



Volume 14, Issue 1

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SAFETY IS THE BARE BONES TRUTH

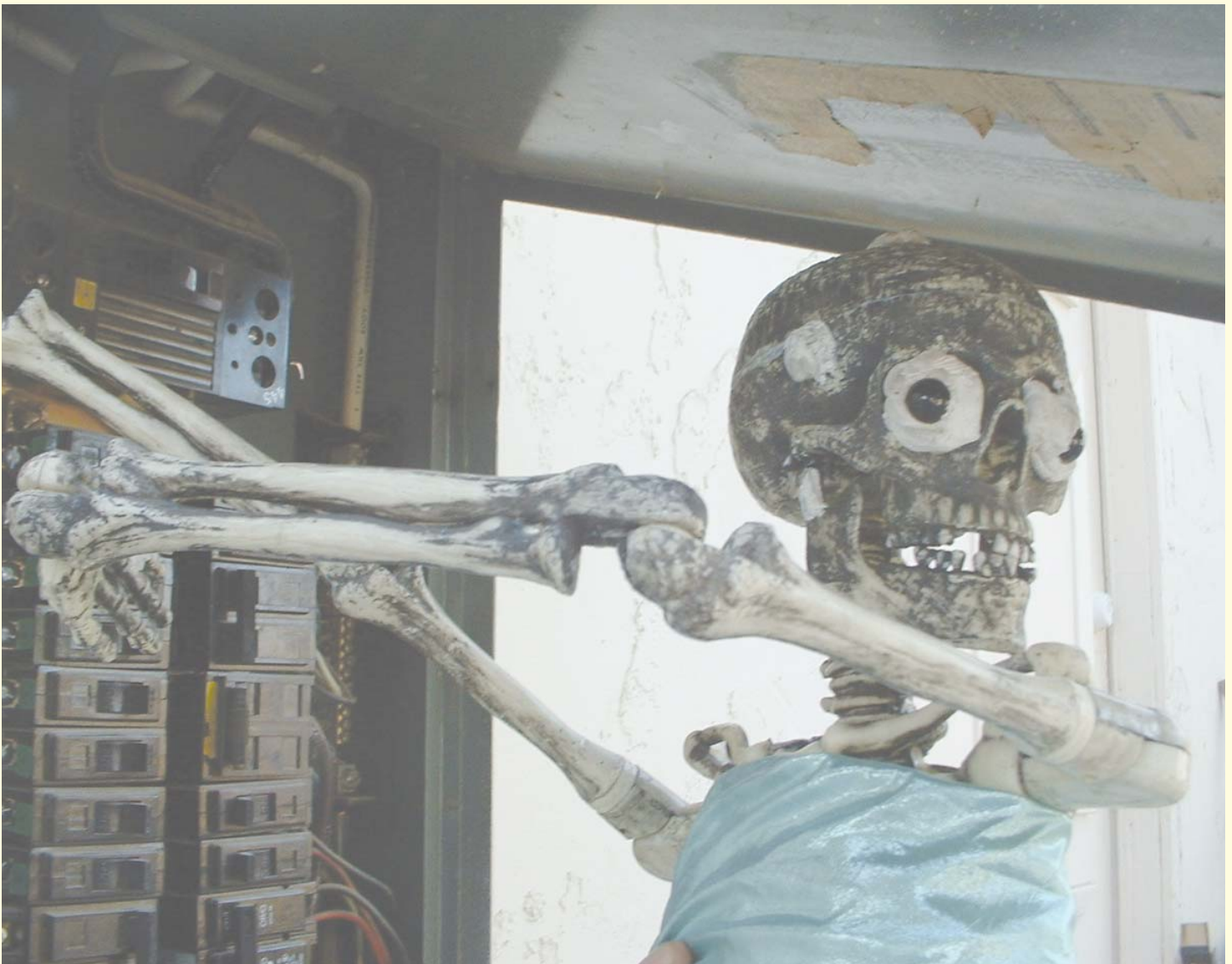


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The lack of opportunity is ever the excuse of a weak, vacillating mind. Opportunities! Every life is full of them... Every newspaper article is an opportunity. Every client is an opportunity! Every sermon is an opportunity. Every business transaction is an opportunity – an opportunity to be polite, - an opportunity to be manly, - an opportunity to be honest, - an opportunity to make friends.

–Orbison Swett Marden



Kurt Roussell
IURPA Chairman

saw the *opportunity* to make IURPA stronger, and seized it. He accomplished his goals for the organization, and we are all better off because of him.

We, as RP professionals have many *opportunities* ahead of us. Revenue Protection is not just metering anymore. As our corporations downsize, we must seize the *opportunity* to show our worth. We need to enhance and broaden our skills to provide increased support to help achieve the corporate goals.

