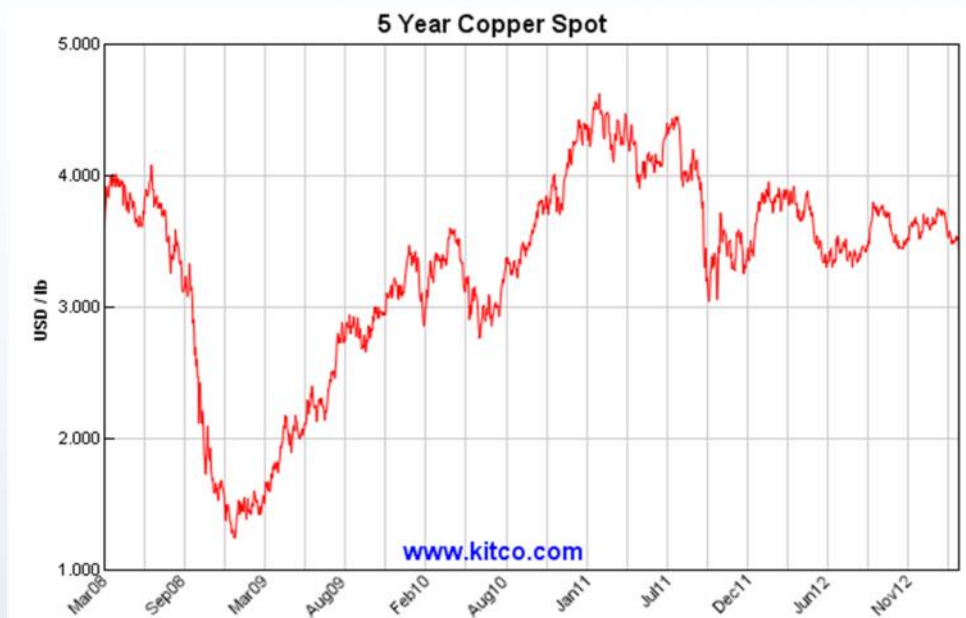




Preventing Copper Theft

The cost of copper has increased dramatically over the past several years. In 2001 the price of copper was in the neighborhood of \$.70 per pound (US Dollars). Today the market cost of copper is over \$4.00 per pound. Global markets have increased copper demand; particularly in China and India; a poor economy and increased foreclosures are also helping to increase the cost of copper. Directly proportional to the increased cost is the desire for thieves to target areas of vulnerability, strip the area of the precious metal and sell it to recyclers. A valuable commodity, copper wire from generators and electrical motors can be sold to salvage yards resulting in a significant payday for thieves.



Demographic of a Copper Thief

According to a September 15, 2008, report by the Federal Bureau of Investigation (FBI), copper thieves are threatening the US infrastructure by targeting electrical sub-stations, cellular towers, telephone land lines, railroads, water wells, construction sites and vacant homes. These thieves are often drug addicts, gang members or metal thieves working individually or in organized groups.

This fact sheet is not intended to be exhaustive. The discussion and best practices suggested herein should not be regarded as legal advice. Readers should pursue legal counsel or contact their insurance providers to gain more exhaustive advice

For additional information on this topic please contact ACWA JPIA Risk Control Department, Terry Lofing, Administrative Assistant (tlofing@acwajpia.com) or 800-231-5742



Loss Prevention

Many states have increased regulation on scrap metal dealers. Unfortunately, there are limited resources to enforce such regulation and their efforts are having a minimal effect on individual and group theft rings. With that, it is incumbent upon contractors, building owners and building occupants to be aware of the exposure and take proactive steps to reduce the possibility of theft. A little creativity doesn't hurt either. One of Alliant's builders actually paints all their copper piping black to discourage thieves from stealing the material from their job sites. Painted black copper pipe can appear to be black iron steel pipe from a distance. The coat of paint devalues the copper to recyclers by up to 70%. Most thieves will not take time to de-contaminate the pipe and understand that contaminated pipe reduces their "pay day" significantly.

Security Best Practices

One or more of the following practices will help to reduce the risk of copper theft.

- J Environmental controls such as reducing blind spots created by foliage, material storage and other barriers will increase visibility from public ways, streets and highways. The facility or job site should have adequate lighting and perimeter fencing whenever possible.
- J Vacant buildings are an attractive target for thieves. If your facility or building will be unoccupied for a period of time, do whatever is practical to make it appear occupied such as installing timers on lights and keeping the area nicely maintained and groomed. Consider allowing neighboring businesses to use your parking areas or implementing any other plan that may make your building appear to be occupied.
- J Employing a guard service to patrol the area or remain on site during unoccupied hours will reduce the possibility of theft. Patrols should be inconsistent throughout these times and thorough.
- J Strategic location of valuable materials can also reduce the theft exposure. Make it difficult to access materials and create obstacles that will slow and dissuade loading efforts. Increasing the travel distance necessary for someone to get from a vehicle to the material will also help reduce your site's attractiveness as a target for a thief.
- J Inventory practices should follow "Just-In-Time" principles. This will help keep waste and overhead down and reduce the available concentration of materials throughout the job.
- J Perimeter alarms and detection systems should be installed whenever possible. This may include high resolution cameras, intrusion alarms and the like. Alarm systems should be connected to a central service that guarantees fast response times by the police or local law authority.
- J Some companies provide wireless tamper alarm systems or traceable micro chip identifiers to notify movement or trace materials respectively. In the event that such systems are used, or even if they're not, signs indicating the fact can often be enough to turn a thief away from your job site.
- J Lastly, always test your system. By doing so you will identify gaps in the security system that may otherwise have gone unrecognized. There is no "cookie cutter" solution that will work for all entities. However, understanding the risk factors and employing the proper combination of security systems and preventative measures will greatly reduce your chance of theft loss.



This fact sheet is not intended to be exhaustive. The discussion and best practices suggested herein should not be regarded as legal advice. Readers should pursue legal counsel or contact their insurance providers to gain more exhaustive advice

For additional information on this topic please contact ACWA JPIA Risk Control Department, Terry Lofing, Administrative Assistant (tlofing@acwajpia.com) or 800-231-5742