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Details:

(FORM UPDATED: 07/12/2010)

**WISCONSIN STATE LEGISLATURE ...  
PUBLIC HEARING - COMMITTEE RECORDS**

**2007-08**

(session year)

**Senate**

(Assembly, Senate or Joint)

**Committee on ... Commerce, Utilities and Rail  
(SC-CUR)**

**COMMITTEE NOTICES ...**

- *Committee Reports ... CR*
- *Executive Sessions ... ES*
- *Public Hearings ... PH*
- *Record of Comm. Proceedings ... RCP*

**INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

- *Appointments ... Appt*
- *Clearinghouse Rules ... CRule*
- *Hearing Records ... bills and resolutions*  
(ab = Assembly Bill)                      (ar = Assembly Resolution)                      (ajr = Assembly Joint Resolution)  
(sb = Senate Bill)                      (sr = Senate Resolution)                      (sfr = Senate Joint Resolution)
- *Miscellaneous ... Misc*



AB 560  
Companion to  
SB 473

October 10, 2007

To: Members of the Wisconsin Legislature  
Fr: Paul Lucas  
Re: Request for Support of LRB 2741/6 – Scrap Metal Theft

On behalf of the Miller Brewing Company, I respectfully ask that you consider cosponsoring and supporting Scrap Metal Theft legislation currently being circulated by Representative Phil Montgomery and Senator Jeff Plale.

Due to rising metal prices, Miller, its distributors and retail customers have been increasingly losing kegs as they are stolen and sold for scrap. Miller has millions invested in kegs which typically last 20 years. It costs brewers as much as \$150 to replace each keg.

While we are encouraging our customers to keep kegs in more secure areas, this legislation by requiring identification and proof of ownership from would-be-sellers should help to substantially alleviate the theft problem.

Ten states so far this year have passed scrap metal theft laws, including Colorado, Indiana, Kansas and Virginia.

Thank you for your consideration of this legislation. Please feel free to contact me if you have any questions or would like additional information.

3939 W. HIGHLAND BLVD.  
P.O. BOX 482  
MILWAUKEE, WI 53201-0482  
414.931.2000

[www.millerbrewing.com](http://www.millerbrewing.com)





**Wisconsin Utilities Association**  
44 East Mifflin Street, Suite 202  
Madison, Wisconsin 53703

**To: Wisconsin Legislature**

**From: Bill Skewes, Executive Director  
Wisconsin Utilities Association**

**Re: Co-Sponsorship of LRB 2741/6**

**Date: October 10, 2007**

On behalf of Wisconsin's investor-owned gas & electric utilities, the Wisconsin Utilities Association (WUA) respectfully requests that you co-sponsor LRB 2741/6 *relating to the purchase and sale of scrap metal, determination of property value of scrap metal for a theft conviction, creating a civil cause of action regarding scrap metal and providing a penalty*, by this Friday.

The bill is being offered by Rep. Montgomery and Sen. Plale to address the growing problem of theft of metal items ranging from urns in cemeteries and irrigation equipment to manhole covers and storm sewer grates. In the electric utility industry, thieves are increasingly breaking in to utility substations and supply yards to steal copper wire. Theft of copper wire from substations has resulted in dozens of deaths in the past year across the U.S. as thieves attempt to remove copper wire from live electrical equipment for sale to recycling/scrap yards. This endangers not only the thieves but also the safety of utility workers who have to repair the equipment to put it back into service and it also leads to power outages. Outages endanger the safety of the public, cost tens of thousands of dollars to repair each break-in and can lead to lost revenue for businesses that require a reliable, affordable supply of electricity.

LRB 2741/6 is intended to make it easier for law enforcement to catch and prosecute scrap metal thieves and the unscrupulous scrap metal dealers and processors who **knowingly** purchase stolen materials. The bill creates a paper trail for law enforcement to follow by requiring that the dealer/recycler:

- Obtain a photo ID of the seller;
- Record the ID, license plate, vehicle description and scrap description;
- Obtain photo or video image of the vehicle and license plate;
- Obtain a signed declaration that the scrap is owned by the seller;
- Require documentation and reporting to law enforcement that the seller has the right to sell any *proprietary article*, such as a stamped, engraved or marked article that says it is the property of a certain entity.

Persons who knowingly violate this law would be subject to fines up to \$1000 and/or up to 90 days in jail, with escalating penalties for repeated violations. Scrap metals dealers and processors are also required to maintain their records for up to two years and allow law enforcement access to them. Finally, the bill allows local governments to enact ordinances

on this subject that are at least as stringent as state law and requires civil courts to grant actual damages to plaintiffs who prevail in actions seeking recovery.

WUA urges you to co-sponsor this bill to discourage metals theft by more strictly regulating the market for recycled metals. Passage of this legislation will reduce the danger to utility workers and citizens, reduce costly repairs and outages, allow victims to recover their actual damages related to these thefts and give law enforcement the tools they need to prosecute the growing problem of metals theft.

A broad coalition of organizations representing utilities, co-operatives, telecommunications, brewers and beer distributors, cemeteries, agriculture, food processors, law enforcement and other support this legislation. I have attached a collection of newspaper stories, magazine articles and informal company emails to provide a sense of the growing magnitude of this problem. Please contact me if you have questions at 608-257-3151.

# Electric Substation Break-ins: A Danger to the Public

Eric Solberg

**T**he theft of non-precious metals such as copper and aluminum is growing nationwide as salvage prices for these metals are at an all-time high. As the amount of material stolen is increasing, there is an added cost of labor to replace it.

Copper and aluminum are used in many industries, including electric utilities. But for electric utilities it is more than just the loss of the material and cost associated with replacement; it is also a serious threat to the safety of electrical workers and the public. This is an issue of endangerment.

The landscape has changed for electric utilities. Until recently, security functions were based mainly upon keeping the public safe from electrical hazards. It has now switched to keeping not only the public safe from electrical hazards, but also deterring the bad guy.

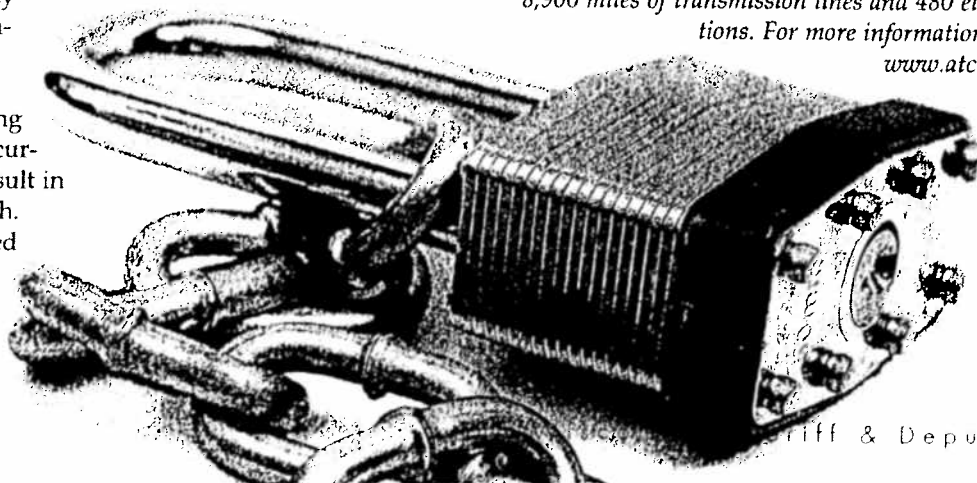
Theft of copper and aluminum from electrical substations can place utility workers and the public at significant risk to injury or death. Utilities rely on these materials to transmit electricity, provide a safe path for electrical fault currents and absorb lightning strikes. If a perpetrator attempts to steal an energized conductor, the result could be deadly for the thief. If the perpetrator steals grounding conductor, it changes the electrical design of the substation, which could cause the equipment to malfunction and create a loss of power to the public. If utility workers come in contact with tampered equipment, they become the grounding path for the electric current, which could result in severe injury or death.

