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Theft: What can you do?

Equipment theft is all too common.

Outright burglaries — commonly referred to as “smash-and-grab” operations — are just one type of theft that can occur at your rental store or the job site.

Then there is fraud, employee theft and theft of services.

■ **What do you need to know about these different types of thefts?**

■ **What steps can you take to try to protect yourself?**

■ **If you have equipment stolen, what do you need to do?**

■ **How important is it to develop relationships with your local law enforcement officers? How do you do it?**

■ **What resources does the American Rental Association offer that can help you in this effort?**

Discover those answers and more in this issue of the **ARA Advantage**.



Equipment theft: Are you prepared?



Peggy DeFrancisco, vice president, Taylor Rental, Inverness, Fla.



Terry Turner, CERP, owner, All Occasions Party Rentals, Knoxville, Tenn.



Mike Wirtz Jr., vice president, Wirtz Rentals Co. Summit Division, Summit, Ill.

Maybe you are one of the lucky ones and haven't had equipment stolen. That doesn't mean you can let down your guard. Just ask these American Rental Association-member rental operators:

Mike Wirtz Jr., vice president of Wirtz Rentals Co. Summit Division, Summit, Ill.

Last October, he had \$83,000 worth of equipment stolen. “They broke in on a Sunday night about 10:30 p.m., jumped over the fence, circumvented the alarms on the front gate and tried to paint the cameras, but they did such a lousy job that I was able to watch the whole thing the next day on the videotapes,” Wirtz says.

“The guy was in the yard until midnight. He didn't take anything. Then another thief came to the yard about 1:45 a.m. with a pickup truck and trailer. He jumped over the fence, opened the gate and started loading two utility loaders, a couple of lawn aerators, a couple of new 36-inch lawn mowers and two pumps. He was starting to grab the rototiller, but then I saw that he was on the phone or a walkie-talkie. He must have been warned that someone might be coming by. He then quickly pushed the rototiller back in, and backed the truck and trailer out of the gate. I think someone else closed the gate,” Wirtz adds.

But the thief wasn't done, Wirtz notes. “About 4:50 a.m., he showed up again with just the truck. He jumped the fence again, opened the gate and loaded a diesel welder into the truck. He then drove out about 5:20 a.m. This time he left the gate open. My manager came in at 6:30 a.m., saw the gate open and called me.”

Terry Turner, CERP, owner of All Occasions Party Rentals in Knoxville, Tenn.

“We had noticed that we were beginning to miss a lot



Mike Wirtz Jr., who suffered a substantial loss due to theft, stands in front of some of his equipment.

of pipe and drape, which is made out of aluminum. We did a general investigation and discovered that we were substantially short on aluminum parts — \$50,000 worth,” Turner says.

“We noticed that the back door could be jimmied open. It was locked, but with manipulation it could be opened.”

— Terry Turner, CERP, owner, All Occasions Party Rentals

“My general manager and I talked and figured it must be something internal and that it had to have been ongoing because if it was done at one time, we would have noticed it. So we started staking out our business. We noticed that the back door could be jimmied open. It was locked, but with manipulation it could be opened. After we fixed it so it couldn't be opened from the outside, we came back at night, hid in the woods nearby and saw one of my brand-new employees — with a flashlight and screwdriver in hand —

come back and try to open the door,” Turner adds.

He discovered that the employee, who later was convicted and sentenced, was selling the pipe and drape materials to recyclers in the area. “Even though we have a good relationship with our recyclers, they didn't call us because they didn't see anything resembling tent material. They never thought it might be connected to our operation,” Turner says.

Doug Raney, owner of Aztec Rental Center, San Antonio, Texas

During the past year, Raney has had quite a few pieces of equipment stolen from customers' job sites.

“This past March, we had a Bobcat stolen in broad daylight. This black truck and trailer with no markings pulled up to the job site. The guys

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Peggy DeFrancisco oversees a check-in with Wayne Champion from her crew.

came out of the truck and told the folks at the site that they needed the equipment back. The contracting crew thought these guys were us, so they gave them our equipment," Raney says. "That was just the latest. In January of this year, we had a mini-excavator stolen from a job site. In September of last year, we had a skid-steer loader stolen from another job site," he says. "We are 135 miles from Mexico, so we are in a great location for theft to occur."

