



Out Crime!

Theft Prevention Program for Mechanical Contractors

**Produced by
Minnesota Mechanical Contractors Association**

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Section I: Theft and Vandalism Prevention on Construction Sites

1. Introduction

Almost every contractor has a theft problem ranging from very small to out of control. Differences arise due to the type of work performed, location of jobsite and company, attitude of employees, and attitude of management toward theft prevention. Some contractors believe it's too much work for what they get in return while others just don't think they have a theft problem.

All contractors should have some type of theft prevention program in place because sooner or later theft will occur. The lack of security and control measures has allowed jobsite theft to become a major crime. As competitive as our industry is, absorbing theft losses can no longer be accepted as the price of doing business. Replacement cost, insurance rate increases, and lost production time all add up quickly. Loss of profits, due to time delays until stolen equipment or material can be replaced, usually exceeds the value of stolen item(s).

The following is information to consider as you build your theft prevention program. No theft program is going to be exactly the same for every contractor because each contractor has a different business set up and unique jobsite operations. We hope you'll be able to use the provided materials to prepare your own theft prevention program.

ORGANIZED PROGRAMS

Many contractors have controlled their jobsite losses by participating in local or state organized theft prevention programs. Check your area to determine if there is a program that could either provide full services or assist in organizing a company loss prevention program. Some organized programs are:

1. Non-profit associations that are established to provide full-time construction crime prevention services. Membership is open to all categories of contractors, equipment rental companies, industrial plants, insurance companies and other construction related firms.
2. Crime prevention units or bureaus operated by city, county, or state law enforcement agencies. A listing of city and county law enforcement agencies appears in the Local Law Enforcement Agencies section of this training manual. You can also find an updated list at www.usacops.com. Letting Law Enforcement Officials know that you are working on a jobsite in their city or county is always a good idea so they know who to deal with in an emergency situation.
3. Theft prevention education programs conducted by various construction equipment manufacturers, such as J.I. Case Company or Caterpillar. Large equipment theft information, training, programs, and items are listed in the Large Equipment Theft section of this training manual.

2. Establishing a Program

Management must be fully committed to a theft prevention program before jobsite losses can be reduced. If management shows a lack of concern and accepts theft losses, this same attitude will prevail throughout the company. The unnecessary high cost of theft losses can and often does make the difference between a profit and a loss on a job. Theft losses are only one of the cost items that must be controlled and managed.

The most effective jobsite security program is one that is established by the general or prime contractor. It can only be effective, however, with **participation by all subcontractors**. If the general or prime contractor doesn't take the necessary security measures then you should put your own Theft Prevention Program into practice to protect your company's property.

One person should be assigned the overall responsibility for theft prevention and inventory control. When establishing a theft prevention program, it is important for employees to understand **the purpose of the program is to control costs; establishing the program does not cast aspersions on the integrity of any employee**. However, the program must let everyone know that **THEFT IS THEFT** and **ANYONE** caught stealing will be prosecuted.

Consequences vs. Firing

It is important to have an objective set of consequences outlined in case of employee theft. If an employee caught stealing is merely discharged they will go to another contractor and commit similar crimes, since there are no consequences. This hurts our industry by recycling thieves. If all contractors just discharged the person, you may be the next contractor in line to hire that thief.

3. Garnering Employee Support

Employees will support a theft prevention program when they understand it is essential to protect the interests of the company. Management's policy that all offenders will be prosecuted must be clearly stated. A key point of any successful theft prevention program is the company's reputation as an enforcer of the judicial system.

No exceptions can be made. Whether the employee is your best or fastest worker, in a management or supervisory position, or senior employee with the company, they must be prosecuted with the same vigor. This will set a standard and let all employees know that theft will not be tolerated from anyone within the company or outside the company. Setting this standard from the very beginning and sticking to rigid guidelines will not only stop theft but will also get employees to buy-in and be part of your theft prevention program.

4. A Hard Target

Thieves aren't stupid; otherwise they'd all be called "cellmates." A smart thief will look for easy targets and, to use a television detective phrase, "Case the Joint." It may sound cliché, but it's the truth and it's more prevalent than you would imagine. As in bank thefts, the thieves watch and look for vulnerability in a system and then exploit it. If a thief finds one contractor who's doing something – or not doing something – which creates an opportunity, they will exploit it and then use that same tactic on another contractor.

