

TEXAS DEPARTMENT OF MOTOR VEHICLES

MOTOR VEHICLE CRIME PREVENTION AUTHORITY

BOARD OF DIRECTORS

WORKSHOP

Hilton Anatole
2201 N. Stemmons Freeway
Dallas, Texas 75207

and

via Microsoft Teams

9:00 a.m.
Monday,
November 20, 2023

BOARD MEMBERS:

Julio C. Gonzalez, Acting Chair
Mike Rodriguez, Chair (absent)
Charla Brotherton
Rebecca Cantu-Serrano (absent)
Sharon Jones
P. Dean Smith (absent)
Katherine "Kit" Whitehill

STAFF:

Earl Pence, Acting Director
David Richards, General Counsel

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P R O C E E D I N G S

(9:03 a.m.)

MR. GONZALEZ: 224 Workshop to order.

Item number 1 on the agenda is roll call.

Member Jones.

MS. JONES: (No audible response.)

MR. GONZALEZ: Member Whitehill.

MS. WHITEHILL: (No audible response.)

MR. GONZALEZ: Member Brotherton. And please let the record reflect that I, Julio Gonzalez, am present.

All right.

Good morning, everyone, and welcome to Dallas.

Thrilled to have you here to talk today about a critical issue impacting the entire state, and that is catalytic converter theft. Today, we are going to brainstorm solutions. We are going to share insights, and we are going to discuss prevention strategies.

Our General Counsel, David Richards, is going to explain the rules in depth. But I want everyone to know that today's theme is more informal than our regular Board meetings. And this workshop is intended for everyone to really roll up their sleeves and speak on the previous items that I just mentioned.

However, we aren't going to have people talking over each other, and we can't have any single person or

1 group dominating the entire conversation. Everyone who
2 wants to speak will get a chance to do so.

3 All right. Is everyone ready to kick off this
4 workshop? All right.

5 Chair calls Acting MVCPA Director Earl Pence
6 for announcements.

7 MR. PENCE: Good morning. I want to thank
8 everybody for showing up -- the Commanders, all the
9 guests, all the stakeholders. I know y'all are very busy.
10 You guys joining online, thank y'all very much for being
11 here.

12 Like Chairman Gonzalez said, a very, very
13 important issue we are dealing with here. We want to
14 thank you for your input. We look forward to your input.

15 What I'd like to do now is to have the
16 taskforce commanders present at the table introduce
17 yourselves, if you don't mind. Start over here.

18 MR. JOHNSON: Lieutenant Nick Johnson, San
19 Antonio REACT.

20 MR. RODRIGUEZ: Sergeant Jaime Rodriguez,
21 Laredo Police Department.

22 MR. HARDING: Lieutenant Toland Harding,
23 Houston Police Department, Houston Auto Crimes Task Force.

24 MR. GONZALEZ: Lieutenant John Gonzalez, Harris
25 County Sheriffs Office Auto Theft Task Force.

1 MR. NAVARRETE: Sergeant Navarrete with El Paso
2 PD Auto Theft Task Force.

3 MR. RODEN: Brian Roden, Sergeant, Dallas PD
4 Auto Theft Task Force.

5 MR. PENCE: And I think that is it. Thank
6 y'all for being here. We appreciate it.

7 We also have distinguished guests with us this
8 morning. He is the right hand man to Senator Alvarado. I
9 would like for him to introduce himself and have a few
10 words, if you don't mind, sir.

11 MR. VILLARREAL: Hi. Good morning. My name is
12 Jaime Villarreal, Legislative Director and General Counsel
13 for Senator Carol Alvarado, the Senate bill author for
14 Senate Bill 224. Mr. Chairman, Mr. Vice Chair, with your
15 permission, I would like to give some remarks on her
16 behalf.

17 Members of the MVCPA Board, Chairman Rodriguez,
18 Vice Chair Gonzalez, my name is Jaime Villarreal. Here
19 representing the office of State Senator Carol Alvarado,
20 the author of Senate Bill 224. On behalf of the Senator,
21 I extend our sincere gratitude to the MVCPA for your
22 commitment and diligence in embracing the responsibilities
23 mandated by this crucial legislation, and for holding his
24 workshop to address the bill's implementation.

25 Senate Bill 224, a response to the escalating

1 catalytic converters thefts, marks a significant step
2 forward in our collective efforts to curb this pressing
3 issue. Its enactment is a testament to our shared
4 dedication to public safety, and protection of private
5 property. The bill comprises two important components:
6 strengthening criminal laws and establishing uniform
7 administrative regulation of business-to-business
8 transactions involving catalytic converters.

9 The MVCPA's role in this framework is vital,
10 focusing on developing a plan for effective implementation
11 of new uniform statewide recordkeeping requirements among
12 various agencies, including the Department of Public
13 Safety, the Department of Motor Vehicles, and the
14 Department of Licensing and Regulation. Coordination
15 between those agencies is essential for the effective
16 administration of the bill's provisions.

17 The Legislature's decision to allocate over \$24
18 million annually, funded by a \$1 increase on motor vehicle
19 insurance policies, is a significant testament to the
20 trust and responsibility bestowed upon the MVCPA. This
21 substantial investment underscores the expectation that
22 these funds are to be judiciously utilized for the
23 critical task of coordination among various agencies.

24 The effective allocation and management of
25 these resources, including funding provided to those

1 agencies, are pivotal for the success, and their
2 successful implementation, excuse me, of Senate Bill 224's
3 mandates. It is imperative that this funding serves its
4 intended purpose, reinforcing our collective effort to
5 combat catalytic converter theft, and ensuring that the
6 new regulatory provisions are effectively enforced.

7 The emphasis of Senate Bill 224 on uniform
8 recordkeeping is foundational to our strategy. It ensures
9 transparency and accountability in the transactions
10 involving catalytic converters, thereby safeguarding each
11 step in the legitimate stream of commerce by maintaining
12 and providing access to these records. We aim to
13 facilitate regulators and law enforcement in identifying
14 and responding to any discrepancies or suspicious
15 activities.

16 The significance of the MVCPA's task cannot be
17 overstated. Your role in developing a comprehensive plan
18 for interagency coordination and managing the new funding
19 will be instrumental in empowering other agencies and law
20 enforcement to enforce the provisions of Senate Bill 224
21 effectively.

22 In conclusion, we reiterate our appreciation
23 for the MVCPA's proactive stance in implementing Senate
24 Bill 224. Our office is fully committed to supporting
25 your efforts, and is available for any assistance you may

1 require in this endeavor. Together, we will make a
2 significant impact in deterring catalytic converter thefts
3 and ensuring the safety and security of our communities.

4 Thank you for your time and attention.

5 MR. GONZALEZ: The Chair now calls David
6 Richards to do the Senate Bill 224 overview.

7 MR. RICHARDS: Good morning, members of the
8 Board, distinguished guests, and members of the taskforce
9 as well as our partner agencies. My name, for the record,
10 is David Richards. I am General Counsel for MVCPA, also
11 associate General Counsel for the Texas DMV in Austin.

12 I am going to give -- not an in-depth, into the
13 weeds description or discussion about the individual
14 statutes that have been amended by Senate Bill 224. I
15 think Mr. Villarreal hit many of the points that I wanted
16 to make.

17 And that is that the MVCPA has been charged
18 with coordinating with our partner agencies -- the Texas
19 Department of Licensing and Regulation, the Texas
20 Department of Public Safety, and the Texas Department of
21 Motor Vehicles -- to come up with a plan. And we take
22 that role very seriously.

23 We have had meetings thus far, a couple on the
24 Teams, to discuss how we are going to roll this out.
25 Hopefully, this particular meeting will elicit the very

1 good comment and discussions from not only our partner
2 agencies on what they currently do with respect to their
3 individual statutes, but also from our task force members
4 that are here to speak as to what they are encountering in
5 the field. They are the real boots on the ground. We are
6 going to value whatever presentations they make today in
7 coming up with our plan of operation.

8 As Mr. Villarreal said, the focus is on records
9 and recordkeeping, and coming up with a uniform method of
10 recordkeeping as it relates to catalytic converter theft
11 and how we are going to respond to suspicious activities.

12 Currently, each of these agencies -- our partner agencies
13 have statutes on the books in which they require
14 recordkeeping. As well as they have statutes or statutory
15 provisions that deal with inspections, their frequency,
16 and when they can go on to their licensee's place of
17 business.

18 We also are mindful of protecting the
19 legitimate stream of commerce, as Mr. Villarreal said.
20 And getting these catalytic converters and the people that
21 violate the law brought to justice.

22 We are also going to look into risk-based
23 targeting. How the individuals, or individual agencies
24 are targeting, how the task forces are targeting. And
25 also, hopefully come up with some ideas on random auditing

1 of the records of the regulated community that is both
2 fair and stringent.

3 Clearly, the money that is involved, the extra
4 dollar that my client collects in conjunction with the
5 Occupations -- or excuse me, Transportation Code 1006.153,
6 will aid in our efforts. And my client takes that role
7 very seriously as well, while making sure that we get
8 funding exactly where it needs to be, whether it be our
9 partner agencies or our task force that are actually boots
10 on the ground.

11 That is basically what I wanted to talk about
12 as far as just an overview. I think many of us know the
13 individual provisions. The provisions that were amended
14 obviously were the DPS statute 1956, an Occupations Code
15 that deals with metal recycling entities, 2305, the
16 records of individuals that do repairs, and also come in
17 contact with catalytic converters and their removal. And
18 perhaps selling them to MREs as well as TDLR statute,
19 Occupations Code 2309, that pertains to used auto part
20 recyclers.

21 I wanted to -- let's see, I have already
22 covered that. What I wanted to talk about now was just
23 our -- for everybody's edification, the deadlines we have.
24 We are going to continue working after this meeting. We
25 hope to get a lot of good feedback from our attendees.

1 December 7th, we are meeting -- the MVCPA Board
2 is meeting in Houston, Texas, to take up this particular
3 agenda item of plan of operation, and will vote at that
4 time. Our absolute drop dead date is -- we have got to
5 have something in place by January 1, 2024.

6 So we will be working with all the stakeholders
7 as well as our partners at state agencies, and task
8 forces. Hopefully having a few more meetings that might
9 be virtual or through our Teams system to follow up on
10 this meeting, and hopefully fill in any holes.

11 I believe our Grants, Budget, and Reporting
12 Committee will also take up this particular item on
13 December 6th at their meeting. Let's see.

14 The next thing I would like to do -- we have a
15 TDLR representative, Todd Forrester, that is joining us
16 virtually today from Austin. We have Mark Berry from
17 Texas DPS that is in attendance here in person, and then
18 Dara Benoit from TxDMV.

19 What would be, I think, helpful at this time is
20 to have them inform us of how they are -- what they do as
21 to recordkeeping inspections right now, and how they feel
22 that they are going to need to address the catalytic
23 converter situation. Just to give the group the benefit
24 of knowing what they currently do.

25 So, Mr. Berry, you are here with us here in the

1 room. Would you mind giving us some information on what
2 DPS does with respect to catalytic converters, as well as
3 recordkeeping and inspections.

4 MR. BERRY: Sure. Like he said, my name is
5 Mark Berry. I am a Captain with the Texas Department of
6 Public Safety. I am in the Criminal Investigations
7 Division, but I am assigned to the Regulatory Services
8 Division, because the RSD has only two commissioned
9 people, myself being one of them.

10 So, what RSD is primarily responsible -- well,
11 we have several responsibilities. But the reason I am
12 here today is we regulate businesses regarding metals
13 recycling entities. So, we have 166 non-commissioned
14 civilian inspectors who will go out and visit MREs, both
15 randomly and also for-cause inspections, if there is an
16 allegation or a complaint of some illegal activity
17 involved at that MRE.

18 And what they do is, they go out to the
19 businesses and talk to the business owners and the people
20 that are working the counters and buying the metals and
21 stuff and check up on their records, to ensure that they
22 are following the guidelines and laws that are set forth.

