

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE
MEAT, POULTRY AND EGG SAFETY BRANCH
RENDERING INDUSTRY ADVISORY BOARD**

**Location: 2800 Gateway Oaks, Room 101
Sacramento, CA 95833**

**Meeting Minutes
October 3, 2012**

Item
No.

(1) **Call to Order**

Dr. Jan Hershenhouse called the Rendering Industry Advisory Board (RIAB) meeting to order and a quorum was established.

(2) **Roll Call**

Committee Members Present:

Mike Koewler
Daniel Stonesifer
James Andreoli Jr.
Donald DeSmet
Gerardo Garza
D.O. "Spike" Helmick Jr.
Chris Ottone

Interested Parties:

Tad Bell
Tina Caparella
Sandy Stonesifer

CDEA:

Dr. Annette Jones
Dr. Doug Hepper
Dr. Jan Hershenhouse
Paul Roos
Paul SanGregorio
Louie Lucero
Rachel Andrade
Irene Sanchez

(3) **Administration Of Oath**

Dr. Annette Jones administered the oath to the board members.

(4) **Welcome Address**

Dr. Jones welcomed the board and explained that the board was established to improve communication with the rendering industry.

(5) **Program Update**

Dr. Douglas Hepper provided RIAB with program updates. The following was discussed:

Dr. Jan Hershenhouse has taken over as the lead of the Rendering Enforcement Program (REP). He explained that half of her salary is paid by the rendering industry; the other half paid by CDFA's General Fund. Dr. Hepper also detailed the reorganization of the Meat, Poultry and Egg Safety Branch.

(6) **Election Of Board Officials**

Dr. Jan Hershenhouse advised the board they will need to have a chairman, vice chairman, and a secretary and asked the board if there were any nominations for a chairman.

Motion #1: Spike made a motion to nominate Mr. Mike Koewler as chairman of RIAB. The motion was seconded and passed unanimously. Mr. Koewler accepted the nomination, and requested explanation of the duties of the chairman. Mr. Koewler raised the question as to who will be creating the agenda for RIAB meetings. Dr. Hepper explained that it will be joint effort between the members of the board and CDFA staff.

Motion #2: Motion was made to nominate Mr. Daniel Stonesifer to vice chairman of RIAB. Motion was seconded and passed unanimously.

Mr. Koewler advised as long as the chairman and vice chairman have input on the meeting agenda the board would like Rachel Andrade to be secretary of RIAB.

(7) **Article 1.5 Of Chapter 5 Of The Food And Agricultural Code, Rendering Industry Advisory Board**

Dr. Hepper read Article 1.5 explaining the development of the board, how the board members are chosen, terms of office for the board members, and the duties of the board.

Motion #3: Mr. Koewler made a motion to establish a subcommittee to vet the qualifications of a person that chooses to fill a vacancy on the board. Mr. Chris Ottone seconded the motion and passed unanimously. The subcommittee will be established when a vacancy becomes open.

(8) **Rendering Industry Advisory Board By-Laws**

Dr. Hepper read the draft of by-laws he established to govern the board activities. RIAB will review the drafted by-laws and make suggestions, additions or subtractions at the next board meeting and put together a draft that can be voted on.

(9) **Rendering Statistics For 2012**

Updates on rendering enforcement activities and statistics were presented. Discussion ensued on the repercussions the industry is facing due to Inedible Kitchen Grease (IKG) theft. RIAB inquired about the possibility of pursuing IKG theft as a criminal manner. Mr. Paul Roos informed the board that REP is working with several district attorney offices to make them aware of the issues. However, in most violation cases there is not enough evidence for it to be handled in a criminal manner, but can be addressed civilly. He further explained an advantage to using civil penalties is the Notice of Violations (NOV) can be used to deny future registrations. Mr. James Andreoli Jr. suggested penalties be progressive. Dr. Hepper advised there is a penalty matrix being drafted. Dr. Jones advised there is also legislation in progress that will allow CDFA to legally impound the oil in a truck.

