

METAL THEFT TRENDS 2015

Law Enforcement and the Private Sectors Approach to Combating the Problem

Joel Squadrito-Corporate Security Director for Steel Dynamics Inc.



WHAT DRIVES METAL THEFTS

- The Commodity Market- Pricing. When Prices are up Thefts are Up.



WHAT DRIVES METAL THEFTS

- Opportunity- “We make it too easy to steal.”
- Lack of Enforcement of Scrap Laws.
- Lack of substantial punishment to those stealing the materials and those buying the stolen materials.
- Lack of Manpower and Law Enforcement resources to combat the problem.
- Lack of standardized Laws from State to State or Jurisdiction to Jurisdiction.

FERROUS VS. NON-FERROUS PRICING

Ferrous

These Items are magnetic.

- Steel
- Iron
- Autos

The commodity is commonly paid by the ton.

Non-Ferrous

These Items are non-magnetic

- Copper
- Aluminum
- Brass
- Stainless Steel
- Catalytic Converters

The commodity is commonly paid by the pound.

THE PROBLEM WHEN SCRAP LAWS ARE NOT ENFORCED



COMPLIANCE LAWS ARE YOU FIRST LINE OF DEFENSE

Who Must Comply

- Scrap Yards-Scrap Buyers
- Core Buyers
- Auto Parts Salvage Yards
- Sellers of Scrap

