

January 27, 2008

Robert A. Okuda, MGR  
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House of Representatives  
Committee on Consumer Protection & Commerce

**Testimony in support of HB 2589**

To the honorable members of the CPC committee:

I am very grateful for the opportunity to testify on this bill. Since the passing of HB 1246 and putting Act 197 into effect in 2007, we have not experienced a decline in the theft of copper and other scrap metals with value. Scrap metal means copper, brass, aluminum, stainless steel and others with value. For example, there were highways that had underground insulated copper wire stolen in large quantities on two separate occasions in the last five months. Schools, churches, businesses and homes continue to suffer property damage and financial grief from this type of theft. It is our understanding that this type of theft is very difficult to prosecute against.

The underlying reason why thieves steal copper is the access to cash. "Fast cash" payments are the norm in the scrap metal recycling business. There are only six recyclers who buy copper on Oahu and we compete with each other for business. Competition forces us to give into paying with cash. Most of our transactions come from people and businesses involved with construction and demolition. "Cash" has always been our way of business and we only pay by check when it is requested by the customer.

Thieves gravitate to the opportunity to get cash. Please help us transform this industry into a more respectable one by making it unlawful to pay for scrap metal in cash. Payment by checks will slow the payment process and also create more audit trails that could help law enforcement in their investigations.

However, there are some items that will be too harsh and burdensome to our operation. We kindly ask that on page 3 in subsection (g) line 9 and 10 that says "issued no sooner than five days after the purchase, which shall be mailed to the seller." be omitted from the language. We strongly feel that payments by check will be a sufficient addition to the current requirements detailed in HRS 445-233.

Thank you for this opportunity.

Sincerely,

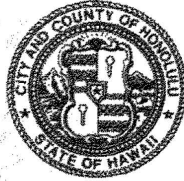


Robert A. Okuda

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OUR REFERENCE KK-MK

## LATE TESTIMONY

January 29, 2008

The Honorable Robert N. Herkes, Chair  
and Members  
Committee on Consumer Protection  
and Commerce  
House of Representatives  
State Capitol  
Honolulu, Hawaii 96813

Dear Chair Herkes and Members:

Subject: House Bill No. 2589, Relating to Scrap Metal

I am Major Kurt Kendro of District 5 (Kalihi) of the Honolulu Police Department, City and County of Honolulu. I had testified in support of this bill at the committee hearing held on Monday, January 28, 2008.

The Honolulu Police Department supports House Bill No. 2589, Relating to Scrap Metal. This bill would require that scrap dealers pay sellers of scrap metal only by check issued no sooner than five days after the purchase.

Many copper thieves are looking for instant payment. Requiring payment by check to the seller may help to deter copper theft. This payment method is being used in other states across the nation.

As stated in my verbal testimony, the Attorney General, the Honolulu Police Department, the Department of the Prosecuting Attorney, and representatives from Schnitzer Steel Hawaii Corporation agreed that the wording contained in House Bill No. 2589 should be changed to read as follows:

- (g) If the scrap dealer purchases any copper, the scrap dealer shall pay the seller only by check, issued no sooner than five days after the purchase, which shall be mailed to the seller. If the scrap dealer is purchasing any other scrap metals, the dealer shall pay the seller only by check.

This wording would allow legitimate sellers of copper for recycling to be compensated in a timely manner and provide a deterrent to persons who are stealing copper in an attempt to obtain instant payment.

*Serving and Protecting With Aloha*

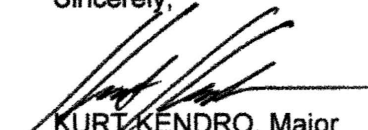
The Honorable Robert N. Herkes, Chair  
and Members

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We urge your support in passing House Bill 2589, with the recommended change.


Thank you for the opportunity to testify.

Sincerely,



KURT KENDRO, Major  
District 5

APPROVED:



BOISSE P. CORREA  
Chief of Police