Cargo theft - current trends and best practices for prevention

John C. Tabor
Cargo Theft Challenges

- The FBI reports cargo theft in the U.S. to exceed 15 billion annually
- Cargo Thieves are highly sophisticated and organized
- Penalties for cargo thieves are not stringent enough
- Victims are hesitant to report thefts: fear of insurance costs or brand
- Lack of collaboration and information sharing is fragmented
- Inability to identify appropriate law enforcement contacts
- No all inclusive cargo theft database
- Limited awareness and training at the driver level
Cargo Theft 2014 Heat Map
Theft by quarter

2014 Cargo Theft by Quarter

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>259</td>
<td>214</td>
</tr>
<tr>
<td>Q2</td>
<td>247</td>
<td>195</td>
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<td>Q3</td>
<td>294</td>
<td>230</td>
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<tr>
<td>Q4</td>
<td>298</td>
<td>205</td>
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</tbody>
</table>

Down 23% 2013
Theft by month

Cargo Theft by Month

<table>
<thead>
<tr>
<th>Month</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>70</td>
<td>80</td>
</tr>
<tr>
<td>February</td>
<td>80</td>
<td>84</td>
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<td>March</td>
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<td>April</td>
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<td>May</td>
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<td>June</td>
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<td>77</td>
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<td>July</td>
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<td>August</td>
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<td>September</td>
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<td>October</td>
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<tr>
<td>November</td>
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<td>90</td>
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<tr>
<td>December</td>
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<td>January</td>
<td>108</td>
<td>96</td>
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<tr>
<td>February</td>
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<tr>
<td>March</td>
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<td>April</td>
<td>68</td>
<td>88</td>
</tr>
<tr>
<td>May</td>
<td>88</td>
<td>64</td>
</tr>
<tr>
<td>June</td>
<td>64</td>
<td>53</td>
</tr>
</tbody>
</table>

CargoNet
The cargo theft prevention and recovery network
Theft by day of week

Cargo Theft by Day of the Week

<table>
<thead>
<tr>
<th>Day</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunday</td>
<td>207</td>
<td>134</td>
</tr>
<tr>
<td>Monday</td>
<td>198</td>
<td>157</td>
</tr>
<tr>
<td>Tuesday</td>
<td>132</td>
<td>121</td>
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<tr>
<td>Wednesday</td>
<td>125</td>
<td>103</td>
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<td>Thursday</td>
<td>135</td>
<td>99</td>
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<td>Friday</td>
<td>161</td>
<td>116</td>
</tr>
<tr>
<td>Saturday</td>
<td>140</td>
<td>114</td>
</tr>
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</table>
Theft by location

Cargo Theft by Location

<table>
<thead>
<tr>
<th>Location</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse/DC</td>
<td>241</td>
<td>161</td>
</tr>
<tr>
<td>Truck Stop</td>
<td>187</td>
<td>130</td>
</tr>
<tr>
<td>Parking Lot</td>
<td>163</td>
<td>104</td>
</tr>
<tr>
<td>Secured Yard</td>
<td>96</td>
<td>93</td>
</tr>
<tr>
<td>Unsecured Yard</td>
<td>54</td>
<td>72</td>
</tr>
<tr>
<td>Carrier/Terminal Lot</td>
<td>58</td>
<td>54</td>
</tr>
<tr>
<td>Side of Road</td>
<td>44</td>
<td>33</td>
</tr>
<tr>
<td>Other</td>
<td>52</td>
<td>26</td>
</tr>
<tr>
<td>On Route</td>
<td>26</td>
<td>17</td>
</tr>
<tr>
<td>Drop Lot</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Port of Entry</td>
<td>21</td>
<td>7</td>
</tr>
</tbody>
</table>

CargoNet
The cargo theft prevention and recovery network
Cargo Theft by Commodity

The top 5 commodities represent 83%
Cargo Theft by Average Commodity Value (Top 5)

- **Metals**: $92,773, $89,378
- **Other**: $149,641, $239,221
- **Apparel & Accessories**: $174,297, $226,955
- **Personal Care & Beauty**: $113,957, $236,783
- **Pharmaceutical & Medical**: $288,247, $355,591
- **Electronics**: $331,778, $549,539
The Basics

• Freight at rest is freight at risk
• All loaded trailers should be locked at all times
• Carrier should have suitable insurance
• Operations and security policies and procedures should be published
• Orientation programs for all employees
• Training video
• Reward employees
**Important:** The Public Records and commercially available data sources used on reports have errors. Data is sometimes entered poorly, processed incorrectly and is generally not free from defect. This system should not be relied upon as definitively accurate. Before relying on any data this system supplies, it should be independently verified.

