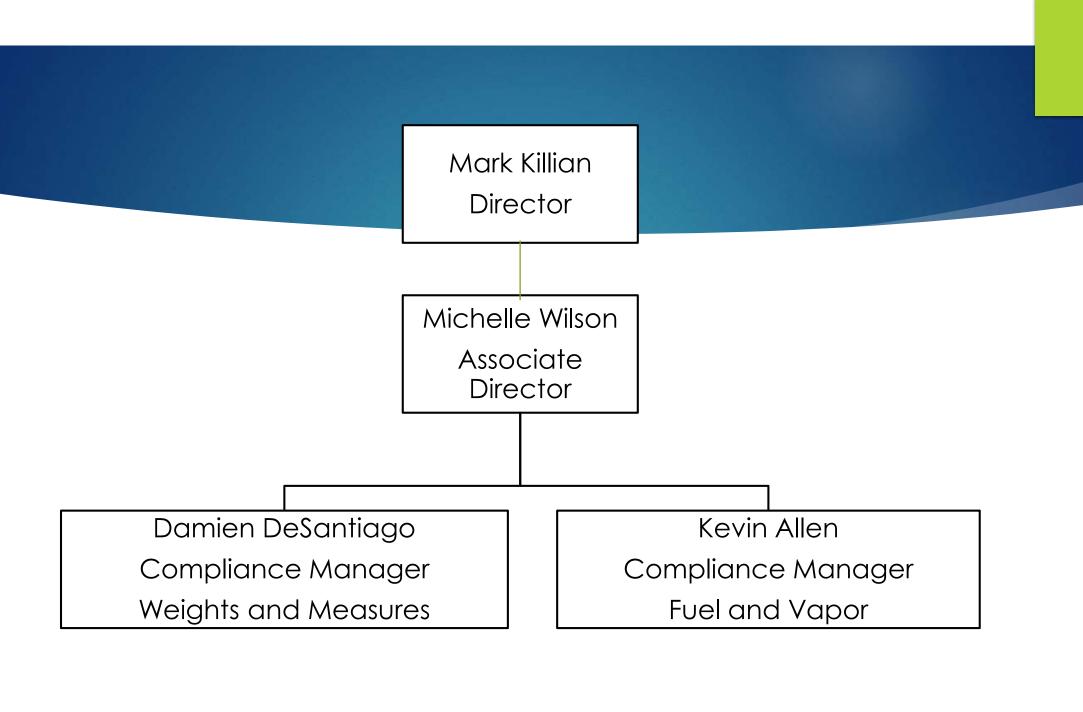


Agenda

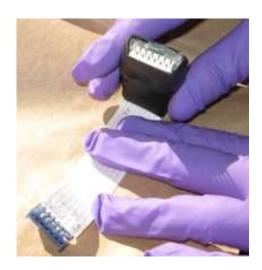
- New Vapor/Fuel Compliance Manager
- Skimming Devices at Fueling Locations
- Stage II Decommissioning
- Proposed Rules



What are Skimmers?

- ► They are <u>illegal</u> devices that 'capture' customer card info.
- Connected to the credit card readers.
- ▶ Installed inside fuel dispensers, ATMs, Point of Sale.
- ► Their presence is increasing.
- ► They are getting more difficult to find.

Criminals can install skimming devices in fuel dispensers in 7 to 8 seconds!!



How is Weights and Measures Involved?

- License and inspect fuel dispensers
 - Been looking for skimming devices for 10 years
 - Educate fuel retailers regarding inspections and security measures
 - State "clearinghouse" for tracking fuel station skimming activities
 - Respond and investigate reports of potential skimming activity
 - Work with law enforcement, financial institutions, retailers
 - × Educate the public
- License Registered Service Representatives (dispenser service technicians)

Together - we can combat this costly crime!

