

GET IT BACK WITH
LO/JACK

1.877.775.6522


www.lojack.com

HEAVY CONSTRUCTION EQUIPMENT AND THEFT

A Widespread Problem

*The 2011 LoJack Corporation Study
On Heavy Construction Equipment Theft*

GET IT BACK WITH
LO/JACK



The criminal world has discovered a lucrative and growing market: heavy construction equipment.

This growing problem is extremely costly to owners of construction equipment, who not only lose valuable equipment, but also pay the price of business downtime. According to the National Insurance Crime Bureau (NICB), between \$300 million to \$1 billion a year is lost nationwide due to the theft of construction equipment and tools. A 2008 Cygnus Business Media Research Study commissioned by LoJack and NICB showed that the majority of equipment owners (a full 71%) have experienced equipment theft.

Despite the value of construction

equipment and the direct impact that equipment loss has for the independent contractor, for the multi-million dollar contracting firm and for the economy in general, few hard statistics are available that document the issue of construction equipment loss on the local, state or national level.

In an effort to document and develop a picture of what construction equipment theft looks like in many states across the country, LoJack Corporation compiled statistics from states and communities where construction thefts have occurred, and where police have succeeded in recovering LoJack-equipped construction equipment and vehicles.

During the twelve month period from January through December 2011, LoJack tracked theft reports in twenty-one states where equipment theft was reported and where construction equipment outfitted with LoJack led police to recover the stolen assets.

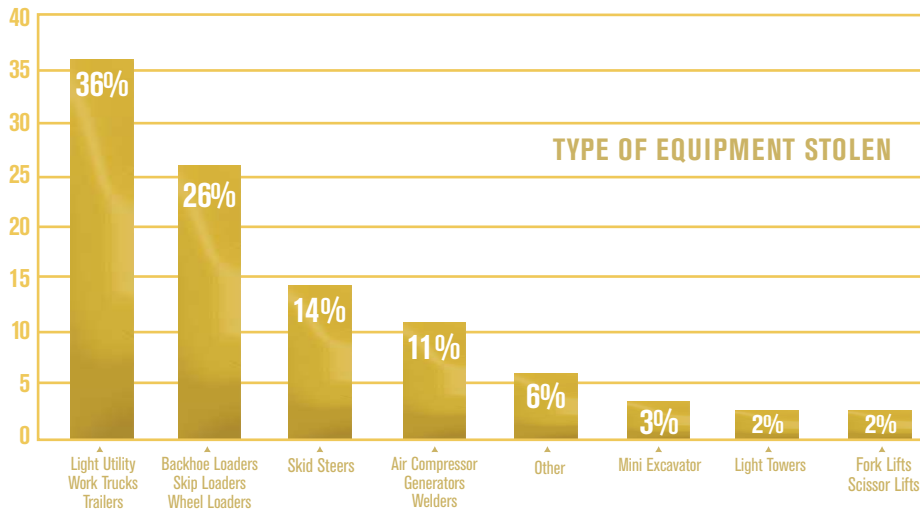
In those twenty-one states, police reported that after tracking stolen equipment with a LoJack device, forty people were arrested for equipment theft. Overall, over \$8,767,295 worth of commercial equipment was recovered in 2011 as a direct result of LoJack and since 2000 more than \$130,534,270 worth of stolen assets have been recovered with LoJack. LoJack realizes that the scope of the

company's research cannot paint a complete picture of construction theft in the United States. The company believes, however, that the data collected over the past year, and portrayed in this paper, does illustrate the widespread problem and may be useful to law enforcement and to equipment owners in the ongoing fight against crime.



Most popular equipment with thieves is the most popular on the jobsite.

The equipment recovery data illustrated the most popular types of equipment for thieves. While a wide range of equipment is stolen every year, the following categories (ranked by frequency of theft) proved the most popular with thieves in 2011:



Source: LoJack proprietary theft and recovery data.
©2012 LoJack Corporation.

1 LIGHT UTILITY/WORK TRUCKS AND TRAILERS

Light Utility Vehicles and Work Trucks have the look of a pick-up truck but can easily maneuver in tight spots. They often carry an array of expensive equipment and tools / parts needed for various jobs. They can be quickly disassembled and sold and are stolen for both their contents and their parts. Trailers are popular because they carry other equipment and are very popular pieces of equipment.

