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SOUTH AFRICAN INSURANCE CRIME BUREAU

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## SAICB UPDATE

### SAICB UPDATE

#### INSURANCE FRAUD GONE WRONG... OR RIGHT!

► *Michael Paul Schook was a Suffield, Conn. -based ex-con with a lot of debt and a big mouth. Not only was his house in foreclosure, but his car was repossessed and he owed thousands on credit cards.*

*Desperate for money, Schook decided to set his house on fire to get \$250,000... by leaving a fat-filled pan on the stove as he left the house with his family. The house indeed burned down, but it was no surprise to anyone: turns out Schook had told everyone who would listen about his future plans to burn his own house down. His children even told classmates, who reported it to school officials and notified police.*

*Schook received seven years in prison for his grease fire debacle. The scheme they cooked up was drastic—and dumb—in every sense of the word.*

► *In Akron, Ohio, Matthew Mueller made the decision to rent a backhoe and bury his 1997 BMW on his father's rural property. The car had engine problems, and Mueller could make \$20,000 by reporting the car stolen.*

*But after insurance officials were notified of the "stolen" vehicle, Mueller had second thoughts. As he started to dig the car out with the same backhoe used to bury it, the equipment got stuck in the mud. With the evidence out for all to see, Mueller's scheme was discovered and landed him in jail for a year.*

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The SAICB has begun with the implementation of its strategy and is currently looking for larger premises and additional staff members to facilitate our expansion in the areas of growth identified. The first senior position was advertised in the Newsletter last month—the application process closed on 15 April 2011. Two junior positions are also available, with the interviewing process having just been completed. The first appointments are anticipated for early May.

The SAICB is in the process of finalizing two major cases with the National Prosecuting Authority (NPA) and the South African Police (SAP). Details on these cases will be made known once this process has been finalized.

The SAICB Communication Strategy is also being rolled out with advertorials and articles planned in several publications over the next few months. The Fraudline and consumers rights and responsibilities are the areas that will be addressed in these articles. The SAICB will be doing several presentations at conferences and potential member companies and partners over the next few months. The SAICB website is also going through a revamp and will be updated and changed in the next three months to reflect our new strategy.

Upcoming presentation, articles and initiatives will be included on the website and all success and completed cases will also in future be noted on the website.

The budget for the 2011/2012 financial year will be tabled at the next Board meeting, taking into account the new strategic requirements. The new membership drive is ongoing with several companies expressing an interest in joining in the new financial year. The SAICB will provide feedback on new members as they come on board.

Please note that the Information Update, which includes all the lists sent out, will return to the Newsletter next month.

## FRAUDLINE

In March 2011, **29** reports were received of which **23** reports were for the short term insurance industry, **1** report was received for Brokers and **4** reports for the life industry.

Since 2002, **27170** reports have been received of which **932** reports were for the short term industry **137** reports for the brokers and **340** reports were for the life industry.

For further information on the statistics, please contact Melanie Pillay on [melaniep@saicb.co.za](mailto:melaniep@saicb.co.za)



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## ARTICLE— NATIONAL UNDERWRITERS P&C

### FRAUD FIGHTING OVER THE NEXT 5 YEARS: THE FUTURE OF CLAIMS INVESTIGATION

Over the next five years, we should expect dramatic changes in claims handling and fraud detection—mirroring emerging trends already evident in society today. What will this brave new world look like? What are the key trends, and what will be their impact on the claims-handling and fraud-fighting workflow between now and 2016?

Here are some predictions:

#### • The Explosion of Social Networking

Whether communicating via Facebook, Twitter, Tumblr, YouTube or other social networking sites, consumers are opening up their lives—and possibly revealing details that could be helpful to claims adjusters and fraud investigators. The trend has already begun, for example, with workers'-compensation fraudsters posting pictures and messages online, revealing that their health is much better than they had led claims administrators to believe.

