CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER AND WORKER PROTECTION

Jointly with the

COMMITTEE ON PUBLIC SAFETY

October 20, 2022 Start: 10:34 a.m. Recess: 11:55 a.m.

HELD AT: 250 Broadway Committee Room,

16th floor

B E F O R E: Marjorie Velázquez, Chairperson

COUNCIL MEMBERS:

Shaun Abreu Erik D. Bottcher Gale A. Brewer Amanda Farias Julie Menin

Chi A. Ossé Linda Lee

## A P P E A R A N C E S (CONTINUED)

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CHAIRPERSON VELÁZQUEZ: Good morning. My name is Marjorie Velázquez, and I'm the Chair of Committee on Consumer and Worker Protection. I'd like to thank everyone for joining us this hearing, joint with the Committee on Public Safety, chaired by Camilla Hanks.

Today we will focus on the enforcement of the city's laws pertaining to secondhand auto dealers and issues of theft prevention, as well as two pieces of related legislation. The first, Intro 525A in relation to the purchase of catalytic converters sponsored by Councilmember Brewer, and the second Intro 759 in relation to the creation of a program to distribute catalytic converter etching kits sponsored by Councilmember Lee.

Used car dealerships are consistently one of the most common sources of consumer complaints in the city. The Department of Consumer and Worker

Protection licenses all dealers in secondhand goods.

Additionally, they issue a separate license carrying with it additional responsibility to secondhand auto dealers. Historically, used car dealers have employed deceptive tactics such as bait-and-switch advertising, issuing subprime auto loans, and failing to make crucial disclosures to unknowing buyers.

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Over the years the council has passed numerous local laws to tighten relations pertaining to used car dealers. We are interested in hearing from the administration on enforcement of these local laws, as well as whether there was any uptick in violations pertaining to car purchases during the height of the COVID-19 pandemic, as many New Yorkers found themselves purchasing cars for the first time, and price gouging prevailed in relation to various consumer products. Relatedly, the committees seek to address the issue of rampant theft of catalytic converters in the city. Notably, we'd like a better understanding of why these thefts are so prevalent and what happens to these stolen car parts that make it so valuable, and particularly, what if any role the businesses licensed by DCWP, including secondhand dealers, scrap metal processors, and auto wreckers play in proliferating or curbing this theft.

Just this week the state took steps to address this issue by passing legislation pertaining to documentation and chain of custody issues regarding the sale of catalytic converters. We'd like to do our part at the local level by tying responsibility to businesses licensed by the city and making sure

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New Yorkers receive the most helpful tips and protection from local law enforcement.

I'd like to thank central staff who helped putting this hearing together, Wyam, Chad, and Josh. Now I'd like to read a statement from Public Safety Chair Hanks.

"Although I'm unable to join you today, I want to thank my colleagues for having this important and timely hearing. And particularly I'd like to thank Chairperson of the Committee on Consumer and Worker Protection, Marjorie Velázquez for reading these comments on my behalf. That's a little odd, y'all, but you know, it's Thursday.

Today, our committees will be hearing two bills, Intro 525 and Intro 759, both of which I'm proud to be signed on to. Together these bills seek to address the recent uptick in catalytic converter thefts, which have become a pervasive issue in our city, particularly car-reliant areas like my district in Staten Island. In my district office alone, we've received numerous calls from residents who have either been the

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victim of these crimes or fear that their vehicle may be next.

During already difficult times. The economic impacts of catalytic converter theft are extremely burdensome on the average New Yorker with replacements costing up to \$3,000, and coupled with the economic impacts, catalytic converter theft poses major environmental and public health concerns since their purpose is to convert harmful substances in our cars' exhaust into safer and less toxic pollutants.

Intro 525 and Intro 759 serve as critical efforts towards limiting the profitability and feasibility of catalytic converter theft, the distribution of these kits to etch identifying numbers into catalytic converters coupled with requiring the disclosure of where a seller got the converter before they were able to sell it to an auto body shop would work to both deter this crime and bring bad actors who try to profit off of illegal activity to justice. I'm grateful for the collaboration with my colleagues on this legislation, which I know will serve to improve our city's public safety outcomes.

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I look forward to hearing from those testifying today. Now I'll turn it over to Councilmember Brewer for some opening remarks.

COUNCILMEMBER BREWER: Thank you very much. I can tell you I don't own a car, and I don't know too much about catalytic converters, but I have received tons of complaints. And I mostly look forward to hearing from the speakers who are going to be giving us much more information today.

My understanding is that there are certain cars that the catalytic converters are most able to be stolen from and are best for sales. I know that the governor, as you heard earlier, has come up with some ideas. I think that hopefully what comes out of this hearing is the best possible legislation. It may be a combination of both, figuring out how we work with the federal legislation. I think that the... the, how we approach those who sell and how we approach those who steal are two different entities that we have to deal with. But more importantly, we have to figure out what it is that we can do to stop the literally instantaneously theft that takes place. Ι know there was one block of my district that one night, I think every single car that was relevant got

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2 | their catalytic converter stolen from. So the idea

3 is to listen. Obviously the information that we that

4 I'm still supporting says that they should not be

5 sold, and we should find a way to stop that. And

6 maybe the etching is another way to go about it. So

7 I'm here, all ears to hear what the best solution is.

But I do hope that as a result of this hearing, we do

9 have a solution, because I think the public is

10  $\parallel$  looking to us to come up with how we can address it.

And thank you very much, Madam Chair.

CHAIRPERSON VELÁZQUEZ: Now I'll turn it over to Councilmember Lee for some opening remarks.

COUNCILMEMBER LEE: Good morning. And thank you so much Chair Velázquez, and also virtually Chair Hanks, if she's watching, and colleagues.

So I actually... My district is in a transit desert, so we do rely heavily on cars. We have a lot of cars that people use to get to either other modes of transit or work on a daily basis. And you know, this is happening very, very frequently, all over the city, but our district... and plus I live right by four major highways. I think I got the Clear View the LIE, the Grand Central, and Cross Island. And so traditionally, in that part of Queens, there has

COMMITTEE ON CONSUMER AND WORKER PROTECTION 1 Jointly with the COMMITTEE ON PUBLIC SAFETY 2 always been a ton of theft when it comes to any sort 3 of car-related activities, because it's very easy to 4 hop on one of those highways. And it's... it's insane how quickly people are able to take the 5 catalytic converters off the cars. 6 7 unfortunately, this actually happened to one of our staff. And, you know, on top of all the rising 8 9 costs, this is another burden that falls on a lot of our constituents and city residents. And so, you 10 11 know, I'm proud... and thank you so much for having 12 me here today to talk about Intro 759. And I just 13 want to especially thank, you know, the officers and attorneys at NYPD, at the City Council, and elsewhere 14 15 because we need your help and consulting with you to 16 refine the legislation and work on the bill. 17 look forward to hearing from your testimony today and 18 your insights on this. And thank you so much. 19 CHAIRPERSON VELÁZQUEZ: So I'd like to recognize Councilmembers Abreu, De La Rosa, Joseph and min and, 20 and Menin as well. 21 2.2 And now we're going to get everyone their oath. 2.3 COUNSEL KINGSLEY: Good morning, everyone. I'm Josh Kingsley, Counsel to the Public Safety 24

Committee. We're here for the Public Safety

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2 Committee and Consumer Affairs hearing. From the

3 administration, we're going to have testimony from

4 DCWP and NYPD. I'm going to call your names, and if

5 you could just raise your right hand and affirm the

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We have Michael Tiger from DCWP, James Hurst from DCWP, Inspector Michael Clark, and Inspector Robert LaPollo. Do you affirm to tell the truth, the whole truth and nothing but the truth and your testimony before this committee and the answer honestly to Councilmember questions?

ALL: I do.

COUNSEL KINGSLEY: You may go ahead. Thank you everyone.

MR. TIGER: Good morning Chair Velázquez Chair

Hanks virtually and members of the committee. My

name is Michael Tiger and I'm the General Counsel at

the Department of Consumer and Worker Protection.

Today I'm joined by DCWP's Deputy Commissioner of

Enforcement, James Hurst, and our colleagues from the

New York City Police Department.