This means that every employee needs to be vigilant at all times. Suspect any odd or strange behavior from anyone on the jobsite – employee or otherwise.

WHY THEFTS HAPPEN AND WHY THEY DON'T

- Burglars are attracted by carelessness. If you leave a door open it's an invitation for a thief to come in.
- Crimes are usually crimes of opportunity. If you leave tools unattended or you don't lock up materials at night they may not be there the next day.
- If you make it easy for someone to steal, chances are someone will.
- You need to make it RISKY and UNREWARDING for a thief. Make the risk of getting caught so great and the value so unrewarding that to attempt a burglary wouldn't make sense even to them.

5. Educating Your Employees

Like a neighborhood watch program, you need to educate and train your employees to watch the company's tools and materials like they were their own. This is where labor and management should be united. Employees need to know that thefts put a financial burden on a company, making it less competitive. It also means fewer jobs which translate into layoffs – something no one wants.

Your employees are your eyes and ears but only if they know what to watch for and choose to watch for it. That's why it's so important that they not only buy into the company's theft prevention program but also understand the program and their part in it.

We suggest that you use the following procedures combined with your own procedures in a handout and/or presentation and go through steps that need to be taken daily or as defined by your policy. Don't allow there to be any gray areas, make all procedures clear and part of your Standard Operating Procedure.

6. Site Security

LOCKS

Everyone generally understands the importance of locks and using them. However, whether its forgetfulness or carelessness, locks many times aren't used. Here are some simple tips for securing items:

- Lock up EVERYTHING POSSIBLE at the end of a shift.
- Use modern, adequate locks on doors AND windows.
- Secure roof openings with locks.
- Remove debris, stacked materials, and ladders so that burglars can't enter through the roof or steal rooftop units.
- Use steel doors and heavy duty locks to secure buildings and offices.

LOCK EVERYTHING

- Doors, windows, roof access, cellar doors, garage doors, service doors, etc.
- Bar any back doors.
- Garage doors should have something in the track to keep the door from being opened. Burglars will use a hydraulic jack to spring open a door secured with only an electric garage door opener.
- If you aren't using equipment, put it away in a secure area. Don't let equipment sit around; it's like "flashing large amounts of cash."
- Tie large items together with chains; make it difficult.

LOCKS AND KEYS

- Keep padlocks secured at all times.
- If a lock is just hanging on the hasp, a burglar can walk by and switch it with a similar one. When you lock up for the night, the burglar has the key or combination, making entry very simple later that night.
- Never label keys. A code system should be employed if necessary.
- Keys should be signed out and accounted for at all times.
- Trailers should be locked at all times, and not left at the jobsite. If left at the jobsite, lock in fenced area because thieves will cut aluminum trailers open.

Always Lock Padlocks

This may sound obvious, but do you leave the padlock unlocked on a gate or gang box? Thieves hope you do. Thieves have been known to walk onto a jobsite, acting as if they've lost their dog to give them a reason to be there. As they go around the jobsite they swap their locks for your locks and leave them open.

That night you lock up your equipment or materials with their padlocks. They sneak onto the jobsite at night and easily open everything you've locked up.

Are thieves' cleaver? Yes they are! Educate your employees to be smarter!

LIGHTING

- Keep exterior lights on or have motion activated lights installed.
- Keep some interior lights on (lights are on even though no one's home)
- Lighting eliminates dark areas where burglars can hide.
- Lighting is one of the least expensive and most effective security procedures.

FENCING

- Install 8' heavy duty chain-link fencing (heavier gauge is harder to cut)
- Keep equipment and materials away from fence where it can be easily taken by cutting fence.
- Fencing deters casual intruders from penetrating a secured area.
- Fencing demonstrates the intent of an intruder by their overt action to gain entry.
- Fencing creates a psychological deterrent.
- Fencing reduces the number of security guards required.
- Fencing increases security personnel's capabilities for detention and apprehension of unauthorized individuals
- Fencing shows concern for businesses property to employees and to would be thieves.