23 Some of the things that we find -- let me be
24 clear. 98 percent of MREs are aboveboard and do a great
25 job. But we occasionally find some that are not.

1 And some of the problems that we find, that
2 they won't take -- they are required to take pictures of
3 people's faces as they sell catalytic converters, as well
4 as a picture of the license plate of the vehicle that they
5 drove up in and documentation to prove that they own the
6 catalytic converter. And they are required to pay people
7 with cash cards, instead of just handing them a bundle of
8 cash.

9 This does a couple of things for commissioned
10 people in the fact that if you have an investigation, you
11 can follow up, because you will have a picture of their
12 face. You will have a picture of their car, of their
13 license plate. And you will have an address, because they
14 are required to have the cash card as well.

15 So when we go out to these MREs that are not
16 doing business correctly, and do not take photos of their
17 face or the car, or if they walk up -- you know, a lot of
18 these MREs may be in the middle of town. So they might
19 just have their catalytic converter, and they are a block
20 over, and they come sell it.

21 But if one MRE is three miles down the end of a
22 county road, you know somebody is not going to walk three
23 miles down the county road carrying their catalytic
24 converter. So if we see a bunch of walk-ups, and they
25 don't take a picture of their license plate, you know that

1 is suspicious, too, right.

2 So our inspectors will go out and review that
3 kind of material, and see if there is anything suspicious.

4 If there is a history of a ton of walk-ups and no
5 pictures of license plates. And then they will administer
6 administrative fines to these places that are not taking
7 care of business.

8 And like I said, there is only two current
9 commissioned people, myself being one of them. I have
10 another guy. But we follow up any of the criminal leads
11 that we can find, and try to take as many people to jail
12 as we can.

13 We use CID a lot to assist us in making
14 arrests, because there is -- like I said, there is only
15 two of us. So some of the things that we would be doing
16 would be trying to get more inspectors to go out and do
17 more for-cause inspections, and more random audits.

18 They try to make it to every single MRE across
19 the state at least once every six months, and there is a
20 lot, right. And possibly even get a few more criminal
21 inspectors.

22 We have used Texas Online Metal, TOMs program.

23 And we use that to generate leads for identifying the
24 MREs that have abnormally large purchases of catalytic
25 converters, based on their sizes. And we go visit those

1 as often as possible.

2 But you know, there is some huge companies that
3 it is not abnormal for them to buy a large number of
4 catalytic converters. But you know, if you have a little
5 tiny one out in the middle of nowhere that is buying a
6 couple of hundred a month, then you might start looking at
7 that. And that is pretty much what DPS RSD does.

8 MR. GONZALEZ: Yes, sir. Are we open comment
9 right now?

10 MR. RICHARDS: We can. To Mr. Berry's
11 comments?

12 MR. BRESNEN: Yes, sir.

13 MR. RICHARDS: Okay. Sure.

14 MR. BRESNEN: Okay. Just briefly, my name is
15 Steve Bresnen. I am here representing PGM of Texas, the
16 largest recycler of catalytic converters in the North
17 America.

18 Some of you in this room may have toured our
19 plant in San Marcos. I would invite everybody to do so.
20 And that is not a gratuitous invitation. I think you will
21 find it highly illuminating for the task before you.

22 With respect to Mr. Berry's comments, the
23 process that he described was established in House Bill
24 4110 in the 87th Legislature Regular Session. And it
25 deals with people like walk-ups, an individual walking up.

1 And that is a small volume, a very small volume of the
2 catalytic converters that go to, certainly, legitimate
3 MREs.

4 Senate Bill 224 deals with business-to-business
5 transactions, and those requirements for recordkeeping are
6 different from the individual sales. The main constraint
7 being that you can only buy from people who hold certain
8 licensures or descriptions that are in Section 1956.123 --
9 Subsection 1 lists 12 or 13 categories of people that an
10 MRE can purchase from.

11 And it has separate recordkeeping requirements
12 for that; the volume purchased, who you purchased them
13 from, and the date on which they were purchased or
14 acquired. Sometimes things are taken in to be assayed,
15 and it is not a sale, specifically seeking. But the bill
16 covers whatever acquisition may occur.

17 So I just wanted to be clear. And the focus of
18 the planning here is on the business-to-business
19 transactions, which before Senate Bill 224, were not
20 regulated at all by 1956.

21 Thanks for letting me comment.

22 MR. RICHARDS: Thank you. Mr. Berry, do you
23 have any other comments tonight?

24 MR. BRESNEN: No, sir. I am good. Thank you.

25 MR. RICHARDS: Okay. We are going to move on

1 to Todd Forrester.

2 Are you on the call? Could you give us a
3 little background?

4 MR. FORRESTER: Yes, sir. I am here. My name
5 is Todd Forrester. I am with the Texas Department of
6 Licensing and Regulation.

7 I am program specialist for a few programs:
8 towing, vehicle storage facilities, auto parts recyclers,
9 property tax professionals, property tax consultants, and
10 professional employment organizations, at this time.

11 As far as auto parts recyclers go, we currently
12 do inspections. We have inspectors and investigators, all
13 throughout the state. The inspections are conducted on a
14 risk-based schedule, periodically.

15 Our investigators will go out and do an
16 investigation if a complaint is filed. They are all
17 throughout the state, so we can cover any area we need to.

18 Sometimes we have to move them around if there is not
19 enough coverage in that area.

20 We currently do, like I said, auto parts
21 recycler inspections, and that includes the purchase of
22 component parts that are just component parts. The
23 majority of auto parts recyclers that we see purchase
24 whole vehicles, dismantle those vehicles, and sell those
25 parts.

1 And we currently do those on a risk-based
2 schedule. If there are no violations, they are inspected
3 at least once every two years on a periodic basis.

4 Any questions?

5 MR. RICHARDS: No, thanks. Thank you.

6 Dara Benoit is here from DMV. Dara, can you
7 provide us with information from the DMV's perspective?
8 Thank you.

9 MS. BENOIT: Yes. Good morning. My name is
10 Dara Benoit. I am with Texas Department of Motor Vehicle
11 Enforcement Division.

12 Currently, we do not particularly have any sort
13 of focus on catalytic converters, as that would fall under
14 used parts. However, we are responsible for licensing
15 franchise dealers, independent motor vehicle dealers --
16 that would be used car dealers, salvage dealers, and
17 converters.

18 Our process currently is more of a reactive,
19 more than a proactive. We receive complaints from the
20 public, from law enforcement, from TAC offices. A TAC
21 office may be complaining about a salvage dealer who is
22 having a customer falsify a VTR-61 form, stating that the
23 repairs were made by the customer, rather than the salvage
24 dealer.

25 A dealer that only holds a salvage license

1 cannot repair motor vehicles. They have to also hold a
2 general distinguishing number. So when we say salvage
3 dealer, you are not only talking about someone that holds
4 a salvage license.

5 You are also talking about an independent motor
6 vehicle dealer who could also be dealing in salvage, as of
7 September 1, 2019. A used car dealer could also deal in
8 salvage.

9 We ran the numbers a couple of days ago, and we
10 have approximately 3,500 licensees that would fall into
11 this category of dealing in salvage. So as you can see,
12 that is quite a large number.

13 We currently have 34 investigators. We
14 envision going forward, we would also have a specialized
15 sort of unit to do a risk-based management assessment,
16 going out on a routine basis, based on some kind of system
17 that we are going to come up with, apparently, very
18 quickly.

19 And what was the other thing? I wanted to make
20 sure -- and we have no law enforcement authority right
21 now. We are strictly regulatory.

22 So if we find a problem that does involve some
23 criminal element, we of course do refer to outside law
24 enforcement on a routine basis.

25 MR. RICHARDS: Thank you, Dara, for your

1 comments, as well.

2 MR. BRESNEN: Mr. Chairman, may I make a brief
3 comment, please?

4 MR. GONZALEZ: Yes.

5 MR. BRESNEN: Thank you. Salvage dealers are
6 not covered by Senate Bill 224. The list -- and I have
7 expressed this a couple of times to the authority.

8 The list in 1956.123 Subsection 1 does not
9 include salvage dealers, because they were removed from
10 the bill, in consideration of the bill. In all
11 likelihood, were a salvage dealer to remove a catalytic
12 converter from a motor vehicle, they would either have to
13 meet the licensing requirement that -- is it Benoit?

14 MS. BENOIT: Benoit.

15 MR. BRESNEN: Benoit just explained. Or they
16 could maybe, inadvertently make themselves a used auto
17 parts recycler and have to have that license.

18 But the business-to-business transactions that
19 are regulated in Senate Bill 224 are between the list and
20 MREs and each other in the list that is in 1956.123
21 subsection 1. I won't repeat this comment later when we
22 talk about the plan of operation, but that is one of the
23 items that provided you all comments with.

24 I am sorry. In the interest of full
25 disclosure, I represent one of the largest salvage dealers

1 in the United States, and they were willing to be covered
2 by the bill. But in consultation with law enforcement and
3 members of the Legislature, they declined to put them in.

4 Because the salvage dealer, at least the one I represent
5 only deals in whole cars, not catalytic converters removed
6 from motor vehicles.

7 Thank you.

8 MS. BENOIT: I would like to make one more
9 statement on that. I want us to consider a salvage dealer
10 that also holds a GDN may bring a car into their inventory
11 that is on a salvage title but then they may be able to
12 rebuild it. And that could be adding a catalytic
13 converter, if it was missing one. So I just want that to
14 be considered out there.

15 MR. BRESNEN: I agree 100 percent. And that
16 would be under their licensure as the general
17 distinguishing number, which is one of the items that is
18 listed in 1956.123.

19 MR. RICHARDS: Thank you, Dara. Just for
20 everybody's edification, as far as a housekeeping rule, we
21 want to keep comments to three minutes. A commenter will
22 speak for three minutes. At the end of that, we will go
23 to the next commenter, if they have a comment.

24 And we will speak for three minutes. And we
25 want everybody to -- we want everybody to have full

1 participation here at the table. The Grantee Task Force
2 members that are here, representing their task forces will
3 obviously not be held to that three minute limit.

4 But as far as commentary from stakeholders and
5 others that are not members of the task force, we want to
6 try, just for the purpose of keeping the meeting flowing,
7 to limit it to three minutes. And then the next person
8 will comment, and so on and so forth.

9 So thank you for your cooperation.

10 MR. GONZALEZ: The Chair now calls the next
11 item on the agenda, invited testimony from selected
12 Grantees. We will start with Dallas.

13 (Pause.)

14 MR. RODEN: Do you hear me? Thank you guys for
15 coming up here to Dallas. I know, usually, we were always
16 traveling south.

17 But I want to appreciate and take the
18 opportunity to thank everybody that is here, traveling up
19 here. It sure did make it easier on us for this time.

20 I was asked to give a brief five-minute
21 testimony on our catalytic converter offense. It is
22 basically the state of the union for the City of Dallas.
23 So if I run over the five minutes, feel free to cut me
24 off.

25 I want to -- and one thing too, I want it

1 allowed. I don't know if it is a policy or not, but if at
2 any time somebody has a question about this, feel free to
3 ask. I know we are here as a discussion, and it is kind
4 of informal.

5 So if you do have a question, feel free to ask
6 me so we can get that out of the way. And I don't want
7 you to hold it back and forget to ask me something that
8 you might have seen.

9 So with that -- so I am Sergeant Bryan Roden.
10 I have been a police officer for 20 years. I have been a
11 task force manager for nine years, and auto theft
12 supervisor for ten years.

13 Just a quick presentation agenda of things that
14 we are going to be discussing here today, is the
15 background, the problem. What is going on with the city
16 of Dallas. What our catalytic converter thefts are like.

17 What is the issues around the city. What has
18 helped us. I know there is going to be a lot of talk
19 about offenses, and being down, and things like that. But
20 you know, I kind of question some of that: are the
21 offenses really down, or is it just reporting issues?

