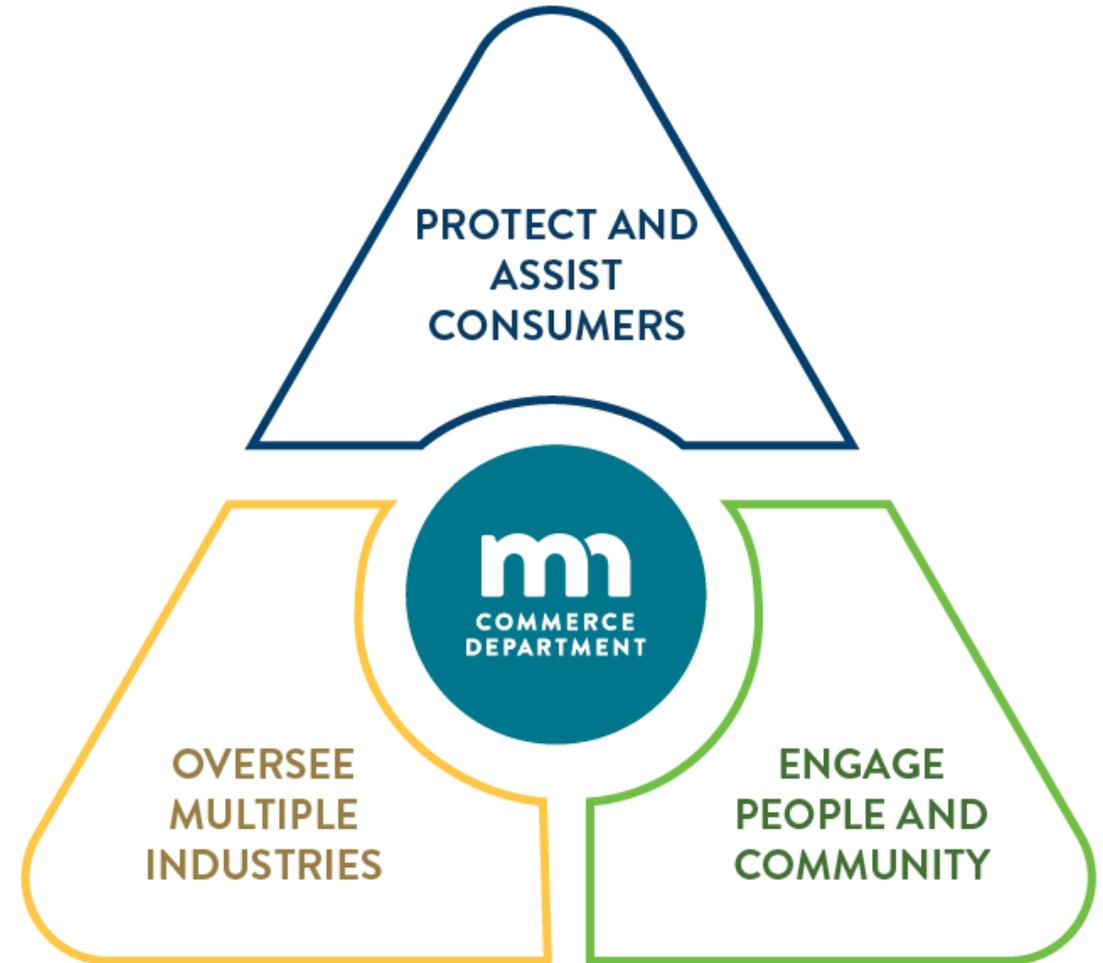




Catalytic Converter Theft

Mission

- Protect and assist consumers
- Oversight: 40+ industry areas
- Engagement with all communities



Strategic Priorities

Protect the Public Interest	Protect the public interest through consumer protection, consumer education, assistance to consumers, safety, health, and financial security, and lowering inequities.
Trusted Resource	Serve as a trusted public resource for consumers and businesses by listening and learning from the Minnesotans Commerce serves, being effective stewards of public resources, advocating for Minnesota consumers and developing a policy, programmatic, and regulatory environment that meets their needs.
Reduce Economic Barriers	Reduce economic barriers within Commerce regulatory oversight and reduce disparities within those of all races, ethnicities, religions, economic statuses, gender identities, sexual orientations, (dis)abilities, and zip codes.
Climate Change Resilience	Ensure all, especially historically disadvantaged Minnesotans are resilient to Minnesota's climate and engaged in advancing efforts to mitigate climate change.
Strong, Competitive, Fair Marketplace	Ensure a strong, competitive, and fair marketplace for Minnesotans.

About Catalytic Converters

- Pollution control device
- Vehicles typically have 1 to 4 converters
- Very rare failure rate
- Contain small amount of PGM



Community and Victim Impact

- Average cost to replace **\$2600.00**
- **Increased insurance costs** for all consumers
- Many of the targeted vehicles owners do not have comprehensive insurance
- Theft can:
 - total the vehicle,
 - endanger the environment,
 - cause loss of use of the vehicle for months

Scope

- Minnesota is **3rd in the nation**.
- State Farm had a **33% increase** in catalytic converter theft claims 2022.
- Nationwide estimate between **600k and 700k thefts**.
- **\$1.5 billion** repair cost for consumers in 2022.



Why do we have this problem?

- Converters are **easy to steal**
- Very little risk of being caught or prosecuted
- Easy to sell - **\$1,600 for one Prius converter**
- Lack of consequences



Why this is important!

- Organized crime
- Shootings
- The problem is getting worse
- Stolen catalytic converters are **not worth anything** unless they can get them into the **legitimate stream of commerce!**

IAATI Recommendations and Model Legislation

- 1. Identify with certainty the person selling the Catalytic Converter;*
- 2. Identify with certainty the vehicle from which the Catalytic Converter was removed;*
- 3. Require a traceable payment and prohibit cash transactions;*
- 4. Require records of Catalytic Converter transactions be maintained and made accessible to Law Enforcement upon request;*
- 5. The penalty for not meeting the above requirements needs to be a sufficient deterrent.*



Marking Requirements

- Crime to possess an unmarked converter
- Applies to individuals and businesses

Closes Business to Business Loopholes

Persons

12. PERSON 1, a resident of Mountain Home, Arkansas, in the Western District of Arkansas, was an organizer, manager, and co-owner of Company C.

13. PERSON 2, a resident of Mountain Home, Arkansas, in the Western District of Arkansas, was an organizer, manager, and co-owner of Company C.

14. Defendant **EVAN B. MARSHALL** (“MARSHALL”), a resident of Rogersville, Missouri, was the organizer and owner of Company D. MARSHALL ostensibly created Company D for the purpose of recycling and operated the business from his home residence, East Farm Road

Limits Who Can Purchase and Audit

- Sales can only be made to registered scrap dealers
- Provides for an audit function

Law Enforcement Database

- Although current law requires recordkeeping and law enforcement access, there is no method for law enforcement to review transactions without contacting each scrap dealer
- This provision would be like requirements many jurisdictions impose on pawn dealers

Penalties

- Loosely follows penalties for Minnesota's theft statute
- Graduated based upon number of unmarked catalytic converters in possession
- Higher level felony (equivalent to theft of over \$35,000) for possession of more than 71



Catalytic Converter Theft

Joseph Boche | Special Agent