JOBSITE EQUIPMENT, TOOLS AND MATERIAL CONTROL

Equipment, tools and material sent to a jobsite should be delivered to and be controlled by, a designated person. The home office, as well as the site designee, should maintain current and complete records of all equipment, tools and material delivered to a jobsite in addition to the name of the person responsible for its accountability.

Excess equipment, tools and material should not be delivered to the jobsite or stockpiled. Those no longer required on the jobsite should be promptly removed to decrease the chance of theft. When possible, material, equipment and tools received during the day should be "cross-checked" and inventoried by a person other than those who sign for receipt of the property.

Material deliveries should be kept to a minimum, using "just in time delivery" and a minimum of material on site. Once again, one person should be in charge and responsible for accepting all deliveries.

APPEARANCE

Keeping a clean jobsite helps keep up morale but also helps police find evidence if a break-in should occur. By having a tidy shop it's easier for you to notice something out of place or missing the next morning. Burglars are somewhat clever but not always neat and what they leave behind – whether footprints or cigarette butts – can help law enforcement put a case together against the intruder.

No jobsite is spotless but keeping it picked up and swept up will help police in an investigation. Employees appreciate coming to work in a clean environment. It's a safer workplace. Plus it's just a good workplace policy. Make the following practices part of a daily work procedure:

- Each day the jobsite should be cleaned up.
- Pick up and remove all trash.
- Sweep the floors.
- Remove all the cigarette butts.
- Keep the area neat and orderly.

By keeping the jobsite clean it can provide police with easily identifiable footprints or other items which could contain the intruder's DNA. In many cases, evidence from one crime leads to the solving of another committed by the same person. Many times, the evidence found at your shop can lead to arrests for even more serious crimes.

FOLLOWING THESE PROCEDURES CAN HELP TAKE THE BAD GUYS OFF THE STREET!

If you are having trouble with graffiti on the job site you need to remove it as soon as possible. If graffiti has been done by gangs it will often offer challenges to other gangs to do more graffiti. Even if it's not gang related it may spawn or encourage further graffiti by letting vandals know that this building is not watched or cared for and is an open canvas for their graffiti.

VEHICLE THEFT

Vehicle theft is one crime over which you can exercise a little more control, thanks in part to current technology. It's still extremely important to follow strict vehicle anti-theft procedures because many times company vehicles contain tens of thousands of dollars in tools and materials. Some simple things to do to stop vehicle theft include:

- Lock all doors.
- Never leave keys in the ignition, even if you're going to dash in and right back out.
- If it's a threatening neighborhood use a steering wheel lock.
- Always have the alarm turned on in the vehicle.
- Install a Global Positioning Satellite (GPS) tracking device for law enforcement to locate stolen vehicles.
- Don't leave keys in any vehicle.
- Lock the doors, even if it's parked inside the shop.

Broken Window

Theory

The broken window theory explains how burglars view prospective targets. If a building has broken windows or is in disrepair it tells thieves that no one goes in the building much. More than that, no one is concerned about what happens to the building. Such buildings are usually stripped bare of anything of value.

Your jobsite or warehouse probably looks nothing like the example above but even small items like bent fencing or burnt out lights may invite crooks willing to take the risk.

ALARMS AND/OR GUARDS:

- Burglars don't like noise, it draws attention. Alarm systems that trigger lights and loud sounds will usually flush out burglars immediately.
- Alarm systems that are promoted on signs around your jobsite may be enough to stop a burglar from even attempting to risk setting off your system. Make sure it's well known that there is a security system on the premises AND MAKE SURE IT'S ACTIVATED EACH NIGHT!
- Alarm systems can be routed through companies who will monitor your system for you and alert law enforcement when an alarm is triggered.
- Alarms can also be strictly audible for the neighborhood to hear. If your system goes off frequently the neighbors may look at this as a nuisance and won't react to the alarm. You may want to talk to the area neighbors (or hand out flyers) letting them know about possible worksite hazards so they can warn their children. Also give the neighbors an emergency number to contact if the alarms go off or they see suspicious behavior. You may want to offer rewards to anyone who reports suspicious behavior which results in an arrest and conviction.
- Hiring a security company may be the answer if it's a larger worksite or if it's in a high crime area. This is more expensive but may be worth it if a lot of valuables are at risk. One theft may equal or exceed the cost of hiring a security company to eliminate problems.
- Have a list of telephone numbers that can be reached 24-hours a day. This can be posted on the site, at dispatch centers, or somewhere law enforcement officials can access it.