Thank you for the opportunity to testify today on secondhand auto dealers and Introduction 525 relating to the purchase of catalytic inverters. DCWP licenses

2 secondhand automobile dealers, or SHADs, which are

3 businesses selling used automobile dealers and

4 separately, secondhand dealers general, or SHDG,

5 which are businesses that sell secondhand articles

6 such as, for example, a used catalytic converter. A

7 licensed SHAD does not need an SHDG license if it

8 only sells used cars.

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DCWP currently licenses 522 SHADs across the five boroughs. We receive a high number of complaints related to activity at these businesses each year, and in response, dedicate a high level of enforcement resources to them. Last year, we conducted 439 inspections, and so far this year we have visited licensed SHADs 353 times. Since 2018, we have secured more than \$2 million in restitution for consumers and almost \$5 million in civil penalties from these businesses. Recently, we announced a settlement with two businesses in Brooklyn in response to numerous violations of city laws and rules, which included protections against deceptive practices. This settlement resulted in more than \$300,000 in restitution for consumers and \$500,000 in civil penalties. Separately, there are currently 3915 businesses holding SHDG licenses. This includes

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2 | 140 licensed SHADs who also hold an SHDG license to 3 | allow them to sell us goods other than used to

4 automobiles, such as a used catalytic converter.

Since 2018, we have received 216 complaints regarding SHDGs, conducted 10,254 inspections, issued 1065 violations, and recovered more than \$1 million in restitution and civil penalties concerning the SHDGs. Both the SHAD and SHDG licenses include explicit record keeping requirements for the dealer. Specifically, any licensee buying or selling a secondhand article must keep a written record of the transaction, including a description of the item sold and information about the person from whom the purchase or sale was made. Additionally, a SHAD licensee selling a vehicle must record its vehicle identification number or VIN, the details about its removal from the dealership, the driver license information of the purchaser, and the address to where the vehicle is removed, among other required records. Licensees must share records about these purchases with the NYPD and other law enforcement agencies at their request.

Today's legislation Intro 525 is aimed at preventing the theft of catalytic converters which as

you'll hear from our colleagues at the NYPD has
markedly increased in recent years. Introduction 525
would require SHDG and SHAD licensees that purchase a

5 catalytic converter to obtain information about the

6 vehicle from which the catalytic converter was

7 removed and a copy of documentation proving ownership

8 of the vehicle on the part from the seller. This

9 information would have to be made available to DCWP,

10 NYPD, and the Fire Department upon inspection. DCWP

11 supports this legislation to the extent that NYPD

12 | believes its passage will aid their investigations by

enabling the city to better track instances of

14 catalytic converter theft.

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We look forward to working with Council during the legislative process on this bill.

Thank you for the opportunity to testify today regarding our licensees and related legislation. We greatly appreciate Council's partnership and look forward to answering any questions you may have.

INSPECTOR LAPOLLO: Good morning Chair Velázquez and members of the council. I am Inspector Robert LaPollo, the Commanding Officer of the NYPD Auto Crime Unit. I am joined here today by Michael Clark, the NYPD's Director of Legislative Affairs, Michael

2 Tiger, and James Hurst from the Department of

3 Consumer and Worker Protection. On behalf of Police

4 Commissioner Keechant Sewell, I am pleased to testify

5 before your committee regarding Intros 525A and 759

6 under consideration today, and the growing problem of

7 catalytic converter theft.

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The theft of catalytic converters has become nothing short of an automotive epidemic over the last few years. In 2018, there were 1298 reported deaths of catalytic converters in the United States. In 2019, there were 3389. In 2020, the number jumped to 14,433. And in 2021, there were more than 52,000 such thefts. That is more than a 3900% increase nationwide since 2018. And unfortunately, there is no sign that this is slowing down. In New York City we have experienced a similar spike. In 2018, 198 catalytic converters were stolen. In 2019, it was 211. In 2020, it was 802. And in 2021, there were 3705, a 1771% increase from 2018.

So far this year, there have been 7334 such thefts compared to 2285 at the same point last year, a 220% increase.

The significant increase in thefts is driven largely by the surging value of three metals that are

2 found in catalytic converters, rhodium, palladium,

3 and platinum. At the beginning of 2018, rhodium cost

4 about \$1,700 per ounce, palladium cost about \$1,000

5 per ounce, and platinum was just under \$1,000 per

6 ounce. At their peak, rhodium was worth as much as

7 \$29,000 per ounce, palladium \$3,400 an ounce, and

platinum over \$1,300 per ounce.

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Today, rhodium sells for nearly \$14,000 per ounce, palladium sells for a little bit more than \$2,000 per ounce and platinum sells for just under \$1,000 an ounce. At these prices the financial incentive simply has become too great with unethical scrap yards and other buyers paying \$250 or more for one catalytic converter. Stealing catalytic converters is not difficult. These use commonly available power tools to extract the catalytic converter from the underside of a car. For only a few minutes of work thieves earn hundreds of dollars while victims pay thousands. Crude extraction methods cause substantial damage to the car costing victims thousands to repair on top of the substantial cost to replace the catalytic converters. crimes are also difficult to solve. Most catalytic converters lack unique identifiers. As a result,

2 they are all interchangeable, making it impossible to

3 prove that a converter sold to a scrapyard is the

4 same converter that was stolen from a victim's car.

5 Prior to turning my attention to the bills being

6 heard today, I would like to thank the Council for

7 your help in deterring these criminals from

8 victimizing hardworking New Yorkers. Intro 525A

9 | would require that secondhand dealers or anyone who

10 purchases catalytic converters for commercial use

11 | collect information on the vehicle that it was

12 removed from, as well as proof that the seller either

13 owns the vehicle or was otherwise authorized to

14 remove the catalytic converter. Records of these

15 | transactions must be maintained for at least five

16 years.

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The Department supports the intent of the legislation and we look forward to working with the council to pass the most effective version of this bill. Increased record keeping is of course welcome and would assist in deterring catalytic converter thefts. Requiring proof of ownership and long-term record keeping will limit the purchase and sale of stolen catalytic converters, when we have seen

similar pawn shop and secondhand dealer record

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keeping requirements provide a strong deterrent to to purchasing the stolen property at these establishments. Additionally, this bill would align with the goals of Chapter 574 of the laws of 2022. signed earlier this week by governor Governor Hochul, which requires increased record keeping by vehicle dismantlers and scrap yards when purchasing a catalytic converter. Intro 759 would require the NYPD and the Department of Transportation to establish a program to distribute etching kits in order to enable vehicle dealers to etch unique identifiers on catalytic converters. It would also require that the department distribute etching kits to the public and assist in using such kits. Finally, it would require that the department engage

The existence of unique identifiers on items that are susceptible to theft is a powerful tool, which enables law enforcement to identify and trace stolen property. For several years, the department has offered such a service for items prone to theft such as smartphones and laptop computers, bikes, and on car windows free of charge. In October, the

in outreach, informing the public of the efforts to

curb catalytic converter theft.

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department began our own catalytic converter etching program in Queens with further initiatives in Brooklyn, Staten Island, and Manhattan. Tomorrow, we will host a catalytic converter etching event in the Orchard Beach parking lot in the Bronx from 12pm to 4pm. Officers etch the unique code on a person's catalytic converter at no cost to the member of the public. So far the department has provided etching for nearly 2000 vehicles. Having a unique identifier on the catalytic converter assists our investigators in linking a person who sold a catalytic converter to

As the etching program expands, so too will our ability to identify the criminals driving the spike in converter thefts. Currently, the department is exploring expanding this pilot to make it a citywide program available in every precinct, provided that additional funding is made available to support this initiative.

the theft of the converter.

Total reliance on the NYPD to conduct etching is an imperfect method to get the roughly 3 million registered cars in the city etched. As such, it is important that we collectively explore whether the solution lies in city, state, or federal law,

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additional touch points where catalytic converters

can be etched.

The NYPD stands ready to do its part in combating these steps, and we look forward to continuing to work with the council to address this issue. Thank you for this opportunity to speak before you today, and we look forward to answering any questions you may have.

