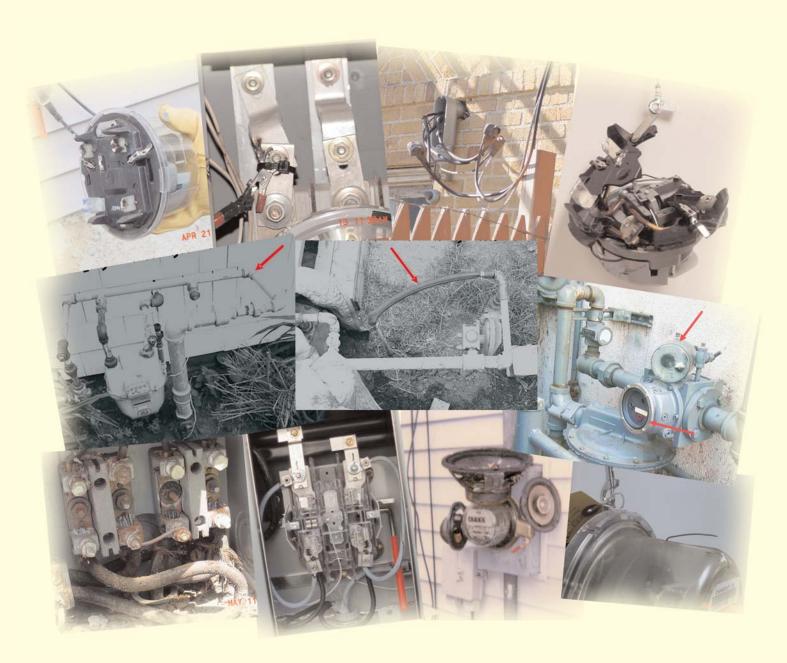


Volume 13, Issue 2

October, 2003





Sidewinder Locks



Snap-Ring-Locks







Bullseye Ringless Meter-Locks



User-friendly McGard tri-tool key operates all three McGard meter lock styles
Exclusive or multiple registered key patterns available for controlled access using McGard's patented keys

- ▼ Proprietary ArmorGard[™] plating to resist corrosion–Exceeds all industry standards
 - Easily installed in seconds without tools or keys
 - Accepts standard seals
 - ▼ Patent pending









IURPA - TRULY INTERNATIONAL

 $-IU_{NEW}RA$

Since I began chairing IURPA I wrote about the many changes the organization has undergone. These changes were a vital step in IURPA's intent to expand. Some have been obvious to members such as the new look we brought about in the Newsletter, the IURPA display booth and the web site. Others were more subtle and involved incorporation, insurance, by-laws and trade marking. These



George Balsamo, IURPA Chairman

processes required a dedicated Board who unselfishly spent many hours of their own time to see that these necessities were accomplished. Along with their work came the support of our vendors who understood, agreed with and supported us with their time and resources. This collateral effort has placed us on the path of our objective.....continued growth.

At the annual conference in Chicago I touched upon the growth I've observed over the past few years. More specifically, what began as a group of revenue protection professionals from the United States has led us to interests that now encompass some 37 countries around the world. With 12 separate revenue protection regional groups globally, we are anxious at the possibility that there may be two more groups on the horizon. Most recently I met with Tom Kiernan from Ireland during my visit to the UK for their conference. Tom is a new member of IURPA and is excited about the prospect of forming an Irish Revenue Protection Association. In addition to this effort, Metering International solicited Luiz Arruda, our South American liaison from Brazil, to assist them in the conference they held this past August in Sao Paulo. It is our hope that we may see a Latin American Revenue Protection Association in the not too distant future. To coincide with expressed interest from China, Cleve Freeman traveled there to spread revenue protection ideals and at the request of Metering International,

ON THE INSIDE

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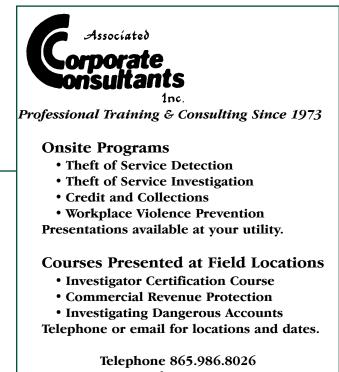
- **How Different Are We?**
- Safety-First and Foremost

The Unwanted Customer

I wrote an introductory article about IURPA in the published China edition of their magazine. South Africa is asking for regular information from us for their publication as well.

This world wide awareness reinforces our focus for expansion and demonstrates what those of us in revenue protection have understood for many years. That is the need for a group, dedicated to minimizing non-

technical losses in all utilities.... everywhere. The restructuring effort worldwide has affected many of us in our daily lives. It is important that we understand these stresses and do our best to relay the benefits of addressing non-technical loss issues within our respective companies. This is our challenge and it truly is occurring around the world. As a member of IURPA you are part of something larger than you may realize. It is my belief that as the industry moves forward more and more interest will be placed in the area of these losses that will result in more growth for the organization. Don't hesitate to help us in this growth by attracting new members in you area. Support your regional organizations and contribute your knowledge and ideas to us. We're anxious to hear from you.



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Web Site: accusa.com

I URPA

By Kurt Roussell • 2003 META President

A s a relative "new comer" in the Revenue Protection (RP) field and administering a new program in our company, the question is asked by my managers (particularly at performance review time) "How does your program's performance compare with others?" My usual response goes something like "we're the best in the industry of course." The question is "are we as really good as I think we are?"

