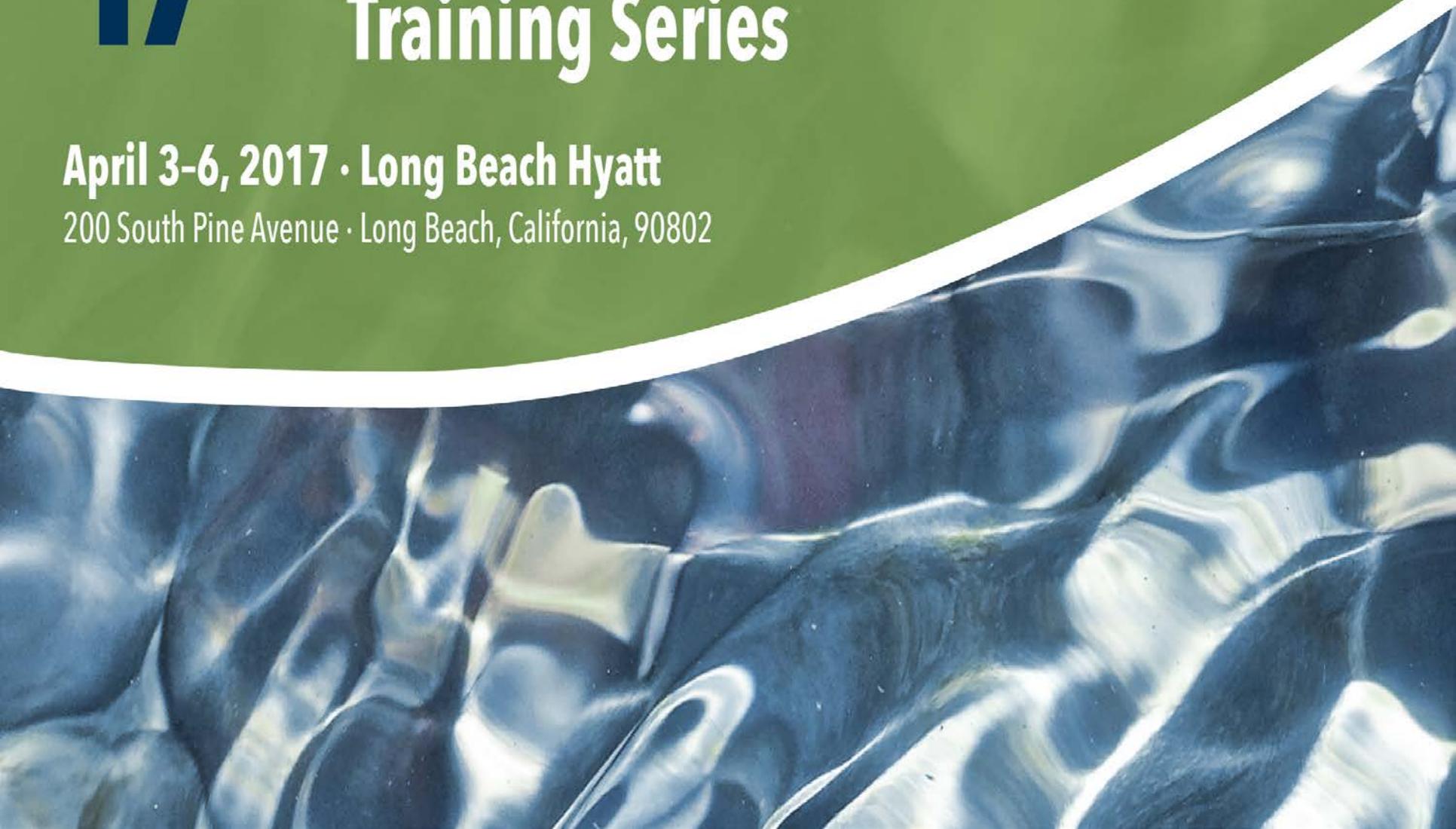


# 17<sup>th</sup> Technical Training Series



**April 3-6, 2017 · Long Beach Hyatt**  
200 South Pine Avenue · Long Beach, California, 90802



# California's Beverage Container Recycling Program

## *Education and Outreach*

Presented by:  
Recycling Program Enforcement Branch

# Agenda

- Introductions
- Program Overview
- Recycler & Processor Responsibilities
- Fraud in the Program
- CalRecycle Resources & Databases
- Questions and Comments

# Program Overview

# California Beverage Container Recycling and Litter Reduction Act

## History:

- Established in 1986 through Assembly Bill 2020
- Calrecycle administers the program
- Aluminum, Glass, Plastic and Bimetal beverage Containers
- Reimbursement Program (\$.05 under 24oz & \$.10 on 24oz or greater)

## Purpose:

- Achieve 80% recycling rate
- Provide convenient, efficient, and economical redemption opportunities, by collaborative the efforts of manufacturers, distributors, dealers, recycling centers, processors, and CalRecycle.

Who are the stakeholders?

How does the CRV and the beverage containers flow from stakeholder to stakeholder?

“Reimbursement Program”



**Manufacturers:**

Any entity that bottles, cans or fills beverage containers or imports filled containers for sale or distribution in CA



**Distributors:**

A distributor is any person/entity who engages in the sale of beverage containers to a dealer/retailer in CA



**Retailers:**

Sells beverage containers to consumers

**Primary Program Stakeholders**



**Consumers:**

Person who, for his or her own consumption, purchases a beverage in a beverage container from a dealer.



**Recycling Centers (RC):**

A business that pays consumers CRV for used beverage containers that are labeled with the CRV message



**Processor:**

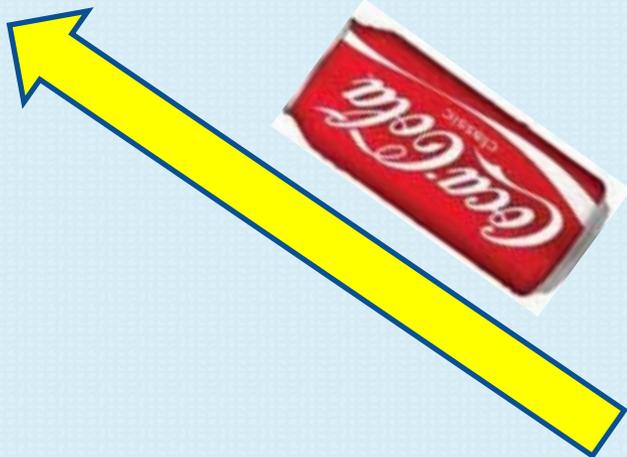
Entity that is responsible for purchasing containers from certified entities (Recycling Centers) and canceling the material so that it may not be redeemed again



**Primary Program Stakeholders**



Submits CRV (5¢) for Beverage Containers sold in CA



## What is CRV?

- California Refund Value (CRV)
- Amount a consumer pays to the retailer on each beverage container purchased
- The minimum amount that recycling centers pay to consumers for redeeming empty beverage containers (EBCs)

# Beverage containers sold in CA must be labeled with the CRV message

CA CRV

CA Cash Refund

CA Redemption Value

California Cash Refund

California Redemption Value



# CALIFORNIA BEVERAGE CONTAINER LABELING\*



Example A

## ALUMINUM OR BIMETAL CANS

### Example A

*Section 2200(b)(1):* Metal containers shall be marked on the top end of the container in minimum lettering size at least 3/16" (inch) in height. Metal containers with a top lid of two inches or less in diameter shall have a minimum lettering size of at least 1/8" (inch) in height.

