Engaging With Law Enforcement
Going on the Offensive Against Equipment Theft

PERG is working on the next phase of our industry’s fight against equipment theft. Soon PERG hopes to be able to announce our first Theft Summit to take place in Los Angeles. Its objective: to get LA-area law enforcement to focus more resources on our industry.

When a rental house suffers a theft, very often the shock of the event is followed by a series of disappointing revelations. First, they may be surprised to find that, in the case of theft-by-rental, their insurance does not cover the loss (see Are You Covered for Theft-by-Rental, p. 3). Adding insult to injury, the rental house often finds that the police cannot offer much help. If the equipment was freely handed over to the thief, the police do not take a report. The crime is fraud not theft. Even for a car robbery or break-in police may be reluctant to begin an investigation. Very often it takes months for the police to provide the rental house with a copy of the police report. There have been very few cases where police recover equipment or make an arrest. The best the rental house can do is report the loss to Rental Guard, and watch vigilantly to see if the equipment shows up for sale online. Our industry is forced into a defensive stance that does very little to deter future theft.

To truly change things, we have to change the balance of risk vs. return for thieves. PERG believes that, working together with law enforcement, we can shift this dynamic. Over the past two years PERG has worked to better understand what law enforcement needs in order to join the fight and put our industry on the offensive. Police are hampered in two ways. Generally, in big cities, detectives are focused on violent crimes, and thefts of $20,000 (or even $100,000) worth of movie-making equipment is just not a priority for them.

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PROTOCOL
Second, they may not have much to go on, and little hope of making an arrest.

As you may already know, our allies in the NYPD Major Case Squad are the exception. They have gone to great lengths to recover stolen equipment and have had success in prosecuting crimes. The Major Case Squad has a different priority than other police. They normally investigate major thefts, like bank robberies and jewel heists. Using data from Rental Guard, Detectives Martin Pastor and Anthony Diaz were able to show their department that, with industry-wide losses in the millions annually, our industry’s losses dwarf those from bank robberies. In addition, the detectives have Rental Guard as an immediate resource they can access from their phones (see To Catch a Thief-Lessons from a Recent Arrest, p. 5).

The detectives have made a study of our industry, even coming to NAB in April to learn more about the equipment. PERG provides the detectives with contacts throughout the industry. PERG established a tip fund that supplies law enforcement with cash they can use to gain information. They are quickly becoming experts on theft in our industry. At the same time they know how to talk to other cops, and they have been able to give other police departments valuable insight and needed motivation.

PERG is working to bring together the first Theft Summit in Los Angeles. In the past two years the rate of equipment theft in Los Angeles has been higher than any other city in the world (followed by New York and Miami). LA is a city made up of many different law enforcement jurisdictions. The goal is to bring together our experts from New York with the various law enforcement agencies in LA. With theft data from Rental Guard combined with the testimony of local rental houses, and the help of insurance carriers who are paying the claims, we believe we can get the attention of law enforcement in the Los Angeles area. By offering real resources and connections and providing political will, PERG hopes to jump-start a coordinated effort to take the offensive against equipment thieves.

However, before this can happen PERG needs to represent more of the rental houses in these jurisdictions. The more companies PERG represents the more creditable and the louder our voice. There is hardly a rental house in existence that has not felt the sting of theft. We’d like to show an overwhelming demonstration of concern from the rental industry. PERG is actively recruiting rental houses to join ESTA, and make PERG their voice with local law enforcement. LA PERG members currently include: Abel Cine, Birns & Sawyer, The Camera House, Camtec, Clairmont Camera, Duclos Lenses, Evidence Cameras, Illumination Dynamics, Keslow Camera, LiteGear, Panavision, Sim Digital, Stray Angel Films, and Wooden Nickel Lighting, Inc. We encourage all our members to reach out to your associates in Los Angeles, tell them about this important event, and urge them to join with their colleagues in supporting PERG’s efforts by becoming members.
Are You Covered for Theft-by-Rental?
Scott Taylor (Taylor & Taylor Associates)

I think everyone agrees that having equipment stolen by the renter is a real risk and a real concern for most equipment rental companies. We would hope that the rental company’s property insurance policy would cover this exposure. However, in reality many, if not most, property insurance policies contain language that makes it impossible for the rental company to collect against their own policy if the customer is the one who steals their equipment. Policies are written with the following exclusions:

Exclusion: Criminal, Fraudulent or Dishonest Acts. "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts alone or in collusion with another by... others to whom "you" entrust the property.