2 BACKHOE LOADERS/SKIP LOADERS/WHEEL LOADERS

Backhoes are multipurpose pieces of equipment needed on most jobsites. Since they can be used for many different jobs, they are a profitable piece of equipment. There is little visual differentiation from one backhoe to another and they all share a common key. So, they are prime targets for thieves based on the ease of theft and how hard they are to track.

3 SKID STEERS

Skid steers are a very popular smaller piece of equipment that is versatile and multifunctional and can be easily moved from jobsite to jobsite. Based on ease of transport and the high demand on a jobsite, skid steers are a common equipment type for thieves.

4 GENERATORS/AIR COMPRESSORS /WELDERS (TOWABLES)

Generators, air compressors and welders are versatile pieces of equipment, have high rental costs, and are easily attached to any trailer hitch. Generators are useful in the private as well as commercial sector and with such a high cost of energy today they are prime targets for theft. Air compressors and welders are also used universally in construction, and are attractive to thieves looking to use them on another job or resell them below market value.

The "2011 LoJack Corporation Study on Heavy Construction Equipment Theft" is based on state theft statistics and recoveries documented by LoJack in 21 states from January to December 2011.

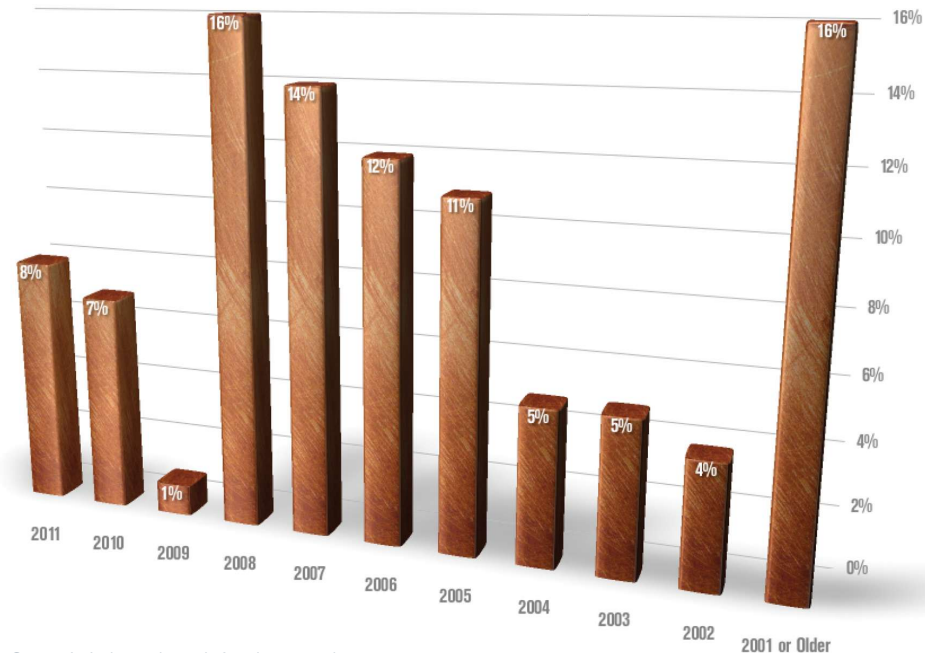
©2012 LoJack Corporation. All rights reserved. 40 Pequot Way, Canton, MA 02021.

Study on Construction Equipment Theft :: pg. 4

GET IT BACK WITH
LO/JACK

Newer models have greatest incidence of theft.

Not surprisingly, newer models are more often stolen than older equipment, as the resale value of new equipment is greatest. In 2011, 58% of the equipment stolen was five years old or less.



Source: LoJack proprietary theft and recovery data.
©2012 LoJack Corporation.

There are a few causes for this growth in theft:

- 1 Titling and registration of equipment is not mandated.
- 2 Equipment is identified by Product Identification Numbers (PIN)s, not the standard 17 digit Vehicle Identification Numbers (VIN)s used for cars and trucks.
- 3 There is a high demand for construction equipment.
- 4 There is often poor security – remote, poorly secured work sites on private land, “open” cab machines, and universal keys that work on a number of pieces of equipment.
- 5 It has become harder to detect theft.

