

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF RIVERSIDE, CALIFORNIA,
AMENDING CHAPTER 9.70 OF THE RIVERSIDE MUNICIPAL CODE
ENTITLED ECOATM MACHINES AND OTHER SIMILAR DEVICES OR
MACHINES.

The City Council of the City of Riverside does ordain as follows:

Section 1: The Table of Contents of Chapter 9.70 entitled EcoATM Machines and Other Similar Devices or Machines is hereby amended as follows:

“Chapter 9.70

ECOATM MACHINES AND OTHER SIMILAR DEVICES OR MACHINES

Sections:

9.70.010 Findings. EcoATM machines and other similar kiosk machines.

9.70.020 Authority and purpose.

9.70.030 Definitions.”

~~9.70.040 EcoATM machines and other similar machines prohibited.~~

Section 2: Section 9.70.10 of the Riverside Municipal Code formerly entitled “Findings” and is now entitled “EcoATM machines and other similar kiosk machines” and is hereby repealed in its entirety and replaced with the following:

~~“The City Council finds as follows:~~

~~A. EcoATM is a kiosk machine that allows people to sell their cell phones, mp3 players, and tablets in exchange for an immediate cash distribution or charitable donation.~~

~~B. EcoATM employs security features to both deter and catch thieves selling stolen devices.~~

~~C. EcoATM requires the consumer to swipe a valid government issued ID, provide a valid thumbprint, and allow the machine to take their photograph. Whenever “technically possible” EcoATM also logs the serial number of each personal electronic device involved in a transaction.~~

~~D. EcoATM machines are responsible for a rise in violent and non violent theft of personal electronic devices in cities permitting the machines, such as Washington D.C., El Cajon, Glendale and San Diego. Examples of such incidents include the following:~~

~~1. In March of 2013, the Washington D.C. police reported that 40 percent of all forced robberies in the last year involved a cell phone. In a recent investigation, the D.C. police discovered six stolen~~

1 cell phones inside ecoATM machines. The Police have even video recorded thieves using an elderly
2 woman as a middleman to complete the ecoATM transaction.

3 2. In April 2013, El Cajon Police expressed concern about ecoATM machines contributing to the
4 rise in cell phone theft. Two teenagers, ages 14 and 15, were arrested for six cell phone thefts in which
5 the teenagers sold the phones to ecoATM machines for quick cash.

6 3. San Diego Police also reported a marketed rise in cell phone theft since the installation of
7 ecoATMs. From January 2011 to March 2013, there were 270 cell phone thefts on the streets of the
8 City and some of the stolen phones were later found inside ecoATM machines.

9 4. In May of 2013, news anchors Jeff Rossen and Avni Patel from the Today Show on NBC tested
10 the security features of ecoATM in one of their "Rossen Reports" specials. The reporters sent two
11 NBC producers to two different ecoATM machines and told them to switch IDs. Although the
12 producer looked nothing like the picture in the ID, both ecoATM machines approved the transaction
13 and dispensed cash for the deposited phone.

14 5. In July of 2013, Glendale Police reported several instances where juvenile suspects sold stolen
15 devices to an ecoATM machine using the identification of others (adults) that looked nothing like the
16 person using the machine. The stolen devices had already been exchanged for cash by the time the
17 devices were reported stolen to the police.

18 E. EcoATM's security features cannot successfully deter thieves; the machine does not does not
19 have the technology to verify whether the valid government issued ID, fingerprint, and photograph
20 collected by the machine belong to the person completing the transaction and whether the person is
21 the true owner of the device being sold.

22 F. There is no security device that ecoATM could install to catch thieves who use third parties or
23 "middlemen" to complete the transaction.

24 G. Theft of personal electronic devices is already a growing problem in the City of Riverside even
25 without the addition of ecoATM machines. On April 4, 2013, the University of California Riverside
26 held a town meeting to discuss campus safety and the rise in cell phone theft.

27 H. Currently, there are no ecoATM locations in the City of Riverside. It is reasonable to conclude
28 that the adverse effects of ecoATM machines on the public health, safety, and welfare of other cities
will certainly occur in the City of Riverside if the City fails to prohibit the machines. The incentive

1 ~~that these machines create far outweighs the benefits derived from their security features. The security~~
2 ~~features of the ecoATM machines fail to deter and aid in prosecuting thieves. Theft of personal~~
3 ~~electronic devices is on the rise in the City and will likely increase from the quick and easy cash~~
4 ~~incentive provided by ecoATM machines.~~

