NER NATIONAL EQUIPMENT REGISTER

NICB® NATIONAL INSURANCE CRIME BUREAU

2014 Theft Report

AN ALLIANCE WITH A PURPOSE

Through a joint alliance, the National Equipment Register (NER) and the National Insurance Crime Bureau (NICB) continue to make positive strides in deterring crime by equipment thieves. By combining services and areas of expertise, we're providing an efficient conduit for law enforcement and insurers to identify any type of heavy equipment at any time of day and help contractors reduce the likelihood of unknowingly purchasing stolen equipment.

Our alliance ensures that NER will continue to provide, manage, and expand its database of insurer-supplied theft reports and information about manufacturers, owners, and damaged equipment. NICB will extend the reach and value of that information through its nationwide network of special agents, who are trained in heavy-equipment theft and available to respond to law enforcement calls for investigative assistance or identification requests.

Better ownership documentation, accurate equipment identification, proper reporting, greater site security, and an overall better understanding of the threat will continue to increase the ability of law enforcement to combat equipment theft. Awareness, education, and training are key components of an overall fraud-prevention plan that may lead to immediate economic benefits for contractors, owners, and insurers.

Through our collaborative efforts, we're reducing the cost of theft for equipment owners and insurers by increasing the likelihood of recovery and arrest. We're also increasing the awareness of the theft issue and promoting knowledge sharing, thus making heavy equipment a riskier target for thieves.

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OVERVIEW

The National Equipment Register (NER) and National Insurance Crime Bureau (NICB) annual report on equipment theft in the United States is based primarily on data the NICB drew from the National Crime Information Center's (NCIC) database of more than 10,000 construction and farm equipment thefts in 2014 and information reported to ISO ClaimSearch.® We'll publish similar reports every year to help track trends using the growing volume of data available to NER and the NICB.

AIM

Our study provides equipment owners, insurance companies, and law enforcement with information to guide theft-prevention efforts and allocate investigative resources. The study puts the information into context through footnotes, analyses, and conclusions that relate to the protection, investigation, and recovery of heavy equipment.

As in the past, the 2014 report seeks to answer key questions: Who steals heavy equipment, and how do they do it? How much and what types of equipment do they steal? Where do they steal equipment from, and where does it go?

DATA SOURCES

The NICB has access to all the data in the NCIC vehicle theft file, and it maintains a mirror image of that file. The FBI; other federal, state, local, and foreign criminal justice agencies; and authorized courts submit data on stolen vehicles, stolen vehicle parts, and mobile off-road equipment and components. The NICB uses the data to assist insurance companies in recovering stolen vehicles and mobile off-road equipment.

Since 2001, NER has developed databases of heavy-equipment ownership and theft information. Owners and law enforcement agencies report thefts directly to NER's database through its website. Insurers report thefts through ISO ClaimSearch, the insurance industry's all claims database. Through an alliance with the American Rental Association (ARA), NER can capture loss and ownership data from many of the world's largest rental fleets and hundreds of smaller fleets.

Although statistics can't reveal all underlying reasons for the high level of equipment theft, we can draw conclusions from trends and the daily contact that NER staff members have with theft victims, insurers, and law enforcement.

PRESENTATION AND ANALYSIS

We've presented each set of data in graphs or tables to allow easy comparison and to highlight trends. Notes explain data sources and gathering techniques. Analyses discuss the relative importance of factors that affect each set of results. We provide additional commentary where results suggest a particular action or response.

Theft by State

Top Ten States for Equipment Theft in 2013

Rank	State	Thefts
1	Texas	1,650
2	North Carolina	918
3	Florida	915
4	South Carolina	660
5	Georgia	647
6	California	641
7	Tennessee	576
8	Oklahoma	471
9	Arkansas	394
10	Indiana	369

The top five states account for 41% of all thefts.

The top ten states account for 62% of all thefts.

NOTES

1. Although equipment thefts occurred in every state, the top five states accounted for 41% of the total number of thefts in 2014. In 2013, the top four states accounted for 35%.

2. The table represents 11,625 equipment theft reports captured by NCIC during 2014.
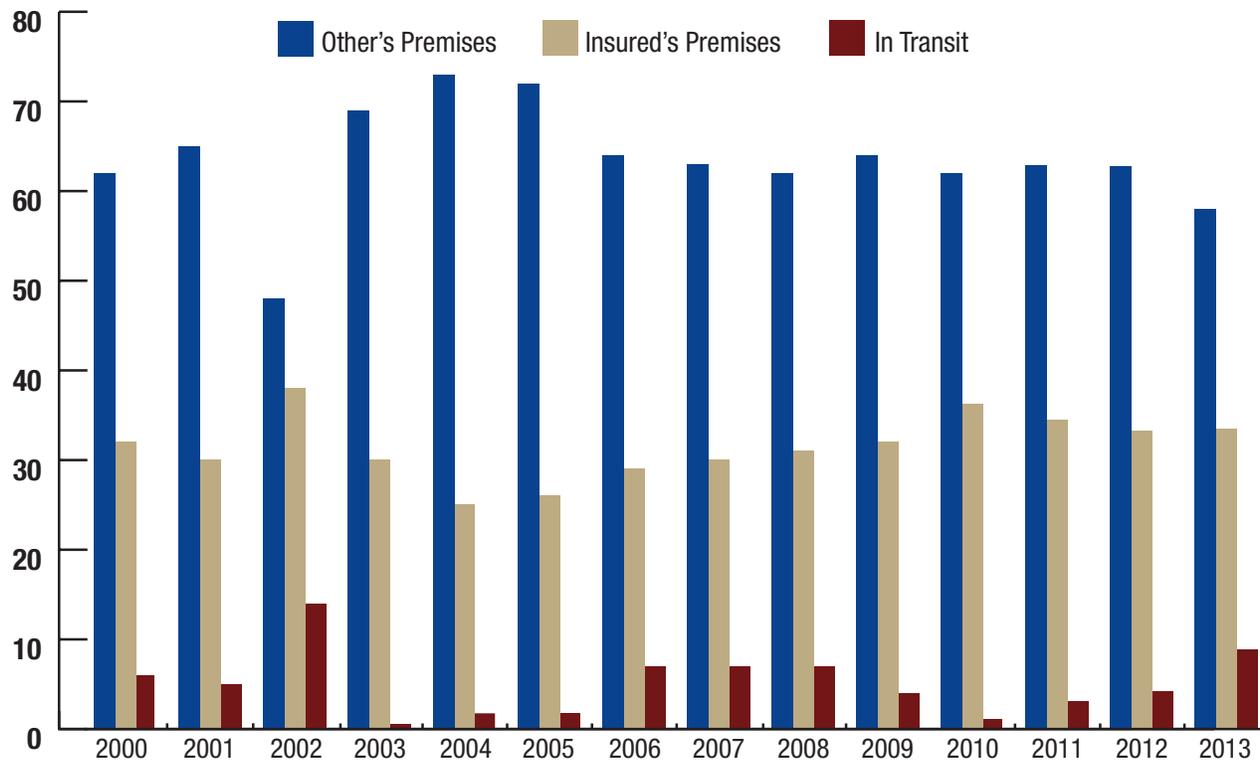
ANALYSIS