#### • The Rise of Information Everywhere

Where are news, entertainment and e-mail accessed? Today, the answer includes TVs, desktop computers, laptops, iPads, smart phones and even gaming systems. While many of today's information technologies are entertainment-oriented, in the not-too-distant future the entire claims process could well be carried out on these devices. The old model of sitting at a desk to do work is changing, as work moves with people to their cars and even to their pockets.

The impact for claims adjusters is significant. The current claims-analysis systems tied into desktop and mainframe systems will be available as mobile applications that will allow on-site claims information gathering as well as instantaneous claims-data analysis. We already see evidence of such trends in mobile access to estimating data for auto and property.

#### • Telematics

Today it's possible to locate people by triangulating their position via their cellphone GPS. That technology is a useful tool in crime investigations. The next-wave technology in a similar vein is telematics. When telematics devices are installed in vehicles and transmit data, insurers know not just where but how drivers are operating their vehicles. The data provided by telematics devices can inform underwriting decisions and reduce misrepresentation of fact in auto accidents.

#### • New Uses for Satellite Photography

Today, satellite photography is used primarily for assessment of weather conditions and to assist scientists in measuring global change. Image resolution is getting sharper, however, and the range of available images is getting larger all the time. The impact for property-claims evaluation will be significant. In the future, checking the validity of property claims may be as easy as accessing high-resolution photographs of the property before and after a loss event, all done virtually—from anywhere in the world.

#### • Expanded Uses for Weather Data

Weather data has greatly improved meteorologists' ability to predict storm systems. And the accuracy with which weather events can be measured has also significantly increased. Today,

## ARTICLE— P&C CONT...

technology allows the detection of lightning strikes within a two-mile radius. In the future, data will be even more precise, affecting property claims in which unscrupulous property owners try to fake structural damages to receive payments. Weather forensics—such as detecting if or when there were lightning strikes or wind damage in the vicinity—will become easier in the future, helping investigators catch property owners and unscrupulous contractors who wish to take advantage of local weather events.

### • Data-Driven Investigations

In today's claims investigation world, claims adjusters collect information, and if something seems irregular, they alert the SIU staff. The investigator then makes phone calls, hits the street and knocks on doors to discover the facts of the case: a time-consuming and laborious process.

In five years, this model will be turned on its head. As soon as claims data is input, the system will begin searching through multiple channels of information to seek out suspicious data and behaviors. The explosion of information currently being generated—through social networking, news outlets, weather data, telematics devices, satellite photography and other data-gathering systems—will be accessed instantly, with each aspect of the claim being checked for possible fraud.

Predictive and network modelling will look at data to identify which claims require special handling or investigation. The data will tell investigators whom to pursue: the clinic that always bills just up to the threshold that won't trigger an investigation; the claimant who uses four Social Security numbers; or the auto-repair shop that bills the insurance company for new parts but installs used ones.

In 2016, the speed of investigations will seem lightning fast in comparison with current methods. Once a suspicious individual or business is discovered, the investigator will be able to drill down with just a few clicks to put the case together. The old days of hitting the streets will be replaced with hitting the device. And in 2016, investigations will be as mobile as the personal communications routines of today.

### • Point-Of-Sale Perimeter Defence

A decade ago, insurance applicants came into the office to apply for a policy, and the agent could actually get to know the applicant. Today, the personal interaction is being replaced by an online application—and what's frequently lost is the ability to evaluate the applicant in a personal way. In five years, applicants will still be applying online, but the decisions of agents and underwriters will be supported by rigorous pre-screening technology.

From the moment applicants begin to research an insurance product online, the screening system will begin to analyse their identities and their insurance and loss histories. The system will also look at other available records, such as whether there is a criminal or insurance-related fraud background. By the time the application is submitted, the system will already have gathered and scored information to know much about individual applicants and the risk of fraud. Insurers will be able to stop would-be fraudsters well before they become actual policyholders.

### • Implications

In the next five years, developments in communications, information acquisition and analytic techniques will allow underwriting and claims staffs to collect better data, perform better analytics and make better business decisions. The implications for insurance-claims handling and fraud fighting will be both exciting and challenging. Companies that move forward with technology but still maintain a collaborative relationship among the underwriting, claims and investigations staffs will have a leg up on the competition.

