fact finding mission down to Sun Valley to see all the rogue recyclers down there, it'd spin our heads, okay. And that's what I say when it leaves. Now does it go all overseas? Not everything goes overseas. But because of the western United States, our trading partners in these commodities happen to be on the Pacific Rim for the most part.

SENATOR BERRYHILL: Right. So in your opinion, obviously this is somewhat of a problem. I'd love to sit down with you, maybe after this hearing or some time in the next couple of weeks, and sit down and get your ideas on what we might do legislatively to really—this is kind of add-on to 844 to where we can make it just better policy, because we're all after the same thing here, which is to stop these guys. AB 109, no question, is a problem, but maybe we can do some stuff with some "carve out" and make a comprehensive bill out of this thing and make some sense.

MR. SACCO: Well, we addressed that at our chapter meeting on Tuesday. A certificate of compliance for anybody, you know, somebody made the only legitimate recyclers, a certain segment, could buy copper. You shouldn't be buying copper wire anyway unless it comes from actual PG&E or if it comes from an electrician or if it comes from a demolition contractor, okay. So you buy Christmas tree lights [talks to

someone]... Okay, but my point is the responsible recyclers aren't buying this wire from just anybody because we know it's not from them.

So anyway, we talked about a certificate of compliance because in our industry we comply with the California Compliance Recycling Act. We comply with Stormwater prevention programs and our Stormwater permits. The amount of dollars invested at Sierra alone in Stormwater prevention for six inches of rain a year is over a \$1.5 million. Yeah, I'd love to see tougher laws against rogue recyclers. I would love to see that entry barrier higher because they're not doing what we're doing.

But a note: Last year we were held up at gunpoint in our Delano facility—about a year and a half. Do you know, there has been no apprehension of any criminal. So now that's a crime against a person. We have talked, and we have heard over and over, property crimes just don't get prosecuted.

And another example I would like to give you, please, if you would allow me: we caught a thief stealing... He brought in agricultural ladders for picking cherries and picking tree fruit. My father-in-law was a peach farmer. As soon as he brought them in, I go, "That's stolen." We called the cops. He confesses to stealing, okay. We never found the victim of those ladders. Found the victim for something else. We didn't know there was a victim, that was Producer's Dairy up here—their stainless steel racks. During the process something happened during the arrest and the confession that was an instant misdemeanor, and during this process, while he was in jail for about two weeks, the Rural Crime Unit as a whole and my company was sued by this thief. I have had to spend \$10,000 defending my company against a thief because he sued us for breach of contract and fraud. Okay. You talk about silliness; this is it at its best. The thief is suing us, and we're the ones calling the cops. It's almost, "If I don't pick up the phone and call Walt, I don't have to spend \$10,000 on a lawsuit." But because the principle of it, I'm calling every time.

SENATOR BERRYHILL: Alright. You can't make that up—and only in California.

MR. SACCO: That's why I submitted this in this document. No, because it's a matter of public record, Senator, and I can't make it up because that would be... I would lose all credibility. And as chairman of ISRI and past chair, I take this job of compliance extremely serious because our industry... You know, without recycle material, 50 percent of all manufacturing in the world could not exist today. Our

industry is the backbone of the industrial might of our country and other industrial outposts of other countries around the world. We have issues, we agree to that. But we want to be part of the solution because we're not the problem.

SENATOR CANNELLA: I'm going to conclude this panel because we need to get out of here by three. But I expect Senator Berryhill will once again take the lead on metal theft, and we'll be contacting you to sit down and be part of the solution.

MR. SACCO: Please. We want to be part of the solution, sir.

SENATOR BERRYHILL: Don't leave without giving me your card.

MR. SACCO: Yes, sir.

SENATOR CANNELLA: Thank you very much for coming today. I really appreciate your time.

MR. SACCO: Thank you.

SENATOR CANNELLA: Alright, next we've got a few people that wanted to talk, so I'm going to call you up and just give you a couple of minutes. Jeff Farano, is that correct?