1. Theft levels closely correspond to the amount of equipment in a particular area. In other words, the states with the highest volume of construction and agriculture — and therefore, the most machinery — have the largest number of thefts.

2. Organized theft rings are likely to develop in areas with a high concentration of equipment and a large number of potential buyers of used equipment, stolen, or otherwise. Higher loss ratios for insurers in certain areas reflect that development.

3. Indiana is a new entrant to the list this year. Its introduction to the group could possibly be attributed to a recent boom in railroad construction in the state. A lot of equipment was concentrated in these areas and may have been attractive to thieves.

COMMENT

Sometimes theft hot spots occur when an area is experiencing an industrial boom in business. The influx of construction work correlates with higher numbers of heavy equipment in the area—which attracts attention from thieves—increasing the risk for theft. NER's regional theft alerts highlight such activity. Being aware of these indicators of theft and possessing the knowledge to thwart equipment thieves often coincide with a noticeable drop in theft rates.

Theft by Type of Location

The graph below shows insured losses by the type of location of the theft:

NOTES

1. Losses by type of location of theft are displayed as a percentage of all claims.
2. Source is ISO Inland Marine Circular, Contractors Equipment, All Classes.

ANALYSIS

With regard to theft by type of location, two factors should be considered: the location where the equipment spends the most time and the level of security at each type of location. Most often, equipment is on a work site, labeled on the graph as "Other's Premises." Those work sites usually have lower levels of physical security than an "Insured's Premises," which is often a fenced-in compound.

COMMENT

It's not enough to solely focus on the security of premises and work sites. Equipment users should secure machines, even if they can do so only temporarily. For example, a user could disable the machine, by removing relays or battery cables when the equipment isn't in use to make operating the machine more difficult for a thief.

Types of Equipment Stolen

Mower, Riding or Garden Tractor—43% | 5,051

Tractor, Wheeled or Tracked—12% | 1,475

Excavator—3% | 343

Fork Lift—2% | 301

Generator, Compressor, Welder—2% | 224

Bulldozer—1% | 121

Light Tower—0.5% | 64

Brush Chipper—0.5% | 68

All Others—17% | 2,057

Loaders—17% | 1,907

Skid Steers—69% | 1,316

Backhoes—17% | 324

Wheel Loaders—14% | 267

NOTES

1. The chart represents 11,625 theft reports submitted to NCIC in 2014.

2. The inclusion of landscaping equipment—mainly commercial riding mowers—reduces the percentage of all other categories.

3. The top five types of equipment account for 78% of all losses. In 2013, the top five represented 79% of all thefts.

4. "Tractor" is a broad category, including compact, utility, and agricultural tractors.

5. More than 50 types of equipment make up the "All Other" category. They include graders, scrapers, wood chippers, and rollers. Unidentified construction and farm equipment represent the majority (more than 900) of the "All Other" category.

ANALYSIS

1. Two key factors determine the type of equipment that thieves are most likely to steal: value and mobility. Value is the primary factor, except for items too large to move on a small trailer. For instance, large excavators are valuable but seldom stolen, as they're difficult to move.

2. Another factor to consider is the number of each type of equipment in circulation. For example, skid steer loaders account for more than 30 percent of new construction equipment sold in the United States in the last five years.

3. Dozers and wheel loaders are the most valuable types of equipment in the top ten, but backhoes and skid steers are easier to transport and are multi-functional on job sites. Therefore, the latter group represents a greater percentage of thefts.

4. The types of high-value equipment reported stolen frequently are wheeled machines, such as wheel loaders.

COMMENT

Equipment owners should consider mobility of equipment, as well as value, when planning security efforts.