At the 2003 IURPA/META conference, this question reared its ugly head again. Attendees with new programs are looking for benchmarking data, or identified best practices to show their managers the benefits of a sound Revenue Protection program. They were also looking for ways to improve their current program, and I believe some individuals left the conference without some of the information they need to assess their current programs or their need to start a new one.

Annually, I complete benchmarking surveys from some national groups, and in my opinion, they ask some questions of little value, or, they entirely miss the boat on the current state of Revenue Protection.

For the utilities I am in constant contact with, Revenue Protection no longer means metering issues. We are now involved in the positive identification process of new or existing customers, fraud, identity theft, NSF checks, e-Commerce fraud, ad nauseum. Our jobs have changed, our responsibilities have changed, yet, the benchmarks used by others to address the efficiencies of our respective units have not changed.

I have heard utilities report some phenomenal numbers regarding their RP groups. Some report actual dollars billed and collected, some report only the billed amount. Some report future expected revenues from the customer, some don't. Some include normal field collection activities, while others do not. Some groups investigate theft and fraud, some are theft only, and some are fraud only. The only thing consistent is that we are inconsistent.

Law enforcement had the same problem. I learned by looking at the Federal Bureau of Investigations website (www.fbi.gov/ucr/ucr.htm) that The Uniform Crime Reporting (UCR) Program was conceived in 1929 by the International Association of Chiefs of Police to meet a need for reliable, uniform crime statistics for the nation. In 1930, the FBI was tasked with collecting, publishing, and archiving those statistics. Today, several annual statistical publications, such as the comprehensive Crime in the United States, are produced from data provided by nearly 17,000 law enforcement agencies across the United States

Our members – both old and new – have been looking for a benchmark to measure their own performance, and to identify groups who have shown positive results in a specific area of the diverse work performed by RP professionals.



Kurt Roussell

I think it's time.

I believe the members of IURPA want to have a consistent set of benchmarks and other data available to them. However, to quote a past supervisor of mine, "All great ideas eventually deteriorate into work!"

What do you the members think? Do you also feel it is time? Are you willing to serve on a committee to address standards of comparison for our respective RP organizations. Do you have any ideas? Tell me what you think. Please send your comments to me.

Kurt.Roussell@we-energies.com

3 ways to stop electricity theft in a few seconds:

RF Interrogated Check Meters

Universal Meter 2W, 3W, 4W Y & △, 120 - 480V. 0-6000 amps 50 or 60 Hz, read range to 500 ft.

Tap Detectors

Identify presence and location of Tap from 0 to 200 ft. in less than 10 seconds. Windows[®]-compatible software in Spanish, Portugese, English & French, Metric & English.

Active Tamper Alarms Computer Surveillance Systems

Record meter reading in 5, 15, 30, 60-minute or daily intervals. Stores up to 3000 readings and 50 alarms. Data can be downloaded via modem or direct connect. ...and many more.



I U R PA BREAKING PARADIGMS: TIME TO CHANGE SOME IDEAS AND OLD POINTS OF VIEW

By Luis Fernando Arruda • IURPA South American Liaison

have learned that most problems have solutions very close to us, even if they appear to be far away. I am going to talk about different matters related to revenue protection (RP) and explore some alternative ways of facing the problems and finding solutions.

We are living in difficult times, but this is a rich period to discuss new points of view, ideas and solutions. A good time to change old procedures and ways of understanding our role inside the electricity industry.

It is very common to hear revenue protection areas (workers and managers) complaining about low investment in equipment, contracting and training people; we are seen as an area which only searches for and finds frauds, but a revenue protection area is much more valuable than this. The RP area must be responsible for the accuracy of meters, must develop standards for customer installations that can avoid losses and, at the same time, provide a secure way to protect the utilities' distribution system from problems inside customer installations (because when these occur we may have thousand of customers off line and we lose money). And, maybe the most important, RP areas must give correct and secure information about how big the losses are. The utilities' board of directors can not take good decisions about how much money would be reasonable to spent on RP without knowing the size of the problem.

So, maybe the lack of investment we have been suffering has its roots in our areas, because, we should be calculating and showing the real size of the problem to the right people! Another point that deserves our attention is related to a more rational use of electricity. We know that people who are stealing energy do not worry about using energy in a proper or economical way.

We can speculate that a very significant part of the nontechnical losses would be saved if people paid for their total consumption. So, if we imagine having zero non-technical losses we could decrease the total energy requirement.

For countries like Brazil with high levels of non-technical losses it could result in using 5% less energy (our non technical losses average are around 10% and we could save 50% of that); it is a lot of energy. Even for countries where the non-technical loss levels are low we could make the same projection. The result of saving would be a great amount of energy too. Just imagine how much 1% of the total energy produced in the USA costs.

The environment would say thanks! Customers and shareholders would demand more actions from our utilities and our work could assume other dimensions.

Another point is always on my mind: the use of new technologies to help RP activities. I can remember eight years ago how difficult it was to find some meter bypassing inside walls in some customer installations; today Cemig's inspection teams can use tap detectors that can determine the distance from the illegal tap to the meter; or they can use a micro camera to view inside the conduits. In some cases we can use check meters that can be installed outside customer installations without disconnecting them. And we can read these meters by radio or phone. We save our time and money. We work in safer conditions.

Nowadays we have a lot of data about customers (but it is not necessarily information) and very efficient tools to handle these data. We are seeing many different systems utilizing it (CRM and others); but, how many utilities are using technology to work for revenue protection purposes?