## ALUMINUM OR BIMETAL BOTTLES

*Section 2200(b)(4):* Metal bottles shall be marked on the side of the bottle in minimum lettering size at least 3/16" (inch) in height.

## GLASS OR PLASTIC CONTAINERS

### Option 1

*Section 2200(b)(2)(A):* Along the bottom edge of the container body label in minimum lettering size at least 3/16" (inch) in height.

### Option 2

*Section 2200(b)(2)(B):* On or in a secondary label minimum lettering size at least 3/16" (inch) in height.

### Option 3

*Section 2200(b)(2)(C):* On a container body label or secondary label with contrasting colors with legible lettering size at least 1/8" (inch) in height. Contrasting colors shall direct the readers to the message required.

## PLASTIC PORTION CONTROLLED CUPS

### Section 2200 (b)(3):

Plastic portion controlled cups that have peelable, heat sealed lids that are not resealable, shall be marked in a minimum lettering size of at least 1/8" (inch) in height on either side of the container only, or on the lid and bottom of the container.

## CRV MESSAGE LABELING OPTIONS:

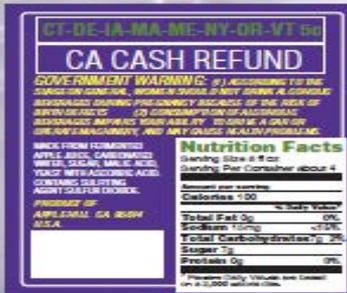
- CALIFORNIA REDEMPTION VALUE
- CA REDEMPTION VALUE
- CALIFORNIA CASH REFUND
- CA CASH REFUND
- CA CRV



Option 2



Option 1



Option 3

## CLEARLY AND PROMINENTLY

*Section 2000(a)(9)* . . . means that the redemption message is displayed so that it is easily found and read by consumers and recyclers. Each letter comprising the message is complete, legible, and cannot be readily obscured. The message must be distinguishable from refund messages of other states.

## CONTRASTING COLORS

*Section 2000(a)(12)*. . . means a clear differentiation in hue, value, and intensity with the background on which the redemption message appears, surrounding artwork, and other nearby printed information.

## INDELIBLY

*Section 2000(a)(27)*. . . means that the redemption message is permanently affixed on the beverage container from the point of purchase until the point of redemption and cannot be smeared or removed during regular use.

## MINIMUM LETTERING SIZE

*Section 2000(a)(31)*. . . is applicable to the height of all the letters in the redemption message.

\* Please see the full text of the Public Resources Code and California Code of Regulations for complete requirements:

<http://www.calrecycle.ca.gov/BevContainer/LawsRegs/>



FOR INFORMATION  
1-800-RECYCLE\*\*

\*\*California only

For questions about CRV labeling contact (916) 323-1835  
or [reg.crvalabeling@calrecycle.ca.gov](mailto:reg.crvalabeling@calrecycle.ca.gov)

(Revised 9/12)

## What is the CRV on each bottle or can?

5¢ for  
less than  
24  
ounces



10¢ for  
24  
ounces  
or more



# Products Included in the Program

- **Beer and malt beverages...** *for example:* Budweiser, Coors, Corona, Heineken, Zima.
- **Wine coolers and distilled spirit coolers...** *for example:* Franzia Wine Coolers, Bartles & Jaymes Wine Coolers, Smirnoff Ice Spirit Coolers.
- **Carbonated fruit drinks...** *for example:* Martinelli's Sparkling Cider, Welch's Sparkling Grape.
- **Noncarbonated fruit drinks that contain any percentage of fruit juice...** *for example:* Hi-C, Margarita Mix, V8 Splash.
- **Carbonated water, including soda and carbonated mineral water...** *for example:* Crystal Geyser Sparkling Mineral Water, Arrowhead Sparkling Water (all flavors).
- **Coffee and tea beverages...** *for example:* Starbucks Frappuccino Coffee, Arizona Iced Tea (all flavors), Celestial Seasonings Tea (all flavors).
- **Noncarbonated water, including noncarbonated mineral water...** *for example:* Alhambra Distilled Water, Calistoga Mountain Spring Water, Evian.
- **Carbonated soft drinks...** *for example:* 7-Up, Coca-Cola, Mountain Dew, Pepsi, Sprite.
- **Noncarbonated Soft Drink...** *for example:* Kool Aid Bursts, SoBe Lizard Fuel, Yoo-hoo Chocolate Drink.
- **Vegetable Juice (16 oz and under only)...** *for example:* V8 Vegetable Juice, Hollywood Carrot Juice, Campbell's Tomato Juice.
- **"Sport" drinks...** *for example:* All Sport, Chiquita Sports Blast, Gatorade (all flavors).



# Products Not Included in the Program (Sample)

## Wine



## Milk Products



## Distilled Spirits



## 100% Juice

46 oz. & more



# California Refund Value CRV Rates Per Pound

**EFFECTIVE: JANUARY 1, 2017**

<b>Table 1: RECYCLING CENTERS (RC)</b>			
<b>Material Type</b>	<b>(A) Containers Per Segregated Pound</b>	<b>(B) Refund Value Per Segregated Pound</b>	
Aluminum	28.4	\$1.57	<p><b>California Code of Regulations, Title 14, Section 2500(e) (2), requires Recycling Centers to post refund prices by weight, by container, and by material type.</b></p>
Glass	1.95	\$0.103	
#1 PET (Polyethylene Terephthalate)	21.3	\$1.20	
#2 HDPE (High Density Polyethylene)	6.5	\$0.55	
#3 PVC (Polyvinyl Chloride)	11.2	\$0.56	
#4 LDPE (Low Density Polyethylene)	41.0	\$2.05	
#5 PP (Polypropylene)	7.1	\$0.54	
#6 PS (Polystyrene)	114.2	\$5.71	
#7 Other	3.2	\$0.31	
Bimetal	6.7	\$0.34	