INEXPENSIVE SCARE TACTICS

Not all security has to be expensive. Here are some inexpensive, yet effective ideas:

1. Install plastic non-working cameras. They look real enough, burglars won't know.
2. Install battery operated motion sensor cameras that deer hunters use (\$70-\$250). Some of these cameras use a flash that will scare burglars away and at the same time give police a photo to identify a person or vehicle.
3. Put up security system signs on fences and buildings.
4. Hang up signs warning of guard dogs on premises.

These are mostly threats to criminals and should deter some thieves from entering. Remember however, the reason these scare tactics are inexpensive is because there is no bite behind the bark.

7. Helping Law Enforcement

LAW ENFORCEMENT HELP

The police can be your greatest asset on a new jobsite. You should go to your local law enforcement agency and introduce yourself and tell them where and when you plan to start your project. Ask if it's possible for local officials to patrol your areas as often as possible. Be sure to provide them with an emergency "after hours" phone number for their use.

You may also want to ask local law enforcement to conduct a security survey of the jobsite during the various phases of construction to help identify your crime risks. Law enforcement agencies will help if they have the resources and a program to do so. If they can't help, you should develop your own "in-house" security checklist.

WHAT TO DO WHEN A THEFT HAS OCCURRED

The first rule: do not disturb the crime scene. When a theft is discovered or is suspected, **call the police immediately!** It is essential that a complete theft report be made without delay, regardless of the dollar value or volume of loss. A theft report form should be available for use by designated persons on the jobsite. (A sample theft report is included in the back of this kit) Ask your local law enforcement agency for assistance when drafting your "incident report form."

Information to note after a theft:

1. Time and date theft occurred (in your estimation)
2. Location of jobsite.
3. Name, address, telephone number of your firm and name of person to contact for additional information.
4. List all items, make/model, manufacturer's serial numbers and company identification numbers of missing property. (Whenever possible, a photograph or line drawing of the type of property stolen should be included with the filed report.)

SUSPECT IDENTIFICATION

If you encounter a person who is acting suspicious, you don't know (provided you know most others on the jobsite), or looks like someone who shouldn't be on a jobsite, talk to the person. Usually thieves "case" the area looking for easy targets. Often they have some type of weapon on them, a screwdriver for example. Don't try to chase them down. You should however talk to them, which sends two messages. First, you know what they look like. Second, you care about what is happening around the jobsite.

You can gather a lot of information by just talking to them. They may tell you things that might be helpful in identifying the intruder later; it gives you a much better look them; and it may keep them from attempting a burglary because they know they've been seen.

If someone is acting suspicious, get the following:

- Height (find something that is the same height as the intruder)
- Estimated weight
- Hair color
- Eye color
- Build
- Approximate age
- Clothing description
Shoes
- Scars
- Marks
Tattoos
Facial hair
- Any other visuals to describe this person

If they came in a vehicle, write down the following:

- Make
- Model
- License plate
- Color
- Damage to the vehicle
- Number of occupants
- Direction of travel
- Stickers
- Estimated year of vehicle

The description you give of the person and vehicle may allow law enforcement to check surrounding businesses and obtain video footage to attempt an identification of the suspect(s).

BE A GOOD CITIZEN AND WITNESS

Remember, call the Police immediately! The information you provide to the police should also be shared with your insurance carrier **and to MMCA**. It is important to let MMCA know so that we can warn other MMCA members of theft and vandalism incidents via an e-mail alert. This will help other contractors to take precautions and stop similar types of robberies.

Reporting your losses to law enforcement agencies will help the judicial system in the prosecution of these offenders. Arrests usually lead to additional charges for other crimes such as other thefts and drug possession and distribution.

BE A GOOD NEIGHBOR AND YOU'LL HAVE A GOOD NEIGHBOR

Follow the golden rule, “Do unto others as you’d have them do unto you.” Practice being a good neighbor by respecting your neighbors, letting them know what you’re doing, and not letting debris enter their yards. By communicating to the neighborhood what the project is, how long it will last, and letting parents know that the jobsite is a hazardous area for their children you’ve become a good neighbor and they may help watch your jobsite.