Peggy DeFrancisco, vice president of Taylor Rental, Inverness, Fla.

"We had 19 pieces of equipment worth \$36,000 stolen from our yard in June 2012," DeFrancisco recalls.

Her husband pulled into the back of the yard about 6:10 a.m. and saw that things weren't right. "He called me and said, 'They got us,'" she says. "He saw that the truck that was supposed to be in front of the gate wasn't there. He noticed that the steel cable on the gate had been ground through. Every piece of lawn and garden equipment we had — even some we hadn't made payments on yet — was taken. They even popped the lock and hot-wired one of our U-Haul trucks. They did close the gate so no one driving by would be suspicious. The good thing is they didn't enter our building, perhaps because our electrical wiring going into the building is under a big light in the front. We found out this incident was part of a major organized crime effort. Three rental operators within a 50-mile radius were hit within a two-week period."

These rental operators are not alone. Everyone in construction, general tool, and party and event rental is vulnerable to burglaries, fraud, employee theft, theft of services, etc. Theft is prevalent. Be aware and be prepared. ♦

Theft prevention at your business: Make yourself a 'harder target'



Terry Haldeman,
detective, Snohomish
County Auto Theft
(SNOCAT) Task Force



Lou Koven, special
agent, National
Insurance Crime Bureau



David Grant Mossman,
senior analyst, National
Equipment Register
(NER)

Many rental businesses experience significant equipment loss due to burglaries at their stores. The goal is to "be prepared and decrease your vulnerability," says David Grant Mossman, senior analyst with the National Equipment Register (NER), a division of Verisk Crime Analytics. "If they see you are active about security, that makes you a harder target." While this doesn't guarantee your rental operation won't be hit, it can go a long way to either preventing a theft or reducing the amount of equipment that is stolen, he notes.

How do you make your business a "harder target"? See these tips offered by Mossman; Lou Koven, special agent with the National Insurance Crime Bureau, West Region — L.A./Long Beach Port, Calif., and 2005 ARA Insurance/NER Award winner; and Detective Terry Haldeman with the Snohomish County Auto Theft (SNOCAT) Task Force in Everett, Wash., who is the 2012 ARA Insurance/NER Award winner:

1 Have policies in place and stick to them.

Put someone in charge of checking the fence, locking the gates each night, rotating the lights, and checking and testing the alarm system.

"You need to have a good perimeter and check all accesses, including your storefront glass," Mossman says. "Is there any part of your security that could make you more vulnerable? Try to defeat your alarm system. Is it working when you bang on the glass or the back doors?"

2 Know what's in your inventory, have digital photos of each piece of equipment and mark your equipment (etch it) with owner-applied numbers and your phone number.

"We have had cases in which rental operators weren't aware there was a problem until they tried to rent their equipment again," Haldeman says. "We also have seen that some rental operations only check the owner-applied numbers when it is returned to the shop. You need to check the PIN number, too. We have had cases in which a guy will rent a piece of equipment, take off the legitimate PIN number and then put that PIN number on a stolen piece of equipment. That means a bad guy can get that stolen piece of equipment through an auction house. Not making sure that the PIN numbers actually line up with the machine can cause so many problems for all involved. Having all of these numbers documented and a photo of your equipment will help if you need to make a police report on a stolen piece of equipment, too."

Etching your phone numbers on your equipment can help if it is ever stolen, too. If it were sold on craigslist or eBay, a new buyer could see that and call, Mossman notes.

3 Register your equipment on the NER database.

American Rental Association-member rental businesses can register up to 1,000 pieces of mobile, off-road equipment at no cost — a \$3,500 value. Consider registering and/or updating your existing registry when you compile equipment lists for annual tax documents or insurance purposes. (See "Rely on ARA for theft-prevention help" for more information.)

4 Have the right cameras in the right location.

Many times, cameras are placed in a position that doesn't allow for identification. Have cameras at the counter, too, and in other areas outside and inside the building so you can identify faces, Koven says. "Make sure you have infrared cameras so you can clearly identify people at night. Also, make sure the DVR is secure in a different location. If they steal the DVR, you have lost your surveillance evidence."