# **Recycling Center Responsibilities**

# Recycling Center Responsibilities

- Recycling centers must be certified to pay/receive CRV
- Attend Pre-certification training classes
- Pay current CRV Rate for beverage containers received
- Maintain appropriate record keeping and supporting documentation (*ex. receipt & logs, daily summaries, shipping reports, weight tickets*)
- Inspect each load of containers to determine if eligible for CRV

# Recycling Center Responsibilities

- Record Transactions; Receipts or Logs
- Recycling centers are required to prepare receipts for all transactions over \$100 in CRV
- Cannot pay or claim CRV for any material received from any person or entity not certified by the Division in excess of 100 pounds of aluminum or plastic and 1,000 pounds of glass
- Cannot purchase material from any person driving a motor vehicle with out-of-state plates in excess of \$50 in CRV

# Purchase Logs

**Catalina Velez Recycling**  
 3516 E Staunton Av  
 Maywood CA 90270 RC #0610

SW SEGREGATED BY WEIGHT \_\_\_\_\_  
 SC SEGREGATED BY COUNT \_\_\_\_\_  
 C COMMINLED (Mix of CRV & Non-CRV) \_\_\_\_\_  
 SP SCRAP ONLY NON-CRV CONTAINERS \_\_\_\_\_

ORC OTHER BEVERAGE CONTAINERS \_\_\_\_\_  
 PLASTIC #2 \_\_\_\_\_  
 BMETAL \_\_\_\_\_  
 PLASTIC #3-7 \_\_\_\_\_

DATE: 6/7/20

ALUMINUM				GLASS				PLASTIC				OTHER COMMODITIES #2				TOTAL PAID	PRINTED NAME NOMBRE	SIGNATURE FIRMA
CRV		TOTAL		CRV		TOTAL		CRV		TOTAL		CRV		TOTAL				
WEIGHT	PAID	WEIGHT	PAID	WEIGHT	PAID	WEIGHT	PAID	WEIGHT	PAID	WEIGHT	PAID	WEIGHT	PAID					
SW	C	SP	ALUM	SW	C	SP	GLASS	SW	C	SP	PLAST	SW	C	SP	ORC			
1.5			940 3331				8000				070					3910	Oliver Sanchez	
2			210 12				108	14			448		9		259	1125	Armando Juarez	
11			540 93				583	0.5			725		6		241	1894	Maria Mendez	
1			420 75				25	30			256	125			711	560	José Olmos	
2.5			490 222				559	0.5			710		18.1		762	3939	José Guzmán	
1.8			252	50			455		5		350		4		124	2050	Miguel Lopez	
10			1400 220				210	70			4900					1216	Guillermo Perez	
3.5			440 359				233	0.5			725	244			1000	2458	Robert Salazar	
18			2500 120				190	2			1470					1470	Cliver Sanchez	
26			290	52			140	11			770		9.2		377	5957	Stiles Colina	
1			3540				894				272					272	Sevinda Ruiz	
1			140				72				514		6		244	633	Rafael Hernandez	
3.2			504 104				932	19			1330		14		574	890	Rafael Garcia	
14			190	10			040	5.1			970					2344	Miguel Castillo	
10			1400				494				243					264	Capitan Ramirez	
9.9			240 100				900		264		174					248	Yael Lopez	
2			840				60				2100					705	Marcelino Cruz	
23			320 130				170	744			1393					2940	Claudia Ruiz	
1.7			225				2				270					578	Leo Tamayo	
1.5			120				10				202		10		410	448	Jon Ross	
10			1400 127				1120	20			110	10			410	2210	José Herrera	
3			4200 219				1023	34			2380		20		920	4380	Arturo Salas	
2			1540	49.1			126	7.2			532		2		287	5107	Estela Ruiz	
20			280 80				720	15			105	19.6			801	2225	Charmaine	
12			850				33				240					4200	Carolina Garcia	
10			1410				10				710					5390	Mario Herrera	
2			280 521				420	11			244					270	Willy Villanueva	
2			840				12				240		94.4		1000	2516	Maria Vega	
1			140 111				1003	6			420					1270	Paul Lopez	
14.3			200 11				049	0.5			735		4.1		241	1206	Román Mendez	
4.1			550 192				1072	21			410					168	Gloria Chavez	
1.1			1160 80				220	19.8			1384		10		410	2612	Silvia Victoria	
1.9			5100				9.1				803		0.9			492	Rene Cruz	
1.9			110				2				103					401	Ayda Estrada	

# Recycling Center Responsibilities

Must obtain additional consumer information for all transactions over \$100 in CRV (VLP, DL or CA ID)

## Receipt - Usually computer generated

RC 1142  
 General Customer  
 Driver's Lic:  
 Vehicle Tag:  
 Ticket No. 2260398  
 Date: 12/6/07 12:59 pm  
 Tracking ID

Item	Gross Price	Tare	Net Total
Aluminum Cans	44.3	28.0	16.30
1.7500 LB			28.53
Segregated			
HDPE Natural #2	39.3	31.6	7.70
0.4000 LB			3.08
Comingled			
PET Bottles #1	47.6	28.0	18.20
0.7500 LB			13.65
Comingled			
Trash was found. Weight Adjusted			
by 1.4 lbs			
Total Payment			45.26

# Purchase Logs

**Catalina Velez Recycling**  
 3516 E Station Av  
 Maywood CA 90270 RC #0610

SW SEGREGATED BY WEIGHT  
 SC SEGREGATED BY COUNT  
 C COMINGLED (Mix of CRV & Non-CRV)  
 SP SCRAP ONLY NON-CRV CONTAINERS