Elderly neighbors will many times report suspicious activity in order to keep their neighborhood safer. Elderly people like to feel “involved” and by keeping them informed about your jobsite they may be glad to keep an eye on things.

In many places you’ll also find neighborhood watch programs, see if you can speak to the “block captain.” They may be able to tell you who is around your jobsite after hours.

8. MMCA Theft Prevention Kit

One of the problems law enforcement officers have is being able to make an arrest due to the unknown ownership of items a thief may have in their possession. If an officer pulls a truck over that's full of tools and copper pipe or wire that look like they might be stolen, the officer can't do anything about it if the driver says that he owns it.

This is why MMCA has created the "Stamp Out Crime" kit. The kit includes two stamps with your company's name and an emergency number that should be stamped on copper pipe, tools, and other company items. By using the stamps it will:

1. Put small inconspicuous imprints on your property so if a burglar is apprehended it will identify you as the owner to law enforcement. Stamping and or engraving should be set in place as a process to be done as tool/equipment/materials arrive on company property.
2. Instantly identify your property and allow law enforcement to make an arrest immediately, preventing the burglar from fleeing.
3. Show to your employees that your company is serious about tracking theft from outside and inside the company.
4. Identify you to customers as the contractor that has worked in their home and promote your business to them for future service work.

MMCA had overwhelming response on a survey about using stamps on their property, indicating the need and importance of equipment and material theft prevention.

SCRAP YARD LEGISLATION

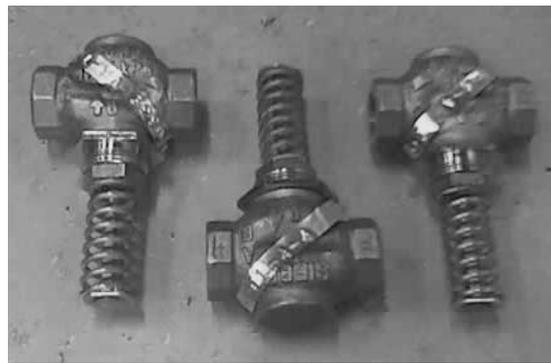
Part of the MMCA Theft Prevention Program has been the association's involvement with the drafting of more rigid laws for scrap yard dealers. Police have always known that the scrap yards and pawn shops are where equipment and materials are exchanged for money and legislation has helped shut down most of the illegal purchases done through pawn shops.

This last legislative session MMCA lobbied for stricter scrap yard laws along with law enforcement agencies and other associations and won an uphill battle. The new law will require closer monitoring and reporting by scrap yard dealers around the state. It won't stop the illegal activity but should make stealing construction property much less attractive in the future. The new law can be found in the back of this kit.

INVENTORY CONTROL AND OWNERSHIP IDENTIFICATION

Companies need to maintain an accurate inventory, which includes descriptions and serial numbers of all tools and equipment owned or rented. In addition to the master inventory list, an accurate working inventory must be maintained for each job site location.

Each piece of equipment and tool owned by the company should be uniquely identified with a stamp. **Doody Mechanical had serial numbers on electronic control valves allowing police to make an arrest.**



marked. Prior to marking property, check with local law enforcement agencies to determine if there is an established marking procedure that would be recognized by all agencies. The National Crime Information Center (NCIC) is a nation-wide computer network run by the FBI to facilitate the recovery of marked stolen property. In Minnesota we have our own statewide reporting system which is called the Automated Pawn System (APS).

For APS to work effectively your equipment should be marked by stamping, etching, branding, or welding the owner's name, office location and code numbers or manufacturer's serial numbers. Small items, such as hand tools, should be marked in a similar manner and painted with a distinctive color that immediately identifies the company on sites where several firms work at the same time. Color coding and Operation Identification programs do discourage a certain number of would-be thieves of stealing construction property and it shows proof of ownership to police when items are recovered. You may also want to consider photographing equipment. Definitely keep a list of serial numbers of your equipment. Remember, some materials also come with serial numbers.

You can find much more information on APS at www.ci.minneapolis.mn.us/aps or by calling (612) 673-3829.

Serial Numbers

How important are serial numbers? If you ask Doody Mechanical they'll probably say it's critical. Serial numbers on their electronic control valves helped police recover over \$13,000 in copper and brass materials.

