

quick profits and a variety of vulnerable targets. Information for the assessment was developed through May 2008 from the following sources: FBI and Open sources.

SOURCE AND CONFIDENCE STATEMENT

Reporting relative to the impact of copper thefts on US critical infrastructure was derived from the FBI and open sources. The FBI has high confidence that the FBI source reporting used to prepare the assessment is reliable. The FBI also has high confidence in the reliability of information derived from open-source reporting.

KEY JUDGMENTS

Copper thieves are threatening US critical infrastructure by targeting electrical substations, cellular towers, telephone land lines, railroads, water wells, construction sites, and vacant homes for lucrative profits. The theft of copper from these targets disrupts the flow of electricity, telecommunications, transportation, water supply, heating, and security and emergency services and presents a risk to both public safety and national security.

Copper thieves are typically individuals or organized groups who operate independently or in loose association with each other and commit thefts in conjunction with fencing activities and the sale of contraband. Organized groups of drug addicts, gang members, and metal thieves are conducting large scale thefts from electric utilities, warehouses, foreclosed or vacant properties, and oil well sites for tens of thousands of dollars in illicit proceeds per month.

The demand for copper from developing nations such as China and India is creating a robust international copper trade. Copper thieves are exploiting this demand and the resulting price surge by stealing and selling the metal for high profits to recyclers across the United States. As the global supply of copper continues to tighten, the market for illicit copper will likely increase.

COPPER THEFTS THREATEN US CRITICAL INFRASTRUCTURE

Copper thieves are threatening US critical infrastructure by targeting electrical substations, cellular towers, telephone land lines, railroads, water wells, construction sites, and vacant homes for lucrative profits. Copper thefts from these targets have increased since 2006; and they are currently disrupting the flow of electricity, telecommunications, transportation, water supply, heating, and security and emergency services, and present a risk to both public safety and national security.

According to open-source reporting, on 4 April 2008, five tornado warning sirens in the Jackson, Mississippi, area did not warn residents of an approaching tornado because copper thieves had stripped the sirens of copper wiring, thus rendering them inoperable.

According to open-source reporting, on 20 March 2008, nearly 4,000 residents in Polk County, Florida, were left without power after copper wire was stripped from an active transformer at a Tampa Electric Company (TECO) power facility. Monetary losses to TECO were approximately \$500,000.

According to agricultural industry reporting, as of March 2007, farmers in Pinal County, Arizona, were experiencing a copper theft epidemic as perpetrators stripped copper from their water irrigation wells and pumps resulting in the loss of crops and high replacement costs. Pinal County's infrastructure loss due to copper theft was \$10 million.

CRIMINAL GROUPS INVOLVED IN COPPER THEFTS

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nized groups of drug addicts, gang members, and metal thieves are conducting large scale thefts from electric utilities, warehouses, foreclosed and vacant properties, and oil well sites for tens of thousands of dollars in illicit proceeds per month.

According to open sources, as recently as April 2008, highly organized theft rings specializing in copper theft from houses and warehouses were operating in Minneapolis, Minnesota. These rings or gangs hit several houses per day, yielding more than \$20,000 in profits per month. The targets were most often foreclosed homes.

Open-source reporting from March 2008 indicates that an organized copper theft ring used the Cuyahoga County Sheriff's foreclosure lists to pinpoint targets in Cleveland, Ohio. Perpetrators had 200 pounds of stolen copper in their van, road maps, and tools. Three additional perpetrators were found to be using the US Department of Housing and Urban Development's list of mortgage and bank foreclosures to target residences in Cleveland, South Euclid, Cleveland Heights, and other cities in Ohio.

GLOBAL DEMAND INCREASING

China, India, and other developing nations are driving the demand for raw materials such as copper and creating a robust international trade. Copper thieves are receiving cash from recyclers who often fill orders for commercial scrap dealers. Recycled copper flows from these dealers to smelters, mills, foundries, ingot makers, powder plants, and other industries to be re-used in the United States or for supplying the international raw materials demand. As the global supply of copper continues to tighten, the market for illicit copper will likely increase.