Frequency of Theft Compared with Other Risks

Chart legend: Vandalism, Fire Damage, Collision, Other (see notes), Theft — years 2000 through 2013.
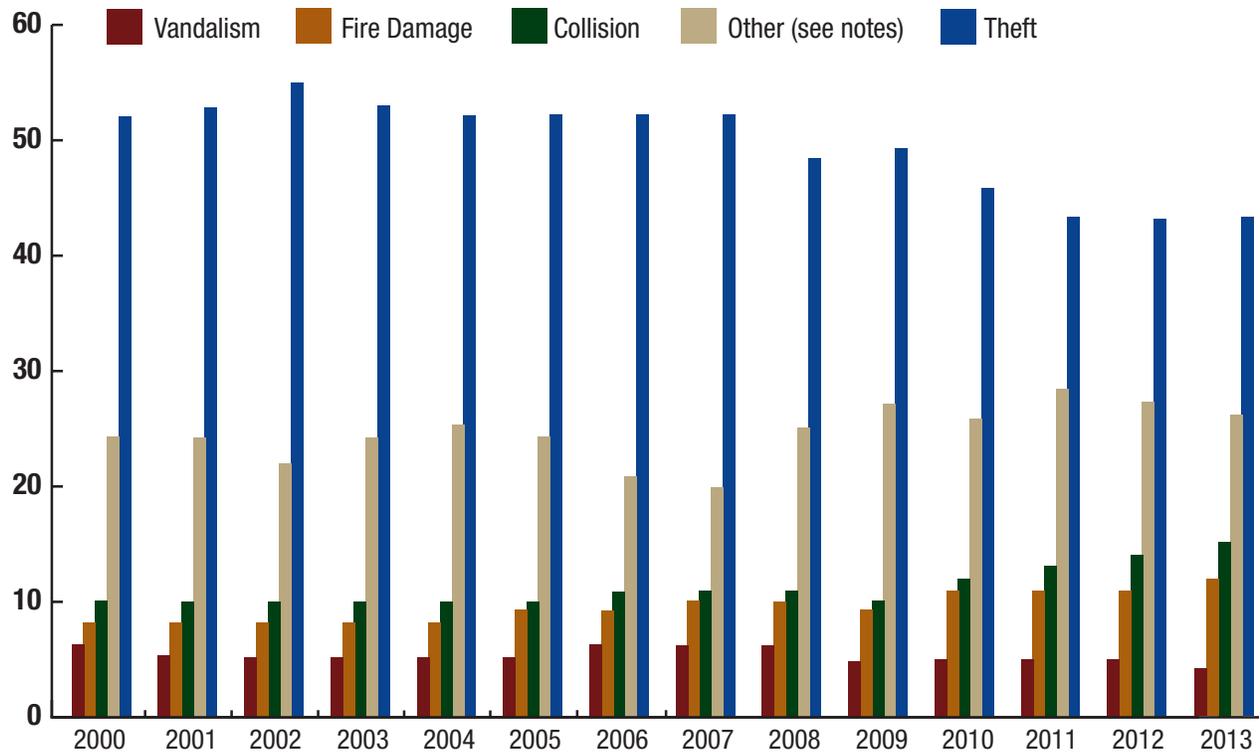
NOTES

1. Frequency of risk is displayed as a percentage of all claims.

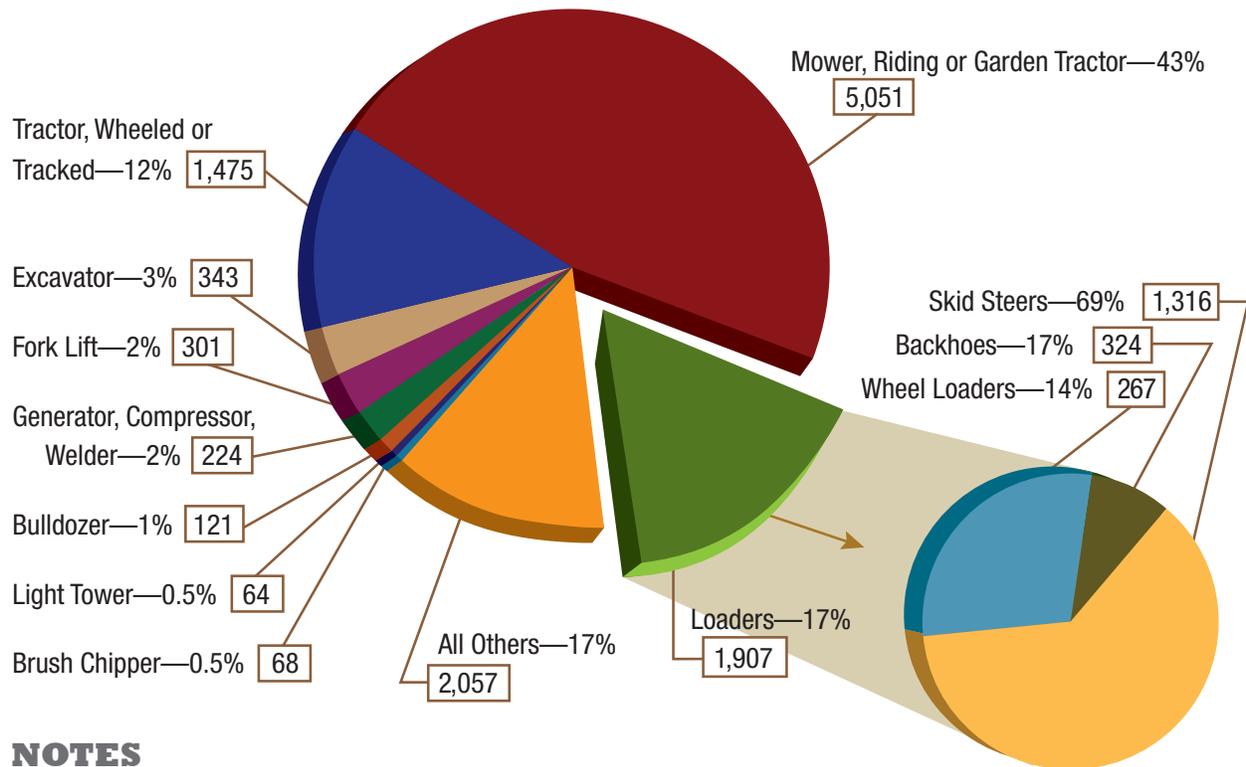2. Source is ISO Inland Marine Circular, Contractors Equipment, All Classes.

