

▶ *Hanover Risk Solutions*

Metal Theft

Why Metal Theft is a Problem

The price of recycled copper and other metals has increased significantly in past few years, making it a target for thieves. Copper is not marked with serial numbers or other identifying marks, making it easy to resell to recyclers.

Where is it most prevalent?

According to a report by the Department of Energy's Office of Electricity Delivery and Energy Reliability entitled "An Updated Assessment of Copper Wire Theft from Electric Utilities" dated October 2010, copper thefts have been most prevalent in California and Florida, but have also been significant in Ohio, Alabama, Pennsylvania, Michigan, New York, Tennessee, and Texas. The reports states that drug use, proximity to scrap metal dealers, population density, and unemployment, and poverty are important contributing factors. For more information, the full report can be accessed at: <http://energy.gov/oe/downloads/updated-assessment-copper-wire-thefts-electric-utilities-october-2010>

Click on "An Updated Assessment of Copper Wire Thefts from Electric Utilities"

What other damages can be expected?

The problem isn't just about the theft of the equipment or material; in some cases loss of

a refrigeration unit can mean significant damage to contents as well as downtime for your company. For example, tearing up a portion of the roof deck may allow water to seep into the layers of insulation and leak inside the building.

What is targeted?

Metal

- Copper
- Brass
- Steel
- Aluminum

Products

- Wiring, cable
- Plumbing
- Air Conditioning Units
- Downspouts, gutters

Occupancies

- Vacant Buildings, vacancies in multi-tenanted buildings
- Buildings unoccupied at night and weekends
- Electric utility stations
- Job Sites/buildings under Construction
- Occupancies that use large cooling units such as supermarkets and hospitals
- Older buildings – copper plumbing, wiring, downspouts, gutters

What steps can be taken to minimize this type of loss?

There is no single answer and it depends on your specific situation. It is likely you will need a combination steps that fall into these categories:

- Access Control
- Alarms Systems
- Limit the Amount on premises
- Employee Screening
- Communication/Community Outreach
- Other Steps

Control Access

- Install a chain link fence around the perimeter of the building
- Keep gates and entrances to a minimum
- Install padlocks on gates and change several times a year
- Lock gates during non-operation hours
- Periodically walk the perimeter to check for breaches
- Remove or secure roof access ladders
- Relocate exterior equipment such as dumpsters away from the walls to prevent use as a climbing aid
- Install a steel cage around air conditioning units, secure with tamper resistant bolts anchor to the building or concrete pad
- Use tamper resistant hardware on access panels and covers
- Provide padlocks on the electrical boxes for the air conditioning units
- Require employees to wear identification

Alarm Systems

- Security alarm—sounds when power is lost to the unit, electrical wires are cut, or refrigeration lines are cut. They can sound an audible alarm and also offer dialing messaging to a phone number
- Wireless Devices—portable integrated systems that require no wires. When activated, sounds an alarm and sends a signal to a monitoring station. Can be used outdoors. Another wireless device provider uses cameras to produce a video clip, so the alarms can be verified. Police respond quicker when there's verification that a crime is in progress
- Surveillance Cameras—typically use DVR's to record video from the surveillance cameras; they can be linked to a monitoring station

Amount on Premises

- Avoid storing copper wire, pipe fittings, etc at remote jobsites
- Deliver only what is needed for the day to the jobsite

Employee Screening

Many metal thefts have an inside operative:

- Conduct criminal background check on employees
- If using outside security, make sure the vendor completed criminal back ground checks
- If warranted, due to long term projects or other circumstances, criminal background checks should also be completed on contractors and sub-contractors
- Inform employees about the costs involved and your disciplinary policy

Communication & Community Outreach

- Talk to other local businesses and your police department. Friends helping friends is beneficial for all parties and sharing of information can help heighten awareness of theft in your area
- Build partnerships with local suppliers and scrap metal companies
- Talk to neighboring businesses about any suspicious activities you've observed, or if stealing has occurred. Find out about past thefts in the area; try to uncover any information that is pertinent
- Work with crime prevention units within the local police department
- Offer rewards to citizens and employees
- Utilize an employee rewards program—for not allowing crimes to occur
- Keep excellent inventory of any scrap metal and try not to store it for any extended period of time
- Finally, be willing to prosecute criminals if need be. This will help spread the message that you are serious and will not tolerate theft

Other Steps

- Post signs such as "Security Cameras in Use"
- Provide protective lighting that is controlled by a motion detector or proximity sensor. The fixture should be vandal resistant or inaccessible
- Paint the copper; many scrap recyclers will not take copper that has been painted or marked

Alarm System Resources

There are various resources available for alarms systems; you should contact several companies before making a decision on security systems or enhancements to existing systems. Listed below are several companies that have systems available targeted at copper theft:

- Videofied – www.videofied.com
- Tattle Tale alarm enhancements—www.tattletale.com
- CopperWatch—www.copperwatcher.com

Other Resource

ISRI, the trade association representing scrap metal dealers and recyclers, has launched a website, <http://www.scraptheftalert.com>; it is a tool for law enforcement to alert the scrap industry of significant thefts of materials in the United States and Canada. Upon validation and review, alerts posted are broadcast by email to all subscribed users within a 100 mile radius of where the incident occurred.

Hanover Assistance

Your Risk Solutions consultant can meet with you to discuss your options to protect your business from metal theft.

▶ To learn more about Hanover Risk Solutions, visit hanoverrisksolutions.com



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