

**STATEMENT OF INSPECTOR ROBERT LAPOLLO  
NEW YORK CITY POLICE DEPARTMENT**

**BEFORE THE NEW YORK CITY COUNCIL  
COMMITTEES ON CONSUMER AND WORKER PROTECTION  
AND PUBLIC SAFETY**

**COMMITTEE ROOM  
250 BROADWAY, 16<sup>th</sup> FLOOR  
OCTOBER 20, 2022**

Good morning Chair Velasquez, Chair Hanks, and members of the Council. I am Inspector Robert LaPollo, the Commanding Officer of the NYPD's Auto Crime Unit. I am joined here today by Michael Clarke, the NYPD's Director of Legislative Affairs, Michael Tiger and James Hurst, from the Department of Consumer and Worker Protection. On behalf of Police Commissioner Keechant L. Sewell, I am pleased to testify before your committee regarding Intros. 525-A and 759 under consideration today and the growing problem of catalytic converter theft.

The theft of catalytic converters has become nothing short of an automotive epidemic over the last few years. In 2018, there were 1,298 reported thefts of catalytic converters in the United States. In 2019, there were 3,389. In 2020, the number jumped to 14,433, and in 2021, there were more than 52,000 such thefts. That is more than a 3,900% increase nationwide since 2018 and, unfortunately, there is no sign that this is slowing down. In New York City, we have experienced a similar spike. In 2018, 198 catalytic converters were stolen, in 2019 it was 211, in 2020 it was 802, and in 2021 it was 3,705, a 1,771% increase from 2018. So far this year, there have been 7,334 such thefts as compared to 2,285 at the same point last year, a 220% increase.

The significant increase in thefts is driven largely by the surging value of three metals that are found in catalytic converters: rhodium, palladium, and platinum. At the beginning of 2018 rhodium cost about \$1,700 per ounce, palladium cost about \$1,000 per ounce and platinum was just under \$1,000 per ounce. At their peak, rhodium was worth as much as \$29,000 per ounce; palladium, \$3,400 per ounce; and platinum, over \$1,300 per ounce. Today, rhodium sells for nearly \$14,000 per ounce, palladium sells for a little more than \$2,000 per ounce and platinum sells for just under \$1,000 per ounce. At these prices, the financial incentive simply has become too great, with unethical scrap yards and other buyers paying \$250 or more for one catalytic converter.

Stealing catalytic converters is not difficult. Thieves use commonly available power tools to extract the catalytic converter from the underside of a car. For only a few minutes of work, thieves earn hundreds of dollars while victims pay thousands. Crude extraction methods cause substantial damage to the car, costing victims thousands to repair, on top of the substantial cost to replace the catalytic converters.

These crimes are also difficult to solve. Most catalytic converters lack unique identifiers. As a result, they are all interchangeable; making it impossible to prove that a converter sold to a scrapyard is the same converter that was stolen from a victim's car.

Prior to turning my attention to the bills being heard today, I would like to thank the Council for your help in deterring these criminals from victimizing hardworking New Yorkers.

**Intro. 525-A** would require that second-hand dealers, or anyone who purchases catalytic converters for commercial use, collect information on the vehicle that it was removed from as well as proof that the seller either owns the vehicle or was otherwise authorized to remove the catalytic converter. Records of these transactions must be maintained for at least five years.

The Department supports the intent of this legislation and we look forward to working with the Council to pass the most effective version of this bill. Increased record-keeping is, of course, welcome and would assist in deterring catalytic converter thefts. Requiring proof of ownership and long-term record-keeping will limit the purchase and sale of stolen catalytic converters, and we have seen similar pawn shop and secondhand dealer local record-keeping requirements provide a strong deterrent to the purchase and sale of other types of stolen property at these establishments. Additionally, this bill would align with the goals of Chapter 574 of the Laws of 2022, signed earlier this week by Governor Hochul, which requires increased record-keeping by vehicle dismantlers and scrap yards when purchasing a catalytic converter.

**Intro. 759** would require the NYPD and the Department of Transportation to establish a program to distribute etching kits in order to enable vehicle dealers to etch unique identifiers on catalytic converters. It would also require that the department distribute etching kits to the public and assist in using such kits. Finally, it would require that the department engage in outreach, informing the public of the efforts to curb catalytic converter thefts.

