

Avoid Being Victimized

The NICB recommends following these commercial equipment theft and fraud prevention tips:

- Avoid leaving equipment unattended in remote areas.
- Install hidden fuel shut-off systems.
- Remove fuses and circuit breakers when equipment is unattended.
- Render equipment immobile or difficult to move after hours or on weekends by clustering it in a “wagon-train circle.” Place more easily transported mobile equipment such as generators and compressors in the middle of the circle surrounded by larger pieces of hard-to-move equipment.
- Maintain a photo archive and a specific list of the PIN and component part serial numbers of each piece of heavy equipment in a central location. Stamp or engrave equipment parts with identifying marks, numbers or corporate logos.
- Use lock-out devices and secure lever controls to fix equipment in a curved position, preventing it from traveling in a straight line.
- Use sleeve locks to fix backhoe pads in an extended position, keeping wheels off the ground.
- Install a system that disables the electrical or ignition system if universal keys are used.
- Install an anti-theft or recovery device capable of tracking stolen equipment.
- Report any thefts immediately to the police, making sure to provide the correct PIN, and notify your insurance company.
- Additional measures should be implemented during extended downtimes, such as during holidays.
- Register your equipment with the National Equipment Registry's (NER) database.

If you suspect commercial heavy equipment theft activities, contact the NICB in one of three easy ways:

1. Text “FRAUD” and your tip to TIP411 (847411).
2. Call 1-800-TEL-NICB (1-800-835-6422).
3. Submit a form on www.nicb.org.

Your tip can be anonymous.

For More Information

The National Insurance Crime Bureau (NICB) is the nation's leading nonprofit organization exclusively dedicated to leading a united effort of insurers, law enforcement agencies and representatives of the public to prevent and combat insurance fraud and crime through data analytics, investigations, training, legislative advocacy and public awareness.

You can learn more about heavy equipment theft and how you can protect yourself from these and other crimes on the NICB's Web site at www.nicb.org.



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Commercial Heavy Equipment Theft

A Heavy-Duty Problem for U.S. Businesses

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Thieves Bulldoze Their Way to Illegal Profits

The construction, highway, agriculture and hauling industries count on heavy equipment to get their jobs done. What they don't count on, though, is their commercial equipment being stolen.

Heavy equipment theft is a growing problem in the United States, and nearly 1,000 pieces of commercial equipment are reported stolen each month to the National Crime Information Center (NCIC).

What makes commercial equipment such a tempting target for thieves? Huge profits. Thieves, many of whom belong to organized crime rings, enter jobsites after hours, load equipment onto trailers and then either resell the machinery to unsuspecting buyers, dismantle the equipment into smaller pieces for resale as spare parts, or illegally export it to other countries.

Value and mobility are two key factors that influence whether or not thieves are likely to steal a piece of heavy equipment. Newer pieces of equipment are more likely to be stolen than older ones, and age, condition and brand determine a machine's perceived value. Thefts also spike during peak construction months. Further, the potential for theft going unnoticed for an extended period of time also increases when equipment owners move pieces between jobsites and fields. Loaders, backhoes, tractors, mowing equipment, bulldozers, forklifts, compressors, generators, excavators and trenching equipment are frequently targeted by criminals for their high direct resale value. Indirectly, their losses also cause costly job delays, downtime for businesses and higher insurance premiums.

Owners must exercise diligence in protecting their investments. Failure to do so increases the risk of theft and further adds to the annual cost of equipment theft, currently estimated to range from \$300 million to \$1 billion. With a recovery rate of less than 20 percent, the odds of recovering your equipment are not in your favor.

Not Just Theft, But Fraud Schemes, Too

Automobiles and trucks have titles and standard, uniformly placed Vehicle Identification Numbers (VINs), to help document their authenticity. There are also many state and federal databases that register VINs to support the location, identification and recovery of stolen vehicles.

Heavy equipment does not currently have such an extensive identification system. The lack of titling requirements makes ownership verification difficult. Product Identification Numbers (PINs) and component serial number plates on heavy equipment can range from four to 17 digits and often lack placement uniformity. Further, these numbers are not registered in a government database in the same manner as vehicles.

These weaknesses in identification have led to various heavy equipment fraud schemes, such as the following scenarios.

Switches

In this crime, the original PIN is removed from the equipment and replaced by a different one. The original numbers can either be ground off, or if on a stamped plate, simply removed and replaced with a bogus number or taken from a salvaged piece of equipment.

Cloning

This scheme starts with a thief copying the PIN and component serial numbers from a legally owned piece of equipment at a jobsite or dealership. These legitimate numbers are then used to create counterfeit PIN and component serial number plates. From there, thieves steal a piece of equipment that is similar to the legally owned one and replace the stolen identification numbers with the counterfeit numbers. The stolen equipment is now a "clone" of the legitimate one and can be sold for a huge profit.

Non-Existent or "Paper" Equipment

Criminals will obtain bank loans on equipment that does not exist or they do not possess. In this crime, a person will create fraudulent documentation concerning a piece of commercial equipment, and then secure a bank loan on it.

Rental Equipment Fraud

Many criminals rent heavy equipment with no intention of returning it. The rental agreement will be for a few days and paid for in cash or with a fraudulent credit card. When the rental company goes to the site to retrieve the equipment, the site will be vacant or they will discover that no such address or person exists.

Owner Give-Up

The owner of the equipment files a false theft report claiming that the equipment has been stolen. An insurance claim is filed and paid. The equipment owner may have either hidden the equipment while awaiting payment or may have sold it before it was reported stolen.