I am not talking about the detection of those inconsistencies

in the customers' usage that can give some reports about the kind of customers in a given area. I am talking about having intelligence working for us and giving "maps" considering risk and estimating how much you can be losing. I am talking about ways to have more accuracy to estimate losses, control how much we recover and spend, and—many people do not consider this—how much we increase



Luis Fernando Arruda

our revenue after finding fraud cases, bad meters and wrong connections considering the previous average consumption and the new average.

I am talking about procedures that allow us to follow the performance for each kind of meter. With this information we can decide when it is economically adequate to replace a specific kind of meter. My only concern about using technology is when someone sells a crazy idea such as: if you implement AMR you do not need to use seals on metering boxes or meters anymore. Anyone who has field experience knows how wrong this is.

Customers always want to have low tariffs and share holders high profits; the utilities need to reach a balance between those two opposing goals while keeping the minimum requirements concerning power quality.

Taking into account all the points above, I believe the RP areas can play an important role in this game.

Luiz Arruda is the IURPA South American Laiason. He is employed at Cemig – Companhia Energetica de Minas Gerais – Brazil. Luiz is responsible for the effort to establish the Latin American Revenue Protection Association.



ENERGY THEFT- WHY IT MATTERS

IURPA

BY RICARDO H. -VELARDE- V.P. OF SALES & MARKETING- DEWALCH TECHNOLOGIES, INC.

Electricity theft is a growing problem encountered everywhere from agricultural operations to tenant housing to city buildings. The small percentage of people who steal power includes all socioeconomic classes in all geographic regions. Most utilities across the United States and worldwide often overlook these non-technical losses, frequently passing the losses to the consumer. The key components of non-technical losses are:

- 1. Metering errors
- 2. Defective and dead meters
- 3. Meter tamper leading to low registration
- 4. Metering data related fraud
- 5. Illegal connections

The Justice Department calculates that 3-4% of total electricity is stolen in the United States. This translates into an estimated \$3-4 billion cost for the U.S. population to cover this loss. Experts believe the energy loss (electricity and gas), including cable, could be as high as \$30 billion in the U.S. alone. Internationally, estimates indicate that there are over 10% non-technical losses in Mexico, over 15% in India, over 35% in Pakistan and over 25% in Albania.

- 1. ELEMENTS OF PROBLEM
 - Tampering at the point of service: Individuals steal electricity by tampering with the meter to change the accuracy of the reading, or they bypass the meter partially or completely. With these adjustments they get free power or pay

for only part of what they use. Some thieves replace their own meters with stolen ones that have lower readings.

• Fraud (billing): Fraud is defined as "unlawfully making a misrepresentation, with the intent to defraud, which causes actual prejudice." A common form of fraud relates to energy thieves stealing electrical power by using



Ricardo H. Velarde

false identities to get new service while avoiding payments for old bills.

- 2. PREVENTION
 - Physical Security: Prevention can be accomplished by application of physical means such as seals or locking hardware to provide indication and inhibit access to parts of the system vulnerable to tampering.
 - Policing: Prevention can be enhanced by threat of detection and response with serious consequences. We Energies, for example, formed its Energy Theft and Fraud Unit in 1998 in an attempt to strike back and track down voltage violators.
- 3. FACTORS THAT AFFECT SELECTION OF A STRATEG FOR PREVENTION
 - Economics: Honest consumers may pay \$40 to \$60 a year to cover the cost of power theft. Long term, fewer losses could translate to lower cost and lower prices to end customers.





- Safety: Significant health risks exist since an improperly wired meter can create serious dangers. Damage can range from fires to the burnt limb of a utility worker or even death. The possibility of electrocution in illegal connections is real, but this does not seem to deter perpetrators.
- Political: In some countries theft of service is ignored in low-income areas, writing it off as a form of philanthropy. Should utilities allow people to steal electricity in an uncontrolled manner? Should governments have laws that punish theft of electricity? Legislation in Venezuela and other countries makes it nearly impossible to bring electricity thieves to trial. The legislation in the United States allows utilities, in most cases, to prosecute energy fraud.
- Physical limits of equipment: There are limits in the ability of hardware to deter theft. The locking hardware's main purpose is to provide evidence that tampering has occurred, or has been attempted, and to make theft as difficult as possible. Locking hardware will not stop extreme measures taken by dishonest customers. In addition, locking hardware may not be an effective means of securing the meter if the following applies:
 - 1. Keys are lost by utilities' field personnel
 - 2. Keys are illegally or easily duplicated

3. Customers drill meter cover and interfere with disk DeWalch Technologies, Inc. strongly recommends each revenue protection department create rules that make its personnel accountable for the keys they use. We believe that is the only way to keep a tight control. Some utilities are currently imposing heavy fines when keys are lost or misplaced by its employees. This method seems to work very well and very few keys are lost or misplaced.

We are at a time when utilities are searching for ways to reduce costs. Unfortunately, locking hardware purchases are often eliminated or significantly reduced because they are perceived as an expense, rather than as an investment that will yield returns for many years into the future. Should one compromise safety and security for short-term budget pressures? Locking hardware ought to be an important part of a sound revenue protection program.

Ironically, based on surveys that DeWalch Technologies, Inc. has conducted in the last 3 years, the decision to reduce expenditures on locking hardware clearly overlooks the fact that revenue protection departments have an average return on investment (R.O.I.) of 6:1. In addition, locking hardware, if installed permanently on a meter, can be a good preventive tool that will allow utilities to reduce millions of dollars in future losses due to theft.

There is no question that energy theft will not cease and at a minimum all IURPA members have the responsibility to fight it. Next time you have a chance to talk to your supervisor remind him or her not to overlook theft, because theft, if not dealt with, will continue to gradually reduce revenues from utilities across the world.