Entry into secured substations is generally made by cutting

the locks on gates or by cutting holes in the chain link fence. Either one allows access by anyone with an inquisitive nature, including those inquisitive children and teenagers who can't relate to the dangers. The chain link fence around a substation has a grounding system engineered to eliminate unwanted buildup of electrical current. When thieves steal the pieces of conductor that are attached to the fence, they could create an electrical hazard in which, without even entering the substation, anyone contacting the fence could be in danger.

Utility facilities are widespread and numerous. Utilities are unable to protect all locations. That is why they need the help of the local Law Enforcement to be the extra set of eyes and ears in the community. In your routine patrols, become familiar with the locations of these facilities and investigate any suspicious activity. As indicated previously, utilities take this seriously and will cooperate with local Law Enforcement in an effort to protect all involved. ★

*Eric Solberg is manager of Infrastructure Security at American Transmission Co. ATC owns and operates the electric transmission grid in portions of Wisconsin, Michigan, Minnesota and Illinois. It has approximately 8,900 miles of transmission lines and 480 electric substations. For more information, visit [www.atcllc.com](http://www.atcllc.com).*





Madalyn Ruggiero / Special to The Detroit News

Piles of scrap metal and tubes of discarded rubber lay around the makeshift silo stoves that thieves use to burn material off of copper wire. The hole on the tank is where the fires are set. Even drug dealers are taking copper now that the price for the scrap metal has risen to \$3.70 per pound.

## Theft of copper surges: Utilities say stolen wires have led to outages

Amy Lee / The Detroit News

**DETROIT** -- Warmer weather and a bleak economy likely have fueled a spike in copper thefts in Detroit, according to two of Detroit's largest utility companies.

AT&T and Detroit Edison report a surge in copper wire thefts since the beginning of the year. The slicing and stealing of copper cable has led to some 25,000 combined phone and power interruptions in Detroit since Jan. 1.

An interruption creates a dangerous situation for AT&T customers because it leaves them without access to 911, said Gail Torreano, president of AT&T Michigan.

"It's a time bomb here for residents. Someone at some point will not be able to access 911," she said. In addition, at least two Detroiters have died while attempting to steal wire in the past year: One fell off a utility pole and another was electrocuted by a live wire.

The price per pound of raw copper has risen to about \$3.70, while in 2002 a pound sold for about 60 cents, according to kiteo.com, one of the world's largest precious metal retailers. In Detroit, copper has become so coveted that thieves trade copper scraps to drug dealers in lieu of cash, according to police.

Torreano and Bob Buckler, president of Detroit Edison, on Tuesday publicly pleaded with Detroiters to report copper crimes from a site they consider to be a hot spot of activity, at the abandoned grain silos on Pierce at St. Aubin on the city's near east side.

AT&T, DTE, Verizon and other companies run wires through that area, and the old silos make an ideal burning pit to strip the metal of its rubber insular coating, Buckler said. Piles of scrap metal and tubes of discarded rubber lay around the makeshift silo stoves.

The copper thefts occur every day -- sometimes three or four times a day, according Torreano and Buckler. Security guards for the companies say they're coping with an array of expansive, organized operations to random individuals looking for an easy buck.

Detroit Edison estimates it's lost some \$6 million in labor and material costs due to copper thefts since Jan. 1; AT&T says its loss is about \$3 million.

"They are getting more blatant and it's been exacerbated by the warmer weather and by the economy," Buckler said.

Robert Gates, 30, who lives on Erskine about a block from the silos, said the glut of abandoned homes in the area draws a seedy nighttime crowd. Gates, who is unemployed, said he lost power for about three hours last October when thieves stripped copper wire from a utility pole.

"The lights went out, everything went out, and I looked out and saw two guys climbing down the pole down the street," Gates said. "My other neighbor yelled, but they ran off. When you've got empty neighborhoods, they figure no one's watching."

The repeated service interruptions also hurt Detroit's ability to maintain its base of businesses, Torreano said.

*You can reach Amy Lee at (313) 222-2548 or [alee@detnews.com](mailto:alee@detnews.com).*



**Madalyn Ruggiero / Special to The Detroit News**

Michael Lynch, left, of DTE, Cathy Kimble of AT&T and Gail Torreano of AT&T look on while Robert Buckler of DTE talks about the problems caused by copper thieves.

## **Reporting copper thieves**

Detroit Edison is offering up to \$2,500 for information leading to the arrest of those who buy stolen Detroit Edison copper wire. The company also is offering rewards of up to \$1,000 for information leading to the arrest of those who steal copper wire from the utility. Call (313) 235-9119 for Detroit Edison security or report incidents to the Detroit Police Department. Report the theft of copper wire from AT&T facilities to (800) 807-4205



From CSOonline.com

# Copper Theft: The Metal Theft Epidemic

**Metal has never been more valuable, or more stolen. Inside the metal theft epidemic and CSOs' struggle to contain the problem.**

By Scott Berinato

## Metal Theft

In a decaying corner of Detroit, behind a box store, along a trash-strewn scrape of urban ruins, surrounded by trees that are either dead or sag like they wish they were, thick black smoke rises against a gray sky. It's Halloween afternoon, and Michael Lynch, CSO of the utility DTE Energy, in shined black shoes, a dark suit offset by a crisp blue shirt and a bright, patterned tie, is cutting through the blighted patch, following his eyes, and his nose, toward the smoke.

Metal thieves, Lynch knows, burn off the insulation that sheathes the copper wires that carry his company's product—electricity—because often that's how scrap yards want to buy it, without insulation. But also, that's where the name of the company the wire was stolen from would be. At any rate, the sheathing is petroleum-based. Burning it creates an unmistakable cloud that smells like a car accident. Police have made major busts when they happened to see or smell this smoke.

Recalling the events of that day, Lynch says he isn't setting out to track down a metal theft. He is out in the field with one of his investigators looking for examples of torn-down power lines for a local TV news crew that wants to do a story on metal theft. But while Lynch is in the field, a DTE customer says that thieves have stolen wires off the poles in front of his house, cutting off the power. The customer adds that he thinks the thieves are burning the wire nearby, and he points the way.

The intelligence is sound. Lynch finds a column of flames six feet high rising from a dilapidated cement slab. Tending the fire is a thin man in brown pants, a hooded sweatshirt the color of shiraz and a gray baseball cap pulled low over his goateed face. Lynch is not normally in the field, so he doesn't think about the danger of confronting a man who could be high or armed, or both. Lynch's arrival (and probably his wardrobe—this was no cop) startles the thin man, but luckily he shows few signs of aggression. Lynch begins to ask questions politely. Where'd the wire come from? How much do you have? Where is the rest of it? Where do you sell it? How much do you make?

As Lynch receives answers that range from useful to obfuscatory, he hears a rushing noise below his heels. He looks down and is startled to spot a black hose shooting water along the ground. Lynch grabs the hose and aims it at the fire.

Later, Lynch would put it all together. What he had found was a regular burn site for metal thieves. In fact, it is the perfect burn site, with a concrete surface to burn on and available running water to control and put out fires. Also, the site is surrounded by metal to steal. A nearby communications tower had already been looted so much that, at one point, 911 service was knocked out. Plus, there is a scrap yard nearby where the stolen metal can be sold. If the yard refuses, other buyers are available close by. For 50 cents on the dollar, Lynch says, you can walk up to them with a grocery cart full of any metal, without ID, and sell it no questions asked. The entire supply side of the metal theft economy is within walking

distance of the fire Lynch is dousing.

Soon the fire's gone. With only pungent gray smoke crawling away now, Lynch directs the column of water spilling from the hose to land on a tangle of red wires that, from a distance, look like the entrails of roadkill. Even without sheathing to positively identify them, he thinks they're DTE wires. "It's like knowing you're looking at a Chevy," Lynch says, "even though someone took the emblems off." An investigator who is with Lynch calls the police and then snaps a photograph of the improbable scene; the thin man in dark clothes, less than a yard away from Lynch, protests angrily. Lynch, in his smart suit, his preternaturally blue shirt, is wielding the hose and saying something back, but he's not looking at the thin man. He's looking at the metal.