22 We'll get into that. And current trends.
23 Things that have helped. You know, what have they evolved
24 to. What is going on.

25 Are people just cutting off catalytic

1 converters, or is there another way of going about
2 stealing these? And how do we deal with those new trends.

3 So one thing I want to explain in case
4 everybody doesn't know, catalytic converter theft in
5 Dallas, NIBRS has listed as an auto theft accessory. And
6 I think it is really important to distinguish a couple of
7 things.

8 In 2021, we had 2,163 offenses. Those are
9 offenses that reported to NIBRS and gets reported to the
10 FBI. In '22, it jumped up to 3,043. Right now, I am on
11 pace to hit about 1,900.

12 Now, the second category over there is
13 estimated thefts. As most people is aware of, the City of
14 Dallas was hit by a really bad ransomware attack earlier
15 this year, and it cost us a lot of data. It cost us a lot
16 of time. And for about three months, we really didn't
17 know what was going on in the city.

18 And so when I was tasked to put this together,
19 I reached out to a crime analyst in the city. And she was
20 kind of helping me to understand some of these issues.
21 And so one thing I wanted to be able to do is provide hard
22 correct data. So what we did was run a query against
23 narratives of all of our offenses, to include catalytic
24 converter thefts.

25 And what I found, and I really didn't realize

1 it until I started looking at this, was that it is an
2 extremely underrated offense. There is a lot of these
3 thefts that aren't being reported.

4 NIBRS looks at it. If I go to -- let's say I
5 go to a car dealership, and I hit ten or twelve vehicles
6 for catalytic converters, that is going to be one offense
7 to NIBRS. But I just inflated -- you know, I just added a
8 whole bunch of catalytic converters into this black market
9 of catalytic converter theft.

10 If you are on vacation, and you and your
11 spouse -- and I go to your driveway and cut the catalytic
12 converters off both of your cars, your spouse and your
13 car, that is one offense. Depending on the make and model
14 to the car, there could be a couple of catalytic
15 converters on these cars.

16 So NIBRS is recording these as one offense, but
17 technically it is a lot more. If I got to, let's say, a
18 business. And they have an extensive fleet inventory, and
19 I strike a whole bunch of their cars. I have stolen ten,
20 15, maybe more catalytic converters, but NIBRS counts that
21 as one offense.

22 So more often than not, I have noticed that in
23 the city, that that is what was going on. So in essence,
24 yes. I am on pace to hit 1,900 this year. But now look,
25 I didn't go through 3,000 offenses.

1 But an estimated guess, with a crime analyst
2 that was helping me, is I am actually on pace for 2,400
3 illegal catalytic converters that are going to be pushed
4 into this nexus of illegal activity. So like I said, it
5 is an extremely underreported problem.

6 Also, with the state of our union, right after
7 the ransomware attack in the City of Dallas -- and I think
8 this is going to kind of play to where this new House bill
9 is going to be really important for us, is because every
10 department is having manpower issues. I get it.

11 And so what they are doing right now in the
12 City of Dallas to kind of alleviate that is there are
13 certain offenses patrol officers aren't responding to, one
14 of them being catalytic converter thefts. It is incumbent
15 upon the citizens to be able to report these crimes
16 accurately.

17 So they can either do that online. They can go
18 to city facilities, where there is kiosks, and they'll be
19 able to report these offenses like that. That may play
20 into some of the numbers being a little bit lower. I
21 can't say it is not.

22 But it is part of the state of the union. So,
23 I have described multiple vehicles targeted, car lots,
24 businesses. You know, there could be several catalytic
25 converters taken, but just one offense.

1 So, what has helped. I think a lot of things
2 have helped. One thing that was alluded to earlier was
3 that last legislative session, actually the one before
4 this, when it was House Bill 4110. It has really helped.

5 And we have had close conversations with some
6 of these metal recyclers. And people that have come up.
7 And they have explained to them, like hey. We need to
8 take your picture.

9 They have just gotten in their car and left.
10 And they would send us these videos. And so we are able
11 to kind of keep track of some potential suspects that way.

12 And so, it has played a different -- played a role.

13 The price of metals, some people say that the
14 price of metal fluctuates to the offense. And it does.
15 But as you can see, I looked over a twelve-month period.

16 And right now, I think in October, it was
17 around \$80. And now, it is about \$71. So it really
18 doesn't fluctuate that much. And these are prices that a
19 legitimate place would pay for catalytic converters, but
20 you could see that their value is really high, even now.

21 So, public awareness, too. NICB was
22 tracking -- from '22 to '23, NICB was tracking -- I don't
23 know. Like it was 42 enacted laws in just response to
24 catalytic converters thefts nationwide over this year and
25 last year.

1 So the new House Bill 244 enacted Penal Code
2 31.21, which allows us the authority to make these arrests
3 on people in possession of these illegal catalytic
4 converters. So all that stuff has helped.

5 And one thing I really want to focus on is
6 evolution to new trends. What is going on. Numbers are
7 down. I can't say that they are not.

8 But I really don't think that they are. The
9 numbers don't paint the total picture of what is going on
10 in the problem.

11 So, right now what we are seeing is a spring up
12 of illegal salvage and crushing yards. This is an aerial
13 photo of a case that we are investigating right now. And
14 there is three crushers on this property. And so what
15 they are doing is stealing cars off the freeway, salvaging
16 them, stripping them.

17 And we have pictures and photos of cars coming
18 in, and they are not coming out. We see them being
19 crushed. But we are also seeing like cars being
20 separated, and catalytic converters are being taken out in
21 bulks to god knows where.

22 We need to find out where they are going. And
23 right now at the theft -- auto theft is up. You know, at
24 least inside of the city, it is up a lot.

25 So it is basically almost to a problem where it

1 is like, I am not going to steal that. Why would I go
2 under the car and steal the catalytic converter when I can
3 steal the whole car, salvage it, and now I get the price
4 for the metal from these illegal recyclers. And then I
5 can take the catalytic converters somewhere else, maybe to
6 a different state to kind of escape these new laws that we
7 have here.

8 So it is really important for us to be able to
9 identify these places, get into the network, and be able
10 to figure out where all these catalytic converters are
11 going illegally. Hello.

12 So, and this is an illegal salvage yard. If I
13 was to salvage a vehicle that is whole -- illegally, as
14 you can see. The City of Dallas and Fort Worth are kind
15 of paying the most for these salvaged vehicles. The City
16 of Dallas just paid -- not the City of Dallas, the
17 recycler center in Dallas paid \$600 for an Acura MDX, a
18 2002 model.

19 So I'll salvage that vehicle, strip the
20 catalytic converter. And now I am selling parts. It is
21 just like a different way of stealing these catalytic
22 converters. Like, a different type of theft.

23 So, what do we do. I think for the City of
24 Dallas, and again, that is who I am speaking for, is we
25 have got to identify these illegal salvage yards. They

1 are springing up all over the place.

2 That one that I showed a picture of just a
3 while ago, they don't even know what the term "permit" is.

4 They don't have no CEO. They don't have no recycling
5 permit.

6 There is nothing on the books to show that this
7 yard is supposed to be there. And so, how do we
8 infiltrate that? How do we identify those, and how do we
9 take enforcement action on the chop shops?

10 Most people that have been around the City of
11 Dallas or rode out with me, and for those Board members
12 who want to see this, the next time I hit one, you are
13 more than welcome to come see them.

14 But if you have been to a good chop shop, you
15 really -- it is always, more times than not, but you
16 always see a chopped up vehicle. You always see the
17 engines on one side. But I promise you, you will always
18 find a corner of the shop that has all these catalytic
19 converters piled up. So there is more than one way to
20 steal and put these catalytic converters in this black
21 market, just by taking a saw and cutting off the catalytic
22 converter.

23 So I know there is a lot of talk about the
24 problem going down, but I don't think that it is. I think
25 there is another way of stealing these catalytic

1 converters and putting them into the market. Identify the
2 network; who is stealing these cars. Who is taking the
3 catalytic converters. Who is taking where -- things like
4 that.

5 Enforcement. One thing that this House Bill
6 has done, 244, Penal Code 31.21, it has really given us, I
7 think, a tool. And that one piece of property that I
8 showed you, it is going to be kind of like my test subject
9 on this. But it is really going to be able to us to take
10 good enforcement action on these illegal shop owners and
11 chop shops, property owners, and things like that.

12 And my hope is we are able to kind of tie those
13 in and get like a really good engaging organized crime
14 case. But it is a network, and it is just a whole ring of
15 people with different parts to play, and stealing and
16 making money off these cars.

17 Bait operations. Even though it has gone down,
18 there are still the people out there cutting off the
19 catalytic converters by knife, jumping under the cars, and
20 doing stuff like that. We need to be able to put out bait
21 operations, and be able to attack those people when they
22 do commit these offenses.

23 Even though my numbers have gone down,
24 especially from '22 to '23, they are still on par from
25 '21. And we need to be able to take enforcement action on

1 those guys.

2 One thing that we are in the process of doing,
3 and depending on the funding from you know, SB 244, we are
4 trying to put together a huge Auto Theft Fair. Basically,
5 what we do is we will go out and -- Auto Theft Task Force,
6 we will go out and we kind of sit at a table and, you
7 know, talk about what we do and things like that. We tag
8 along.

9 But we have never really had our own Auto Theft
10 Fair, where we are the focal point. So we have already
11 contacted vendors. People can bring equipment in to show
12 how to protect their catalytic converters.

13 We have already had one vendor that swears up
14 and down that no one can steal his car if he puts this
15 program in. So let's put his money where his mouth is.
16 Let's see what he can do.

17 There is all kinds of people that we can
18 invite. And I have gotten some good traction on this. I
19 got a meeting with a three star Chief, I think, tomorrow
20 about this right here.

21 So it is something that we can do. Something
22 that continues to bring awareness to the city. And not
23 just the Dallas area, but, you know, surrounding agencies
24 around this will also be affected by this.

25 Any questions?

1 (No response.)

2 MR. RODEN: Thank you.

3 MR. GONZALEZ: All right. Hearing no
4 questions. Thank you very much.

5 The Chair now calls El Paso. Yes.

6 MR. NAVARRETE: Good morning, everybody. I am
7 Sergeant Navarrete with the El Paso Police Auto Theft Task
8 Force. I have been with the Department 18 years, eight
9 years with the Task Force and seven months as program
10 manager.

11 I just want to cover a little bit of the
12 uniqueness of El Paso. We are the largest task force in
13 far west Texas, and pretty much the largest Auto Theft
14 Task Force in the southwest United States -- Albuquerque
15 being the closest to us.

16 We border Ciudad Juarez, to the south of us
17 with Mexico. We share four ports of entries. And on any
18 given day, we have an estimated 2.5 million people on both
19 sides of the border.

20 In addition to that, we also border the State
21 of New Mexico to the north, and to the west of El Paso.
22 And which tends to, you know, invite a lot of criminals
23 from southern New Mexico to come into the city. By the
24 time we are aware that something is happening, they are
25 already back across New Mexico state lines.

1 And unfortunately, New Mexico has very relaxed
2 rules and pretty much non-existent regulations, as far as
3 the sale and purchase of precious metals and recyclables.

4 So that is one of our challenges with facing New Mexico
5 and being so close to them.

6 In addition to that, we have the second largest
7 Army base in the United States, with Fort Bliss being
8 within the city limits. Going to a map of where we sit.

9 One big case we had was in the northeast of El
10 Paso. We had one of the El Paso Independent School
11 District bus terminals hit late last year; 28 buses got
12 hit with the catalytic converters.

13 The detective was able to work with DPS and
14 identify a big group that was working out of northeast El
15 Paso and in Chaparral, New Mexico. Several arrests were
16 made into this year, which led to a drop in catalytic
17 converters citywide. So we figured that group was pretty
18 active, not just targeting, you know, school districts,
19 but also individual vehicles.

20 (Pause.)

