



Guilty as charged...

Five men found guilty on charges of conspiracy to steal, theft, robbery and handling of stolen plant to the value of £688,000...

The men, who appeared in Crown Court on 13th April 2005, were arrested following an Essex Police investigation started by TER with the National Criminal Intelligence Service (NCIS) in 2002. Det Chief Supt Wil Kennedy of Essex Police Crime Squad, which investigates organised crime within Essex, said he was "grateful to TER for its invaluable assistance in the investigation of this group of organised criminals actively engaged in plant theft."

"The investigation was started following liaison with Essex Police, TER and NCIS at the end of 2003, and following on from that a covert investigation took place", added DCS Kennedy. "The standard of the ringing operation was very skilled and TER examiners were essential in the identifying of some of the true vehicles. The investigation showed that with the right liaison and assistance a successful investigation could be carried out, culminating in a successful prosecution of these types of offenders."

TER research in 2002 revealed a rapid rise in the reported theft of telehandlers, the theft of which has doubled year on year since 2001 so that by last year 153 telehandlers worth £3.5M were stolen. This was combined with a number of 'due diligence' calls to TER from prospective purchasers of telehandlers who were being offered stolen telehandlers from one source. TER amassed considerable intelligence on the

case and passed the information to NCIS where it was developed further by intelligence analysts. In November 2003 TER encouraged Essex Police to request the intelligence package from NCIS, which they did, and in January 2004 Essex Police began a four month covert operation, closely supported by TER, to investigate the case, during which one of their surveillance vehicles was deliberately rammed.

Seventeen Manitou, Caterpillar and JCB telehandlers, and one JCB 714 dumper truck, worth a total in excess of £500,000, were identified and recovered by TER during the operation on behalf of insurers such as Mayflower, Royal & Sun Alliance, Allianz Cornhill Engineering, Norwich Union, ACE Europe, AXA, Zurich and HSB Houghton and also for companies such as George Wimpey, Countryside Properties and Gamble Jarvis.

Examination of the telehandlers showed a considerable level of ingenuity by the criminals who had professionally re-identified the stolen telehandlers so that they were showing the identity details of machines which had been sold by their manufacturers in New Zealand, America, the United Arab Emirates, Spain, Portugal, France and Italy. The re-identification not only included alterations to the serial number plate and the stamped-in number, but even to the engine and axle numbers. All the stolen machines had been 'fenced' into the legitimate used equipment market where they had been sold on to innocent purchasers. TER estimate that there are around £8M of stolen re-identified telehandlers in circulation in the UK at present! Sentences totalling 18½ years were handed down to the five guilty men.

30 telehandlers worth £1.3m have been stolen so far this year!

TER Registration

Four reasons why insurance companies should be making TER registration a condition of equipment insurance:

- **The Home Office** recommends TER registration
- **Association of British Insurers (ABI)**: say that TER registration is a corporate and social responsibility, and reputational issue for insurers
- **Financial Services Authority (FSA)**: place an explicit requirement on insurers to reduce fraud and money laundering
- **TER**: TER registration is a risk management initiative which will improve the insurer's and their client's risk management, allow TER to value equipment fleets, and improve the rate of stolen equipment recovery



30 telehandlers, similar to this articulated telehandler, worth a total value of £1.3m, have been stolen so far in 2005

Stolen so far this year: 160 excavators valued at £1.6M, 40 dumpers valued at £500,000, 300 trailers valued at £450,000, 30 telehandlers valued at £1.3M & 20 tractors valued at £1M



Going, Going... Caught !



Insurance is founded on the principle that the majority of policyholders share the risks of the unfortunate minority, all contributing to a common fund to protect the few who suffer a loss. In the equipment owning and using industries the 'unfortunate minority' has caused a dramatic rise in insurance charges and the level of excess. Part of this is caused by the continuing high level of equipment theft, and part caused by a significant and persistent minority of policyholders whose sole intent is to defraud their insurer.

In TER's experience insurance related frauds fall into a number of different categories:

- **Under-valuation of fleets by clients.** The insurer's premium is based on the client's own valuation of their equipment fleet. If the client undervalues their fleet the insurer receives less premium than they should
- **Sell the equipment, report the equipment stolen to the police, make an insurance claim for the 'theft.'** Or, hire it in, sell it, report it stolen, make an insurance claim
- **Arson.** Deliberately destroy the equipment with the intention of making an insurance claim
- **Claims exploitation.** A theft occurs, but when the claim is made it is for considerably more than the true value of the loss. This can also include unsupported multiple claims
- **No equipment claim.** No theft occurs, indeed no equipment is owned by the client, yet a theft is reported for the non-existent item and an insurance claim is made
- **Recovered stolen equipment.** Following a theft the client is paid out by the insurer which takes title of the stolen equipment. Subsequently the equipment is recovered by the police who return the equipment to their client, who does not admit that they are no longer the titleholder

Now that the Financial Services Authority (FSA) have made tackling fraud a key objective for insurers, all insurers are putting in place strategies to prevent, detect and contain fraud in the interests of the majority of their policyholders who have borne the brunt of the huge costs of fraud.