Open-source reporting from February 2007 indicates that the global copper supply tightened due to a landslide at the Freeport-McMoran Copper and Gold mine in Grasberg, Indonesia in October 2003 and a worker's strike at the El Abra copper mine in Clama, Chile in November 2004. These events contributed to copper production shortfalls and led to an increase in recycling, which in turn created a market for copper.

Open-source reporting from October 2006 indicated that the demand for copper from China increased substantially due to the construction of facilities for the 2008 Olympics.

Open-source reporting indicated that from January 2001 to March 2008, the price of copper increased more than 500 percent. This has prompted unscrupulous and sometimes unwitting independent and commercial scrap metal dealers to pay record prices for copper, regardless of its origin, making the material a more attractive target for theft.

OUTLOOK

The global demand for copper, combined with the economic and home foreclosure crisis, is creating numerous opportunities for copper-theft perpetrators to exploit copper-rich targets. Organized copper theft rings may increasingly target vacant or foreclosed homes as they are a lucrative source of unattended copper inventory. Current economic conditions, such as the rising cost of gasoline, food, and consumer goods, the declining housing market, the ease through which copper is exchanged for cash, and the lack of a significant deterrent effect, make it likely that copper thefts will remain a lucrative financial resource for criminals.

Industry officials have taken some countermeasures to address the copper theft problem. These include the installment of physical and technological security measures, increased collaboration among the various industry sectors, and the development of law enforcement partnerships. Many states are also taking countermeasures by enacting or enhancing legislation regulating

the scrap industry—to include increased recordkeeping and penalties for copper theft and noncompliant scrap dealers. However, there are limited resources available to enforce these laws, and a very small percentage of perpetrators are arrested and convicted. Additionally, as copper thefts are typically addressed as misdemeanors, those individuals convicted pay relatively low fines and serve short prison terms.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 31—AUTHORIZING EXPENDITURES BY THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN submitted the following resolution; from the Committee on Energy and Natural Resources; which was referred to the Committee on Rules and Administration:

S. RES. 31

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Energy and Natural Resources is authorized from March 1, 2009, through September 30, 2009; October 1, 2009, through September 30, 2010; and October 1, 2010, through February 28, 2011, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable or nonreimbursable basis the services of personnel of any such department or agency.

SEC. 2(a). The expenses of the committee for the period March 1, 2009, I through September 30, 2009, under this resolution shall not exceed \$3,833,400.

(b) For the period October 1, 2009, through September 30, 2010, expenses of the committee under this resolution shall not exceed \$6,740,569.

(c) For the period October 1, 2010, through February 28, 2011, expenses of the committee under this resolution shall not exceed \$2,870,923.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 2011, respectively.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required (1) for the disbursement of salaries of employees paid at an annual rate, or (2) for the payment of telecommunications provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (3) for the payment of stationery supplies purchased through the Keeper of the Stationery, United States Senate, or (4) for payments to the Postmaster, United States Senate, or (5) for the payment of metered charges on copying equipment provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (6) for the payment of Senate Recording and Photographic Services, or (7) for payment of franked and mass mail costs by the Sergeant at Arms and Doorkeeper, United States Senate.