CRV OTHER BEVERAGE CONTAINERS  
 PLASTIC #2  
 BMETAL  
 PLASTIC #3-7

DATE: 6/7/08

ALUMINUM		GLASS			PLASTIC			OTHER COMMODITIES #2			TOTAL PAID	PRINTED NAME NOMBRE	SIGNATURE FIRMA	
CRV	TOTAL	CRV	TOTAL	CRV	TOTAL	CRV	TOTAL	CRV	TOTAL					
WEIGHT	PAID	WEIGHT	PAID	WEIGHT	PAID	WEIGHT	PAID	WEIGHT	PAID					
SW	C	SP	GLASS	SW	C	SP	PLAST	SW	C	SP	CRV			
1.5			840	333			800			070		3910	Oliver Sanchez	Oliver Sanchez
2			210	12			108	14		448	9	1185	Armando Jimeno	Armando Jimeno
11			540	93			583	105		725	6	1894	Maria Mendez	Maria Mendez
1			420	75			875	258		256	175	717	José Olmos	José Olmos
3.5			490	22			559	105		725	18.1	2939	Jose Gunn	Jose Gunn
1.8			252	50			455	105		725	6.5	2050	Alfonso Lopez	Alfonso Lopez
10			140	20			210	70		490		124	Guillermo Perez	Guillermo Perez
3.5			440	359			233	105		725	244	1000	Robert Salazar	Robert Salazar
18			2500	120			190	2		1470			Clara Sanchez	Clara Sanchez
26			290	152			140	11		770	9.2	377	Siles Colon	Siles Colon
1			140				894			272		633	Severo Rios	Severo Rios
3.2			504	104			932	72		514	6	244	Severo Hernandez	Severo Hernandez
14			190	10			240	5.1		1330	14	244	Manuel Garcia	Manuel Garcia
10			140				240	5.1		970		574	Manuel Castillo	Manuel Castillo
99			240	100			900	264		244	85	248	Capitan Ramirez	Capitan Ramirez
1			840				80			244	116	725	Jose Lopez	Jose Lopez
23			320	130			170	744		2100		2940	Marcelino Cruz	Marcelino Cruz
1.7			228				2			1393		578	Claudia Jimeno	Claudia Jimeno
15			170				40			270		448	Leo Jimeno	Leo Jimeno
10			140	127			110	20		202	10	410	Jose Jimeno	Jose Jimeno
3			420	210			105	24		110	10	410	Estela Rios	Estela Rios
11			1540	89.1			126	7.2		230	20	920	Estela Rios	Estela Rios
20			280	80			770	15		532	8	287	Carolina Chavez	Carolina Chavez
12			850				20			105	19.6	901	Carolina Chavez	Carolina Chavez
10			410				33			240		420	Maria Herrera	Maria Herrera
2			280	52.1			420	11		710		5390	Willy Villanueva	Willy Villanueva
7			840				12			210	94.4	210	Maria Vega	Maria Vega
1			140	11.1			1000	6		240		2516	Paul Lopez	Paul Lopez
14.3			200	11			049	10.5		420		170	Romana Mendez	Romana Mendez
4.1			550	19.2			1072	21		725	4.1	168	Gloria Chavez	Gloria Chavez
8.1			1160	50			200	19.8		410	10	410	Silvia Victoria	Silvia Victoria
19.9			5100				9.1			1384	12	492	Rene Cruz	Rene Cruz
			1100				200			803	9.9	401	Angela Estrada	Angela Estrada

# Recycling Center Responsibilities

## Daily Summary

Recycling centers are required to summarize daily purchases for each material type. Must include:

- Total weight
- Total refund value

Note: Can be a computer spreadsheet or handwritten summary

# DORIIS Transaction Form

On Behalf Of Shipping Report Confirmation

**This confirms the submission of your Shipping Report.  
Following are the details**

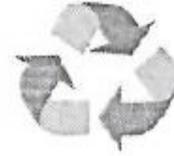
Transaction Number:	<b>2457749</b>	Login Name:	
Login ID:	<b>777.BELMONTFIBERS@GMAIL.COM</b>	Shipper Name:	<b>Recycling</b>
Shipper ID:		Receiver Name:	<b>Belmont Fibers Inc</b>
ShipperLocation:			
Receiver ID:	<b>PR0013</b>		
Receiver Location:	<b>1736 Chapin Rd, Montebello,CA-90640</b>		
Receipts & Log Dates From:	<b>01/16/2012</b>		
To:	<b>01/16/2012</b>		
Material Type:	<b>PET1</b>	Rate for Segregated Weight:	<b>.93</b>
Segregated Weight:		Rate for Commingled Weight:	
Commingled Weight:		Rate for Count < 24:	<b>.05</b>
Count < 24:		Rate for Count >= 24:	<b>.1</b>
Count >= 24:			
Total Redemption Weight:	<b>320.3</b>	Total Refund Value:	<b>288.3</b>
Received Date:	<b>01/17/2012</b>	Processing Payment:	<b>0</b>
Ticket Number:	<b>C255302</b>	Admin Fee:	<b>2.16</b>
Received Weight:	<b>310</b>	Total Payment Amount:	<b>290.46</b>
% Shrinkage:			
% Reduction:	<b>1.033</b>		
Payment Weight:	<b>310</b>		
Refund Rate:	<b>.93</b>		
Processing Fee Rate:	<b>0</b>		
Admin Fee Rate:	<b>.0075</b>		
Signature Date:	<b>01/17/2012</b>		

DR-6s are the RC's method of being reimbursed for the refund value it paid to customers.

DR-6s for each load delivery- must accompany the load

# Weight Ticket

RECEIVER



**Sun Valley Paper Stock, Inc.**

11166 Pendleton Street ▲ Sun Valley, CA 91352  
(818) 767-8984 or (323) 875-2613

**Ticket #: TASN08**

SHIP DATE: 12/21/16

CONTROL NO.: 03 417849

Purchased From: R31177  
YULISSA RECYCLE  
13950 W VAN NUYS BLVD.  
ARLETA, CA 90063

SUN VALLEY PAPER STOCK  
CERT# RC 0072

Veh # TK ID # 5Y55565

SHPMNT#	COMMODITY	GROSS	TARE	NET	ADJ REASON	RED	C/W	RD EXT	PD WT
TASN08	PET 1	8430a	7660a	770	0		0.0	0.00	770

ALL WEIGHTS ARE REPORTED IN POUNDS UNLESS OTHERWISE INDICATED. ALL NON-POUND WEIGHTS ARE ASSUMED TO BE MANUAL WEIGHTS

TOTALS 770 0 0.0 0.00 770

RECEIVED BY SIGNATURE

  
\_\_\_\_\_  
(Maria Isabel Guevara)

CUSTOMER SIGNATURE

+-----+  
| GRS Date 12/21/16 | SHORT TONS  
| GRS Time 08:05 | 0.3850  
| TRE Date 12/21/16 |  
| TRE Time 08:18 |

## What Does a Typical Consumer Load Looks Like ?



**Families: 13 gallon bags, boxes, trash cans... \$45.00**

50 lbs. Aluminum UBCs (loose)



**100 lbs. Aluminum UBCs  
(loose)**



Unlicensed Peddlers – Approx. \$50.00



# **Processor Responsibilities**

# Processor Responsibilities

- Receive and inspect UBC loads delivered by RCs for reimbursement
- Generate weight tickets
- Pay the RC based upon accurate/valid DR-6s
- Submit a reimbursement claim to the Division (DR-7)
- Cancel redeemed beverage container material

## Material Cancellation

- Cancellation means the act of removing the refund value of an empty beverage container
- Cancellation requirements vary depending on the material type and where it is being shipped:
  - ✓ Densification
  - ✓ Shredding
  - ✓ Selling to an end user
  - ✓ Export outside CA