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Rely on ARA for theft-prevention help

The American Rental Association is dedicated to helping you fight equipment theft through these resources:

■ **ARA/National Equipment Register (NER) theft-prevention service:**

ARA rental store members may register up to 1,000 pieces of mobile, off-road equipment on NER's database at no cost. If rental store owners were to register their equipment themselves, it would cost at least \$3,500, so this is a significant savings and member benefit.

The NER database can be accessed by law enforcement personnel 24 hours a day, seven days a week. This can assist in the recovery and return of stolen equipment to the rightful owner. NER also can post theft alerts to law enforcement, offer training to both police and rental store operators and serve as an overall resource, says David Grant Mossman, NER senior analyst. "Assistance doesn't end with registering equipment. NER can provide a lot of support and resources to help rental operators deal with this problem," he says.



■ **State government affairs program:**

Alysia Ryan, ARA's state government affairs director, has helped many state associations understand their current theft-of-services statutes, if any, and has helped strengthen current statutes or enact new legislation.

"It's a real partnership. I work closely with Ruth Bloom, ARA's director of state, local and provincial programs, the state association presidents and their state legislative committees. I also work with our NER and area law enforcement contacts to assist state associations and rental operators when situations occur," she says. "Through this partnership, the ARA of Connecticut and the ARA of Maryland, to name just two, have successfully passed strengthened theft-of-service statutes."

■ **"Think Like a Thief" webinar:**

This webinar explores theft from the perspective of the perpetrator. Whether it's a break-in at your store, conversion of your equipment or an inside job, you'll hear from industry experts how best to protect yourself.

Participants will be provided with:

- 1) Examples of real-life thefts
- 2) Lessons learned and 3) Information on how to protect your business from theft.

Companies that participated in the live webinar, or have already purchased the archive version, can view the presentation at no additional cost through December 2013.

To purchase, go to the **"Manage Risk/Safety"** section of the **"Shop ARA"** page of ARArental.org.

■ **ARA Risk Management Series:**

The guides in the series pertain to risks associated with your employees, customers, facilities and equipment. Each guide covers theft-prevention steps to take in respect to each of these areas. ARA members may purchase each guide for \$25 or purchase them as a group for \$85. To order, go to the **"Manage Risk/Safety"** section of the **"Shop ARA"** page of ARArental.org.

■ **Business Management: Contracts and Legal Guidelines:**

This resource, written by James Waite, Esq., an attorney and managing member of Winters & Waite, offers an overview of clauses that can strengthen your contract and assist, particularly in theft-of-services cases. ♦



ARA Insurance offers multifaceted theft coverage



Maura Paternoster,
risk manager,
ARA Insurance

It's not news that theft is a principal concern of rental dealers. After all, the products you deal in are valuable, available and easy to move. And no matter how hard we all try, we'll likely never be able to eliminate the threat of theft altogether. So, at ARA

Insurance, we make sure the products we offer to protect our customers against theft are the best possible. Our policies include:

■ **"Inland marine" coverage:**

Your products don't stay on your premises, so you need more than standard commercial property insurance to protect them. As a rental-specific insurer, inland marine coverage is a fundamental part of our policy.

■ **Conversion coverage:**

Typically, insurance does not cover loss from "voluntary parting" with property, but that's exactly what you do when you rent your equipment to others. You need this coverage in case a renter decides to "convert" the ownership of equipment from yours to his.

■ **Replacement cost coverage:**

The principle behind insurance is to get you back where you were before the loss occurred. If a five-year-old generator was stolen, most insurance pays the value of a five-year-old generator. But finding an equitable replacement with limited funds takes time, and you lose money every day that equipment is not available to generate income. We pay to replace stolen equipment with new.

■ **Flexible inventory replacement:**

Even when insurers offer replacement cost coverage, most require that property be replaced with essentially the same thing. We understand changing inventory needs, and if you want to replace your backhoe with an excavator, we can do that.