MR. JEFF FARANO: Good afternoon. Thank you for your work. My name is Jeff Farano. I'm with SA Recycling. We are a large recycler in California. We have yards in Bakersfield, Fresno, Porterville, Delano, and lots of L.A. And as John—and we're very good friends with John and participate in what he has going and very much support his idea of working with law enforcement—and that's where I spent a large part of my time in the L.A. area in working with these problems. You say, "Where is all the scrap going?" Well, in L.A. it is like the Wild West. There are probably 120 yards in the L.A. area. And there is one L.A. sheriff, and there's one L.A. cop, and that's all he's doing, and there's nothing he can do. And so what's happening, and it's putting us, making it very difficult for us to compete as a responsible recycler. As John pointed out, they're not following Stormwater, they're not doing TTSE, and they're not doing EPA. They don't have the camera systems we have. They don't have the ocean protections. But they're paying more for the scrap than we can pay, and so they're taking away the legitimate scrap from us. Not only are they buying stolen stuff, but they're also taking away legitimate scrap. So this is important to us. It's making it very difficult for us to compete.

You also mentioned these rogue operators. We've always called them rogue; I guess itinerant sounds good too. It makes us sound more intelligent, I suppose.

Because some people misspelled rogue, and they call it “rouge,” and that doesn’t work out so well.

So these containers are what we have determined to be a big problem because anybody can stuff containers and send them overseas, and that’s where a lot of this stuff is going. And that’s where the scrap that would come to us is going, to people that can stuff containers. It’s not just the little guy in his backyard, but these are the bigger yards, as well, that are able to containerize these things.

So we’ve actually tossed out the idea of putting a responsible recycler group together in L.A. And I formed that just recently, where we would assemble millions of dollars and help hire our own sheriffs and make them have enforceability. These are ideas that we’re throwing out to go out and get these rogue itinerant operators. It’s important to us. And it’s not just... It can’t just be faced on agricultural because we have to address all of it across the state.

SENATOR CANNELLA: Alright. Thank you very much. Appreciate it. Next, John Stallings.

MR. JOHN STALLINGS: Hi. Thank you. My name is John Stallings. I’m here on behalf of Bert Crane Orchards, Bert Crane Ranches, and Crane Cattle Company in Merced. They wanted me to come here and just share a little bit of how this metal theft has affected our companies.

Through the years, we have had various vandalism: fences cut; machines, tools and vehicles have been stolen. But recently, we had many of our two-inch and three-inch brass irrigation valves broken off out in the field—stolen.

My employer, Bert Jr., went to turn on the irrigation system. He was kind of driving around, and he noticed that we just had flooding all over. These had been broken off. And actually, they found some similar valves turned in in a recycling center in Merced, but there was no way that they could identify them to tell you they were absolutely ours. But after that, we went through and took off all of our valves, put our identification number on them, marked everything so that if it happens again we could identify them. But it does cost more than just the material value of replacing these valves, and we all know that. We’re just one company among hundreds here. But it costs us in terms of down time that we had to put everything on hold until these valves could be replaced and the valves that we took off in March could be put back onto for future identification. It costs us in terms of the flooding and the washing out

that happens because everything was just flooded. And it also continually costs us in terms of the preventative measures that we're forced to take to prevent this. You know, we've put up security cameras, looking at all of our electrical boxes and our pump stations, GPS tracking units on vehicles, things like that. It continues to cost us more and more to try to prevent these kinds of things, but you can't predict exactly what form it will take.

But, you know, we thank you. We're very appreciative for the legislation that has been put into place. But it seems like something more does need to take place—that we as a company are losing money, materials, time, labor hours, and that, you know, just can't continue to go on.

So thank you for your time.

SENATOR CANNELLA: Thank you very much.

SENATOR BERRYHILL: Thanks, John. Tell Bert hi for me.

MR. STALLINGS: I'll do that.

SENATOR CANNELLA: Next, Manuel. And this is not a high-speed rail hearing, so keep your cheerleading to high-speed rail to zero, okay?

MR. MANUEL CUNHA: Manuel Cunha. Thank you, both Senators and staff. Yes, we have the high-speed rail here. We could put them on and send them to L.A. at no cost for our sheriffs or the D.A.'s office. Just throw them on and send it.

