

REAL ESTATE & CONSTRUCTION

APRIL 15, 2011 | SACRAMENTO BUSINESS JOURNAL

sacramentobusinessjournal.com

15

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Construction crime prevention pays

Regional nonprofit has recovered more than \$100 million in stolen equipment in the past 30 years

Construction crime always has hammered the bottom line.

In 1971, when gas was only 40 cents a gallon, a contractor could expect to pay more than the average yearly wage — then \$10,000 — to replace one piece of stolen construction equipment, such as a Caterpillar tractor. That same year, costly equipment thefts drove a few of the region's construction companies to work together to help stop such crimes. The charter members included Granite Construction, Teichert Inc. and C.C. Myers Inc.

Today, the nonprofit Construction Industry Crime Prevention Program of Northern California & Nevada celebrates its 40th anniversary, a membership of nearly 100 and an expanded service area. The West Sacramento-based program helps contractors prevent losses and also runs a crime-tip program designed to deter and capture thieves.

But the association also faces new challenges as a soft economy causes contractors to scrimp on security measures and gives thieves the incentive to cash in on high scrap-metal prices and potential online sales.

"Construction crime is a billion-dollar industry in this country," said Justin Wixom, a former police officer who serves as executive director of the association. "In California, it's particularly bad. Our state is usually in the top three for the number of reported construction thefts each year. Construction companies here are getting hit very hard."

Construction crime in California includes huge increases in thefts of major tools and large equipment, as well as copper and other metals on construction sites, Wixom said.

One widely reported incident occurred Jan. 30 near Raley Field, where thieves removed overhead power lines and stole about 4,500 feet of single-stranded copper wire, with an estimated value of \$6,500. Law enforcement officials said they believed the suspects were in the area for several hours, according to the association's theft alert.

"The thieves actually caused a power outage in West Sacramento," Wixom said. "These guys are really bold."

MOSTLY INSIDE JOBS

The biggest challenge with construction crime is internal thefts, which account for an estimated 80 percent or more of construction thefts, Wixom said.

"Maybe they're past, disgruntled employees, but they are people who know the project," said Dermot Fallon, a past president of the association and an executive with Foundation Constructors in Oakley. "They know what the hours are. They know the combination to the gates."

Even small thefts can be costly if they are frequent and fall under the standard \$10,000 insurance deductible, Fallon said.

Sometimes contractors don't bother with filling out the insurance paperwork or reporting the theft to police, he said.

"Even if you have a backhoe stolen from a construction site and you report it, a lot of local officers won't know what that looks like," he said.

The association employs an array of tactics where construction has been halted, Wixom said. If the construction company is an association member and lets it know about the situation, the group always urges contractors to move site equipment back to their main storage yard and typically

sends out inspectors to make sure the site is buttoned up securely. Sometimes, the inspectors will post signs and even alert Neighborhood Watch leaders.

"We also work heavily with law enforcement and ask them to do more drive-bys," Wixom said. "These are good for crime prevention ... but sometimes that's too hard for law enforcement because more officers are getting laid off."



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Signs around the C.C. Myers' storage yard in Rancho Cordova give would-be thieves plenty of notice of what they're getting themselves into.

THEFT | PAGE 18



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Gary Janco, executive vice president of C.C. Myers Inc., said his company has donated trucks with tracking devices to local law enforcement to use as bait.

THEFT | Most equipment is never recovered, so group concentrates on crime prevention

FROM PAGE 15

From the beginning, the association's goal has been to work with members and law enforcement agencies through the widespread use of a 24-hour hot line for crime alerts and a crime tips reward system offering up to \$1,000 for information leading to the arrest of a construction-theft suspect or the recovery of equipment.

"It's amazing the rewards given out over the past 10 years," Fallon said. "We've had ex-girlfriends turn in their former boyfriends for \$1,000."

"That's why the Construction Industry Crime Prevention Program was created for contractors — to educate them on protecting job sites, giving them the tools to protect the site, the signs and the incentive with the reward system," Fallon said.

To take advantage of the association's benefits, member companies pay annual dues. But some construction companies can no longer afford the cost, Wixom said. "We are trying to get our pricing plan down," he said. "We're doing our part." The association web site lists yearly dues starting at \$750.

A new benefit for members is the association's free job-site security checks. An expert will look at a job site and produce a report pointing out ways to improve security, Wixom said. The checks include such items as how crews keep their tools and locks and whether security cameras are used.

The local crime prevention association also tries to raise awareness of preventative measures such as posting "no trespassing" signs and making sure gates are locked. "We do a lot of training and education, safety meetings, 'tailgate' meetings, where we go over simple things, like reminding crews to lock up tools, to be more cognizant and take more ownership of the job site," Wixom said.

PREVENTION IS THE KEY

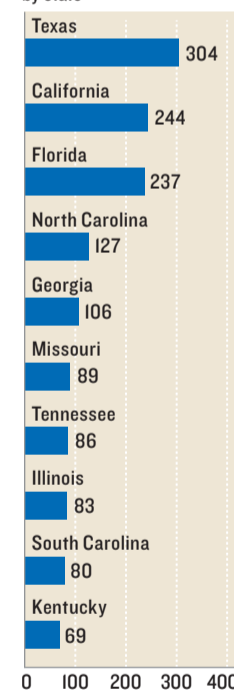
Over the years, the organization's efforts have paid off, Wixom said: It has recovered more than \$109 million worth of equipment and given out over \$200,000 in rewards over the last 30 years.

Recovery can be an elusive goal. Nationwide, only 18 percent of stolen construction equipment was recovered in 2009, the latest year for which statistics are available from the National Equipment Register. The total value of stolen equipment

in 2009 is estimated to be \$400 million, not including such related losses as project delays, according to an annual report developed from the register.

Top 10 states for equipment recovery in 2009

Number of recoveries by state



Source: Information from '2009 Equipment Theft Report,' National Equipment Register and National Insurance Crime Bureau

The Construction Industry Crime Prevention Program sometimes helps law enforcement by taking a more proactive role, said Gary Janco, vice president at C.C. Myers.

Janco said the organization a few years ago donated four or five pickup trucks to be used as bait vehicles by local law enforcement. Officers painted the name of a paint company on the side of the trucks and attached tracking devices to donated paint sprayers and compressors placed in the truck beds. When thieves tried to steal the trucks or just the paint equipment, officers were alerted and caught them with the goods.

"We must have gotten 40 or 50 hits on the vehicles in Rancho Cordova, Citrus Heights, all around the area,"

he said of the trucks' repeated use over three or four years.

The organization also helps educate law enforcement officers about construction equipment, Fallon said. In addition to conducting training programs with police departments, the association several years ago published a book about construction equipment and distributed it to police officers throughout Northern California. The book showed various pieces of construction equipment and where the serial number was located on each.

"It's not something I as a contractor would do, but as a group with a common goal, we can do it," Fallon said.