**THANK YOU TO THOMAS MULVEY FOR ALLOWING US TO USE THIS ARTICLE WHICH APPEARED IN THE NATIONAL UNDERWRITER P&C. FOR MORE INFORMATION PLEASE GO TO : [www.propertycasualty360.com](http://www.propertycasualty360.com)**

## ARTICLE — SBD

### WHITE PAPER DEFINING VEHICLE THEFT AND ORGANISED CRIME—SBD

#### Introduction

*Vehicle theft has changed dramatically over the past decade, with thieves using more advanced techniques to steal cars and recognising the benefits of working within an Organised Crime Group (OCG). However, the terminology used to describe these thefts has remained relatively unchanged and can prove to be misleading.*

*This white paper has been prepared exclusively by SBD in order to describe the terminology used for the types of theft that are occurring, as well as the thieves that are conducting them.*

One of the big obstacles to overcome when defining vehicle theft is the natural association that is made between the type of thief, the method of theft used, and the motivation behind the theft. It is often believed that a basic method of theft would indicate that the theft was committed by an unskilled thief operating alone or in a small group. Similarly, the use of advanced or “high-tech” equipment gives the impression of a well organised criminal network where the thieves have a depth of knowledge on the vehicles that they are stealing. In fact, the method of theft used has no reflection on the thief, and vice-versa.

*Any type of thief can steal a vehicle using any of the methods described in this report, and for any purpose. None of the definitions of theft in relation to these three categories are dependent on one another, and therefore should be identified separately when describing vehicle theft and organised crime.*

#### Why are vehicles stolen?

Vehicle theft, like the majority of other crime, is stimulated by the need to generate a profitable return by satisfying a market demand. Income can be generated through two possible means; either directly, from the sale of the vehicle and its parts, or indirectly, through the use of the vehicle in other criminal activities.

These types of thefts are generally associated with organised crime, whereby the target vehicle and the method of theft are predetermined. However, the same thief could also generate income from the theft of a vehicle which has not been specifically targeted, but has been left in an unsecure state. This is described as an “opportunist theft”.

An opportunist theft describes a theft where the specific target has not been subject to prior planning and occurs spontaneously as the opportunity presents itself. Theft of this nature tend to be caused because the owner has been careless in securing their vehicle, for example leaving the key in the ignition.

Opportunist thefts should not be considered as a separate category of theft. Vehicles stolen in this manner can still be used to generate income from the vehicle’s use, its material value, or its contents, despite not being specifically targeted by a thief.

*Opportunist thefts are often described as ‘casual’ thefts. SBD believe that vehicle theft should no longer be considered in this way. Even if the thief is not involved in a larger criminal network, and the vehicle is stolen solely for the benefit of the individual, the effect that this will have on the vehicle owner is too serious for the theft to be labelled as ‘casual’.*

#### Theft for use

Theft for use refers to theft where the material value of the vehicle is not of the highest priority to the thief. Income from the crime is gained indirectly from the vehicle’s use in other criminal activities, such as providing a vessel for the transportation of drugs. A stolen vehicle is utilised in order to avoid any trace being made back to the criminal if the activities are uncovered. The vehicle would be registered to another owner making it more difficult for the police to link the vehicle to the criminals helping to maintain anonymity for those involved.

This type of theft is described as “theft for use” because the vehicle’s value to the thief expires after it has been used to enable other criminal activities. These vehicles are often recovered by the police after the thief has disposed of the vehicle,

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however, in order to minimise the chance of obtaining any evidence, the vehicle it is often 'burned out'.

*Theft for use is often described as 'short term' theft. SBD do not believe that this term provides an accurate depiction of the theft. 'Short term' implies that the vehicle is never kept for a long period of time, but it is known that organised crime groups share 'pool cars' which can be used in a number of crimes before they are disposed of. In some cases, pool cars can be stored for several months to allow any active searches for the vehicle by the police to cease before its use.*

In general, vehicles stolen for re-use are taken with a purpose in mind. A thief will focus on either the performance characteristics of the vehicle if a quick getaway is required, or the vehicle's functionality, for example the use of Commercial Vehicles due to their load carrying capacity.