# Fraud in the Program

# Common Fraud Schemes



**Submitting False Claims for reimbursement**

**Claiming CRV on rejected containers**

**Claiming CRV on cancelled material**

**Claiming CRV on Out of State Containers**

**Curbside programs reporting false UBCs %s**

**Misuse of grants, Incentives..... & OTHERS**

**CA  
CRV  
FUND**

**Distributors not paying CRV on  
Beverage Containers**



## Fraud in the Program

# Falsification or Alteration of Purchase Records

- To increase volume and payments (*Handling Fees, Processing Fees & Admin Fees*)
- Falsify the purchase records to include the ineligible material.
  - *Out of state, rejected containers or line breakage, cancelled material*

SW	CRV	SC	WEIGHT	PAID
SW			13.11	10.48
SW			100.7	100.76
			5.9	5.90
			0.2	0.30

08:38 15/02/2006 Lights=480-620 nm, Longpass=665, Bandpass=OFF, Mag=5.46, Integration=1/4, Gain=Auto  
Black ref.=107, White ref.=215, Channel=Red

### Claiming CRV on Rejected or Line Breakage containers

#### 14CCR Section 2501(d):

... all rejected and line breakage containers are not eligible for any refund value payments.

#### Rejected containers/ Line Breakage:

- Defective containers that “never made it to the shelf”
- Distributor has not paid CRV into the Fund.
- Recycling centers should only pay scrap value on those containers, and the transaction should be recorded as scrap

# Rejected containers/ Line Breakage



# Cancelled Material/Previously baled



## Previously baled containers:

Containers that have been baled by a baling machine (usually out-of-state or previously redeemed material).

14CCR Section 2501 (b):

A load of material shall be deemed not eligible for any refund value if any one of the following conditions exist:

- (1) There are pieces of broken, densified bales or biscuits of aluminum beverage containers within the load.
- (2) Pieces of bales of plastic are found in the load. This does not include cans which have merely been flattened



# Claiming CRV on Out of state Containers

- Beverage containers that have been purchased outside of CA
  - Common surrounding states- **Arizona, Washington, Nevada,**  
Country- **Mexico**
- At times have proper CRV labeling
- Ineligible for any CRV payment  
-no deposit made
- Recycling centers may not receive out of state material



# Out of State Containers - Statute

## Public Resources Code 14591(b)(1)

Every person who, with intent to defraud, takes any of the following actions is guilty of fraud:

- (D) Redeems out-of-state containers, rejected containers, line breakage, or containers that have already been redeemed.
- (F) Brings out-of-state containers, rejected containers, or line breakage to the marketplace for redemption.

## Public Resources Code 14596(a)

Any person importing more than 25 pounds of aluminum, bimetal, or plastic beverage container material, or more than 250 pounds of glass beverage container, into the state, shall report the material to the department and provide the department with an opportunity for inspection, in accordance with the regulations adopted by the department.

# Out of State Containers Regulations

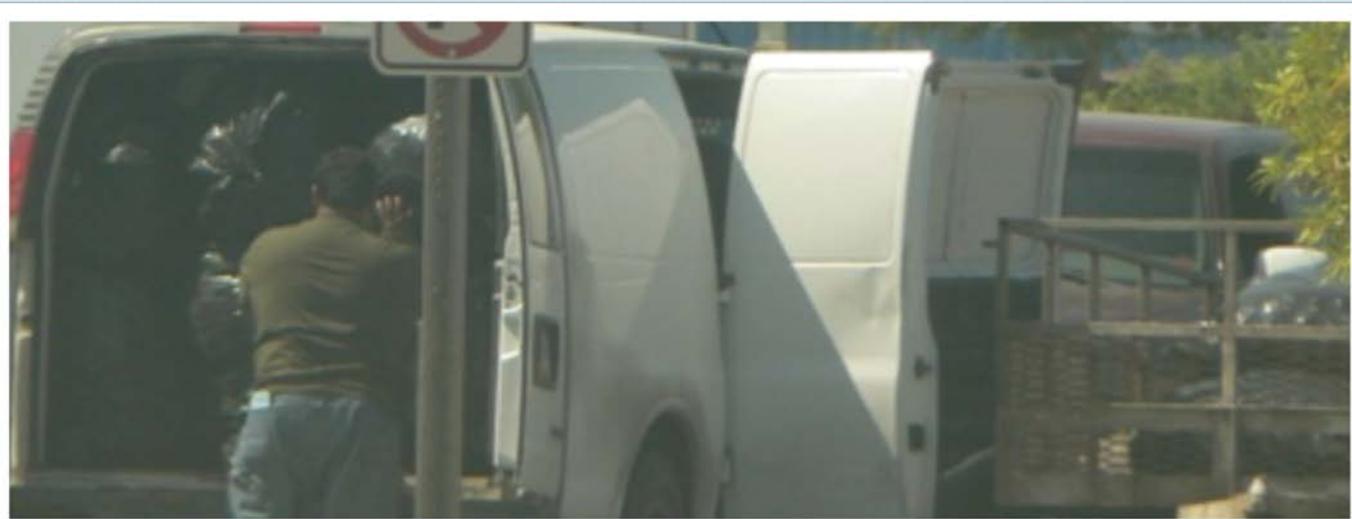
## California Code of Regulations, Section 2501(d)

All out-of-state material, whether labeled with the message required in Section 14561 of the Act or not, and all rejected and line breakage containers are not eligible for any refund value payments.

## California Code of Regulations, Section 2501(f)

All loads containing out-of-state material received from consumers are not eligible for any refund value payments.

# Route Mexico into CA (USA-Mexico Border)



# Out-of-State Loads

Material stored at public storages



Split into smaller loads



Sold at a Recycling Center  
for CRV

# Latest OOS Interdiction at Blythe's CDFA Inspection Station:

- 2 drivers arrested,
- 2 53' tractor-trailers impounded,
- Total material seized: aluminum 11,290lbs & PET 3,604lbs
- Total CRV if illegally redeemed \$22,388



## Example 1

# Recycler Committing Fraud

Estimated Yearly AL Vol. ~ 150,632 pounds

Estimated OOS AL Vol. for 12 months ~ 76,180

51% of the annual aluminum volume for this recycling center consisted of OOS material

~ Totaling \$ 95,173 in CRV and Admin. Fees



Individuals collecting material in Las Vegas, NV

Material delivered to a residence in Los Angeles, CA – owed by a certified operator





3. OOS UBCs at the residence of the certified operator

4. Delivering material to a processor for CRV-  
This is the Violation / Crime



## Example 2

# Organized Groups and Recycling Center Committing Fraud

**Total Estimated damage to the Fund by a certified recycling center working with an organized group for a 12 month period = \$681,578**



Out of State Importers Unloading Large Bags of Aluminum Out of State Used Beverage Containers, and selling to a Certified Recycling Center for California Redemption Value (CRV) .

