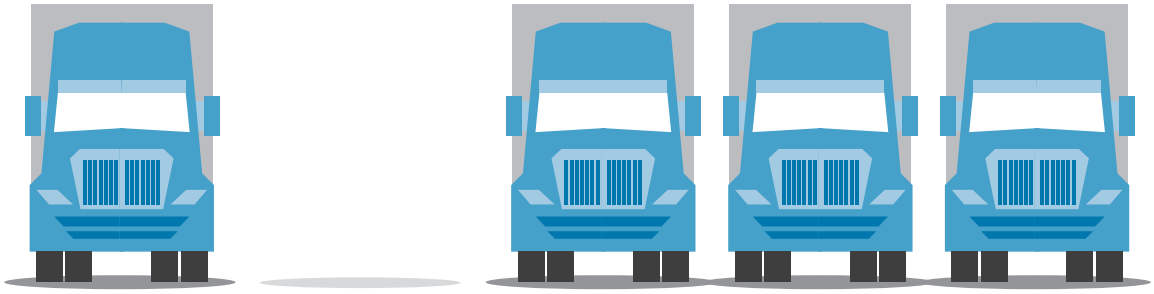
Cargo Theft

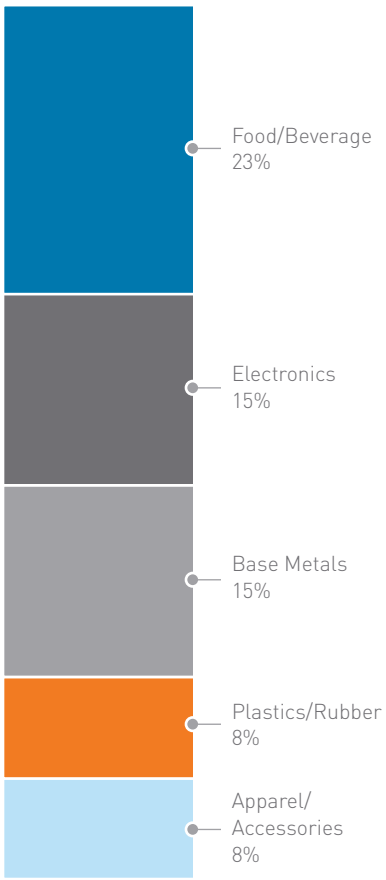
How Cargo Is Targeted and What Can Be Done About It

WHITE PAPER



C.H. ROBINSON

FIGURE 1 U.S. CARGO THEFT BY TOP 5 COMMODITIES[6]



Risks are inevitable when transporting cargo. But shippers can mitigate the risk of cargo theft by understanding what makes commodities easier to steal and taking steps to reduce theft.

In 2012, Freightwatch International Group reports that U.S. cargo thefts rose to the highest number on record, but the average loss per incident decreased 45% to $173,727.[1] This increase in the number of thefts with a decrease in the value of stolen cargo shows a shift that suggests more cargo is now at risk.

This white paper examines the typical behaviors and motivations of cargo thieves, commodities that have become prime targets for theft, and how shippers can better protect their cargo.

Who are the criminals?

Organized groups rather than opportunistic individuals typically commit cargo theft. They plan each job thoroughly. Multi-trailer robberies in a single event have increased exponentially,[2] showing both the speed at which thieves can act and how well informed they are before burglaries.

Nearly 85% of U.S. cargo stolen is from stationary, unattended containers.[3] More thieves are also committing identity theft, assuming a legitimate carrier's identity so they can schedule appointments and pick up trailers. From 2009 to 2012, these deceptive pickup incidents increased by 763%.[4]

Rather than steal cargo for personal use, thieves typically resell stolen goods, using the money to fund other illegal activities. Groups like the MS-13, the Chinese Triad, and even Al Qaeda are known to generate money from U.S. organized cargo theft rings.[5]

1 Freightwatch International. "2013 Global Cargo Theft Threat Assessment." 2013.
2 Industry Market Trends. "Shipping Thieves at Large, A Cargo Theft Review." November 8, 2011.
3 Freightwatch International. "2013 Global Cargo Theft Threat Assessment." 2013.
4 Ibid.
5 *Inbound Logistics*. "The Cargo Theft Threat." January 2010.
6 CargoNet. "Third Quarter 2012 U.S. Cargo Theft Report." November 2012.

Where is your cargo at risk?