*It is not correct to link the value of the stolen vehicle with the motivation behind the theft. A theft for use will concentrate on the purpose that the vehicle can fulfil, and older lower value vehicles and newer higher value vehicles may be equally suitable. The vehicle chosen will depend on the methods available with which to steal the vehicle, and the vehicles that are available to be stolen.*

So called 'Joyriding' offences are also included as theft for use, although it is now a largely redundant crime in many countries due to increased vehicle security, particularly with the introduction of electronic immobilisation. Vehicles stolen for joyriding are typically used for the thief's personal use, either as a mode of transport from one destination to another in the absence of having or using their own vehicle, or simply for the 'thrill' of stealing and driving a vehicle they do not own.

### **Profit-motivated theft**

Thefts of this nature prioritise the material value of the vehicle, as opposed to its suitability for use in other criminal activities, and rely on this as the source of income from the theft. Income can be gained through the sale of old or new vehicles or components, despite the belief that only new high value vehicles are targeted for this type of theft. For example, an older vehicle can be valued much higher than in the market where it was stolen if it is in high demand overseas. Profit-motivated theft can be further categorised to gain a better understanding:

#### **Resale**

In this instance, it is the value and/or saleability of the complete vehicle that is most important to the criminal, and a vehicle with a high market value will gain the largest profitable return. The resale is managed by the criminals in order to try to avoid any suspicion from police agencies. This is typically achieved either through the cloning of the vehicle's identification or by exporting the vehicle to a foreign country and re-registering it.

*Cloning involves adaptations of the VIN and engine numbers or the forgery of documents in order to allow the stolen vehicle to adopt the identity of a vehicle which is legitimately registered. Exporting the vehicle will make it more difficult for the police to trace its location and it will also be harder to identify forged documents from foreign countries.*

The export of stolen vehicles is determined by the supply and demand within a group of markets. Vehicles will be stolen where supply is high and sold to countries where the supply is low but the demand for the vehicle is high. The profit margin will increase as the demand for the vehicle increases, and so vehicles sold abroad in developing countries can often attract a very large return.

#### **For Parts**

The stolen vehicle is stripped down into its component parts and sold to meet the market demand. The parts are often exported to foreign countries as spares for service and repair where demand is high, and are even sourced by some second hand dealers when the price of OEM parts is too costly. It is also common for stolen parts to appear on internet auction sites where the identity of the seller can be withheld, or a false identity given.

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*It is more difficult for the police to track the vehicle once its components have been separated. This method also has the potential to attract a much larger profit than the sale of the vehicle as a whole and tends to be a more favourable option for OCGs who have the facilities to deconstruct the vehicle and distribute the parts.*

### Methods and Equipment

A more refined picture of the thief can be obtained by studying the technique used to steal the vehicle. SBD have separated these techniques into three categories; “basic”, “sophisticated” and “theft using the key”, based on the equipment used to steal the vehicle.

Within these categories, SBD have also emphasised the difference between a skilled and an unskilled theft. A skilled theft requires the thief to have some prior knowledge or expertise. This could include the location of any vulnerable points on the vehicle that can be exploited during the theft, as well as a particular technique to use with a set of equipment. An unskilled theft requires very little or no knowledge of the way the equipment or vehicle functions.

*The use of basic equipment should not suggest that a theft is unskilled, and some of the techniques used to steal vehicles using basic equipment require a high level of experience to perform. Similarly, the use of sophisticated equipment should not suggest that the theft is skilled. Many of the tools specifically developed to bypass vehicle security systems have been designed to operate at the push of a button.*

### Basic

Thieves use a variety of objects and devices to gain access to a vehicle, and when the tool used has not been created to specifically aid in vehicle entry, such as a screwdriver, the theft method will be defined under the ‘basic’ description.