Theft is concentrated in those states that have significant construction activity.

The occurrence of equipment theft and recovery were highest in those states where there are many active construction projects as well as those states that have an international borders or access to major shipping ports. Based on LoJack's recovery data, the states with the highest occurrence of equipment theft were:



1	California	6	New York
2	Texas	7	North Carolina
3	Florida	8	New Jersey
4	Georgia	9	Maryland and Washington
5	Arizona	10	Nevada

Source: LoJack proprietary theft and recovery data. ©2012 LoJack Corporation.

Theft is localized.

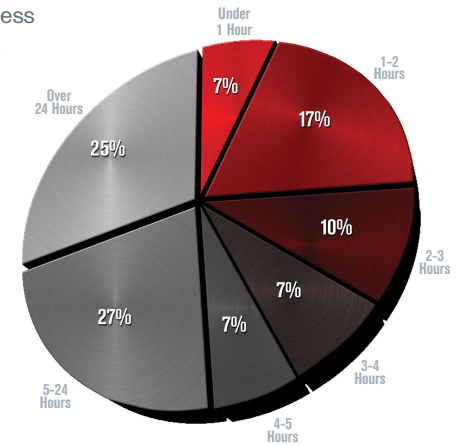
Construction theft continues to be a local issue. In almost 95% of the cases, the stolen equipment was recovered in the same state in which the theft was reported. It was either in storage or in use on a local jobsite. Unlike auto theft, which has a higher incidence in major cities around the country,

construction theft is prevalent in suburban areas, not city streets or urban areas. In particular, suburban regions where construction growth is prevalent and where construction vehicles are at work on active jobsites are high-risk areas.

Short recovery times result in minimal damage to equipment.

In 2011, 75% of the LoJack-equipped construction equipment was recovered in twenty-four hours or less after being reported to the police, with 7% recovered in less than one hour. This quick recovery has resulted in minimal damage for equipment managers outfitting their fleet with LoJack. The vast majority of equipment stolen and recovered with LoJack was undamaged. Conversely, the previously mentioned 2008 Cygnus Business Media Research Study showed that 59% of the responders who lost equipment due to theft did not recover it until one week later or longer, and it was returned damaged 92% of the time.

Source: LoJack proprietary theft and recovery data. ©2012 LoJack Corporation.



Industry's top brands are in demand.

1	Ford - 22%
2	John Deere - 11%
3	Caterpillar - 10%
4	Bobcat - 9%
5	Case - 8%
6	Ingersoll-Rand - 3%

63% of the thefts in 2011 were from the following top manufacturers, but there were thefts from a total of 57 different manufacturers.



Conclusion:

Based on LoJack's 25 years of tracking and recovery of mobile assets, it has become clear that thieves target lucrative properties that can be stolen with as little difficulty as possible, and then turned around quickly for cash. While police around the country have actively cracked down on auto theft, criminals who would have traditionally stolen automobiles have now discovered that equipment theft is also a lucrative business. The data collected during this twelve month review of construction thefts and recoveries begins to illustrate how and why construction theft is becoming an issue of concern to the industry as well as the police.

Note: This report represents an analysis of twelve months of construction recovery data by the LoJack Corporation. Every twelve months ongoing, the LoJack Corporation plans to report out an analysis of recovery data and relevant trends. To learn more about LoJack for construction equipment and recent recoveries, visit the LoJack website at

www.LoJack.com/Knowledge

Selected LoJack Recovery Stories

GET IT BACK WITH

LO/JACK

Recovered Mini-Excavator Leads NC Police to 11 Other Pieces of Stolen Equipment

A stolen, LoJack-equipped 2010 Takeuchi TB235 Mini Excavator was

tracked by three different North Carolina law enforcement agencies to a farmhouse in Johnston County. There, officers found 11 other pieces of stolen equipment worth

a total of over: \$150,000.
Nice work by law enforcement!

LoJack Helps NY Police Quickly Recover Stolen Backhoe Stolen Backhoe Hiding Out at Kennedy Airport

In this recovery, the owner of a Caterpillar backhoe locked it up at a job site in Queens and discovered it missing when the crew came back to work the next morning. Since the backhoe was equipped with a LoJack System, the owner immediately

called NYPD and reported it stolen. Within less than two hours, the Port Authority Police at John F. Kennedy International Airport picked up the signal and started tracking it to an area adjacent to the airport. There, they located the machine, which was parked in an area of the airport, and recovered it with no damage. The owner was contacted and was elated that his backhoe was recovered so quickly and in great condition.

