

TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE FEBRUARY 19, 2020
FROM:	G. KOTSIFAS, P. ENG. MANAGING DIRECTOR, DEVELOPMENT & COMPLIANCE SERVICES & CHIEF BUILDING OFFICIAL
SUBJECT:	SUPPRESSING CRIME THROUGH BUSINESS LICENSING REGULATIONS THEFT OF GASOLINE AND SCRAP METAL

RECOMMENDATION

That, on the recommendation of the Managing Director, Development & Compliance Services & Chief Building Official:

- (a) This report **BE RECEIVED** for information purposes; and
- (b) Civic Administration **BE DIRECTED** to continue to consult with the affected Licensees and prepare amendments to the Business Licensing By-law and hold a Public Participation Meeting before the Community and Protective Services Committee to address the issues of gasoline and scrap metal theft.

SUMMARY

Municipal Law Enforcement Services partners with London Police Service on a number of community issues including public safety and crime prevention. Two issues which could benefit from multi-agency solutions are: gas-and-dash theft and the theft of metal including copper and catalytic converters.

On December 12, 2017, Municipal Council passed a new Business Licensing By-law including regulations for a number of business categories, such as salvage yards and automotive service businesses. One of the municipal purposes Council considers necessary and desirable for the public is suppressing crime.

BACKGROUND

Theft of Gasoline

Gas-and-dash thefts, also referred to as gas-drive offs, are a form of theft in which motorists intentionally drive away from a convenience store or gasoline service station without paying for gas they have pumped into their vehicle's tank.

There are numerous public safety issues related to this crime. Gas-and-dash thefts have caused unnecessary injuries and even fatalities to service station employees. In many cases, thieves try to escape by driving away at high speeds, and at times with the pump nozzle still attached to the vehicle. Gas-and-dash thefts when reported to the Police consume an inordinate amount of resources investigating the gasoline drive-off. The following chart presents reported gas thefts over the past four years.

Gasoline Drive-offs Reported to London Police Service

Year	Reports of Gas Theft
2016	380
2017	536
2018	685
2019	720

The Ontario Association of Chiefs of Police (OACP) has called on the Government of Ontario to develop legislation which would mandate 24/7 pre-payment technology to counter the sharp increase in gas theft across Ontario. British Columbia and Alberta has introduced mandatory pre-payment regulations which have eliminated virtually all incidents and calls for service. The Centre for Problem Oriented Policing (USA) has reported that gasoline drive-offs have dropped significantly since the introduction of pre-payment requirements.

Civic Administration has shared the idea of pre-payment regulations with licensed gas stations operating in London as well as gas retail associations. The Canadian Independent Petroleum Marketers Association (CIPMA) supports a safe work environment for gas retailers and were involved in discussions in British Columbia and Alberta where pre-payment regulations were provincially mandated. The CIPMA prefers provincially mandated regulations and recognizes the need for flexibility between urban and rural gas stations.

Pre-payment technology already exists at many gas retail outlets in London. Consumers are increasingly using mobile apps and debit/credit card tap technology making it convenient for consumers to pre-pay for gas purchases.

Civic Administration recommend a Business Licensing By-law amendment to the Automotive Services category mandating 24/7 pre-payment for gasoline purchases.

Theft of Scrap Metal

The theft of valuable metal is a serious concern for businesses, public utilities, and the community at large. Scrap metal buyers provide the necessary link for creating profit from scrap metal theft. The scrap metal theft problem is driven by global value of the specified metal and the ease of which the metal can be sold to salvage yards or recyclers. Although there are existing by-law regulations in which require verification of sellers' identification, the problem of the theft of products containing high value metal (plumbing and HVAC products; catalytic converters) is on the rise globally. In late 2019, London Police issued a press release on the increase in the theft of catalytic converters due to the price of the precious materials in this automotive device. The following chart presents reported metal theft over the past four years.

Theft of metal reported to London Police Service

Year	Copper	Catalytic Converters
2016	150	6
2017	158	17
2018	172	48
2019	284	81

A review of regulations designed to address this issue from a salvage yard perspective include: recording personal information including finger printing; restricting cash payments; identifying source of product; video surveillance; and limiting intake of product. Some of these best practices cannot be implemented in Ontario due to privacy legislation. The one best practice shared with licensed salvage yards was mandating that payment for product only be made by check or electronic money transfer. This was identified as being a problematic regulation as most salvage yard interactions are cash based.

Civic Administration recommend Licensing By-law amendments to the existing Powers of the Licensing Manager, regulation to prescribe the form and content of the identity verification process by identifying the types of acceptable identification, and further to limit the purchase of catalytic converters from only Licensed Automotive service Businesses.

This report was prepared in consultation with the London Police Service Investigative Support and Patrol Modernization Units.

CONCLUSION

One of the municipal principles of the Business Licensing By-law is to suppress conditions conducive to crime. The theft of gasoline (drive-offs) and the theft of products and goods containing high priced metal such as copper and platinum (catalytic converters) continues to be an emerging issue in London and in fact nationally and globally. Business Licensing regulations are proposed to address these criminal activities. Consultations with Licensees are ongoing and any future Business Licensing By-law amendments will include a public participation meeting.

PREPARED BY:	RECOMMENDED BY:
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January 28, 2020

Orest Katolyk
Chief Municipal Law Enforcement Officer
City of London
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Dear Mr. Katolyk:

Thank you for your letter of 17 December 2019, inviting our perspective on approaches to addressing fuel payment related incidents. Husky operates a network of over 500 retail locations stretching from British Columbia to Ontario. As with all our operations, we place priority on the safety of workers, customers and the general public.

Husky is a strong advocate for mandatory prepayment for fuel. In 2017, we moved to institute this requirement across our company-controlled sites in Alberta, Saskatchewan, Manitoba and Ontario (prepayment was, and remains, a legislative requirement in British Columbia). Later in 2017, we were proud to stand with the Alberta government as it introduced legislation to make prepayment mandatory across the province.

Our decision to move to prepayment for fuel was taken after an extensive review of our fuel payment policies and procedures. I believe the following findings from that review will be relevant to your study:

- while we had many measures to mitigate risks associated with fuel payment, only prepayment was aimed at the elimination of those risks; and
- there are no longer any significant cost or technology barriers to implementation as almost every pump has prepayment capability.

Our move to prepayment was implemented successfully and enjoyed the full support of our retailer community and customer service representatives. Most important, I am pleased to advise that we have not experienced any drive-off related injuries, deaths or near misses since making the move. While we decided to implement on our own, we do believe it should be required of all retailers. Without uniform application, the risks associated with fuel payment are simply transferred from retailers with prepayment to those that do not make it mandatory.

Thank you again for the opportunity to share our perspective on this important issue. If it would be helpful, we would be pleased to come to London to further share our experiences with prepayment. I look forward to hearing from you.

Sincerely,



Lawrence Richler
Vice President, Marketing