CHAIRPERSON VELÁZQUEZ: Thank you. So we'd like to begin with our questions. So going to DCWP: Does DCWP license scrap metal processors as part of its second hand licensing scheme? Or is this a separate license issued pursuant to state law?

MR. TIGER: It's the latter Chair. There's a separate scrap metal processor law pursuant to a state law. And the structure of the licensing scheme is actually a bit different.

CHAIRPERSON VELÁZQUEZ: Can you explain?

MR. TIGER: Yeah. I mean, the... So this body
has passed various laws within the administrative
code for like secondhand dealer general licensees.
As I said, the scrap metal processing... and those
are enforceable by our agency. Some of them are
consumer protection. Some of them are record keeping

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2 provisions that are there to ensure that NYPD has the 3 information that they need when they conduct a

4 criminal investigation. Scrap metal processors under

5 state law... We license them, and there are record

6 keeping requirements, but the record keeping

7 requirements are not enforced by DCWP.

CHAIRPERSON VELÁZQUEZ: And then the same for auto wreckers.

MR. TIGER: We don't license auto wreckers as auto wreckers.

CHAIRPERSON VELÁZQUEZ: Okay. Thank you. So

DCWP has received over 5000 complaints about this

industry which has led to over 3300 inspections. How

does DCWP determine whether a complaint should move

to the inspection stage? And what is the likely

timeframe for these inspections?

MR. TIGER: When we talk we're talking about SHADs now, secondhand automobile dealers. So we're not talking about the catalytic converter issue. We're talking about the used car dealerships.

CHAIRPERSON VELÁZQUEZ: Yes. Yeah. The second hand... yeah, the SHADs.

MR. TIGER: Generally... Well, we do... We put in a lot of resources, both from our... our

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Jointly with the COMMITTEE ON PUBLIC SAFETY enforcement division, who our patrol inspectors, that my colleague, Mr. Hurst here, overseas and from the lawyers in our General Counsel division. So we spend a lot of resources. We actually get many complaints, as you alluded to, Chair Velázquez, and we take almost all of them very seriously. And if consumers give us the information that there's been a violation of the SHAD laws and rules, we will take a look at that, and we will make a decision about whether it makes sense to be pursued through an inspection through our enforcement division, or as part of a broader investigation helmed by one of our lawyers in

CHAIRPERSON VELÁZQUEZ: What are the most common violations issued to the SHADs?

our General Counsel Division.

MR. TIGER: Overcharging. Breach of contract... It is called Contract Cancel, but that means essentially the goods... the car was not provided in the condition that was promised. We get a lot of complaints about cars being parked on the street. That's different than... sort of from a consumer protection standpoint. That's people in the community complaining that a dealership is using the public space in a way they shouldn't.

pandemic, but it's been a consistent drumbeat,

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frankly, as it always has been about complaints regarding this industry.

CHAIRPERSON VELÁZQUEZ: And have there been improvements in recent years with the industry compliance with transparency and fair dealing disclosure requirements enforced by DCWP?

MR. TIGER: I... I mean... I think that we have definitely seen an array of the level of compliance across the industry. There are, of course, dealerships that are very much adhering to a sort of culture of compliance that we're trying to build with the regulated community. And of course, there are other actors where we receive a lot of complaints, and then we try to act and make sure that consumers get the money returned to them, and that we send a message that we are going to take action against dealerships that break the city's laws and rules.

CHAIRPERSON VELÁZQUEZ: And what kind of documentation is maintained by these various SHADs to show chain of custody of the items they sell? And how often do you guys inspect it?

MR. TIGER: Well, I mean, under the secondhand article law, which combines both the SHAD and the SHDG licensing scheme that I described in our

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testimony, there are certain documents that they have about the basic facts of the transaction, that have to be recorded and made accessible to us, and to PD and other law enforcement agencies.

CHAIRPERSON VELÁZQUEZ: So now that you brought

NYPD into the cameras, does NYPD alert DCWP when

arrests and investigations indicate a licensed entity

was selling stolen property?

MR. TIGER: I don't... We don't have a sort of constant give and take on that, but we have definitely over the years been alerted about licensee misconduct by PD and we're always willing to work with PD in any joint investigation that they think would help their prosecution of criminal offenses by licensees.

CHAIRPERSON VELÁZQUEZ: I'd like to take two seconds to recognize Councilmember Stevens,

Councilmember Cabán, Councilmember Ossé, and Ariola, that's joining us virtually. Yeah, I said, Stevens.

Uh-huh. I'm not going to forget my Bronx peeps.

So going back to what you mentioned about no constant give and take, can we expand on why does that not happen? Is there anything preventing you guys from having a more...

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MR. TIGER: Well, we... I'm sorry Chair. important to remember that we're not a criminal enforcement agency. So it's more if... if the police department identifies an issue where they can where we can be of assistance to them in an individual case may make sense for them. And I can't speak for them. But... But it may make sense for them to reach out to us, of course, we're always willing to help. We're obviously a civil enforcement agency. We make sure that the licensees are keeping the records that are detailed in the administrative code. there comes time for criminal investigation, the licensees can provide it to the police department. And we find that that's the best way. And also... I'm sorry. NYPD can also check the records on their They don't need to rely on us necessarily. there actually is sort of an efficient system already in place where there doesn't have to be sort of a weekly check in on the ship.

MR. CLARK: Right. And I just wanted to follow up, I think it's accurate to say that we will certainly... When we find another agency that has an enforcement tool that we don't have necessarily, like we will loop them in to see what they can do to help.

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2 Right? So if it's a problematic licensee, we'll see

3 | if they can do... what they need to help maybe

4 suspend a license or whatever they can do on the

5 civil end while we do the criminal end. So that...

6 that does happen whenever we can identify those

7 things. But Michael's right. We do have the ability

8 work on our own and we rely on them to make sure that

9 the record keeping is... the stores are on top of

their record keeping. So when we need it for our

11 | criminal investigation, it's there.

12 CHAIRPERSON VELÁZQUEZ: And so how many instances

13 has an investigation led into auto shops for the

14 possession of stolen property? Led to any arrests or

15 fines?

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MR. TIGER: Well, arrests I would have to defer

17 | to my colleagues at the police department.

18 | INSPECTOR LAPOLLO: That would be a number we'd

19 | have to look up and we'd get back to you with.

20 CHAIRPERSON VELÁZQUEZ: Okay, I'd appreciate it.

21 And then lastly, does DCWP support additional

22 documentation requirements for the purchase of

23 | catalytic converters given the prevalence of theft of

24 | those parts?

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MR. TIGER: Well, we support any... any requirements that PD believes will help with them their criminal investigation of these matters, we would be supportive of.

CHAIRPERSON VELÁZQUEZ: Does DCWP support violations of such requirements having some sort of effect on the purchaser's ability to do business with the city?

MR. TIGER: I'd have to give that a little more thought. I'd have to have a little bit of understanding about what that would mean for... Are you saying that... if their contractor with the city?

CHAIRPERSON VELÁZQUEZ: Right, and does it affect it? If there's some effect with it?

MR. TIGER: I think we would want to talk internally with our colleagues at other agencies that really handle the contracting for the city.

CHAIRPERSON VELÁZQUEZ: Thank you for that. And now, NYPD: How many individuals have been arrested by NYPD for theft of catalytic converters? And in what are the charges?

INSPECTOR LAPOLLO: Well, so far this year, there have been, excuse me... there have been 53 People that have been arrested, with a total of 139 total

2 | arrests, meaning some were charged with multiple

3 arrests. The charges usually stem from grand larceny

4 to petty larceny and criminal mischief, for the most

5 part. Also possession of burglars tools when we

6 catch them with the tools that they use to cut the

7 | catalytic converters out of the cars.

CHAIRPERSON VELÁZQUEZ: How many stolen catalytic converters have been recovered by y'all?

INSPECTOR LAPOLLO: That's a number we'd have to that's in a movie, we'd have to try to find out if we can identify. They're... Because they're not marked, it's difficult to say they were stolen.

CHAIRPERSON VELÁZQUEZ: How many... Are there certain precincts experiencing higher rates of catalytic converter theft than others? And if so, where?