TER registration for equipment owners and users is a fundamental cornerstone of the counter-fraud strategies now being rolled out by insurers to tackle equipment related fraud.

On 9th March 2005 TER received a call from the police at Fleetwood Docks in Lancashire. The police wanted TER to check the identity of a JCB 530-175 telehandler which was leaving the UK for Dublin Docks in Ireland. On receiving the call the TER operator believed that the serial number given to him by the police officer was too high, in other words he thought that JCB had not yet made that serial number. On contacting JCB, his suspicion was confirmed. He called the police officer back and asked him to look in another place on the equipment and recover the serial number from that location. This number was different from the one on the plate and the one on the chassis, in that two '6's in the true number had been replaced by two '8's on the plate and on the chassis. When the police officer re-examined the numbers he could see that the two '8's had over-stamped the two '6's.

On checking the true number on the database TER made an immediate match with a telehandler which had been stolen from a site at Chinnor in Oxfordshire on 7th March 2005, while on hire from GE Capital to Leadbitter. GE Capital had reported the theft to TER on 8th March. Not only do GE Capital register their equipment fleet with TER, but they also immediately report equipment thefts to TER. When TER contacted Leadbitter's head office they were not even aware of the theft and neither were their broker or insurer (Allianz Cornhill at Birmingham). The police in Lancashire seized the telehandler in order to carry out a forensic examination before they released it back to GE Capital. Investigation by TER showed that the telehandler had been collected by the Northern Irish haulier from a yard in Luton, Bedfordshire, with a number of other items. Enquiries are continuing.

Fraud is a huge problem for insurers. The identity of this burnt out £60,000 John Deere tractor would have been used to reidentify a stolen tractor. This chassis would then have been burnt again and fraudulent claim submitted for a new tractor...



£2m+ of tractor telehandler thefts in regular weekend rural raids...

Between 2300hrs on 18th March 2005 and 0100hrs on 19th March a criminal gang, believed to be closely connected to terrorist fund raising, broke into a John Deere dealership in Leicestershire and stole a £48,000 JD3420 telehandler and a £70,000 JD6920S tractor. At 0300hrs on 19th March a police patrol from Lincolnshire Police stopped a Scania arctic unit (green with red bumpers) hauling a trailer carrying a telescopic handler and a tractor. The vehicle was being driven towards Immingham Docks in Humberside. As the vehicle came to a halt the driver ran from the vehicle and disappeared into the night. On investigating the cab the police officers found a Stihl saw cutter, a warm cup of takeaway coffee, and an index plate - the number on which did not match the plate on either the Scania tractor unit or the trailer, both of which were different anyway. The police officers contacted TER and we advised them, given the available evidence, to take the vehicle and load into secure custody pending formal identification. The police recovery agents deployed to the scene and recovered the vehicle and equipment to secure storage in Lincoln pending TER's identification of the equipment and the deployment of a Scenes of Crime Officer (SOCO) to gather any potential evidence.

Later on 19th March TER identified the dealership in Leicestershire from where the telescopic handler and tractor had been stolen, and informed the Lincolnshire and Leicestershire Police. Arrangements were made for a representative of the dealership to travel to Lincoln to formally identify the stolen equipment.



A John Deere 6920S tractor, similar to the one stolen from a John Deere dealer in Leicestershire

At 0520hrs on 21st March the police recovery yard was broken into, the recovery vehicle in the yard was used to smash down a section of the fencing and the Scania tractor unit, trailer, the stolen telescopic handler and tractor, and the potential forensic evidence was stolen back from the police. TER alerted all ports and police traffic units, but the equipment remains outstanding as stolen.

Assessment: This theft was part of a continuing programme of thefts of new John Deere and Case New Holland tractors and telescopic handlers, which started in August 2004 and continues from previous criminal operations in 2001 which targeted used tractors from UK farms for export, reidentification and sale into the Republic of Ireland. 44 tractors valued at £2M+ have been stolen since August 2004. The criminal operations are believed to be conducted by an Irish based gang with close connections to terrorist fund raising. Equipment stolen by this gang is known to have been exported to Eastern Europe having been comprehensively reidentified. The likely criminal course of events was that, on baling out of the Scania tractor unit as it was stopped by the Lincolnshire Police, the driver contacted his back up vehicle, probably containing other criminals involved in assisting with the theft in Leicestershire. The criminals RV'd close to the police stop site and observed the police activity. As the vehicle and load was recovered to police storage it is likely that the criminals followed them before making their own plans to seize and recover their vehicle, the stolen property, and the potential forensic evidence. It is likely that the stolen equipment has now been exported, as the criminals originally intended.

