

Contractor's Equipment

Theft and Vandalism Protection



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Equipment is essential to the timely completion of construction projects. Stolen or damaged equipment jeopardizes project timelines and increases the cost of doing business. Take action now to enhance equipment protection and minimize potential impacts to business.



Worldwide, construction equipment theft and vandalism will cost a significant amount of US dollars each year. In the US alone these figures could be staggering.

Theft is perceived by criminals to be low risk and profitable because of the ease with which equipment can be stolen and sold. Whether a contractor owns, rents, or borrows equipment, one thing is sure - the equipment must be protected.

Vandalism is often a crime of opportunity. Idle equipment on unattended sites offer attractive targets to those intent upon malicious mischief.

This Risktopic outlines protective measures to help decrease the risk associated with equipment theft and reduce the opportunity for vandalism. In general, these are measures that can mitigate exposures to theft and vandalism.



Discussion

Many instances of equipment theft result from highly organized activities. Professional thieves may steal based upon specifically ordered/ requested parts or types of equipment. Equipment can generally be removed to remote locations within hours of the theft.

On the other hand, theft and vandalism may simply be a condition of opportunity involving amateurs who just happened upon unprotected or idled equipment.

Industry economic cycles and theft

The construction industry, as with most business, experiences economic cycles.

There is a significant demand surge for equipment when the cycle is near a peak. The demand surge increases the market value of equipment thereby increasing the profitability of theft.

Conversely, near the bottom of a cycle, equipment value drops, construction workload drops, and equipment may sit idle in storage yards. This concentration of equipment can lead to an increased opportunity for vandalism or theft.

Statistics

Typically thieves will look for easy targets and may examine a jobsite several times looking for opportunities. Equipment thefts and vandalism are much easier when associated with jobsites that are unsecured. It should also be noted that most stolen equipment may never be recovered. The National Equipment Register and the National Insurance Crime Bureau compiled statistics in the 2013 Equipment Theft Report that outlined the top equipment types subjected to theft in the U.S. These statistics are provided below along with domestic states and equipment manufactures that incurred the highest incidences of theft:

Top Ten Equipment Thefts

By Equipment Type

1. Mowers
2. Tractors
3. Skid Steer Loaders
4. Backhoe Loaders
5. Forklifts
6. Excavators
7. Welders-Generators-Compressors
8. Wheel Loaders
9. Bulldozers
10. Brush Chipper

By Manufacturer

1. John Deere
2. Kubota Tractor
3. Bobcat
4. Caterpillar
5. Toro
6. Case
7. Husqvarna
8. Craftsman
9. Exmark
10. Cub Cadet

By States

1. Texas
2. North Carolina
3. Florida
4. California
5. South Carolina
6. Georgia
7. Tennessee
8. Oklahoma
9. Alabama
10. Arkansas

By Cities

1. Houston, TX
2. Oklahoma City, OK
3. San Antonio, TX
4. Miami, FL
5. West Palm Beach, FL
6. Conroe, TX
7. San Diego, CA
8. Charlotte, NC
9. Tacoma, WA
10. Orlando, FL



Guidance

Develop and implement a formal, written program to continuously identify equipment that could adversely affect your business if stolen or damaged.

Create an inventory of essential equipment, and label the equipment with identification marks. Provide both equipment protection and site protection commensurate with theft or vandalism exposure.

No program is effective if not maintained. Include change management elements to keep the program current and effective.

Additional details on preventive measures are outlined below:

Risk assessment

Analyze equipment at risk. Consider value, importance, and repair/ replacement time. Focus upon identified equipment for further protection measures. Recognize no protective measures will prevent all losses. Develop contingency plans for the prompt replacement of essential equipment that is stolen or damaged.

Inventory

Inventory all equipment (owned, leased, or loaned) in a list. Include practices to keep the list current as equipment is purchased or sold. Develop the list to include:

- Manufacturer name
- Model number
- Serial/VIN/PIN numbers (if available)
- Appraised value
- Photographs
- Location of equipment

Maintain copies of purchase invoices or lease agreements with the inventory list.

Identification

Mark equipment with the owner's name and other details such as an identification number. Consider:

- Marking each part of the equipment that can be disassembled
- Marking several location on the equipment
- Marking in both visible and non-visible locations

Register equipment serial numbers with contractor associations, theft prevention groups, manufacturers, and insurers.

Equipment Protection

Implement an equipment key control program. In addition, consider:

- Kill switches
- Immobilizers
- Various locking mechanisms
- Removal of fuses
- Removal of critical parts or wheels
- Recovery based systems such as GPS or LoJack

Site Protection

Secure equipment storage areas at sites or in yards. Consider:

- Perimeter fencing with limited points of access
- "No Trespassing" signs
- Lighting
- Alarm system
- Private security guard or monitoring service
- Closed-circuit TV cameras with recording

Managing change

Keep equipment management practices current. Continuously update inventory lists, maintain equipment identifications, and maintain tracking registries.

Expand routine equipment inspection, testing, and maintenance to include security devices.

Plan and coordinate the handling of equipment during movement to and from sites, during site set-up, and during site disassembly. These are periods when manual supervision is applied to supplement reduced levels of protective controls.

Conclusion

Equipment theft and vandalism increase business costs and threaten the timely completion of jobs. You can reduce these exposures through management practices and protective measures applied based upon a risk assessment.

Give criminals reasons to bypass your equipment. Reduce opportunities that entice the amateur. Increase the sense of risk that wards off the professional thief.

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