Verify your Jurisdictions State and Local Laws

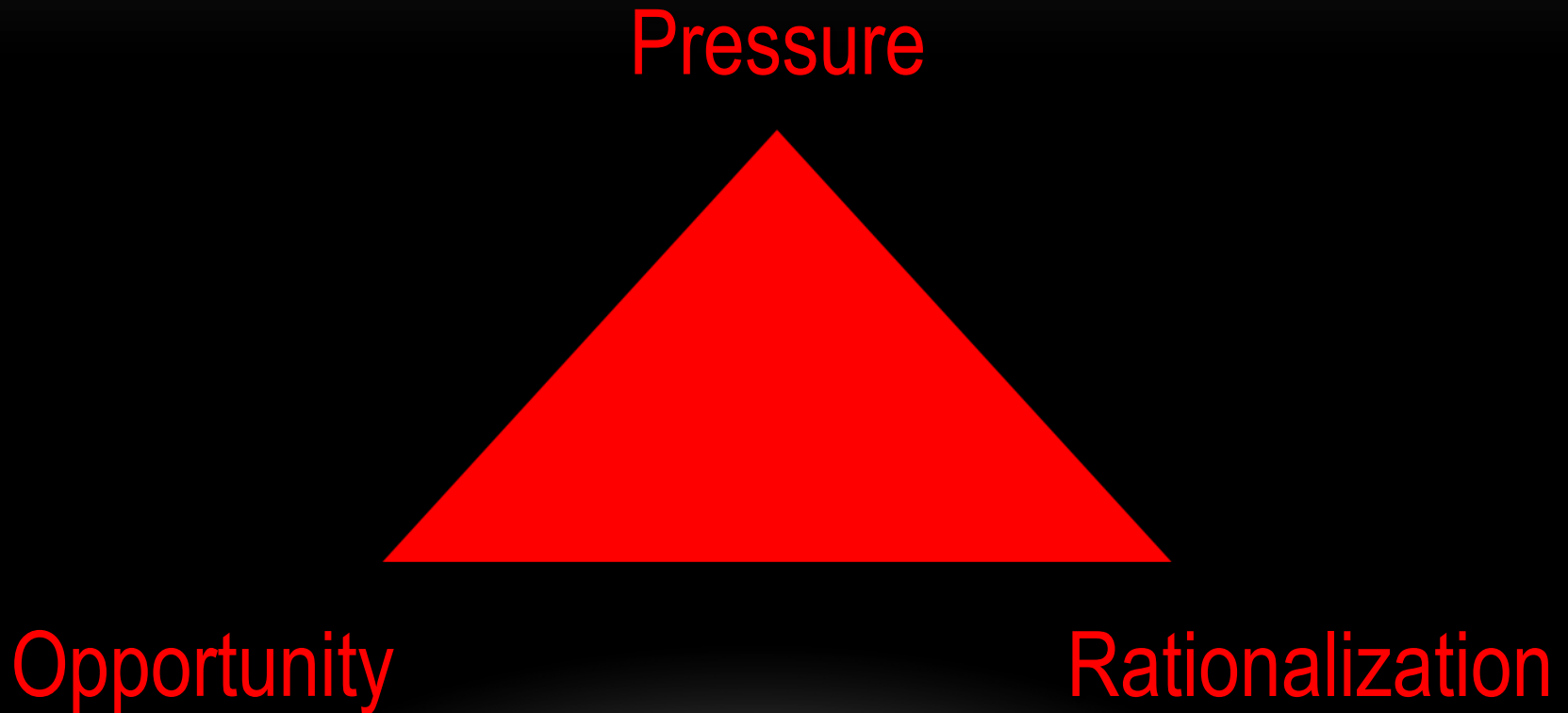
www.scraplaws.com

SCRAP METAL THIEVES ARE INVOLVED IN OTHER CRIMES

- ▶ Narcotics
- ▶ Auto theft
- ▶ Burglaries
- ▶ Robberies
- ▶ Embezzlement / Theft from an employer
- ▶ Arson
- ▶ Insurance fraud
- ▶ Driving offences
- ▶ Tax evasion
- ▶ Organized crime



THE FRAUD TRIANGLE



PRESSURE

The underlining cause for most people to steal.

- They find themselves in what they believe to be a desperate financial situation which creates a desperate act.
- Substance Abuse.
- Vices.
- Living above their means.
- Greed.

RATIONALIZATION

The Employee Believes:

- They are “owed” by the company.
- They are disgruntled with the Company/Management.
- They are just “borrowing” it and will replace it.
- They believe that the Company can absorb it.
- They see others doing it.

OPPORTUNITY

Our #1 Asset Protection Internal Problem.

The Only side of the triangle that we can control.

“We make it too easy to steal”

Reduce the opportunity and reduce your loss.

OPPORTUNITY

Some of our operations are surrounded by high risk potentials.

- Materials can be easily stolen and resold.
- Lack of Security infrastructure and mindset.
- The location where the job site may be – high crime rate area.
- The ability to create fraudulent materials lists or billing.
- Collusion with other employees or non-employees.
- Vendor involved billing and purchasing fraud.
- Inventory adjustments and inaccuracies that are not questioned.
- Anytime that cash is accessible.

LOSS OF ASSETS

Why does this happen? How do we reduce this?

- Failure to secure the materials-poor security infrastructure.
- Failure to Supervise, Manage, Observe and Communicate.
- Lack of “Separation of Duties.”
- Inadequate hiring practices.
- Lack of training, educating and communicating- both internally and externally.

INTERNAL AND EXTERNAL THEFTS



- Total Number of Arrests 11.
- Thefts took place over three years.
- 178,000 pounds of copper stolen.
- Loss to our Company-
\$750,000.00



INTERNAL AND EXTERNAL THEFTS



Supervisor, with 19 years of Service



Over 4,100 lbs. of Copper
Valued at **\$12,000.00**

Spotted by an Observant Co-Supervisor

INTERNAL THEFTS-WHAT WENT WRONG AND WHY?

Lack of Controls

- Insufficient inventory controls.
- Lack of properly working security cameras.
- Lack of properly working alarm systems.
- Failure to secure the property at closing.
- Employee's involved that had full access to the property.
- Scrap companies that purchased the materials with out questioning the source.

EXTERNAL METAL THEFTS

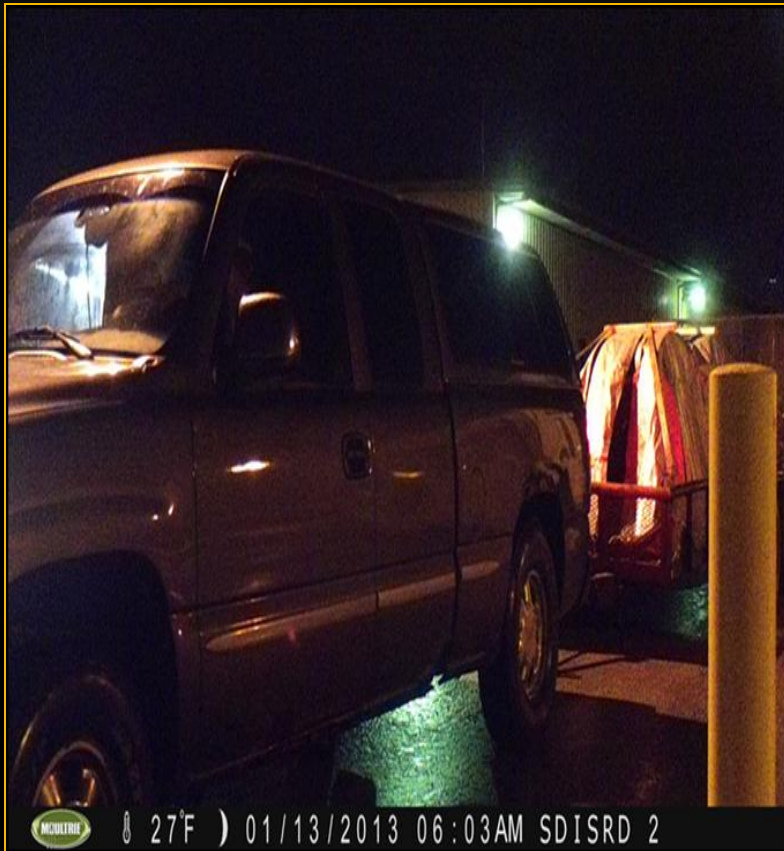


This is a clue!!!!