Exclusion: Voluntary Parting. "We" do not pay for loss caused by or resulting from voluntary party with title to or possession of any property because of any fraudulent scheme, trick or false pretense.

The good news is that not every property and/or inland marine policy contains exclusions like these. It should be each rental company’s goal to make sure their policy does not contain these exclusions and that they are properly insured against such a loss.

One final point, the rental house will not collect on the insurance provided by a customer as part of the rental requirement. Since the insurance is typically issued in the name of the customer (and/or their company), in theory, the policy would have to protect against a customer stealing from themself. Hence, the customer's policy does not cover this kind of loss.
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PERG and ProductionHUB are partnering to bring PERG members significant discounts on their ProductionHUB listing.

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The headline is: $135,000 of equipment recovered in Las Vegas. The thief—a notorious fraudster, with involvement in at least five other cases in New York, LA and other cities—arrested. That’s the headline, but for rental houses, the real lessons are in the details. The sequence of events in this story highlight three points: 1) time is of the essence after a theft. Reporting immediately to Rental Guard can make all the difference. 2) The police need Rental Guard as much as the rental companies do. 3) Police action requires a catalyst, and PERG can help provide that catalyst.

An individual in Las Vegas was approached with a great deal on some gear. He was suspicious and checked Rental Guard to see if it was stolen. The serial numbers didn’t match any reports so he bought some of the gear. A few days later, before trying to resell the gear, he decided to check one more time and this time Rental Guard told him the equipment had been stolen from Pro HD Rentals in Burbank eight days prior. If the conscientious Las Vegas buyer hadn’t checked again, the gear would have been gone for good.

The rental house that suffered the loss didn’t know about Rental Guard. When their equipment was not returned and then their phone calls were not returned, they blasted an email to their list of contacts. Fortunately, one or two of their contacts were PERG members.

Dan Toomey, president of Pro HD Rentals says, “Within hours of posting our theft on [Rental Guard] I received numerous emails from other rental houses stating that my thief, Rymil Johnson, had stolen from them.”

When he shared this information with the Burbank police detective suddenly there was real interest in making an arrest. Before, the case seemed relatively small and unimportant. Now the police were looking at a string of thefts all across the country with the same MO and the same name on the ID. The Burbank detective was now in touch with the New York police, where two of the thefts were committed. When the gentleman in Las Vegas called Toomey and told him, “I have some of your gear (and by the way I’m out $10,000)” Burbank police were fired up to make an arrest. However the district attorney’s office was hesitant to spend the money to dispatch him to Las Vegas to pursue the case. The Las Vegas police were not interested in pursuing it either. The case was in danger of being dropped.

It was Detective Martin Pastor, of the NYPD—who has been working closely with PERG over the last year—who made a call to the Las Vegas metro police. Working with the gentleman who had initially bought some of the stolen equipment, they arranged a sting, offering to buy the rest. At this writing, Rymil Johnson (his real name, that he had used on every theft) stands to be indicted in either Burbank or New York for grand larceny.

Detective Pastor stressed how important it is for anyone suffering a loss to post it immediately on Rental Guard, “When I come across a piece of equipment, the first thing I do is check Rental Guard to see if it has been reported. I can access it easily when I am in the field and I know PERG will step in immediately to assist me in contacting the owner or finding a PERG member who can assist in the recovery.”

