



Some Recommendations Regarding Catalytic Converter Parts Marking Programs in General and Post-Vehicle Assembly Marking Programs in Particular

August 20, 2022

The National Salvage Vehicle Reporting Program (NSVRP) applauds your efforts to help reduce the current epidemic of catalytic converter thefts plaguing California and the rest of the country. We believe your proposed legislation can have a significant impact on reducing the problem, however we respectfully suggest you consider making some changes to the legislation to address some critical loopholes in the process that are likely to enable criminal entities to largely avoid the intended protections that the legislation is designed to provide the public.

The National Salvage Vehicle Reporting Program was established at the request of the US Department of Justice in 2008 to help support the public interest and lessen the burdens of government. Our organization is a 501 C (3) not for profit, whose board is composed of official representatives from a select number of local, state and federal agencies and we provide support for all issues related to commerce in used and salvage vehicles. We have written standards that are used by multiple federal agencies, and are cited in multiple federal rules.

If you look at the NSVRP.org website, you will find a page devoted specifically to catalytic converter theft including a detailed review of its causes and ways to help mitigate the problems. We also are working on programs to actively help support the reduction in the problem from both a policy and operational level. Just in the past week, there are two significant law enforcement operations that will have helped (temporarily) reduce the problem in California, however that will not be a long-term solution. One was the breakup of a major theft ring based out of Oregon that was pulling and processing roughly 85,000 stolen converters – primarily from the west coast, and a second one in Fremont California which was a hybrid operation mixing legitimate and stolen converters through a metal processing business.

<https://fox17.com/news/local/case-highlights-multi-million-catalytic-converter-theft-scheme-these-are-cars-targeted-usa-news-crime-alertnest>

<https://www.fremontpolice.gov/Home/Components/News/News/1302/312>

If you look at the pictures of the Fremont operation you will see piles of converters – some legit and some which are stolen. When an investigation operation uncovers this kind of catalytic converter problem it raises the issue of proving that converters are stolen. Since converters stolen from an otherwise non-stolen vehicle cannot be easily flagged, the need for an effective marking program is paramount. Unfortunately, just etching a VIN on the converter is not going to be an effective solution because if you think like a thief you will see an easy way to circumvent this kind of a program and use it to your advantage.

Please picture how a theft ring such as the one in Fremont could easily use this to their advantage. All they need to do is take those stolen converters – if they were not already marked – and take any non-stolen VINs or even a VIN from an already scrapped vehicle, and etch those clean VINs randomly on the stolen detached catalytic converters. Getting clean VINs is easy – they are listed on line as part of used car listings, checking VIN lookups on Carfax or just looking at VIN labels in a parking lot. Any VIN will do. Once the theft ring etches a good VIN on the converter there is no protective value gained from etching an unsecured VIN on a converter because when looking at a detached converter you cannot tell if the VIN on the converter is associated with that original vehicle or was just randomly assigned an etched VIN after the fact.

The National Salvage Vehicle Reporting Program (NSVRP) is a not-for-profit 501 (C) (3). The organization was founded to support law enforcement and to promote and support efforts to advance the National Motor Vehicle Title Information System (NMVTIS). NSVRP's mission is to support initiatives to control auto-theft and title abuse. NSVRP's Board of Directors consists of representatives of major law enforcement groups. The US Department of Justice has applauded NSVRP for developing reporting standards for NMVTIS reporting and has strongly encouraged the operator to adopt these standards as suggested voluntary compliance standards. NSVRP has been recognized both by the Department of Justice and the FBI for 'Exceptional Service in the Public Interest' for its public policy efforts.

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On the other hand, there are programs operating in NY (NYPD), Minnesota (Minnesota Criminal Fraud Bureau), Colorado (Colorado Auto Theft Prevention Authority) and many other places, that provides a secure means of marking the converters and that avoids forgery concerns. These programs use labels that are pre-registered into a law enforcement database at the time the labels are manufactured, and the labels are pre-assigned to the agency that is operating the local programs. Each label has a unique PIN (serial number) and when the label is applied to the vehicle, the installation permanently etches that PIN on the converter. If the converter is stolen from a marked vehicle, the owner reports to the police and the database is updated with that theft information. If the label is physically tampered with, the program logo and the serial number is still etched on the converter and can be immediately scanned by the authorities when they inspect the detached converter. As soon as police check such a marked detached converter they can tell if it is stolen or if it was normally removed from an end of life vehicle which was properly purchased and removed from commerce (and already reported into the federal NMVTIS system by the end of life processor). The system cannot easily be subverted, and it makes protection of property much more secure and makes enforcement and effective LE efforts against criminal rings far easier with immediate proof of the stolen property. It will have a major positive impact on the problem.

We have ample indications that once a thief sees that a converter has been marked with an anti-theft label they terminate efforts to cut off these catalytic converters and to instead move on to another vehicle that is not marked with these anti-theft program labels. The thieves understand the risk factor these pre-registered converters represent to them, and they tend to avoid these pre-marked converters as a result. This can be especially worthwhile for dealerships and fleet management programs where a whole standing inventory can be at risk at one time. Converter marking programs can serve as a means of allowing the public to do something to help avoid thefts in the first place.

In addition to OEMs starting to manufacture vehicles with pre-etched converters, having a law that rapidly injects pre-labeled converters into the stream of commerce for older existing unlabeled converters is a great approach, but it is urgent that the process allows for these types of label marking with a pre-assigned PIN that is already registered in a law enforcement accessible database if you want to program to provide the maximum protection to the public that your legislation clearly is intending to support.

It should also be noted that not all catalytic converters on vehicles are 'at-risk' for being stolen. Many converters are not directly accessible as theft targets because they are blocked by other parts on the car and cannot be cut off by a thief without doing some disassembly of the vehicle before the converter can be stolen. These converters are never at risk of theft. As a result any post-vehicle assembly mandatory marking program should reference the term 'immediately accessible' when crafting legislative language regarding mandatory marking or etching programs so as to avoid expensive and unnecessary program mandates.

If NSVRP can be of any help in this effort, please feel free to contact us for more information or support.

Respectfully,

Howard Nusbaum, Administrator
National Salvage Vehicle Reporting Program

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