

SB 962 (Leno)

Principal Co-Author: Assemblymember Skinner
As Introduced February 6, 2014

Smartphone Theft Prevention

FACT SHEET

SUMMARY

SB 962 will require any smartphone or tablet sold in California to include a technological solution that renders the essential features of the device inoperable when stolen. Such solutions remove the incentive for thieves by eliminating the device's value on the secondary market. As a result, this legislation will go a long way towards ending the epidemic of smartphone theft and ensuring Californians are safeguarded from theft.

BACKGROUND

California is experiencing an epidemic of smartphone thefts, many of which turn violent. The scope of this international epidemic is alarming, and the need for theft deterrence features on mobile devices cannot be understated.

The theft of mobile communications devices now accounts for one third of all robberies in the United States, making it the number one property crime in the country. This trend is reflected in most major cities in California today, with smartphone theft now accounting for over 50% of all robberies in San Francisco and as much as 75% in Oakland. Los Angeles

has experienced a 12% increase in this type of crime since 2012. Policing and prosecution are an essential component of crime reduction, but this epidemic is simply too massive and widespread to be addressed by enforcement alone.

With wireless manufacturers earning an estimated \$30 billion annually from lost and stolen devices, the industry lacks motivation to end this epidemic and safeguard Californians. As a result, it is essential that government step in and require the industry to take steps to end this wave of violent thefts and ensure the safety of consumers.

Technological solutions that render stolen devices useless already exist, but the industry has been slow to act. Meanwhile, Consumer Reports estimates that 1.6 million Americans were victims of smartphone theft in 2012. What's worse, news reports indicate that smartphone theft increased again in 2013 in urban centers across the country. With robberies involving mobile communication devices at an all-time high, California cannot stand-by when a solution to the problem is readily available. Manufacturers and carriers have the opportunity to deter violent crime, eliminate the secondhand market for stolen mobile communications

devices, and prevent their customers from becoming the next victim.

Contact: Daniel Seeman, 916-651-4011
Version: February 27, 2014

SOLUTION

SB 962 requires that all advanced communications devices (smartphones and tablets) sold in California must come pre-equipped with a theft-detering technological solution that renders the essential functions of the device useless when stolen. The consumer may affirmatively opt-out of using the technological solution, but every device must come pre-equipped and enabled with this technology in order for the deterrent value of the solution to be as effective as possible.

The result will be to remove the re-sale value of stolen devices, thus reducing the current incentive for thieves to prey on smartphone users.

STATUS

Introduced February 6, 2014

SUPPORT

- San Francisco District Attorney George Gascón (Sponsor)
- San Francisco Mayor Ed Lee
- San Francisco Police Chief Greg Suhr
- Los Angeles Mayor Eric Garcetti
- Los Angeles Police Chief Charlie Beck
- City of Oakland
- Oakland Mayor Jean Quan
- Oakland City Councilman Dan Kalb
- Oakland Police Chief Sean Whent
- The Utility Reform Network
- Consumer Action
- Consumer Federation of California

Full List to Follow

14 FEB 27 PM 4:12

Approved as to Form and Legality

City Attorney's Office

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

INTRODUCED BY COUNCILMEMBER KALB

Resolution in SUPPORT of the Senate Bill (SB) 962 (Leno) – Smartphone Theft Prevention

WHEREAS, many residents of Oakland and other cities throughout California and the rest of the country carry and use a cell phone with them wherever they go and smart phones are increasingly becoming part of people's daily lives; and

WHEREAS, the practice of regularly carrying and using cell phones and other personal electronic devices and their monetary value has made the devices a target for thieves; and

WHEREAS, theft of handheld electronic devices has reached epidemic proportions, with 1.6 million stolen in the United States last year, according to the National Consumers League; and

WHEREAS, the Oakland Police Department (OPD) has observed that criminal enterprises are increasingly focused on stolen personal electronics and that the local surge in robberies is being driven by the resale value of cell phones, as noted by various media stories; and

WHEREAS, well over 4,000 robberies occurred in Oakland alone last year and the rate of robberies in Oakland remains horrendously high, creating a crisis for Oakland residents; and

WHEREAS, an October 30, 2013 East Bay Express article, "What's Driving Oakland's Robbery Epidemic?," reported that (1) OPD estimated that 75% of all robberies involved theft of a cell phone and (2) Lookout, a cell phone security company, estimated that lost and stolen cell phones cost consumers \$30 billion last year; and

WHEREAS, a May 7, 2013 Oakland Tribune article reported that stolen cell phones can be resold for between \$50 to \$400 each; and

WHEREAS, OPD's published Safety Tips regarding avoiding being a robbery victim state "Always conceal what you have to steal, such as money or a cell phone. Cell phones are just like cash—when thieves see a cell phone they want it;" and

WHEREAS, theft-detering technology, sometimes referred to as a "kill switch," has been developed by manufacturers and, if installed in cell phones, would likely hamper the ability to profit from the sale of stolen cell phones and thereby curb interest in committing robbery for the purpose of obtaining cell phones; and

WHEREAS, New York State Attorney General Eric Schneiderman and San Francisco District Attorney George Gascón announced in June the formation of a nationwide Secure Our Smartphones (S.O.S) Initiative aimed at encouraging the cell phone industry to adopt technologies that would deter theft by drying up the secondary market related to stolen devices; and

WHEREAS, numerous media articles have recently reported that the nation's largest cell phone carriers have rejected cell phone manufacturer Samsung Electronics' anti-theft "kill switch" and, while some other features such as Apple's Activation Lock are available for some devices, concerns remain that the available features are not consistently free, standard, and universal; and

WHEREAS, the Oakland City Council, at its January 7, 2014 meeting, passed a Resolution introduced by Councilmember Dan Kalb in support of the S.O.S. Initiative and requesting that the California State Legislature adopt statutory requirements for a mandatory "kill switch" or similar technology on all new smart phones sold in California; and

WHEREAS, Senate Bill 962, introduced by Senator Mark Leno on February 6, 2014 and co-authored by Assemblymember Nancy Skinner, would require any advanced mobile communication device, including smartphone or tablet, sold in California to include a technological solution that renders the essential features of the device inoperable when stolen, thereby removing the incentive for thieves by eliminating the device's value on the secondary market and, as a result, having a positive impact towards ending the epidemic of smartphone theft and ensuring Californians are safeguarded from theft; now, therefore be it

RESOLVED, that the Oakland City Council endorses SB 962.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID,
SCHAAF AND PRESIDENT KERNIGHAN

NOES -
ABSENT -
ABSTENTION -

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California