7



FEATURE ARTICLE

By Cleve Freeman

ur feature article for the Fall 2003 IURPA newsletter centers around a recently conducted interview with our very own, and one of the Revenue Protection Industry's internationally known personalities.

After serving Southern California Gas Company (Sempra Energy Utilities) for 34 years, Cleve Freeman recently retired to the active role of speaker, motivator, trainer, coach, and industry consultant. A past (2001) IURPA Chairman, Mr. Freeman will remain on the IURPA Board as a Director Emeritus helping to guide us into the future.

Mr. Freeman's Utility Professional Experience has included Field Instructor, Energy Diversion Investigator, Dispatch Supervisor, Meter Reading Supervisor, Quality Assurance Inspector, Meter Reading Supervisor, and Revenue Protection Coordinator.

He is a member of the California Fraud Association and California Police Officers Association.

Mr. Freeman attended Prairie View A&M University. He is a graduate of the Los Angeles Police Academy and is a graduate of L.D.I.R. with is the acronym for Leadership Development in Inter-ethnic relations.

On a more personal note, his outside interests include youth soccer in the Los Angeles area serving thousands of underprivileged children and he was recently selected as the national keynote speaker for the American Youth Soccer Organization (AYSO) touring eleven states.

Our roving "IURPA reporter" recently asked Mr. Freeman to share some of his thoughts, memories and highlights that spanned his 34 year professional career.

IURPA Reporter: How did you receive your start in Revenue Protection and what positions inside or outside of your company do you feel prepared you for this line of work?

Mr. Freeman: I received my start in Revenue Protection (RP) in 1985. I was successful in obtaining a newly created position called, Energy Diversion Investigator. I was competitive for the job because I had developed an unconventional method to bypass meters on our gas facilities without interrupting service. This method saved The Gas Company tens of thousands of dollars. In addition, the assignment was located in the greater Los Angeles area, including neighborhoods occupied by dangerous urban terrorists / street-gangs. Even though I worked the first 16 years of my Utility career in plush Beverly Hills, CA, I was also very familiar and comfortable in the gang infested areas of South Los Angeles. I became interested in becoming a reserve police officer as a result of working as an "Energy Diversion Investigator" in South Los Angeles. Being a Los Angeles reserve police officer has been a rewarding experience for me.

IURPA Reporter: What "tools" do you feel Revenue Protection professionals require today to be highly effective in this line of work? Where can today's RP professional look to gain the necessary "tools" and experience? **Mr. Freeman:** The tools required for the Revenue Protection professional today are comprehensive. RP professionals should bring to their line of work several attributes including: safety awareness, patience, diplomacy, writing and speaking skills, computer literacy, and the ability to network with the general public, law enforcement, field & office employees, institutions, associations and individuals within the RP industry.



Cleve Freeman

I feel there are many ways to prepare for a career as a Revenue Protection investigator. In my opinion, any law enforcement experience would be of value. After all, the job primarily is linked directly with investigating crimes. The best way to obtain law enforcement experience is to become a Reserve Police Officer in your local community or outside your community. The information, training and contacts you make are invaluable. In addition, if you are going to investigate energy theft, whether it is electricity, natural gas or water, one should have worked in that particular field in some capacity. It is critical to have a working knowledge of appliances, trends, usage patterns, demand loads, customer contact experience and many other pertinent characteristics of the industry. If your writing skills could use a little polishing, I suggest enrolling at a local community college, or its equivalent, in a class geared towards "report writing for police officers" or some type of report writing training. Sooner or later you will have to articulate, in writing, the crime or infraction against your company.

IURPA Reporter: Did you have a mentor in your career, and was your learning experience under that individual beneficial to you? What important experiences did you carry with you and apply to your job that you could share with everyone?

Mr. Freeman: My mentors were Bob Wise and George Harris of The Gas Company. Both Bob and George contributed to my Revenue Protection career. Bob, a retired RP manager, encouraged me to participate in RP conferences, take related college courses, and obtain any related training offered. George Harris taught me the more detailed aspects about the investigation part of the job. Both were positive role models for me to follow. It is important to find individuals that will mentor you in the Revenue Protection arena. Those persons may or may not work in your organization. As you begin to build a networking base you will find both utility RP professionals and vendors associated with Revenue Protection will provide a fertile ground to grow your career. The best places to network and connect with such persons are by attending various conferences related to Revenue Protection issues. (i.e., IURPA and the regional RP associations)

IURPA Reporter: Let's turn to safety for a moment. Besides recovering revenue, wouldn't you agree that the next most important role for an RP department is to maintain a safe environment for the customer and a utility's employees. Can you provide our readers with some examples of what you have seen over the years in the field and why it is essential that Revenue Protection continues to play a role in safety?

IURPA

Mr. Freeman: Safety-Safety-Safety.....I can't emphasize it enough. I have seen many "near misses" and occasionally customers are injured before the utility can detect and correct the problem. The safety issue has several dimensions. First safety for the customer. The utility industry has an obligation to ensure the safety of the public. Many times the customer will ignore safety warnings from the utility and engage in unsafe practices. The Revenue Protection department oftentimes discovers these potential hazards and stops a disaster before it happens. Second - safety for the employees. There are numerous ways an employee may be injured during the course of doing their job. Customer-Employee contact during an investigation is of major concern. As an RP investigator, you may find yourself face to face with violent offenders. After all, energy theft is a crime and occasionally the perpetrator may be an ex-con or a future convict. Fortunately, most of the energy thieves are not violent. However, one must stay alert at all times; you have to assume that a violent encounter could happen at any time.