SENATE RESOLUTION 32—AUTHORIZING EXPENDITURES BY THE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. LIEBERMAN submitted the following resolution; from the Committee on Homeland Security and Governmental Affairs; which was referred to the Committee on Rules and Administration:

S. RES. 32

Resolved,

SECTION 1. COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules and S. Res. 445 (108th Congress), including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Homeland Security and Governmental Affairs (referred to in this resolution as the “committee”) is authorized from March 1, 2009, through February 28, 2011, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2009.—The expenses of the committee for the period March 1, 2009, through September 30, 2009, under this section shall not exceed \$6,742,824, of which amount—

(1) not to exceed \$75,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed \$20,000, may be expended for the training of the professional staff of the committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2010 PERIOD.—The expenses of the committee for the period October 1, 2009, through September 30, 2010, under this section shall not exceed \$11,856,527, of which amount—

(1) not to exceed \$75,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed \$20,000, may be expended for the training of the professional staff of the committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2011.—For the period October 1, 2010, through February 28, 2011, expenses of the committee under this section shall not exceed \$5,049,927, of which amount—

(1) not to exceed \$75,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed \$20,000, may be expended for the training of the professional staff of the committee (under procedures specified by section 202(j) of that Act).

SEC. 2. REPORTING LEGISLATION.

The committee shall report its findings, together with such recommendations for leg-

islation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 2009.

SEC. 3. EXPENSES; AGENCY CONTRIBUTIONS; AND INVESTIGATIONS.

(a) EXPENSES OF THE COMMITTEE.—

(1) IN GENERAL.—Except as provided in paragraph (2), any expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

(2) VOUCHERS NOT REQUIRED.—Vouchers shall not be required for—

(A) the disbursement of salaries of employees of the committee who are paid at an annual rate;

(B) the payment of telecommunications expenses provided by the Office of the Sergeant at Arms and Doorkeeper;

(C) the payment of stationery supplies purchased through the Keeper of Stationery;

(D) payments to the Postmaster of the Senate;

(E) the payment of metered charges on copying equipment provided by the Office of the Sergeant at Arms and Doorkeeper;

(F) the payment of Senate Recording and Photographic Services; or

(G) for payment of franked and mass mail costs by the Sergeant at Arms and Doorkeeper, United States Senate.

(b) AGENCY CONTRIBUTIONS.—There are authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committee for the period March 1, 2009, through September 30, 2009, for the period October 1, 2009, through September 30, 2010, and for the period October 1, 2010, through February 28, 2011, to be paid from the appropriations account for ‘Expenses of Inquiries and Investigations’ of the Senate.

(c) INVESTIGATIONS.—

(1) IN GENERAL.—The committee, or any duly authorized subcommittee of the committee, is authorized to study or investigate—

(A) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public;

(B) the extent to which criminal or other improper practices or activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(C) organized criminal activity which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions and the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal

activity have infiltrated lawful business enterprise, and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against such practices or activities;

(D) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety; including but not limited to investment fraud schemes, commodity and security fraud, computer fraud, and the use of offshore banking and corporate facilities to carry out criminal objectives;

(E) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(i) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(ii) the capacity of present national security staffing, methods, and processes to make full use of the Nation’s resources of knowledge and talents;

(iii) the adequacy of present intergovernmental relations between the United States and international organizations principally concerned with national security of which the United States is a member; and

(iv) legislative and other proposals to improve these methods, processes, and relationships;

(F) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(i) the collection and dissemination of accurate statistics on fuel demand and supply;

(ii) the implementation of effective energy conservation measures;

(iii) the pricing of energy in all forms;

(iv) coordination of energy programs with State and local government;

(v) control of exports of scarce fuels;

(vi) the management of tax, import, pricing, and other policies affecting energy supplies;

(vii) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(viii) the allocation of fuels in short supply by public and private entities;

(ix) the management of energy supplies owned or controlled by the Government;

(x) relations with other oil producing and consuming countries;

(xi) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(xii) research into the discovery and development of alternative energy supplies; and

(G) the efficiency and economy of all branches and functions of Government with particular references to the operations and management of Federal regulatory policies and programs.

(2) EXTENT OF INQUIRIES.—In carrying out the duties provided in paragraph (1), the inquiries of this committee or any subcommittee of the committee shall not be construed to be limited to the records, functions, and operations of any particular branch of the Government and may extend to the records and activities of any persons, corporation, or other entity.