The existence of unique identifiers on items that are susceptible to theft is a powerful tool, which enables law enforcement to identify and trace stolen property. For several years, the Department has offered such a service for items prone to theft, such as smart phones and laptop computers, bikes, and on car windows free of charge. In October, the Department began our own catalytic converter etching pilot program in Queens, with further initiatives in Brooklyn, Staten Island and Manhattan. Tomorrow, we will host a catalytic converter etching event in the Orchard Beach parking lot in the Bronx from 12 p.m. to 4 p.m. Officers etch a unique code on a person's catalytic converter at no cost to members of the public. So far, the department has provided etching for nearly 2,000 vehicles. Having a unique identifier on the catalytic converter assists our investigators in linking a person who sold a converter to the theft of the converter. As the etching program expands, so too will our ability to identify the criminals driving the spike in converter thefts. Currently, the Department is exploring expanding this pilot to make it a citywide program available in every precinct provided that additional funding is made available to support this initiative.

Total reliance on the NYPD to conduct etching is an imperfect method to get the roughly 3,000,000 registered vehicles in this city etched. As such, it is important that we collectively explore, whether the solution lies in city, state or federal law, additional touch points where catalytic converters can be etched. The NYPD stands ready to do its part in combatting these thefts and we look forward to continuing to work with the Council to address this issue.

Thank you for the opportunity to speak before you today, and we look forward to answering any questions you may have.

**Testimony of General Counsel Michael Tiger  
New York City Department of Consumer and Worker Protection**

**Before the Committees on  
Consumer and Worker Protection and Public Safety**

**Hearing on  
Secondhand Auto Dealers and Theft Prevention  
& Introduction 525**

**October 20, 2022**

***Introduction***

Good morning, Chair Velázquez, Chair Hanks, and members of the Committees. My name is Michael Tiger, and I am General Counsel at the Department of Consumer and Worker Protection (DCWP). Today, I am joined by DCWP's Deputy Commissioner for Enforcement, James Hurst, and our colleagues from the New York City Police Department (NYPD). Thank you for the opportunity to testify today on Secondhand Auto Dealers and Introduction 525, relating to the purchase of catalytic converters.

***Sale of Used Goods***

DCWP licenses Secondhand Auto Dealers (SHADs), which are businesses selling used automobiles, and Secondhand Dealers – General (SHDG), which are businesses that sell second-hand articles, such as a catalytic converter. A licensed SHAD does not need an SHDG license if it only sells used cars.

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

Separately, there are currently 3,915 businesses holding SHDG licenses. This includes 140 licensed SHADs who also hold an SHDG license to allow them to sell used goods, other than used automobiles, such as a used catalytic converter. Since 2018, we have received 216 complaints regarding SHDGs, conducted 10,254 inspections, issued 1,605 violations, and recovered more than \$1 million in restitution and civil penalties.

Both the SHAD and SHDG licenses include explicit recordkeeping requirements for the dealer. Specifically, any licensee buying or selling a secondhand article must keep a written record of

the transaction, including a description of the item sold and information about the person from whom the purchase or sale was made.<sup>1</sup> Additionally, a SHAD licensee selling a vehicle must record its Vehicle Identification Number (VIN), the details about its removal from the dealership, the driver license information of the purchaser, and the address to where the vehicle was removed, among other required records.<sup>2</sup> Licensees must share records about these purchases with the NYPD and other law enforcement agencies at their request.<sup>3</sup>

### ***Introduction 525***

Today's legislation is aimed at preventing the theft of catalytic converters, which, as you will hear from our colleagues at the NYPD, has markedly increased in recent years. Introduction 525 would require SHDG and SHAD licensees that purchase a catalytic converter to obtain information about the vehicle from which the catalytic converter was removed and a copy of documentation proving ownership of the vehicle or the part from the seller. This information would have to be made available to DCWP, NYPD, and the Fire Department upon inspection.

DCWP supports this legislation to the extent that NYPD believes its passage will aid their investigations by enabling the City to better track instances of catalytic converter theft. We look forward to working with Council during the legislative process on this bill.