21 MR. RICHARDS: Zach, can you help out on his
22 presentation?

23 MR. NAVARRETE: Right. It's going now.

24 And so some of the steps that we have taken
25 with the Department to combat the catalytic converters is

1 the task force has weekly meetings with all the five
2 regional commands and their CIDs, and their burglary units
3 where we share active targets and intel, and current
4 patterns and trends that we are seeing throughout the
5 city.

6 We also have created a distribution group to
7 make it easier for the patrol guys to be able to send us
8 an email with all this information that they are seeing
9 out. And it gets sent to everybody that has a stake in
10 the investigations. We also conduct operations on known
11 high target areas, hot spots we see throughout the city,
12 and surveillance on known targets.

13 This is our current stats for the year, with
14 April and May being the highest so far this year. And it
15 kind of plays out to when, you know, the news came out of
16 this new bill. And it kind of dropped the numbers, along
17 with the arrests of that big group. But they are already
18 starting to trend upwards already.

19 Some of the top target vehicles, in order; the
20 Toyota Prius is the biggest target in El Paso, followed by
21 the Toyota Sequoias. CRVs are picking up a lot, and
22 Toyota Tundras being number five.

23 And again, the city is broken down into five
24 different command centers: the Central Regional Command,
25 Mission Valley, Northeast, Pebble Hills, and West Side.

1 Pebble Hills campus is the largest part of the
2 city, so that is why you see the highest numbers. It is
3 mostly residential. So there is a lot more available
4 targets for these people.

5 Some of the tools that can help us combat auto
6 theft -- auto theft and converter thefts would be to have
7 an assigned prosecutor who can be directly involved with
8 the investigation from the get go and see it all the way
9 through prosecution and conviction. That way they
10 understand, you know, the burden that this puts on the
11 victims.

12 Most of the times, the way it works with the
13 DA, excuse me, is a case falls on the DA. And it is
14 individual DAs, different DAs that handle the cases. So
15 they don't see the big impact that it costs the citizens.

16
17 More LPR readers, fixed and mobile, would
18 greatly increase our chances of apprehension and
19 identification of targets. Especially, we would like to
20 place them at the entry points with New Mexico to identify
21 the targets that are coming in and out of the city, as
22 well as at the ports of entries.

23 Bait vehicles would greatly help us, so that we
24 can deploy. And I know there is some companies that
25 provide trackable catalytic converters that we can

1 install. And once they are taken, we can track them,
2 which would lead us to the locations where all these
3 catalytic converters are being sold.

4 And additional funding for public awareness
5 campaigns, and the purchase of those portable VIN stamping
6 machines. Currently, our public awareness officer does
7 VIN etching for the public. And we would like to include
8 the VIN etching on the catalytic converters, as well.

9 Some of the arrests that we have made -- all
10 those cases are still pending prosecution. But
11 unfortunately, a current trend is that they get PR bonded.

12 They get released. They get back out there and they
13 continue hitting us until they get convicted later on.

14 That is my contact information. If you guys
15 have any questions?

16 (No response.)

17 MR. GONZALEZ: I don't have a question. But I
18 do want to say, Sarge, that I think you brought up a great
19 point with respect to the prosecutors. And I think that
20 should be certainly one of the priorities in order to
21 address this catalytic converter theft wave that we have
22 been seeing is to have, you know, dedicated prosecutors to
23 this crime.

24 So that that way, when these criminal cases are
25 brought forward, we can ensure that they are given the

1 appropriate attention, and not shared by a prosecutor that
2 I am sure has multiple types of crimes that they have to
3 look into.

4 MR. NAVARRETE: Yes, sir.

5 MR. GONZALEZ: And they have to learn all over
6 again. And you know, it makes it very easy to plea out on
7 the catalytic converter case, when you know, they have a
8 hundred other cases waiting to be tried.

9 MR. NAVARRETE: Right.

10 MR. GONZALEZ: So, fantastic presentation.

11 Members, any questions?

12 (No response.)

13 MR. GONZALEZ: The Chair now calls Harris
14 County.

15 MR. JOHN GONZALEZ: Good morning. Lieutenant
16 John Gonzalez with Harris County Sheriff's Office Auto
17 Theft Task Force. I have been assigned at the task force
18 now for a little over seven months.

19 I have just a single success story. It was a
20 rather in-depth investigation. The offense was engaging
21 in organized criminal activity. And the actual dates of
22 this operation was April 3, 2022, through July 29.

23 This was a collaborated effort between numerous
24 law enforcement agencies, such as Harris County Sheriffs
25 office, Texas Department of Public Safety, Houston Police

1 Department, the Webster Police Department, and even our
2 federal partners. Homeland Security investigations were
3 involved.

4 This investigation began on or about April 3rd,
5 which is within one week of the sudden and tragic death of
6 Harris County Sheriffs office Deputy Darren Almendarez,
7 whose end of watch was March 31, 2022. So, this was
8 within a week.

9 It all started when an HCSO investigator was
10 able to identify a vehicle through a recorded surveillance
11 footage as being involved in the theft of a catalytic
12 converter from a local church in Harris County. Law
13 enforcement involved in the investigation were able to
14 locate the same vehicle at a local business park located
15 at 5990 North Sam Houston Parkway in Humble, Texas.

16 Over the next few days, law enforcement would
17 conduct surveillance on this vehicle, and observed it
18 coming and leaving numerous times from this location.
19 Investigators made contact with the property manager of
20 this business park, who informed deputies that they had
21 observed approximately 25 or more freshly cut catalytic
22 converters, marijuana, and suspected short-barreled rifles
23 in one unit.

24 Investigators were able to obtain lease
25 records, and developed suspect information to that unit,

1 which also had affiliation with the vehicle currently
2 under surveillance. This was our suspect, Jose Luis
3 Sanchez.

4 Through more investigative work and
5 collaboration with HCSO, investigators met with HSI
6 investigators and also learned that Webster police had
7 also conducted surveillance on another vehicle of interest
8 in a catalytic converter case down south, in the City of
9 Webster. A traffic stop was conducted and probable cause
10 was developed to search the vehicle, which yielded the
11 discovery of a pistol, saw blades, battery-powered
12 sawzall, two catalytic converters that were still warm to
13 the touch.

14 Upon interviewing the driver, he admitted to
15 the thefts of the recovered catalytic converters and he
16 stated he intended to sell them to an individual
17 identified as "Glo." Consent was provided to
18 investigators to search the defendant's phone, to which
19 they were able to locate an Instagram handle Glo_jose300.

20 A search of social media by investigators located
21 numerous amounts, depicting suspects openly displaying
22 cut-off catalytic converters for sale on Instagram pages.

23 The driver also identified another male who was
24 associated with Glo, a.k.a. Jose Sanchez, who goes by the
25 handle "Black." Investigators were able to use law

1 enforcement databases and were able to identify Black as a
2 male named Kevin Smithers. This male appeared in several
3 photographs on social media, Instagram, next to Jose
4 Sanchez.

5 Investigators also learned that both Smithers
6 and Sanchez buy the stolen converters at a warehouse
7 located at 5900 North Sam Houston Parkway in Humble,
8 Texas. There is the trophy shot: the guys on social
9 media posing with their money and guns, and throwing up a
10 few gang signs.

11 Investigators continued to monitor the
12 Instagram handle for any more activity, and located
13 numerous posts that contained vehicles and price lists.
14 You could see on the left, they are displaying catalytic
15 converters. And to the right, I know it is kind of small,
16 but they actually have vehicle makes and price lists for
17 the converters they are offering.

18 There is just some more screenshots of the
19 stories and posts that they were saying, bring those cats.

20 And it shows how intelligent they are. They are even
21 putting out their friends to hit up these different
22 handles for the sale of stolen catalytic converters.

23 Investigators obtained a search warrant and
24 searched a phone belonging to another individual believed
25 to be involved in catalytic converter theft.

1 Investigators were able to locate a contact listed as
2 "Other Cat Plug," which was also identified as Jose
3 Sanchez.

4 In addition, there was a pinned map location
5 for 5990 North Sam Houston Parkway in Humble, Texas. HPD
6 investigators were able to obtain a search warrant for
7 Instagram accounts of other affiliates, and discovered
8 conversations between Sanchez and other suspects regarding
9 the sale of stolen catalytic converters.

10 On April 29, 2022, HPD investigators and other
11 officers took Kevin Smithers into custody for outstanding
12 warrants. Upon interviewing Smithers, he admitted to
13 being involved in a criminal organization that deals with
14 stolen catalytic converters. Investigators also learned
15 that Smithers had a business partner who buys stolen
16 catalytic converters from cutters, after advertising on
17 Instagram.

18 Smithers also admits to storing a large
19 quantity of these stolen converters at a warehouse located
20 at 5990 North Sam Houston Parkway. Seeing a little
21 pattern here. Numerous other suspects are identified, and
22 law enforcement was able to make several traffic stops on
23 vehicles involved in the criminal organization.

24 It was discovered that the stolen catalytic
25 converters were being transported up to the state of

1 Oklahoma for sale. One traffic stop that DPS helped us
2 out on yielded \$205,264 in currency. Nine individuals
3 total were arrested and charged with felony offense of
4 engaging in organized criminal activity.

5 There is just actually a shot of all the
6 catalytic converters recovered from the warehouse, and
7 several other addresses that were involved. That is a
8 pretty long trailer that was out at one of our bases.

9 And it is -- as you can see, it is almost
10 filled to the roof. The exact -- it is hard to see, but
11 on that board that is a total of 447 catalytic converters
12 and actually 2,851 O2 sensors that were still attached to
13 those.

14 But I can agree with what El Paso says as far
15 as having an assigned prosecutor. The actual probable
16 cause affidavit for this case was about 18 pages long. I
17 had to confine it to five minutes.

18 So, yes, that is an issue. When we present
19 these extensive investigations to prosecutors, sometimes
20 they feel they get overwhelmed. So I agree with him;
21 having an assigned one definitely would help.

22 But I am pleased to announce that our numbers
23 are down. As well, as I am assuming, everybody's.

24 But that is all I have, if anybody has any
25 questions.

1 (No response.)

2 MR. GONZALEZ: Thank you, LT. That is a
3 fantastic operation. That is a fantastic presentation,
4 also.

5 And these are the types of investigations, I
6 understand, they take a lot of time. I am sure they take
7 a lot of your manpower, a whole lot of your resources.
8 And you are probably being pulled in several different
9 directions.

10 But thank you for your dedication and for, you
11 know, devoting those resources to such a large operation
12 like that. Clearly, it is a very, very good use of our
13 time.

14 MR. JOHN GONZALEZ: Thank you.

15 MR. GONZALEZ: So --

16 MR. VILLARREAL: Chair, can I make a quick
17 comment.

18 MR. GONZALEZ: Sure.

19 MR. VILLARREAL: Our friends from Harris County
20 and Houston, as I am sure you know, I just forgot to
21 mention in my remarks. Senate Bill 224 is actually
22 officially named the Deputy Darren Almendarez Act, in
23 honor of Deputy Almendarez.

24 So thank you for the work you do in Houston,
25 and for the state.

1 MR. JOHN GONZALEZ: Thank you.

2 MR. GONZALEZ: Members, any other questions?

3 (No response.)

4 MR. GONZALEZ: We are going to break for a
5 short recess to give everyone time to check out. We will
6 reconvene at 10:20. Does that sound good? 10:20.

7 (Whereupon, a short recess was taken.)

8 MR. GONZALEZ: All right. It is now 10:22, and
9 we will reconvene.

10 The Chair calls Steve Bresnen for commentary.

11 MR. BRESNEN: Thank you, Mr. Chairman. Are we
12 on the other side of the grantee reports?

13 MR. GONZALEZ: It is my understanding that you
14 wanted to ask a question to one of the task forces.

15 MR. BRESNEN: I did.

16 MR. GONZALEZ: Go right ahead.

17 MR. BRESNEN: Thank you for letting me ask it.

18 I just would like to know the status of the prosecution,
19 particularly on the HPD report -- the status of the
20 prosecution on that.