Moreover, the rental companies that responded to the Rental Guard alert enabled the Burbank detective to see the true scope of the crimes by this individual. Without it, the case would have been dropped immediately. But even with all this evidence in front of them, the case would have come to a stumbling halt if it weren’t for Detective Pastor making a call to a contact in Las Vegas in which he suggested the bait that would lure the thief into the trap. There has to be a catalyst for the push that finally has an impact on thieves (who are evidently so unconcerned about any risk of being arrested that they rob rental houses using their real ID). This is why PERG is pushing to engage rental houses in Los Angeles to become members and to work together to form alliances with law enforcement agencies all around the LA region.

Dan Toomey flies to Las Vegas to get his equipment back this week. He sent us a note applauding Rental Guard, “All of this occurred as the direct result of our posting on the Rental Guard website - amazing!” We’re as pleased as he is.
Stolen Equipment Sold Online

From our interviews with rental companies we know that it is not unusual for stolen equipment to turn up for sale online, often surprisingly close to where it was stolen. Companies have recovered equipment simply by buying it back or through law enforcement. However, there is another way this equipment sometimes gets recovered—by an innocent person losing a lot of money.

In June an ARRI Alexa camera was offered on e-bay at the price of $10,000. A buyer contacted a rental house to see if it was stolen. Unfortunately it took a few days for the rental house to check Rental Guard, and when eventually they called to tell the buyer that in fact the camera was listed as stolen (one of three cameras stolen in a Seattle burglary) the buyer had already paid some of the money, and had the camera in his possession. Realizing that he would be out the money he’d paid, the buyer refused to part with the camera. It took some arm-twisting to convince him that he had no choice.

Perhaps the insurance company, to whom the camera was returned, will offer him some reward, but one consequence of having a database like Rental Guard is that equipment buyers who don’t check it can find themselves out a lot of money when the equipment is subsequently discovered to be stolen.

Clearly, buyers have to beware. In the long-term Rental Guard makes it more risky to buy and sell stolen goods, which is a necessary part of pushing thieves away from our industry.
Renting From Someone You Do Not Know

Many of you may have taken notice of the rather large number of Rental Guard alerts sent out recently. What should be most troubling to rental house owners is that many of these thefts are preventable. The “customers” renting the equipment use fake identification, temporary websites and emails addresses, and short term insurance as a means of inducing the rental company to accept the rental. In the current climate, it is important for companies to re-evaluate their vetting procedures and ask themselves, "Will our procedures raise a red flag if the customer is a thief?"

Many “rented not returned” theft reports we’ve received describe temporary insurance, purchased online. Whatever the insurance, the validity of the policy does not in any way ensure the legitimacy of the client. Rental house procedures must include establishing evidence that the customer is a legitimate production and not a thief. This is a totally separate question from checking the validity of their insurance.

PERG has developed a number of documents aimed at helping rental houses avoid renting to people who actually just want to steal their property. The documents are available in the members area of the Rental Guard website.

Even with clear vetting procedures in place, perhaps the hardest, most important part is to train rental house staff that they may need to turn down a rental. There is a strong tendency to ignore red flags and be carried by momentum toward a bad bet for way too long. To be effective, procedures need to establish a clear NO GO point where, if certain things can’t be verified, and the client doesn’t help fill in the blanks, then there is an obligation to turn down the rental. In a culture where there is an ever-present drive to make the sale and serve the client, rental companies need to reward staff for raising questions and slowing way down when there are pieces missing. It is worth having a conversation with staff about seeing the bigger picture, and protecting their company’s assets.

TAYLOR & TAYLOR ASSOCIATES INC.

271 Madison Avenue
New York, New York 10016
(212) 490-8511

15060 Ventura Boulevard
Sherman Oaks, CA 91403
(818) 981-9700
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2475 Northwinds Parkway
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AN INSURANCE BROKER WHO UNDERSTANDS EQUIPMENT RENTAL

Taylor & Taylor is and has always been an insurance advocate for the professional equipment rental company servicing the entertainment industry. We are experienced in the types of claims routinely incurred, the specific insurance requirements when servicing live events and the settlement of claims when things go wrong. It is no small coincidence that many of our customers became customers after we helped them resolve a claim or obtain necessary coverage that they were not able to secure elsewhere.