IURPA Reporter: What was the best experience you had during your tenure in the industry? Can you describe your most unique RP case over the years, one that really stands out to you?

Mr. Freeman: My best experience was collecting from a commercial customer we caught tampering with the meter. The customer denied everything and we ended up litigating in civil court. During the course of the proceedings/trial, the judge realized the customer had lied on several occasions. After several days of litigation, the judge awarded us the original \$7,000 in energy theft, \$10,000 in punitive damages and \$2,000 in attorney's fees. The customer laughed at us after the trial and made it clear he would not pay us one dime. Our corporate attorney and I decided to put a lien on the customer's personal property.

Several years later we received payment for the entire judgment of \$19,000 dollars when the customer sold his home. "He who laughs last, laughs best!"

Speaking of best experiences, I am sure that most would agree that collecting on the big-dollar cases (\$100,000 plus) is just about as good as it gets...smile.

IURPA Reporter: What was the worst experience you had during your tenure in the industry?

Mr. Freeman: Worst experiences...several incidents come to mind. I recall a pit-bull dog chasing me out of a yard and he almost bit me where the sun doesn't shine...

Several customers have threatened my life while I was on their property. However, the worst thing I remember over the years is a customer severely burned while attempting to remove a gas bypass under his house. Any time an injury occurs as the result of energy theft it is "the worse." It is also not the type of publicity we desire – or is it?

IURPA Reporter: What have been the most significant changes that you have experienced during your career?

Mr. Freeman: The most significant change I have experienced doing my career is the advancement of technology, such as computers, digital cameras, e-mail, data base programs, sophisticated vendor products and more. In addition, I have noticed the energy thief has also raised his level of expertise.

IURPA Reporter: Which change do you feel had the largest impact on the industry and why?

Mr. Freeman: I feel the computer/Internet has played a valuable role and has made the greatest impact on the utility industry in the last ten years. The name of the game is information + appropriate action = revenue.

IURPA Reporter: Can you provide our readers with your thoughts as to how middle managers could do a better job of "selling" a Revenue Protection Program to upper management?

Mr. Freeman: I feel that middle managers can only sell what they have. In other words, the RP supervisors and investigators have to attain the data and supply the relevant facts and statistics to prove and reinforce the importance of RP to their company's bottom line. As important as it is, selling "safety" will only take you so far. The manager will need to justify the cost effectiveness of any program, especially RP programs. We must continue to improve on detection, investigations, and collections of revenue associated with energy theft. At the end of the day, it's all about the medium of exchange, money!

IURPA Reporter: What are the critical factors, in your opinion, to starting, running and maintaining a successful RP program? (Explain)

Mr. Freeman: There are many critical factors to starting, running and maintaining a successful RP program. The list is too long so I will touch on a few essential areas. First you must have the approval of senior management. Second, you will need a business plan including a budget and functional guidelines. Third, you must have a consortium of qualified candidates to select supervisors, investigators and clerical support. Fourth, you will need the proper tools of the trade, i.e., cameras, security locking devices, technical theft indicators, etc.

Fifth, you must have an ongoing awareness program, both internal and external. Last but not least, you will need the best training your budget will allow. Your program will have its best chance to succeed if you invest in choosing the right people, training, research and technology. Make the investment! **IURPA Reporter:** Where do you see Revenue Protection in today's utility environment? Do you feel RP will survive or become a "dinosaur" in years to come? What is needed to keep it alive and well?

IURPA

Mr. Freeman: I see RP in today's environment very much an essential department in the utility industry. I feel it may be necessary to integrate RP programs into other related programs, especially in some of the smaller utilities. As long as customers continue to steal energy from utilities there will always be an incentive to detect, investigate, make safe, and recoup the revenue. It will be up to individual companies to determine the best way to achieve that goal. What's best for one company may not work for another.

Regulatory agencies such as Public Utility Commissions will play an important role in the future existence of RP programs throughout the country. They alone can determine if a company needs to decrease or strengthen their RP efforts. The rate payer's safety and welfare are important to the utility and the commissions. I haven't heard of any organized consumer groups complaining about energy theft issues lately. I feel when the consumer complains about safety issues and financial burdens placed on them as a result of energy theft, the Public Utility Commissions will respond.

IURPA Reporter: What benefit do you feel IURPA (and possibly the regional RP groups) provide for the industry, and what role do you see IURPA having in the future?

Mr. Freeman: RP organizations such as IURPA and the regional RP associations are indeed valuable, resourceful and the perfect environment for both networking and training. They will provide a forum for established and new RP professionals to learn and teach, thus adding value to their respective companies and careers. Like most professions, RP is a continuing learning process. If one thinks that one knows everything about Revenue Protection, it is a clear indicator that one needs help!

IURPA Reporter: Again looking to the future, what impact do you feel emerging technology will have in helping RP programs? Can you explain? (i.e. AMR metering, the internet, remote customer turn-offs, electronic seals and locks.....etc.)

Mr. Freeman: Emerging technology such as AMR is proving to have value in some applications; however, it appears its ability to stop, deter or detect energy theft is yet developing. Remote customer turn-offs as I observed in South Africa proved to be very successful. It saved on labor and it was a safety enhancement in potential hostile areas. With the evolution of advanced technology, their profits exceeded expectations. Concerning new seals and locks, we as an industry must continue to improve just to "stay ahead of or catch up with" the energy thief. It is imperative the utility and the vendor establish a symbiotic working relationship to ensure high quality security products are designed, manufactured and purchased to protect the utility's cash register, the meter. **IURPA Reporter:** For a company or an individual just starting out in this field, what would be your single most important piece of advice to steer them and their program in the right direction?