All CSOs should be looking at their metal, devising ways to protect it and contributing to the networks that are being developed to disrupt the black market for metal. The metal theft problem affects not just utilities but all companies that have infrastructure, which is just about all companies. If you have a metal fence, it's at risk of being stolen. If you have construction sites, metal will be taken from them. If you have unguarded rural outposts, they will be raided. No metal is safe.

### **The Laws of Domestic Supply and Chinese Demand**

China needs metal, and junkies need crystal meth. Where these two facts intersect, there's metal theft.

These two facts intersect every day, everywhere. Thieves are risking their lives and others' for metal. Thieves yank down live power lines and remove grounding wires from electrical substations, rail lines and wind farms. They snatch wire and plumbing from new housing and business park construction sites, or sometimes from existing houses. In Detroit, The Kronk Gym, a legendary boxing basement where heavyweight champ Tommy Hearns once sparred, was already on the ropes financially; when thieves stripped it of all its copper pipes, The Kronk closed for good. A statue known as a Battle Cross, commemorating the war on terrorism, was snatched from its stand in Yakima, Wash. "Reclining Figure," a 2.1-ton sculpture by artist Henry Moore, was stolen from a museum in England. At auction, the sculpture was worth \$5 million. As scrap metal, it would fetch maybe \$10,000.

Thieves with a chain and a truck will pull down municipal light poles to get the copper wire out. They'll get a chain saw or a Sawzall or an ax, and cut down a utility pole. If they don't have any of those, they'll climb the pole. In any of these cases, they'll leave behind \$5,000 of damage to extract a few hundred dollars' worth of copper. No metal is sacred: Cemetery memorials are snatched, and so are the roofs of churches. Wherever there is metal—copper in particular but also aluminum, zinc, nickel and bronze—there is someone stealing metal to sell it for a little cash to support themselves or their drug habit. For CSOs who have any inventory of metal, it is the most significant physical security concern today.

It's basic economics: Demand for metal is long and supply is short, making semiprecious metals precious. Precious to China, where a growing nation will pay high prices for it, and precious to addicts who need a hit. Investors can't get enough commodity metal, and neither can the impoverished looking for a quick buck.

### **How Copper Became Trendy**

At 5:10 a.m. on Oct. 9, 2003, in West Papua, Indonesia, one of the walls of the Grasberg copper and gold mine collapsed. Two million three hundred thousand tons of rock rushed down into the open pit, killing eight and injuring five. Copper prices spiked.

The prices had already been rising for a few months. It was June 2003 when copper and other metals finally started to show signs of life after falling to historic lows in early 2002, when copper dropped to 65 cents a pound on the London Metals Exchange. But by mid-2003, investors had started talking about a place they called "emerging Asia," which includes China, India and other countries. Most of the focus is on China, with its 20 percent economic growth rate, says Patricia Mohr, an economist specializing in metals at Scotiabank. "Investment funds began to recognize that China was emerging as a major force," she says.

Demand for metal was picking up in Europe and America too, as new construction continued and the military machine warmed up for a coming war in Iraq. After years in the doldrums, the four key base metals—aluminum, copper, nickel and zinc—became hot commodities, with the bellwether red metal, copper, especially hot. After the Grasberg landslide, copper quickly passed \$1 per pound.

At the time, Michael Assante was CSO at American Electric Power. He tracked prices weekly and briefed executives quarterly on metal theft incidents and total loss. "We could map the rise in prices to increased security incidents. For the most part it was a direct correlation," he says.

Prices climbed steadily. Then workers went on strike at the El Abra mine in Chile in late 2004, and by 2005, prices passed \$2 a pound. But no matter how high metal prices climbed, it seemed, China kept buying. China became the world's biggest consumer of the four key base metals, by a wide margin, virtually overnight, Mohr says. Money flowed toward metal, copper in particular. Investors who once put only precious metals in their portfolio were adding semiprecious metals and creating index funds out of commodities once considered too volatile. Metals became a way to diversify a portfolio, since trends in commodities don't necessarily follow the stock market.

Copper hit \$3 a pound by early 2006. China kept buying. The mines and the mills had basically taken the '90s off from creating new mining and smelting capacity because prices were so low for so long and then flagged after 9/11. Without new capacity, the world entered a "deficit condition" where copper production fell below consumption.

"We've had a 100 percent increase in metal thefts year over year," says Mike Dunn, manager of physical security at American Electric Power, based in Ohio and serving electricity in 10 Midwestern and Southern states. At both meetings of the Edison Electrical Institute trade association last year, Dunn says, all anyone could talk about was metal theft. In Tucson, Ariz., metal theft is up 150 percent. In Dallas in 2006 there were 1,500 cases of metal theft reported through August, according to a Dallas Observer article quoting police. Last spring, police in Hawaii opened 15 separate metal theft investigations in two months. Lynch at DTE in Detroit adds, "We had one facility that had 38 [incidents of breaking and entering] in eight months." Thieves keep coming back to the same sites, often rural ones where it will take police a long time to respond. "At these prices, it's worse than ever before," says Theo Lane, a senior coordinator with Duke Energy, which provides electricity in the Carolinas. "We've seen cases where thieves will sell their stolen metal to a scrap yard, then steal it from that yard to sell it again someplace else." Assante calls metal theft "a plague."

On May 12, 2006, copper hit \$3.99 per pound, nearly \$8,800 per metric ton, a figure that causes Mohr to say, simply, "Extraordinary!"

China finally balked. Some companies there felt prices were too high. Many relied on metal inventory acquired for just this situation. At the same time that China started refusing to pay \$4 per pound, construction in the United States slowed as the housing market softened. The Federal Reserve held steady on interest rates, and Mohr says that investors are speculating rates might start dropping again in

2007. Investors started cashing out. Copper prices started to fall, and no one was sure how fast and how hard they would come down.

Not too fast and not too hard, it turns out. Seven months after the \$3.99 peak, copper remains above \$3 per pound (at \$3.03 as of Jan. 8), and Mohr says that the growth in copper prices has slowed, but zinc and nickel remain at record highs. China, Mohr says, is not going away. She believes copper will be lower in 2007, but adds, "even if copper falls to, say, \$2.50 per pound, that's still historically very lucrative."

Even if prices drop, metal theft will remain historically high. Thieves have caught on: There's metal everywhere and much of it is, understandably, unguarded. Aluminum guardrails. Brass fittings. Bronze plaques. Aluminum siding. Sprinkler fittings. Catalytic converters on church vans. Bronze urns. Storm drain grates. Street signs. Copper downspouts. The nozzles on Houston's fire trucks' hoses. All of those have been reported stolen. You don't notice how much metal there is for the taking until it starts getting taken. And, Lane says, "There's no end in sight."

### **Where 800 Pounds of Stolen Copper Goes**

For Lane, metal theft is problem number one. "Matter of fact," he says, "this morning we arrested six guys in connection with a substation break-in." The men allegedly stole about 800 pounds of copper wire on one of those large wooden spools waiting to be used as electrical wiring at a Duke Energy construction site in Anderson, S.C.

Once a spool like that is stolen, thieves will cut the wire into 4- or 5-foot sections, effectively destroying the product for the owner. At that point, it's scrap. Then comes a crude burning process, usually throwing the wires directly into a fire. Burn sites, like the one Lynch found in Detroit, are reused. Lane says some thieves will coat the wires with oil or other accelerant, load them in a 55-gallon drum and drop a lit match in. Other times, oak wood is put in the bottom of a drum and sections of wire are dropped in like lengths of raw spaghetti.

That's what the six men Lane was talking about were allegedly doing when a patrol officer saw, and smelled, black smoke coming from behind a house outside of town, in an area suspected of metal theft activity. The men were charged with grand larceny, but Lane says finding them was luck.

go home after work injury free, said Tim Charlton, the co-op's support services GM.

#### RECORD ATTENDANCE

Recently, Peace River Electric Cooperative's 67th annual membership meeting hosted a record-setting crowd of 1,500 people including 700 registered members and children.

"With all the pressure on our members' time, it is so gratifying to see their commitment to the cooperative," said Bill Mulcaey, general manager of the Wauchula, Fla.-based co-op. The larger attendance was credited to scheduling the meeting for earlier in the year when more consumer-members are still wintering there, as well as expanded activities and the meeting's reputation as a family fun social event.