RP units around the country now investigate fraudulent applications for service, identity theft investigations, check fraud, and e-commerce fraud (bad checks, Internet transactions, etc.). With the ever increasing amount of Automated Meter Reading (AMR) installations, we have to identify scenarios for theft/tampering. We have to work with our Information Technology department so ensure the programming of our customer information systems can appropriately utilize the data. We have to make sure the metering departments have the best locking devices and use of the best tamper evident seals. We have to make sure our field employees are trained on RP issues. The list keeps on growing.

Are you keeping up? These are *opportunities* for our RP departments to show our worth. This is the reason for IURPA. To provide a vehicle for all of the membership to address RP issues, and to have a place to learn new skill sets. All this at a cost most companies can afford.

The regional groups (NURPA, SURPA/SCURPA, META, WSUTA) have conferences to enhance your skillsets, increase your productivity and net worth to your respective corporations. These are *opportunities* no one can afford to miss.

And through it all, you may have an *opportunity* to make friends. (I did)

This is my first opportunity to address the IURPA membership as the 2004 Chairman. While struggling to decide a topic, I remembered that every year in the Chinese calendar means something. So I checked it out. Did you know that 2004 is the Year of the Monkey? No, decided not to use that theme, and save myself a year of abuse by the IURPA Board of Directors.

While perusing some materials I had at home, the word "*opportunity*" rose to the surface. I researched the word, and found the above quote. It was fitting, and it was right... Serving as the 2004 Chairman is truly a fantastic *opportunity* for me.

It wasn't that long ago (1998) that I entered the Revenue Protection (RP) arena. I had a strong law enforcement background, so I knew crooks, but electricity and natural gas? *You mean people can actually steal it? You're kidding right!* Oh, did I have a lot to learn! I attended my first IURPA conference in Detroit. I attended, sat back and observed, and said, "there must be something to this energy theft thing." I thought the job would be easy, but did I learn something at that first conference. I didn't have a clue. Did I learn!

At that and subsequent IURPA conferences, I quickly found some mentors. George Kinzman (MichCon Gas) took me under his wing (his untimely death was personally devastating), Mike Szilvagi (Detroit Edison), and Cleve Freeman (The Gas Company), all saw the *opportunity* to make sure I learned what I needed to know. Bill Baldwin (retired) of Dayton Power & Light provided me with a tremendous amount of knowledge and support. They were there to provide guidance and counsel to ensure the success of my unit. They were always there when I needed something, and I am eternally grateful.

I became involved in the Midwest Energy Theft Association (META) which provided valuable support on regional issues. Through my association with META, I was asked to serve on the IURPA Board by George Balsamo. I had no idea what I had agreed to. I sat back and watched George add detail, structure, corporate governance and financial stability to IURPA. George

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WSUTA CONFERENCE 2003 AND UPCOMING JOINT WSUTA/IURPA 2004

By WAYNE WOHLER • 2004 WSUTA PRESIDENT

Once again, the Western States Utility Theft Association had another successful conference—held last August in Las Vegas, Nevada at the Palms Hotel. A total of 104 people attended the conference, which also included the representatives from nine different vendors who deal with the utility industry regarding issues from meter security to theft detection.

Pat Shalmy, President of Nevada Power Company, presented the opening remarks and urged utilities to look and identify "what and where" the revenue losses are and to find effective ways to deal with them.

look and identify "what and where" the revenue losses are and to find effective ways to deal with them

The conference covered a large range of topics over the three days. These included:

- Incorporating local code enforcement with revenue protection activity.
- Understanding and dealing with identity theft and fraud.
- Certification training on evidence control, interviewing techniques, use of photography and AMR technology, presented by Ed Holmes from Arnett Consulting Services Certification Training Block.

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- Educating law enforcement about theft of utilities.
- Preparing cases for prosecution.
- Water utility issues and theft of service.
- Safety Forum: Issues that occur at one utility can happen to any of us.

As is always the case, the conference allowed many companies to network about common problems and to help benchmark each company's progress regarding utility theft and identifying the best practices for each utility to adopt.

As WSUTA president for 2004, it is my pleasure to announce that we will be hosting a joint WSUTA/IURPA Conference this year. The conference will again be held in Las Vegas, Nevada at the Palms Hotel, on August 24-27, 2004. The Board Members of both associations are looking for an even larger turnout than normal. More information about the cost of the conference, hotel room prices, and topics or training to be presented will be posted on the WSUTA web page.