The highest areas of risk occur in Atlanta, Los Angeles, Miami, New York, Toronto, and anywhere along the Mexico border.[7] In addition, cargo theft is often committed in areas like parking lots, truck stops, and unattended facilities. Since thieves target these locations consistently, they may follow targeted trailers from commodity warehouses and wait for their chance to strike.

Thieves are most active on weekends and three-day weekends, when there is less activity, fewer people, and a lack of security.[8] As companies close and drivers leave loads unattended, thieves have more opportunities to loot trailers.

New primary targets

Cargo thieves traditionally targeted high value commodities like electronics. But technology now enables shippers to serialize higher-end consumer items. Web and cell-related products have internal traceability capabilities, making it easier for law enforcement to locate them. As the risk of capture grows, high value electronics become less appealing targets.

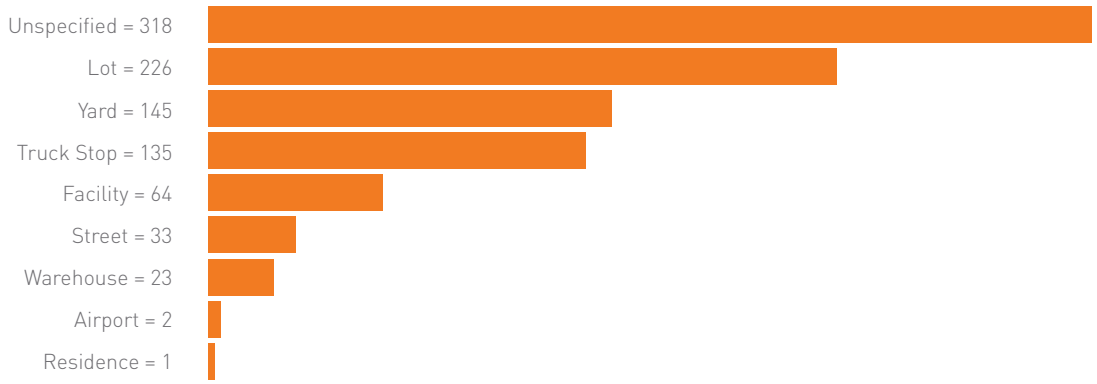
Recently, lower value goods have grown increasingly attractive as more people seek basic household goods at discounted rates. As demand for low cost items rises, so does the risk for theft. Low value goods are cost prohibitive to track, so they are more attractive to thieves.

What can shippers do?

Each company should analyze the gaps in their operations that can lead to greater security risk. They can analyze processes and build a multi-level security process, using a strategic balance of technological and traditional deterrents. Educating your employees, including drivers and warehouse personnel, is paramount to well-developed standard operating procedures (SOPs). Ensure employees can identify cargo that has been changed between the origin and the destination, and that they know how to utilize locks and alarms to prevent unauthorized access. These are only a few suggested SOPs that can help you create a more robust security program that reduces risk.

FIGURE 2 THEFT ACTIVITY BY LOCATION: 2012[9]

Of the 947 reported incidents, below are the locations targeted:



7 Leach, Peter., Senior Editor. "U.S. Cargo Theft Hits Record, Average Value Drops." *Journal of Commerce,* January 19, 2012.
8 Supply Chain-Information Sharing and Analysis. "2012 Supply Chain ISAC Report of Cargo Theft Activity."
9 Ibid.



IDEAS IN ACTION®

6 ways to help reduce cargo theft

1. **Know exactly who is handling your freight.** Have you chosen providers who will follow your precise security instructions?

2. **Analyze your practices.** Do you know everyone—internal and external—who can access sensitive cargo information? Do you use packaging that makes it too obvious that valuable goods are inside?

3. **Deploy technology.** Can you use GPS, RFID, TMS, or other systems to track freight?

4. **Include traditional deterrents.** Do you use locks and alarms? Do your vehicles park in well-lit spaces? How quickly can you report crime to authorities?

5. **Minimize unnecessary dwell time.** Can you limit the need for weekend transits and avoid potential routes with high theft rates?

6. **Support law enforcement.** Can you invite law enforcement to inspect your premises and offer recommendations? Will officers make your facilities part of their normal patrol route?

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C.H. Robinson helps companies simplify their global supply chains and understand their landed costs. To help build smarter, more competitive supply chains, skilled supply chain engineers and logistics professionals combine a deep knowledge of market conditions, practical experience, and proven processes. From local truck transportation to global supply chain management systems, from produce sourcing to consulting to logistics outsourcing, C.H. Robinson supplies a competitive advantage to companies of all sizes.

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