#### RENEWABLES RFPs

Dairyland Power Cooperative, La Crosse, Wis., has issued two requests for proposals for renewable power resources, one from wind and one from biomass. Dates and other qualification criteria for the proposals are detailed in the RFPs, which are posted on Dairyland's Web site at [www.dairynet.com](http://www.dairynet.com)

**TODAY's Quote:** "On this Earth Day, and every day, let us pledge to our children, and our children's children, that they will have clean air to breathe, clean water to drink, and the opportunity to experience the wonders of nature."

- Speaker of the House Nancy Pelosi in observance of the 37th annual Earth Day, celebrated April 22.

Send co-op news briefs to [ectoday@nreca.coop](mailto:ectoday@nreca.coop)

lish.

"We must remind Congress of the realities of the power supply issues we face in the next 10-15 years to fulfill our mission of keeping the lights on

## Lawmakers Eye Stiff Penalties for Copper Bandits

By Michael W. Kahn

*Editor's Note: This is the first part in a series on problems posed by a nationwide rash of copper thefts. It's coming at a huge cost and not just to the victims. Just recently two copper bandits died in Arkansas after being electrocuted while trying to strip copper wire from utility poles. Such incidents have lawmakers across the country taking measures to stem the tide of the fast-growing trend. Here we turn the spotlight on Georgia and Tennessee and their efforts to cope.*

No one has ever confused a copper wire with a 14-karat ring, but to thieves, copper is as good as gold. And as the bad guys redefine the term "precious metal" with brazen thefts from coast to coast, co-ops are turning to lawmakers for help.

Copper prices have been steadily rising, in large part because of demand from China, which imported more than 776,000 tons in the first quarter of 2007. Copper hit \$3.6235

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to provide the minimum voltage required

English said he believes it is possible to increase generation to meet electricity demand in the coming

*Continued on Page 4*

ing some of the less controversial, low-cost issues in the ongoing energy debate.

It would set national goals for

*Continued on Page 4*



AN ARBOR DAY TREE

Rappahannock Electric Co-op recently partnered with three area schools for its annual Arbor Day celebration. Here, at Arborist-Genie Crisp of the Fredericksburg, Va.-based co-op explains the importance of planting trees to local fourth graders. National Arbor Day is the last Friday in April.

Electric Co-op

National Rural Electric Cooperative Association  
A "Touchstone Energy" Cooperative

4301 Wilson Boulevard  
Arlington, VA 22203-1860

4/27/07

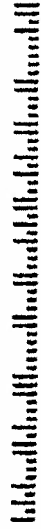
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# Copper Bandits

Continued from Page 1

a pound April 11 on the New York Mercantile Exchange, the highest level since May 2006, said Bernard Reynolds, Georgia EMC's manager of legislative and regulatory affairs.

Georgia is one state where legislation toughening the penalties for thefts of copper and similar materials now awaits the governor's signature. It is among a number of states where similar legislation is being considered.

A key provision in the Georgia measure, urged by prosecutors, is the ability to bring cases based on the aggregated replacement costs of the metal, not just the salvage value.

"For instance," said Reynolds, "if you break into a substation and take \$300 worth of wire, it may cost that utility \$10,000 to replace the fence and any other damage, plus the man hours."

"That would take it from a misdemeanor instantly to a felony," making it "a little more enticing for the prosecutor to go forward with," Reynolds noted.

Changing the law is "not just a utility effort," Reynolds told *Electric Co-op Today*. "It's a broad-range coal-



Three individuals attempted to steal a transformer that served a home that recently burned in Cherokee County, Ga.

tion that has identified this as a problem, and is trying to address it in a cohesive manner."

"Anheuser-Busch, Coors and other brewers and distributors of kegs are being hit hard," he said. "There's a nationwide effort with them to try to curb it, because people are stealing beer kegs for the recycle value."

While Georgia is on the verge of a new law, efforts in a neighboring state fell short. A bill effectively died April 17 in a Tennessee House subcommittee.

"We became aware of an effort to kill the bill by a group of scrap metal dealers led by a very forceful owner of a large scrap metal company," said David Callis, director of government and public affairs at the Tennessee Electric Co-operative Association.

Lawmakers sent the measure to a summer study committee that observers said might not even be funded.

Callis said the dealers were unhappy with some parts of an amended bill—espe-

cially a requirement that any scrap metals bought must be retained for five days and kept segregated from the other purchases.

"It's probably unfair, but then you think, 'You don't want to keep stolen material around for five days. Somebody might see it,'" Callis said.

The Institute of Scrap Recycling Industries said it is generally supportive of legislation, but not when it includes having members hold material.

"It's important to turn it over quickly because of the market risk," said Steve Hirsch, the institute's director of state and local programs.

While the Tennessee statewide is studying several options, Callis indicated that the association will most likely offer new legislation with a narrower scope when the first opportunity to introduce new bills comes in January.

Asserting that the metal theft problem transcends the power industry, Callis said that in the Nashville area the thieves had stolen construction supplies from several churches. "They go to an abandoned building and they rip out the HVAC unit just to get the copper coils that are in it."

*Part 2: How one state quickly enacted new laws to address this growing problem in the United States.*



GARY KAZANIAN/AP

Deputies recently examined potential stolen metals in Fresno, Calif. A newly established crime task force tracks thieves who steal copper wiring for cash.

# Laws in Arkansas Toughen Against Copper Theft

By Michael W. Kahn

*Editor's Note: This is part two in a series on problems posed by a nationwide rash of copper thefts. It comes at a huge cost, and not just to utilities. Many of these bandits are getting hurt—or worse—killed. Such incidents have lawmakers across the country acting to stem the tide of the fast-growing trend. Here we examine how Arkansas handled this crime wave.*

Faced with a copper theft problem that was only getting worse, Arkansas co-ops knew they had to do something.

In a matter of months, they helped get three new laws on the books.

"It was a very speedy process," said Doug White, vice president of the Electric Cooperatives of Arkansas. "Our legislature meets every other year, so when they get here they work—and they work—quickly and hard."

White said utilities throughout the state worked closely together to

*Continued on Page 5*

## Arkansas Enforces Tough Laws to Stem Wave of Copper Thefts

*Continued from Page 1*

get the word out that "this was reaching crisis stages—peoples' lives are being lost because of this." With the utilities in agreement, he said it was "just a matter of time" before a legislative sponsor emerged.

Three bills were passed and Gov. Mike Beebe signed them all in March.

Among the changes: scrap metal dealers must keep accurate records of any purchase in excess of 100 pounds or \$50, whichever is less. Those records must include the seller's name, address and date of birth, as well as the I.D. number from whatever form of government-issued identification is presented.

"That goes into a database that's monitored by the state," White said.

Anyone trying to sell certain items—including undamaged copper utility materials and scrap metal marked



*Secondary wire was taken from a vacant A&P grocery store in Fulton County, Georgia. As thefts like these become increasingly commonplace, new laws to fight them are coming on the books.*

by a utility—has to prove he is authorized to do so.

Additionally, theft of scrap metal is now a felony which can bring up to

20 years in prison for stealing at least \$2,500 worth, and anyone sent up the river shouldn't look for sympathy from the statewide.

"These guys just continue to get more and more bold with the way they do it," White said. "They just will come in and strip the chain-link fence and just go right in. If they see a span of copper they're after it."

Three people have died in recent months while allegedly trying to steal copper. The latest case was an April 30 electrocution.

And despite high copper prices, stealing it really isn't lucrative for all the effort required. But the thieves aren't exactly the sharpest knives in the drawer, White said.

He recounted how a substation superintendent found an expensive pair of stolen bolt cutters used to cut a chain-link fence.

After helping themselves to copper, the culprits left the \$140 tool behind.

Part 3: Where the scrap metal industry stands. □

# Taking Sides in the War on Copper Thieves

■ Scrap metal industry says it sees eye-to-eye with co-ops and others—to a point.

By Michael W. Kahn

*Editor's Note: This is part three in a series on the increasing problem of copper thefts. This week, we look at where the scrap metal industry stands.*

Co-ops have several allies when it comes to fighting copper thefts. Other utilities, along with law enforcement and legislators, are a natural. But there's also support from the scrap metal industry—at least to a certain degree.