*Basic methods of theft refer to the use of equipment that is commonly available to the general public and used in a manner that deviates from its designed purpose.*

Basic thefts that are skilled require the thief to have an understanding of the vehicle’s security features. For example, it is known that thieves are able to utilise a common household screwdriver to gain access to the vehicle by tampering with the key cylinder, and ‘hotwiring’ requires a certain level of knowledge of the vehicles electrical wiring to perform.

Unskilled thefts using basic equipment are defined as such because the skill level required to use the equipment is minimal. A good example of this is the use of household RF devices, such as garage door openers, to block the ‘lock’ signal being sent to a vehicle with remote central locking. The thief does not need to know how or why the equipment works in order to access the vehicle, and only requires the thief to continuously push the button on the device.

### Sophisticated

Sophisticated thefts are often called ‘professional theft’ by the media and police agencies. SBD believe that this type of theft should no longer be described in such a way. The term ‘professional’ is generally used to define a person’s career. A ‘professional thief’ may give a false image that those involved in vehicle theft do not have any other occupation and are not involved in other criminal activities. It also gives a sense that the thief is well equipped with knowledge and understanding of the vehicles that they are stealing and the system that they are involved in. This may not be the case.

*A sophisticated theft exploits the use of purpose built equipment, whether designed for legitimate use but used in an illegal manner, or designed with the purpose to steal, or gain access to, the vehicle. This means that the tool is being used for its primary function and not in an abstract manner.*

As with basic theft, sophisticated theft can be sub-categorised into skilled and unskilled thefts, depending on the level of knowledge that the thief will require to use the equipment. A skilled sophisticated theft would likely require a more advanced knowledge of the vehicle and its components when compared with a skilled basic theft because of the increasing complexity

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of the equipment being used. This is most evident where the vehicle is stolen through the use of pre-matched ECUs. ECU sets with pre-programmed keys are installed in the vehicle in order to replace or bypass OEM anti-theft systems. This is a method that would not be able to be used by a thief that does not have the relevant knowledge and experience.

Sophisticated thefts can also be unskilled. Despite the equipment being technologically advanced in comparison with more basic methods of theft, the operation of the equipment is designed to be straightforward to use. These tools are often developed with the intention of being operated at the push of a button, providing a simple and reliable method with which to steal vehicles, even when the thief has limited knowledge of the way in which the equipment functions. Current trends show that this type of theft is becoming more popular. Thieves are buying the technology in the form of 'black boxes' which can be used repeatedly during vehicle theft activities without specialist or skilled knowledge.

*The term 'high-tech theft' is frequently used to describe sophisticated methods of theft. This gives the illusion that the equipment must be technologically advanced and electronically controlled. While this may be accurate in describing the electronic 'black box' devices that are being used to steal vehicles, it is inadequate to fully describe all sophisticated methods of theft.*

### Theft using the key

Theft using the key has been categorised as a separate technique as it does not require a direct attack on the vehicle or its security devices. It is a theft that is becoming more popular as improvements in vehicle security are making it increasingly difficult for thieves to steal vehicles using other methods.

In this instance, skilled and unskilled thefts are defined by the method used to obtain the vehicle keys. A skilled theft, for example, involves the thief using a forged registration certificate, or other false or illegally obtained documentation, in order to deceive a dealership into providing the thief with an additional set of keys to the specified vehicle. This method would require planning and knowledge of the vehicle prior to the attempt. If the documentation was not adequately prepared then the thief would not likely be able to get the keys to the vehicle.

An unskilled theft using the key describes thefts where the original vehicle key is physically taken from the possession of the owner, or from within the owner's property. This method of theft requires no knowledge of the vehicle, and can be achieved either through burglary, robbery or hijacking.