Mr. Koewler suggested using rendering funds to create cooperative agreements with law enforcement and district attorney offices to assist in the enforcement activities. Mr. Roos explained the targeted grants are useful because it educates law enforcement on the issues and by doing so, the enforcement continues even after the grants have expired. Mr. Koewler also suggested more enforcement on the reciever of illegal IKG. It was discussed how the new manifest system will be a useful tool to go after the illegal purchasers.

(10) **Rendering Enforcement Program Team**

Dr. Hershenhouse introduced the Rendering Enforcement Program team and explained the areas each investigator covers. Dr. Hershenhouse informed RIAB the investigators are collecting police reports and using them to determine where the most activity of IKG theft is occuring and then focusing enforcement activities on those locations.

(11) **Grease Enforcement Projects**

Dr. Hershenhouse discussed the following enforcement projects REP is working on:

- The IKG Theft Reporting Phone Line was established and the team is working on promoting it.
- The IKG Website is being created. The website will allow online reporting of IKG theft and will provide access to license and data registration.
- Outreach materials were created to promote awareness of IKG theft and will be distributed to law enforcement and the public.

- The rendering program has established enforcement grant contracts with police departments and district attorney offices.
- Working with CDFA Legal Office on enforcement processes which include the creation of a risk matrix and increasing fines.
- The REP team has created an activity log for tracking the enforcement progress of cases.
- Creating standardized forms, which include a witness statement form, on-line inspection reports, and an audit notice. These forms are vital to support enforcement cases.
- A training and awareness meeting with all division investigators is scheduled for October 16, 2012. The purpose is to coordinate and share information to help out with enforcement activities.

(12) **Enforcement Grant Contracts**

Mr. Paul SanGregorio provided RIAB with updates on city enforcement grants with Chino, Fontana, and the cooperative agreement with the Orange County District Attorney. The programs cooperative agreement with the Orange County District Attorney has six criminal cases pending. The program is looking into future cooperative agreements with the cities of Roseville, Elk Grove, and Manteca, as well as, cities in the central valley and southern division. Mr. SanGregorio advised the board there is a great need for the industry to complete the online theft reports because it allows the program to perform target enforcement. In addition, it may lead local agencies to inquire about the program.

The program has sent outreach material to all sheriff departments throughout the state, and will also be sending out to 400 police departments. The outreach material includes flyers on what to look for and notice to the public of a \$500 reward for information that leads to the successful conviction of grease theft.

Mr. Koewler inquired if there is authority for the department to accept private funds to support the cooperative agreements? Dr. Hepper replied he would look into it and report back to RIAB.

RIAB asked the program to request in the cooperative agreements a report on what regulations or improvements are needed from the program to be more effective in enforcement.

(13) **Training Program And Enforcement Process**

Mr. Roos discussed how allied law enforcement agencies are trained on CDFA policies and procedures pertaining to REP.

Discussion led to whether or not IKG transporters have to be compliant with the Department of Transportation (DOT) requirements. Regulations state vehicles must be in compliance with all California Vehicle Codes (CVC), therefore the program will ask all IKG commercial transporters to submit a copy of their Motor Carrier Permit and California number with their registration.

The problem is the program cannot deny registration for non-compliance; therefore, there are no adverse effects for being out of compliance. Dr. Hepper requested a recommendation from the board, as it may take legislation.

RIAB inquired about the enforcement process. Mr. Roos explained, if feasible, a Notice to Appear and a Notice of Violation (NOV) is issued to the suspect. If it is not feasible only an NOV will be issued. A person convicted of stealing IKG can be sentenced to imprisonment, but it is uncommon; therefore, most violations are pursued administratively as CDFA can levy fines and deny registrations. Further discussion centered on the administrative process.

(14) **IKG Hotline And Website**

The IKG hotline and website were established for the purpose of reporting illegal rendering activity to the program. This will allow the enforcement team to quickly take action, as well as focus enforcement activities to high traffic areas. The IKG website will provide quick access to lists of current registrants. This will enable law enforcement, collection centers and renderers to verify registration status. In addition, the IKG website will provide a list of all convictions and/or denied registrations. The board suggested that some restaurant employees may be hesitant to give their personal information. Dr. Hershenhouse ensured the board that minimal personal identification can be provided when submitting the report.