“DON'T JUDGE A BOOK BY ITS COVER”



EXTERNAL THEFTS



UTILITY MATERIAL THEFTS



EXTERNAL THEFTS



Thefts from outside electrical company storage areas/ substations. 21

COPPER BUSS BAR AND GROUNDING WIRE



SUBSTATION THEFTS



CABLE AND WIRE THEFTS



CABLE AND WIRE THEFTS



GAS COMPANY THEFTS



GAS COMPANY MATERIALS



VARIOUS UTILITY MATERIALS



COMMERCIAL/INDUSTRIAL TRUCK CATALYTIC CONVERTERS



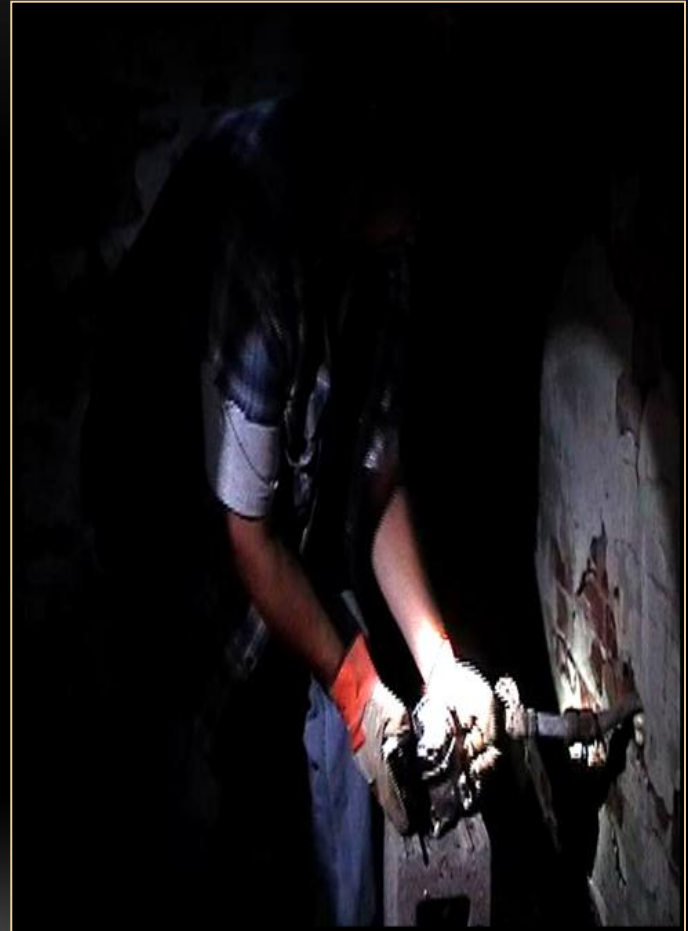
COMMERCIAL/INDUSTRIAL TRUCK BATTERIES



CELL TOWER – SUB STATION BATTERIES



BRASS WATER METERS



COMMUNICATION MATERIALS



TOOLS AND TOOL PARTS




SCRAP SCALE DATA

01/14/13		EN Advanced Identity		ENR - Image	
Advanced Identity				Enrollment - Basic Search - All Details	
Financial	Accounting	Purchasing	Sales	Operations	Master Data
Identify Information for Student # 24261 Transaction Date: 01/01/13					
<u>IG Information</u>					
License # 11106-11-4999 Date of Issue 04/23/08 Last Name: MICHAEL Full Name: MICHAEL MICHAEL MICHAEL Address: 1001 REPTON DR City: FORT WORTH Phone no: 817-335-1111 Gender: M Race:		SSN: 99-99-9999 Employer: Green LLC First Name: MICHAEL MICHAEL		Social SSN Social Date Social Name:	
<u>PERSONAL INFORMATION</u> Vln Tag: SSN: M Tr Tag: SSN:		SSN: M Vln Tag: 01/01/13 Tr Tag: No Comment:		Postal Code: 76102 Eye Color: BPO Hair Color:	
<u>Other Information</u> Single: Yes Education: High		Vln Tag: 01/01/13 Tr Tag: No Comment:		Vln Description: PORTAC Tr Description:	
<u>Employer Information</u>					
Employer Name: Employer Address: Employer City: Employer State: Employer Phone No:		Employer SSN:		Employer Postal Code:	
Information Center Main Contact Support					
© 2013 Systems Alternatives International, LLC					



