Agenda – Executive Policy Committee – March 13, 2023

REPORTS

Item No. 12 Response to Catalytic Converter Thefts and Resale of High-Value Precious Metals

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That this report be received as information.

DECISION MAKING HISTORY:

COUNCIL DECISION:

On June 23, 2022, Council concurred in the June 15, 2022, recommendation of the Executive Policy Committee and adopted the following:

1. That the Winnipeg Public Service report back to Council within 180 days on a menu of options in response to the wave of catalytic converter thefts in Winnipeg, including but not limited too a catalytic converter task force to respond in a specialised way to the crisis.

2. That the Winnipeg Public Service call on the Federation of Canadian Municipalities and the Association of Manitoba Municipalities to discuss a coordinated response among municipalities, provincial and federal governments to the resale of high value precious metals which are economical to transport long distances for processing.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Response to Catalytic Converter Thefts and Resale of High-Value Precious Metals

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
W. Yee	C. Fernandes	N/A	M. Jack

EXECUTIVE SUMMARY

This report provides Council with information on a number of existing initiatives related to actions that have occurred to address catalytic converter thefts in Winnipeg. Those initiatives have resulted in a significant decrease in catalytic converter thefts. Organizations involved include the Winnipeg Police Service, Community By-law Enforcement Services, Manitoba Public Insurance, and the Province of Manitoba.

RECOMMENDATIONS

That this report be received as information.

REASON FOR THE REPORT

On June 23, 2022, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the Winnipeg Public Service report back to Council within 180 days on a menu of options in response to the wave of catalytic converter thefts in Winnipeg, including but not limited to a catalytic converter task force to respond in a specialized way to the crisis.

2. That the Winnipeg Public Service call on the Federation of Canadian Municipalities and the Association of Manitoba Municipalities to discuss a coordinated response among municipalities, provincial, and federal governments to the resale of high-value precious metals which are economical to transport long distances for processing.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no financial implications to receiving this report as information.

HISTORY/DISCUSSION

With the growth of catalytic converter thefts over the last couple of years, the Winnipeg Police Service, the City of Winnipeg, Manitoba Public Insurance, and the Province of Manitoba have been working cooperatively in combating catalytic converter thefts in Winnipeg and the Province of Manitoba. The following are a number of initiatives that have occurred over the last number of years.

May 2020 – Changes were made to the Community Safety Business Licensing (CSBL) By-Law 91/2008, formerly the Doing Business in Winnipeg By-law (DBIW), that added dealers in scrap metals requiring them to obtain a business license. Various regulations to the operational activities of dealers in scrap metal were added, including the requirement of photo identification of sellers, as part of the Methamphetamine and Illicit Drugs - Action Plan, specifically catalytic converters and other precious metals.

July 2021 – Additional changes were made to the CSBL By-law, removing some obligations on dealers in scrap metal to be eased or relaxed so that records are no longer needed unless it involves the acquisition of high value metals including copper, platinum, palladium, rhodium or brass metal found in catalytic converters.

The Amendment to Scrap Metal Dealers within the CSBL By-law was made to resolve issues that had been raised by stakeholders following the adoption of adding Scrap Metal Dealers requirements into the CSBL By-Law on May 29, 2020. This includes:

- With the exception of bike parts and high value metals as identified below, remove the conditions to record “serial numbers, make, model number, and manufacturer’s name of any manufactured used goods acquired” and detailed statements of any writing and engraving and any other distinctive marks, due to the large amount of material received that make it impossible to comply with the current by-law.
- Adding a section specific to Scrap Metal Dealers pertaining to acquisition of items for records retention that provide greater seller details when items sold include: high value metals such as copper, platinum, palladium, rhodium, or brass.

Scrap metal dealers receive a large number of materials on a daily basis, much of which is indistinguishable, making it difficult to comply with by-law requirements imposed in May of 2020. The changes that occurred in July 2021 reflected the operational reality of these businesses, focusing on items which are more desirable to be sold through criminal activity, such as catalytic converters and precious metals as outlined above.

July 18, 2022 – The Manitoba Government Scrap Metal Act (Bill 9), and its corresponding Scrap Metal Regulations came into force, as part of their comprehensive plan to address the increasing problem of metal theft, particularly of catalytic converters (see Appendix A).