3. We base the figures on frequency, not value. Theft still tops the list by value, although by a smaller margin.

4. "Other" includes claims involving windstorm, hail, water damage, flood, volcanic action, and earthquake.

COMMENT

Theft accounts for the highest number of losses when compared to other risks. However, it's also the most reversible threat when proper protocols and procedures are in effect. In other words, the level of risk varies greatly between equipment owners who take certain precautions and those who don't. Equipment owners can reduce the likelihood of theft and improve the chances of recovery by taking simple preventive steps that are both cost-effective and measurable.

Theft by Manufacturer

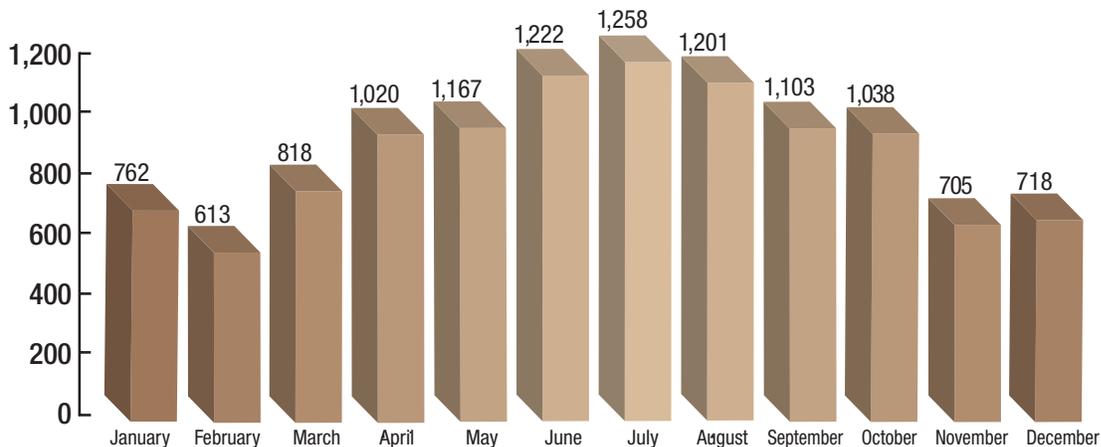| Manufacturer	Thefts
John Deere	2,450
Kubota Tractor Corp.	1,094
Bobcat	726
Caterpillar	708
Toro	335
Husqvarna	331
Exmark	323
Case	275
Cub Cadet Corp.	256
Craftsman	255

NOTES

1. Source is the total number of thefts reported to NCIC during 2014.

ANALYSIS

1. While all makes of off-road equipment have little or no standard equipment security, the manufacturers on the above list make the most compact, and thus most easily stolen, equipment. The list doesn't necessarily follow the entire market share of all heavy equipment manufactured.

2. If two pieces of equipment are equally easy to steal, a thief is more likely to steal the machine of greater value. Age, condition, and brand determine a machine's perceived value.

3. New results will emerge as manufacturers register sales with NER, work closely with NICB investigators, and include additional security measures as standard features.

Theft by Month

The graph below illustrates equipment losses by the month the theft was reported.

Bar chart of equipment losses by month: January 762, February 613, March 818, April 1,020, May 1,167, June 1,222, July 1,258, August 1,201, September 1,103, October 1,038, November 705, December 718.

ANALYSIS

Theft levels closely correspond with peak construction periods. In other words, the months with the highest volume of theft are the ones that have increased equipment activity due to cooperative weather, longer days, and the end of a crop growth cycle. As equipment owners move items between jobsites and fields, there are greater risks, exposures, and opportunities for theft. There's an additional likelihood that thefts may go unnoticed for a longer period of time than when equipment is stolen from an owner's yard.

Model Year of Equipment Stolen

Equipment produced in the last ten years accounted for 77 percent of thefts reported to NCIC in 2014. Fifty-one percent of thefts reported in 2014 were machines manufactured in the last five years. The table lists the top ten years of manufacture for machines stolen in 2014:

Year	Amount
2014	2130
2013	1440
2012	1104
2011	695
2010	654
2008	581
2006	568
2007	544
2005	508
2000	428

NOTES

1. Source is the total number of thefts reported to NCIC during 2014.

2. Each piece of equipment manufactured in 2013 faced potential theft for only part of the year— from the date sold to December 31.

3. Results may be slightly skewed because owners often misstate the date of manufacture. For example, a buyer may list a 2012 model purchased in 2013 as a 2013 model.

ANALYSIS

The newer a piece of equipment, the more likely it's that someone will steal it. If given the choice between two similar machines, a thief will choose the newer, more valuable machine, because they're equally easy to steal. Those results are in stark contrast to larger trends in automobile theft, where older models account for more stolen cars. Newer cars carry more sophisticated antitheft technology. Heavy-equipment design, however, emphasizes productivity instead of security. The necessity for multiple operators leads to little or no antitheft technology. Many heavy-equipment manufacturers installed as few security features on 2012 models as they did on 1980 models.