Texas Department of Public Safety Recover Stolen Construction Equipment Using LoJack & Night Vision Goggles

When a construction company discovered that their rented 2005 Takeuchi tractor had been stolen, they immediately filed a theft report with the San Antonio Police Department. After all the pertinent information was gathered, the police entered the equipment's information into the National Crime Information Center computers, which

automatically activated the LoJack System covertly installed on the tractor. Later that same day, helicopter aircrew with the Texas Department of Public Safety received the silent homing signals from the stolen equipment with their LoJack Police Tracking Computers. The aircrew alerted ground units and directed them to the Pleasanton Road area of

San Antonio's Southside district. The helicopter crew was able to confirm the identity of the equipment, which was stored in an open garage of a residence, using night vision equipment.

According to the police, the approximate value of the equipment was \$10,000.

Selected LoJack Recovery Stories

CONTINUED



Police Bust Chop Shop Involving Construction Equipment Ready to Set Sail

When a 2006 yellow John Deere front-end loader/backhoe was stolen from a construction site near the Florida Turnpike, the workers reported the crime. The next day, a Broward County officer picked up on the LoJack signal. He followed it to a freighter docked on the Intracoastal Waterway that was being loaded, bound for Costa Rica, Venezuela and other South American countries. The deputy determined that the signal was emanating from the bow of the ship and recovered the equipment

VALUED AT: \$100,000.

\$1.5 Million Recovered From Chicago Chop Shop

When a 1996 Caterpillar backhoe on an open construction site was reported stolen, Chicago Police Department picked up the vehicle's LoJack signal within minutes. Authorities were led to a chop shop and recovered 60 stolen cars, two motor homes, two tractors, six pieces of construction equipment and several motorcycles within the confines of the warehouse. The operator of the chop shop, who had been arrested twice before for vehicle theft, was subsequently convicted.

THE TOTAL VALUE OF THE RECOVERY WAS ESTIMATED AT \$1.5 MILLION

\$1.25 Million Heavy Construction Equipment Theft Ring Busted

Thanks to LoJack and California Highway Patrol, Officers with the California Highway Patrol, Riverside County Auto Theft Interdiction Detail (RAID) and the Inland Division Investigative Services Unit (ISU) located a LoJack-equipped 2000 John Deere backhoe/ loader, which were stolen

from a construction company. The backhoe was tracked to a tractor-trailer rig heading north on a roadway 20 miles from where it had been stolen. A 10-month investigation led to five arrests and the recovery of 23 pieces of heavy construction equipment

VALUED AT: \$1.25 MILLION

Police Recover \$70,000 Worth of Property

While on patrol, the Chamber County Sheriff (Texas) picked up a LoJack signal coming from a stolen Miller Welder on a trailer. The signal led police officers to a residence, where the welder was recovered. Authorities also discovered several other stolen items, including a

Kubota tractor with a front-end loader, a John Deere riding mower and a lowboy trailer. In addition, several guns that had been reported stolen were found, and the homeowner was placed under arrest.

VALUED AT: \$70,000



ABOUT LOJACK

LoJack Corporation, the company that invented the stolen vehicle recovery market more than two decades ago, is the premier worldwide provider of tracking and recovery systems. The company's time-tested system is optimized for recovering stolen mobile assets through its proven Radio Frequency technology and unique integration with law enforcement agencies in the United States that use LoJack's in-vehicle tracking equipment to recover cars, trucks, commercial vehicles, construction equipment and motorcycles. The company's Stolen Vehicle Recovery System delivers a 90 percent success rate and has helped recover more than \$5 billion worldwide in stolen LoJack-equipped assets. Today, LoJack operates in 26 states and the District of Columbia, and in more than 30 countries throughout North America, South America, Europe, Africa and Asia.

For more information on how to protect your construction equipment from theft, visit the LoJack Knowledge Center at: www.lojack.com/knowledge

Copyright ©2012
LoJack Corporation.
All rights reserved.

