

### The annual spring equipment fraud trend

National Equipment Register receives reports from across the country of fraudulent activity targeting equipment rental and sales businesses, in particular from our member rental fleets and our partners at the American Rental Association ([ararental.org](http://ararental.org)).

These reports show that fraud was prevalent throughout 2015 and early 2016, and is increasing with the onset of spring, as it seems to every year at this time. This problem is nothing new, and particularly plagues the industry in areas with vague conversion/ theft of service statutes and lax pawn laws.

Frauds reported lately are dominated by offenders using stolen credit card data, stolen identities, and by individuals fraudulently renting under the accounts of reputable businesses.

Reports of the later often involve crooks impersonating actual employees, as well as the continual problem of unauthorized use of accounts by terminated or disgruntled employees.

In a number of incidents nationwide, the offenders arrange rentals and purchases over the phone and decline to have the rental company or dealership deliver the products. Instead the caller has a courier service or independent freight hauler pick up the equipment, even when the delivery address is local to the victimized business.

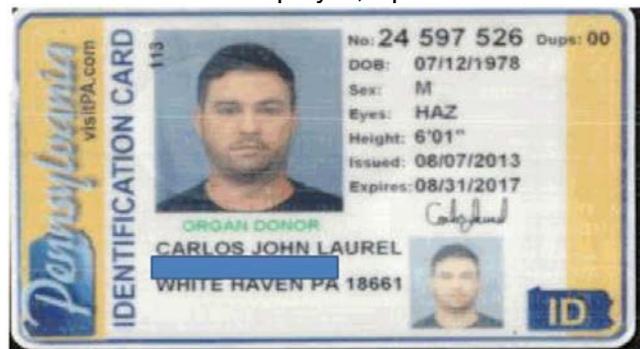
A variety of equipment is being targeted lately, including:

- Lawn equipment (mowers, sod cutters, aerators)
- Small generators
- Demo hammers/ rotary hammers
- Cut-off saws
- Tampers and plate compactors
- Compact ride-on loaders (Toro Dingo)
- Brush chippers

#### Repeat offender impersonating company executive in multi-state fraud, October 2015



#### Subject rented equipment with checks stolen from former employer, April 2016





# NATIONAL EQUIPMENT REGISTER

## Spring Equipment Fraud Advisory

### What can be done?

NER reminds Rental Businesses and Equipment Dealers to be proactive in preventing victimization by fraud.

#### A few simple reminders to **Trust but Verify**

- Go with your gut. Time and again, victimized businesses report that employees had a sinking suspicion about the transaction. Act on your suspicions until you are confident the transaction is legitimate.
- This may sound obvious, but don't use the phone number the renter provides for rental authorization. Look up the business a renter says they are employed by and contact them to confirm the renter's story.
- Review your policy on the use of business accounts and rental authorizations. Now may be a good time to send a request for an updated authorized renters list to your account clients.
- Be very wary of phone orders which request shipping via a third party carrier.
- Be extra vigilant with telephone and online orders. Take extra steps to authenticate not only the transaction, but the individual you are communicating with.
- Many frauds reported to NER involve credit or debit card transactions. Make it a practice to regularly contact your merchant services fraud department about what your staff should be doing to prevent fraud, and what scams may be occurring in your area or targeting your type of business.
- Contact your merchant services to verify odd credit card information, and ask that the issuing bank contact the card holder to verify the transaction.
- Contact an issuing bank on counter checks, cashiers checks or company checks to verify the account standing and funds availability.
- Hold equipment until you are satisfied payment will clear on out of town checks, debit card deposits or transactions that seem out of the ordinary. A hold may deter a con artist from targeting your business.
- Require local references from new renters, and follow up with them independently - Call them!
- Confirm delivery addresses yourself: contact the businesses to confirm the renter or buyer is associated with the address, or contracted to do work there.
- Require a thumb print, and digitally scan identification on all renters (avoid poor quality photocopies or fax scans).
- Photograph renter's vehicles, including the license plate.
- Test your security cameras to ensure a renter can be clearly identified at the counter, and that the system captures usable images of vehicles.
- Communicate rental fraud attempts. Share information locally on attempts made against your business so that other businesses are forewarned.

Need more information? Contact an NER analyst at 866-663-7872, or email [info@ner.net](mailto:info@ner.net)

Were you victimized in a fraud? Report the details to NER at [www.ner.net](http://www.ner.net), and include as much of the offender information and circumstances of the fraud as possible.

Remember that you don't have to have a police report to list a machine missing with NER.

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