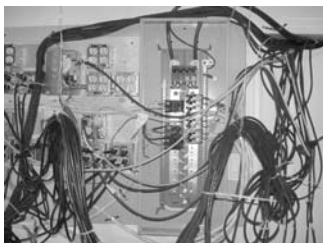
Best wishes for a safe, healthy and productive new year!

PARTNERSHIPS IN CRIME

By DETECTIVE CONSTABLE BOB MUIR AND DETECTIVE CONSTABLE BARRY SMITH • YORK REGIONAL POLICE

Residential Indoor Marihuana growing factories have infested Southern Ontario and across Canada in the past four years. In York Region (North of Toronto, Ontario) we executed 26 search warrants on these grow houses in 2000. In 2002-03 we executed 172 search warrants per year, and just turned the electricity off on another 200 per year. Yes turned off.

I guess you are wondering why we just turned them off. It started in 2001 when we realized that the number of grow houses were increasing at an alarming rate. We aggressively attacked the problem with the assistance of our local electrical utilities. In our region we have six separate electrical distributors. When this problem was brought to their attention, we all soon realized that the growers were stealing electricity by way of electrical by-passes to avoid paying the large electrical bills and being easily detected by the utilities. These by-passes became a regular occurrence in almost all marihuana grow houses.



To combat the increased number of grow houses, York Regional Police Detective Mike Klimm headed up several national initiatives to eliminate these operations. He recognized that to help eliminate this problem, our local utilities became a necessary ally. He also realized in the early stages of these investigations the existence of electrical and fire hazards encountered by his officers, utility workers and the surrounding neighbors. That's when Detective Constable Barry Smith and I entered the Drug Unit on a full time basis. We both have previous careers as electricians and became an asset in the recognition and safe dismantling of grow houses.

During these initiatives it was identified that the growers

were using a 12 hour cycle for their marihuana crops, sometimes with loads of over 200 amps per line. The cycles would start in the early evening hours and shut off in the early morning. This is done to avoid overloading of the transformers and being detected by the local utility crews working during the day. One local utility, Markham Hydro took the initiative and began performing load checks of their transformers during these hours. They invited me and Barry out to observe these tests. When this first started in 2002 we were finding on the average, four thefts per week. With this success rate other local utilities soon followed suit. The other advantage to having electricians/cops in the unit, as these thefts are identified, is that our eight person grow team could have a search warrant prepared and executed within twenty-four hours.



In 2003, even though the number of grows remained constant, the number of thefts have decreased. Recently while speaking to a grower, he was told that if he kept the grow small and under 40 amps, the police and local utilities would not bother them. We are slowly making a difference. We are still aggressively investigating these grow houses but because of the hazards to the communities, the utilities continue to shut off houses we are unable to reach within a reasonable amount of time.

Over the past two years our local utilities have recovered millions in lost revenue and have avoided future problems with their equipment. Hopefully by working together to combat electrical theft and identify marihuana growing operations, and by educating our Judges, Politicians, and the public on the real and present dangers associated with these operations, we can keep our neighborhoods a safe place to live.

JUST FOR SAFETY

By LUIS FERNANDO ARRUDA • IURPA SOUTH AMERICAN LIAISON

Some months ago, one of our inspection teams discovered some frauds in some big farms in our country. When I say "big" farms in Brazil, think about very flat areas that take hours to be crossed by car. These discoveries may result in a recovery of approximately US\$400K. These cases are still pending in Court.

These farms typically consume a lot of electricity because they have water pumps to irrigate the crops during the dry season.

We always talk to our inspection teams about the risks associated with electricity, and always emphasize the need to wear safety equipment, such as gloves, safety goggles, helmets, etc., but we are also concerned about other risks. Depending on the area where a given inspection team is going to work, we have some specialized people ("body guards") who can provide safe conditions for our employees while technical procedures are being performed.

As this costs money, we always need to justify the expense, and provide many reasons for the expenditures. We are very careful trying to avoid problems while working in the field –

and we have been getting good results doing that – there is always a feeling in the air that we are spending money unnecessarily.

Last December, four Federal Agents working near those big farming areas were shot and killed while conducting an investigation into slave labor. Despite all efforts (this case had a very huge effect on the Brazilian Government), they still have not found who committed or ordered the shootings.

We have made some calculations and realized that more money can be "saved" stealing energy than paying almost nothing for workers to pick crops. As we know, some people do not worry about the ways they need to use energy, they are more concerned about making money fast and easy.

Thus, I am sure we are not exaggerating about our concern of the safety of our inspection teams, and we do need to be extremely careful when working in some specific areas.