"We have worked and do want to work with electric utilities and others," said Steve Hirsch, director of state and local programs at the Institute of Scrap Recycling Industries.

The Washington, D.C.-based institute began its Theft Alert System about a decade ago. What started out as faxes to members has grown into an Internet-based system, Hirsch told *Electric Co-op Today*. Members are encouraged to follow a list of recommended practices and procedures to minimize the risk of buying stolen materials.

Those include recording the seller's driver's license number and vehicle plate; paying by check; and training employees to spot suspicious items.

Dealers are also encouraged to display a sign featuring McGruff the Crime Dog which states, "Photo identification required for all transactions."

When it comes to enacting new laws that many co-ops and others want to combat thefts, the institute said it can be supportive. "It depends on the particular legislation," Hirsch said.

In general, it backs bills that call for identifying sellers and keeping good records.

"Some of the legislation has kind of gone far beyond that," he said. The institute does not like proposals that include "any number of things that would present some real significant difficulties to our business, and perhaps more important, really wouldn't be very effective in reducing metals thefts." High up on that list is any requirement to hold material for 30 days.

"Very often it's important to turn it over quickly because of the market risk," Hirsch said.

Additionally, the institute takes issue with so-called "Tag and Hold" measures which also require scrap dealers to segregate purchases.

In Washington state, where the legislature passed a bill this session aimed at curbing metal theft, dealing with the institute has been a less than pleasant experience for the Washington statewide association.

The bill's primary provision requires that payments for certain metals be made by a non-transferable check mailed to the seller at least ten days after a transaction. At the scrap dealers' request, a "Tag and Hold" provision was dropped, and the hold time on payments was cut from 30 to 10 days, said Kent Lopez, general manager of the statewide.

"The ISRI representative here in Olympia was difficult to work with and constantly obstructed our efforts to pass legislation that would help solve the problem of stolen metal property, even after we made major concessions to the scrap dealers," he said.

At Alco Iron and Metal in San Leandro, Calif., scrap manager Emilio Zamora said they recycle about 1 million pounds or more a day, and he estimates that if they had to "Tag and Hold," they could lose 20-30 percent of their business.

While Alco is one of the bigger recyclers, with customers including PG&E, Zamora worries about the little guys dependent on walk-in business. He said honest customers who don't want to wait for a check will stop recycling. "You're going to see garbage again on the free-ways, because they won't have that incentive to get it."

While Hirsch said most member dealers are honest, he concedes there are exceptions. "There's a recognition that any time that happens it hurts the industry."

*Have an interesting story to tell about how copper thefts are affecting your co-op? Send it to us at michael.kahn@nreca.coop. □*



*McGruff the Crime Dog makes it clear to copper thieves they aren't welcome at any scrap metal dealer displaying this sign.*

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more ways for co-ops to build coal plants. English said carbon emissions

and any rate increases will hit those least able to afford them.

coal technology. With a growing  
*Continued on Page 5*

# Long Arm of the Law Reaches For Copper Thieves

By Michael W. Kahn

*Editor's Note: In part four of our series on the problems of copper thefts, we take a look at what some law enforcement agencies and others are doing to fight back.*

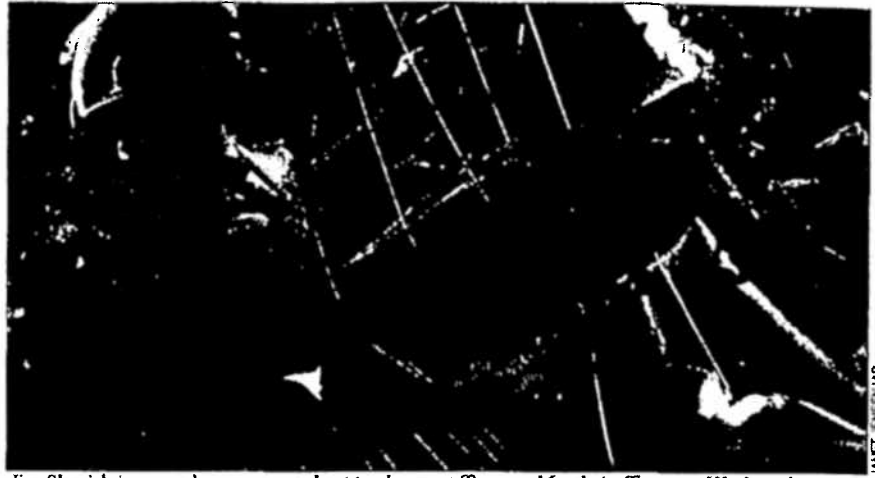
When police in Macon, Ga., began seeing an increase in copper thefts last September, they quickly took action. Within months, it paid off.

Officers made weekly inspections of recyclers to ensure they complied with the law. In November, police helped form the Macon-Middle Georgia Metal Theft Committee, which includes regional law enforcement agencies, recyclers, contractors and homeowners' associations. The panel came up with a "Do Not Buy List" for recyclers, which features suspects' names and pictures.

"We talked about it on TV. We just wanted to get the message out to the thieves that if you're caught with copper, or stealing copper, you're going to be prosecuted to the full extent of the law," said Sgt. Lewis Wade of the Macon Police Department.

Those efforts helped to turn things around beginning in January. "We started to see a big decline in copper thefts in the City of Macon," Wade said, adding that the drops have continued through March.

California farmers would love to



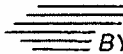

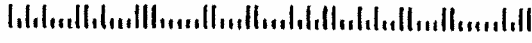
*Jim Sharick is general manager and copper buyer at Tacoma Metals in Tacoma, Wash., where authorities attribute an increase in copper thefts to methamphetamine addicts looking for fast cash.*

see such success.

"Metal theft has become probably the biggest problem for farmers and ranchers here," said Bill Yoshimoto,

a Tulare County assistant district attorney who is also the director of a task force of prosecutors, sheriff's

*Continued on Page 7*

<b>Electric Co-op</b> <b>TODAY</b>	 <b>TRANSPORTED</b> <b>BY EXPRESS MAIL</b> <small>Delivered Locally as Periodicals</small>	Periodicals Postage <b>PAID</b> at Arlington, VA
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*Electric Co-op Today, May 18, 2007*

5

# Task Forces Form to Battle Copper Theft

*(Continued from Page 1)*

departments and others that focuses on agricultural crimes.

Metal thefts jumped 400 percent in eight California counties between 2005 and 2006. While the 2006 loss worked out to \$6 million, Yoshimoto said that figure is low, noting that farmers often fail to report crimes.

And there's another issue. He said crooks who take copper wire from a pump motor, for example, may get \$400 for it. But the farmer may have to spend thousands to replace the motor.

"And if it just so happens that he needs to water a field, and he can't because of that downed motor, he may lose a crop for a year," the prosecutor added.

The situation is similar for electric utilities. "We have people stealing transmission lines. People will steal miles of wire," Yoshimoto told *Electric Co-op Today*. "That may be worth maybe \$600 in scrap value for the copper. But [the co-ops] have to send another crew out, they've got to string the wire, and so it may be several thousands of dollars in terms of their costs."

When a pickup truck full of scrap is stopped, "it is very difficult to link that copper to a particular victim." So task force members try another tack. "A lot of times, these people have narcotics in their possession, or they have [outstanding arrest] warrants, so we'll try to stop them that way," Yoshimoto said.

The task force also does "sting operations" in which bait material is put out. It is pushing lawmakers for tougher legislation, while leaning on

scrap dealers to follow existing rules.

The California Metal Investigators Association was formed in 1960, when thieves were taking airplane wings for their aluminum content.

Today, it's copper, said Gary Nila, secretary-treasurer of the association,

which counts utilities, aerospace firms and petroleum companies among its members. Law enforcement agencies

from five Southern California counties work closely with the group.

"Druggies are very resourceful," the retired FBI agent and former Los Angeles police officer said, noting

that methamphetamine addicts are targeting Home Depot stores with self-checkouts.