Top 11 Cities for Equipment Theft

City	State	Thefts
Houston	TX	201
Miami	FL	105
San Antonio	TX	83
Oklahoma City	OK	83
Las Vegas	NV	73
West Palm Beach	FL	63
Orlando	FL	62
Wichita	KS	58
Knoxville	TN	55
Raleigh	NC	50
Greenville	SC	50

NOTES

1. Source is the total number of thefts reported to NCIC during 2014.

2. Nine of the top eleven cities are in the top ten states for theft.

3. San Antonio, TX and Oklahoma City, OK tied for 3rd place with 83 thefts each.

ANALYSIS

It's not surprising that cities with the greatest number of thefts are often located in states that rank among the top ten for theft. The cities tend to be in states that are near the southern border, possess a major port, are experiencing construction booms, or possess all of these characteristics.

Theft by Census Population

Core Base Statistical Area (CBSA)	2014 U.S. Census Population Estimate	2014 Thefts	HE Theft Rate per 10,000 Inhabitants
Martin, TN	34,450	17	4.93
Orangeburg, SC	90,942	40	4.40
Williston, ND	29,595	13	4.39
Moultrie, GA	46,275	19	4.11
Newberry, SC	37,521	14	3.73
Beeville, TX	32,799	12	3.66
Wauchula, FL	27,519	10	3.63
Henderson, TX	44,808	16	3.57
Weatherford, OK	29,377	10	3.40
Russellville, AR	84,440	28	3.32

NOTES

1. Sources are the total number of thefts reported to NCIC during 2014 and the 2013 U.S. Census report.

2. The term "Core Based Statistical Area" (CBSA) is a collective term for both metro and micro areas. A metro area contains a core urban area population of 50,000 or greater, and a micro area contains a core urban population of at least 10,000 but less than 50,000. Each metro or micro area consists of one or more counties and includes the counties containing the core urban area, as well as any adjacent counties that have a high degree of social and economic integration (as measured by commuting to work) with the urban core.

ANALYSIS

It's not surprising that most of the areas with the highest rates of theft per 10,000 inhabitants are located in the states with the highest numbers of thefts in 2014. What's surprising is that none of the regions in the top ten have a population greater than 100,000. Although the population is small in these regions, more thefts occur per person than in the larger metropolitan areas. The relatively high rate of theft by population in these regions indicates that equipment owners should not be lax with security no matter how remote or loosely populated an area may be. In fact, the data suggests that equipment owners and dealers should be more concerned about equipment theft in regions with smaller populations.

The Cost of Equipment Theft

At present, there's no centralized, accurate, or exhaustive database that includes every loss. NER examines detailed theft reports from a specific area that accurately reports theft — such as a fleet, industry, or region — to make assumptions and develop trends. Then we apply those trends to the entire market share of that specific area to build a national figure. Annual estimates of the cost of equipment theft vary from about $300 million to $1 billion, with most estimates in the range of $400 million.

NOTES

1. The estimates don't include the theft of tools or building materials or damage to equipment and premises caused during a theft.
2. The estimates don't include losses from business interruption. Those losses include the cost of rentals, project-delay penalties, and wasted workforce and management time.

ANALYSIS

Several factors contribute to the high level of equipment theft:

- The value of heavy equipment*
- Poor equipment and site security
- Opportunities to sell stolen equipment in the used equipment market
- Low risk of detection and arrest
- Lenient penalties for thieves if prosecuted and convicted

*The average estimated value of a stolen piece of equipment is $46,273.

Recovery Rates

Low recovery rates make it difficult to draw concrete conclusions from recovery statistics alone. By including information from investigations, such as those in the "Case Studies" section, we can gain an idea of how equipment is stolen, where it goes, and who steals it. The NICB compiled 11,625 reports of stolen machines in 2014. Conversely, in 2014, the NICB reported 2,633 recoveries of equipment listed in the NCIC active theft file. The file includes all active thefts recovered in 2014.

Only 23 percent of stolen equipment was recovered in 2014.

NOTES

1. Of the 11,625 reported equipment thefts in 2014, NCIC reported 2,633 recoveries.

2. The recovery rate does not reflect pieces of equipment that law enforcement recovered but didn't mark as recovered.

3. The recovery rate does not reflect unreported thefts.

ANALYSIS

Several factors contribute to the low recovery rate of stolen equipment. They're as follows:

- Delays in discovery of thefts and subsequent delay between the occurrence and reporting
- Equipment owner's inaccurate or nonexistent owner records
- Complex and often ambiguous equipment identification number formats
- Complex and often ambiguous equipment identification number formats
- Lack of pre-purchase screening of used equipment
- Limited law enforcement resources dedicated to equipment investigations
- Limited, possibly inaccurate equipment information in law enforcement systems
- Police reporting and search errors, and misunderstanding of correct equipment theft reporting practices
- NCIC equipment information reporting errors in which equipment is erroneously added to the "article file" rather than the "vehicle file"

COMMENT

The area that needs the most improvement is also the area that promises immediate results: making accurate information available to law enforcement 24 hours a day through NER and the NICB. At a minimum, equipment owners should keep accurate lists of equipment with PIN/serial numbers and submit them to law enforcement, their insurers, and NER as soon they discover a theft. When they purchase equipment, owners should register serial numbers in the NER database, so that the information is available to law enforcement 24 hours a day. In the event of a theft, law enforcement can identify the equipment even during weekends or at night.

Recovery by State

Top Ten States for Equipment Recovery

State	Recoveries
Texas	331
California	282
Florida	167
North Carolina	142
South Carolina	112
Georgia	100
Oklahoma	94
Tennessee	87
Missouri	79
Kentucky	71

The top ten states account for 56% of recoveries.

NOTES

1. In 2014, law enforcement recovered most machines in the same state where they were stolen.

2. The bigger the state and the more demand for equipment within that state, the lower the chance that the equipment will leave the state.