BASIC	SOPHISTICATED	THEFT USING THE KEY
<p>Skilled</p> <ul style="list-style-type: none"> <li>● Hotwiring</li> <li>● Use of a screwdriver to manipulate the lock</li> </ul> <p>Unskilled</p> <ul style="list-style-type: none"> <li>● Code Blocking (using household RF devices)</li> <li>● Forcing the steering lock to push the vehicle</li> <li>● Smashing the windows</li> </ul>	<p>Skilled</p> <ul style="list-style-type: none"> <li>● OBD/CAN programming</li> <li>● Key programming</li> <li>● Installation of pre-matched ECUs</li> <li>● Use of a 'Slim Jim'</li> <li>● Lock picking</li> </ul> <p>Unskilled</p> <ul style="list-style-type: none"> <li>● Code Blocking (using specifically designed equipment)</li> <li>● Code Grabbing</li> </ul>	<p>Skilled</p> <ul style="list-style-type: none"> <li>● Deception (forgery of registration documents etc.)</li> </ul> <p>Unskilled</p> <ul style="list-style-type: none"> <li>● Robbery</li> <li>● Burglary</li> <li>● Hijacking</li> </ul>

### Classification of thieves Individuals

An individual thief can represent any person involved in vehicle theft. An individual may be working as part of a single OCG, within several different OCGs as a 'freelance' thief, or targeting vehicles as an individual for personal benefit. As such, it is possible for an individual thief to be involved in any type of vehicle theft. This could include the theft of the vehicle or its con-

## ARTICLE — SBD *CONT...*

tents motivated by the need for a profitable return, theft for use in another crime, or an opportunistic theft.

It is common for thieves working on their own to target the contents of a vehicle, particularly items which are in high demand; such as Satellite Navigation devices. This is because it would be easier for a thief to sell these items as opposed to selling the vehicle or its components. Thieves operating on their own will not likely have the resources or support needed to be able to successfully traffic stolen vehicles.

*SBD have defined individual thieves in this way in order to eradicate the association of types of theft with types of criminals. Typically, an individual thief will be associated with opportunistic thefts, or thefts using basic equipment. However, it is possible for a thief to steal a vehicle using any of the methods described, regardless of whether or not they operate within an OCG.*

### Organised Crime Groups

Groups of thieves are defined in a number of different ways between the automotive industry and law enforcement agencies. An OCG can represent a small group of individuals working together to target a specific vehicle as well as representing a complex network involved in the trafficking of vehicles with false identities. As such, it is possible that there are several 'divisions' of criminal activity within an OCG, from the original theft of the vehicle, to the development of the equipment needed during the theft, the distribution of the vehicles, and the clients making the requests.

The 'divisions' of the OCG may contain any number of people operating within it, whether it be a single person, or a large group. The component divisions of the OCG shown in the above diagram are described as follows:

#### Thief

Responsible for the actual theft of the vehicles. Could be an individual or a group of thieves working in co-ordination. Typically vehicles are stolen to order, to meet the demands of the market, or to supply spare parts.

#### Ringer / Mechanic

Generally workshop based, they will prepare the vehicle for distribution. This could involve changing the identification of the vehicle and/or breaking the vehicle down into components parts.

#### Distribution

Transporting the vehicle or its parts to the required destination. In many markets this now often includes exporting the vehicle to a different country.

#### Sale

Providing the final handover of the vehicle to the client, or selling the vehicle to the unsuspecting public.

#### Technical Expert

Supplies information to the thief on the methods with which to steal the vehicles and/or develops the tools needed during the theft operation. These people are not involved directly in the handling of the stolen vehicles, and can be kept isolated to avoid losing this division of the OCG if another member is discovered by the police.

#### Document Supplier

Supplying documentation to aid in the alteration of the vehicle's identity or the forgery of the documents needed to pass customs checks during export. As with the technical experts, these people are often separated from the handling of the vehicles. Each of the above „divisions“ work in co-ordination with each other in order to obtain and sell the stolen vehicles. Smaller OCGs may not have all of the divisions listed, and could even consist simply of a group of thieves operating together to steal and sell the vehicles by performing the necessary functions themselves.