Nila, who is now an investigator for an aerospace firm, said they are "getting baskets full of copper tubing, sliding them into the plastic PVC pipe, and scanning it out so that when you go through security, all it looks like is you're taking plastic tubing out, but the copper is inside."

Authorities in Los Angeles, along with the Department of Weights and Measures, also do what Nila described as periodic walk-throughs of scrap yards. "Most of the L.A. city and county ones are pretty cooperative," Nila said. "It's a pretty stiff fine. And they don't want to get their scrap license suspended." □

**"We have people stealing transmission lines. People will steal miles of wire. That may be worth \$600 in scrap value for the copper."**

*— Bill Yoshimoto, California prosecutor*



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## **Police: Metal Thieves Steal Vases From Cemeteries**

### ***More Than 50 Vases Stolen***

May 29, 2007 - WISCTV

**MADISON, Wis.** -- Authorities said that thieves aiming to cash in on higher prices for scrap metal aren't just stealing copper wire and construction material but also metal cemetery vases.

This Memorial Day as families gathered at cemeteries to place flags and flowers at the graves of loved ones, more than 50 families found that someone had stolen their flower vases.

"It's just awful," said Debra Buttolph, manager of Sunset Memory Gardens Cemetery on Mineral Point Road. "It's a shame that they have to come to the cemetery to steal from the dead and I'm just outraged over it, that someone would be that low to do this."

Buttolph said that after walking around the grounds, crews noticed hole after hole in the gravestones where expensive vases normally sit.

Cemetery managers said they believe that sometime last Monday or Tuesday night thieves came in and stole more than 50 metal vases. They said many families were very upset when they arrived on Monday to find their \$460 bronze vases missing.

Police said they believe the theft is part of a growing trend as more people try to tap rising scrap metal prices.

Local recycling businesses said that higher demand from the United States and overseas have pushed up the price of all kinds of metals. The price of copper, for instance, has tripled over the last few years.

In Madison, Samuels Recycling Company said it has procedures in place to check for any metal reported stolen. The rest of the time workers keep on eye out for anything unusual, the company said.

"It really depends on the situation. We get so much material in everyday that it's going to depend on what's going on," said Steve Drier, a buyer for the 30-state company.

Cemetery managers said people should report their stolen vases to their insurance companies as claims on their homeowner's policies.

# Scrap Metal Bill – Cemetery “war stories”

## **Bronze Plaques Stolen from Veterans' Gravestones**

July 16, 2007 - WBAY-TV Green Bay

By Elizabeth Ries

It's a crime many can't believe is happening. Someone is stealing the bronze plaques marking the gravestones of military veterans.

Holes are left behind where the plaque was pried off the stones at Mt. Olivet Cemetery in De Pere. The caretaker, Ed Herman, tells us three of the bronze plaques were stolen in the past three weeks.

"It's veterans that gave up a lot of time for our country and stuff, and it's their grave sites that are being vandalized," he said.

For many veterans, those bronze plaques are the only thing marking who is actually buried here. Without them, all that's left is an empty headstone.

Mt. Olivet wasn't the only cemetery hit. Two other cemeteries in Ledgeview and Eaton reported thefts as well.

"There's certain things that are pretty much taboo -- you don't mess with cemeteries, you know? People's final resting place should be very well respected," Captain Dave Konrath with the Brown County Sheriff's Department said.

Konrath said the thieves could be looking to sell the plaques as scrap metal, but local scrap metal businesses are already on the lookout.

Although the bronze plaques aren't fully copper, they're still worth some cash. The plaques weigh about 18 pounds, which one metal dealer valued at \$1.80 a pound, or a potential resale of \$32.40.

But, Captain Konrath said, "It's really not to your benefit to take these because in this local area no one's going to take them from you to be able to use them for money value."

Local scrap metal businesses say thieves regularly bring in stolen items hoping for some quick cash.

"I turned twelve people in in the last six months," Patti Folkman from Midwest Scrap Metal in Howard said.

As the price of many metals climbs, Folkman says so does the number of thieves coming through her doors. She says many people are trying to sell off copper after the price tripled in the past year.

"Copper is real high. If you have it, like the stuff in that box where it's raw copper, it's three bucks a pound."

Folkman says she's outraged by these crimes.

"That's low, really low... when people steal stuff," she said, "but that is just downright low."

## AT&T says Stageline cable repairs should be complete tonight:

Thieves with a hacksaw or cable cutter chopped out a 20-foot segment of exposed telephone cable at a construction site on Hudson's east side early Monday morning, knocking out telephone service to hundreds of homes in the area. Initial reports overstated the time necessary to repair the damage. A technician at the scene said he expected about 75 percent of customers affected should have phone service restored within three hours. The balance will take a bit longer but should be repaired by 6 p.m., Monday. "It looked a lot worse than it was," said Randy Hiekel, AT&T installation repair manager who was at the scene mid-morning Monday. Technicians at AT&T received an alarm that an interruption had occurred about 3 a.m. Employees of F & K Excavating discovered the damage when they arrived at the job site about dawn near the intersection of old Hwy. 35 and Stageline Road. The cable segment had been unearthed and set aside Friday in preparation for curb construction today at the future site of Stageline Center, a development which will include a 12-screen theatre complex. The 42,889-square-foot complex will have stadium seating for 1,922 moviegoers. One 600-pair and at least one 200-pair cable were cut at both ends and the cable stolen -- presumably for the approximate \$25 value of the copper inside. Another segment of discarded cable lay nearby but the thieves didn't see it. A worker remarked that it probably contained at least as much copper as the attached section they stole. Just more than two months ago, thieves cut through a chainlink fence surrounding AT&T's building at 801 Second St., Hudson, and carried out 135 spools of copper service wire valued at about \$20,000. Each weighed 85 pounds. The manager told Hudson police that thieves take the wire, burn off the insulation and then sell the copper for scrap at a price of \$3 per pound.

-----Original Message-----

Here's some information from We Energies you may want to forward:

- 22 incidents of substation copper theft in 2007
- 47 individuals have been arrested since June 2005 for trespassing or copper theft

Estimated Costs - Year 2007 to Present

- Ground repairs @ 13 substations - \$95,000
- Security Patrols - \$400/night shift
- Addition of stone to burry exposed bus @ 12 substations - \$48,000
- Motion activated sirens/lights - \$14,000
- No trespassing signs @ 25 substations - \$5,000
- Copper grounds cut and removed on numerous poles - \$20,000

Copper wiring was stolen from a Town of Beaver Dam substation a few days ago; thieves cut the fence to get in. No value here yet.

In 2005, we had almost \$40,000 worth stolen over the twelve months. This rose to \$87,500 worth in 2006, and so far in 2007 through July, \$40,000 has been stolen. While the thieves seem a little less active in terms of the number of thefts in 2007 vs. 2006, they are still almost at pace to meet 2006 dollar amounts.

-----Original Message-----

# Manhole covers disappearing around city:

City officials want their manhole covers back. Thieves have stolen 20 manhole covers and steel sewer grates since last weekend, including eight pilfered in broad daylight Monday. The 150-pound manhole covers and sewer grates cost \$100 each, said Cecilia Gilbert, communications manager for the Department of Public Works. Public works officials have notified police and handed out drawings of the stolen covers and grates to police districts and local salvage yards. *"It's one of those odd situations where what we suspect is that there are some people who know the value of the metal,"* said Gilbert. "I think they get a van and they come out and pick a bunch of them. They probably take them to an outside salvage company because all the salvage companies in the city are aware it's against the law to accept these materials." The thefts have been spread throughout the city. Thieves have struck at the intersections of 49th St. and Forest Home Ave., 74th St. and Caldwell Ave., 21st St. and Lloyd St., 45th St. and W. Congress St. and in the alley of the 3600 block of N. 39th St. No injuries or damage to vehicles has been reported to the Department of Public Works. Gilbert said the missing manhole covers and sewer grates are a hazard because the holes are four to 25 feet deep.

