

110TH CONGRESS
2D SESSION

H. R. 6831

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

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2008

Mr. STUPAK (for himself and Mr. RAMSTAD) introduced the following bill;
which was referred to the Committee on Energy and Commerce

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

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

6 **SEC. 2. FINDINGS; PURPOSES.**

7 (a) FINDINGS.—The Congress finds as follows:

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

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

7 (3) Theft of copper is jeopardizing this Nation's
8 critical infrastructure, through theft of copper in
9 transportation, electrical, and telecommunications
10 networks.

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

14 (5) Many arrests of copper thieves show a
15 growing connection between the thefts and illegal
16 drug activity, particularly methamphetamines.

17 (6) The National Drug Intelligence Center's
18 2008 Threat Assessment shows a growing threat of
19 methamphetamine use, especially in the western
20 United States where increased incidents of copper
21 theft are occurring.

22 (7) Law enforcement officials have testified that
23 legislation will help combat methamphetamine prob-
24 lems, as metal theft has become a favored method

1 of raising money to satisfy methamphetamine addic-
2 tion.

3 (8) Thefts are on the rise due primarily because
4 of the lack of pressure on the scrap and salvage
5 yards that pay for copper and other precious metal
6 without asking questions about where the material
7 came from.

8 (9) Combating the problem will take better
9 communications between metal businesses and law
10 enforcement agencies.

11 (b) PURPOSES.—The purposes of this Act are as fol-
12 lows:

13 (1) To protect consumers, businesses, the Na-
14 tion's critical infrastructure, and State and local
15 governments from the problem of copper theft as
16 well as the related adverse health and safety risks it
17 creates.

18 (2) To allow legitimate transactions to continue
19 to take place by establishing a system of docu-
20 menting the transactions between the seller and the
21 buyer while addressing the growing problem of cop-
22 per theft that facilitates illegal drug use and other
23 crimes.

24 **SEC. 3. REQUIREMENTS ON COPPER RECYCLERS.**

25 (a) RECORDS.—

1 (1) IN GENERAL.—A secondary copper recycler
2 shall maintain a legible record of all copper property
3 purchase transactions to which the secondary copper
4 recycler is a party. The record shall include all of
5 the following information:

6 (A) The name and address of the sec-
7 ondary copper recycler.

8 (B) The date of the transaction.

9 (C) The weight, quantity, or volume of
10 copper property purchased; the consideration
11 paid by the secondary copper recycler; and a de-
12 scription of the type of copper property pur-
13 chased in a purchase transaction, including a
14 general physical description (such as by describ-
15 ing the copper property as wire, tubing,
16 extrusions, or casting).

17 (D) The name and address of the person
18 delivering the copper property to the secondary
19 copper recycler.

20 (E) The distinctive number from a Federal
21 or State government-issued identification with a
22 photograph of the person delivering the copper
23 property to the secondary copper recycler, and
24 the type of such identification.

1 (F) The license tag number, State of issue,
2 make, and model, if available, of the vehicle
3 used to deliver the copper property to the sec-
4 ondary copper recycler.

5 (2) REPEAT SELLERS.—In the case of a person
6 who sells copper property to the same secondary
7 copper recycler more than once, such secondary cop-
8 per recycler may comply with this subsection by
9 maintaining a record relating to such seller and in-
10 cluding in such record for subsequent transactions
11 only the information relating to such seller that has
12 changed.

13 (b) PROHIBITION AGAINST CERTAIN CASH TRANS-
14 ACTIONS.—A secondary copper recycler shall not enter
15 into any cash transaction in excess of \$500 in payment
16 for the purchase of copper property. For any such pur-
17 chase—

18 (1) a secondary copper recycler shall make pay-
19 ment by check issued to the seller of the copper; and

20 (2) the check shall be payable to the name and
21 address of the seller or picked up in person by the
22 seller.

23 (c) MINIMUM PERIOD.—A secondary copper recycler
24 shall maintain or cause to be maintained the records re-

1 quired by subsection (a) for not less than 2 years from
2 the date of the purchase transaction.

3 (d) PENALTY.—

4 (1) CIVIL PENALTY.—A secondary copper recy-
5 cler who violates subsections (a), (b), or (c) shall be
6 liable to the United States for a civil penalty not to
7 exceed \$10,000.

8 (2) NO CRIMINAL LIABILITY.—A violation of
9 subsection (a), (b), or (c) does not constitute a
10 crime, and a judgment for the United States and
11 imposition of a civil penalty pursuant to paragraph
12 (1) shall not give rise to any disability or legal dis-
13 advantage based on conviction for a criminal offense.

14 (e) DEFINITION.—As used in this Act, the term “sec-
15 ondary copper recycler” means any person who is engaged,
16 from a fixed location or otherwise, in the business of pay-
17 ing compensation for copper that has served its original
18 economic purpose, whether or not engaged in the business
19 of performing the manufacturing process by which copper
20 is converted into raw material products consisting of pre-
21 pared grades and having an existing or potential economic
22 value.

1 **SEC. 4. RULE OF CONSTRUCTION REGARDING STATE AND**
2 **LOCAL GOVERNMENT REQUIREMENTS.**

3 Nothing in this Act or the amendments made by this
4 Act shall be construed to prohibit a State or local govern-
5 ment from adopting requirements in addition to those set
6 forth in this Act and the amendments made by this Act
7 to govern the purchase of copper property by a secondary
8 copper recycler.

9 **SEC. 5. PROTECTION OF PERSONAL INFORMATION.**

10 A secondary copper recycler or the agent, employee,
11 or representative of a secondary copper recycler shall not
12 disclose personal information concerning a customer with-
13 out the customer's consent unless the disclosure is made
14 in response to a request from a law enforcement agency.
15 A secondary copper recycler shall implement reasonable
16 safeguards to protect the security of the personal informa-
17 tion required under section 3(a)(1) and prevent unauthor-
18 ized access to or disclosure of such information.

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