



# PROTECTING YOURSELF FROM THEFT

**Equipment theft is a booming business.  
Don't let your company become a thief's next victim.**

By Jennifer Strawn

**H**enry Boyd, MGWC, and Julie Boyd, owners of Boyd Artesian Well Co. Inc. in Carmel, New York, never expected to be victims of theft.

“We have so many friends who are local cops,” Julie says. “They stop by the shop to say hello a lot, so we never thought we were at risk.”

But then it happened. The company's Jaswell rig disappeared on September 20 from another local pump company's shop—even with a police officer living across the street. The Boyds had finished drilling a well for the company and parked the rig at the shop for the weekend.

“People were in the shop during the day on Saturday and the officer who lives across the street saw it parked there,” Julie says. “But by 8 p.m. the EZ Pass showed it going through a toll booth headed south on the New York State Thruway.”

The EZ Pass tracked the rig to the last exit on the thruway, but then it disappeared.

“A couple of other companies saw our rig moving at 8 p.m. and thought it was odd because we don't normally drive our rigs at strange times,” Julie says. “But they just thought we had some place for it to be first thing on Monday and figured Saturday night was

the best time for us to move it. No one thought to call us and tell us our rig was on the road.”

Unfortunately, the Boyds are just one example of many equipment thefts. Thieves stole more than 11,000 pieces of equipment last year, according to the National Equipment Register (NER) in Jersey City, New Jersey. The organization assists law enforcement in tracking down stolen equipment.

“It happens more than people realize,” admits Ryan Shepherd of the NER, “and our estimates only include the equipment reported to NER. Not all thefts are reported to us.”

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Rig thefts are relatively rare—about 100 thefts a year are reported to the NER—because specialized knowledge to operate the equipment is needed. It also helps the groundwater industry is tight-knit compared to other construction industries, making it more difficult to try to sell the equipment to another company.

Thieves generally look for equipment they can sell on the black market, so lighter construction equipment like backhoes, skid steers, and mini excavators are more attractive to criminals. Welders and generators are also frequently targeted.

Scott Fowler, CWD/PI, president of Dahlman Pump and Well Drilling in Burlington, Washington, suffered a string of thefts that included hand tools, portable generators, and wire.

“I had one competitor who had thieves use a saw to cut a hole in the side of his building and use his forklift to load up all of his wire,” Fowler says. “At my shop, I’ve had them cut through my fence and even use a crowbar to pry open the back door.”

## Thieves look for equipment they can sell, so lighter construction equipment like backhoes, skid steers, and mini excavators are more attractive.

The thefts are costly for businesses. The Boyds say their company has definitely taken a financial hit since their rig went missing, as it lost the jobs they had scheduled in the weeks following the theft and have had to turn down jobs because they’re running only one rig.

It’s also not just the rig to replace. All of the drill bits, hammers, and other tools on the rig were stolen too and must be factored.

“Some of the tools, like stabilizers, you don’t buy every year. So it’s an expense we didn’t expect,” Henry Boyd says. “Our tools are insured if we lose them down a hole, but we didn’t insure them against walking off.”



This Jaswell rig of Boyd Artesian Wells Co. Inc. of Carmel, New York, was stolen in September while sitting at a local pump company’s shop. As of press time, it had still not been recovered.

Even when the equipment is insured, the value of the equipment may not cover the replacement cost. Plus, a deductible must be paid and insurance rates may increase on the next renewal following a claim.

Unfortunately, once the equipment is gone, it’s not likely to be recovered. According to the NER, just 13% of tractor, wheeled, or tracked machinery is recovered.

Fowler once found a few of his stolen tools hidden on the back of his property, but none of his other equipment and tools were ever found.

“It angers me more than anything else,” Fowler says. “You have to take a day off to replace everything plus all the money it costs to replace it.”

### Don’t be a target

The more difficult it is to steal something, the less attractive it is to thieves. Whether your equipment is on the job site or at your shop, there are security measures that can make it tougher on criminals and hopefully prevent your company from becoming a victim.