FYI - The Hudson Police Department is asking the public's help in tracking down who stole more than \$20,000 in copper wire from AT&T sometime between 3 p.m. July 12 and 7:30 a.m. July 13. According to the police report, the company's installing and repair manager found the chainlink fence on the west side of the building at 801 Second St. cut. The thieves then entered the storage area and removed 135 spools of service wire. According to the manager, each spool weighed 85 pounds and is valued at \$150. Each spool contained black-colored, insulated, 22-gauge copper wire. The manager told police that thieves take the wire, burn off the insulation and then sell the copper for scrap at a price of \$3 per pound. Police are asking anyone with information about the theft -- or who might have seen a large vehicle or anything else suspicious or unusual around 801 Second St. -- to contact them at (715) 386-4771.

## Suspect brings toddler on copper caper:

A Cudahy woman took her 2-year-old son along when she drove the getaway car during a break-in at a We Energies facility where copper wire was stolen early today, according to Milwaukee police. Private security staff watching monitors at the facility, 7301 W. Calumet Ave., observed three adults breaking into the fenced-in area and stealing copper wire. They called police. With a description of the suspect vehicle provided by the security guards, Milwaukee police stopped the vehicle a short distance away near N. 65th St. and W. Good Hope Road. Officers found burglary tools, copper wire and the toddler. All three adults were taken into custody. Police spokeswoman Anne E. Schwartz did not have information available this afternoon on the other two suspects. She also did not have information today on whether the child had been turned over to family or authorities. We Energies spokesman Brian Manthey said the company has heightened its security vigilance at all of its facilities with the high price of copper putting certain pieces of equipment at risk for theft. "One of the reasons they were able to catch these folks is they've stepped up the intrusion detection they're doing at the service centers," Manthey said. "Since this has become more of a problem area, there are some heightened efforts to improve and expand detection technology-wise and through security patrols."

# Three Arrested, Accused Of Stealing Copper From Power Company

## *Copper Theft Increasing, Police Say*

July 16, 2007

MILWAUKEE -- Three people were arrested Monday, accused of stealing copper from a power company dumpster.

Police said security cameras caught the three people Sunday night, breaking into a We Energies service center and taking about 100 pounds of the metal.

It's a growing problem across the country. We Energies said people are disconnecting wire to get the metal, up to once a week in some cases, to get at the metal, which can now garner up to \$3 per pound.

For people like Mark Oliver, whose business it is to buy goods like aluminum, steel and copper, the activity has caused him to be extra diligent to make sure he's not buying stolen property.

"Copper has been the biggest problem. Siding, wiring, etc. Anybody that knows what copper's made out of, or whatever products have copper in them, that product is being brought in," Oliver said.

Brian Manthey with We Energies said their substations are a big target.

"We've had a number of facilities hit more than one time. So that shows you that people are coming back," Manthey said.

Some thieves are climbing utility poles to steal the copper.

"It's incredible what they'll go through, because it is such a dangerous situation to be involved in any

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that kind of high-voltage area," Manthey said.

Nationwide, there have been up to a dozen people killed in the last 12 months trying to steal copper from substations and power lines.

Police in the Green Bay area said thieves are stealing copper from veterans' graves.

Investigators said the bronze plaques from the graves are being stolen and then sold for scrap. Three Brown County cemeteries have been targeted in the last two weeks, police said.

### **Metal stolen from We Energies; man caught**

Milwaukee police captured a man hiding in the woods after two suspects were caught on security cameras stealing scrap metal from a We Energies facility early today. Company security personnel saw the suspects from camera monitors inside a fenced yard about 3:15 a.m. at 7301 W. Calumet Ave. They alerted police. Milwaukee police responded to the facility and discovered a hole in a fence and then found one suspect hiding in nearby woods. They are still seeking the second suspect.

Brown County  
**Bronze Plaques Stolen from Veterans' Gravestones**

July 16, 2007 07:02 PM CDT

By Elizabeth Ries

It's a crime many can't believe is happening. Someone is stealing the bronze plaques marking the gravestones of military veterans.

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Folkman says she's outraged by these crimes.

"That's low, really low... when people steal stuff," she said, "but that is just downright low."

The Brown County Veterans Services Department says the stolen plaques will be replaced.

"If they can get their application in soon enough, maybe we can get the markers placed before winter," Mary Lou Coleman said.

The department recommended families of veterans check their loved ones' headstones to make sure no more plaques are missing.





**From:** Haubrich.Joel [Joel.Haubrich@we-energies.com]

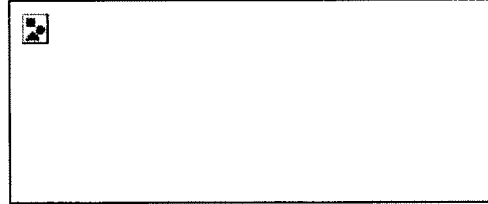
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**Cc:** Reid.Mary; Forrest Ceel

**Subject:** Public and Worker Safety!

# ***We Energies Alert***



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## **For reasons of safety and to reduce customer's costs, We Energies strongly supports SB 473.**

We Energies has over 1.1 million electric customers in Wisconsin, and Upper Michigan. Our system contains 361 substations and distribution facilities that include over 700,000 poles, 22,000 miles of overhead lines, and 17,900 miles of underground lines, and thousands of other metal electrical devices and many that are copper – copper has been and continues to be an integral component of these facilities.

Copper and metal theft has become a dangerous and costly issue to utilities throughout Wisconsin. It impacts **safety**, reliability and cost. The theft of copper facilities presents a significant **safety** danger to thousands of utility employees, and the public. Similarly, the reliability of the electrical system can be compromised without essential electrical components that are required to maintain the integrity of our service and protective systems.

Since 2005, 47 individuals that have been arrested for trespassing or copper theft – 3 individuals were arrested more than once. Besides substations, numerous distribution poles have had copper grounds cut and removed.

In 2007, we experienced a surge in copper theft in substations within the metro Milwaukee area that diverted significant resources to remediation of this problem. There were 22 incidents of substation copper theft within the first 6 months of 2007.

**We strongly support SB 473.** We feel it is an important step to reduce the problem of metal theft that creates undue dangers for We Energies employees and the public, and redirects resources, both in terms of personnel and money to activities that do not enhance our electrical service.

### **MORE EVIDENCE**

You might be interested in seeing the recent story that aired on November 12 at 9 p.m. regarding material theft in Wisconsin.

FOX 6 in Milwaukee did an expose on metal theft. The story touches on the how easy it is to sell stolen metal in the Milwaukee area.

**CLICK THE FOX 6 LOGO TO VIEW THE STORY...**



**Organizations that registered in support of SB 473's companion bill, AB 560, at the hearing:**

- Michael Banaszynski — Detective, Walworth County Sheriff Department
- Eric Larson — Eau Claire Police
- Scott Meske — Municipal Electric Utilities of Wisconsin
- Beata Kalies — Wisconsin Federation of Cooperatives
- Paul De Coursin — We Energies
- Mark Mullen — Xcel Energy
- Lisa Moller — American Transmission Company
- Bill Skewes — Wisconsin Utilities Association
- Samuel Gratz — BNSF, CN, Canadian Pacific, Union Pacific Railroads
- Chuck Callies — Dairyland Power Cooperative
- Kelly McDowell — Miller Brewing Company
- Todd Stuart — Wisconsin Industrial Energy Group
- Nick George — Midwest Food Processors Association
- Bryan Brooks — Wisconsin Builders Association
- Phil Ueckert — Wisconsin Public Service Corporation
- Mike Steier — Wisconsin Public Service Corporation
- Bill Jordal — Alliant Energy
- Lorenzo Cruz, Madison — CentryTel
- Chris LaRowe — Wisconsin State Telecommunications Association
- Mindy Walker — Miller Brewing Company
- Michelle Kussow — Wisconsin Grocers Association
- Roger Cole — Wisconsin Utility Investors
- Bob Seitz — Wisconsin Utility Investors
- Jeff Schoenfeldt — AT&T Wisconsin
- Andy Franken — Anheuser-Busch
- Ryan Natzke — Wisconsin Cemetery & Cremation Association
- Peter Kammer — Wisconsin Beer Distributors Association
- Jim Boullion — Associated General Contractors of Wisconsin
- Ken Lucht — Wisconsin and Southern Railroad



**TO: Members, Senate Committee**

**FROM: Bill Jordahl**  
**Alliant Energy - Wisconsin Power & Light**

**DATE: February 13, 2008**

**RE: Senate Bill 473**

Mr. Chairman and members of the committee, thank you for your consideration of Senate Bill 473, relating to the purchase and sale of scrap metal and other metal items. We appear today in support of SB 473, and I also want to thank you, and Representative Montgomery, for coauthoring and holding a hearing on this important legislation.