INSPECTOR LAPOLLO: Well, I do have it broken down by borough. We don't have the specific precincts.

CHAIRPERSON VELÁZQUEZ: Can I get precincts afterwards?

23 INSPECTOR LAPOLLO: Yes.

CHAIRPERSON VELÁZQUEZ: Perfect.

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INSPECTOR LAPOLLO: But currently, right now
we're seeing the largest increases in... in the
Bronx, Brooklyn South, Queens both north and south.
Those are the ones that are driving the spike. But
it's not unique... It's not unique to those
boroughs. It's actually occurring everywhere in the
city.

CHAIRPERSON VELÁZQUEZ: What measures does the department take in responding to these localized patterns of reported theft?

INSPECTOR LAPOLLO: Well, every incident that was reported is investigated. And we tried to determine if there are patterns that we can find that a group of individuals are responsible for multiple catalytic converter thefts. So we... Whenever we get a complaint that comes in, we investigate the complaint and we try to we try to make an arrest on that complaint, if it's possible.

CHAIRPERSON VELÁZQUEZ: What's the timeline with that? If I make a complaint... Someone just stole it. Now I'm out \$3,000? How soon can I expect you to apprehend someone or get someone?

INSPECTOR LAPOLLO: That would depend on the specific circumstance. Because if we have a witness

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2 that said that somebody just came and cut the

3 catalytic converter out of their car, and they're

4 | able to identify, it would be an immediate arrest.

5 But most likely, usually what happens is, we end up

6 seeing surveillance video, and we have to work

7 backwards. And depending upon the quality and the

availability of witnesses, it may take some time to

9 come to a conclusion.

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CHAIRPERSON VELÁZQUEZ: Is there value in alerting local residents of this pattern of theft?

And how can we raise awareness?

INSPECTOR LAPOLLO: Yes, I believe there is. I believe, by alerting the residents, they may be able to take measures such as signing up for our identifier program, where we are putting the unique serial number on each catalytic converter. So we encourage that the members of the public be aware. Also, just to be aware of the what is happening in and of itself, will give people an idea to maybe park their car, if they have the availability of a driveway, maybe to park it in...

COUNCILMEMBER BREWER: There are no driveways in Manhattan.

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INSPECTOR LAPOLLO: Right. That's why I'm saying if they have the ability to do so. But also just to be aware, and to understand that there is this activity occurring and maybe what to look for.

CHAIRPERSON VELÁZQUEZ: And so, does the department increased patrols in the areas with these higher rates of catalytic converter theft?

MR. CLARK: Yeah, and I think that's something we typically do we you know, all the precinct commanders are looking at all the data of crime data in their area, and if they see patterns in certain areas, they will send more officers to those areas, not just catalytic converter thefts, but all crime in the precinct. So, that is something every precinct commander is frequently doing to try and make sure... if they if it's identified that this is a location, they will have increased resources at those at those places.

CHAIRPERSON VELÁZQUEZ: Can you explain the work of the auto Crime Unit? And how is it structured?

And what are the types of investigation it conducts?

INSPECTOR LAPOLLO: Sure, The Auto Crime Unit predominantly investigates organized groups of individuals that steal cars for profit. And when I

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2 say by for profit, it's usually... they will change

3 the VIN numbers, the vehicle identification number on

4 | the vehicle, so that they can sell it either to

5 people who are aware or unsuspecting buyers, that

6 don't realize that they're purchasing a stolen car.

Also vehicles that are being exported out of the

8 country in shipping containers. So we predominantly

9 work on those types of cases. However, we also look

10 | into large scale parts theft as well. So if we have

11 | a ring that we are aware of that is selling catalytic

12 converters, and possibly shipping them out of the

13 | state, we try to identify them and investigate them

14 and bring them... have them arrested as well.

CHAIRPERSON VELÁZQUEZ: To what extent does the NYPD investigate the SHADs and scrap metal processors or even auto records for possessing and selling stolen property?

INSPECTOR LAPOLLO: When we have an investigation ongoing that involves one of those locations, we will go in and inspect the records of those of those establishments to determine if the record keeping is is being kept properly, if certain... certain things are required to be entered into a database, and make sure that these vehicles that are being brought in

INSPECTOR LAPOLLO: Well, the process would be

that somebody would actually go out and remove the

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2 catalytic converter from the vehicle. They would

3 bring the cat... -- this is the traditional method --

4 | they would be they would bring the catalytic

5 converter to a scrap yard, the scrap yard would -- as

6 long as they don't... it's not indicated that it's a

7 stolen item -- would take the documentation required

from the person who's selling it to them, upload it

9 | into their system and pay for the catalytic

10 converter. Currently, what we're seeing is a little

11 | bit of a shift, whereas the people who are actually

12 stealing them are bringing them to say, a middleman

13 | type of situation where we have them collecting

14 | catalytic converters from the thieves, and then what

15 | they'll do is they'll load up a truck or a van full

16 of catalytic converters, and then bring them to a

17 scrap processor within the city or outside of the

18 city.

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19 CHAIRPERSON VELÁZQUEZ: Do you believe that

20 | there's a market for stolen parts in local secondhand

21 auto shops?

22 INSPECTOR LAPOLLO: For them to purchase stolen

23 parts?

CHAIRPERSON VELÁZQUEZ: Yes.

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INSPECTOR LAPOLLO: I... I do believe that if...

I've seen in the past that they have taken in stolen

parts, and they have tried to conceal the fact that

they were stolen. I don't know if it's as prevalent

as it has been in the past, because of the

inspections we have done in the past. We haven't

really seen stolen parts going into auto shops as

much as... lately, as we have in the past.

CHAIRPERSON VELÁZQUEZ: And you had mentioned in your statement about my district tomorrow, Orchard Beach, we're going to have you guys do the etching. Can you provide a description of what the initiative is and how many cars you do get to do in that amount of time?

MR. CLARK: Okay, sure. We... What we'll do is we'll set up in a location such as Orchard Beach parking lot, and what we're going to do is I'll have my members of my unit, they have the technical expertise to do this. They will apply to each vehicle, an etching kit, which has two stickers. Some cars have two catalytic converters, and what this does is they'll place the etching... the sticker... the label onto the catalytic converter, wipe it with a reactive agent, and that will embed

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2 the number it's a unique serial number into the

3 catalytic converter of the part. So what we're

4 looking to do is have three stations where the

5 residents can pull up, and we can safely jack up the

6 vehicle so we can get underneath as soon as it cools

7 down... -- the part is very hot -- as soon as it

8 cools down and apply this sticker, it also has a

9 | window sticker to inform people that the catalytic

10 converter has been etched as a deterrent to thieves.

11 And then it really should take no more... once we are

12 able to do it no more than 5 or 10 minutes per car.

13 And then they can be on their way with their... with

14 their catalytic converter etched.

15 CHAIRPERSON VELÁZQUEZ: Are you... Are there

16 plans to expand this program, by the way?

17 MR. CLARK: So I think that's something our Crime

18 | Prevention Division is trying to figure out. And

19 | what we want to do is see if we can do one that's a

little bit more efficient and more cost effective,

21 | that we can, you know, etch more catalytic

22 | converters. So, I think these cost about \$10 each.

23 So right now they're testing other options to see if

24 | there's a better way, and a quicker way and a more

25 cost effective way. So that's something we're

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looking at right now, and hopefully, we can figure
out a way to get more cars and be better at it.

CHAIRPERSON VELÁZQUEZ: And how do you raise awareness of these initiatives? Besides like people like myself, like retweeting and sharing on socials? Do you mention it during precinct council meetings? How do you work with local precincts to make sure that this... that folks and residents are aware

MR. CLARK: We work with the community affairs folks for each borough, and that they, with their contacts provide the information to get the word out. We rely on them to have everybody know where the event is, so that my team can actually do the installation.

CHAIRPERSON VELÁZQUEZ: Now, does the NYPD support Intro 759 which seeks to codify the etching program?