Luis Fernando Arruda

SCRPA / SURPA 2004 CONFERENCE ANNOUNCEMENT

Plans are set for the South Central Revenue Protection Association (SCRPA) and Southeastern Utilities Revenue Protection Association (SURPA) to host their annual joint conference. This year's event will be Tuesday, June 15, through Friday, June 18, 2004, and will be held at the Grand Casino and Hotel in Gulfport, Mississippi. Check out the hotel's web site at <http://www.grandgulfport.com>. We have a block of rooms set aside for \$99 per night (single or double occupancy,) so make your reservations soon. The early registration fee for the conference is \$150 per person, but that rate goes up to \$175 after May 15.

Those who should attend include administrators, managers, investigators or field workers who deal with theft, fraud or tampering of electricity, water, gas or cable TV service. For more information, check out our association's web site at <http://www.iurpa.org/scrpa.htm> or contact Al Hicks at 803.617.3074 or Kyle Dicke at 512.393.8309.

Our 2003 conference, held in Altamonte Springs, Florida, was a huge success. We had a wide variety of speakers including a fraud presentation from the FBI, a dog bite safety program from Bulli Ray and an electric CT metering revenue protection course. We will have a complete agenda for 2004 posted soon on our web site.

Hope to see you in Gulfport in June!

GAINESVILLE REGIONAL UTILITIES

REVENUE PROTECTION DEPARTMENT

Gainesville Regional Utilities Field Service Worker, Marlus Gordon and Darryl King were at a GRU service address installing gas piping to a home. The large home was divided into three apartments with several appliances in each.

While working, Gordon and King observed the defendant tampering with the wiring inside the Bellsouth telephone box. The suspicion peaked King's curiosity so he decided to check the electric meter for possible tampering. King noticed that the disk inside the meter was turning very slowly and found that to be odd due to the size of the home.

Gordon pulled on the electric meter seal and it came apart in his hand. The seal was never cut to indicate tamper; however, the defendant had drilled a hole within the seal to allow access without being noticed. Revenue Protection Investigators Donna Honsberger and Keisha Henderson conducted an investigation that revealed a jumper behind the meter. A small hole was also located on the top of the meter. Computer research confirmed that the Defendant, who owns several restaurants in town, had been diverting power for three years.

The Defendant was ordered to pay \$4525.00 in restitution. Restitution was recovered within two weeks. Investigators conducted a follow-up at the defendant's business locations and detected no diversion.



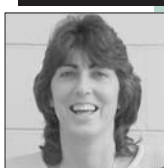
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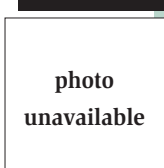


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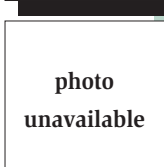


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REVENUE PROTECTION: A CINDERELLA STORY

By KAREN SWEAT • KANSAS CITY POWER & LIGHT, META VICE-PRESIDENT

By now, most companies are currently (or should be) in the throes of process reviews, which will allow corporate executives to "comfortably" attest to the methods and procedures that substantiate their revenues. So, if you have never heard of 302, Sox 404, Sarbanes-Oxley or COSO, you are either living a charmed life, blissfully ignorant or in denial.

if you have never heard of 302, Sox 404, Sarbanes-Oxley or COSO, you are either living a charmed life, blissfully ignorant or in denial.

The Sarbanes-Oxley Act of 2002 requirements (response to corporate meltdowns):

- Management Certification of Financials
- Monitoring Internal Controls
- Independent Auditor Attestation
- Establishment of Internal Control Framework

Section 404 requirements (for fiscal years ended after June 15, 2004):

Requires management to annually:

- State their responsibility for establishing and maintaining an adequate internal control structure and procedures for financial reporting

- Conduct an assessment of the effectiveness of their company's internal controls and procedures for financial reporting (requires a framework such as COSO - Committee of Sponsoring Organizations, 1992 Treadway Committee)

Requires the independent auditor to:

- Attest to management's assertion

In the world of Revenue Protection, contributions are frequently overlooked, discounted and/or misconstrued while the departments are under funded or understaffed. SOX may facilitate the change from stepchild to Cinderella.

So here's the deal: are your processes documented? Can your results be audited? Are you double counting? Do you know where your weaknesses are? What are your controls? Where do you start?

Depending on your audit firm, some of the broad categories of control objectives or requirements may read like:

- ⇒ Manage Customer Usage Data Capture
 - All actual usage for the period is captured
- ⇒ Record Usage
 - All meter readings are accurately transferred to the billing system
 - All meter readings and readings transferred to the billing system reflect actual usage/service provided
- ⇒ Perform Data Collection and Validation
 - Customer bills are calculated using valid rates and appropriate factors
 - All usage and service provided is billed
 - Customer billing relates to service provided
- ⇒ Perform Bill Computation
- ⇒ Receive Payments

⇒ Develop and Administer Fraud Policy

If you were following the flow above, you might notice a pattern - follow the money. The control objectives are looking for the majority of the meters and customers as well as the obvious processes. How quickly we get to our world when things don't go according to plan.