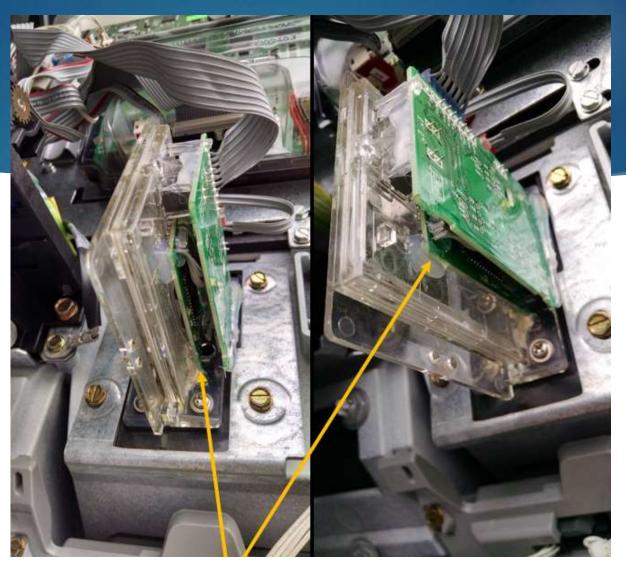
About dispenser skimmers

- Installed internally in the dispenser
- Most are attached to the wiring, some are attached directly to the card reader
- Some attached to keypad to capture PIN
- Some are Bluetooth enabled and do not need to be retrieved from the dispenser









Clear silicone 'globs' attached to an additional circuit board for the card reader in this skimmer (2016)

What do criminals do with the skimmer data?

- Re-encode card numbers on magnetic stripe cards
- Purchase gift cards and other merchandise
- Sell data on "dark web" for other criminal use
- Proceeds used to fund other criminal activities

Leads to:









Skimmers



Latest Developments.....



Criminals place sticker on door panels to know if their skimmer has been tampered with

Sticker residue left after removal of the sticker

Stage II Decommissioning

- All gasoline stations have to remove Stage II vapor recovery equipment by September 30, 2018
- On schedule as of March 31, 2017 404 sites
- ▶ Reminder letter to be sent to "year 1 sites." The default dates are:
 - ▶ BMF < 13676 = Year 1 (October 1, 2016 September 30, 2017)
 - BMF > 13676 = Year 2 (October 1, 2017 September 30, 2018)
 - Exempt sites (<10,000 gallons throughput) = Year 1 or 2</p>
- Flexibility provided to change year designation submit a written request
- Ensure decommissioning is performed prior to the stage II test month, otherwise the stage II test must be performed

Proposed Rules

Posted in Arizona Register April 28, 2017

http://apps.azsos.gov/public_services/register/2017/17/04_proposed.pdf

- Public hearing/end of comment period: May 31, 2017 10:00 a.m.
 - Department of Agriculture, 1688 W. Adams, conference room 206
- Main goals:
 - Update rules to conform with HB 2480 and HB 2171 and move to Department of Agriculture
 - Streamline and clarify

Rule highlights

- Provides flexibility for civil penalty issuance
- Requires licensed Registered Service Representatives to report skimmers
- Clarify price posting requirements for retailers, implement HB 2171
- Streamline weighmaster program
 - Allows electronic signatures and stamps on weight tickets
 - Deputy weighmasters self-certify (instead of testing)
- Reduce frequency of exam and license requirements for vapor testers from annually to once every 3 years

Rule highlights, cont...

- Clarify diesel fuel with 5% or less biodiesel is considered diesel fuel (ASTM D975)
- ► Align consumer postings on dispensers with federal standards
 - Provide flexibility to allow "Diesel No. 2" to be labeled as "Diesel" fuel
 - Removes ULSD labeling requirements (already implemented HB 2171)
 - Defers to Handbook 44 for price posting
- Allow/clarify sale of E15 is allowed outside of the CBG-covered area
- Update E85 standards to ethanol flex fuel (EFF) (already implemented HB 2171)
 - Require all dispenser and external signs to be relabeled Ethanol Flex Fuel by 1/1/18
 - Disallows the use of signage with an incorrect amount of ethanol (already implemented)
- Allows conventional fuel to be used in production of EFF in the CBG-covered area

Rule highlights, cont...

- Clarifies/updates product transfer document requirements:
 - >5% biodiesel or biomass-based diesel, ethanol flex fuel must state the percent biofuel in blend (HB 2171)
 - ▶ Terminal tickets no longer require final destination (HB 2171)
- Nozzle cover color requirements (green = diesel, yellow = ethanol flex fuel) effective Sept 30, 2018 (HB 2171)
- Adopts industry standards:
 - ▶ Gasoline, EFF 10 micron. Diesel, biodiesel, biodiesel blends 30 micron.
 - Diesel nozzle spout size conforms to SAE 285
 - Color-coded manhole covers API 1637 (only if color-coded)

Rule highlights, cont...

- Significantly reduces State oversite for biofuel blending and production
 - ► Eliminates QA/QC plan submittal and approval requirements
 - Removes strict sample, lab analysis, and retention requirements to allow site specific plans
 - Removes monthly reporting of sample analysis and volume information
 - Includes provisions for sites found to be out of compliance

QUESTIONS?

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