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*It is common for those in the industry to use the term Theft Gang to describe small groups who are involved in the actual theft of the vehicles. Even if they do not appear to be operating in a larger criminal network, these theft gangs are still Organised Crime Groups, and should not be considered differently or separately.*

### **Organised Criminal Networks**

An Organised Criminal Network (OCN) represents the collaboration of multiple Organised Crime Groups. The purpose of each OCG may differ, for example one may be motivated to steal vehicles in order to supply market demand in a foreign country, where another OCG may be stealing the vehicle for use in drug smuggling. However, they co-operate and are interconnected through the use of one „division“ in several OCGs.

This is possible because the members of an OCG can be seen as ‘freelance’. An example of this would be a thief who steals vehicles to supply a number of different distributors and mechanics; one thief may be supplying stolen vehicles to different OCGs. Similarly, a number of OCGs may be exporting their vehicles or parts through the use of a single successful distributor, either in order to minimise the number of containers being used, or because the routes offered by that distributor are not as heavily policed.

Each section of the larger criminal network is still considered to be an OCG. The difference is apparent with the increasing scale of crime as the OCGs co-operate. Organised Criminal Networks are formed if and when they are required, and usually stem from the desire to make more money, or may be established to enable cross-border or trans-national crime. Each of the individual Organised Crime Groups will make their services available to the other groups within the network, and even if police are able to close down a few divisions of one of the OCGs, this may not have any effect on operations throughout the network.

### **Measuring vehicle theft by recovery**

Descriptions of theft are often used in correlation with measurable statistics to help develop an understanding of the current trends. Detailed information on the method or purpose of every theft is usually not available, particularly when the vehicle is not recovered and an examination is not possible. Therefore, descriptions of theft are often aligned with what can be measured, rather than measuring what is actually happening. The most clearly measurable indication of a type of theft is whether or not the vehicle is recovered:

The National Motor Vehicle Theft Reduction Council (NMVTRC) of Australia define “profit-motivated theft” as those vehicles which had not been recovered within one to four months of the theft. Vehicles which were recovered within the first four months of the date of the theft are classified as “short term theft”. This is a reasonable correlation between measurable data and types of theft, but small numerical differences to the actual theft situation may occur because of the constraints of recording vehicle crime.

It is difficult to distinguish between profit motivated thefts and theft for use when recording vehicle crime, and the technique adopted by the NMVTRC would give a good indication of the current theft situation. Ideally, however, crime would be recorded based on the motivation behind the theft, as opposed to the time taken to recovery. There will be occasions when profit motivated thefts are recovered within 4 months of the original theft, and so should not be categorised under “short term theft”.

*SBD believe that vehicle theft should not be defined by recovery rates or time periods, and should be based solely on the motivation behind the theft. If the theft is made in order for the vehicle to be sold then it should be categorised as a profit-motivated theft, regardless of whether or not the vehicle is recovered and how long it takes. “Short term theft” gives the impression that vehicle theft is defined by the time taken to recovery.*

Similar mistakes are made when describing the method of recovery. It is common to associate vehicles that are not recovered as being profit motivated thefts, and also those which are recovered without direct police action to be coupled with theft

## ARTICLE — SBD CONT...

for use. A description of the different recovery methods is given below:

*Passive recovery* describes a vehicle that has been abandoned by the thief. This usually indicates a theft for use, and the vehicle is recovered after it has served its purpose. In some circumstances, the vehicle may have had components removed for sale and the body shell is then left behind.

*Active recovery* describes a vehicle that was found through a specific course of action, as opposed to coming across the vehicle after it has been disposed of. This can be due to the activation of fitted security systems (such as an SVT system), because the police caught the criminal or found the vehicle as part of an investigation, or because the vehicle's identification was challenged at the point of sale. Active recoveries are generally associated with profit motivated thefts.

*Not all recovered vehicles, actively or passively recovered, are stolen for use, and not all SNR vehicles are stolen for profit motivated reasons. SBD are not aware of any police service in any country that records whether a vehicle is passively or actively recovered. It could be the case that an actively recovered vehicle was stolen for use, because the intention of the thief at the time of recovery is not recorded.*

A vehicle which is *Stolen Not Recovered (SNR)* may have been a theft for use, where the vehicle fulfilled its purpose and had been successfully disposed of, or the use for which the vehicle had been taken has not yet been completed (the stolen vehicle may be in hidden storage, or being used as a „pool car“ within a criminal network). However, vehicles not recovered are most likely to have been sold as a result of a profit motivated theft.