Mr. Freeman: To a company or individual just starting out I would say first, dare to think outside of the box. There is no need to re-invent the wheel. Second, associate yourself with RP associations, RP training professionals and successful programs. Someone in the RP industry will indeed be of assistance to you. If you want to G-E-T you have to A-S-K...

IURPA Reporter: IURPA is an organization of dedicated professionals from around the globe that volunteer their time and efforts unselfishly. As an outgoing IURPA chairman, what would you consider to be IURPA's strengths? What else is needed?

Mr. Freeman: Clearly IURPA'S strength is its ability to coalesce a network of RP professionals from a diverse group worldwide. Again, think outside of the box. In my opinion, IURPA is ready for a "compensated staff" to maintain its current position while continuing to grow the organization. How will this be achieved? I am not sure. We have enough "thinkers and doers" in the organization to explore the how, why, who and when IURPA could move to that next level. Goals are dreams we convert to plans and take action to fulfill.

IURPA Reporter: Now that you have "semi-retired"what's next?

Mr. Freeman: My plans for the future are to become a Revenue Protection consultant, continue to inspire others to achieve their personal and professional goals through my motivational speaking, travel and spend quality time with my grandchildren.

IURPA Reporter: If you had to leave our readers with one very profound or significant thought, what would it be?

Mr. Freeman: "The chief problem with Revenue Protection programs is not the down-sizing of departments or elimination of such, but rather it's the lack of relevant facts and statistics to support managers in justifying why RP is essential to a company, its rate payers, stock-holders and the general public. This is a labor of persistence." (CleveFreeman)

You must be persistent in your pursuit of cost-effective RP programs. President Calvin Coolidge said something about persistence that is worth repeating. He says "press on"..."Nothing in the world can take the place of persistence. Talent will not, nothing is more common than unsuccessful people with talent. Genius will not, un-rewarded genius is almost a proverb. Education alone will not, the world is full of educated derelicts. Persistence and determination alone are omnipotent."

How DIFFERENT ARE WE?

IURPA

BY ANGELA MANN

hen I was first invited to speak at the META/IURPA Conference in July 2003, I didn't have to think very long about whether to accept or not. This was an exciting opportunity for me to find out the differences between America and England in the way Revenue Protection was provided.

5 years and the issues we had overcome.

I arrived in Chicago, minus my suitcase but that's another story, and was awed by the sheer size of the city. I'd never seen buildings so big. Even the smaller buildings were big!

Because my suitcase had gone AWOL, unfortunately I was forced to go shopping. So many shops, so little time! Like a kid in a candy store, I shopped 'til I dropped.

On arriving at the Hilton, I was initially apprehensive. After all, everyone would know someone and Alan was leaving the next day, which would mean I was on my own. Well I was on my own, but not alone. I think I must have spoken to almost everyone there. I was made to feel so welcome and was asked a lot about the UK set up.

The sharing of experiences and knowledge is so important in our line of work. What struck me fairly quickly was how alike these experiences are. No matter that the common language is different, or the network is different, our experiences are the same.

We all have cases to quote where someone has claimed to be a new customer, when they know they've been rumbled (found out). This seemed to be a common theme at the Conference.

A case I can tell you about in our area is where there was an illegal tap found which supplied a business. It had been there for some years and the husband said "We've only been here a year." Well he was telling the truth 'we' had only been there a year, but his wife had been there for 15 years with her first husband. Costs to repair the service exceed £3,000 (\$4,590) and lost units exceed £15,000 (\$22,950).

Drug growing operations are also found in the UK. An infamous case reported in a national paper was of a lottery winner, when down to his last £100,000 (\$153,000) he bought some hydroponics and started growing cannabis. For personal use of course! He also by-passed the electric meter because he couldn't afford the bill.

Last year a concerned neighbour reported water leaking from next door's loft. The occupier was away on holiday and she had promised to keep an eye on the place. When police broke in they found 3 bedrooms converted into hothouses and his bed had been raised off the floor with extended legs to accommodate the nursery. I bet he slept well! The watering system had broken and was leaking. All of the hydroponics were connected to an illegal tapt. The police called us in to assist them with their enquiries. The culprit was ordered to pay restitution to the electricity company of £1,500 (\$2,295) and serve 30 hours community service. And the law-breakers should always be looking over their shoulder. An overhead linesman was carrying out a repair. Whilst at the top of a pole, he noticed someone a few houses along putting a piece of wire on his meter to bypass it. You know the rest.

Like so many companies, our biggest source of information is our

Angela Mann

own people. We too run an incentive scheme to reward their efforts. Without their vigilance our job would be so much harder.

The public are always keen to report people who are 'getting away with not paying their bill'. The common phrase being "I pay my way, why should they get away with it?"

The ways in which people steal electric are not so dissimilar either. Holes in the meter cover to insert something stopping the disc from revolving, taking the cover off to alter the dials, wires across the terminals, connections to the mains and so on.

So whilst I came to America to discover our differences, I guess what I really found out was that we're not so different after all.





BY JEFF HARRISS

Safety is first, and foremost, the primary reason to implement any type of loss prevention program. Protection of people and property is our primary objective as we engage in the investigation of instances in which tampering with our facilities is alleged to have occurred. One of the tools available to us in these endeavors is criminal prosecution.

The use of criminal prosecution by public utility companies seems to range from the few who have adopted a "no tolerance" policy to those who do not even entertain the thought. The majority of us, I suspect, fall somewhere in between.

The days of a company feeling that their reputation and image are put at risk by prosecuting those who would steal from them are -- or at least should be -- behind us.

