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CITY CRACKS DOWN ON OUTLAW CELLPHONE DEALERS

*Stronger enforcement aimed at shutting unlicensed stores,
eliminating incentive for stolen cellphones*

Mayor Rahm Emanuel, the Department of Business Affairs and Consumer Protection (BACP) and Chicago Police Department (CPD) today announced the results of enforcement efforts to crackdown on the secondhand market for stolen cellphones. Targeting stores that continue to be out of compliance following the passage of the City's ordinance in September 2017, joint BACP and CPD enforcement action aims to eliminate options where thieves can sell stolen cellphones for profit.

"Cell phone robberies are a serious threat to public safety and a parent's peace of mind," said Mayor Emanuel. "Thanks to an ordinance passed this summer, enforcement has stepped up and a message is being sent to businesses that they can no longer flip a profit from a stolen phone."

Chicago police estimate that one in three thefts involve a stolen cell phone, with over 14,000 reported in the city last year. The new Secondhand Dealer ordinance went into effect October 23, 2017, designed to reduce the number of stolen phones being bought and sold. The new measure aims to end any incentive to commit crimes relating to robbing residents of their smart phones for a profit, by reducing a criminal's ability to find businesses that will buy them.

"Thanks to the ordinance supported by Mayor Emanuel and passed in the City Council we have the tools we need to put an end to the sale of stolen cell phones by holding retailers accountable," said CPD Superintendent Eddie Johnson. "Through continued compliance checks, we will make our streets safer as criminals realize that these stolen devices will not be able to be sold for their cash value. I would like to thank BACP for their continued partnership in this effort."

The ordinance regulates the secondhand cell phone market to further diminish the value of stolen phones. It does so by creating a 72-hour waiting period for resellers to accept the phone, requiring businesses to keep a log of incoming phones, and checking all logged cellphones against a national database for lost and stolen phones. The combination of required registry check and holding period protects consumers by making it harder for thieves to resell their phone and increasing consequences for secondhand stores caught with stolen property.

“The Mayor’s toughened ordinance is already having an impact. The stronger enforcement tools are putting a stop to businesses that are cashing-in on stolen phones, and shutting down the pipeline that supports criminals,” said BACP Commissioner Rosa Escareno. “There are too many innocent victims of cell phone theft and businesses caught selling phones out of compliance with the rules will face the consequences including fines and closure.”

Since the Ordinance went into effect, BACP investigated 331 businesses that sell cellphones and found 143 not in compliance. In total, BACP issued 46 Cease-and-Desist Orders to businesses operating without the required Secondhand Dealer license, 178 citations and 148 Notices to Correct. BACP found most violations were due to the business not being properly licensed, not maintaining an inventory book, failing to put tracking stickers on cell phones and failing to comply with the receipt requirements. Failure to comply with the amended ordinance carries a penalty of \$1,000 to \$2,000 for each cellphone purchased or offered for sale.

In addition, a multi-district joint CPD/BACP compliance check took place December 15th and 16th, targeting 44 businesses on Gresham (6th), Ogden (10th), Harrison (11th) and Grand Central (25th) police districts to increase awareness of the ordinance and to take enforcement action as necessary. In total, the enforcement found 14 businesses in non-compliance and issued 26 ANOV’s. In addition, the checks recovered two illegal guns, 156 stolen cell phones, 8 stolen tablet computers and 100 packs of contraband cigarettes.

BACP also wants to encourage customers to notify their carriers in the event of a loss or theft for entry of the make, model and serial number into a stolen cellphone database and to file a stolen cell phone police report. This will ensure that a customer’s phone is blocked from further use or activation, and initiate an investigation into the potential theft.

“We takes consumer protection very seriously want to go after bad actors who traffic in stolen phones and reduce the market for stolen phones,” Escareno added. “Through the enhanced requirements BACP and Police have additional tools to crack down on illegitimate resellers and create a safer climate for residents and visitors alike.”

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