*Not all recovered vehicles, actively or passively recovered, are stolen for use, and not all SNR vehicles are stolen for profit motivated reasons. SBD are not aware of any police service in any country that records whether a vehicle is passively or actively recovered. It could be the case that an actively recovered vehicle was stolen for use, because the intention of the thief at the time of recovery is not recorded.*

### **SBD Definitions**

SBD have created the following definitions in an attempt to establish an industry recognised definition for vehicle theft and organised crime. While these definitions can be applied to a number of different criminal activities, SBD are focusing only on vehicle crime, and the definitions have been tailored to reflect this.

#### ***Theft for use***

- 1) Theft whereby the vehicle is stolen with the intention of gaining profit indirectly, whether successful or unsuccessful, through the use of the vehicle in other criminal activities.
- 2) Theft whereby the vehicle is stolen for the benefit of the individual without the requirement for a material gain, either as a mode of transport or to create or maintain a reputation among a peer group.

#### ***Profit-motivated theft***

Theft whereby the vehicle is stolen with the intention of gaining profit directly, whether successful or unsuccessful, through the illegal sale of the vehicle, either as a complete unit or in component parts.

#### ***Opportunist theft***

Theft of a vehicle where the crime is committed in an act of spontaneity, without prior targeting, and generally when the vehicle has been left in a vulnerable state.

#### ***Basic theft***

The use of equipment during a theft that is commonly available to the general public, but used in a manner that deviates from its designed purpose.

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### ***Sophisticated theft***

The use of equipment during a theft that has been specifically designed, either by a criminal or a legitimate organisation, to perform a specific task, whether for legal or illegal purposes, and used in a manner that reflects its intended purpose.

### ***Theft using the key***

Theft of the vehicle where the vehicle's key has been obtained, either an additional key was obtained deceptively from a legitimate organisation, or through stealing the original vehicle key from the owner.

### ***Skilled technique***

A method of theft that has required some prior knowledge of the vehicle or the equipment being used in order to successfully carry out the theft.

### ***Unskilled technique***

A method of theft that is simply performed, regardless of the complexity of the equipment being used in the theft. Little or no prior knowledge of the vehicle or the equipment functions are needed in order to perform a theft using this technique.

### ***Individual thief***

Any thief, existing inside or outside of an OCG or OCN, conducting thefts using skilled or unskilled techniques, through the use of the vehicle keys, or using basic or sophisticated equipment. The thief is motivated by some personal objective or through the desire to obtain, directly or indirectly, a financial or other material benefit.

### ***Organised Crime Groups***

A structured group of three or more persons, existing for a period of time and acting in cooperation with the aim of committing one or more serious crimes or offences in order to obtain, directly or indirectly, a financial or other material benefit.

### ***Organised Criminal Networks***

A network of two or more OCGs working in co-operation, for short or long term purposes, in order to obtain, directly or indirectly, a financial or other material benefit, achievable through a mutual agreement made between those groups involved.

### ***Organised Crime***

One or more serious crimes or offences whereby the time, manner, and/or place of the crime are pre-determined and not conducted as an act of spontaneity or in an opportunistic manner.

*Should you have further questions regarding the issues raised in this white paper, please feel free to contact SBD directly. Our in-house team of experts are well equipped to assist with your enquiries and can offer consultancy opportunities to allow us to work with you in the development of new solutions.*

**THANK YOU TO JUANITA APPLEBY FROM SBD FOR PERMISSION TO USE THIS ARTICLE BY GRAIG BEST. FOR MORE INFORMATION ON THIS ARTICLE ON SBD PLEASE CONTACT HER ON: [JAAppleby@sbd.co.uk](mailto:JAAppleby@sbd.co.uk) OR GO TO [www.sbd.co.uk](http://www.sbd.co.uk)**

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