3. If thieves don't sell equipment quickly in the local vicinity, there's a greater chance they'll move equipment out of state, especially as more time passes from the date of the theft.

4. Law enforcement is less likely to recover equipment when thieves move it far away, especially out of state. Therefore, more stolen equipment may be moving out of state.
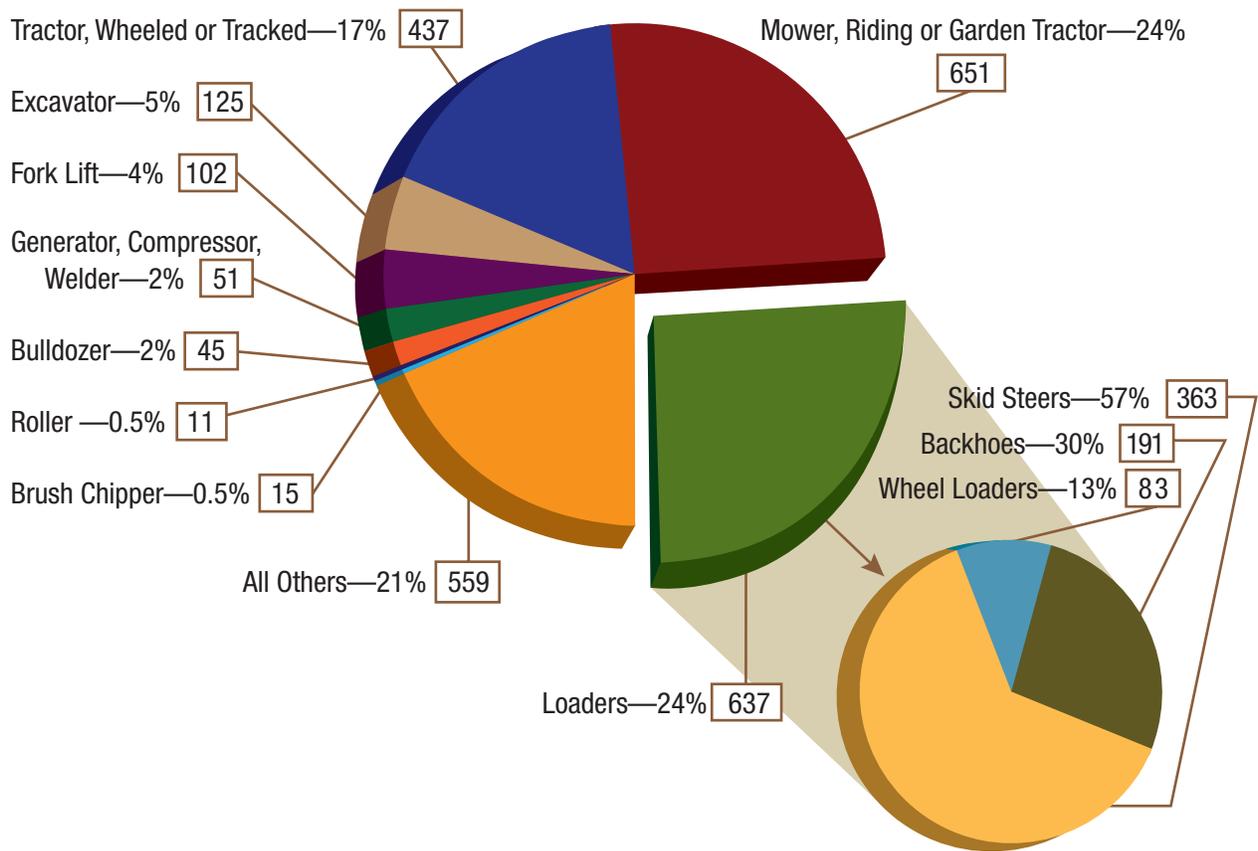
ANALYSIS

1. A low level of surveillance in the used-equipment market bolsters thieves' confidence to commit crimes. They feel safe selling equipment in neighboring states or even as close as neighboring counties.
2. Recoveries made at ports and borders prove that thieves do export stolen equipment; however, selling stolen equipment within the United States is easier and cheaper, so the cost of export is worthwhile only when thieves can raise prices abroad or when they steal equipment close to a border.

COMMENT

In the fight against equipment theft, it's important to act both locally (for example, by circulating theft reports) and nationally (for example, by submitting data to national databases). A key component in the fight is to make it harder for thieves to sell stolen equipment. Buyers of used equipment should check machines at www.IRONcheck.com before buying.

Types of Equipment Recovered

Tractor, Wheeled or Tracked—17% 437

Excavator—5% 125

Fork Lift—4% 102

Generator, Compressor, Welder—2% 51

Bulldozer—2% 45

Roller —0.5% 11

Brush Chipper—0.5% 15

All Others—21% 559

Mower, Riding or Garden Tractor—24% 651

Skid Steers—57% 363

Backhoes—30% 191

Wheel Loaders—13% 83

Loaders—24% 637

NOTES

1. The "Loader" category includes all subclasses: front-end, tracked, wheeled, skid steer, and backhoe.
2. The "Excavator" category includes both full-size and compact or mini-excavators.

ANALYSIS

The types of equipment recovered most are usually the types of equipment stolen most. The gap between theft and recovery narrows as NICB training encourages law enforcement to look more closely at the machines stolen more frequently.