### ***Conclusion***

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

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<sup>1</sup> See [New York City Administrative Code § 20-273\(a\)](#)

<sup>2</sup> See [New York City Administrative Code §§ 20-268.5, 20-273\(d\)](#)

<sup>3</sup> For SHAD recordkeeping, see [New York City Administrative Code §§ 20-268.5, 20-273\(a\), \(d\), and \(e\)](#).

Electronic records of vehicle sales are kept on the VERIFI database.

For SHDG recordkeeping, see [New York City Administrative Code § 20-273\(a\), \(b\), \(c\), and \(e\)](#). As determined by NYPD, electronic records of certain secondhand good sales are kept on the LeadsOnline database.



PUBLIC ADVOCATE FOR THE CITY OF NEW YORK

# Jumaane D. Williams

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**TESTIMONY OF PUBLIC ADVOCATE JUMAANE D. WILLIAMS  
TO THE NEW YORK CITY COUNCIL COMMITTEE ON CONSUMER AND  
WORKER PROTECTION  
OCTOBER 20, 2022**

Good afternoon,

My name is Jumaane D. Williams, and I am the Public Advocate for the City of New York. I would like to thank Chairs Velázquez and Hanks, as well as the members of the Committees on Consumer & Worker Protection Committee and Public Safety holding this hearing.

The bills introduced today are a necessary step in curbing auto part theft in New York City. Int 0759 provides the tools available to protect car owners from theft, and distributing etching kits will help curb catalytic converter theft. Tens of thousands of New Yorkers live in areas underserved by public transportation and have to travel by car. New Yorkers should not worry about their cars being ransacked and parts being sold. Furthermore, businesses that deal in illegal auto parts should be held accountable, and Int 0525 provides the framework to do just that.

However, I have some concerns as to the execution of the bills. The auto part market online has exploded, with 8.1 billion dollars in sales conducted in 2022 <sup>1</sup>. If the same regulations are not applied to the online market as the in-person secondhand auto market, then the sale of illegal auto parts will simply move completely online. There should be broad regulations as to the sale and distribution of catalytic converters, to apply online.

The steps taken by the Consumer & Worker Protection Committee will prevent auto part theft, and I hope that the committee will look at additional steps and amend the bills to further curb auto part theft.

Thank you.

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<sup>1</sup><https://www.ibisworld.com/industry-statistics/market-size/online-automotive-parts-accessories-sales-united-states/#:~:text=The%20market%20size%2C%20measured%20by,is%20%248.1bn%20in%202022.>

## **TESTIMONY OF CITYMEALS ON WHEELS**

**Before the New York City Council Public Safety Committee  
Honorable Kamillah Hanks, Chair**

**Oversight - Secondhand Auto Dealers and Theft Prevention  
October 20, 2022**

**Submitted by:  
Citymeals on Wheels**

**Prepared by:  
Vik Bensen, Policy Analyst**

Good afternoon, my name is Vik Bensen and I'm the Policy Analyst at Citymeals on Wheels. I would like to thank the Council for holding this important hearing on catalytic converters, a pressing issue for nonprofit service providers relying on specialty vehicles. Citymeals works in partnership with the City and the network of home-delivered meal (HDM) providers funded by the Department for the Aging (DFTA) to fill a significant gap in its home-delivered meals program by funding the delivery of meals on weekends, holidays, and emergencies to homebound older adults alongside additional supplemental feeding and social connectivity services. In addition, we are the only organization providing home-delivered emergency meals to older New Yorkers citywide.

We appreciate the attention being paid to catalytic converter theft, which is affecting service providers across the City including home-delivered meal providers and older adult centers which have reported repeated thefts of their catalytic converters. When a delivery truck or transportation van has its catalytic converter taken, because the part controls emissions, vehicles can still drive but they are no longer able to be on the road and replacing it will be a time-consuming and costly process for the provider. Truck repairs are already a frequent and extreme cost burden on home-delivered meal providers, with maintenance costs for the

specialty vehicles straining their contract funds. Frequent catalytic converter theft adds to this burden and increases the service interruptions for vulnerable HDM recipients. Any time a truck is out of commission for repairs, the meals delivered by that truck must be delegated to other delivery routes creating longer days for the deliverers already engaged in strenuous work, and longer wait times for hungry recipients. Some of the older adults we serve rely on the timeliness of their meals to take their medication with food; when 14% of HDM recipients can access only their one provided meal per day, it is vital to minimize delays in service especially from preventable or addressable problems.