21 And I guess, a more general question. I could
22 save it to the end, or I could ask now, either way. Are
23 prosecutors taking up and pursuing these cases that are
24 authorized by the new -- by the bill? The new types of
25 cases.

1 MR. JOHN GONZALEZ: To answer your first
2 question, regarding the prosecution, it is still ongoing.
3 Because there was so many of them. Obviously, with the
4 huge backlog in Harris County. But I can -- once I hear
5 something, I will be more than happy to share that with
6 you.

7 As far as in reference to the new Senate Bill
8 224, we have had a mixture of whether they are accepting
9 or not. As I had mentioned earlier at the conference --
10 and I want to say it was June. Our DAs office is set up
11 more so like a call center, where we actually have to call
12 in and explain every situation.

13 And you know, you might get one prosecutor who
14 is willing to take and another one who isn't. Also,
15 taking into accountability the suspect's history, whether
16 they are out on bond, which we have been seeing that a lot
17 lately, again, with the backlog.

18 So, yes. It has been a mixture. We have had
19 some accept and we have had some that have refused.

20 MR. BRESNEN: And one of the innovations in the
21 bill was to create the unauthorized possession of a
22 catalytic converter removed from a motor vehicle. Are
23 those kinds of cases being -- are they law enforcement
24 trying to bring those cases to the prosecutors? That part
25 of the universe, so what you were talking about?

1 MR. JOHN GONZALEZ: Yes. And one of the
2 enhancements, I believe, and it was in the bill, is also
3 that they have a -- I want to say, if they are brandishing
4 a weapon or if there is weapon possession.

5 That was one of the cases that I was familiar
6 with. That they did have a weapon. And they were
7 actually a documented gang member. So there was also an
8 enhancement there.

9 MR. BRESNEN: Okay. Thank you. I appreciate
10 it.

11 MR. JOHN GONZALEZ: Yes, sir.

12 MR. GONZALEZ: LT, to follow up on that
13 question, I mean, I see news stories all the time about
14 what is going on in Harris County and bonds for violent
15 offenders. And it seems like sometimes -- or so just what
16 the media will cover is, you know, very low bonds for
17 habitually violent offenders.

18 So, I mean, do you foresee a whole lot of PR
19 bonds and really low bonds being given for unauthorized
20 possession of a catalytic converter, or any of these
21 engaging crimes?

22 MR. JOHN GONZALEZ: Unfortunately, I do. And I
23 base that on -- we have got people out on bond for capital
24 murder. And you know, not to sell anything involving the
25 theft of catalytic converters short, but I mean -- you

1 know, I would think we could all agree that murder is a
2 very heinous crime. And again, it is just due to the
3 backlog.

4 So, I don't want to -- I mean, I hope I am
5 wrong. But I do foresee that, being low bonds in
6 reference to that.

7 MR. GONZALEZ: And I think Sarge, you from El
8 Paso, you discussed the same thing.

9 MR. NAVARRETE: Yes, sir. That is, the problem
10 that we are seeing with the jail magistrates is everything
11 is almost PR bonded. Some of them, they will keep them a
12 day and the next day, they will issue a PR bond, just to I
13 guess, make it seem like they are not issuing PR bonds on
14 the spot.

15 If they have less than five prior charges, even
16 if they are felonies, they will PR bond them on the spot,
17 for the most part, with those.

18 MR. VILLARREAL: Mr. Chairman, there was
19 something that we commented on in Houston a few weeks ago.
20 I am sure my friends from Harris County, Houston will
21 remember.

22 There was an individual who was caught with a
23 catalytic converter, blade still hot. Given a PR bond,
24 and in an hour -- who had 14 prior felony convictions.

25 This happened about a month ago, and so we

1 inquired about it. And you know, we have to look into
2 that more. But unfortunately, it does seem like the PR
3 bonds are becoming more frequent.

4 MR. GONZALEZ: I think that could probably call
5 for a workshop in and of itself. You know, bond reform in
6 the state. But it is an important issue.

7 Not just the resources that we have to devote
8 to investigating these offenses, but we have to see it
9 through, even past arrest and all the way through
10 conviction to get a handle on these problems.

11 Any other questions? Comments?

12 (No response.)

13 MR. GONZALEZ: All right. The Chair calls
14 Houston PD.

15 MR. HARDING: Good morning. Lieutenant Tolan
16 Harding, Houston Police Department, Houston Auto Crimes
17 Task Force.

18 While the general trend in Houston has shown a
19 decrease in catalytic converter thefts, I would agree with
20 Dallas that the offenses are underreported. I also
21 believe that the thefts are going to increase as our
22 criminals figure out how to work with Senate Bill 224 and
23 move the converters back into the recycling stream.

24 In Houston, we know most of our thefts occur at
25 car dealerships. Large commercial parking lots, apartment

1 parking lots, business lots -- there is just too many for
2 us to monitor all of them.

3 So one of my requests would be -- for funding
4 under Senate Bill 224 would be for additional funding for
5 license plate recognition cameras. We know that these
6 cameras can help identify suspects. They help us identify
7 patterns of suspects behavior.

8 They can give us real time alerts when there
9 are suspects are moving around. And they have a deterrent
10 factor.

11 Another item that would help with catalytic
12 converter thefts is extra personnel funding, so that we
13 can conduct extra overtime operations and the follow-up
14 investigations.

15 One of our success stories in Houston involved
16 Penske rental trucks. Penske found that their rental
17 trucks, that were staged at Home Depots all across
18 Houston, were prime targets for catalytic converter theft.

19 The Houston Auto Crimes Task Force wasn't always aware of
20 this, because where -- all the different jurisdictions
21 within Houston where the Penske trucks were parked, we
22 weren't all on the same page.

23 We all had different reporting systems. So if
24 it happened in Clear Lake, I wouldn't hear about it. If
25 it happened in Katy, I wouldn't hear about it. If it

1 happened in Harris County, I wouldn't hear about it.

2 But after working with them, we determined they
3 did have a problem. We were able to set up a truck at the
4 most frequently hit location in Houston, which was a Home
5 Depot on the North Loop. Penske created a catalytic
6 converter with a 3SI tracker. And we placed it out.

7 And within a day or two, the suspect came,
8 stole, cut the catalytic converter off of it, and drove
9 off. Well, that activated the tracker. And our patrol
10 officers were immediately able to take him into custody.

11 This was shortly after Senate Bill 224 passed.

12 And I contacted the District Attorney's office about
13 filing charges of the illegal possession. While they
14 agreed it was a crime, Harris County did not have the
15 pleadings quite ready yet.

16 And the Senate Bill requires that you negate
17 certain actions that the person was involved in, that they
18 weren't in the legitimate course and scope of their
19 business. So the District Attorney's office is not in
20 favor at that time of filing that charge.

21 A couple of weeks later, we sent the Penske
22 truck out again at the second most common hit location,
23 which again, was another Home Depot location, this time on
24 the West 610 Loop. And it was hit again the same night.
25 Fittingly, it was the same suspect.

1 The same guy had been hitting these -- I
2 figure, had been hitting all of the Penske trucks between
3 three and five times a week. Since he has been arrested
4 and charged twice -- I believe he is under house arrest
5 now -- Penske hasn't had much of a problem.

6 The rest of my presentation focuses on a recent
7 arrest of a large scale auto theft ring. If we have time,
8 I would like to address that.

9 This investigation involves the arrest of
10 Mazimiliano Rodriguez, a.k.a. Max. He was initially
11 identified as an auto theft suspect in April of '21. But
12 at that time, we did not have enough information to arrest
13 or charge him.

14 However, in June of 2022, Houston Auto Crimes
15 Task Force officers identified multiple suspect vehicles
16 that were involved in the theft of vehicles in the
17 downtown area. The task force officers began surveillance
18 of these vehicles.

19 Shortly thereafter, June 7th of 2022, during a
20 sporting event in downtown, Max was there breaking into
21 multiple vehicles, disabling the alarms, and then an
22 associate of his would come and actually drive the vehicle
23 away. Task force officers were able to detain Max, his
24 associates, and recover the vehicles. And he was arrested
25 and charged that night. One of the vehicles driven by the

1 suspects was determined to be a VIN-altered stolen
2 vehicle.

3 Barely two weeks later, on June 23rd, task
4 force officers observed Max and another suspect in
5 possession of a high-end pickup truck with a fake paper
6 plate on the back of it. The suspects appeared to be
7 tampering with the VIN number on the dash.

8 The truck -- Max and the truck drove off. And
9 the truck was stopped. And it was determined that that
10 was also a VIN-altered stolen. Max was again arrested and
11 charged.

12 In July of 2022, several weeks later, Houston
13 task force officers again observed Max and two other
14 suspects entering a luxury apartment complex in downtown
15 Houston. Shortly thereafter, a high value Jeep Wrangler
16 392 drove out of the apartment complex, followed by Max
17 and two other suspects.

18 All three vehicles were stopped, and it was
19 determined that the Jeep Wrangler was stolen. And the
20 vehicles driven by Max and his associates were also
21 VIN-altered stolen vehicles. Again, Max was arrested and
22 charged.

23 After his arrest in July, we served a search
24 warrant for Max's phone, which revealed links between him
25 and 33 other stolen vehicles with a value of about \$2.7

1 million. Now, his phone only had two to three months
2 worth of data on it, so that was as far back as we could
3 go. But it showed to us that he was heavily involved.

4 We also downloaded key programming devices that
5 were seized during the thefts, and they also linked Max to
6 multiple vehicle thefts. So starting after July, between
7 about July and December, Max was on house arrest, and had
8 an ankle monitor, and had to stay home.

9 But starting in December of 2022, he was
10 required to be at home during the evenings. So, during
11 the day, Max would drive around and start looking for
12 vehicles to steal. This was when he starts to insulate
13 and isolate himself from the thefts.

14 December 2022, we noticed again a theft of
15 high-end luxury vehicles from luxury apartment complexes
16 and areas in downtown. And again, task force officers
17 were able to identify several suspect vehicles. They
18 again conducted surveillance on those vehicles, and over
19 the next several months, were able to make multiple
20 in-progress auto theft arrests.

21 We arrested well over a dozen people. During
22 those interviews of those suspects, some of them would
23 give us similar stories about Max, the person they were
24 working for. Max would recruit them, show them how to
25 steal the vehicles, and provide them with the tools of the

1 trade to do it.

2 Max would provide them with a work car, key
3 programmers, blank keys, fake paper plates, and even a
4 work phone. Max would then give these workers specific
5 information and specific vehicles for them to steal. And
6 then he would pay them upon delivery of the vehicle. Max
7 would even be on FaceTime with his workers while they were
8 driving around, so he could direct them to specific
9 vehicles.

10 While conducting surveillance on Max, we also
11 saw him conduct dead drops. This was a way for him to
12 insulate and isolate himself from the people actually
13 stealing the cars. He would place money in a Styrofoam
14 cup, place it on the side of the road and then call his
15 workers and say, your money is here on the side of the
16 road; come and get it.

17 And on September 8, 2023, we conducted multiple
18 search warrants and arrest warrants, and arrested Max at
19 his house and downloaded his phones and his codefendant's
20 phones. Max was again charged with auto theft related
21 crimes, for stolen property worth approximately \$1
22 million. It took a lot of surveillance, interviews and
23 search warrants to tie Max to all these crimes.

24 After Max was charged the second time, he began
25 to insulate and isolate himself from these crimes by

1 hiring his workers. He was at the top. He was making the
2 money. But he isolated himself.

3 And our detectives were able to tie him to all
4 of this. Now, Max has approximately 30 prior arrests and
5 was on multiple bonds while he was still committing these
6 crimes.

7 One of the things that many people miss is Max
8 victimized two people when he was committing these crimes:
9 the person he stole the vehicle from, and then Max would,
10 using fake paperwork and altered VIN numbers, sell these
11 vehicles to unsuspecting buyers, typically through social
12 media. There was your second victim, who was out a large
13 amount of cash.