I think you've heard some great testimony today. Again, I want to thank Senator Berryhill. Your bill was the opening of the door. It was a great start, and it's still an excellent process.

And Senator, Anthony, you're new into the _____, but in your city as a former mayor of your city and that, you've faced those problems as well.

What I'd like to recommend if we can—I know Ryan Jacobsen had to take off for another meeting—is a couple of things.

First, we need to lower the cost of the damage. Not \$450 to \$900, but we need to lower it to where it includes the damage to the property. The damage to... This gentleman talked about the valves to his irrigation just now; all of that time and labor needs to be part of that cost. Seriously needs to be looked at, okay? So that needs to be changed into something that really has it.

Number two, and this is probably with Elizabeth Egan and Margaret Mims, both ladies, is to figure out. Maybe we need to change the tribunal system of court,

that there's a special court that deals with these cases only and that judge or judges really have the ability to put these people away versus... The court system we have is overloaded as it is, so they never get heard. They never get prosecuted because the judge doesn't set the date or etc., etc. So somehow we need to look at that process—how somebody can get out after seven times. We know why. We know what happens here in Fresno with Margaret Mims. She has to let them go. She has no choice. She'll get sued, okay. But we have floors available. Like right now, I saw on Monday, there was \$11 million to be available from Sacramento. They're going to put it over in Coalinga to the prison rather than maybe to the sheriff system here to open up a floor and get these people put in there. But to do that, you've got to have the judge saying this person is a criminal, and we're going to hold them, okay. And definitely, I would not give them the TV and the weight room. I would give them the style of Alcatraz, okay.

The third thing we need to do, I think, is having to figure out how we deal where the product leaves this valley and if it is going into a container. All of you know what a container looks like. They come in different shapes—up to 80,000 pounds, you can ship a container.

Long Beach and L.A., both, about 17 million containers a year is what goes out of that port. Oakland has about 4 million containers, okay. I think there has to be some type of container that isn't refrigeration wise, or whatever, but maybe it has to be x-rayed, or maybe every door has to be opened on those containers that aren't refrigerated versus for shipment of products because of damage and maybe that has to be done. So we have to look at that. And I understand when somebody talks about containers, so now we're going to hit the ports to have some type of system. Well, now we have a port feed that's going to go up on our containers for the inspection process, okay.

And I do know that the thievery is not just ag. It's hospitals. It's cities. It's lights. It's safety for everybody. The part that is concerning me more now, and one of your growers spoke about it and many others have too today, two at least, is these guys are pretty bullish with guns. We have farmworkers over the past several weeks who have been spraying at night to deal with an invasive pest problem because of the heat wave that we had here for a few days. Those workers are out there with their vehicles at night and being approached by these folks to steal what's in their car or on

their truck or even to be caught when they're trying to fill their tractors, the spray rigs. And the handgun situations are becoming—or the guns are becoming a concern for me for our farmworkers' safety as well as the growers' safety. That issue needs to be addressed immediately.

And maybe Assemblymember Butler who has a heat illness bill that garnished that farmworkers were being killed by farmers because they worked them too hard in the heat, maybe she needs to focus on something of this type to deal with the folks that steal; that maybe she needs to be working on that type of a bill versus going after farmers not taking care of heat illness.

The last point I'll make, Senators, is I would really recommend that anymore meetings we all have here on this issue, let's bring in all the groups, all the ag groups right away, the city folks, the utility side—absolutely with PG&E. I know what my farmers, when they call me that the utility side can't get the power to their farm, and the reason they give, "We've got nine other farmers we're dealing with." Now you have to feel for that situation, and it's ugly. So I think if we're going to have meetings let's bring everybody together.

I appreciate the recycling yards; I think we need to have them at the table. But we need to come up with some creative ideas. I have my own, but I can't carry a gun because I probably don't know how to shoot it correctly, so I'd probably do something the wrong way. I'd probably shoot the guy in the ankle, and then he would sue me and that's the end of it.

