



CONTRACTORS' EQUIPMENT THEFT AND VANDALISM PREVENTION

LOSS CONTROL BULLETIN

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Theft and vandalism of construction equipment and materials is one of the construction industry's most persistent problems. Jobsites are especially vulnerable to theft because of remote locations and lack of security measures.

The value of stolen equipment and materials is estimated at roughly \$1 billion in losses every year. Contractors, employees, equipment dealers and manufacturers, and insurance companies all feel the impact when equipment is stolen or tampered with.

Stolen equipment is rarely recovered and often is dismantled and sold for parts, making it untraceable. An estimated 90 percent of all equipment thefts take place between 6 p.m. Friday and 6 a.m. Monday over long holiday weekends. Newer equipment is most frequently targeted.

The actual cost of theft can be several times higher than the dollar value of the stolen or destroyed property. There are hidden costs including:

- Temporary shut down or job delays possibly causing penalties for contractors
- Renting of equipment to replace the stolen item
- Difficulty finding equipment to rent during the busy construction season
- Difficulty replacing specialized equipment
- Insurance deductibles and increased insurance costs
- Limit on equipment rentals due to theft losses
- Damaged reputation, which could result in loss of work

MANAGEMENT COMMITMENT

There are many steps management can take to deter theft:

- Development of a written jobsite security, theft, and vandalism policy that is actively enforced
- Distribution of all written policies to subcontractors, employees, and customers including enforcement and prosecution avenues
- Acknowledgment by all parties that they know and understand the policy and consequences of theft and/or vandalism
- Maintaining a zero tolerance policy on vandalism and theft.

TIPS TO REDUCE EQUIPMENT THEFT AND LOSSES

Post signs in conspicuous locations

- "NO TRESPASSING"
- "REWARD"
- "Private Property"
- "Security Cameras in Use"

Control the jobsite and contractors' yard

- Use chain-link fence to secure the perimeter of the site.
- Change gate padlocks several times during construction.
- Frequently walk the site perimeter to check for breaches.
- If there have been unsuccessful breaches, contact law enforcement and make repairs as soon as possible to discourage repeated attempts.
- Do not allow strangers on job sites. Require identification badges and sign-in procedures; request the reason for visitors' presence; require everyone to check-out.
- Provide a minimum number of entrances to the jobsite; lock gates when done for the day or when leaving the jobsite unattended during the day.
- Use cut-proof locks when securing equipment, the jobsite, and tools, along with ball-hitch locks for trailers.

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- Use security companies when possible and ensure they are reputable.
- Keys stored in job trailers should be in a locked, secured, and mounted key box.
- Install jobsite lighting, yard lighting, lighting in the building, and trailer lighting.
- Plan to install lighting before any equipment arrives on the job site.
- Contact a security company for an evaluation of the jobsite.

MARKING OF EQUIPMENT

- Mark all tools and equipment with permanent demarcation such as branding, paint pens, die stamps, or black light markings.
- Put inventory numbers in two spots, hidden and obvious.
- Paint larger equipment a distinctive color and include the company name and logo.
- Paint the last six digits of the serial number on the roof of motorized equipment.
- Insist that all subcontractors' and employees' personal tools and equipment be marked correctly.

INVENTORY CONTROL: EQUIPMENT, TOOLS, AND BUILDING MATERIALS

- Materials received at the site must be carefully inventoried upon delivery. Designate a responsible person to check all incoming materials and equipment.
- Keep records of serial and inventory numbers.
- Take color photos of equipment and interior photos of trailers/storage units.

- Document all identification numbers of equipment and tools.
- Keep an accurate description of the equipment including:
 - Manufacturer
 - Model number and year
 - Serial number
 - Wheels or tracks and color of equipment
 - Company ID
 - PIN numbers and purchase date

EQUIPMENT PROTECTION AND TRACKING

- Re-key your equipment to customize and avoid commonly keyed brands.
- Purchase equipment with programmable ignition keys.
- Install smart ignition systems with programmable keypads; change ignition code sequences frequently.
- Install anti-theft devices: hidden fuel shut-offs, hydraulic bypasses, track locks, and alarm systems.
- Use alarms, lights, and motion sensors to send silent alarms to police or security companies.
- Use locking gas caps and oil caps on equipment and vehicles to prevent vandalism. Lock equipment cabs when work is completed for the day or the jobsite will be left unattended.
- Disable equipment with hidden switches or remove fuses.
- Install GPS tracking on mobile equipment.
- Remove equipment from jobsite when possible.
- Remove batteries from equipment left on site.

Spot check your jobsites and construction yards frequently. Designate an employee who will be responsible for enforcing compliance with your theft policy.

PREVENTION IS EVERYONE'S BUSINESS. TRUST IN TOMORROW.® CONTACT YOUR AGENT TODAY TO LEARN ABOUT OUR LOSS PREVENTION PROGRAMS.

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