Targeting information: Two+ new John Deere and Case New Holland tractors or telescopic handlers in load; movement overnight and particularly over a weekend; unmarked tractor unit hauling; heading towards ports.

Lessons identified for:

Police: If driver absconds on stopping consider requesting helicopter with a thermal imaging capability, and additional police patrolling in the immediate area of the stop area to intercept or deny entry to the criminal's back up; if driver present, check driver's identity and movement authority documentation; search cab for signature equipment and documentation; check equipment identification data with TER.

John Deere and Case New Holland: Register all new and used equipment sales with TER in line with Home Office Plant Security Guidance - www.secureyourmotor.gov.uk/othervehicles/plantvehicles.html

Dealers: Secure all equipment over weekends, consider immobilisation and removal of engine management units; use correctly placed, high quality, covert CCTV; alarm perimeter fences and gates to alert an appointed security manager.

Auction Checker



Ritchie Bros, the world's largest equipment auctioneer, has asked TER to make a proposal to check its sales lots prior to auctions. TER has offered to register equipment sales made by RB Auctions on behalf of clients and to partner them with our valuations service for equipment insurers, banks and purchasers.

Check before you buy...

When you buy at auction or from a used equipment dealers, what checks are you making on the equipment prior to purchase? Is the equipment stolen or is it on finance? You don't know unless you check. Call TER for a £25.00 + VAT check on the equipment's registered finance and ownership status. See our website for full terms and conditions.



From Diggers, to Degas & Diamonds!

You may be interested to know that TER is part of a group of companies which includes the Art Loss Register (ALR) and Loss Management Group (LMG).

The Art Loss Register (ALR) operates the international register of stolen art and antiquities and works with auction houses, dealers, the police and insurers to identify and recover stolen items of art. The ALR also researches, identifies and recovers art stolen by the Nazis from across Europe



during WW2. Victims of art theft report losses to the ALR, and buyers ensure that the dealer or auction they are buying from produces a valid ALR Search Certificate to show that no other party has registered an interest in the art or antiquity. The most valuable item recovered by the ALR to date has been a Cezanne painting called *'Nature morte: bouilloire et fruits'* which had been stolen from a private home in Boston in Boston, USA in 1978. It was recovered in Switzerland and sold at Sotheby's London in December 1999 for £18.2 million. Find out more at www.artloss.com

Loss Management Group (LMG) is a claims validation service for jewellery claims. Insurers pay out around £200M annually to settle jewellery claims. If you are unfortunate enough to lose, damage, or have stolen, your jewellery, watch or collectible, the chances are that your insurer will ask



LMG to call you to discuss your loss. You will speak to an expert who will assess the loss, agree settlement of the claim, and send you certificates which you can exchange for the item(s) that you lost at over 1,400 jewellery stores, or you can even arrange a home visit. Both LMG and the ALR will help you to source and replace, as closely as possible and with your approval, the item you lost. Find out more at www.lmg.co.uk

New Crime Fighting Resource For The Police...

The Metropolitan Police Service (MPS) has requested TER's assistance with a plant and equipment section to be added to the MPS website and other participating force intranet sites by the end of May 2005. This resource has been provided as part of a current multi-agency operation targeting organised criminal activity, which in some instances has been used by paramilitary groups/organisations for fundraising. TER's contribution to this operation, which is ongoing, is to provide theft indicator details - what officers should look out for when on patrol - and to highlight current threats. Police officers should contact TER for further details.

Subscribers - Keep Us Updated!

It's vital to keep our records up to date. We need to know ASAP if you have bought new equipment, sold equipment and especially if you have had equipment stolen. Equipment gets moved extremely quickly, usually heading to the ports or to have its identity changed and then sold cheaply. We assist the ports and the police, **if we know it's stolen we can try to stop it!**

Equipment loss increases your insurance premiums and increases your policy excess. Less than 10% of equipment gets recovered, we want to significantly increase this - if we don't know what is stolen or who owns it, we can't help! If you need any assistance or require any new forms or warning labels please give us a call - we're here to help!

What you can do...

Look at the Home Office Reduction advice website: www.secureyourmotor.gov.uk/toptenplant.html

Be wary of machines being sold too cheaply from a man at the pub or the service station!

Check before you buy! We offer pre-purchase enquiries for £25.00 + VAT...

Don't turn a blind eye! Tell us if you come across something suspicious or useful information - think how you would feel!

Information

If you have any information on equipment theft, please call us on **01225 464599**. This information helps us to correctly identify stolen equipment and return it to its owner - which could be you!

Useful Contacts

Home Office crime reduction advice: www.secureyourmotor.gov.uk/othervehicles/toptenplant.html

TER



THE NATIONAL PLANT & EQUIPMENT REGISTER

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