FUEL WOOD AND CHIPS DIVERTED FROM SAWMILL

Timber Security: theft

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INTRODUCTION: A sawmill became the victim of a diversion scheme involving the transportation of fuel wood and wood chips to unauthorized mills. The scheme was successfully carried out during a multiple-year period.

SECURITY BREACH/DAMAGE: Fuel wood and chips were diverted from the sawmill and taken to other unauthorized mills in nearby adjoining states. The diversion was carried out by drivers of the transportation company who were contracted to haul the materials. The transportation company directly profited from this diversion by claiming that the diverted materials came from its own fuel wood grinding operation. The drivers profited individually by earning a higher rate of pay from the transportation company for hauling the material longer distances. Most of the diverted material was hauled from the mill at night or on weekends, when scale house personnel were not present.

RECOGNITION: An informant called and reported the diversion scheme to the forest products manager at the mill. The manager had noticed that his fuel wood volumes were lower than he had estimated, but he did not suspect any diversion was occurring. The informant’s information was reported to forest products security personnel for further investigation.

ACTIONS TAKEN: An investigation was launched by forest products security and law enforcement personnel. An attempt to monitor and record all fuel wood and chip material leaving the mill proved to be unsuccessful after the informants’ allegations became known to the transportation company. The investigation ultimately led to an interview with the owner of the transportation company, who admitted that diversion of fuel wood had occurred but that it had been unknown to him until recently. One driver was terminated by the transportation company and the forest products company may take additional actions.
**COMMENTS:** This mill was especially vulnerable. Fuelwood and chip trucks were not required to obtain load tickets when exiting the mill; therefore, the mill relied exclusively on the receipt of records from the authorized receiving mills. There were no cameras or mill personnel to keep track of the material that left the facility at night and on weekends. It was extremely difficult to determine accurately how much material had left the mill. The informant stated that approximately two to three loads of material were diverted weekly, so the diversion was subtle and not noticeable, due to the large volume of material generated at the mill.

The transportation company had hauled material from the mill for several years, and its personnel were thought to be trusted associates. While fuelwood production figures at the mill were considered to be lower than they should have been, these calculations were discounted and explained away by other reasoning. There was also a general belief that the relatively low value of fuelwood made it an unlikely target for theft.

After this incident, the mill improved its security by installing a self-serve load ticketing station and surveillance cameras at its exits. Regular audits are now performed using recorded video images to support the paper trail. Since implementing these protective measures, the fuelwood volumes have dramatically improved.

**RECOMMENDATIONS:**

- Require an accounting process for each load of material leaving the mill. Ensure accountability by requiring the drivers to obtain a load ticket and/or to go through a manned station to document the load contents and volumes.
- Because self-serve ticketing stations and unmanned scales can usually be bypassed, install surveillance cameras that record all traffic exiting the facility.
- The use of load tickets and cameras as a visual deterrent is not enough. You should conduct regular audits to ensure the process is not compromised. The potential offender needs to recognize there is a substantial risk of being caught because the process is regularly checked.

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