MR. CLARK: Yeah, so I think we, we support etching as a general matter. So we... we're excited to see it in legislation. I think what we would need to figure out and work with you and Councilmember Lee is... is how to effectively touch the most vehicles as possible. So I think that's... that's a great start, and we should work on that, and it's stuff

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we're doing anyway. But we should, how do we get the
most catalytic converters etched as possible? And
that's sort of what we need to figure out together,
and the legislation that will make that happen,
whether it's... And what the city can do, some of it
may be federal or state laws, but where the city can
interact is, you know, so that... The idea of

make that as broad as possible.

CHAIRPERSON VELÁZQUEZ: Do you have any suggested

etching we support and how to make that work, how to

or recommended changes to the legislation right now?

MR. CLARK: So I think, you know, a few things.

So and I mentioned -- you know, it's not necessarily the City Council bill -- but I think a federal bill that would help is... there is a federal law that requires certain car parts to be etched with the VIN. It's doors, bumpers, hoods, engines. I think, globally, and that's necessarily here. But globally, if we could figure out a way... or if the... if Congress could act and make that mandatory for cars across the nation, because even if we figured out a way to hit every car in New York City, or every car in New York State, there's still cars coming from

Pennsylvania, New Jersey, Connecticut, that won't

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have those protections. So I think that's probably
the most efficient. But short of that, I think there
are ways, and you know, we touched upon it in, in the
bill of new cars, and used car dealerships, and, you
know, maybe ways to figure out how to make sure that
they're doing it, rather than just distributing kits
and making sure that it's happening.

I think one thing we would suggest is also penalty coupling it with a penalty, so that if you destroy the etching, or if yo...u you know, in some way, remove it, that's its own penalty, because that's something... you know, and that penalty exists for other parts. So those are a few things that to explore. And, you know, I'm... at least in the city level.

CHAIRPERSON VELÁZQUEZ: And you kind of hinted at it... Do you support efforts to distribute catalytic converter etching kits to car dealerships, and you kind of refer to... but if you can...

MR. CLARK: Yeah, I think to the extent they have it, and actually the state, you know, at least for new car dealerships, they in their bill, require them to have it as an option. So I think... I do think it is... Now if we get every car sold, etched. That's

In other words, I'm just trying to see... you

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paper?

have a long haul. Are you in touch with them? Are

COMMITTEE ON CONSUMER AND WORKER PROTECTION 1 Jointly with the COMMITTEE ON PUBLIC SAFETY 42 2 they helpful in this discussion in terms of figuring 3 out how they can keep track of some of their 4 requests, et cetera? I'm just trying to think of all 5 the angles to get at these... this situation. INSPECTOR LAPOLLO: Yes, we work with this 6 7 closely with the National Crime Insurance Bureau to 8 ensure that all the bases are covered when it comes to these... these occurrences. COUNCILMEMBER BREWER: So they keep track of the 10 11 specifics in terms of filings for catalytic

conversion. I'm just wondering if that's another avenue to...

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INSPECTOR LAPOLLO: I can't speak for how they keep their records, but I'm sure that they are... are able to get that information from the insurance companies.

COUNCILMEMBER BREWER: Okay. Wouldn't that be helpful with us trying to figure out exactly where the problems are? Or it's not relevant?

INSPECTOR LAPOLLO: Well, we know where the problems are through the reporting system.

COUNCILMEMBER BREWER: Okay. Because the insurance company might add to it. That's what I'm trying to say.

2 INSPECTOR LAPOLLO: Sure.

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COUNCILMEMBER BREWER: Okay. The other thing I have is... question is: On the legislation, is there a specific type of car that... or is it across the board in terms of the catalytic converters? In other words, are there certain cars that are more demand by the thieves?

INSPECTOR LAPOLLO: Yes, there are.

COUNCILMEMBER BREWER: Because that is my understanding. Because people say, my car didn't get stolen, but my neighbor's did, and it's a different kind of car.

INSPECTOR LAPOLLO: That's correct. The thieves are aware of which catalytic converters from which vehicles to take, which would give them the most money the resale value. They are also aware that if someone's catalytic converter has been replaced, that that catalytic converter isn't worth as much as one that came on the car originally, so they bypass that as well.

COUNCILMEMBER BREWER: Okay. Do you... Can you give us a sense of which cars are more prone to thievery?

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INSPECTOR LAPOLLO: I can tell you absolutely the Toyota Prius was one of them. It because it has two catalytic converters in a line. So it's basically all they have to do is make two cuts. It's quick, and now they have two catalytic converters. So that was highly sought after.

COUNCILMEMBER BREWER: That's definitely what I have heard. The same thing.

In terms of 525, I appreciate the general support. Are there ways that you think that it could be improved, obviously... and also, how does... I know you mentioned how the... Governor Hochul... or the state law plays a role. But if you could just add anything that 525 should also include and how does this fit in with the state legislation?

COUNCILMEMBER BREWER: This guy is one of my heroes. We went listening to noise together.

[Laughter] Noisy police cars. We had a great time together.

MR. CLARK: Yeah, I think it...

MR. CLARK: Yeah, I think... I think... So it pairs nicely, in the sense that they're... they're complementary, you know, legislation. So the state legislation is going to increase the amount of record

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2 keeping for the scrap processors, and I think this

3 complements that and increases it for the... the

4 second hand dealers, right? So I think... So I

5 | think that's good. I think, you know, like you said,

6 making some of it, making sure it comes

7 | electronically into the electronic system is a good

8 | ideas. I think, you know, making sure to the extent

9 we have etching and we have unique numbers, that that

10 | is also something that's collected, just to

11 | thinking... but you know, we certainly want to work

12 | with you on making sure that's... whatever...

13 | whatever else is in there will get in there. But

14 | that is two things that we're thinking.

COUNCILMEMBER BREWER: Okay. And do you have a sense of the persons who are apprehended? Do they return? Is there any sense of... How many is it like... you know, we always hear there are 50 people committing all the crimes in New York City. I'm just

20 making up numbers. But it's obviously a ring, I

21 would assume. Is there some way that you can even

22 attack it now, as opposed to... we obviously want to

23 make it harder for them? And hopefully, this

legislation will do that. But is it something that

25  $\parallel$  is sold online? In other words, told people online?

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Or is it just the metals are given to the way in which you described? What... what's the status of

4 these thieves, kind of what I'm trying to get at?

INSPECTOR LAPOLLO: Well, the thieves, the thieves have expanded because of the knowledge of this. So there are more thieves today than there had been in the past. It used to be more of a specialty type of crime, because of you had to know what you were looking for, you had to know how to remove it, and you're not had to know where to bring it to get paid.

Now, there are... the thieves have their middleman let's say. Those people are advertising, either word of mouth or maybe social media. And the thieves know that they can meet up with these people at a certain location, which is happening frequently. That's when the thieves will bring this... the catalytic converters to the thief with a van that has, you know... we've seen as much as 50 catalytic converters in a van. Last week, we had an incident with 25 in a pickup truck. Unfortunately, none of them are identifiable. So it's very difficult. And just to give you a sense of how my unit investigates, we actually look for complaint reports throughout the

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city to see where the catalytic converters was stolen from. And then what we'll do is we try to figure out which kind of car it came from, go to that person.

Hopefully, they reported it timely, and that they didn't have the car repaired immediately. And we will actually go under the car and try to fit the piece. It's like almost a puzzle piece to where the cuts were. So we can identify and now testify in court that yes, this catalytic converter came from

COUNCILMEMBER BREWER: I appreciate that. I think the bottom line is we've got to solve this problem, because that's an insane amount of staffing. Yeah. And terrific that NYP is doing it. But let's all work together to solve the problem. Thank you very much.

that vehicle. So now out of the 25 that we had last

week, we have one that we can identify as stolen.

CHAIRPERSON VELÁZQUEZ: I'd like to recognize Councilmember Bottcher. And I also would like to pass it over to Councilmember Menin for her questions.

COUNCILMEMBER MENIN: Thank you so much Chair.

Um, so I want to talk a little bit about the second hand auto dealers and predatory loans, which has been

a historic problem. When I was at the agency, we released a Request For Expression of Interest to create a new auto loan product. So we released that RFEI to banks and credit unions to try to get them to have an auto loan product that was a safe auto loan that had transparent terms, that didn't have terms buried in the language that locked people into a cycle of debt. Can you talk a little bit about what's happening with that? And where is the agency in terms of trying to encourage banks and credit unions to offer better auto loan products?