Karen Sweat

It is a circuitous path to our door and we don't know what we don't know. If the sin of omission prevails, our story will not be heard this year. But depending upon how the stories unfold and how the exceptions are positioned, Revenue Protection will play a large part in the next steps for gap remediation.

Since the purpose of the attestation is all about the money, it will become very interesting if the process starts to disaggregate line loss.

- Net System Input
 - Billed Revenue
 - Line Loss

Accrued Unbilled Revenue

Now for the good news. Some of the best answers for gap remediation will be support and tools for Revenue Protection groups. Get your wish lists together.

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UFE* Is Not Limited to Utility Theft (*UNACCOUNTED FOR ENERGY)

BY: RANDY SHIPLEY, PRESIDENT, H.J. ARNETT INDUSTRIES, L.L.C.

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The problem of UFE (unaccounted for energy) in the utility industry is not unique to any one country or region. Utilities differ only in their perspective of the magnitude of the problem and in the nature of their response.

A utility study completed a couple of years ago, found that 7.5% of the total electricity they purchased was unaccounted for due to non-technical losses. They found that UFE (Unaccounted For Energy) came from three specific areas: **Theft** (jumpers in the meter socket, inverted meters, devices that alter meter registration, missing/incorrect meters, meter dial manipulation, open potential links, line side taps and magnets on meters); **Fraud** (name fraud, and theft by deception) and **Utility Caused Losses** (malfunctioning meters, billing and accounting errors, mismetered and/or unmetered services).

Today, utilities are faced with new and more sophisticated methods of theft, fraud and hardware technology, so it is imperative that we as an industry be equal to the challenge. The utility employees, the manufacturers and the consultants must work together for better techniques and tools to recover and stop the Unaccounted For Energy losses. The responsibility of Revenue Recovery Department is to not only identify and collect non-technical UFE losses for your utility, but also to ensure that your revenue recovery programs are cost effective and state-of-the-art. The responsibility of the manufacturers is to anticipate the utilities' needs to continue developing tools to support the utility programs. The responsibility of the consultants is to develop training programs, software packages and services to enhance the industry's bottom line. What follows are suggestions that can help us all get to the bottom line.

COST JUSTIFYING A REVENUE RECOVERY PROGRAM

Many Revenue Recovery departments are being mandated to prove their cost effectiveness. There are several areas that can be explored that will directly affect your cost benefit ratio and allow you to remain, or become, a profit center.

- a. Calculating revenue losses as accurately as possible
- b. Billing the customer for all the costs associated with conducting the investigation—flat fees can cause inaccuracy
- c. Getting credit for unaccounted for energy losses that are not theft related: malfunctioning equipment; billing and accounting errors; mismetered services; and unmetered services

Quantifying UFE loss is not an exact science. IURPA has established a range of .5% - 5% of gross revenue that can be used to determine monetary losses resulting from UFE. An individual utility's placement on the UFE scale depends on their existing revenue recovery program and the effectiveness of that program. The majority of utilities participating in the IURPA survey fell within the 2 - 2.5% loss range.

Another method that can be utilized to quantify your utility's UFE loss is by using a multiple regression analysis. Whatever method used for calculating UFE, make sure that investigation costs are included in the recovery billing. Even taking a conservative approach to quantifying the amount to be recovered, UFE programs should still result in adding to the utility's bottom line.

NOTE: One area that should be included in cost justifying a program is future expected revenue. This figure should only be used to emphasize the worth of a proactive, effective revenue recovery program, not added to the bottom line figures for accounting purposes.

FUTURE EXPECTED REVENUE

In addition to collecting and accounting for all the revenue associated with back billings, a model should be developed to calculate and report the future expected revenues that your company will realize as a result of correcting the inaccurate or unmetered problems.



Randy Shipley

Future expected revenue is crucial in determining the overall effectiveness of an UFE program.

There are several methods that can be used to establish a formula to calculate future expected revenues and each utility must determine what method will work best for them.

ESTABLISHING A PROGRAM

There are five key groups that must become aware of and supportive of an effective Revenue Recovery program: Upper Management; Employees; Customers; Law Enforcement and Regulatory Agencies

Once these five groups are working together, Policies & Procedures need to be written to standardize a utility's guidelines pertaining to the detection, investigation and collection of UFE.