We pride ourselves on setting the standard and helping people in any way we can.
Rental Guard Statistics Update

When he is not sailing, Charlie Davidson curates the data from Rental Guard. He has prepared some of the information we collect to help our members better understand the current theft landscape. This data is current as of Friday August 5th, 2016.

As Charlie has spent a fair amount of time with Rental Guard, I asked him what he sees here. I think his response will help our members understand how we can interpret this data and how we can all help improve the system. Here are his comments:

"The increased number of missing equipment reports is likely due to greater awareness of Rental Guard and not necessarily an indication of more thefts. However I’m pretty sure that we still under-report the problem and we really need members’ help getting the word out so that we collect more reports and, more importantly, have more companies receive missing equipment reports.

I thought, based on last year’s results, that companies had become much more wary and had instituted procedures that reduced the "rented not returned" category. Obviously 2016 with more than $800,000 lost to fraud, proves that theory wrong. From an outsider’s perspective, this seems the easiest to control and I suppose we need to reiterate the need for clear and careful procedures to avoid fraudulent rentals. The Members News and Resources area of Rental Guard provides a wealth of information on this.
In the past few months we’ve seen a disturbing number of large break ins. Given this reality everyone should probably review their building security preparation. Again, there is good information about this on Rental Guard.

I’m amazed at reports of thefts from production vehicles where the level of irresponsibility is hard to comprehend. What are members doing to encourage production management to take equipment security seriously? What can PERG do to assist?

We also note that there have been a few recoveries and our efforts have really helped get the attention of law enforcement but we need members' help to ensure that used equipment dealers, repair facilities and colleagues abroad check the database whenever equipment comes into their hands for which the rightful ownership is not clear. We also need to remind members that timely reporting is important. Equipment often resurfaces for sale very quickly after a theft and if a potential buyer checks and it’s not posted the gear could disappear forever.

Although I’d hesitate to pick out trends from this data, we can tell that the problem isn’t going away. We know that the biggest losses this year are from break-ins and that scammers are still are able to trick rental companies into handing over equipment to people who have no intention of returning it. We know that losses are not confined to the large production areas and both big and small rental companies have been victimized.

We hope that this information will remind members to reassess their physical security, strengthen their rental procedures, and reach out to their customers to increase general awareness that sets and vehicles are also common targets."
Theft Checklist

• Immediately report the theft to Rental Guard (see *To Catch a Thief-Lessons from a Recent Arrest, p. 5*). Our theft alerts reach companies all over the world. In many cases, that is where your equipment may be headed.

• Be sure to fill in the Details of the Incident section of the report with names and details. Details help make connections that result in recoveries and arrests now and in the future. Details are also of great value to other PERG members when assessing their own vulnerabilities.

• Be sure to include serial numbers and the value of the stolen gear. If you don’t have this information at the time of the report, send it to us as soon as you have it and we will amend the report. This is critical information.

• When you speak to law enforcement be sure to mention that you are a member of PERG and that we have a tip fund that may be able to assist them in getting information. PERG has established contacts with law enforcement in several cities. We know people with expert knowledge of this type of crime who are willing to assist.

• Watch for the equipment to appear for sale online. This gives law enforcement the real possibility of an arrest and will get their immediate attention.

• If a client approaches you for a rental, but you do not know them, use Rental Guard’s New Customer Inquiry before you make a decision to rent to them.

• If the customer raises red flags and you decide not to rent, immediately post a Questionable Customer Alert to Rental Guard. You could save another rental house from theft, or help law enforcement to make an arrest or gain additional intelligence.

• Take advantage of PERG’s documents on Rental Guard. These documents were developed from the collective experience of professional rental houses, with input from insurance carriers and brokers.
Would you leave $250,000 (of anything) in an unattended vehicle? Theft from vehicles and sets accounts for more than half of all equipment theft.