■ **Loss of profit:**

When equipment is stolen, so is your business opportunity. It's almost impossible to calculate lost rentals, so we built in an incentive for us to replace your equipment quickly and minimize your loss as much as possible.

■ **Deductible waivers:**

Taking measures to protect against theft, such as installing equipment tracking devices and using the National Equipment Register (NER), makes you a better risk, so we recognize that by waiving your deductible if equipment is stolen despite those efforts.

■ **Basket deductible:**

Sometimes a single theft affects property under more than one type of coverage such as breaking into your building (commercial property) to steal equipment (inland marine). We think you shouldn't have to pay a deductible under each type, so we only apply the highest.

■ **Employee dishonesty:**

Unfortunately, sometimes thefts are committed by those we trust. Our commercial property coverage automatically includes \$200,000 for employee theft of money or equipment.

For more information about these or other features of ARA Insurance coverage, contact your local agent or our office at **800-821-6580**. ♦

Continued from Page 2

5 Look at where and how you store your equipment.

This goes for all rental operators, no matter what rental area you serve. "We have seen silver serving items stolen from party and event operations ending up in garage sales," Mossman says.

"If you have parts, aluminum radiators or expensive building materials at your operation, lock them up in a steel container as thieves can take these things for the metals they contain," Koven says. This includes trench-shoring and irrigation equipment, including piping and valves, Mossman notes.

That also means keys should not be left in any equipment parked in the yard. Large items or trucks should be placed right behind locked gates, etc.

6 Educate staff on potential warning signs.

"Be suspicious if you are getting a lot of false alarms. That could mean someone is casing your operation and checking for your response times and dead zones in your alarm system," Mossman says. "If you have people coming into your business for longer periods of time, asking lots of questions but not renting anything, they might be casing your operation. Both could be warning signs. Just be cognizant of that possibility and increase your security protocols. Educate your staff so they are more aware."

7 Look at your operation as a potential thief would.

"You have to be proactive," Koven says. That means checking all areas of your operation and talking with other rental operators in your area. "If others have had problems, you could be the next in line," he says.

"You have to look at your operation as a thief would," Mossman says, noting that you need to be even more diligent before and after holidays and after natural disasters. Even if your operation isn't in the immediate vicinity of a natural disaster, surrounding areas can be targeted as "thieves could steal equipment in anticipation that they will be able to sell it." ♦



Theft prevention at the job site: Be proactive; work with your customers

Job-site theft also is quite prevalent. Steps to take to help reduce this risk include:

1 Pick up called-off equipment.

"Pick up your equipment as soon as possible," says David Grant Mossman, senior analyst with the National Equipment Register, a division of Verisk Crime Analytics. Leaving equipment staged for any length of time puts you at more risk, note Mossman, Lou Koven, special agent with the National Insurance Crime Bureau, West Region — L.A./Long Beach Port, Calif.; and Detective Terry Haldeman with the Snohomish County Auto Theft Task Force in Everett, Wash.

2 Make sure all of your equipment is properly marked.

That means more than stickers and paint color. "The more ways equipment can be identified to you, the better," Mossman says.

3 Check the job site on a regular basis.

All three experts advised that if your equipment is out for a long period of time, have someone from your operation drive by



the site and check to make sure all is OK and that the premises are adequately secured.

4 Make your customers your allies.

"Make your customers aware of their responsibility for securing your equipment on their job sites. Make sure your clients are working with you and being an ally in your security," Mossman says.

5 Ask for a certificate of insurance from your customers.

This can help ensure you are covered if equipment is stolen and may prompt your customers to be more protective of your equipment on the job site. ♦

Protect yourself from employee theft: Be aware; take precautions

Your employees are part of your team and key to your success. You never want to think they might outright steal from your business or use your equipment inappropriately, but it can happen.

When a theft occurs involving an employee, there is an added sense of betrayal, notes Terry Turner, CERP, owner of All Occasions Party Rentals in Knoxville, Tenn., who had an employee steal \$50,000 worth of pipe and

drape from his business.

"Anytime people steal from you, especially internally, it just hurts. This employee was a really good worker. You develop a relationship with that person," he says.

What can you do to protect yourself?