Detailed items that should be covered in a Policy & Procedure Manual are:

1. Mission Statement of Policy - declares the utility's commitment to reducing unaccounted for revenue losses and the collection of associated monies. Here is a sample mission statement:
Identify, investigate and collect lost revenues resulting from theft of service, irregular metering conditions and cases of fraud. The function of a Revenue Recovery unit is to prevent cases of this nature from occurring and its goal is to minimize the Company's losses associated with Unaccounted For Energy.
2. Policy on Handling Employee Theft of Service
3. Conducting an Investigation
4. Incentive Awards
5. Fraud/Theft by Deception
6. Prosecution/Litigation
7. Cut for Non-Payment Accounts
8. Meter Sealing Program
9. Current Transformer (CT) Program
10. Missing or Stolen Meters
11. Collections

CONDUCTING THE INVESTIGATION

A revenue recovery unit should be responsible for all aspects of an unaccounted for energy investigation. The assigned investigator should coordinate all phases of the investigation, including case documentation and if needed, presentation to an attorney.

In the area of revenue recovery, there are three different types of field investigations that should be conducted. They are:

1. Meter Tampering/Theft of Service
2. Fraud/Theft by Deception
3. Malfunctioning Equipment

Meter Tampering/Theft of Service

Any investigation normally includes account research done in the office, a field visit to the customer's premises, a visual inspection of the service installation, customer identification, a photographic record of all findings and correcting any abnormal condition. The investigator must retain all physical evidence associated with the case, i.e. the meter, jumpers, seals, locks. To ensure accuracy, the investigation results (field notes) should be documented as soon as practical. Do not rely on memory.

In some cases the initial visit to the customers premises will fail to uncover evidence of theft. For example, you may be at the customer's location during the summer months and they may only be stealing service during the winter months. In cases such as this, you may wish to consider installing a check meter on the service and comparing readings obtained from the check meter to the readings from the meter assigned to the customers account. Check meters can be constructed by the meter department or specially made check meters are available from various manufacturers.

Fraud/Theft by Deception

In order to avoid payment for current or prior service, some customers make fraudulent statements, either verbally or in writing, regarding their identity or that of another person, firm or corporation.

The fraud investigation is based on suspicion, unlike the meter tampering/theft of service investigation where there is physical evidence of the theft and the investigator is attempting to determine who committed the crime. The fraud investiga-

tion many times lack physical evidence of a crime. Therefore, the fraud investigation relies heavily on the investigators skills in the areas of interviewing/interrogation.

Malfunctioning Equipment

An investigation into malfunctioning metering equipment differs from the two previously mentioned investigations as the purpose of this type of investigation is determining the amount of revenue loss and the period of time over which it took place. The customer(s) can only be rebilled for the period of time he/she occupied the premises taking into consideration the limitations imposed by tariffs or regulatory agencies. However, it is important that accurate documentation and photographs of the condition be maintained for use in the event the customer contests the value of the revenue lost.

EMPLOYEE TRAINING

Training field employees, such as meter readers and service technicians, as well as all new employees, is a crucial part of any successful revenue recovery programs. A periodic refresher course should also be established which includes what to look for and how to report findings. More emphasis should be placed on field employees as they are the eyes and ears of revenue protection; however, you should not overlook the need to also train office personnel. Those with direct contact with the customers when accepting applications for service, as well as those who review the Customer Information System for irregular consumption patterns, kW vs kWh compatibility, and numerous name changes.

Which of these four products solve a common problem?



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FALL CONFERENCE A SUCCESS

The 2003 fall NURPA Conference was held at the Queensbury Hotel in Glens Falls, New York. The hotel has proven to be a favorite by the group.

Chairperson Mary Gannon from Keyspan Energy welcomed the group on Wednesday morning and past chairman Ed Holmes gave an interesting talk on the history of NURPA and the Revenue Protection movement in the northeast. James Jablonski, Executive Director of the Public Power Association of New Jersey spoke on the expectations of restructuring and how it has affected customers.

Maurice Padula of the New York State Office of the Attorney General gave an enlightening talk on identity fraud. Also featured from New York State was Trooper George Murphy who spoke on Workplace Violence. Both individuals were very well received and will be returning this year for the fall meeting.

A certification course regarding fraud investigations was given by Arnett Consulting and was included as part of the conference. Paul DeVaul (LILCO retired) and Tom DeMasi (NYMO retired) provided a "hands on" look at various meters that had been tampered with. Everyone had an opportunity to try and determine how each meter had been altered.

Fred Whaley (USN Grid) spoke on their AMR deployment and its impacts on Revenue Protection. Earl Anderson, Chief of Security for Keyspan New England spoke on Plant Security and how it applies to today's environment.