Older adult centers have also reported thefts from their transportation vehicles, which has significantly impacted their service offerings. Programs that have only recently resumed regular in-person activities and trips through their centers are now forced to cancel them when converters are stolen. These large transportation and specialty delivery vehicles are a target because their bigger engines require bigger and more valuable catalytic converters. These bills would encourage and enforce proper sourcing for catalytic converters, which will help deter theft and thereby ease one of the burdens that comes with specialty truck maintenance for HDM providers. However, they do not address an important point of vulnerability for nonprofit service providers regarding these thefts: the lack of reliable parking for their provider vehicles.

While home-delivered meal programs are largely funded through City dollars, their contracts do not include adequate provisions or funding to maintain the infrastructure required to run them. When programs do not have a secure place to park their vehicles, they become more susceptible to theft especially when left on the street overnight. Even programs parking in gated, open air lots facing the street have had issues with catalytic converter theft. We have heard reports from programs across the city about catalytic converter theft and accompanying issues that largely correspond to their lack of secure parking. It's straightforward—programs with a secure place to park their vehicles face fewer thefts, damage, and

other obstacles to providing their contracted services. We know that several programs must rely on street parking and others on less-secure open-air parking lots. One program in Manhattan has struggled with both catalytic converter theft and prohibitive repair costs leaving many trucks unusable and the program dependent on rented vans from private companies, which is not a reliable way to provide a critical service. On Staten Island another senior services program has had 6 converters stolen from senior center transportation vehicles, which still have not been replaced due to repair wait times and prohibitive costs. A program in Queens has experienced similar theft from their gated street facing lot with 2 transportation vans having converters stolen in recent months; another Queens service provider with no reliable parking lot has needed to park on the street for the last few years, triggering neighborhood backlash that included stealing the catalytic converters and physically damaging and vandalizing the vehicles. Some programs have parking on site (although they range in level of security) or rely on street parking and parking relationships in their communities. For example, they might arrange to park for free or a discounted rate at a local church or school lot, while others pay market rates for commercial spots. With no support from the City to secure parking, programs are left to unevenly manage this necessary part of their operations on their own.

Given that the City recognizes the critical importance of providing home-delivered meals and transportation services for older adults with limited mobility, it stands to reason that it should also provide adequate support and funding to ensure the proper maintenance of the infrastructure required to operate these programs. Vehicle security and maintenance are not an optional part of running these vital programs. Moreover, it is not cost-efficient to fund the purchase of vehicles without attending to their security and maintenance. In many situations, all costs of operations are included in the DFTA reimbursement rate of \$11.78 per meal: food procurement, equipment and supplies, staff wages and benefits, space, and specialty vehicle storage and maintenance. Including all costs under this



reimbursement rate means outsized costs, like truck parking and repairs, are a major strain on contracted funds. When average meal costs range between \$3-6 per meal, there is not much room left in budgets to support all the infrastructure needed to support the home-delivered meals program. The lack of adequate funds to cover repairs and replacements of costly parts like catalytic converters means trucks that are repairable often sit unused until enough funds are available to fix the vehicles—one Bronx provider relayed that only 10 of their 17 vehicles are functioning because repair costs are prohibitively expensive. Additionally, while the recent city funds authorized for the purchase of 44 new vehicles for the HDM network are a much-needed investment, there is a long delay in securing new hotshot vans because there is only one vendor selling them. Many providers will have long wait times (10 months in one case) to receive the hotshot vans they can purchase through these funds. Because these service vehicles are targets for catalytic converter thefts, and because of these challenges in repairing or replacing them, more is needed to ensure that they are protected.

We see how providers with an adequately secure space to park, whether that is on-site or through relationships with other organizations in their community that have space, have far fewer instances of catalytic converter theft, vehicle damage, or break-ins, and thus fewer service interruptions and lower repair and maintenance costs. So while we support these bills, we also ask that the council consider additional actions to ensure that City-contracted programs like HDM receive the proper infrastructure support, including in this case, secure parking to combat the underlying security issues facilitating catalytic converter theft, as well as other damage and break-ins that routinely occur.