Recovery by Manufacturer

| Manufacturer	Recoveries
John Deere	558
Caterpillar	270
Kubota	261
Bobcat	222
Case	104
Husqvarna	43
International	39
Toro	39
Cub Cadet	37
New Holland	34
Craftsman	33

NOTE

1. Source is the total number of recoveries of equipment stolen in 2014.

ANALYSIS

The top five manufacturers account for 54 percent of all recoveries. The make of recovered equipment closely mirror the make of stolen equipment.

Recovery by Month
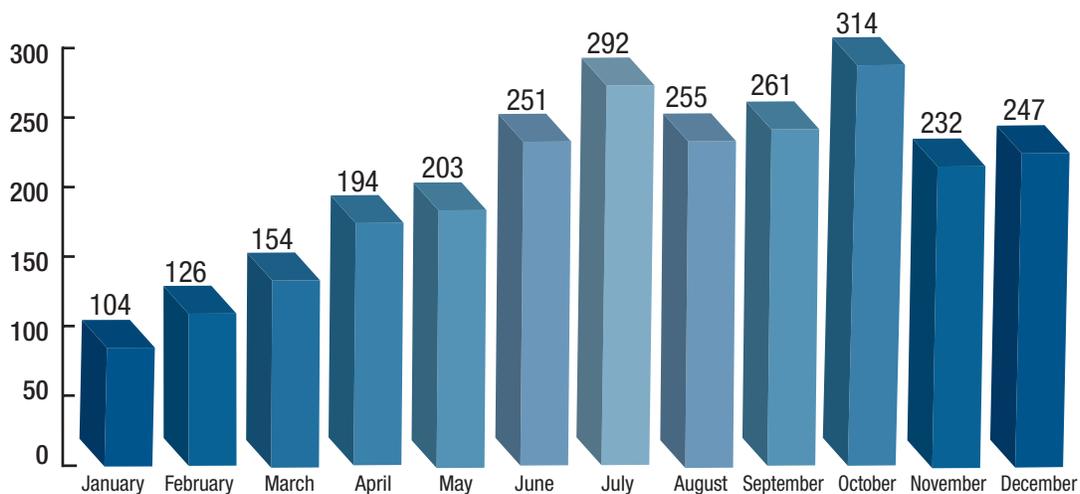
NOTE

1. Source is the total number of recoveries of equipment stolen in 2014.

ANALYSIS

As the busy construction and farming seasons slow down and jobs near completion, jobsites become safer and more accessible to law enforcement. Larger equipment is generally idle at this point, and even smaller units begin to sit for longer periods as finishing work is done. It's not uncommon for contractors using stolen equipment to abandon or leave it behind at the end of a job, as maintenance and storage may be more costly than stealing a new machine next year.

Model Year of Equipment Recovered

Year	Recoveries
2014	416
2013	319
2012	232
2010	152
2008	150
2006	144
2011	136
2005	126
2007	126
2004	101

NOTES

1. Source is the total number of recoveries of equipment stolen in 2014. Each piece of equipment manufactured in 2013 faced potential theft for only part of the year, from the date sold to December 31.
2. Results may be skewed slightly because owners often misstate the date of manufacture. For example, a buyer may list a 2010 model purchased in 2011 as a 2011 model.

ANALYSIS

Newer equipment draws more attention from both law enforcement and thieves. It's not uncommon for older equipment to sit unused in lots or yards, but newer equipment is more likely to be noticed as out-of-place by officers.

Top 11 Cities for Equipment Recovery

City	State	Recoveries
Houston	TX	49
Lexington	KY	32
Miami	FL	29
Riverside	CA	22
San Antonio	TX	21
Bakersfield	CA	18
Tulsa	OK	16
Los Angeles	CA	16
Springfield	MO	14
Las Vegas	NV	13
San Diego	CA	13

NOTES

1. Source is the total number of equipment stolen in 2014.

2. If a thief does not sell the equipment immediately in the local area, there's a greater likelihood that, as more time passes, the thief will move equipment out of state and sell it to a purchaser who seems to have no knowledge of the theft.

3. Las Vegas, NV and San Diego, CA tied for 10th place with thirteen recoveries each.

ANALYSIS

Recoveries tend to be localized near high theft areas, suggesting that a good deal of stolen equipment doesn't move far. This may be due to the rules of supply and demand: where there's equipment to steal, there are machines that are needed. Unfortunately, not all high theft areas have high recoveries. Areas with proper funding, training, and dedicated heavy equipment taskforces have much higher recovery rates. It's interesting to note California's significant presence on this list. This state's mandatory statewide registration programs provide law enforcement with many opportunities to access equipment and, therefore, make recoveries.

Key Statistics

The following numbers give a snapshot of NER and NICB operations as of December 31, 2014:

22,748,644	Number of ownership records
$6,009,073	Value of items recovered by law enforcement with the help of NICB and NER in 2014
$46,273	Average value of machines recovered by police with NICB and NER assistance
111,782	Theft reports in NER database
12,215	Fleets with equipment registered with NER
3,095	Law enforcement officers trained by NICB on heavy-equipment investigations in 2014
228	Recoveries made by law enforcement with the help of NICB and NER in 2013
19	States in which the NICB conducted training in 2014
48	Number of insurance companies or agencies offering incentives to register equipment on NER's database

2014 Case Studies

Case Study 1

In March of 2015, an NICB agent was contacted by a Massachusetts State Police trooper in North Dartmouth Barracks, requesting assistance in the identification of a Melroe Bobcat T190 Skid Steer and trailer he had stopped for a motor vehicle violation. The agent checked the PIN and VIN in both ISO ClaimSearch and NCIC and revealed no sign of theft on either unit. Additional research on the PIN and VIN utilizing NER, NER EDA, and Accurint Databases, allowed the agent to determine the owner of the trailer and Bobcat. The owner's information was provided to the trooper and additional information revealed that the Bobcat and trailer had been parked for snow removal at a plaza in Seekonk, Massachusetts. According to the company owner, the person in possession of both units had no reason to possess them. The owner responded to the scene and eventually secured both units. In a theft report filed with the Massachusetts State Police, the owner reported that both units were insured. The subject in possession of both units was charged in Fall River District Court with Larceny over $250.00, Larceny of a Motor Vehicle, and Malicious Destruction of Personal Property. The trailer and cargo are valued at $39,000. ∎

Case Study 2

Colleton County Sheriff's Office (CCSO) contacted NICB advising of multiple cases involving thefts of ATVs and John Deere heavy equipment. The Sheriff's office requested that NICB provide a 'bait vehicle' as a proactive approach to address the growing problem.