The NURPA Board was also fortunate to have Tommy Mayne from Entergy and Thommy Halfen from Southeast Crime Prevention participate in the conference. Tommy Mayne flew from New Orleans to thoroughly entertain everyone with his presentation on "Thinking Out of the Box." Thommy Halfen traveled from Atlanta and provided a very informative discussion on Aggression Management and Investigator & Personal Safety both inside and outside the workplace. Both presentations received many compliments from the group and we thank both gentlemen for making the trip.

It is the Board's hope to provide another conference as diverse and informative as this past one. Plans for the fall conference began in January and the group will return to the Queensbury. The dates for the conference will be September 29, 30 & October 1st. Information will be posted on the IURPA web site as soon as possible.



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META / IURPA 2003 JOINT CONFERENCE... AN OVERWHELMING SUCCESS

Last July META and IURPA teamed-up to host the 2003 annual conference just outside of Chicago in Oakbrook Terrace, Illinois. As is customary, META members from throughout the Midwest came out in droves to participate. IURPA's involvement resulted in attendees traveling from throughout the country and the world. Participants from countries such as Canada, Brazil, United Kingdom, Israel, and Mexico helped provide an international flair to the conference.

In addition to the traditional in-depth topic discussions pertaining to theft, fraud, and tampering from gas and electric utilities was a presentation on theft and fraud issues pertaining to the cable television industry. Like other utilities the cable TV industry is challenged with identity fraud and check fraud but they are also dealing with the proliferation of "black boxes" which fraudsters buy from ads appearing in the back of magazines, the internet, and from electronics stores. The theft of premium channels and pay-per-view shows is the largest challenge facing the industry. Participants discussed the need to work with their local cable companies in an effort to share information. A general consensus was that the person who tampers with their gas and/or electric meter does not hesitate to steal service from the cable company. Knowing who resides at a premises and who has a history of tampering is invaluable to the revenue protection industry. It is highly recommended that all members establish a contact with the revenue protection departments from the other utilities in their territory as well as cable TV and telecommunications companies. Don't wait until you need them, get to know them and develop a relationship now.

Knowing who resides at a premises and who has a history of tampering is invaluable to the revenue protection industry.

Although meter tampering, unauthorized connection of service, and diversion are the bread and butter issues facing all of our departments it is our investigative skills and our investigation methods that quite often are the difference between a successful case and one that simply detects the fraud. This theme was a major focus of the conference. Presentation topics ranged from interviewing and interrogation techniques to forensics for evidence collection to the prosecution of cases. Determining who is responsible for the fraud is as valuable as detecting it and almost as important as preventing it in the first place.



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Everyone found it interesting that the challenges we face in the United States are very similar to those in other countries. Our friends from Canada talked extensively about marijuana grow labs and the theft, tampering, and detection techniques. From Israel we learned of the challenges to establish a new department and how best to quantify, as well as justify, the importance of a revenue protection program. The United Kingdom is deregulated and the challenges this presents to utilities as they address billing for revenue protection cases is something all of us are, or will soon be, facing. The customer also has many choices in suppliers and will tend to rotate through them. When an investigation takes place it poses a real challenge to determine who the victim is, who should re-bill, and who is responsible to resolve the case. In Brazil a major challenge for consumers is the fact that electric service is "rationed". Customers' using more power than they are allowed face hefty fines thus, another motive for tampering and increased challenges for the utilities.

The 2004 META conference will be hosted by Kansas City Power & Light and is scheduled for May 18-20 in Kansas City, MO. A hot topic this year will be "benchmarking". We all track our productivity and results but how do we compare to each other? What are the appropriate measurements of a Revenue Protection department? Please make plans to attend the conference and discuss this topic as well as others related to revenue protection. Visit the IURPA website for additional details.

So What's Not In Your Company's Wallet?

BY PAUL DeVAUL

A meter reader read the electric meter every month without fail. However the gas meter (5 feet) away was never read from the day it was installed.

Upon investigating a high bill complaint on the electric meter, I passed by a gas meter at a large office building and verified the account upon return to the office. The customer had never received a gas bill from the time they took occupancy. The billing amounted to \$75,000.

While investigating a low bill on a gas meter I found the multiplier was times ten but should have been times 100. That resulted in an underbilling of \$2,850,000.

I found an electric meter in a parking garage that was never read. The building maintenance person stated he had tried to get the meter reader to read it for the past 6 years but was always given the argument it was not on their route. The meter was consuming \$11,000 per year in electricity.

The temporary meter reader made a left instead of a right when descending into the basement. A gas meter was found that was not on the route. The reader took the info and turned it in. It turns out that the gas meter had not been billed since 1946!

The same meter reader, (apparently not knowing his left from right), entered another basement in a large commercial

building and entered the room on the left instead of the room on the right. He found an electric meter that had not been billed for 5 _ years. The estimated usage amounted to \$189,000.