**Comprehensive Report**

**Date:** 10/27/03

**Report Legend:**
- **S** - Shared Address
- **D** - Deceased Address
- **V** - Verified Address

### Subject Information

Name: JOHN C TABOR  
Date of Birth: 04/1971  
Age: 32  
SSN: 142-58-xxxx  
Issued in New Jersey between 01/01/1972 and 12/31/1973  
Others Associated with SSN: LYNN G GERLAUGH  
DOB: 08/1987  Age: 36

### AKAs (Names Associated with Subject)

<table>
<thead>
<tr>
<th>AKA Name</th>
<th>SSN</th>
</tr>
</thead>
<tbody>
<tr>
<td>JACK TABOR</td>
<td>142-58-xxxx</td>
</tr>
</tbody>
</table>

### Indicators

- Bankruptcy: No
- Property: Yes
- Corporate Affiliations: No

### Address Summary

<table>
<thead>
<tr>
<th>Address</th>
<th>Date Range</th>
<th>Neighborhood Profile (2000 Census)</th>
<th>Average Age</th>
<th>Median Household Income</th>
<th>Median Home Value</th>
<th>Average Years of Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>182 LAWRENCE DR, PARAMUS NJ 07652-4451, BERGEN COUNTY</td>
<td>(Dec 1997 - Sep 2003)</td>
<td></td>
<td>40</td>
<td>$51,838</td>
<td>$263,400</td>
<td>13</td>
</tr>
<tr>
<td>164 TIMOTHY PL # 54, PARAMUS NJ 07652-4433, BERGEN COUNTY</td>
<td>(Oct 1999 - 2002)</td>
<td></td>
<td>40</td>
<td>$51,838</td>
<td>$263,400</td>
<td>13</td>
</tr>
<tr>
<td>54 S FARVIEW AVE D, PARAMUS NJ 07652-2630, BERGEN COUNTY</td>
<td>(Sep 1992 - Jun 2001)</td>
<td></td>
<td>38</td>
<td>$80,220</td>
<td>$325,000</td>
<td>15</td>
</tr>
<tr>
<td>54 FAIRVIEW AVE, PARAMUS NJ 07652, BERGEN COUNTY</td>
<td>(Aug 1999)</td>
<td></td>
<td>40</td>
<td>$89,778</td>
<td>$288,100</td>
<td>14</td>
</tr>
</tbody>
</table>

**Comprehensive Report Summary:** (Click on Link to see detail)

- Bankruptcies: None Found
- UCC Filings: None Found
- Corporate Affiliations: None Found
- Driver’s License: None Found
- Address(es) Found: 1 Verified and 3 Non-Verified Found
- Possible Properties Owned: 2 Found
- Motor Vehicles Registered: None Found
- Merchant Vessels: None Found
- FAA Certifications: None Found
- FAA Aircrafts: None Found

https://secure.accurint.com/app/bps/report  
10/27/2003
LOCATION
Location..Location..Location
Inside a Facility

- Main entrance
- One exit / entrance
- Access control
- Perimeter alarms
- Electric fence
- ID cards
- Generators
- Segways
- CCTV
Fencing
Fictitious Pick Ups

- Load boards
- High Value
- Refrigerated loads
- Cross Country haul over the weekend
- Out of state brokers
- Quick application for the load (15 minutes)
- Team drivers
How it works

- Thieves set up a phony company
- Use prepaid credit cards and PO Box
- Obtain a Federal Tax Identification Number
- Register the name with DOT, Better Business Bureau and apply for Interstate Operating Authority Number
- Arrive at shipper in rented (with cash) or stolen tractor with temporary placards and a fake “company” uniform
- Fake driver drives off with the load –never to be seen again
Best Practices for Prevention