Learn tips by going to:

ARrental.org/go/1036

Metal theft still a problem

The metals market remains hot. This makes your equipment even more attractive to thieves.

"Metal theft seems to be worse in Texas, California and Florida," says David Grant Mossman with the National Equipment Register (NER), a division of Verisk Crime Analytics. "We see a lot of trench-shoring and irrigation equipment sold for scrap as well as piping and valves. Copper is still an issue. We see that thieves are stealing

welding cable and leads, too."

This type of theft is "destroying a lot of construction sites," adds Lou Koven with the National Insurance Crime Bureau.

What can you do to protect your equipment?



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Theft of services

By Alysia Ryan, ARA director of state government affairs,
alysia.ryan@ararental.org

Each year, American Rental Association members who participate in ARA's National Legislative Caucus help focus attention on national issues and policy affecting equipment rental businesses across the country such as taxes and health care reform, and transportation and infrastructure.

There is another equally important advocacy opportunity in your state's capital that is unique to your state and industry. That is theft of services. The laws that address this type of theft are state-specific and present an ideal opportunity for state association members to work together on legislation that will uniquely benefit them.

What is theft of services? It is when customers use rented equipment and purposely fail to pay for it. They have essentially "misappropriated" the use of the equipment.

Theft of this type is a relatively new concept to many state legislatures and has created confusion among legislators and law enforcement officials who have treated the offense as a civil matter to be brought before a small claims court rather than prosecuted as a criminal offense.

Most states with theft of equipment rental service laws have enacted some type of theft-of-services statutes. This is in part because of a long and growing list of similar types of theft that involve no deprivation of property such as sneaking into a movie, fleeing from a taxi, etc. Such statutes are typically very broad in an effort to cover as many of these types of thefts as possible. However, because of the broad wording of those statutes and the varying interpretations of those laws, they are not particularly effective and are viewed as civil issues. That is why many ARA state associations have chosen to work on laws that specifically characterize theft of rental services as criminal behavior.

When a state statute defines theft of rental services as criminal in nature, two things happen:

- 1 The rental operator has the option of being able to rely on local law enforcement to pursue renters rather than being forced to start a civil lawsuit or hire a collection agency to collect on the debt. Even when an operator is successful in small claims court, that operator often ends up with a judgment that the defendant cannot or will not pay. Many people who purposely fail to pay their rentals know this, rely on it, in fact, as the reward definitely outweighs the risk.
- 2 With a criminal penalty attached, this behavior is less attractive and the risk of penalty greater. When theft of services is a criminal offense, those renters who might just keep the equipment well over the contract provisions are more likely to pay if they know that not doing so could result in criminal penalties.

Keep in mind that getting legislation passed that characterizes theft of services as criminal behavior is a good FIRST step. You also must commit to educating law enforcement and local officials about the law. ♦

Getting ahead of the scam: Be in control

In addition to "smash-and-grab" burglaries, rental operations have suffered equipment theft through fraud and scams. The key is to be prepared ahead of time, says David Grant Mossman of the National Equipment Register (NER), a division of Verisk Crime Analytics. "The biggest failure is lack of preparation.

What you do in preparation can have a direct impact on how effective you are in preventing it from happening."

What steps can you take to protect yourself from fraud?



Learn tips by going to:

ARARental.org/go/1037



Peggy DeFrancisco with Taylor Rental in Inverness, Fla., reviews policies on the computer with her son, Justin Beurer, who is the store manager.

You've been hit. Now what?

Your equipment has been taken by either burglary or fraud. What steps do you need to take?

1 Report the theft to the police immediately.

"Report the theft immediately. Don't waste time looking for the equipment yourself, says David Grant Mossman with the National Equipment Register (NER), a division of Verisk Crime Analytics.

"You can always cancel the report. It's just a check-off in our system," adds Detective Terry Haldeman from the auto theft task force in Everett, Wash. "Equipment that is not recovered within 24 hours is harder to locate. Law enforcement needs that jump-start."

The key to making an effective report is to provide all of the information, note Mossman, Haldeman and Lou Koven with the National Insurance Crime Bureau in California. That means sharing:

- Accurate PIN and owner-applied numbers, as well as the numbers that are on the attachments.
- A photo of the equipment.
- Whether your equipment is registered on the NER database.