**Out of State aluminum Used Beverage Containers sold to a Certified Recycling Center**



## Example 3

# Organized Groups Transporting material from NV to CA



Estimated damage to the Fund \$ 465,658 /year  
Average of 2 loads per month





**Damage to the Fund:  
4492.24 (AL) + 833.23 (PET)  
= \$ 5325.47**



**Damage to the Fund:  
\$ 7,076.88**

# What equals a pound of Aluminum ?

Equals approx. 30 cans  
100 lbs. equals 3,000 cans



## Family of 4

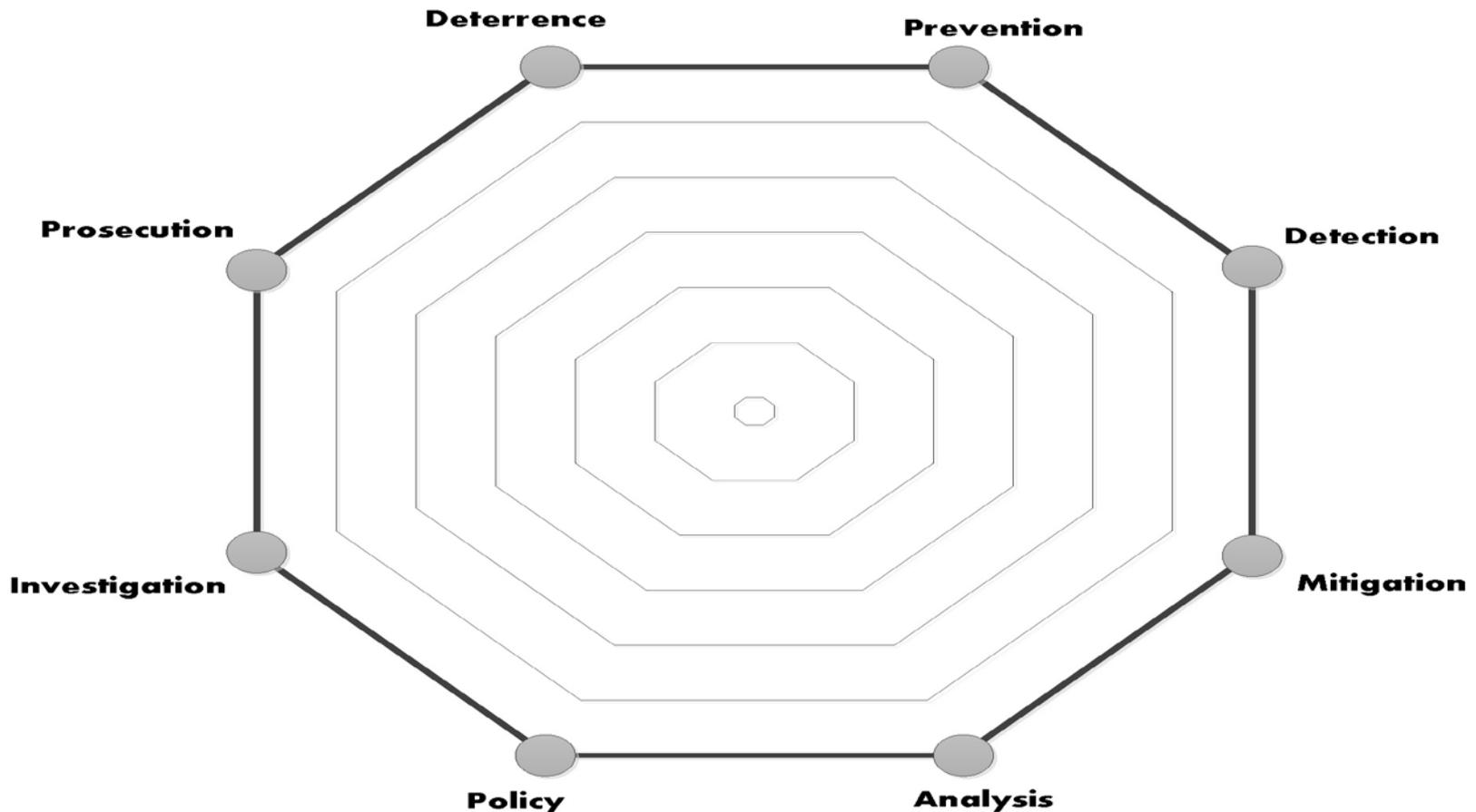
everyone would have to consume  
**5 cans** a day for 6 month to  
accumulate **100 lbs.**

**In a banquet with 200 people**  
everyone would have to consume  
a **6-pack** to accumulate **40 lbs.**

**In banquet with 500 people**  
everyone would have to consume  
a **6-pack** to accumulate **100 lbs.**

# CalRecycle Resources & Databases

# What is the Division of Recycling, Recycling Program Enforcement Branch doing to combat fraud and enforce program compliance



# RPEB Responsibilities

- Field inspections
- Investigations/audits, prepayment reviews, risk assessment, data analysis
- Probationary reviews
- Forensic document analysis
- Authorizations to cancel
- Accusation development
- DOJ criminal case referrals
  
- Potential Outcomes: Extend Probation, Revoke or suspend Certification, NOV, NONC, Restitution, Civil penalties.
  
- Interagency Agreements: Department of Justice (Recycling Fraud) & Department of Food & Agriculture (Border Stations)
  
- Office Locations: Sacramento, Riverside, Los Angeles, San Diego (Approx. 58 Staff members)

# Fraud Preventive Tools

- Claims Volume Report (CVR)
- Consumer Transaction Profiles (CTP)
- Recycler Inspection Program (RIP)
- Prepayment Inspection Status (PIS)
- Recycler Inspections – Test Sales
- Imported Material Report Database (IMR)



**DORIS Portal Shipping Report Fraud Detection**  
DORIS DOR.001

Request ID: 365z

Date: 03/01/2011

Time: 01:39 AM

Selection Criteria: Receiver Signature Date: 02/29/12 - 02/29/12, Material Type: <ALL>, Shipper Cdet: <ALL>, Mail To: RES\_RiskCatalymg@CalRecycle.ca.gov

**Rule #1 - Evaluate the Received Weight for the given weight limit and material type for individual Shipping Reports. (Not Dual Certified)**

The Received Weight exceeds the 4,000 pound limit for Aluminum Shipping Reports:

Cart Number	Shipper	Receiver	Received Weight	Payment	Redemption	Reduction	Weight Total	Revised & Log	Signature Date
255719	CS2610	RC2109	8,160	8,160	0	0	8,160	\$7,724	02/29/12
255719	CS2610	RC2109	10,446	10,446	0	0	10,446	\$14,102	02/29/12
255719	CS2610	RC2109	13,876	13,876	0	0	13,876	\$18,468	02/29/12
255719	CS2610	RC2109	16,846	16,846	0	0	16,846	\$22,428	02/29/12
255719	CS2610	RC2109	20,860	20,860	0	0	20,860	\$27,812	02/29/12
255719	CS2610	RC2109	24,874	24,874	0	0	24,874	\$32,762	02/29/12
255719	CS2610	RC2109	28,888	28,888	0	0	28,888	\$37,712	02/29/12
255719	CS2610	RC2109	32,902	32,902	0	0	32,902	\$42,662	02/29/12
255719	CS2610	RC2109	36,916	36,916	0	0	36,916	\$47,612	02/29/12
255719	CS2610	RC2109	40,930	40,930	0	0	40,930	\$52,562	02/29/12
255719	CS2610	RC2109	44,944	44,944	0	0	44,944	\$57,512	02/29/12
255719	CS2610	RC2109	48,958	48,958	0	0	48,958	\$62,462	02/29/12
255719	CS2610	RC2109	52,972	52,972	0	0	52,972	\$67,412	02/29/12
255719	CS2610	RC2109	56,986	56,986	0	0	56,986	\$72,362	02/29/12
255719	CS2610	RC2109	60,000	60,000	0	0	60,000	\$77,312	02/29/12
255719	CS2610	RC2109	64,014	64,014	0	0	64,014	\$82,262	02/29/12
255719	CS2610	RC2109	68,028	68,028	0	0	68,028	\$87,212	02/29/12
255719	CS2610	RC2109	72,042	72,042	0	0	72,042	\$92,162	02/29/12
255719	CS2610	RC2109	76,056	76,056	0	0	76,056	\$97,112	02/29/12
255719	CS2610	RC2109	80,070	80,070	0	0	80,070	\$102,062	02/29/12
255719	CS2610	RC2109	84,084	84,084	0	0	84,084	\$107,012	02/29/12
255719	CS2610	RC2109	88,098	88,098	0	0	88,098	\$111,962	02/29/12
255719	CS2610	RC2109	92,112	92,112	0	0	92,112	\$116,912	02/29/12
255719	CS2610	RC2109	96,126	96,126	0	0	96,126	\$121,862	02/29/12
255719	CS2610	RC2109	100,140	100,140	0	0	100,140	\$126,812	02/29/12
255719	CS2610	RC2109	104,154	104,154	0	0	104,154	\$131,762	02/29/12
255719	CS2610	RC2109	108,168	108,168	0	0	108,168	\$136,712	02/29/12
255719	CS2610	RC2109	112,182	112,182	0	0	112,182	\$141,662	02/29/12
255719	CS2610	RC2109	116,196	116,196	0	0	116,196	\$146,612	02/29/12
255719	CS2610	RC2109	120,210	120,210	0	0	120,210	\$151,562	02/29/12
255719	CS2610	RC2109	124,224	124,224	0	0	124,224	\$156,512	02/29/12
255719	CS2610	RC2109	128,238	128,238	0	0	128,238	\$161,462	02/29/12
255719	CS2610	RC2109	132,252	132,252	0	0	132,252	\$166,412	02/29/12
255719	CS2610	RC2109	136,266	136,266	0	0	136,266	\$171,362	02/29/12
255719	CS2610	RC2109	140,280	140,280	0	0	140,280	\$176,312	02/29/12
255719	CS2610	RC2109	144,294	144,294	0	0	144,294	\$181,262	02/29/12
255719	CS2610	RC2109	148,308	148,308	0	0	148,308	\$186,212	02/29/12
255719	CS2610	RC2109	152,322	152,322	0	0	152,322	\$191,162	02/29/12
255719	CS2610	RC2109	156,336	156,336	0	0	156,336	\$196,112	02/29/12
255719	CS2610	RC2109	160,350	160,350	0	0	160,350	\$201,062	02/29/12
255719	CS2610	RC2109	164,364	164,364	0	0	164,364	\$206,012	02/29/12
255719	CS2610	RC2109	168,378	168,378	0	0	168,378	\$210,962	02/29/12
255719	CS2610	RC2109	172,392	172,392	0	0	172,392	\$215,912	02/29/12
255719	CS2610	RC2109	176,406	176,406	0	0	176,406	\$220,862	02/29/12
255719	CS2610	RC2109	180,420	180,420	0	0	180,420	\$225,812	02/29/12
255719	CS2610	RC2109	184,434	184,434	0	0	184,434	\$230,762	02/29/12
255719	CS2610	RC2109	188,448	188,448	0	0	188,448	\$235,712	02/29/12
255719	CS2610	RC2109	192,462	192,462	0	0	192,462	\$240,662	02/29/12
255719	CS2610	RC2109	196,476	196,476	0	0	196,476	\$245,612	02/29/12
255719	CS2610	RC2109	200,490	200,490	0	0	200,490	\$250,562	02/29/12
255719	CS2610	RC2109	204,504	204,504	0	0	204,504	\$255,512	02/29/12
255719	CS2610	RC2109	208,518	208,518	0	0	208,518	\$260,462	02/29/12
255719	CS2610	RC2109	212,532	212,532	0	0	212,532	\$265,412	02/29/12
255719	CS2610	RC2109	216,546	216,546	0	0	216,546	\$270,362	02/29/12
255719	CS2610	RC2109	220,560	220,560	0	0	220,560	\$275,312	02/29/12
255719	CS2610	RC2109	224,574	224,574	0	0	224,574	\$280,262	02/29/12
255719	CS2610	RC2109	228,588	228,588	0	0	228,588	\$285,212	02/29/12
255719	CS2610	RC2109	232,602	232,602	0	0	232,602	\$290,162	02/29/12
255719	CS2610	RC2109	236,616	236,616	0	0	236,616	\$295,112	02/29/12
255719	CS2610	RC2109	240,630	240,630	0	0	240,630	\$300,062	02/29/12
255719	CS2610	RC2109	244,644	244,644	0	0	244,644	\$305,012	02/29/12
255719	CS2610	RC2109	248,658	248,658	0	0	248,658	\$309,962	02/29/12
255719	CS2610	RC2109	252,672	252,672	0	0	252,672	\$314,912	02/29/12
255719	CS2610	RC2109	256,686	256,686	0	0	256,686	\$319,862	02/29/12
255719	CS2610	RC2109	260,700	260,700	0	0	260,700	\$324,812	02/29/12
255719	CS2610	RC2109	264,714	264,714	0	0	264,714	\$329,762	02/29/12
255719	CS2610	RC2109	268,728	268,728	0	0	268,728	\$334,712	02/29/12
255719	CS2610	RC2109	272,742	272,742	0	0	272,742	\$339,662	02/29/12
255719	CS2610	RC2109	276,756	276,756	0	0	276,756	\$344,612	02/29/12
255719	CS2610	RC2109	280,770	280,770	0	0	280,770	\$349,562	02/29/12
255719	CS2610	RC2109	284,784	284,784	0	0	284,784	\$354,512	02/29/12
255719	CS2610	RC2109	288,798	288,798	0	0	288,798	\$359,462	02/29/12
255719	CS2610	RC2109	292,812	292,812	0	0	292,812	\$364,412	02/29/12
255719	CS2610	RC2109	296,826	296,826	0	0	296,826	\$369,362	02/29/12
255719	CS2610	RC2109	300,840	300,840	0	0	300,840	\$374,312	02/29/12
255719	CS2610	RC2109	304,854	304,854	0	0	304,854	\$379,262	02/29/12
255719	CS2610	RC2109	308,868	308,868	0	0	308,868	\$384,212	02/29/12
255719	CS2610	RC2109	312,882	312,882	0	0	312,882	\$389,162	02/29/12
255719	CS2610	RC2109	316,896	316,896	0	0	316,896	\$394,112	02/29/12
255719	CS2610	RC2109	320,910	320,910	0	0	320,910	\$399,062	02/29/12
255719	CS2610	RC2109	324,924	324,924	0	0	324,924	\$404,012	02/29/12
255719	CS2610	RC2109	328,938	328,938	0	0	328,938	\$408,962	02/29/12
255719	CS2610	RC2109	332,952	332,952	0	0	332,952	\$413,912	02/29/12
255719	CS2610	RC2109	336,966	336,966	0	0	336,966	\$418,862	02/29/12
255719	CS2610	RC2109	340,980	340,980	0	0	340,980	\$423,812	02/29/12
255719	CS2610	RC2109	344,994	344,994	0	0	344,994	\$428,762	02/29/12
255719	CS2610	RC2109	349,008	349,008	0	0	349,008	\$433,712	02/29/12
255719	CS2610	RC2109	353,022	353,022	0	0	353,022	\$438,662	02/29/12
255719	CS2610	RC2109	357,036	357,036	0	0	357,036	\$443,612	02/29/12
255719	CS2610	RC2109	361,050	361,050	0	0	361,050	\$448,562	02/29/12
255719	CS2610	RC2109	365,064	365,064	0	0	365,064	\$453,512	02/29/12
255719	CS2610	RC2109	369,078	369,078	0	0	369,078	\$458,462	02/29/12
255719	CS2610	RC2109	373,092	373,092	0	0	373,092	\$463,412	02/29/12
255719	CS2610	RC2109	377,106	377,106	0	0	377,106	\$468,362	02/29/12
255719	CS2610	RC2109	381,120	381,120	0	0	381,120	\$473,312	02/29/12
255719	CS2610	RC2109	385,134	385,134	0	0	385,134	\$478,262	02/29/12
255719	CS2610	RC2109	389,148	389,148	0	0	389,148	\$483,212	02/29/12
255719	CS2610	RC2109	393,162	393,162	0	0	393,162	\$488,162	02/29/12
255719	CS2610	RC2109							

