

**Dendro Resource Management, Inc.** provides audit services designed to raise the theft and fraud prevention stance of the timber industry.



Featured Article:

## What Would Mother Do? Applying Childhood Lessons to Timber Security

Issue: January 2011



### About Us

With over 23 years' experience in the forest products industry, Dendro Resource Management, Inc. (DRM) is a leader in timber audit services. DRM is committed to supporting the integrity of the forest industry by providing independent analysis and recommendations regarding internal controls as well as actively detecting and documenting theft and fraud incidents. Customer programs can be tailored with your Company's needs in mind. With DRM you are guaranteed independence and confidentiality.

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### ***Best wishes as we start another new year together.***

It seems there are many indicators that this economic downturn is finally turning around. Perhaps it's time to begin planning for a brighter 2011. One caution to keep in mind is that as things get into gear and we get busy with 2011, that busy-ness can take away our focus on security issues. Make it a resolution this year to set one goal that will move you a step forward to protect your company's assets and strengthen your timber security plans.

This month we have a guest writer. Rex Woodson, Corporate Security Manager with Weyerhaeuser in Arkansas. For the 30 years preceding his current position, he was a Special Agent with the National Park Service and US Forest Service. He is a good friend and colleague and his straight-forward approach to timber security has been an inspiration to me and to many who know and have worked with him. I think you'll find his perspective refreshing and memorable. Thanks Rex!

Sincerely,  
Aaron Gilland  
DRM, Inc.

## What Would Mother Do?

*Applying Childhood Lessons to Timber Security*

*by Rex Woodson, Security Manager, Weyerhaeuser, Inc.*

I wasn't always a model kid growing up. There was nothing criminal about my escapades, but I was notorious for sneaking off and then lying about my whereabouts to my mother so she didn't know what I was doing, who I was with or where I had gone. My mother was pretty good at catching me though. I still don't know how she knew it was me that carved my name into a dining room chair. Punishments were designed and delivered to keep my baser nature in check. I have to say, they worked ... for the most part.

Because I was basically a good kid, that alone built my self-confidence and helped me think I was bulletproof from Mom's watchful eye. So, on occasion, I'd be lured to the adventure of skipping school for a fishing trip with my buddies, confident she would trust my lie. One day, I gave in. The fishing was good, in spite of my occasional visions of mom walking up behind me to ask if I was having any luck. She didn't show up. However, a few days later one of my fishing co-conspirators spilled his guts and I was roasted and toasted. Mother suspected something was awry, but decided to gather some facts before taking action. Mothers are clever like that.



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## So What does this have to do with Timber Security?

I'll explain with a real-life scenario.

"Sawmill A and B" both receive anonymous phone calls claiming that ABC Logging Company is **'zone jumping'** (claiming wood came from 100 miles away instead of the actual 20 miles to get paid the higher per ton rates). The caller says this practice has been going on for years and has cost the mills a substantial amount of money.

Because the caller has not identified himself and did not provide any specific evidence to prove the allegation, "Sawmill A" chooses to confront ABC Logging directly. ABC Logging denies the accusation and claims that the caller was probably a disgruntled former employee wanting to harm ABC Loggings' reputation. "Sawmill A" cautions ABC Logging but continues to do business with them.

"Sawmill B" takes a different approach. They decide to covertly follow a few ABC Logging trucks and utilize hidden woodland cameras to see if there is any truth to the caller's allegations. After a couple of weeks they confront ABC Logging with some damaging evidence confirming the callers' information. Sawmill B takes legal action and terminates their business arrangement with ABC Logging.

**Lesson #1- Investigate before you confront.** As a boy I would easily crack when mother confronted me directly with an issue, but soon I learned to have excuses ready in hand. Those excuses fell apart when she had evidence. By waiting to confront, you can discover crucial facts and details that you would be unable to obtain in any other way. In this case, Sawmill B not only proved the allegation was correct, but they also learned there were others involved unknown to the anonymous caller. Sawmill B ended up with a better picture of what actually was happening. Furthermore, they were comfortable with their allegations and were better able to take actions that were fair to both ABC Logging and themselves. As shown here, when you confront first, the chances of learning the unbiased truth is reduced. The perpetrators have an alibi already prepared. ABC Logging was put on notice and their improper activities ceased, for the time being anyway. Gathering any future untainted information against ABC Logging was unlikely and they will probably take their scam to another company.

**Lesson #2 - Trust but Verify.** My mother loved and trusted me, but she recognized that I needed to be "checked on" occasionally. Sometimes people you trust can lie, steal and cheat. In this case, both mills were surprised by the allegations. They had worked with ABC Logging for years and were confident the company played by the rules. As a result, neither mill took precautions to ensure the relationship stayed honest. One of my favorite law enforcement/security phrases was coined by President Ronald Reagan when he was negotiating with the Russians over nuclear disarmament. He said, "Trust but verify." During my 30+ years of forest industry law enforcement and security work, I have worked several cases where a good, honest person was caught doing something dishonest. I've been involved in the indictment or arrest of school board members, government officials and ministers for criminal misdeeds. All were trusted members of their communities who became tempted by the lure of money when they perceived there was a minimal

risk of capture.

**Lesson #3 - Develop some visible elements of risk for potential violators to think about.** I knew my mother had advanced investigative tactics. I'd experienced them. It caused some apprehension while fishing that day, but more importantly kept me from straying more often. If the zone jumping fraud had been going on for some time as the caller suggested, ABC Logging apparently felt comfortable with their scheme and thought there was minimal risk of being caught. Success makes people brave. To deter future crime, keep elements of risk visible for potential violators to see and think about. In this particular scenario, conducting random wood flow audits would have been a good first step. Notifying the Logging vendors that you will be conducting some random audits by following trucks or using woodland surveillance cameras elevates the risk ante. Then follow through. You don't necessarily have to apprehend anyone to make your point. You can subtly mention that you observed one of their trucks leaving a logging site while conducting a wood flow audit or show a still photo taken from a woodlands camera while noting an equipment or safety concern. Show that you take fraud seriously.

**Lesson #4 --Taking punitive actions against violators sends a strong message to others.** Without the encouragement of my friends, I might not have gone on the fishing adventure. My mother's diligence and involvement included my friends and catching me impacted them as well. It created a fear in the entire group. It sounds pretty basic, but once you prove a fraud or other improper behavior you have to take action. Taking punitive actions (civil, criminal and/or administrative) sends a strong message to the violator, others involved and even on-lookers that there is a high penalty for improper behavior. Anything less is not much of a deterrent at all. It changes the whole environment. In the example above, Sawmill A probably continued their business relationship with ABC Logging because they didn't have enough evidence to terminate the contract. It is very likely ABC Logging will stop for a while but pick up again later with new methods and/or will continue their fraud schemes with another company in the area. On the other hand, the actions taken by Sawmill B eliminated further problems with ABC Logging for themselves and could also deter any future fraud attempts with other companies and will send a strong deterrent message that will resonate throughout the forest industry in that area. All the kids in the neighborhood are impacted.

### **Conclusion**

In the end, I have to simply say, "Thanks, Mom." Thanks for keeping me on the straight and narrow and out of any real trouble while growing up. And thanks for the timber security lessons that I still use today.