Rental operators should ask their local police department to contact NER about putting out a theft alert, too, Haldeman says. This can get the word out to area agencies.

If the theft is done at the job site and your customer puts in the report, it is a good idea for you to follow up with the police officer, Koven adds. "Your customer might not have all of the numbers that police need. I would call your customer and ask for the report number and the agency, and make a follow-up call so the police have all of the information they need to search for your equipment."

If it is a theft-of-services situation, Mossman says it is important that you know the statutes that apply in your area so you know whether it is considered a criminal or civil case. You might need to educate the police on the statute, too. (A state list is in ARA's *Business Management: Contracts and Legal Guidelines*.)

2 Call your insurance company and initiate a claim.

3 Contact NER to let the analysts know your equipment has been stolen. ♦

Make your local police your ally

The police just don't care when my equipment is stolen. ...

That is a misperception, says Terry Haldeman, detective with the Snohomish County Auto Theft (SNOCAT) Task Force, Everett, Wash., and 2012 ARA Insurance/National Equipment Register (NER) Award winner.

"I have been told that police officers just take the report and leave. It's not that we don't care. It's that many of us do not know about equipment theft," he says. "Law enforcement officers don't get a lot of training in heavy-equipment theft. That is why it is important for rental operators to contact their local police **before** a theft occurs. You need to show them your equipment, talk about your equipment's value to your business, make them aware of the problem and the impact that problem has on your business."

How do you initiate a relationship with your local police officers? Haldeman suggests the following:

1 Invite them to your business.

"Ask them to scan your business to see where you are vulnerable," he says. "Have them see your equipment and your operation, meet your staff and even try out your equipment. At the SNOCAT Task



Jim Dymont with Hertz in Seattle meets with Deputy David Chitwood from the Snohomish County Sheriff's Office, Everett, Wash.

Force, we are passionate about heavy-equipment theft and work at educating other officers, along with NER, on this type of theft. Be the squeaky wheel and tell them why this is so important. Give them a reason to deal with this issue."

2 Tell them about NER training summits in your area.

NER offers training summits throughout the country, says David Grant Mossman, senior analyst at NER, a division of Verisk Crime Analytics. These summits are open to law enforcement and rental operators. They also are becoming available online via webinars.

In addition, the American Rental Association offers law enforcement training at **The Rental Show** each year. Area police departments are invited to attend this training free of charge.

The NER and ARA offerings include training and resources to help police, which, in turn, can help you. ♦

This publication is a member service of the American Rental Association (ARA), located at 1900 19th St., Moline, IL 61265. Mailed to general and associate members, the content of this publication focuses on the people, products and services of ARA. Questions and comments may be directed to Member Services by calling 800-334-2177.

Protect yourself from employee theft: Be aware; take precautions

Your employees are part of your team and key to your success. You never want to think they might outright steal from your business or use your equipment inappropriately, but it can happen.

When a theft occurs involving an employee, there is an added sense of betrayal, notes Terry Turner, CERP, owner of All Occasions Party Rentals in Knoxville, Tenn., who had an employee steal \$50,000 worth of pipe and drape from his business.

"Anytime people steal from you, especially internally, it just hurts. This employee was a really good worker. You develop a relationship with that person," he says.

What can you do to protect yourself?

1 Be proactive in hiring.

"Be wary of who you are hiring," says David Grant Mossman, senior analyst with the National Equipment Register (NER), a division of Verisk Crime Analytics.

2 Develop and implement employee-related security policies.

For instance, your policies might cover such areas as:

- Drug testing.
- Background checks.
- Key access.
- Insisting that daily deposits of cash receipts are made and cash drawers are in balance at the end of the day, etc.

3 Develop equipment-use policies.

In addition to outright theft, there can be the more subtle theft of use of equipment for personal projects. "Make sure you have a clear policy and then enforce it," Mossman says.