**1. Don’t leave your equipment unattended for an extended period of time—especially over weekends and holidays.** Equipment left unsecured over holiday weekends are popular with criminals because it gives them an extra day’s head start.

If you’re planning to keep your equipment on a job site or at your shop for an extended period of time, arrange to have someone check on it regularly so you know if something goes missing.

**2. If you must leave your equipment unattended, make it hard to move.**

Don’t leave the keys in the ignition. Leave the jacks down on your rig and the mast up so you need to have knowledge of the equipment to move it. Secure lighter equipment with chains and cable. You can also immobilize larger equipment by removing the battery and lowering all blades or buckets.

**3. Install fencing around your shop.**

The higher the fencing, the more difficult it is to climb over. Eliminating the top rail or adding barbed wire at the top make it harder for thieves to climb. Adding a bottom rail or burying the chain link fabric a foot or more into the ground makes it virtually impossible to climb under, according to security fencing recommendations from the Chain Link Manufacturers Institute.

If possible, there should be only one entry and exit point and the gate’s hinge pins should be spot welded to prevent removal.

Also, keep the area on either side of the fence clear from tall grass or

wooded areas that can provide cover for thieves and make the area harder to keep surveillance over.

**4. Post signs.** Keep your shop and job sites well-marked with “No Trespassing” signs. Fowler also posts signs warning others that a security system and surveillance cameras are in use.

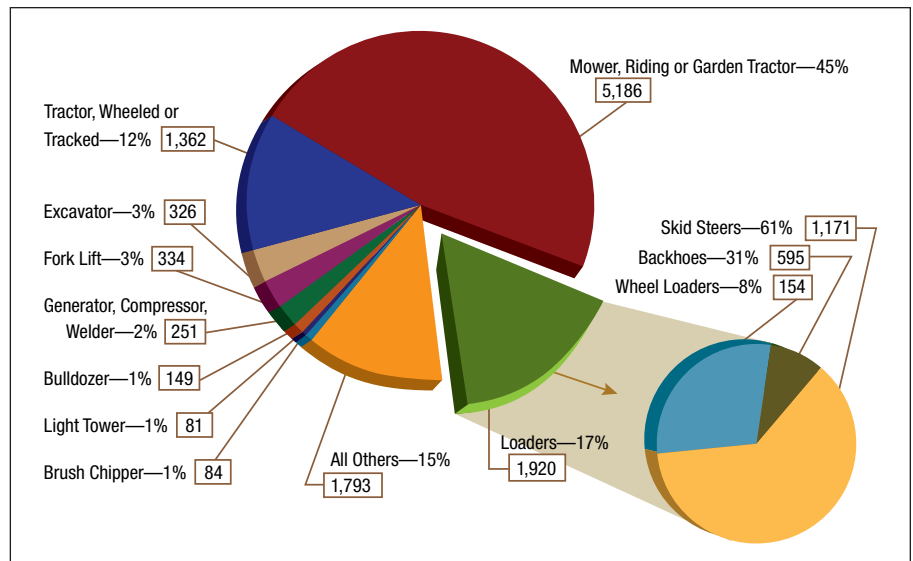
**5. Keep the area well lit.** Most thefts occur at night, so keep the perimeter of the job site or your shop and the areas where your equipment is stored well lit. Even motion sensor lights can be enough to deter thieves.

**6. Install wire screens in van and truck windows.** The screens prevent thieves from breaking windows to gain entry. Fowler installed the screens in all of his vans after thieves broke into one of them, stealing \$7000 worth of tools, and says the screens have prevented further thefts.