5 “EcoATM machines and other similar kiosk machines that allow people to sell their personal
6 electronic devices in exchange for immediate cash, store credit, or charitable donation can only
7 be operated in the City of Riverside if they are in full compliance with standard security
8 measures required by state law, including but not limited, to Business & Professions Code
9 Section 21628. In addition, EcoATM machines or similar kiosk machines can only be operated
10 in the City of Riverside if they have implemented the following protocols to cooperate with
11 the Riverside Police Department:

12 A. The kiosk machine must be equipped with at least three (3) built-in high definition
13 webcams which can be accessed remotely by a live machine attendant. The cameras
14 must take real time photographs at the time of the transaction, which must be remotely
15 transmitted to a live online employee to manually compare each seller’s photo ID with
16 the seller’s face in real-time to confirm his or her identity and to verify that the person
17 using the kiosk machine matches the photo on the ID scan. The transaction shall be
18 denied if:

- 19 1. The seller is under the age of 18,
- 20 2. The photo ID is expired,
- 21 3. The photo on the ID does not match the seller’s captured real-time photograph,
- 22 4. The seller is not in camera view, or
- 23 5. The camera is blocked.

24 B. The kiosk machine must be equipped with biometric devices to capture a valid fingerprint
25 from each seller, which is recorded in the kiosk machine’s database;

26 C. The kiosk machine must check each mobile device’s electronically embedded serial
27 number to determine if the device had been previously reported as stolen and/or if a
28 specific mobile device was received by a machine. The serial number of a device must be
checked through a company that complies a comprehensive database of stolen devices

1 based on information from nationwide phone carriers, local law enforcement, and the
2 FBI. If the machine recognizes the mobile device as one that had been reported as stolen
3 or one where the owner of the device remotely enabled a “kill switch” to remove their
4 information from the device, the machine shall reject the transaction.

5 D. Any person or company who owns or operates a kiosk machine in the City of Riverside
6 must offer law enforcement officers access to the kiosk machine’s transaction reports
7 without charge, even if it requires the owner operator of a kiosk machine to partner with a
8 company to provide such a service.

9 E. Any person or company who owns or operates a kiosk machine in the City of Riverside
10 shall not require a warrant or subpoena to provide an inventoried mobile device to law
11 enforcement;

12 F. Any person or company who owns or operates a kiosk machine in the City of Riverside
13 must respond to any law enforcement request to research and/or return reported stolen
14 mobile devices that may have been collected by the kiosk machine;

15 G. The kiosk machine must be capable of being opened remotely for law enforcement
16 personnel who need access to a mobile device inside the kiosk machine;

17 H. The kiosk machine must hold all inventory collected for a minimum of 30 days; and

18 I. Any person or company who owns or operates a kiosk machine in the City of Riverside
19 must work with the Riverside Police Department to implement a “do not buy” list that
20 bans individuals from utilizing these machines.”

21 Section 3: Section 9.70.040 of the Riverside Municipal Code entitled EcoATM Machines
and Other Similar Machines Prohibited is hereby repealed in its entirety.

22 ~~“EcoATM machines and other similar devices or machines are prohibited in the City of
23 Riverside. No person shall locate, operate, own, suffer, allow to be operated or aide, abet or
24 assist in the operation of any EcoATM machine or other similar device or machine within the
25 City.”~~

26 Section 4: The City Council has reviewed the matter and, based upon the facts and
27 information contained in the staff reports, administrative record, and written and oral testimony,
28 hereby finds that this ordinance is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3)

1 and/or 15061(b)(3) of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter
2 3, in that it will not result in a direct or reasonably foreseeable indirect physical change in the
3 environment nor have a significant impact on the environment.

4 Section 5: The City Clerk shall certify to the adoption of this ordinance and cause
5 publication once in a newspaper of general circulation in accordance with Section 414 of the Charter
6 of the City of Riverside. This ordinance shall become effective on the 30th day after the date of its
7 adoption.

8 ADOPTED by the City Council this _____ day of _____, 2019.

9
10 _____
11 WILLIAM R. BAILEY, III

12 Mayor of the City of Riverside

13 Attest:

14 _____
15 COLLEEN J. NICOL
16 City Clerk of the City of Riverside

17 I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the
18 foregoing ordinance was duly and regularly introduced at a meeting of the City Council on the
19 _____ day of _____, 2019, and that thereafter the said ordinance was duly and regularly
20 adopted at a meeting of the City Council on the _____ day of _____, 2019, by the
21 following vote, to wit:

22 Ayes:

23 Noes:

24 Absent:

25 Abstain:

26 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the
27 City of Riverside, California, this _____ day of _____, 2019.

28 _____
City Clerk of the City of Riverside