Alliant Energy has two utilities which operate in three state jurisdictions. Though today I will concentrate on our Wisconsin utility, Wisconsin Power & Light (WP&L), the problem of theft of metals - especially copper - from our facilities, infrastructure, and equipment is a problem across our service territory. This problem has grown steadily over the past several years, as the value of copper and other metals have increased dramatically.

In the last three years we have identified 170 metal thefts. Starting in 2006, we took numerous preventive measures to respond to this problem. We now typically remove material from the field, use just in time delivery to job sites, use secure trailers, hardened padlocks, signs, education, cameras, better lighting, motion sensors, and increased patrols. We have still seen a steep rise in thefts.

Metal theft is a danger to the thief, our line workers, and members of the public. When a thief enters a substation, he or she is entering a space where high voltage lines are active. While thieves will be focused on the removal of grounding wires, they may get too close to high voltage lines, and they are not likely to be using safe tools or equipment. They are risking seriously disfiguring injuries, or death, for a few pounds of copper.

In addition:

- Removing copper grounding grids in substations creates serious dangers to our technicians and work crews when they visit the site.

- Removing copper ground wires from our poles endangers our line workers and the public. We now are stapling this wire to the pole, at intervals of six inches or less, to discourage theft.
- Theft from poles on the ground at job sites delays our projects and takes away from our ability to abide by our scheduled work, as does repairs at substations raided by thieves.

Alliant Energy WP&L supports Senate Bill 473. It will provide tools to discourage trafficking in stolen metals. We are doing our part to tighten security, and adding a measure to remove the ability to easily turn metals to cash should further reduce this dangerous practice.

Thank you for your time and attention, and feel free to contact me at 608-458-4814 if you have any questions.



To: Senate Committee on Commerce

From: Institute of Scrap Recycling Industries, Wisconsin Chapter (WISRI)

Date: February 14, 2008

### **Analysis of SB 473—Companion to AB 560**

We urge the **Committee** to adopt a Substitute to SB 473 that is the content of a new Substitute Amendment to Assembly Substitute Sub 1 to AB 560 that WISRI has agreed to with Representative Montgomery following the February 12, 2008 executive session held on that Substitute. The amendments agreed to are summarized in red, below.

**Under SB 473, scrap dealers are required to do all of the following:**

- 1. Penalties of Scrap Metal Dealer for Violating Any of the Bill's Requirements**  
(s. 134.405(5):
  - a. Up to 90 days in jail and \$1,000 fine—first offense
  - b. Up to 9 months in jail, \$10,000 fine and class I felony—second offense.
  
- 2. Retail Sales of Nonferrous Materials and Metal Articles from Individuals**  
(s.134.405(3), dealer must retain the following information:
  - a. Current photo ID from the seller.
  - b. Time and date of purchase.
  - c. Number on state issued license plate on seller's vehicle.
  - d. Video or photo of seller's vehicle and license plate.
  - e. Signed statement from the seller attesting to ownership
  - f. Description of materials received including:
    - (1) weight
    - (2) replace "layman" descriptions of articles purchased with industry descriptions of articles purchased.
  
- 3. For Retail Sales of "Proprietary Articles" from Individuals, the Scrap Dealer Must, Also:**
  - a. Record all information listed above, and
  - b. Either:
    - (1) get a bill of sale from the seller (proof of ownership)  
OR
    - (2) engage in a "diligent inquiry" of seller's ownership of the materials and report the purchase, within 24 hours, to law enforcement.



4. **Commercial Account Sales of Nonferrous, Metal Articles and Proprietary Articles:**
  - a. The full name of the commercial account.
  - b. The business address and telephone number of the commercial account.
  - c. The time, date, and value of each of the scrap metal dealer's purchases from the commercial account.
  - d. A description of the predominant types of nonferrous scrap, metal articles, or proprietary articles the scrap metal dealer has purchased from the commercial account.
  - e. Do not require the drivers license of the delivery person.
  - f. Retain record of commercial account contact person instead of the full names of persons employed by the commercial account who are authorized to deliver nonferrous scrap, metal articles, or proprietary articles to the scrap metal dealer.
  
5. **Ordinances:**

Statewide uniformity except for:

  - a. cities of first class  
AND
  - b. cities, villages, towns or counties that require submission of transaction records to law enforcement.
  
6. **Record Retention/Inspection:**
  - a. The records listed above must be available to law enforcement for inspection during regular business hours.
  - b. The records of required for the above-described transactions must be maintained for 2 years, except for the video/photo images, which must be retained for 3 months.
  - c. Law enforcement may require dealers to submit all records of transactions at the close of each business day.

#### **What the Scrap Recycling Industry Needs Amended in SB 473**

The items listed in red type, above, are the items that the scrap metal dealers cannot agree with in this legislation. These requirements will excessively interfere with their ability to conduct business in Wisconsin, without adding significant value to the information needed to help solve this problem. **The following changes are needed:**

1. **USE INDUSTRY STANDARD DESCRIPTIONS.** We ask that dealers be able to **describe the materials that are bought using industry standard descriptions.** Using the "layman's terms" as required by the legislation is lengthy and cumbersome.
  
2. **LIST OF DRIVERS NOT VALUABLE FOR COMMERCIAL ACCOUNTS.** Keeping a list of authorized delivery people and photocopying their drivers licenses at each transaction for commercial accounts is burdensome and difficult. In addition, this information is unlikely to be valuable. **We ask that we maintain a responsible contact person for commercial accounts.**





Wisconsin Utilities Association  
44 East Mifflin Street, Suite 202

**To: Wisconsin Legislature**

**From: Bill Skewes, Executive Director  
Wisconsin Utilities Association**

**Re: Support for SB 473**

**Date: February 14, 2008**

Good morning Mr. Chairman and members of the committee. Thank you for the opportunity to testify today in favor of SB 473, the metals theft bill. My name is Bill Skewes and I am the Executive Director of the Wisconsin Utilities Association (WUA), representing Wisconsin's investor-owned gas and electric utilities. We appreciate the chair allowing our industry to testify as a panel and after our brief opening remarks, I'll be turning testimony over to experts in the utility industry who will discuss the security and reliability issues.

We appreciate the chairman's leadership in authoring SB 473 and the support of a majority of the members of the Senate Utilities Committee in co-sponsoring this important legislation. Though the Senate version of the bill was just introduced Tuesday, the authors and co-sponsors should be pleased to note that there are 34 organizations in support of the companion bill to SB 473, which is AB 560, including electric utilities, telecoms, law enforcement, agriculture, brewers and beer distributors, railroads, cemeteries, builders and other businesses. None are openly opposed except the recyclers.

We're here to support this bill because something must be done soon to discourage metals theft. Because of the dramatic increase in the prices for metals such as copper, brass, steel and others, metals thieves have been emboldened to steal these materials whenever and wherever they can.

In the utility industry, this most commonly occurs as break-ins at construction sites and service centers, as well as substations. It has led to the deaths of some of the thieves and endangers the safety of the public and the utility workers who may come into contact with or have to repair, damaged facilities. It also costs utility customers much more than just the scrap value of the metals they steal, including the replacement cost of stolen copper, the labor to repair them and lost productivity.

Thus, SB 473 and its companion bill, AB 560 were drafted to provide law enforcement with the tools they need to catch metal thieves by creating a better paper trail at the recycler that will help dry up the market for stolen materials.

Joining me this morning are:

Lisa Moller, Senior Security Specialist, American Transmission Company,  
Mark Mullen, Senior Security Specialist and former police officer with Xcel Energy,

Joel Haubrich for We Energies; and  
Detective Mike Banaszynski, Walworth County Law Enforcement Center

Each of these individuals are here today to briefly share with you their experiences with this problem and afterwards, we'll be happy to take your questions. Thank you.