During the month of November 2014, the bait gator was deployed and suspects were identified attempting to take the bait vehicle. Suspect was apprehended and found in possession of a Kenworth tractor W900 without a VIN. A CCSO captain contacted an NICB agent requesting assistance with identification. The NICB Agent positively identified the Kenworth tractor, showing a theft out of Kenly Police Dept. in North Carolina. The suspect, from Walterboro, South Carolina, was arrested as a result.

Additional information was gathered during the investigative stage of this bait gator deployment, identifying another suspect with possible chop shop connections in the area of Colleton and Hampton Counties in South Carolina. Vehicles, trailers, and watercraft were found to be stolen. Many of the vehicles and watercraft were cloned with older salvage titles and plates. A confidential informant advised of suspects attempting to steal John Deere equipment in Hampton, SC with said equipment reported to be hidden at a suspect's home in Smoaks, SC.

Search warrants were executed at the residence identified by the confidential informant with several trailers, Kenworth tractors, motorcycles, John Deere tractors, zero turn mowers, and Kubota tractors found stolen within recent months. Thefts were identified in Georgia, North Carolina, and several counties within South Carolina as well. Four additional suspects have been identified with pending charges.

The bait vehicle operation resulted in the recovery of vehicles and heavy equipment valued at more than $300,000. In addition, two arrests were made and four additional arrests of suspects are currently pending. ∎

2014 Case Studies

Case Study 3

The FBI and Evansville, IN Police Department requested NICB assistance in the investigation of a multi-state commercial theft ring. Eighty-three pieces of construction machines, specialized commercial equipment, trailers, and motorized commercial trucks were identified as stolen by NICB agents. The thefts occurred from commercial dealerships and individual equipment owners during a five year period. Federal authorities have charged two case principals with multiple vehicle theft related felonies.

NICB agents spent five days identifying the reported stolen equipment, which had altered or destroyed PINs by means of electrolytic acid restoration, NICB Shipping and Manufacturing records, and Data Analytics.

NICB resourcefulness, expertise, and versatility in assisting law enforcement in this expansive investigation on behalf of the member companies resulted in the recovery of over $1 million of reported stolen insured property. ■

Case Study 4

In December of 2014, Colleton County deputies said they had teamed up with other agencies across the Lowcountry to recover $300,000 worth of stolen property. Deputies recovered a stolen mini-excavator and a John Deere tractor in a wooded area of Smoaks, with an estimated value of $45,000.

That recovery came a day after Colleton County deputies had assisted in executing a search warrant at a home in Smoaks by deputies from Charleston, Dorchester,

Berkeley Counties, along with police officers from Hampton and Surfside, and investigators from the NICB, according to Colleton County Sheriff's Lt. Amye Stivender.

Investigators seized stolen property estimated at more than $150,000, including a truck tractor, farm equipment, ATVs, UTVs, trailers, and vehicles, Stivender said. Authorities were led to the location by information about suspects in a November 18 heavy equipment dealership burglary in which a $27,000 tractor was stolen. Hampton Police recovered the tractor, but not the suspects.

Another search warrant executed at an address on Cane Branch Road on November 18 helped deputies and police recover $40,000 in jet skis, golf carts, mowers, and trailers. Colleton deputies and Walterboro police also recovered $25,000 of stolen property, including a truck tractor, tools, and store merchandise, after executing a search warrant at an address on Cypress Drive on November 14. Investigators were able to link a number of area burglaries to the location and recovered an additional estimated $30,000 in stolen property, within three days of the initial incident. ■

Summary

Although complete statistics don't exist, it's clear from available data that equipment theft is a serious problem. Estimates derived from data in this year's report suggest the total value of stolen equipment in 2014 is close to $300 million. Those numbers don't include losses from business interruption, such as short-term rental costs, project-delay penalties, and wasted workforce and management time. By frequency of loss, theft is a greater problem than any other type of equipment risk.

Equipment theft levels coincide with the amount of equipment in a particular area. The states with the highest volume of construction and agriculture report the largest number of thefts.

Mobility and value of equipment are the lead contributors to theft. Most thefts are from work sites with little or no security. Given two similar types of machines, a thief will steal the newer one because it's more valuable. In contrast to the automobile industry, there's little difference in equipment security between a new machine and one made several years ago.

Law enforcement recovers as little as 20 percent of stolen equipment. Recovery locations and types closely mirror theft locations and types.

Conclusion

Equipment owners and insurers should increase risk-management for easily transportable, high-value equipment.

Both equipment security and work-site security are necessary to prevent theft. Work-site security is especially critical because equipment often sits in areas with little or no physical security.

Officers investigating equipment theft should focus on popular targets and look for red flags, such as unusual location, type of transport, missing decals, altered paint, and especially missing identification plates.

The area that needs the most improvement is also the area that promises immediate results: supplying accurate information to law enforcement 24 hours a day through NER and the NICB.

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