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## Stolen Milk Crates Feed Black Market

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(AP) For decades, college kids have used **stolen milk crates** as the basic building blocks of coffee tables and dorm room shelves.

Now, a new breed of crate rustler is cashing in by swiping thousands of the containers from loading docks and selling them to shady recyclers.

The containers are chopped into bits and shipped to booming factories in China to be made into a variety of products, from pipes to flower pots.

Facing an estimated \$80 million in annual losses from the thefts, dairies across the country are moving to stop the plastic pilfering. In California, companies are even hiring private detectives and staging sting operations.

"We saw them disappearing into this black hole," said Rachel Kaldor, executive director of the Dairy Institute, a trade group in Sacramento. "We just don't know who's stealing these crates off the loading docks."

In the past two years, the high-density polyethylene has joined a growing list of materials that are being stolen and sold via a thriving underground recycling network.

Among other things, thieves target **copper, aluminum bleachers, beer kegs, even cemetery vases and nameplates.**

It took a while for dairies to determine what was happening to their crates.

"If it were just college kids taking them, the dormitories would be overflowing with milk cases," said Stephen Schaffer, general manager of Alta Dena Dairy near Los Angeles.

The crates are made of petroleum-based plastic that has increased in value along with gasoline prices. The material now sells for 22 cents a pound, compared to 7 cents a pound in 2005, said Patty Moore, a recycling consultant in Sonoma, Calif.

Consumers can spend as much as \$10 for an "authentic" dairy crate at retailers such as the Container Store. Dairies pay about \$4 when they buy in bulk.

Last year, the industry lost about 20 million crates to thieves, said Clay Detlefsen, vice president and counsel of the International Dairy Foods Association.

California, the nation's largest dairy state, has taken the lead in the fight against plastic poachers.

Already hurt by the theft of milk-producing hormones and incidents of cattle rustling, the state dairy industry convinced legislators to pass a law last year that allows dairies to sue recyclers accused of accepting stolen crates. No cases have hit court yet, Kaldor said.

"Businesses are trying to control costs in very tight market conditions," Detlefsen said. "And it's not just us, the baking industry and soft drink industry is affected, too."

After the law went into effect last January, the Dairy Institute hired private investigator Chuck Wall to educate recyclers about documenting purchases and to conduct sting operations against suspected offenders.

Wall, the CEO of Creative Security of San Jose, began his efforts close to his home in Santa Clara County, building on a previous local law enforcement crackdown on the theft of copper wire from construction sites.

He and undercover agents shopped around a truckload of milk crates. The 11 recyclers who took the bait were arrested.

Wall expanded his operation and now works with law enforcement officials in Orange, San Diego and Los Angeles counties.

He said his biggest bust targeted E.S. Plastics in the Los Angeles suburb of Maywood.

In April, he said, he and his colleagues recovered 24,000 pounds of ground-up plastic from crates belonging to dairies, bakeries and beverage companies.

"It took a 50-foot trailer to haul all the stolen property out of there \_ at least a quarter-million dollars of plastics," Wall said.

Orlando "Alex" Bran, the owner of the company, and another person were arrested for investigation of grand theft and receiving stolen property, said Maywood police Sgt. Scott Anderson.

Los Angeles County prosecutors are considering whether to file charges. Bran, who is free on bail, declined comment.

Individual dairies, meanwhile, are adding security staff to solve the milk crate mystery.

Alta Dena Dairy, located east of Los Angeles, hired Edmund Woods, a former police officer, to find its stolen containers.

A tip led Woods to Santee Alley in the downtown Los Angeles Garment District, where he recovered more than 300 containers from merchants using them for storage.

"We don't take a large SWAT team in, just one or two officers for a uniformed presence," Woods said. "We're very polite and we go in real soft."

Wood hopes the busts encourage college students and homeowners to voluntarily return any stolen milk crates they might be using. Alta Dena's has even set up a "milk crate abuse" hotline at (800) 457-6688 for people to surrender the containers, no questions asked.

"People look at milk crates like they're nothing," Woods said. "It says right there on the crate that this is private property ... It's clearly marked so there's no mistaking it."