Under the new framework, dealers must record the details of their transactions related to scrap metal, defined as a used item made of aluminum, brass, bronze, copper, iron, lead, steel, stainless steel, tin, or prescribed metal or alloy. Transactions involving restricted items, such as catalytic converters, have even more stringent rules. This Bill enables law enforcement to conduct inspections to determine compliance. Penalties are established for contravention of the Act or the regulation.

In addition to record-keeping requirements for general scrap metal, any transactions involving restricted items must also include photographs that provide details to identify the item. Records must be provided to local law enforcement agencies within seven days.

The Catalytic Converter Identification Act (Bill 232) also came into effect, requiring scrap metal dealers who purchase a catalytic converter with a vehicle identification number (VIN) on it, to record that number and provide it to the police and Manitoba Public Insurance. The Bill also requires motor vehicle dealers to mark the VIN for every vehicle sold by the dealer on the vehicle's catalytic converter.

In addition to the new Acts, Winnipeg Crime Stoppers received funding supplied by Criminal Property Forfeiture to develop a program "Save your Cat." The program implemented projects with auto service centres to combat the theft of catalytic converters by marking and having catalytic converters engraved with a VIN. With an engraved VIN, police are able to trace the rightful owners of recovered converters, and individuals with illegally obtained converters can now be charged for being in possession of stolen goods. Currently, 50 service centres in Winnipeg will offer to apply the theft deterrent free of charge while the car is being serviced.

Manitoba Public Insurance continues to work with law enforcement agencies and the Manitoba Criminal Intelligence Centre, and is developing a public awareness initiative that will include further theft prevention advice.

Data on New Measures:

One challenge identified by the Winnipeg Police Service prior to Bill 9 coming into force was having a By-Law within Winnipeg under the CSBL By-Law, but no rules and regulation for scrap metal dealers outside the City limits – making it difficult to identify where purchases of stolen items were occurring.

In June 2022, Winnipeg Police made two arrests after a four-month-long investigation into catalytic converter thefts being sold to a scrapyard in Springfield, Manitoba that was knowingly purchasing stolen items. Since the arrests and the new Acts coming into force, the Winnipeg Police Service reports that thefts of catalytic converters have decreased significantly.

Statistics from the Winnipeg Police Service, below, show that reported catalytic converter thefts have plummeted since the Scrap Metal Act and related regulations came into force (also see Appendix B and C for news releases).

The catalytic converter engraving program project has also contributed to these efforts; as of September, over 500 catalytic converters have been engraved.

Current Statistics:

2022	Total # of Catalytic Converter Thefts
Jan	186
Feb	219
Mar	280
Apr	353
May	283
June	122
July	78
Aug	31
Sept	19
Oct	48

With the combination of the various projects outlined in this report, ongoing police enforcement, the new Scrap Metal Acts, and changes to City's By-Laws, thefts reported to the WPS have plummeted. At this time, the Public Service and the WPS advise that a specific task force is not required, and the continued efforts of the various initiatives outlined in this report continue to address the issues regarding catalytic converter thefts in Winnipeg.

FINANCIAL IMPACT

Financial Impact Statement **Date:** January 27, 2023

Project Name:
Response to Catalytic Converter Thefts and Resale of High Value Precious Metals

COMMENTS:

There are no financial implications associated with this report as the report is to be received as information.

Ozzy Garrett CPA, CGA - January 27, 2023
Ozzy Garrett CPA, CGA
Acting Manager of Finance
Community Services Department

CONSULTATION

This Report has been prepared in consultation with:

- Winnipeg Police Service

OURWINNIPEG POLICY ALIGNMENT

OurWinnipeg

01-2a Collaborate to make safe communities.
Direction 6: Take a broad-scaled, complete and collaborative approach to crime prevention.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to any of the Strategic Opportunities and Key Directions in the Climate Action Plan and it was determined that the Plan is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to any of the specific Goals and Objectives in the Poverty Reduction Strategy (PRS), as well as the corresponding 2021-2023 Implementation Plan, and it was determined that the Strategy is not applicable to this specific report.

SUBMITTED BY

Department: Community Services
Division: Community By-law Enforcement Services
Prepared by: Terry Cormier, Licensing Coordinator
Date: January 30, 2023
File No: CMS-2023-4

Attachments:

Appendix A – Manitoba Government News Release, Regulations Come Into Force

Appendix B – Manitoba Government News Release, Theft Rates Plummet

Appendix C – Winnipeg Police Service News Release, Catalytic Converter Update