



Getting Ahead of Fuel Theft

6 Best Practices for Convenience Stores and Fleets

With fuel theft on the rise, companies need to take precautionary measures. The biggest challenge to navigate is the unpredictable nature of crime — it's impossible to know what illicit actors are thinking and planning. After all, they're working actively to outsmart protective best practices. It's an issue that's endemic and timeless to the industry.

Solving the problem means hardening core infrastructure and implementing systems to overhaul operations. In this guide, you'll learn actionable recommendations for how to identify and prevent fuel theft at your organization. This guide is particularly helpful for leadership at convenience stores and in the fleet space.

Gain perspective for how to stay ahead of theft issues before they have a chance to cause major problems in your business.



Fuel Theft Trends Overview

As fuel prices are rising, so is the issue of fuel theft — with mechanisms for stealing becoming more sophisticated.

[Consider the Summer 2022 case](#) of two Virginia Beach men getting caught pumping thousands of dollars worth of gasoline from a Citgo gas station. The suspects used a device to illegally obtain the gas from the pumps, with the intention to resell the fuel for a cheaper price on the black market. The thieves even advertised the operation on social media as part of a larger conspiracy.

This story is one of countless incidents. In Las Vegas and Florida, for instance, law enforcement recently [became aware of highly modified trucks](#) stealing thousands of gallons of gas.

“They go in and they change the pulsator,” said Ned Bowman, executive director at Florida Petroleum Marketers in an [interview with Business Insider](#). “The pulsator is the device that is inside the gas pump that regulates the flow of the fuel. So they’re able to change the price of the fuel down to a nickel or a penny to the gallon and fill the

back of their trucks up—their bladders or spare tanks— with fuel that’s basically free.”

It’s not just convenience stores that are navigating the consequences of fuel theft — and it’s not an issue limited to the United States, either. At \$133 billion U.S. dollars per year, oil is the largest stolen natural resource globally. In the United Kingdom, unpaid fuel incidents at gas stations [rose 22% in June 2022](#).

Fuel theft is a challenge that fleet managers need to watch out for as well, with bad actors being known to target vehicles along trucking routes.

“Fuel theft impacts operations at the upstream, midstream, and downstream levels, and it is so entrenched that even politicians, military personnel, and police are complicit in illegal activities,” [explains a 2017 Business Insider article](#).

There’s no getting away from the risk of fuel theft. Where there are valuable resources, there will be illicit behavior. So what steps can convenience store operators take to minimize losses without creating added burden for customers at the pump?

The key is to increase resiliency and awareness through a combination of data, analytics, communication, proactive measures, and education.

Tactical Steps to Get Ahead of Fuel Theft

Often part of large-scale coordinated efforts, thieves and fraudsters are intelligent. These groups are continually seeking ways to outsmart preventative measures. That means development of new technologies, recruiting more people into criminal syndicates, and sometimes coordinating efforts within the inside of a company. For these reasons, it’s unrealistic to root out the issue of fuel theft entirely.

But companies can get ahead of the problem to prevent losses by taking the following steps:



Build a More Granular Accounting Picture



Establish Relationships with Law Enforcement



Standardize Security and Monitoring Protocols



Implement a Digital Analytics System



Bridge Gaps with Vendors



Prioritize Staff Education

Build a More Granular Accounting Picture

For convenience stores and fleets alike, fuel theft is ultimately a finance and inventory reconciliation issue. Let's say that a company purchases a billion gallons of gasoline for thousands of locations with 10,000 gallons unaccounted for.

Finance teams may attribute the delta to a rounding error — or perhaps the supplier did not provide the correct amount of fuel. With this aggregate level picture, it's difficult to identify the precise reason for fuel loss.

One valuable step that teams can take is to go deeper. What do month-over-

month trends look like? Do losses correlate with specific locations or geographies? Are affected locations in regions with known fuel theft incidences?

Fuel loss happens for a variety of reasons. Without an understanding of these reasons, however, fuel theft has the potential to go undetected. In the worst case scenarios, it can be part of an inside job.

When there is loss on a balance sheet, it's important for finance and inventory reconciliation teams to push an investigation into why. This analysis is crucial for uncovering illicit activity beneath the surface.



Analysis of a loss is crucial for uncovering illicit activity.

Establish Relationships with Law Enforcement

Local police, highway patrol, and federal authorities have a cross-sectional view into criminal activity and patterns. For this reason, it's a good idea for companies to proactively reach out and build an open line of communication with law enforcement. Depending on the agency and location, there may be distribution lists or watch groups dedicated to reporting criminal activity.

These days, law enforcement is under pressure to keep up with more crime than there are resources to fight illicit activity. Community-based groups can provide an added level of security in an otherwise overwhelmed justice system. These mechanisms, however, are unlikely to defend against potential inside jobs.

Community-based groups can provide an added level of security in your efforts to beat fuel theft.



Standardize Security and Monitoring Protocols

You need an auditable, enforceable framework for addressing security issues before you have a problem.

Store chains and franchises, in particular, will benefit from systematizing their security protocols. Many facilities are not monitored — and that's a risk. Or, different locations will have their own systems that have not been vetted to meet an established standard.

Fragmented or nonuniform processes have the potential to be detrimental due to the absence of an auditable, enforceable framework. Without a centralized program, companies may also waste time and resources on non-essential business practices.