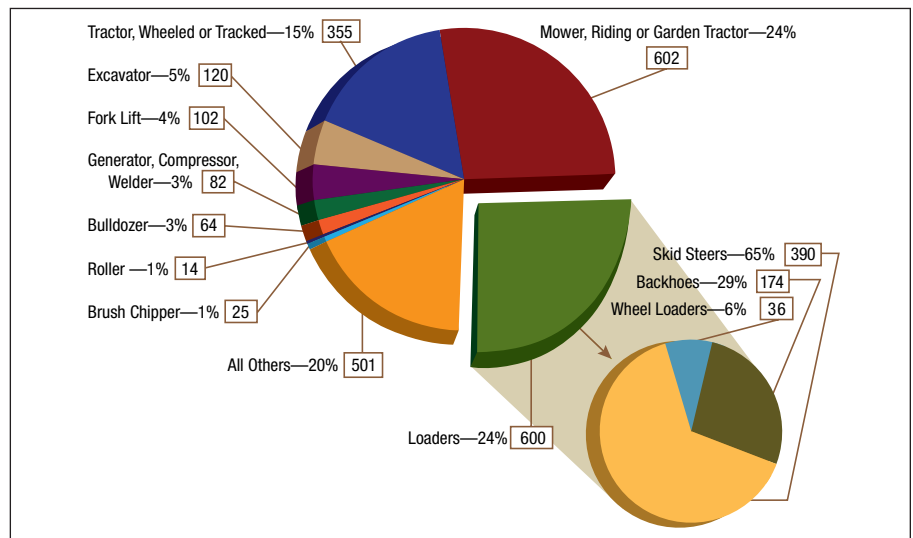
**7. Register your equipment.** NER offers its HELPtch service, which allows you to register your equipment with NER for as little as \$75 for five pieces of equipment. With no national equipment registration program in place, NER’s service has become the main source for law enforcement when trying to identify construction equipment, NER’s Shepherd says. If a piece of registered equipment is stolen, NER sends theft alerts to regional law enforcement, which could help them find your equipment faster.

Registering your equipment can also save you money. NER has partnerships with more than 20 insurance companies, and if you’re insured with one of these companies, you may be eligible for premium discounts, deductible waivers, or other considerations if you’re registered with NER. Most commonly, insurance companies will waive the theft deductible—up to \$10,000—if your registered equipment is subsequently stolen.

**8. Install GPS tracking devices on your equipment.** GPS services like LoJack and NER’s IRONwatch can help you locate your equipment if it is stolen. The IRONwatch service has no monthly fees after your initial purchase unless you need to activate



Total number of equipment theft reports to the National Crime Information Center in 2013.



Total number of stolen equipment recoveries reported to the National Crime Information Center in 2013.

the device to find missing equipment, Shepherd says.

### Protect yourself against losses

Even with added security measures, equipment thefts and vandalism still occurs. National Ground Water Association President Griffin Crosby, CWD/PI, owner of Crosby Well Drilling in Lake Wales, Florida, had a rig stolen from his shop a few years ago while it was parked for repairs.

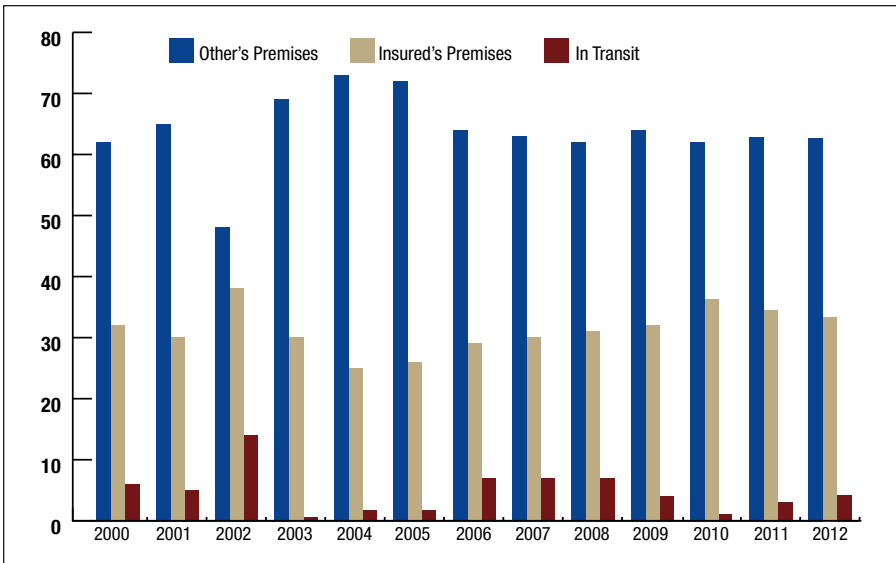
Although it was left unattended for a few days, Crosby checked on the rig fre-

quently, secured his yard with double-layered fencing, and left the hydraulic jacks down on the rig while it was parked at the shop.