MR. TIGER: Well, thank you for that question, Councilmember. I'm not sure exactly how what was the result of that RFEI, to be to be candid, but

Councilmember. I'm not sure exactly how what was the result of that RFEI, to be to be candid, but generally speaking one of our priorities is to look at predatory lending in different aspects across the city and for different... for different industries.

You know, we have our Office of Financial Empowerment that is working on these issues on... broadly speaking, about debt and safe debt through our Oversight of the Financial Empowerment Centers across the city. I would have to talk to that... to them to get a better sense of what we're currently working on

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2 in the auto loan space as far as safe auto loan

COUNCILMEMBER MENIN: Yeah. If you could get back, as we released that in 2015, and there were banks and credit unions that were interested. We also had issued subpoenas to Santander Bank, who was clearly... and the AG entered into a settlement.

Could you give an update on what's happening with Santander? Are they still are you still after the AG settlement seeing any kind of predatory practices out of them?

MR. TIGER: Well, we haven't gotten complaints specifically about Santander since I've been at the agency over the last few years, but I can... we can... I can go back and take a deeper dive into this with you.

COUNCILMEMBER MENIN: Okay. Yeah. Because just... I mean, even reading the committee report, we see it's still historically a problem. So we'd love to know what the agencies doing to combat this subprime loan issue. Okay, thank you.

CHAIRPERSON VELÁZQUEZ: I'll turn it over now to Councilmember Stevens.

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COUNCILMEMBER STEVENS: Good morning. I just had a couple of questions, because as we know, I know we're talking about the catalytic converters. But just thinking about in general, there's been a lot of theft, especially in the Bronx around just cars in general and vandalism. But and my question just, I guess, is around like some of the auto body shops:

Are there inspections done of the auto body shops?

If so, how often are they done, and who's in charge of like, kind of doing these inspections?

MR. TIGER: So... let me just note, auto body shops are...

COUNCILMEMBER STEVENS: Like the secondhand auto body shops.

MR. TIGER: Right. If you have... if you sell secondhand goods, you have a... you have to have a second hand dealer general license. And just to be clear, separately, the New York State Department of Motor Vehicles licenses auto body shops. And so there is a raft of records that they have to keep under DMV regulations that the state enforces. We inspect routinely all secondhand dealer general, on a regular cadence. I think I don't have the exact numbers. I don't have it broken down by auto body

shops, but we inspected SHDGs, as we call them, over 10,000 times since 2018. There are several thousand

4 SHDGs.

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COUNCILMEMBER STEVENS: Which is fine, thanks, because to be honest, we all know, for example... we all know... like I know where I can go get the stuff. I'm like, they just stole my mirrors the other day. I went back and bought them. I mean, we know where they're at. So like, what are you finding when you're going to these shops? Because we know that... We know where they are. We know what they're doing. And so even with these catalytic converters, like... MR. TIGER: Once again, just... just to take a step back on our regulatory scheme that we enforce. There are about two buckets of protection... or provisions of the Administrative Code for secondhand dealer channels are ones that are going to our core agency mission about consumer protection, "Are you representing that these are new goods? Or used goods?" You've got to make... You have to make that clear the consumer. And there are all these record keeping provisions that are really there to aid NYPD in their criminal investigations. And what our

inspectors do is they go and make sure that the

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2 secondhand dealer general licensees are keeping

3 records in a manner prescribed by the police

4 department and by the administrative code, so that

5 when there comes time for PD to seek these records,

6 as part of their criminal investigation, they're in

7 | the proper order, and they can do that. Our

8 inspectors are not actually inventorying, "Here are

9 the types of secondhand goods that are being sold in

10 your roster," because we're there just to ensure that

11 the records are being kept in the proper order.

12 COUNCILMEMBER STEVENS: You're just going to look

13 at the records. And that's it. And so you're not

14 looking for like inconsistencies, or things like

15 | that, so that you can then flag with NYPD?

16 MR. TIGER: Well, I mean, I think I can I can

17 | turn to my colleague, Mr. Hurst, about... in a little

18 | bit more granular detail about what would happen at

19 | an individual inspection, but generally is to make

20 | sure that the records are in the proper order as

21 opposed to an individual investigation.

22 COUNCILMEMBER STEVENS: That's just

23 | counterintuitive, right? Because if you're just

24 | going to look at the records, and you're not like

looking at inventory. Anyone can like do paperwork,

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2 right? And so that's where I'm trying to, like... I
3 need more understanding.

MR. TIGER: Well, again it's important to understand the PD has also has access to records and they conduct their own investigations and obtain access to these records. So we're there routinely to make sure that they're keeping records, and they're keeping... and they're keeping... and they're kept in the proper order. And PD then can look at it for an individual... on an individual basis.

COUNCILMEMBER STEVENS: Right. So you guys are saying you look at the paperwork, and then PD looks at the paperwork. So whose looking for the inconsistencies.

MR. HURTS: What we'll do is we'll inspect... at the time of inspection, see what items... inventory of used items they have, and identify that the paperwork... that the record keeping reflects what we see at the time. We will ask for an invoice at an auto body shop. And we can check that against the records to make sure they've kept their documentation. I think if a business was subject to multiple complaints, we could potentially do a more in-depth investigation, NYPD would probably do a more

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2 | in-depth investigation, if we knew... had the 311

3 complaints regarding that business. But in an

4 inspection, a routine inspection of a licensee, we're

5 | just going based on the observations we can make at

6 the time of inspection. We're comparing what's

7 available versus what's in the records.

INSPECTOR LAPOLLO: So if I could add: If we received a complaint of a repair shop that is taking in stolen property, we can go to the repair shop and we can inspect the repair shop to ensure that the items that are in the repair shop are listed in the documentation that they're required to keep. past we found inconsistencies where we found no records where the person operating the repair shop was subject to arrest based upon the statute, for not up keeping the books and records. So if we do go to have an investigation into a repair shop, we will go with either our partners from the Department of Consumer and Worker Protection, or more commonly for repair shops, Department of Motor Vehicles investigators.

MR. CLARK: And if... and if you have a specific shop that you're thinking of, I'll find...

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COUNCILMEMBER STEVENS: We all know where the shops are at. That's why I'm confused, and like why are we pretending like we don't know where these shops are? And why are we not inspecting them routinely? And it's... it's, it's kind of strange to me, but I'll stop here. But I just think it's really weird that we're not doing consistently we know the shops, people... even the precincts know the shops, right? Like, I mean, we're pretending like we don't. And so if we have a system where you're doing these inspections, and we're seeing the inconsistencies, what happens then? Right? Like, how many times... like, do they get fined? Like what happens? Because like, we know where 90% of the shops are, and a lot of them are in the Bronx. So I'll leave it at that. CHAIRPERSON VELÁZQUEZ: I actually have a question from Councilmember Abreu that he wanted me to ask:

to ask: So earlier you had described rhodium,

palladium, and platinum as being the three metals

that are in catalytic converters. Do we know the

ounces of each per part?

INSPECTOR LAPOLLO: It's it depends on the catalytic converter and the specific metal, but it's not really at the level of ounces. It's minute grams

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    that they use for the to coat the ceramic substance
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    that's inside. So it's only a few grams of each,
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    depending upon the catalytic converter. And that's
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    what makes it so valuable. Because when you take it
    and you look at the cost of profit per ounce, it
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    translate into... into a hundreds of dollars per
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    unit.
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        CHAIRPERSON VELÁZQUEZ: Got it. Do any other
    Councilmembers... If businesses have had DCWP
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    license revoked due to sell due to the selling of
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    stolen auto parts. That's for you...
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        MR. TIGER:
                    Has that happened?
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        CHAIRPERSON VELÁZQUEZ: Yes.
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        MR. TIGER: Is that question?
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        CHAIRPERSON VELÁZQUEZ: That's the question.
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    Sorry. I was trying to read it off the paper and not
    like sound weird.
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        MR. TIGER: No, no. No problem.
        CHAIRPERSON VELÁZQUEZ: I probably failed on that
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    one.
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        MR. TIGER:
                   Um, not to my knowledge as I'm
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    sitting here. But we'd have to go back and look, and
    we can answer that definitively. There are cert...
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you can get your license revoked if you violate

25 INSPECTOR LAPOLLO: Yeah.

INSPECTOR LAPOLLO: Yes.