The truth is that a company can protect its image and revenue at the same time. Through the establishment of a Diversion/Revenue Protection Program that targets and takes pro-active steps -- including criminal prosecution -- against dangerous and habitual offenders, the people most likely to be offended by the utility's actions are the criminal offenders themselves.

Virtually everyone I talk to about our Diversion Program, who is not involved in illegal activity, makes one or both of the following statements:

"You mean people really do that? Isn't that dangerous? and/or

"If I've got to pay my bill, they should too!"

The use of criminal prosecution can play an important role on many different levels. The most basic of which is deterrence. Much like the disciplining of a child, without some form of consequence, you are just hoping that the right type of behavior is adopted.

I would also propose that, knowing the safety issues involved when utilities are tampered with, that we have a duty to our customers- and the public in general- to not only correct those actions, but to take pro-active steps when necessary to deter future ones.

In a society where civil lawsuits seemingly have become second nature, we can almost expect to be at the top of the defendant's list in a civil action when something tragic happens.

What type of response does your company want to have when asked "When you became aware of an illegal and potentially dangerous situation at this location, what steps did you take to prevent or deter it from happening again?"

The worst responses I can think of are "We don't have any specific policy relating to that" and/or "It just isn't cost effective".

While the legalities of the issue determine what our "duty" is and exactly where our liabilities lie, they do not preclude us from being targeted in a civil suit or bearing the burden of the costs involved in defending our position in court.

When the proper field investigation procedures are implemented, they can be very cost effective. Investigations should be approached and conducted on the premise that criminal prosecution may be necessary. By insuring that all of the necessary information and evidence to pursue a criminal prosecution is documented from the beginning, you have also definitively identified the responsible party for billing purposes and provided a civil attorney everything necessary to win a judgment in civil court (where the burden of proof is much lower than in a criminal case).

When criminal prosecution is pursued, lost revenue can also be recovered through court-ordered restitution. Because Tampering and Theft of Service are considered Property Crimes, firsttime offenders often will be placed on probation, with restitution being a special condition of that probation.



Jeff Harris

While that in itself does not guarantee collection of the money owed, I sub-

mit that if an individual fails to pay restitution with the threat of jail time looming over his head, there are no methods of collection that would have been effective.

Aside from the collection of revenue issue, by seeking restitution you have placed that individual in a situation where they must either pay what they owe or go through the inconvenience of relocating, changing their source of energy, or continuing their illegal actions and taking the gamble of being caught again, knowing that subsequent offenses could result not only in probation being revoked, but heightening the level of the offense they originally faced.

Regardless of the outcome, by pursuing restitution you have taken all of the steps available to you to collect lost revenue and protect yourself from future lost revenue and, potentially, civil liability.

Jeff Harris has been the Loss Prevention Investigator for Missouri Gas Energy for 2 1/2 years. Harris joined Missouri Gas Energy after retiring from the Kansas City, Missouri Police Department with 20 years of service.



THE UNWANTED CUSTOMER

IURPA

MIKE ROUSE / SUPERVISOR SPECIAL PROJECTS AND METER READING, PEACE RIVER ELECTRIC COOPERATIVE, WAUCHULA, FLORIDA, USA

I seems that in all of our newsprint and between all of our favorite TV shows, the business world is constantly wooing the public at large into their store to get the biggest and best at the best price. Utilities along with all retailers strive to increase the bottom line with new and satisfied customers. And we all strive to provide a quality product at a reasonable price, while maintaining a high level of customer service.

While line loss is considered to be a part of the industry, one area that we do not want to see to grow or go unchecked is that of the UNWANTED CUSTOMER. In the Cooperative language the energy user is called a Member, because we are member owned. And when a person steals from the Cooperative, he is stealing from all member owners.

One most recent diversion by a member owner has spanned about one and one half years. When this person's father passed away the account was eventually transferred to the son's name. As the summer came and the bills became higher the member decided to reduce his energy bill by several various diversions. While reading meters the meter reader noticed that the electric usage had dropped and the living habits appeared to be the same. The meter reader found a wire in the middle of the meter glass. I went there a few days later and discovered that the wire was not in the meter and the disc was turning. I found the wire hanging on the telephone jack at my side and around the corner from the meter pole. The usage had been cut by two thirds. I did not find the wire in the glass so I changed out the meter to the same serial number series and make and brought in the wire and watched to see if the tampering would again appear.

Time passed and the electric bills continued to rise with Florida summer heat. A short time later the member did not pay the bill and we cut the account and removed the meter. The power was taken loose at the top of the meter pole and rolled back. In a few weeks we found that he had wired the service entrance directly to the back of his barn and into another breaker box and back to the residence.

We called the local Sheriff and had the line crew remove the service wire. After a court date he was ordered to pay restitution and community service. The power was restored and the relationship continued until around Thanksgiving of this year. After being disconnected for non-payment in October, the meter was removed. While in the area on December 23rd, I found that the socket had been opened and that a set of solid jumpers was inserted in the meter can. Two days before Christmas is not the ideal time to call the law for current diversion. But this was the fourth time in less than a two year span. The thought of calling the law out on the Christmas holidays was not first on my list, but the other member owners were carrying the load.

I called the law, documented the events, the service crew retired the triplex from the service pole, and the fourth meter tampering had been wrapped up. As I was writing this today we filed on two separate diversions at the same location in one county where we removed two metal spatulas from the socket. Also we removed the meter and tripped the transformer in our home county, and completed the paperwork and charges in the other side of the state where an incense stick was jammed in the bottom of the Cooperatives meter. That is going from the west coast of Florida just three miles from the Gulf of Mexico to within twenty-five miles of the space coast on the other side of the state.