Doody Mechanical had a jobsite in Forest Lake broken into one night but noticed it early the next morning and made a police report by 7:30am. Police were able to put out notices and made an arrest by 10 a.m. that same morning. Quick action by the contractor and having serial numbers for police made this arrest happen.

CRIME ALERT

If you do have a theft, ask your law enforcement officer to put out a "Crime Alert" on the theft. This is a state-wide email/fax alert system that goes out to all law enforcement offices in Minnesota and other interested parties. This alert system is the same system that sends out Amber Alerts for lost children.

Only law enforcement officers are allowed to put out alerts, but sometimes they forget about the system, so be sure to remind them. Immediate reporting of thefts through this system enables Law Enforcement to capture the criminals within hours (as in the Doody Mechanical theft of electronic control valves) rather than days or not at all.

Under the new legislation all scrap yard dealers are required to register their companies and check for alerts. Your company can receive alerts by registering with the Minnesota Department of Public Safety's Bureau of Criminal Apprehension, who operates the system. You can select any number of alerts out of 52 categories such as scrap metal or construction. There is a \$12 per year membership. You can register at www.dps.state.mn.us/bca/bca.html and select Crime Alert Network.

UNIDENTIFIED PROPERTY

Police have warehouses full of material, tools, and equipment that end up being auctioned off because the owner cannot be identified. Even though the stolen items may have been marked with a serial number and color coded, if the police don't have a record of that serial number on file or if it was never reported stolen it can't be returned to the rightful owner.

The stamping kit that's included with this Theft Prevention Program will help to put identifying marks on your materials and tools. This is just the start because you should engrave serial numbers on your tools and equipment for easy identification. Many savvy owners put the serial number in two places, one that's hidden and not easily seen and one that's VERY visible. This helps because thieves will try to deface one and won't expect a second marking.

KEEP A LIST OF ALL SERIAL NUMBERS!!!!

9. Theft Costs

REPORTING

When you've experienced a theft you must remember that it's not just the cost of the items that are stolen but the overhead costs too. You must keep in mind what your company lost in actual replacement costs but also the wages it takes to replace the item, bookkeeping hours to write up and explain/cut checks, and other overhead expenses due to the theft. Once you do this math you'll understand just how quickly a small theft multiplies into a major expense.

EXAMPLE: COST OF LOSS

Loss example from a major energy provider:

Theft Item: Pump	Cost: \$500	Replacement Cost
New Pump (+ tax)		\$541.25
Procurement (2 Hours x \$20)		\$ 40.00
Delivery (Driver & Mileage).....		\$ 80.00
Downtime (3 hours x 4 Employees x \$20).....		\$240.00
Overtime to catch up (3 Hours).....		\$360.00
Overhead @ 25% (Lines 2, 3, 4).....		\$ 80.00
Benefits @ 35% (Lines 2, 3, 4).....		\$112.00
Other costs		
Gas – 25 Gals. @ \$2.50		\$ 62.50
Gas Cans 5 @ \$35.00		\$175.00
Repairing Fence Damage.....		\$100.00
Police Report – Supervisors time		\$116.25
TOTAL		\$1907.00

What does it cost to make this loss up?

The income needed to offset this loss, and this is assuming a 10% return is:

\$19,070.00

9. Employee Theft

EMPLOYEE THEFT

Setting up a well defined theft prevention program can't be stressed enough. You should always inspire honesty, never overlook losses, or practice favoritism. Even long time employees can fall on hard times, inviting temptation.

Less scrupulous employees may say that theft doesn't hurt anyone because the insurance will cover it. This is wrong in so many ways:

1. The company pays for the insurance and if claims go up so do the insurance rates.
2. Most small tools and equipment thefts go unnoticed and don't get reported so the contractor has to pay for the missing tools and materials.
3. Smaller loss amounts of tools, equipment, and material aren't reported because deductibles are high and won't cover the loss.
4. There is a loss of trust in an employee.
5. Will it stop at company items or will your personal property be missing next?
6. It's stealing! That's a crime! That's all there is to it!

COPPER THEFT

As you all know, copper has skyrocketed in price over the past few years, making it a valuable commodity for thieves. Unfortunately, because of its value, it has also become a temptation for employees.

