



CITY OF CHICAGO • OFFICE OF THE MAYOR



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**STRONGER SECONDHAND DEALER AND PAWNBROKER REGULATIONS AIMED TO
CRACKDOWN ON THE SECONDHAND MARKET FOR STOLEN CELLPHONES**

CHICAGO –Mayor Lori E. Lightfoot, along with the Chicago Department of Business Affairs (BACP) Commissioner Kenneth J. Meyer today announced the Chicago City Council approval to enhance regulation of secondhand dealers and pawnbrokers to further protect against the purchase and sale of stolen cellphones. The amendments raise penalties for dealing in stolen cell phones and introduce a license revocation provision for repeated violations.

"This ordinance will allow us to further protect our residents and their property," said Mayor Lightfoot. "While retailers continue to do everything in their power to prevent theft, we will supplement their efforts with strengthened regulations designed to curb the offense of dealing in stolen cellphones and prevent the repetition of these violations. I'm grateful for the ordinance's passage, which will deepen our city's public safety efforts."

"Cell phone robberies and the subsequent resale of those stolen phones are a serious threat to public safety," said BACP Commissioner Kenneth J. Meyer. "The stronger regulations supported by Mayor Lightfoot and passed in City Council will help efforts to stop businesses that are cashing in on stolen phones. While the vast majority of business operators comply with existing regulations, the enhanced penalties ensure for a commensurate response to those few operators who undermine public safety and marketplace fairness by buying and selling stolen goods."

The fine for violating Chicago's regulations pertaining to stolen cell phones has increased from the previous range of \$1,000 to \$2,000, to the now current \$2,000 to \$10,000 per occurrence, aligning with general consumer protection fines. Two or more violations within any 24-month period will now result in license revocation. A business that does not have a secondhand dealer or pawnbroker license but nonetheless buys, sells, or pawns secondhand goods would be subject to the same fines. Unlicensed operators would also be subject to the same license revocation provision, meaning that repeated violations would result in ineligibility to receive a secondhand dealer or pawnbroker license.



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The amendments do not impose any additional regulatory requirements on operators. Rather, the amendments increase fines and penalties to better reflect the gravity of such violations related to stolen cell phones and to keep Chicago safe.

“Fair regulation of the second-hand cell phone market is important to protect consumers,” said Leslie Hairston, 5th Ward Alderman. “With stronger regulation of secondhand dealers and pawnbrokers we are now able to better protect the safety of residents and uphold fairness in the marketplace.”

“The stronger regulations protect consumers who fall victim to deceptive practices,” said Sophia King, 4th Ward Alderman. “These enhancements mean operators who do not comply will be held accountable. Everything we can do to increase public safety in our communities is helpful.”

Since 2017 and through the end of 2020, BACP has conducted nearly 500 investigations of this industry, and found there to be a high rate of compliance among secondhand and pawnbroker businesses.

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