But I think we need to come up with what we did in 2008, Senator Berryhill. We all sat around tables coming up with solutions, and I think we need to do that now rather than later. This summer we have more unemployment hitting the system. Maybe—and I will say this as a nonpolitical issue—maybe if we took the governor's budget and really looked at the system of crime in this state, maybe we can create more jobs to protect the people rather than putting it and spending it on a high-speed rail.

Thank you.

SENATOR CANNELLA: Alright. Thank you very much. Last, Jordan Whaley.

MR. JORDAN WHALEY: My name is Jordan Whaley. I'm an ag detective with Tulare County Sheriff's Department and have been employed doing ag crimes for just over two years now with our department.

I noticed earlier that the Senators asked for a few suggestions of what we could do to maybe improve upon AB 844. And I just wanted to clarify, one of the loopholes is if a person comes into a recycler and recycles five times within a 30-day period, then they don't need to wait the three-day waiting period for the check, and, also, if the amount is less than \$20. So I've personally seen several times where our recycling facilities will weigh out metal, you know, brass valves a lot of time, to where it comes in just under the \$20 amount, and then they'll generate five different tickets right after that, so now they've become... Not only did they fall under the \$20 loophole, but they've also now been in there five separate times within that 30-day period, and so their future transactions are cash.

I would recommend maybe looking into a holding period on some of the items. A lot of the larger operations have trucks going in and out every day. As has been mentioned earlier, a lot of times by the time we even get the report those items have already been recycled and are out of the yard, so when we do our inspections at the yard, we have difficulty locating them because they've already been shipped out.

And then also, Penal Code Section 47(b) deals with a lot of commodities such as avocados and citrus, and the felony dollar amount on that is \$250. I don't know if it's possible to include non-ferrous metals in that section as well to decrease the amount to make it a felony.

And then other issues I have run into is photo quality, that was mentioned. And we have a lot of citrus in our county. And we deal with a lot of radiator thefts, out of wind machines, and our citrus, as well as the batteries out of those wind machines and tractors and lot of equipment. And it's my understanding that the batteries are not covered currently, and that is a big problem that we deal with as well. So maybe possibly including batteries in any revisions that come about would be great.

Thank you very much.

SENATOR CANNELLA: Okay. Thank you very much.

SENATOR BERRYHILL: Yeah, thank you.

SENATOR CANNELLA: Alright, with that, I want to thank all of our panelists for being a part of this hearing. Thank all of you for coming. I want to thank Mr. Chandler, who is our consultant for the Ag Committee, and sergeants, who have driven here from Sacramento and set up this entire event. So thank you very much.

That concludes our hearing.

SENATOR BERRYHILL: Can I say just a couple of closing comments?

SENATOR CANNELLA: Yes.

SENATOR BERRYHILL: Because I'll tell you—honest to God, folks—after all the hard work that Fresno and all of you folks did out there on AB 844, I really thought that we'd given the tools to everybody, that we had fixed this problem. Obviously, we haven't. I did learn a few things today, which I was hoping we would, I think from both Margaret and Beth. It would be nice to cut out metal theft crime from some of this other stuff so we could actually put some of these guys in prisons.

From the detectives, I think a lower threshold has been a pretty common denominator here. It's \$900 now. It would be nice to put it at \$250, including the damage of the property, I think, is an excellent idea. The camera loophole and the quality of the shots seems to be a problem in cases, so I think that's something that we could also take a look at.

Certificate of compliance was an interesting deal from the itinerant folks so that we can start getting a handle on ...

AUDIENCE MEMBER: We're not itinerant.

SENATOR BERRYHILL: No, no. Yeah. But from the ISRI folks, I think is a good idea. I really look forward to sitting down with you, John, and working on this thing.

For Manuel, I think that to get this thing done, just like we did with 844, I think it is going to take all of us sitting down and coming to a consensus as to how we might move this thing forward, so we can inch this thing forward a little bit more, so we can start deterring something that once again has become completely out of hand. I can't believe we're sitting here again, and we're going to have to go through this drill again. But it is what it is.

And I want to thank everybody, including the sergeants and John, for coming here today. And I really look forward to working and solving this problem too. Thank you.

SENATOR CANNELLA: Alright. Thank you very much.

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