Mr. Koewler suggested that reaching out to the restaurant association could be helpful as well.

(15) **Penalty Matrix**

Dr. Hershenhouse informed RIAB of the development of the Penalty Matrix. The proposed matrix will provide progressive enforcement and denial of registration. The Penalty Matrix, once fully developed, has to go to the Office of Administrative Law for approval.

(16) **Legislative Actions And Proposed Regulation Updates**

Dr. Hepper provided updates on legislative actions and proposed regulations. The following was discussed:

- AB 2378 (Hubert) went into effect January 1, 2013. It increases maximum criminal fines per violation from \$1,000 to \$5,000 and \$10,000 to \$15,000 with potential imprisonment. It also increases civil penalties from \$1,000 to \$5,000 per violation which will make enforcement more significant. The bill also allows the program more leverage in collecting penalties. Mr. Koewler suggested that obtaining more information on the application would make it easier to collect the penalty fees. Mr. Koewler suggested the program target the financiers or corporations that are sending out the illegal transporters.
- CDFA will submit a proposal to make it illegal for registered IKG transporters or other persons to obtain IKG from unlicensed renderers or collection centers. Currently, it is only illegal to obtain IKG from an unregistered IKG transporter.

- CDFA proposes to be given the authority to seize and sell IKG from impounded vehicles when the vehicle operator is cited or arrested for theft of IKG, the vehicle is not registered with the department, and/or the driver of the vehicle does not have required records pertaining to the load of IKG. Proceeds from the sale of the IKG would go to the Rendering program fund. Unless the person is cleared of all charges, than the proceeds would go back to the owner of the vehicle. The legal council advises it needs to be in the Vehicle Code and not just the Food and Agricultural Code.
- Manifest regulations were drafted and revised based on public feedback and will be going back out for a second round of public comment. One of the revisions made was to include that the IKG transporter is required to have the manifest in the vehicle until the IKG is offloaded. The board inquired how the value or volume of the IKG should be determined. Dr. Hepper replied that an estimate can be made by the size of the container and how much it is filled.
- An administrative penalty matrix was developed to provide progressive enforcement and authority to deny registration. The program proposes to change regulations, so that persons who have been denied a license renewal or has had a license revoked will not be able to reapply the following year.
- The program proposes to re-examine the implementation of Global Position System (GPS) requirements.
- Under the guidance of RIAB, the program proposes to regulate the removal of IKG from containers owned by other service providers. Discussion ensued on whose property the grease is when the grease is put into the container. Dr. Hepper suggested there should be standardization amongst the industry on liability and ownership of containers and the grease within it.
- The program also proposes to regulate the removal of IKG containers left behind. Discussion focused on who should remove the container and if this issue should be considered a business dispute and whether the program should get involved. Dr. Hepper would like a recommendation from the board.
- The program proposes making registration conditional on having a California number and a Motor Carrier Permit.
- To generate revenue, the program proposes issuing temporary permits for out-of-state transporters. When the transporters enter the scales they would pay a fee for a permit to haul IKG within the state for three to five days. This allows the program to capture all the transporters information and to work with them on getting registered.

(17) Rendering Budget

The Rendering program budget, reserve fund, personal services, and revenue projections were presented. Dr. Hepper explained the continuance of the cooperative agreements and enforcement grants will quickly dwindle down the reserve fund.

Mr. Tad Bell suggested the revenue projections be broken down by registration fees and enforcement fees; so in the future, the board can determine where possible fee increases are needed.

(18) Other Business

Motion #4: Mr. Koewler made a motion to establish a subcommittee to look at current enforcement rules and/or regulations and advise the board about changes or rulemaking that would make the REP more effective. He also nominated Mr. Helmick Jr. to chair the subcommittee and offered his assistance to the subcommittee. Mr. Andreoli seconded the motion and the motion was passed unanimously.

Mr. Koewler suggested the next RIAB meeting date be set for early March 2013 after the Pacific Coast Rendering Association meeting, so that feedback from the meeting can be discussed with the board.

(19) ADJOURN

Mr. Koewler suggested adjourning the meeting. The meeting was adjourned at 2:21 p.m.

Respectfully Submitted:

Rachel Andrade