COUNCILMEMBER HOLDEN: 53 out of 7000.

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COUNCILMEMBER HOLDEN: That's pretty miserable.

INSPECTOR LAPOLLO: Yes.

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COUNCILMEMBER HOLDEN: So I'm just wondering, is this because it's property crime and... Because obviously with the understaffed NYPD, we're seeing... The precinct commanders are complaining to us constantly that the same people are getting caught. And they arrest them, and they're out the next day. That this is not a priority in... with the DAs. Or, you know, have you been working with the Das, because because if not, then maybe the Councilmembers could, because I just feel at this point, with my constituents calling every day. "Councilman, what are you doing about this?" "We're getting... We're... You know, they're preying upon us." And I think it could even be more than... a lot more than 7000, because some people just don't even report it. They just say, "Alright, what am I going to do? They're not going to get these guys," because 53 arrests out of, you know, let's say 7334. Not a good record.

INSPECTOR LAPOLLO: Yes. And to address that, the difficulty is... is that when we come in contact with the people that are in possession of what we

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know to be stolen, they're not identifiable. There's no unique serial numbers to prove that they are stolen. So we will not be able to establish probable cause even though we've come in contact with the individual who actually has this in their possession, unless we come in contact with them while they're in the act of cutting the catalytic converters out. And once they drive away and they're in possession of catalytic converters, there's no way for us to say at this point that that person... we would have probable cause establish probable cause that that person is in possession of a stolen item. And that's why we are doing the sticker labeling program to identify as

COUNCILMEMBER HOLDEN: Yeah, because we identified a location in my district that was storing some of these catalytic converters in their backyards and auto crimes, never... you know, again, we never heard back from them. We didn't know what... what's going on. They're still there. This is going a year now that we reported this.

many of these catalytic converters as possible.

And it just seems... I just, you know, I just feel at this point very frustrated. So I'm just... is there something that people can actually secure

the catalytic converters better? Put it put a sleeve on it? Put some kind of metal around it, you know, do something. It's gotten to the point where people are paying... like they say they have a deductible on their insurance, they're paying \$1,000 anyway. You know, most people have \$1,000 deductible on their

insurance. Right?

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INSPECTOR LAPOLLO: Yes. There are aftermarket items that are being made now that would surround the catalytic converter to make it difficult for thieves to remove. That's... that's on the market now. That is one way that people can protect their catalytic converters. The other way is with -- as I mentioned before, with our labeling program -- to put some sort of unique identifier, that this way it will deter them when they see that it is marked. So coupled with... with maybe an aftermarket device to protect it. Unfortunately, not all catalytic converters are in a convenient location that this kind of device can be applied to it.

COUNCILMEMBER HOLDEN: Right. We did the etching program in my district a number of times. I'm just wondering, has any... anyone been traced yet? I mean, we've been doing this for a while now, I don't

2 know how many months. But has something shown up

3 where somebody etched the catalytic converter and it

4 came back.

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INSPECTOR LAPOLLO: As of this point, we have not seen a report of a stolen catalytic converter that has been etched.

COUNCILMEMBER HOLDEN: Okay, so... But... So nothing's turned up yet.

INSPECTOR LAPOLLO: Correct.

COUNCILMEMBER HOLDEN: And... But is there a failsafe system where you're tracking that? Let's say something is as it's sold? How do you track it? Because let's say some... I etched it, and my catalytic converter was stolen. What does the police department do at that point? If I report... you know, I etched it, and it was stolen. What... When does that kick in... What... what happens? Tell me the procedure.

INSPECTOR LAPOLLO: When we come in contact with that particular item, either in the hands of the thief itself, or... or the scrap yard.

COUNCILMEMBER HOLDEN: So... it sounds like a needle in a haystack. I mean, that... The fact that if it's going to a scrap yard that's unscrupulous,

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2 | that we have all around. We have a lot of them,

3 apparently, because they are selling them. You know,

4 how's that number going to be reported? Is that,

5 again, the scrapyard doesn't have to report it if

6 it's on there, right? There's no law that says, you

7 know, they get a catalytic converter with it with an

etching on it. They could they could just sell it?

And not pay any penalty?

INSPECTOR LAPOLLO: At this point, that would be correct. That's why we're pushing for... for identifying marks...

COUNCILMEMBER HOLDEN: Right.

INSPECTOR LAPOLLO: ...to put on catalytic converters.

COUNCILMEMBER HOLDEN: Well, I think some states have actually required new car manufacturers to put the numbers on the catalytic converters. Like I think Maine has that now, I think. Or at least that's... that's going through the process, right?

MR. CLARK: Yeah. I'm not sure about other states. I know that the state law that just passed requires it to be offered, at least at new car shops. It's not... I don't think it's a mandatory that they

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2 have to put it on. But it's an offer, which helps,

3 but it's not...

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COUNCILMEMBER HOLDEN: It should be mandatory, because at this point... if this is going to be lucrative for the thieves, and they can do it... and I've watched... we've watched videos, countless videos, how fast they do it, they pull up next to the car... Brazen, very brazen. Now they're doing in broad daylight. I used to do it only at 2 a.m. and 3 a.m. we've seen. Now it's broad daylight. Now they could just go anywhere and do it. Because it's, again, the consequences of getting caught. Even if they get caught they're... they're out the next day, or they're not even... they don't do any time. And that... that, I think is the issue. And again, we're being preyed upon. Thank you, Chair.

COUNCILMEMBER BREWER: Thank you very much. Councilmember Joseph?

COUNCILMEMBER JOSEPH: Good morning. Earlier I know you talked about it, but I wanted to know what precincts are offering the etchings? What precinct? Can you tell me?

INSPECTOR LAPOLLO: Well, currently right now it is the Auto Crimes Unit that is doing the etching,

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and we are expanding the program citywide so that we
can offer it... we offer to the patrol borough, and
the patrol borough will let us know where they
believe it would be most effective. So that's how
we're determining what precincts the program has been

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in.

MR. CLARK: And I just want to... it's... it's not every precinct all the time. It's when the Auto Crime sets up for these events... the Auto Crime Unit setup for the events. The... What we're exploring is trying to make it more universal, and have it available more of the time and trying to figure out a way to do that.

COUNCILMEMBER JOSEPH: Yeah. You mentioned Brooklyn south. I represent one of those areas, especially in the 67th precinct. What is being done with that precinct?

INSPECTOR LAPOLLO: Again, that would... that would be determined by the... the patrol borough as to where they would like us to set up this operation so we could label... and as I said, we are trying to expand this to get this out as much as possible.

COUNCILMEMBER JOSEPH: How many etchings have you done?

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2 INSPECTOR LAPOLLO: Probably just under 2000 at this point.

COUNCILMEMBER JOSEPH: 2000. But yet we have 7000 converters being stolen. So again, the numbers... I'll have to piggyback with Councilmember Golden.

How do you raise awareness? How does communities know about this event? Is it done in different languages? Is it done...? Because we do serve... I represent a large immigrant community. And as their converters are being stolen, is that being offered in languages as well? Is language access being offered?

INSPECTOR LAPOLLO: We rely on the community affairs people from the borough and from the police department to get the word out. My unit is basically responsible for doing the doing the operation and supplying the... the etchings. So I'm not exactly familiar with things... how they proceed with it.

