



# Kansas Bureau of Investigation

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## **Neutral Testimony on Substitute for Senate Bill 219 Before the House Committee on Judiciary**

**Kirk Thompson, Director  
Kansas Bureau of Investigation**

**May 2, 2019**

Chairman Patton and Members of the Committee:

My name is Kirk Thompson and I have the privilege of serving as the Director of the Kansas Bureau of Investigation. Thank you for the opportunity to provide neutral testimony on Substitute for Senate Bill 219, which proposes changes to the scrap metal theft reduction act passed by the Kansas Legislature in 2015.

This bill seeks to create a mechanism to help prevent scrap metal theft and aid in the prosecution of those responsible. Many areas of our state are seeing significant thefts of metals while normal investigative methods are not being successful to deter and prosecute those perpetrators. Many of these thefts result in extensive destruction of other property, which greatly increases the financial loss to the victims.

This bill creates a regulatory structure under the Office of the Attorney General to license and regulate scrap metal dealers. The bill also calls for the creation of a tool for law enforcement, the Scrap Metal Database, to assist in efforts to reduce scrap metal thefts and the associated destruction of property. This bill and the tools it provides to law enforcement will provide significant help in this regard.

The changes proposed in Substitute for SB 219 which are directly relevant to the KBI are as follows:

- Transfers responsibility of the establishment and maintenance of the scrap metal database from the Office of the Kansas Attorney General to the KBI;
- Requires the KBI to establish the required database before January 1, 2020;
- Establishes a scrap metal data repository fund, to be administered by the KBI, for purpose paying operating expenses resulting from the implementation of the act.

To facilitate establishing and maintaining the scrap metal database, the KBI would hire a Program Consultant to: assist in implementation of the new system; provide training and technical assistance related to data entry to salvage yard employees; provide training and technical assistance related to system inquiries to local law enforcement agencies; conduct

analysis of information in the database and share information regarding suspected criminal activity with local law enforcement authorities.

Fees, charges or penalties collected by the Attorney General pursuant to the act will be deposited into the scrap metal theft reduction fee fund. The Attorney General will then transfer to the scrap metal data repository fund the monies necessary for the KBI to cover costs associated with the database establishment and maintenance, as well as the one full-time employee.

I understand the intent of Substitute for SB 219 and the reasons behind the proposed changes. While we will be supportive of whatever results from the legislative process, and stand ready to implement the provisions as required, we do have some reservations we would ask you to consider.

- The amount of revenue that may be generated is unknown. We will not be able to develop, deploy, and maintain the database as required or maintain staff support in the absence of sufficient, sustained funding.
- The specified date by which we would be required to develop and deploy the database – January 1, 2020 – presents an aggressive timeline in the context of Information Technology product development. While Substitute for SB 219 does allow the KBI to contract with a third party to complete the work, it remains a tall order given the anticipated system specifications.
- We anticipate some expenditures in FY 2019 in order to implement the provisions as required. There is no confirmed mechanism for providing the required up-front funding.

I am also aware of the interest some may have in reducing the type and amount of information that would be captured and entered into the database. While this is a public policy decision, the information that comes out of the system will only be as good as that which goes in. In order for the database to aid in accomplishing the original intent of identifying individuals stealing scrap metal and aiding in their prosecution, careful consideration should be given before reducing the type and amount of information gathered.

With that being said, I have spoken with representatives from the Kansas Information Consortium (KIC), the E-government service provider for the Information Network of Kansas (INK) with regard to this project. INK/KIC was identified as a possible vendor for a cellular phone based application that could satisfy the data collection and reporting requirements of this bill. The discussions with INK/KIC were focused upon the collection of a minimum set of data elements utilizing a cellular phone platform to minimize the resource impact to the scrap metal dealers, while providing sufficient information to law enforcement to serve as an effective tool to prevent scrap metal thefts and prosecute those that do occur.

In concept, all data currently required by the bill would continue to be collected by the scrap metal dealer from the scrap metal seller. That information would be retained by the dealer as a part of their business records. The customer name and government issued ID number, along with specific information regarding the type and amount of scrap metal purchased would be sent via the application to the Scrap Metal Database (SMD). A series of photographs, including a photo(s) of the material sold and a photograph of the vehicle delivering the

materials would be sent as a part of database entry by the dealer. Sales by repeat customers would only require a verification that the register information is correct and collection of specifics regarding each sale. Every attempt would be made to eliminate duplicate entry of information and drop downs would be used wherever possible.

INK/KIC would work with dealers, who have existing point of sale systems that capture the information required by this bill, to develop an interface for submission of that data to the SMD. Any costs associated with such interfaces are not known at this time. It is presumed that such costs could be considered for grant funding.

In response to input from scrap metal dealers INK/KIC would also develop an easy to use alert system whereby law enforcement jurisdictions could send a packet of information via e-mail, in a defined format, to all scrap metal dealers, the KBI and any law enforcement agency, whenever a theft occurred.

INK/KIC has informed us that they believe the development of such an application can be accomplished for approximately \$60,000 with an ongoing yearly maintenance cost estimated to be \$30,000. Additionally, INK has an available grant program for which this project would be eligible. The grant program would likely cover all development costs. Costs related to the ongoing maintenance would not be covered by the grant. Decisions with regard to the award of such a grant would be made by the INK Board of Directors.

I would be happy to stand for any questions.

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