4 Be aware. Follow up if something looks suspicious.

"Follow your gut instinct," says Detective Terry Haldeman with the Snohomish County Auto Theft Task Force. "If something doesn't look right, check it out." This might mean doing an internal audit or requesting the help of local law enforcement personnel where appropriate. ♦



"Anytime people steal from you, especially internally, it just hurts. This employee was a really good worker. You develop a relationship with that person."

— Terry Turner, CERP, owner,
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Metal theft still a problem



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The metals market remains hot. This makes your equipment even more attractive to thieves.

"Metal theft seems to be worse in Texas, California and Florida," says David Grant Mossman with the National Equipment Register (NER), a division of Verisk Crime Analytics. "We see a lot of trench-shoring and irrigation equipment sold for scrap as well as piping and valves. Copper is still an issue. We see that thieves are stealing welding cable and leads, too."

This type of theft is "destroying a lot of construction sites," adds Lou Koven with the National Insurance Crime Bureau.

What can you do to protect your equipment?

- **Store what you can in locked containers.**
- **Don't allow this type of equipment to be staged for lengthy periods of time.**
- **Work with your customers to protect your equipment on the job site.**

NER is developing a metal registry in the United States and Canada similar to how the NER database works with equipment theft, Mossman says. More details will be coming in future months on this project, he notes. ♦

Getting ahead of the scam: Be in control

In addition to “smash-and-grab” burglaries, rental operations have suffered equipment theft through fraud and scams. The key is to be prepared ahead of time, says David Grant Mossman of the National Equipment Register (NER), a division of Verisk Crime Analytics. “The biggest failure is lack of preparation. What you do in preparation can have a direct impact on how effective you are in preventing it from happening.”

Mossman, along with the National Insurance Crime Bureau’s Lou Koven and the Snohomish County Auto Theft (SNOCAT) Task Force’s Terry Haldeman suggest taking the following steps:

1 Have policies in place for accepting credit cards and authenticating authorized renters for store accounts. Be sure to follow those policies.

“Are you photographing ID’s and not just copying them? Are you verifying that the address of the job site is real? If someone comes in who you have never dealt with before or who you haven’t seen for a long time with this account, are you calling your contact at the company to verify that this person actually works there and is authorized?” Mossman asks. These are just some of the steps that should be part of your overall policies, he says.

Another step outlined in a recent NER advisory is: “Don’t assume a credit card is valid because the deposit pre-authorizes. Call the issuer to ensure there is no potential problem. Contact your card services fraud department for advice and assistance.”

It’s all about having solid policies in place ahead of time, being prepared and educating everyone in your operation so they know what to do and what to



look for, Mossman notes. “Train your staff to step back and don’t deviate from those policies even when they feel rushed.”

“We have a saying in law enforcement,” Haldeman says, that underscores how vital these steps are. “In God we trust. Everyone else, we check through NCIC.” [The National Crime Information Center is the United States’ central database for tracking crime-related information, which is maintained by the Federal Bureau of Investigation.]

2 Be suspicious and get in control of the situation.

Scam artists are notorious for coming into your rental operation during your busiest times or near closing time, Mossman, Koven and Haldeman say. “They want to take you off your guard. You need to get back in control of the situation. If it feels too slick or you just have a bad feeling, give your counter staff an out. Have your counter personnel tell the customer they need to take this to the manager. Put the brakes on the whole transaction. A fraud artist will start to squirm and put up a fuss. A legitimate customer will wait a few minutes for you to follow your procedures,” Mossman says.

“We had a case where a guy came in driving a Dodge Ram pickup truck and wanted to rent a Bobcat. The counter person said that truck couldn’t handle this type of machine, so the guy left and came back with a U-Haul van truck. Why didn’t he just bring the right truck to begin with? You need to be suspicious of circumstances like that,” Koven says.

3 Photograph renters at eye level.

Koven suggests photographing renters so you can get a clear view of their face in case there is a problem down the road.

4 Install a portable global positioning system (GPS) tracking unit on the equipment.

If everything checks out and you decide to go ahead with the rental but you still feel a little uneasy, Koven suggests installing a portable GPS “somewhere hidden on the machine where the renter can’t find it. That will give you an extra sense of security and give you an idea of where the machine is at.” ♦