Theft is an Industry Epidemic
Incidents reported to RENTAL GUARD in 2014-2015:
• Over $8 million dollars of stolen equipment (est. value)
• Incidents in 23 cities worldwide, and in 13 U.S. states
• 32 incidents in Los Angeles and New York alone
• Losses from a single incident exceeding $280,000

Theft hurts everyone. It disrupts production schedules, affects insurance rates and rental rates, and reduces availability of hard-to-replace equipment.

Our industry can no longer afford to be a soft target. You can help.

What Producers Should Know
• A truck should be considered a means of transport only, not security.
• Do not leave equipment unattended in a vehicle. Vehicle door locks and padlocks are entirely inadequate to deter a professional thief (see just how fast a cube truck can be broken into and emptied in broad daylight on a busy New York street—http://esta.org/PERG/Initiatives/theft_video.html)
• Criminals know the value of gear. They will follow a vehicle from the rental house and wait for an opportunity to break into (or steal) it when it is unattended or parked overnight. They will walk into a filming location and take cameras and lens cases right from the staging area.

How Drivers Can Help
• Plan trips to avoid stops, such as for food or gas, when transporting high-value equipment.
• Take a picture of the gear at pick-up. This helps law enforcement if anything is stolen.
• Give the rental company your mobile number to contact you if they become aware of a threat.
• Keep an eye out to see if you are being followed. If so, try to get the license plate number.
• Keep a log of your route - it helps law enforcement track down footage from security cameras.
• Have someone to watch the truck if you have to make stops to pick up additional equipment.

Parking
• Parking security should be assessed and vetted (locked gates, guard on duty, video, lighting?).
• Using a “bonded lot” provides absolutely no protection against theft.
• Talk to the parking lot owner/manager and park within sight of the lot attendant.

RENTAL GUARD
• If you suspect that a piece of equipment is stolen, check the RENTAL GUARD database.
• If equipment is stolen from your shoot, have the equipment owner report it to RENTAL GUARD immediately. You’ll be doing them and the industry a favor.
• RENTAL GUARD is a free industry service developed by ESTA/PERG.
PERG Member Resources

RENTAL GUARD –
http://www.missingequipment.org

AICP/ESTA Sample Terms and Conditions –
http://www.esta.org/PERG/Initiatives/terms.html

ESTA Job Board – A full-featured employment resource.
http://jobboard.esta.org/
  • Job postings
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  • Self service management of postings
  • Notification of new candidates with the qualifications you are looking for.

Members receive one free job posting on the new job board.
Additionally, members receive 25% off subsequent purchases using your member discount code. Contact membership@esta.org for information.

Media cards and storage devices are commonly returned with sensitive images still on the device. PERG brought together representatives from every side of the industry to discuss the issue and created the Recorded Content Disclaimer and the Media Handling Guidelines for Rental House Employees.

Membership Benefits – http://www.esta.org/join/membershipbenefits.html
  Take full advantage of your PLASA membership.

PERG Website – http://www.esta.org/PERG/
  Learn about upcoming and past PERG events and programs. Connect to other members.

Become a Member – http://www.esta.org/join/membershipbenefits.html
  Please contact Harry Box (harry.box@esta.org) to learn more about joining ESTA as a PERG member. Join the growing international network focused on the challenges and opportunities faced by professional rental companies in the film, television and commercial production market.

Save Money with American Express
ESTA is delighted to welcome a program with American Express which will offer members the low rate of 2.8%. If you already accept American Express and want to lower your rate, or if you would like to begin accepting American Express, email Frances Thompson (frances.thompson@esta.org).

Help Your Colleagues in Need
Learn more about Behind the Scenes – a charity that provides grants to entertainment technology professionals who are seriously ill or injured. See the video, Behind the Scenes: In Their Own Words, an informative and moving testament to the success of this unique charity. If you know of someone in need please tell them about Behind the Scenes. Visit http://www.behindthescenescharity.org.