# Recycler Inspection Program (RIP)

- Inspect loads delivered by RCs at Processor facilities
  - Conduct random visits at Processor facilities
- Reduce or deny shipping report claims to accurately reflect load



## Prepayment Inspection Status (PIS):

- RC will not receive CRV payment until authorized by department staff
  - RC must notify CalRecycle at least 48 hours prior to load delivery
  - RC must submit shipping reports, original consumer purchase receipts, logs and daily summaries for review
  - Calrecycle staff has opportunity to inspect loads at Processor

### SAMPLE RECEIPT

Recycler		Certification No.: <b>RCXXXX</b>		Receipt No.: <b>00007</b>		
Recycler Name & Address (Optional)		California Certified Recycler		Date: <b>4/2/2008</b>		
Material	Rate	Total Weight and Count	Price Per Pound (Optional)	Total Refund Value (Optional)	Total Paid	Volume (if Recycled or Out of State Containers)
AL	SW	69.0	1.65	107.64	\$ 113.85	
GL	C	100.5	0.082	8.24	\$ 8.24	
BIMETAL						
#1 (PETE)						
#2 (HDPE)						
#3 (PVC)						
#4 (LDPE)						
#5 (PP)						
#6 (PS)						
#7 (misc)**						
<b>Grand Total:</b>					<b>\$122.09</b>	
Basis:		SW - Segregated by Weight		Seller's Signature: <i>Joseph Smith, Jr.</i>		
		SC - Segregated by Count		Printed Name: <i>Joseph Smith, Jr.</i>		
		C - Cleanweight		I.D. # <i>CA.DLR.M0111111 (expires 07/08)</i>		
		SP - Scrap				

# IMR Regulations - highlights

- Requires importer (of >25 lbs.) to fully cooperate with CDFA inspector, Division staff, law enforcement officer or other appropriate official to fulfill the purposes of PRC 14596 including, but not limited to:
  - Declaring the material at the inspection station
  - Providing and Imported Material Report (IMR) with the appropriate sections completed and the proper supporting documents attached
  - Offering the material for inspection, following directions for completing the inspection, and obtaining a proof of inspection (POI)
  - Providing full, true and correct information

# Partners in our fight against CRV fraud

- California Department of Justice
- California Attorney General's Office
- California Department of Food and Agriculture (CDFA)

# LEAs/CalRecycle Collaboration

Notify the Investigations Section if you see suspicious activities such as:

- Individuals with large loads at recycling centers
- Individuals delivering material from trucks/vehicles parked outside the recycling center
- Uncertified mobile recyclers buying materials on the streets
- Individuals storing materials at public storage facilities, warehouses and residences

Obtain:

- Location information
- Vehicle information – license plate number, make and model
- Photos of the material, individuals, locations and vehicles

Any suggestions?

# Contact Information

## CalRecycle

- Sacramento Field Office: Ben Shelton 916.324.1975  
[Ben.Shelton@calrecycle.ca.gov](mailto:Ben.Shelton@calrecycle.ca.gov)
- Los Angeles Field Office: Angelica Ibarra 310.384.7509  
[Angelica.Ibarra@calrecycle.ca.gov](mailto:Angelica.Ibarra@calrecycle.ca.gov)
- Riverside/San Diego Field Offices: Alex Hernandez 310.384.7508  
[Alejandro.Hernandez@calrecycle.ca.gov](mailto:Alejandro.Hernandez@calrecycle.ca.gov)
- Toll free tip line: 1-800-CANLOAD (226-5623)