14 The Houston Auto Crimes Task Force would
15 definitely like to acknowledge the hard work of the
16 Houston Police Department Downtown Division Crime
17 Suppression Team. They helped with this investigation.
18 They provided us with hours of surveillance and
19 investigative support, and of course a uniformed presence
20 to make the necessary arrests.

21 There is what Max's ring looked like. Max is
22 at the top. And those are all the people that we have
23 arrested and charged with auto theft related crimes.

24 There are still two that are outstanding. And
25 during a press conference last week, we asked the help

1 from the public to locate these two people.

2 One of the suspects involved in Max's ring were
3 suspected of stealing the 2022 Dodge Hellcat Redeye
4 Edition from Reggie Jackson, from a downtown apartment
5 complex. That suspect has been charged with that crime.
6 We still have not recovered the car.

7 One of the other successful operations we have
8 been conducting -- and I believe this is relevant because,
9 in Houston, we see our jugging incidents increase when our
10 catalytic converter crimes decrease. And the opposite is
11 true.

12 Over the past several years, when our catalytic
13 converters crimes were very high, our jugging incidences
14 dropped off quite a bit. Since May 30th, and continuing,
15 we have been conducting jugging operations with our patrol
16 crime suppression teams.

17 As of today, the number is slightly inaccurate.

18 We have actually conducted 38 operations. We conducted
19 one on Friday. And we have arrested 51 suspects.

20 Of those 51 suspects, 2 were brothers. And we
21 have arrested the same suspect twice. Most of these
22 suspects have extensive criminal histories, and they know
23 conducting BMVs is a slap on the wrist if they get caught.

24 What effect this has had for Houston. Well,
25 our jugging incident numbers have decreased between 10 and

1 15 percent. But now we are getting stories of juggers
2 from Houston going outside and committing their crimes
3 elsewhere.

4 So this was November 9th from San Antonio, two
5 Houston suspects committing juggings in San Antonio. Same
6 thing with Austin. Garland PD, while they didn't make an
7 arrest, this vehicle was seen on LPR cameras and is
8 registered in Houston.

9 I think we can say that Houston's efforts are
10 successful. Why a suspect would drive three hours to
11 commit a crime he could easily commit in Houston is
12 because they have talked, or they hear about the 50 other
13 suspects and how they are getting caught in Houston. So
14 they have to go someplace else. I am sorry that we are
15 pushing it outside the city, but we are doing the best we
16 can with our jurisdiction.

17 For the fiscal year that just ended, the
18 Houston Auto Crimes Task Force recovered 813 vehicles with
19 a value of about \$25 million. This is touch recoveries.
20 So we actually physically touched that vehicle and had a
21 hand in recovering it.

22 We charged 231 people with a total of 235
23 charges. So we are looking at about four suspects a week.
24 We're still conducting a huge number of vehicle
25 inspections.

1 MR. GONZALEZ: Let's wrap it up, so we can get
2 to the other speakers.

3 MR. HARDING: The regular stats are available
4 on the DMV website for all of you to peruse. And I would
5 just like to say thank you very much to the MVCPA for
6 their continued support.

7 MR. GONZALEZ: And I do want to say that I saw
8 your press conference with Chief Finner. Fantastic work
9 on that case.

10 I would ask if your lead detective could do
11 like a case study during the conference this upcoming
12 summer, I think that that would be fantastic to kind of go
13 in depth on how you all put those pieces together.
14 Because those are -- that type of case is exactly the type
15 of case, at least for me, that I envision the MVCPA
16 funding -- those long, drawn out, engaging in organized
17 crime.

18 So thank you very much for those efforts.

19 MR. HARDING: Again, sir. Thank you.

20 MR. GONZALEZ: Members, any questions?

21 (No response.)

22 MR. GONZALEZ: The Chair now calls Laredo.

23 MR. RODRIGUEZ: Sergeant Jaime Rodriguez for
24 the record. Laredo Police Department, Auto Theft Task
25 Force.

1 I want to start off by thanking the other task
2 forces for sharing their success stories and their
3 statistics, and all of that good stuff. Me, specifically,
4 I am going to take a different route in this workshop. I
5 want to talk specifically and concentrate mostly on the
6 solutions that we see.

7 Now again, I hate to beat a dead horse. But
8 the District Attorney's office -- it is not that we don't
9 have great relationships with these people. It is just
10 that they don't prioritize crimes against property so
11 much.

12 And that is due to our -- I am sorry. That is
13 due to our community. That is what they expect. So they
14 think that these are victimless crimes, when they are not,
15 until they get hit, right.

16 So, we approach. We have conversations with
17 our District Attorney's office. And we have to present
18 cases. We have to go through them to see what they
19 expect.

20 And we're in talks with these new laws, too.
21 But what good are these new laws if we don't have ADAs
22 that are going to enforce them. So why put in all the
23 work that we are going to put in to these specific crimes,
24 when they are going to be out right away and they are
25 going to be back doing, as mentioned by the other task

1 force commanders.

2 So really, our efforts go unseen, unnoticed.
3 And the public really -- unless they are hit specifically,
4 they don't really care. And that is the problem that we
5 see right now with the District Attorney's office.

6 So, we want, like everybody else, an assigned
7 District Attorney or Assistant District Attorney to our
8 task force. So then they know the ins and outs and
9 specifically just prosecute on that. Get whatever
10 District Court judge that they have, and then, we'll just
11 continue to get them.

12 Because we all know that they are the same
13 people. If we get them off the street for a certain
14 amount of time, a week, two weeks, whatever it may be, it
15 drops significantly.

16 Whether it is burglary of motor vehicles, the
17 prolific offenders doing that, or whether it is catalytic
18 converters. It is the same thieves doing the same things.

19 So if we push our efforts towards that and prosecuting
20 them, I think we solve a lot of our problems.

21 So with that being said, what do we need to be
22 able to prosecute them? And we need technology. We need,
23 specifically, LPRs on our side. We are the last line of
24 defense here on the border.

25 We have intel that now the cartels are

1 regulating catalytic converter sales on the other side of
2 the border, specifically. This is intel that we got
3 before we arrived over here. So, with that being said,
4 LPRs were the last line of defense.

5 If we put out people from Houston -- we have
6 had people from other parts and big cities coming down to
7 Laredo, specifically stealing, and then taking our
8 catalytic converters elsewhere. In a specific story, DPS
9 helped us out tremendously by not only doing the traffic
10 stop, but at the same time, further the investigation of
11 the traffic stop and figuring out that they were coming
12 from Laredo.

13 They then contacted us in Laredo and asked us,
14 hey, did you all see an influx in catalytic converter
15 thefts. Yes, we did. They brought those catalytic
16 converters to our city. We popped up the vehicles of the
17 victims, and we were able to match them through the cuts.

18 But ask me what happened with that prosecution,
19 or that indictment. It is hard. It is hard to indict
20 them, because we have had like three capital murder cases
21 already, just in Laredo alone, this year. So they are
22 concentrating on that.

23 And then, the backlog of 2020, when they
24 couldn't really prosecute anything in that time. So, that
25 is what is hurting us tremendously.

1 We need, again, we need technology. We need
2 those LPRs there. The more LPRs -- if we can spend a lot
3 of money on LPRs, that would be great for all of us,
4 especially if we have that shared system.

5 Another is, and I will put it on top of the
6 District Attorney's office, public awareness. And it was
7 mentioned earlier, too. We need to hit public awareness
8 greatly.

9 We have done it with burglary of motor
10 vehicles, and our numbers are down in that aspect.
11 Because we are going to driving schools, getting them
12 while they are young, letting them know what to, and what
13 not to do so they won't become victims of crimes. And
14 then, they go. And they tell their parents what not to do
15 so they don't become victims of these crimes.

16 So whatever we can do, marking those catalytic
17 converters, any type of things that we can do, in that
18 effort, public awareness will go a long way. And we have
19 a great public awareness program here in Laredo.

20 And if other task forces -- because we can't
21 forget that we're not just talking about us up here. Yes,
22 we have certain task forces up here, but we are talking
23 for all the task forces in Texas. And if they don't have
24 a good public awareness program, they need to have one.

25 And we need -- the MVCPA needs to provide them

1 with one. Because it is great. The numbers go down
2 tremendously.

3 Another thing that we support is civilianizing
4 the compliance checks on these metal businesses. We also
5 support it with the 68-A inspections. It is not that we
6 don't want to do them, it is that we can only enforce so
7 much. And we have a bunch of other stuff on our hands
8 that I would love to bring up here, but our focus right
9 now is catalytic converters at this workshop.

10 So that is pretty much all I have, as far -- if
11 you if all have any questions. I just want to add real
12 quick that since we last met or last time we presented in
13 February, our roster -- I just want to announce our roster
14 changes.

15 In this fiscal year, we added a Sergeant. That
16 is going to help out tremendously. Not only that we added
17 a Sergeant, but this Sergeant comes with seven years of
18 investigative experiences in auto crimes, so he is not
19 just a normal Sergeant that just got promoted.

20 Along with that, we added two investigators,
21 and we added an officer. Now, that officer on his first
22 day, he was tasked out to go get a prolific offender of
23 burglary of motor vehicle offender.

24 That day, not only did he find him. He found
25 him with a handgun. Now, that handgun, unbeknownst to us,

1 with further investigation, was found to have been stolen
2 only maybe hours earlier.

3 When we contacted the victim, the victim didn't
4 even know that the handgun had been stolen. Even
5 better -- and going, again, with the ADA, even better is
6 that since he was a felon in possession of that handgun,
7 we got with our task force officers from the ATF, and they
8 adopted that case. Because if not, he would have been
9 right out in a day or two, doing the same things. And we
10 would have had to be doing that.

11 Right now we have three or four burglary of
12 motor vehicle prolific offenders locked up. And the
13 numbers are going down right now, because of the personnel
14 that y'all gave us.

15 And I would like to thank y'all for that.

16 MR. GONZALEZ: And don't forget that you also
17 added in a very high quality top notch Chief of Police,
18 right.

19 MR. RODRIGUEZ: Yes, man. I know he's
20 watching.

21 MR. GONZALEZ: Correct. But in all
22 seriousness, I think you hit on a great topic, the cartel
23 involvement. I know we are in a public setting and so we
24 probably can't be disclosing too much that is law
25 enforcement sensitive. But maybe before the next Board

1 meeting, or at the next Board meeting, we can have some
2 kind of a closed session so Laredo can talk more about the
3 cartel connection to the Board members in a closed off
4 setting.

5 MR. RODRIGUEZ: We would be glad to.

6 MR. GONZALEZ: Members, any questions?

7 (No response.)

8 MR. GONZALEZ: All right. The Chair calls San
9 Antonio.

10 MR. JOHNSON: Good morning. I am Lieutenant
11 Johnson, San Antonio Police Department, and the task force
12 commander for San Antonio REACT. It consists of SAPD, the
13 Guadalupe County Sheriff's Office, the Department of
14 Public Safety, and the NICB.

15 The catalytic converter trends in San Antonio
16 kind of match what we are seeing statewide. The rise in
17 precious metals resulted in the uptick in catalytic
18 converter thefts. And in 2022, we were sitting at over
19 3,000 reported in the city.

20 I am going to go back a little bit on what we
21 have done historically. With the passage of House Bill
22 4110, in 2021, SAPD created a task force. That consisted
23 of our SAPD property crimes, our auto theft, code
24 enforcement, and Department of Public Safety.

25 And with that, a lot of focus was on the sales

1 of the catalytic converters to the metal recycling
2 entities. And that is where we kind of focus our efforts.

3 And that was any changes they made in the Occupations
4 Code for the increased reporting from the sellers of
5 catalytic converters.