- Phone number should be a landline vs. cellphone
- Check phone on FMCSA website
- Email domain should be from a company
- Check company on [https://safer.fmcsa.dot.gov/CompanySnapshot.aspx](https://safer.fmcsa.dot.gov/CompanySnapshot.aspx)
- Carrier should have multiple tractors
- Carrier should have been in business at least a year
- Call the company identify the driver
- Verify insurance brokers information use the number off of the website not the insurance certificate
- Install portable GPS devices inside the load
<table>
<thead>
<tr>
<th>Date</th>
<th>ID</th>
<th>Name</th>
<th>Address</th>
<th>City</th>
<th>Zip</th>
<th>State</th>
<th>D.O.B</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/28/2003</td>
<td>677 715 226</td>
<td>ALEKSANDR SIN</td>
<td>2167 84TH STREET</td>
<td>BROOKLYN</td>
<td>11214</td>
<td>NY</td>
<td>08-25-54</td>
</tr>
<tr>
<td>10/28/2003</td>
<td>M6446 61764 057</td>
<td>PATRICK D MONT</td>
<td>46 W BROAD ST</td>
<td>BBSTOWN</td>
<td>08027</td>
<td>NJ</td>
<td>05-31-72</td>
</tr>
<tr>
<td>10/28/2003</td>
<td>898 820 443</td>
<td>RALPH J RANDAL</td>
<td>820 THEIROT AV</td>
<td>BRONX I</td>
<td>10473</td>
<td>NY</td>
<td>12-07-44</td>
</tr>
<tr>
<td>10/28/2003</td>
<td>S6676 41083 03692</td>
<td>JOSE T SORTO</td>
<td>600 E JERSEY ST</td>
<td>ELIZABETH</td>
<td>07206</td>
<td>NJ</td>
<td>03-15-69</td>
</tr>
</tbody>
</table>

**ID Information**

- ID: S6676 41083 03692
- Name: JOSE T SORTO
- Address: 600 E JERSEY ST
- City: ELIZABETH
- State: NJ
- Zip: 07206
- D.O.B: 03-15-69
- Issue: 04-24-03
- Expiry: 12-31-05
- Gender: M
- SSN: 

**Scan Time:** 10/28/2003 4:33:33 PM

**Trailer:** 262601

**Notes:** HUB GROUP (RTL)
Seals

Seal logs should be used to track individual histories

Seal integrity is the primary tool in combating cargo theft

Do not attempt to cut costs with low quality seals

Store employees should insist on breaking the seal

The seal should be inspected for correct numbers

Seal should be tugged on to ensure that it is engaged

Seal should be inspected for signs of tampering

Seal incentive programs
It takes minutes to drill out the rivet.
The seal never gets touched!
The handle is reattached with a bolt.

Paint hides the evidence.
Defeating a Seal
Why Identify?
Received a Ext Power On notification from asset 653007 of company Macys - NJ at 2003-09-19 11:01:42.

The location of the asset at 2003-09-19 09:26:25 was 2 miles S of the nearest city Bellmawr,NJ 08031 and 11 miles SSE of the nearest major city Philadelphia,PA moving at a speed of 0 MPH.

Received a Movement Alert notification from asset U29831 of company XTRA Lease at 2003-09-19 07:23:12.

The location of the asset at 2003-09-19 07:23:10 was 1 miles SSE of the nearest city East Palo Alto,CA 94303 and 24 miles SSE of the nearest major city Oakland,CA moving NW at a speed of 58 MPH.
Cargo tracking

- Portable, Rechargeable, Reusable, International
- Low power consumption
  - Up to 6 month battery life
  - Ability to ping every 30 seconds
- Web based platform for multiple users
- Various sensor technologies
  - Temperature
  - Light
  - Shock
  - Humidity
- SMS or emailed alert events
- Low cost
Electronic Seals

- GPS-Remote lock unlock
- GPS location
- No driver access
- Dispatch controlled
- Tamper proof
- Digital Seal integration
- Access audit by location
Cargo Theft Investigations

- Establish Law enforcement contacts before a problem occurs
- Have customer contact info readily available
- Have complete and accurate employee files accessible
- Attend several interview / interrogation classes
- Notify local, county, and state PD, as well as the FBI
- Post a substantial reward right away
- Notify other carriers
- Call cab companies
- Conduct interviews immediately
- Travel to the site of the loss
What can I offer you?

- A drink
- Tractors / Trailers
- Drivers for sting operations
- Warehouses
- Storage space
- Training
- Reward money / Bait merchandise
- Identifying freight owners
- Moving sting trailers - Travelers
- Sponsorships
Network and Learn

- Regional Cargo Security Councils
- Pharmaceutical Cargo Security Coalition
- Transported Asset Protection Association
- American Trucking Association
- National Retail Federation
- Retail Industry Leaders Association
- American Society for Industrial Security
- Federal Bureau of Investigations
- State and Local Police
- Memphis / C-TIP / Cargo Cats / Illinois
Thank You

John C. Tabor
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Jtabor@Allstatesupplychain.com