Even trusted employees may consider taking leftover scrap copper as acceptable, especially if there is no official company policy on the subject. When there is no policy for disposing of scrap copper, employees may choose to view it as a perk. The trouble comes when scrap pieces start getting larger as new pipes are cut and used rather than finishing up the shorter pieces.

At this point you'll have to decide what direction you want to take your scrap copper policy. If you have not had an official disposal policy, you can leave it that way – no one has to return scraps. Otherwise, we strongly suggest you to require all copper scraps be turned in after a job is complete. As with inventory control, one person should be responsible for tracking the scrap copper. You may want to inform the scrap yard to only accept scrap from your designated employee. Whichever policy you choose, the policy must apply to everyone.

TIME THEFT - INCREASE YOUR PROFITS BY SIX FIGURES

Yes, time theft! This Theft Prevention Kit discusses all types of theft, whether tangible or intangible. Time theft is probably the most prevalent types of theft faced by our contractors. Often it is never seen or just ignored.

It doesn't take long for time theft to add up however. Let's look at one example. A contractor has 20 employees who are leaving an hour early each day (or being on the cell phone, or taking long breaks...you decide which scenario fits your employees) and average \$52/hour. That's a \$1,040.00 loss EACH DAY!!! If you enjoy math, that's \$5,200.00 a week or \$270,400.00 a year.

What do you do about it? It's a touchy subject because contractors are many times afraid to call an employee out for a time theft infraction, fearing the employees will "get even." That may even be true at first but as policies become established and are strictly upheld, you will get compliance.

What can you do if you know you're losing man hours?

1. Have supervisors and foreman enforce breaks times and starting and quitting times by having employees check in with them.
2. Dock workers when arriving late or leaving early.
3. Have set breaks and lunch times so that everyone breaks at the same time.
4. Restrict the use of cell phone use to breaks and lunch periods.
5. Install a time clock and require employees to punch in and out when starting work, leaving work, and before and after all breaks.

You must instill the attitude to all employees that you need to work during the hours for which you are getting paid. We also recommend that any rules put in place for field employees should also apply to the office and management staff. By treating every employee the same, the rules you set up will be more readily accepted. **GIVING ONE EMPLOYEE PREFERENTIAL TREATMENT WILL CAUSE HARD FEELINGS, LOWER MORAL, AND LOWER PRODUCTIVITY.**

EMPLOYEES AND YOUR VEHICLES

A second, more subtle form of vehicle theft is when employees use YOUR vehicles on their time for personal trips. Many employers give their service people the use of company trucks as a perk. Those employers meant for the vehicles to be used during business hours and the daily commute. Unfortunately it almost always goes beyond those generous benefits with trips to the grocery store, shopping, even trips up north to the cabin.

One MMCA contractor changed his vehicle policy by having all vehicles stored each night and weekend at the shop. The contractor made this a company policy so that no one was singled out for abusing the vehicle privilege. Fellow contractors warned him that he would feel the wrath of the employees, which he did for the first couple months. After which it was standard operating procedure, accepted by everyone. This contractor's fuel bills immediately went down and so did vehicle mileage. He expects to get additional years out of each vehicle, plus he knows where his vehicles are at night.

Another MMCA contractor installed GPS because he felt his service people were using his trucks for vacation trips and other unauthorized local trips. That contractor now has no unauthorized use of company vehicles at night or on weekends. There are definitely installation and subscription costs to consider. This contractor felt it was well worth it, however, to be able to track the use of company trucks on service calls for customer verification and unauthorized use on personal time.

Several GPS fleet services offer GPS that can either be mounted directly in the vehicle or by use through a cell phone. There are pros and cons for each system and you should contact a GPS dealer to discuss your company's needs.

Some GPS Fleet services are offered by:

@Road – www.road.com

SageQuest – www.sage-quest.com

Xora – www.Xora.com

Sapias – www.sapias.com

10. Summary

As you can see, there are many forms of theft and even more ways to stop them. The cost of participating in an organized theft prevention program or establishing an “in-house” program will be repaid many times over. Actual costs due to theft losses will drop significantly. Employee moral will also be boosted with a no-exception policy.

**Remember:
Report All Thefts to the Police!**