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New York, NY 10019  
646-726-4299

My name is Jeremy Kaplan and I am the executive director of Encore Community Services, a nonprofit that serves older adults throughout the city, with Home Delivered Meal (HDM) programs concentrated along the West Side of Manhattan. Our Home Delivered Meal program provides almost ten thousand nutritious meals a week to older adults who cannot leave the home and we were even contracted by the city to administer recovery meals across three boroughs during the pandemic. We are experts in this space.

Any law designed to de-incentivize theft of catalytic converters is something we fully support. While we at Encore have not specifically experienced theft of any of our catalytic converters, because we are fortunate enough to have secured garages near our center, the prospect of such a thing happening is frightening.

We have close relationships to other HDM programs around the city. And I have heard from several other providers that this has been a challenging issue. The prospect of a stolen catalytic converter would have a devastating impact on operations. Having to take these thefts into consideration, especially in underserved areas or locations that do not have guarded garages is a major problem.

When a converter is stolen, it costs an HDM provider, and the city, thousands of dollars to get them replaced, an expense that could be used to provide more meals, or to better compensate essential staff members. The cascading effect can result in operational challenges as there are fewer available vans to put onto the street. But the meals still have to get delivered, so that means other drivers are going the extra mile to make up for those routes. That also leads to delays in those home deliveries, meaning older adults have to wait that much longer for what is sadly often their only meal of the day.

If this bill becomes law, it would immediately reduce the number of catalytic converter thefts because it would make them virtually impossible to re-sell when they are stolen. We are grateful to Council Member Brewer and the bill's other sponsors for responding quickly and creatively to a troublesome trend after it was brought to their attention.



New York Independent Automobile Dealers Association (NYIADA)  
565 Hunts Point Ave  
Bronx NY 10474  
October 24, 2022

Dear Committee on Consumer and Worker Protection, Committee on Public Safety

My name is Paula Frendel, and I am the Executive Director of the New York State Independent Auto Dealers Association (NYIADA), a non-profit organization representing the 3,400 used auto dealers throughout New York. Our mission is to promote, educate and advance the independent motor vehicle dealer. We are affiliated with the National Independent Automobile Dealers Association (NIADA), representing over 34,000 used car dealers nationwide. NIADA is one of the most significant trade associations nationwide in the used motor vehicle industry. We subscribe to a strict code of ethics to take care of customers now and in the future.

We are submitting our comments regarding INT 525/759 and would like to open future discussions regarding regulations for used car dealers requiring them to have pre-licensing and continuing education.

**INT.525** We request language be **added to the bill** "The dealer is not responsible for any erroneous information obtained by the seller when purchasing a catalytic converter."

**Concerns:**

1. How can you verify that everything is authentic, and can you tell the difference between a ford 150 cat converter and one from a Prius?
2. What verifies its authenticity? Does the document need to be notarized or signed by someone besides the owner/seller?

**INT.759**

1. It seems unclear if the dealers must do the etching or receive the kits.
2. Is there a timeframe for the public to etch this?
3. Is there a way to verify the etch is from the same kit provided to the public? What happens if the etching is removed?
4. How can you track the equipment to ensure it's authentic?

I look forward to working together for a solution that protects both the public and the independent dealer.

Is there a time upcoming that would work well to discuss this issue and a new proposed regulation for pre-licensing and continuing education for used car dealers?

Thank you for your consideration,

Paula Frendel  
Executive Director  
NYIADA  
Nyiada.pfrendel@gmail.com

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 10/20/22

(PLEASE PRINT)

Name: # Director Michael Clarke

Address: 1 Police Plaza

I represent: NYPD

Address: 1 Police Plaza

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Inspector Robert LaPallo

Address: 1 Police Plaza

I represent: NYPD

Address: 1 Police Plaza

Please complete this card and return to the Sergeant-at-Arms

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THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 525 Res. No. \_\_\_\_\_

in favor  in opposition

Date: 10/20/22

(PLEASE PRINT)

Name: Michael Tiger

Address: 42 Broadway

I represent: NYC DCWP

Address: 42 Broadway, NY, NY 10004

Please complete this card and return to the Sergeant-at-Arms

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THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 525 Res. No. \_\_\_\_\_

in favor  in opposition

Date: 10/20/22

(PLEASE PRINT)

Name: James Huost

Address: \_\_\_\_\_

I represent: DCWP

Address: 42 Broadway

Please complete this card and return to the Sergeant-at-Arms