MR. CLARK: Yeah, and I think... You know, they... they certainly publish it on their social medias. Their community affairs officers are supposed to talk to members, you know... key members of the community let them know to see if they can spread the word that it's happening. I don't know if

COMMITTEE ON CONSUMER AND WORKER PROTECTION 1 Jointly with the COMMITTEE ON PUBLIC SAFETY 66 2 the 67th precinct has had one, but we can... we 3 can... 4 COUNCILMEMBER JOSEPH: Yeah. I represent Brooklyn South, and 67 is one of my hot precincts. 5 MR. CLARK: 6 Right. 7 COUNCILMEMBER JOSEPH: I would love to see it 8 happen there. And I'm a senior citizen, and I drive, and I'm not on social media. How does that word get to me? 10 11 MR. CLARK: Right, I think that's part of, you know, community affairs, using the community context 12 13 to try and put it out. And... 14 COUNCILMEMBER JOSEPH: How do you penalize? Or 15 is there any... I know Councilmember Stevens also 16 asked that: What are you doing to penalize 17 secondhand shops that are selling these parts? INSPECTOR LAPOLLO: Well, if... if we come across 18 19 a say a scrap yard that's taking these in and they're 20 not following the existing rules, by keeping the 21 documentation required, then we will now... possibly 2.2 they may be subject to arrest themselves for failure 2.3 to maintain the books and records that are necessary. Most of the times we go in now we find that they are 24

in compliance, and that they're taking the

COMMITTEE ON CONSUMER AND WORKER PROTECTION 1 Jointly with the COMMITTEE ON PUBLIC SAFETY 67 2 information supplied by the seller... the thief or 3 seller, and they're... they're loading it into their 4 systems and they have been cooperative to the point where they will give us that information readily Upon 5 6 asking. COUNCILMEMBER JOSEPH: Okay, thank you. COUNCILMEMBER BREWER: If there no other 8 9 questions, then we will go to those that are on Zoom, because I believe those are the ones from the public 10 11 who have questions. You guys are welcome to stay, 12 but you can also leave if you like. We'd like to 13 have somebody here to listen to the public. 14 Thank you very much. And we look forward to 15 passing legislation and solving this problem. 16 you very much. 17 COUNSEL: First up, we'll hear from Paula 18 Frendel, followed by Vik Bensen. Paula, you may turn 19 on your camera and we'll unmute you in one sec. 20 Paula? 21 MS. FRENDEL: Hi, good morning. I want to thank 2.2 the committee for having me. My name is Paula 2.3 Frendel. I'm the director of the New York

Independent Auto Dealers Association. We represent

all the used car dealers in the state of New York.

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2 We're also affiliated with the National Independent

3 Auto Dealers Association. I do have a couple of

4 questions and comments. Regarding Intro 525, it does

5 | states that the purchaser will be required to

6 determine if the catalytic converter present is

7 | consistent with the one removed, and it has further

8 | language. I think there might be an omission there

9 because it does not state that the dealer or anyone

10 who is purchasing, they should not be responsible for

11 any erroneous information that might be obtained by

12 | the seller of this catalytic converter.

Also, what will verify that it's authentic? Does the document need to be notarized or signed besides the owner? These are just a couple of questions that we have on 525 at this point.

I do want to say that we are supportive the process to eliminate catalytic converter theft.

Actually, my daughter was a victim of it and we had to get her a complete new car for college. So I do

21 want to see legislation that does work.

Also, I'm hearing that there isn't any legislation in regards to if a party actually removes the etching. I believe that would be a really important aspect of the legislation. You could etch

2 all you want. But if someone is actually just going

3 to scratch it off, and, you know, break up open the

4 catalytic converter and take out, you know, it's

5 precious metals, it's really not going to be helping

6 us at that point.

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I'll stop there on 525. And then we can go on to 759. And then I have some other thoughts that I'd like to discuss with you in regards to used car dealers in the state of New York.

COUNCILMEMBER BREWER: Thank you very much. Your comments are excellent and will be included. I appreciate it very much.

MS. FRENDEL: Okay. Shall I move on to 759?

COUNCILMEMBER BREWER: Yes.

MS. FRENDEL: It just seems unclear if the dealer must do the etching. I did get confirmation that it is not mandatory. Maybe that... we would want to put that into the language. Also, is there a timeframe for the public to etch this? Is there any way to verify the etching is the same kit that was provided to the public? How can you track the kits to make sure they are authentic? These are all questions that we have. And also how will we know the public is doing this etching properly? Is there

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any kind of procedure? Is there any kind of hazard for them to be for them to be doing that?

COUNCILMEMBER BREWER: These are all good questions that will be considered when the legislation is reviewed.

MS. FRENDEL: Okay. And then on a broader scope, there's a lot of mention about deceptive practices of use car dealers and other dialogues like that. I do want to let you know that the association is open to any kind of mandatory education for the independent car dealers for pre-licensing and continuing education.

New York is one of the only... New York and New Jersey is actually one of the few states that do not have mandatory education. I have some open dialogue with a Senator in Albany to start that process. I would ask the committee if they were interested in maybe spearheading this, because you could probably get it done quicker in the five boroughs. So it's something that I did want to bring to your attention that we are open to and we'd like to expand the conversation for that point.

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COUNCILMEMBER BREWER: Thank you. I hope that you will submit your excellent ideas in writing and we look forward to working with you.

MS. FRENDEL: Okay, thank you.

COUNSEL: Up next, we'll hear from Vik Bensen. Vik, you may begin as soon as you're unmuted.

MS. BENSEN: All right, good morning. My name is Vic Bensen, and I'm the Policy Analyst at City Meals on Wheels. I'd like to thank the Council for holding this important hearing on catalytic converters, a pressing issue for nonprofit service providers relying on specialty vehicles. City Meals works in partnership with the city and a network of home delivered meal providers funded by the Department for the Aging to fill a significant gap in its homedelivered meals program by funding the continued delivery of meals on weekends holidays and emergencies to homebound older adults alongside supplemental feeding and connected services.

In the past year of home delivered meal providers and older adult centers have reported frequent repeated catalytic converter theft. When a delivery truck or transportation van has its converter stolen, replacing it will be a time consuming and costly

process that strains contracted funds and interrupts
service to vulnerable home delivered meal recipients.

Any time a truck breaks the meals delivered by that truck must be delegated to other delivery routes, creating longer wait times for hungry recipients and longer days for delivers already engaged in strenuous work. When older adult centers have converters taken from their transportation vans, it impacts service, forcing centers to cancel newly resumed activities and trips.

These bills would enforce proper sourcing for catalytic converters, which will deter theft, easing a burden that comes with specialty truck maintenance. However, they do not address an important point of vulnerability for nonprofit service providers regarding these steps, which is the lack of reliable parking for provider vehicles. While home-delivered meal programs are largely funded through city dollars, their contracts do not include adequate provisions or funding to maintain the infrastructure required to run them. We've heard from programs in all five boroughs affected by converter theft, and when programs lack a secure place to park their

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2 vehicles, they become more susceptible to theft,

3 especially when left on the street overnight.

Given that the city recognizes the critical importance of providing home delivered meals and transportation services to older adults with limited mobility, it stands to reason that it should also provide adequate support and funding to ensure the proper maintenance of the infrastructure required to operate these programs. Vehicle security and maintenance are not an optional part of running these vital programs. Moreover, it is not cost efficient to fund the purchase of vehicles, but not their security and maintenance. Because these services... these service vehicles are target for catalytic converter thefts, more is needed to ensure that they are protected. We see how providers with a secure place to park whether that is on site or through relationships with other members of their community that have space have far fewer incidences of catalytic converter theft, vehicle damage or break ins and thus fewer service interruptions and lower repair and maintenance costs.

So while we support these bills, we also asked that the council consider additional actions to

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2 ensure that city contracted program... programs like

3 home delivered meals receive the proper

infrastructure support, including in this case,

5 secure parking to combat the underlying security

6 issues facilitating catalytic converter theft, as

7 | well as other damage and break ins that routinely

8 occur. Thank you for the time we'll also be

9 submitting a written comment with more information

10 and anecdotes.

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COUNCILMEMBER BREWER: Thank you very much.

12 COUNSEL: At this time, if anyone is here that

13 | wishes to testify, but has not been called on would

14 like to do so please step forward.

Okay, seeing nobody's hand may close.

16 COUNCILMEMBER BREWER: Yeah. We're going to

17 close out this hearing. Thank you all very much for

18 | your testimony on this important topic. One more

19 question. Go ahead. You have a question? I

20 | recognize the very important Councilmember from the

Bronx, Councilmember Farias. Thank you very much.

22 | Closed out. Thank you.

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World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date 10/31/2022