One thing I would like to leave with all who read this is the importance of the meter reading crew to be the eyes and legs of the Company, Utility or Cooperative they represent. They have been a vital part of our total program and have saved many revenue dollars by taking the time and following through as our first line of defense. So while we still do not wish to entertain the Unwanted Customer we need to continue to encourage those who are our link between the company and the bad guys!

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Hey! Where Does That Wire Go?

IURPA

THE EAGLE EYE SOUTHERN CALIFORNIA EDISON REVENUE PROTECTION NEWSLETTER

The Cypress P.D. notified Revenue Protection about a possible Marijuana grow at an address in Cypress. After driving by the residence Revenue Protection Department Investigator Steve Lefler determined that a pole top meter at this location would probably not be a wise choice. The pole was very close to the customersí property line and the house backed up to a wash. It was therefore decided to not set a poletop meter to avoid alerting the customer. Instead the P.D. (police department) it agreed to notifyRevenue Protection when

a search warrant was served. Once the search warrant was served Revenue Protection would then check the electrical panel. (This turned out to be a good decision.)

When the search warrant was served a Marijuana grow was discovered at the residence.



InvestigatorsSteve Lefler and Art Chico proceeded to the residence and conducted a thorough inspection of the electrical panel. No infractions were found in the panel. Next the attic or crawl space area of the residence was checked. The investigators noted a large black romex type wire was originating from the approximate location of the riser section of the meter panel. It went through the attic to the area where the Marijuana grow was located. After crawling to where the wire appeared to start, it was determined that the wire did not originate in the crawl space, but from a lower portion of the wall of the house. The investigators concluded this wiring was added somewhere near the back of the panel on the lowerpart of the riser pipe. They removed a section of drywall near the back of the panel revealing a bypass created by cutting out a section of the riser pipe and allowing unmetered access to Edison wires.

Attached to the three Edison lines were three connectors that would pierce the wires when tightened. Once pierced, other wires could be added to the without the need to alter the Edison lines. After finding the bypass, Steve and Art obtained amperage readings and completed an equip-



ment inventory to determine an estimated amount of usage. It was believed that the grow had been there at least a year, based on information the perpetrator provided to the P.D. Using that information as a basis, an estimate of loss of energy was given at \$14,000.

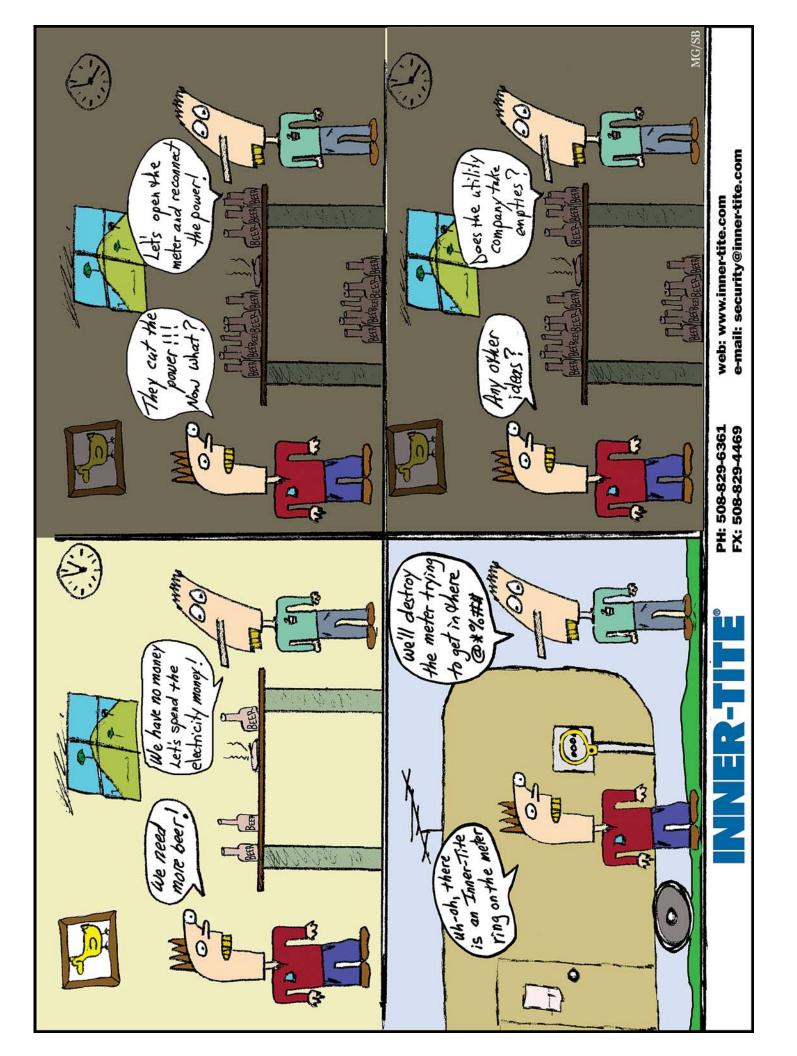
At this time it is believed this bill will be difficult to collect. However the value given to removing a

hazardous condition cannot be understated since this is a service to the community. Great job Steve and

Art!



Phone: 203-384-2281 Fax: 203-368-3906





IURPA • 12 Years

The International Utilities Revenue Protection Association was founded in 1990 to protect member utility companies worldwide from revenue losses associated with unauthorized use of service. In twelve years, the organization has grown from a small regional group into an association that includes representatives of more than 400 utility companies around the world.

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