FOREST RESOURCES ASSOCIATION INC.

SECURITY

ALERT

12-Q-1

FORESTER CONVICTED OF TIMBER THEFT

Timber Security: theft

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www.forestresources.org/members/serpub/12-Q-1.html

INTRODUCTION: A landowner in the southern U.S. entered into a pay-as-cut (or per-unit) timber sale with a wood broker. As the harvesting neared completion, it became apparent to the forester overseeing the sale that there was a discrepancy between the volume of timber harvested and the volume he had estimated.

SECURITY BREACH/DAMAGE: The landowner’s forester entered into an agreement with a wood broker to sell timber on 300 acres. The wood broker’s forester contracted with a small logging operation to work on the tract, and the landowner’s forester checked the logging job almost daily at varying times. All tract inspections appeared normal, and during each inspection the forester asked the logger how many loads he had hauled that day. The logger was not using a timber security system. As the tract neared completion, the landowner’s forester realized the volume was falling well short of his pre-harvest estimate.

RECOGNITION: The landowner’s forester contacted a law enforcement investigator based on his observations. The investigator subpoenaed the wood broker’s records surrounding this timber sale. A review of those records revealed that the broker had been paying the logger for more tons per week than the landowner had been paid.

ACTIONS TAKEN: The discovery that a significant theft had taken place on this tract led the investigator to expand his inquiry to include several other tracts of timber sold to the same wood broker and involving the same forester employed by the wood broker. The records for all of those tracts were subpoenaed, and more discrepancies were discovered between the tons paid to the logger and the tons paid to the landowner.

The wood broker’s forester was charged and convicted of timber theft, fined, sentenced to community service, and given three years’ probation. The wood broker paid restitution amounting to well over $100,000.

COMMENTS: It is significant to note that neither the wood broker nor the logger nor the landowner were using any form of timber security system.

RECOMMENDATIONS:

- Implement a timber security program that requires all loggers to maintain a load sheet on the log deck that details when each load leaves the deck, the product being hauled, the truck’s destination, the time the load leaves the tract, and the name of the truck driver hauling the load. In addition, require a uniquely identifiable load tag to be attached to each load as it leaves the logging job.
Then require that the load sheet, a copy of the load tag, a copy of the scale ticket, and the landowner settlement be reconciled to make sure all records indicate the same number of loads being hauled from the job. This reconciliation should be done independently by wood brokers, loggers, foresters, and landowners.

Begin a timber security hotline to gather tips. Many people do not want to get involved and will not step forward to notify the company of security breaches. However, the anonymity and availability of the phone system encourages employees and all others within the supply chain to use this simple and effective way of reporting potential theft and fraud. Follow up on any tips immediately.

Conduct contractor security validations on a routine basis (to include background checks, financial checks, and each logger’s equipment and production).

Perform random camera audits that can be used to compare visual data with the settlement data.

Conduct ongoing audits during and after timber sales to compare estimated (cruised) vs. reported or actual harvest volumes.

Investigate any tips or discrepancies immediately.

All tickets and settlements should be computer generated. Each ticket should include tract name, logger, shipping point, product, date and time, load weights, driver, and scaler.

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FRA STAFF COMMENT: For additional details on load tracking systems for woodland operations, see FRA Security Alert 07-Q-2: http://www.forestresources.org/app/bulletin_pdf/07q2.pdf.

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