We investigated a "Lost Meter" in a huge food warehouse. We initially set 7 pad mount transformers and 7 meter sets. We set up six accounts and neglected to bill the 7th. This went on for a period of 12 years. We lost \$175,000 in back billing because we were culpable.

While investigating a faulty meter several times the meter test person asked the facility management person to remove their lock from the meter cabinet. We found the wiring had been reversed on 2 phases causing them to buck each other. The estimated theft - and it was theft- was over \$2.3 million dollars. We negotiated and collected in hand \$1.25 million. The company took the money and did not want to prosecute.

These are a few of the 750 found in a three year period.

So what's not in your company's wallet?

Paul worked for Lilco/Keyspan/Lipa for 32 years before retiring. During the 11 _ years in Revenue Protection Paul's team of 12 management investigators recovered 28 million dollars in unbilled revenue. He is a current Board Member of NURPA serving as past chairman in 2000.

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RECKLESS ENDANGERMENT

By JIM PETERSON • 1ST VICE-PRESIDENT, WSUTA

Energy diversion and power theft creates numerous problems for utility workers, the public and even the customer and their families. The number one concern for everyone is safety. Many of the methods used to steal electricity leaves very hazardous conditions that are not always visible. Exposed wires, unsecured or missing equipment, damaged equipment or removed screws that allow equipment to slide or fall which can cause severe electrical flashes, explosions and even electrical contact. These can result in permanent bodily harm, property damage or result in death.

Most states have laws that help utilities recover damage to their company property. They also have laws that protect the public and utility workers from anyone that leaves an unsafe condition that may cause bodily harm to another. The key word here is "may" because the bodily harm doesn't have to occur it only has to be a strong possibility. This often takes some educating of the Officer taking the report. Often times the Officer is not aware of the danger that may exist. Remember, you are the expert in this field and you are helping the Officer to put a report together that will go to the District

Attorney. It also helps to write your own detailed report to go with the Officer's report because you can elaborate more on the technical details and conditions that exist.

It helps when you go to court to be very thorough with your presentation in explaining what the potential dangers are. The conviction of utility theft charges usually results in the convicted serving some jail time, probation, as well as paying restitution to the utility.

It helps to request the courts consideration of a maximum sentence, because for the public or the utility worker it is a Life Sentence. It is also helpful to explain to the court how power theft loss goes directly into the utility rate base and everyone in the court room (including "you, your Honor") has to pay that loss. This makes it a personal issue with the Judge because Judges have a tendency to look at the utility as a large corporation trying to squash the little guy who is just trying to keep food on the table.



Jim Peterson

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IT'S A BIRD, IT'S A PLANE... NO, IT'S COFFIN MAN!

REPRINTED FROM THE EAGLE EYE, SOUTHERN CALIFORNIA EDISON REVENUE PROTECTION NEWSLETTER

Our account this month begins with Revenue Protection Investigator, Steve Lefler of the Covina District being summoned to a residence in La Puente. The tip he received stated the property owner had stolen his tenant's meter! Of course, this caused the residence to have no electricity. Additionally there was a strange twist to this story, we were told the property owner lived in a **coffin** at a residence across the street and possibly suffered from Schizophrenia!

Upon arriving at the affected residence, Steve knocked on the door. A lady answered the door and explained the situation to Steve. This lady, as it turned out, was the tenant of the person who had stolen the meter. There was only one slight discrepancy in the original information. The landlord lived in one room of the multi-room house under the same roof as the tenant and not across the street as reported!

While speaking with the neighbor who called in about the stolen meter, Steve verified the landlord did live in a **coffin** near the back of the house. Steve was also informed that the landlord busted up and removed the meter to make sure he had no lighting for Halloween. The neighbor and resident

asked Steve if he wanted to speak with the landlord. Steve's curiosity got the best of him and he said "Sure". The neighbor went in to the "coffin room" to get the landlord but returned a minute later stating that the coffin was empty. This was a real relief to Steve! He did not have to face Coffin Man! He also was relieved by the fact that Coffin Man was out during daylight hours. This indicated to Steve, that at least Coffin Man was not a vampire.

While inspecting the panel Steve found jumpers on the ground near the exposed meter clips, indicating the service had been jumpered previously. The tenant informed Steve that on the prior night a Troublemaker had removed the jumpers and cut the service at the roof. This indicated to Steve that this tenant had installed the jumpers and not Coffin Man (he wanted the service off!) Steve advised the tenant that meter damages and a \$250.00 flat fee for the service investigation would need to be paid. In addition, an inspection of the meter panel by the local building and safety department would be required before we would restore service. Steve wished them a happy Halloween and departed the scene.

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