“The hinge on my 6-foot gate was disassembled on one side, and you could see the tracks where the rig came out, turned onto an access road, and went south,” he recounts. “Whoever stole it knew a little bit about what they were doing because they were able to put the jacks up.”

When Crosby submitted the insurance claim, he learned about gaps in his

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Locations of equipment stolen. In the last 13 years, most equipment is stolen on job sites.

## NGWA's Preferred Commercial Insurance Services Provider Is Here to Help

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Franchise Insurance Agency has been protecting all kinds of businesses for more than 20 years, so you can be confident you'll get the personalized products and service you expect. Franchise Insurance Agency represents more than 40 insurance companies providing a full spectrum of innovative insurance products and services to help individuals, organizations, and businesses secure their future.

The Franchise Insurance Agency is licensed in 47 states and offers a host of commercial products. To learn more, visit [www.NGWA.org](http://www.NGWA.org) and click on "Insurance—commercial products" under the Professional Resources tab.

pocket. If you have a \$10,000 claim but have had other large claims, you may consider self-insuring.

"It's a very individual experience," Stammler says. "Your insurance agent can help you weigh the pros and cons."

Julie Boyd says they're now looking into more ways to prevent theft and are sharing their experience with others so they don't become victims again.

"We notice large backhoes and other construction equipment left at job sites all the time, but we never thought about what would happen if they were stolen," she says.

"Unfortunately, now we know." 

Jennifer Strawn was the associate editor of



*Water Well Journal* from 2004 to 2007. She is currently in the internal communications department at Nationwide Insurance in Columbus, Ohio. She can be reached at [strawnj2@gmail.com](mailto:strawnj2@gmail.com).

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coverage. The truck his rig was mounted on was covered, but the rig itself wasn't.

That's why it's important to work with an insurance agent who understands your business and the risks it faces, says Brad Stammler, vice president of the commercial division with Franchise Insurance Agency, an independent agency located in Columbus, Ohio, and NGWA's preferred commercial insurance agency.

When talking to your agent, it's a good idea to ask specific questions such as "What happens if my rig is stolen or damaged?" or "Are both my chassis and the rig itself covered?" and "What about the tools I have on my rig?"

Knowing what's covered after a theft—and what isn't—can help you protect your business if you have an equipment theft or damage.

You may also consider additions to your equipment policy such as loss of income coverage, which can replace your income that's lost when a valuable piece of equipment is stolen or damaged, and rental coverage, which can help you pay for equipment rentals that keep you on the job while your claim is being processed.

"When I'm working with a client, I look at how to protect his or her company's net worth against catastrophic losses," Stammler says. "But more than

that, it's about finding the amount of coverage that helps them sleep at night."

No matter what level of coverage you choose for your equipment, keep detailed maintenance records. The actual cash value of your equipment is determined by the replacement cost minus depreciation. If you've made significant repairs to your equipment, it may be worth more.

For example, if you purchased a piece of equipment 10 years ago, but rebuilt it five years ago, it's important to note those repairs. It can help you prove the value of your equipment if it's stolen or damaged.

## What to do if your equipment is stolen

If your equipment is stolen, notify the police as soon as possible to submit the theft report. You'll also want to notify NER if you've registered your equipment with them.

Also notify your equipment's manufacturer of the theft in case replacement parts are ordered for the equipment.

Then notify your insurance agent. He or she can help you determine whether you should submit a claim.

For example, if you have a \$2500 deductible and your equipment is worth \$3000, that's a \$500 claim. Since you could face rate increases at renewal due to increased loss ratios, you may want to pay to replace the equipment out of