Example security systems include:

- Locking down dispensers
- Locking down tanks
- Implementing card reader systems
- After-hours monitoring systems

Companies will rely on a combination of measures for an effective strategy. However, it is important to keep in mind that even the best systems may not be enough to deter a sophisticated criminal operation.

Implement a Digital Analytics System

Many convenience stores and trucking companies still manage their data using spreadsheets, hard files, and paper.

With these systems, companies cannot perform analyses at the pace needed to pinpoint — and stop — sources of loss.

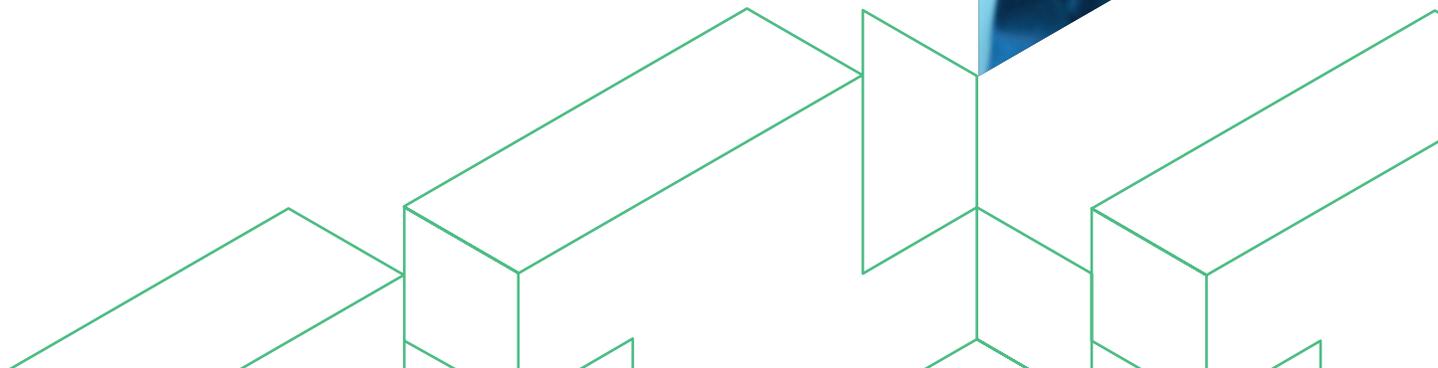
With a comprehensive digital analytics solution, stakeholders can work together more efficiently to understand anomalies. It's about pulling information together and then sharing those insights with personnel to examine operations with precision.

One benefit to a digital analytics system is the ability to monitor sites without being physically present. From afar, companies can monitor electric systems, ensure that equipment is performing effectively, and stay on top of sensor alerts.

Are dispensers being accessed at odd hours? Does tank system data reflect what's being reported at the pump?

For both convenience stores and fleets, operations are in nonstop motion. At gas stations, people are constantly picking up nozzles to make purchases. On the road, truckers are laserfocused on safety and making stops when they need to rest.

Spreadsheets can't move fast enough to keep up with this activity. While it may be possible to identify fuel loss or theft through manual processes, the effort required will be extensive. With an intelligent analytics system, it becomes easier to quickly identify the root cause of an issue — and recommend immediate resolutions.



Bridge Gaps with Vendors

Often, it's a third-party company that's responsible for managing a company's fuel inventory. These vendors are well-aware of fuel theft; however, they are overseeing complex processes across multiple companies. Anomaly detection may be challenging given the lack of uniformity across systems.

For instance, Titan Cloud recently worked with a company that utilized six different approaches to retrieving information from data. It was a cumbersome and antiquated process. The company used Titan Cloud to install and manage equipment end-to-end.



Prioritize Staff Education

Most employees, especially truck drivers and customer-facing staff at convenience stores, are focused on doing a good job. The thought of fuel theft is unlikely to cross their minds until after an incident takes place.

That's why it's important for executive teams to keep staff in the loop. For convenience store managers, a few simple measures can help identify theft early on:

- Are certain customers taking unusually long periods of time at the pump but paying small bills?
- What protocols should staff follow after noticing suspicious activity?
- What are some warning signs for staff to watch?
- How can staff best stay in sync with news regarding local crime?

Similarly, transportation and logistics companies need to support their drivers. [Verizon Connect recommends](#) the following best practices for fleet managers:

- Ensure drivers are aware of the dangers of fuel theft
- Provide training regarding basic vehicle safety (i.e. after-hours parking, locking fuel caps)
- Install fences, lighting, and security cameras in vehicles and fuel yards as a deterrent
- Remind drivers to park their trucks in a way that blocks access to fuel tanks
- Help drivers identify the signs of suspicious activity

Above all, it's important to establish protocols for staff to protect their safety. Where there is illicit activity, there is also the potential violence. In no situation should companies put their staff in danger.

Over the next year, the efficiencies gained translated into 1 million gallons of fuel savings for this company. The group was able to prevent loss — including theft — while establishing a stronger foundation for future analysis.

With fuel theft being endemic to the oil and gas industry, it's important to take a bird's eye approach to rooting out the problem from occurring in the first place. Fighting individual theft incidences and tactics can help — but ultimately, bad actors continually find new ways to outsmart security measures. Staying ahead of illicit activity means focusing on the basics. Companies will benefit from hardening core infrastructure and gaining a deeper understanding into the problem.

Learn more at titancloud.com

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