ANALYZING DATA

- Compare your loss to the sales records
- Determine if the seller is a Contractor
- Compare the UCR's to the address of the seller and Scrap Dealer
- Obtain Vehicle Information and run the license plate to link names with suspects
- Determine if only certain Scrap dealers are buying the materials
- Review photos for additional potential suspects
- Most metal thieves have distinctive patterns
- Dates and Times of sales are very important-"They steal it on Sunday and sell it on Monday"

leadsonline.com									
Customer's Name MCCARROL, ERIC S					Ticket Date 3/17/2014		Ticket Number 489495		Ticket Type Buy
ID IN 8919-20-115		DOB 12/30/1959			9:12AM				
Address 2612 CASTLE DR					Creditor Hoosier Metal Recycling				
City FORT WAYNE		State IN		Zip 46808		2222 W. Coliseum Blvd. Fort Wayne, Indiana 46808			
Phone					Phone: 260-482-1213 Fax: 260-482-2881 Clerk: 9 ~ Supervisor, Admin				
ID 2	Sex M	Race N/A	Eye Color BRO	Hair Color N/A	Height 6'0"	Weight 190			
Customer's Vehicle	Year	Make	Model	License Number	License State	Color			
Item Listing						Weight (lbs)	Amount (\$)		
Description BARE BRIGHT						3702.00	99,995.40		
BARE BRIGHT - Image 1 of 2									
									

TARGETING THE THIEF

- Directive Patrol to locate possible target suspects
- Active surveillance of your locations and assets.
- Active surveillance of scrap dealers.
- GPS on your assets.
- Scrap data base searches.
- Utilize tips, informants and whistleblower programs.
- Network with your Narcs, Patrol Units and Code Enforcement.
- Mark your materials. (Class discussion)
- Interviewing the suspects are key.



INTERVIEWING THE SUSPECT

Try to determine:

- Who is involved.
- How long they have been stealing.
- Who are they selling the materials to.
- Do they have a certain person at the scrap yard that they deal with.
- Who else are they working with.
- How did they steal the materials.
- Other crimes that they may be aware of being committed with in the company.
- Are others involved.
- How would they secure the assets.

TARGETING THE CORRUPT SCRAP DEALER

Things to look for and consider:

- Compliance violations are your first indicator of a potential problem.
- Lack of cooperation with Law Enforcement or the Victim.
- Knowingly and intentionally purchasing stolen or prohibited materials.
- Conduct surveillance of the Scrap Dealer- After hours and weekends.
- Lack of records upon request or subpoena.
- Directive patrol in the area of the scrap dealer.
- Scales may not be accurate. “Short weighing” or not paying the true market value.
- Undercover operations and sales are similar to a “controlled drug delivery.”

ISRI SCRAP THEFT ALERTS

SCRAP THEFT ALERT.COM

General Information



Institute of
Scrap Recycling
Industries, Inc.



Canadian Association of
Recycling Industries
Association Canadienne des
Industries du Recyclage

Reference Number: [MI2015042972366](#)
Title: Copper
Date of Occurrence: 4/29/2015
Location: Detroit, MICHIGAN
Value: 200.00



[0917131446a \(1024x576\).jpg](#)

Photos:



[1108131228a \(1024x768\).jpg](#)

Materials Information

Materials: Metal - Copper and Brass
Details: New copper wire, #6. Taken with coating still attached but may be sold bare.
Color: Copper
VIN:
Name Brand/Serial#:
Weight:
Copper Wire, Pipe or Similar?: Yes

- Length: 300
- Diameter: 0
- Insulation Color : Black

Law Enforcement Information

Agency Name: Detroit Police
Officer Name: N/A
Phone Number: (313) 898-5833
Email Address: N/A
Case Number: N/A

How You can Help

- Should you encounter (or if you have encountered) someone trying to sell this material, contact your local police immediately. Additionally, please contact the police department identified as handling the theft investigation.
- Please share this theft alert with your local law enforcement and with other scrap yards in your area.
- If you are involved in the recovery of this material and/or the arrest of a suspect, please respond by e-mail to thefalterhelp@isri.org.
- It is always helpful to law enforcement to have as much information as possible, including details about those attempting to sell the material and about the vehicle they are driving.

ISRI portal system (Please do not reply to this automated message)

COMMENTS AND QUESTIONS

- Education
- Communication
- Cooperation

CONTACT INFORMATION

- Joel Squadrito
Corporate Security Director –Steel Dynamics Inc.
7575 West Jefferson Blvd.
Fort Wayne, Indiana 46804
Cell 260-705-0941
Office 260-469-4369
joel.squadrito@steeldynamics.com