6 The steps we took during that time was
7 educating the MREs on the new bill. We conducted site
8 visits beforehand, prior to the implementation, to educate
9 and answer any questions that the MREs had. And also, to
10 get feedback from them with the upcoming bill. We
11 coordinated with our DA's office to ensure that they would
12 be on board with taking those offenses from the
13 Occupations Code.

14 The outcome -- what we saw in San Antonio from
15 that task force was it pretty much drove the legal sales
16 to other areas. We would have pickup trucks located
17 throughout the city, where they would just load up, buying
18 from individual sellers, and then drive them outside of
19 our service area.

20 We also saw lax reporting by the MREs. Some
21 were probably intentional. Others were unintentional.
22 Just based off the volume that they were purchasing, and
23 the titles they were doing, we would see duplicate titles
24 being used for the sale of multiple catalytic converters.

25

1 And we also saw where they were doing 1099
2 purchases to bypass the Occupation Code to reclassify
3 those purchases as business to business. And that is what
4 we are seeing there.

5 The Senate Bill 224 looks to address a lot of
6 these deficiencies that we are kind of encountering with
7 the 4110. The steps we have taken in the short time that
8 has actually went into effect was education of our patrol
9 units. They are the most likely to encounter these
10 offenses, so working with them and making sure that they
11 file the charges appropriately, and contact appropriate
12 follow up, so that we can kind of dig into those offenses.

13 Coordinating with the DA's office to make sure
14 that they are on board with accepting those charges. And
15 we are obviously continuing in our MRE inspections, as
16 4110 still is there.

17 The difficulties in San Antonio that we are
18 facing are primarily around staffing. Auto thefts are up
19 65 percent year to date. We are at about over 17,000 so
20 far, this year. And our property crimes, we average
21 around 90,000 a year.

22 So kind of juggling the catalytic converter
23 thefts in there, it is always a struggle with manpower.
24 The ID, the identification and the arrest of catalytic
25 converters thefts are very time intensive. I am sure as

1 the other task forces can attest to.

2 So we're looking for the main help that we can
3 get is going to be based off of the investigative tools
4 that are kind of force multipliers. Within San Antonio,
5 our LPR systems are very limited. Having access to those
6 brokers like MVLS or some of those other databases would
7 be a great investigative tool for us to kind of narrow
8 down where these vehicles are at, and do those a lot
9 quicker follow-ups than what we are currently doing.

10 Yes. That is pretty much all I have. If you
11 have any questions.

12 (No response.)

13 MR. GONZALEZ: Members, any questions?
14 Questions.

15 (No response.)

16 MR. GONZALEZ: I think the recurring theme here
17 that I have heard is license plate readers, prosecutors,
18 staffing. Does that about cover it?

19 And also, I mean, I know Harris County talked
20 about that case with all those catalytic converters all
21 stemmed from a camera -- from one camera that was able to
22 capture the offense, and that led to that huge bust.

23 So, all right. Moving on, the Chair calls
24 Deputy Executive Director Roland Luna.

25 MR. LUNA: Hello, everyone. Deputy Executive

1 Director Roland Luna. I would like to thank the MVCPA
2 Board for organizing this workshop for 224.

3 I would also like to thank the task force
4 commanders that presented today, and the task force
5 commanders that continue to do great work throughout the
6 state of Texas. I appreciate your commitment to public
7 safety, for public education and awareness to prevent auto
8 theft related crimes. Thank you very much.

9 And to our stakeholders, thank you for
10 participating in the workshop today. And to the Senator
11 Carol Alvarado's office for having a presence here, and
12 your comments. Thank you very much.

13 Since the last time we met at the MVCPA Board
14 meeting, there is a number of activities that I think are
15 worth mentioning. One of them is Chief Rodriguez and his
16 ascension to Laredo Police Chief. We appreciate your
17 commitment to the MVCPA Board and to the Laredo Police
18 Department.

19 And since that time as well, we have also had
20 our former MVCPA Director that has retired. And during
21 the interim, Mr. Earl Pence has stepped in as Interim
22 Director, so that we can continue to advance the MVCPA
23 work.

24 And during the interim, we have had a series of
25 internal meetings to further develop the components of SB

1 224 Plan of Operation. As you know, that is not fully
2 developed yet. And we need your partnership, and we need
3 your feedback. And we need your intelligence to help us
4 develop this plan.

5 And this first iteration of the plan that has
6 been developed was just a starting point for us. And that
7 was the charge that was given to us by the MVCPA Board so
8 that we can continue to solidify the plan.

9 I just thought that was worth mentioning.
10 Because as this plan continues to change, I don't want any
11 of our stakeholders or any of the task force commanders,
12 or any of our partners to think that it is set in stone.
13 There is a lot of work that still needs to be done, and we
14 need your input.

15 MR. GONZALEZ: Thank you, sir.

16 Anyone else wish to comment? Anybody have
17 suggestions?

18 MR. BRESNEN: Yes, sir.

19 MR. GONZALEZ: Go right ahead.

20 MR. BRESNEN: Thank you very much. And thank
21 you, Roland. I appreciate you and the Authority Board for
22 setting up this meeting and allowing us to participate
23 freely.

24 By way of a little bit of background, I am a
25 lawyer. I spent four years at the Comptrollers Office,

1 involved in the implementation of legislation involving
2 collecting taxes, which involves both risk-based and
3 random auditing. And for about 30 years now, I have
4 represented regulated industries before various agencies
5 that engage in auditing and administrative enforcement,
6 using all those tools.

7 I was lucky enough to be included in
8 participating in the development of Senate Bill 224, and
9 in helping to organize the support of the various private
10 sector actors for that bill, which I hope contributed to
11 the unanimous passage by the Legislature. In over 40
12 years around the Legislature, I have seen very few bills
13 that were enacted unanimously.

14 I have passed out to each of you all a document
15 dated November 20th, which are my observations about the
16 plan, a couple of which I have mentioned earlier. We do
17 recognize that it is in progress.

18 There is a couple of things. There are a
19 couple of references there. I have spoken about salvage
20 dealers.

21 There is a couple of references to
22 individuals -- transaction by individuals. Those are not
23 really regulated by Senate Bill 224. That was in the law
24 already and has extensive documentation and is robustly
25 enforced by DPS.

1 I have some suggestions, additions, if I might.
2 The bill authorizes the Agency to form an advice --

3 MR. GONZALEZ: Mr. Bresnen. If I can ask you
4 to wait on your suggestions until after we have an
5 overview from the acting MVCPA Director. That way, people
6 have context.

7 MR. BRESNEN: I am sorry. I thought that
8 was -- I am sorry.

9 MR. GONZALEZ: And I should have clarified. It
10 is my fault. I meant, if we have any public comments on
11 what the task forces were presenting.

12 MR. BRESNEN: I have got it. My bad.

13 MR. GONZALEZ: I won't forget you, I promise.

14 MR. BRESNEN: I am sorry if I seemed a little
15 enthusiastic. Thanks.

16 MR. GONZALEZ: Okay. The Chair calls Acting
17 MVCPA Director Earl Pence.

18 MR. PENCE: Thank you, Mr. Chair. I
19 appreciate it.

20 Task force commanders, thank you again. I
21 think we have got quite a long way to go on this. We are
22 taking steps right now to improve the communications with
23 prosecutors. I think there is a -- they need to be
24 educated a little bit on this bill, the spirit of the
25 bill.

1 It is not a misdemeanor theft. It is not a
2 victimless crime. And I think in time, that will come
3 around, thanks to your support. I appreciate it.

4 I am going to start now. I will give you a
5 little background on our partners as legislatively stated
6 in the bill, starting with the metal recycling entities,
7 MREs.

8 Texas DPS registers, regulates all MRE involved
9 in performing the manufactured process by which scrap,
10 used or obsolete metal is converted into raw material
11 products, consisting of prepared grades, and having an
12 existing or potential economic value, under the authority
13 of the Texas Occupation Code Chapter 1956 and the related
14 administrative rules.

15 The used automotive parts recyclers -- TDLR
16 licenses or regulates used automotive parts, recycling
17 businesses involved in dismantling and the reuse or resale
18 of used automotive parts, under the authority of Texas
19 Occupation Code 2309 and Texas Administrative Code Chapter
20 87.

21 Salvage dealers -- the TXDMV licenses and
22 regulates salvage vehicle dealers who buy or sell more
23 than five salvage or non-repairable vehicles in a calendar
24 year, or rebuild more than five salvage motor vehicles in
25 a calendar year, under the authority of Transportation

1 Code, Chapter 501, and Occupation Code Chapter 2302.

2 This is the proposed Plan of Operation.

3 Department Agency coordination records review. The MVCPA
4 will coordinate with Texas DPS, the Texas Department of
5 Licensing and Regulatory Services, and the Texas
6 Department of Motor Vehicles to develop criteria to
7 identify suspicious activities involving the purchase,
8 acquisition, sale, or transfer of catalytic converters
9 removed from motor vehicles. One includes the sale of
10 multiple catalytic converters by one individual; the sale
11 of catalytic converters involving multiple transaction
12 over a period, by individuals; failure to keep proper
13 records of purchase or acquisition of catalytic
14 converters; and multiple violations of statutes and rules.

15 Next, the MVCPA analysts, with the assistance
16 of analysts from state agencies who regulate businesses
17 involving the purchase, acquisition, sale, or transfer of
18 catalytic converters, perform a review of the records that
19 identify suspicious activities, and report the findings to
20 MVCPA.

21 The next is the meetings, frequency, and
22 partner state agencies, and grant force, or grantee task
23 forces. The MVCPA will meet with partner agencies, TxDMV,
24 DPS, and TDLR partner agencies to coordinate activities,
25 intelligence sharing, compliance trends, investigative

1 needs, and reporting, related to the implementation of SB
2 224. Meetings for the first six months are one to two
3 meetings per month. After six months, quarterly as
4 needed.

5 These are subject to change. They are not set
6 in stone. The pace, as we continue, is what we will
7 decide at that point, with the Board's blessing.

8 Records review. Partner agencies will share
9 trends, anomalies, and associated information for the
10 entities regulated by their partner or by their agency.

11 The proposed plan to respond to suspicious
12 activities, identified as suspected criminal violations,
13 toward MVCPA task force law enforcement personnel and
14 TxDPS criminal law enforcement for further investigation.

15 Suspicious activities identified as suspected
16 administrative violations forwarded to TDLR and TxDMV for
17 inspection and follow-up.

18 Suspicious activities, criteria and risk-based
19 factors. The MVCPA will coordinate with partner agencies
20 to identify and implement risk factors that should be
21 incorporated into the implementation plan. This includes:
22 criminal violations, the sale of multiple catalytic
23 converters by one individual or overall transaction
24 volume, sale of catalytic converters involving multiple
25 transactions over a period of time by individuals, past

1 violations, failure to maintain proper records of
2 purchase, sale, or acquisition, public comments, multiple
3 violations, and discrepancies in data.

4 Classification of investigations. The MVCPA
5 will coordinate with partner agencies to establish
6 priority 1 and priority 2 investigation categories.
7 Criteria for each category shall be established through
8 timely and appropriate response to complaints and
9 investigations.

10 Investigation frequency. Investigation will be
11 conducted in accordance with partner agency governing
12 statutes, rules, and agency procedure. Partner agencies
13 will consider leveraging random inspections, complaint
14 based, or an inspection that coincides with license
15 renewal.

16 The SB 224 Plan of Operation implementation
17 considerations, protecting each step in the legitimate
18 stream of commerce. That begins with the removal of a
19 catalytic converter from a motor vehicle and includes
20 recycling those catalytic converters to ensure that the
21 person regulated by the agencies listed are not the means
22 for inserting stolen catalytic converters into the stream
23 of commerce.

24 Providing risk-based targeting and random
25 auditing of the records of persons regulated by the

1 agencies listed. Partner agency needs to discuss and
2 coordinate with the partner agencies to determine staffing
3 and operational funding needs.

4 MVCPA SB 224 Advisory Committee to discuss the
5 feasibility of creating an Advisory Committee to partner
6 with the SB 224 task force agencies, and including MVCPA,
7 TxDMV, DPS, and TDLR.

8 And funding mechanism. Grants, partner state
9 agencies, and grantee task force identifying needs.

10 This is the part -- I guess I am going to pass
11 it to the Chair for any comments, questions, any
12 additions. Mr. Chair.

13 MR. LUNA: Roland Luna, TxDMV. As you can see,
14 what Mr. Pence laid out -- Director Pence laid out, I just
15 want to speak to categorically.

16 He provided an overview of what the bill is.
17 He provided an overview of what our proposed coordination
18 is with the partner agencies, and then how the agencies
19 will respond collectively.

20 At the tail end of his presentation, he talked
21 about some things that are just considerations for this
22 group today. What else do we need to do.

23 So, if you look at it that way, in the
24 components. How we coordinate. How we respond. And
25 then, what still needs to be determined.

1 And this isn't a fully developed plan. This is
2 what we have developed so far. So, if you would think
3 about what he has laid out, there is still some discussion
4 that is required. And I thought that was important to
5 mention before we get into the further details of our
6 discussion today.

7 MR. GONZALEZ: So basically, what you are
8 saying is this thing can be amended. We can add
9 amendments as necessary.

10 And I mean, obviously the full Board has to
11 adopt any plan. But like the Legislature, you know, bills
12 change. And you know -- and they start off as one thing,
13 and they end up as something else.

14 Members, any questions?

15 (No response.)

16 MR. GONZALEZ: All right. We will move on to
17 public commentary.

18 Mr. Bresnen, you have the floor.

19 MR. BRESNEN: All right. Thank you. And
20 again, I apologize for getting out of order there.

21 So, and before each one of you, is a -- I
22 believe it is a two and a half page document that is by
23 review. I look at it as suggested edits to the underlying
24 document.

25 The gentleman, I believe, from Laredo talked

1 about the suggestion was to civilianize compliance checks.

2 This will do that. And we would strongly advocate that
3 each of the regulatory agencies be provided with the
4 personnel to be able to do those checks.

5 My personal belief is those should be civilian
6 personnel, and law enforcement should be reserved, even
7 within the DPS, to doing what law enforcement does.
8 Because I know you are overwhelmed.

9 I am extremely disappointed to hear that the
10 DAs haven't gotten the message in the state. And I am
11 going to ruminate about what might be done about that.

12 We fully acknowledge this is -- this plan is in
13 progress. And we appreciate that, and the opportunity to
14 discuss it. And we would suggest that the language in the
15 Plan of Operation focus on business-to-business
16 transactions.

17 As an example, if PGM of Texas receives a load
18 of catalytic converters from the used auto parts recycler,
19 the trade association represented by my colleague C.J.
20 Tredway, then we know who they got them from. Where we
21 have to make sure that that part -- that person is at a
22 licensed -- in one of those categories that I referenced
23 in the bill, and the volume and the date.

24 That gives TDLR, for example, the ability then
25 to coordinate with the DPS regulatory folks, and go to

1 that used auto parts recycler from which we got the units
2 and to make sure that their records coincide. If there is
3 a discrepancy, somebody has got some explaining to do.

4 And so, it may be clerical error. It may be
5 that no bad actors insinuated themselves into the process.
6 But it is that kind of review that needs to be done in a
7 collaborative agency effort, between the agencies.

8 I make several suggestions for additions. I
9 won't repeat every one of them, because they are in front
10 of you. Please --

11 MS. BENAVIDES: Mr. Bresnen, for the record,
12 your three minutes are up.

13 MR. GONZALEZ: Let's just wrap it up.

14 MR. BRESNEN: Yes, sir. Why don't I just stand
15 wrapped up. I have given you in writing what I would
16 encourage you to do. It is a little more voluminous than
17 three minutes, but it is highly specific.

18 And I would be happy to work with you and your
19 staff, or anybody else in this room. I want to say this
20 again. Come see us in San Marcos, and let us show you
21 what is going on.

22 We can pull on this -- I am going to say. I am
23 sorry. Just one other thing.

24 This bill says that these private sector actors
25 have to maintain the information. It is not in a

1 separate -- it expressly does not require a separate form,
2 or format, or anything. If an automobile dealer has
3 within their dealer management system, which I understand
4 is common, the ability to track these transactions, then
5 they need to be able to work with the DMV, and understand
6 what information and have a procedure with their regulator
7 about how that information will be pulled out of those
8 systems.

9 And so there is some work to do to establish a
10 baseline amongst the licensees of all agencies. I have
11 recommended that that be done in the document that I have
12 provided to you.

13 I would be happy to answer any further
14 questions.

15 MR. GONZALEZ: Thank you for this document.
16 And certainly, it is very detailed. And I mean, it is
17 feedback that we are going to take a look at.

18 MR. BRESNEN: Yes. Sure.

19 MR. GONZALEZ: I would also say, Mr. Bresnen,
20 that I am sure any one of these task forces would be more
21 than willing to take you on a ridealong, and you can kind
22 of see the law enforcement side of the operations.

23 And I think we both have the same goals, right,
24 to address the catalytic converter theft. And so I am
25 glad that you attended this fantastic little workshop that

1 we had, to be able to see things from the practitioners
2 and from the boots on the ground.

3 MR. BRESNEN: You bet.

4 MR. GONZALEZ: From their perspective.

5 MR. BRESNEN: Very impressive. And I will take
6 you up on that. My contact information is on the
7 document.

8 MR. RICHARDS: Mr. Bresnen, this is David
9 Richards, for the record.

10 MR. BRESNEN: Yes, sir.

11 MR. RICHARDS: Just a question for you,
12 regarding the two-year requirement for preservation. Was
13 there a reason why it was only two years, versus say, five
14 years?

15 MR. BRESNEN: I don't recall there being
16 separate request for any number of years. I would
17 speculate that two years probably exists in some of the
18 regulatory statutes for some of these licenses already.

19 I think it is a good business practice. And
20 probably for purposes of the Internal Revenue Service
21 people, are having to maintain records for longer than
22 that, to -- anyway.

23 MR. RICHARDS: Yes, sir.

24 MR. GONZALEZ: Any other questions?

25 MR. PENCE: Mr. Chair, I have one comment.

1 Mr. Bresnen, I appreciate the insight. We are
2 sitting on a divided house. You are looking at the
3 administrative, we are looking at the criminal side.

4 And I think with those two together, it is
5 going to be awesome after this thing gets developed and
6 off the ground.

7 MR. BRESNEN: We are counting on it. This is
8 huge. This is big business.

9 This is important to PGM. It cannot afford to
10 have, and no legitimate actor can afford to have their
11 business under attack by these folks.

12 And I would be remiss if I didn't thank HPD,
13 and specifically, Jessica Anderson at HPD who worked
14 closely with us on the legislation. And also, Jason
15 Hester, who unfortunately got a well-deserved promotion.
16 Because he worked very closely on this too.

17 I am looking forward to working with the team,
18 Keith Miller and Mark Berry and the others on it going
19 forward.

20 MR. RICHARDS: Yes. Thank you very much.

21 MR. BRESNEN: Yes. Thank you.

22 MR. GONZALEZ: Sergeant Roden.

23 MR. RODEN: Yes. Just really food for thought,
24 I guess. I know there is a lot of moving parts about
25 this.

1 But one thing that on this side of the table I
2 have heard repeated is the DA letting people out. We
3 arrest them, and they keep letting them out. And I just
4 want to put out there that that doesn't have to be a
5 recurring theme, just with the DA.

6 I have been in auto theft for over ten years
7 now. And we have worked with several of these agencies.
8 And I don't want that same theme to pass on.

9 If we have a business, a business-to-business
10 contact, and they keep making the same mistakes, we are
11 wasting resources when we call TDLR. And we call DMV.
12 And we call all these resources in and the same ticket
13 that can't be enforced gets written.

14 I feel like if we are going to be able to put a
15 good faith effort into this, there has to be some kind of
16 teeth with the bite. And that we are not spinning our
17 wheels. And these regulatory agencies aren't just
18 becoming the DA to the police officers, that there is a
19 meaning behind what is going on.

20 And not that we are trying to be just, you
21 know, a regulatory agency. That we are really trying to
22 put teeth into what we mean by doing that.

23 One thing that frustrates me is we have a lot
24 of these places, and a lot of these businesses that we
25 have been out and inspected, and all these violations.

1 And what has been done with what we have had.

2 I don't know if this House Bill has improved
3 that authority, where people can go in and write tickets,
4 and do more with what we have. Do you understand what I
5 am saying?

6 MR. BRESNEN: Yes, sir. May I answer his
7 question?

8 PGM advocated, and the Legislature accepted an
9 increase in the penalty for the failure to maintain these
10 records. Added a \$10,000 administrative fine. Before it
11 was -- it would be about \$500 bucks.

12 It is -- the failure to maintain these records
13 can put you in a position of being in an unauthorized
14 possession, which is a state jail felony. And you can --
15 there is a Class A misdemeanor. Obviously, we are back to
16 prosecution there. But on the metals recycling end of
17 things, we have advocated laws that are as strong as
18 horseradish, and we will fully support.

19 In fact, there was a proposal to adopt a
20 penalty matrix that would not have implemented the full
21 \$10,000. That proposal was pulled down. And it is going
22 to be reconsidered by the Public Safety Commission based
23 on the comments of the bill sponsors and ours, and others.

24 And we want the full \$10,000 penalty to be
25 applied so somebody can't be a scofflaw. So we are

1 trying. Certainly, PGM Texas is trying to make it strong,
2 even though we would be in the crosshairs if we mess up.

3 MR. GONZALEZ: Anyone else wish to comment on
4 anything?

5 (No response.)

6 MR. GONZALEZ: Chair hears none. We will not
7 have any closed session.

8 Yessenia, do we have anyone else registered for
9 public comment?

10 MS. BENAVIDES: No, sir. I haven't received
11 any additional comment cards.

12 MR. GONZALEZ: All right.

13 MR. LUNA: Mr. Chairman.

14 MR. GONZALEZ: Go ahead.

15 MR. LUNA: I have one item related to the Plan
16 of Operation that Director Pence laid out. And in
17 preparation for the upcoming GBR Committee meeting, as
18 well as the MVCPA meeting in December, one of the
19 considerations of the plan is to identify needs from
20 partner agencies as well as task forces.

21 I think it would be advantageous for MVCPA and
22 DMV to continue to work with the partner agencies to
23 identify whether it is -- from a resource standpoint, if
24 it is funding prosecutors, if it is funding additional
25 FTEs, whether they are commissioned, or non-commissioned

1 LPRs. But those resources that are needed specifically to
2 combat catalytic converter thefts and associated crimes as
3 something that we can continue to work with partner
4 agencies on, and our task forces in advance of their
5 Committee meeting.

6 And we could present something at the GBR
7 meeting next month, with your consideration, sir.

8 MR. GONZALEZ: Yes. No, I completely agree. I
9 wouldn't have issues with that. I think that is a
10 fantastic idea. I don't know if we can -- it is a bit of
11 a tight timeline, so it would probably have to be via Zoom
12 or something.

13 But if we can put that together, Director
14 Pence, that would be great.

15 MR. PENCE: Yes, sir.

16 MR. GONZALEZ: Anyone else up for comments?

17 MS. BENAVIDES: No, sir.

18 MR. GONZALEZ: All right. Hearing none, then
19 we will adjourn this SB 224 workshop.

20 Thank you all for coming.

21 (Whereupon, at 11:17 a.m., the workshop was
22 concluded.)

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C E R T I F I C A T E

MEETING OF: MVCPA board workshop
LOCATION: Dallas, Texas
DATE: November 20, 2023

I do hereby certify that the foregoing pages, numbers 1 through 89, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Elizabeth Stoddard before the Texas Department of Motor Vehicles.

DATE: November 29, 2023

/s/ Carol Bourgeois
(Transcriber)

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