

Rigging Solutions to Fight the Problem

To help combat the rash of cargo theft, FBI agents and local law enforcement operate cargo theft task forces across the country.

NICB works with the National Commercial Vehicle and Cargo Theft Prevention Task Force (NCTTF), whose members include small and large trucking companies, law enforcement agencies, insurers, self-insurers and manufacturers throughout the U.S. The NCTTF Web site - www.nationalcargothefttaskforce.org - is a central point of contact for law enforcement and the insurance and transportation industries as we fight collaboratively to combat cargo theft.

NICB has partnered with the Insurance Services Office (ISO) to create CargoNet™, a national cargo recovery network found at www.cargonet.com that connects all regional databases to share information on cargo theft.

If you suspect cargo theft activities, contact NICB in one of three easy ways:

1. Text "FRAUD" and your tip to TIP411 (847411).
2. Call 1-800-TEL-NICB (1-800-835-6422).
3. Submit a form on www.nicb.org.

Your tip can be anonymous.



For More Information

The National Insurance Crime Bureau (NICB) is the nation's leading nonprofit organization exclusively dedicated to leading a united effort of insurers, law enforcement agencies and representatives of the public to prevent and combat insurance fraud and crime through data analytics, investigations, training, legislative advocacy and public awareness.

You can learn more about cargo theft on the NICB's Web site at www.nicb.org.



1111 E. Touhy Ave., Suite 400
Des Plaines, IL 60018
1.800.447.6282
www.nicb.org



Cargo Theft

An Enormous Disappearing Act

Fraud Solutions **now.**SM

Fraud Solutions **now.**SM

A Lucrative Business on the Rise

Cargo theft is a nationwide issue with a significant impact on the U.S. economy. It's estimated that cargo crime accounts for a direct merchandise loss of \$15 to \$30 billion per year in the U.S., and those figures are growing every year.¹ This is even more alarming since virtually all goods manufactured domestically and internationally are transported by truck and rail within the continental U.S.

To get the goods, gangs and organized criminal enterprises target cargo at truck stops, parking lots, warehouses, airports and port cities - all areas where freight is either in-transit or stored in warehouses. Freight that's at rest is at risk.

Cargo theft groups are on the lookout for trailers carrying brand name, high-end items such as electronics, sports equipment and pharmaceuticals. Even one stolen trailer pays out. The FBI estimates that the average trailer carries between \$12,000 - \$3 million in cargo.¹

Merchandise is then sold on the black market or online auctions with profits used to fund these criminal enterprises. There is also the potential for funding terrorist organizations.

Cargo theft is a lucrative business that isn't slowing down. FreightWatch International reports that U.S. cargo thefts, full truckload losses and warehouse burglaries increased by 13 percent over a one-year span.

With law enforcement resources stretched to capacity in many areas of the country as they address traditional crime groups, this leaves little time to address cargo theft.

That's why organized criminal enterprises view cargo theft as a low-risk crime with high-profit potential.

¹Federal Bureau of Investigation. "Cargo Theft's High Cost: Thieves Stealing Billions Annually." fbi.gov, 21, July 2006.

7 Steps to Prevent Cargo Theft

NICB and its member companies offer these helpful tips for protecting your load:

1. Screen Employees

Conduct a background check to screen all employees, but at a minimum, drivers and warehouse employees as well as anyone who has access to shipment information and other logistics details. This is your first line of defense against employee theft and their potential involvement in cargo crimes.

2. Training for All Employees

Provide security training for all employees, and especially make sure to educate truck drivers in hijack awareness and prevention. It is for their protection as well as for the cargo. By training how to protect the truck from hijacking and theft, five important assets are safeguarded: employee, trailer, tractor, cargo and customers. Experience shows that a driver who knows, understands and follows the basic tenets of security is less likely to have their truck targeted for theft.

3. Be Smart in Selecting Transportation Partners

Select transportation partners and intermediaries wisely, making sure they share your security philosophy, such as requiring strict pre-hire vetting of prospective employees and training for drivers - this is key. Remember, you are entrusting your goods, and to some extent your reputation, to these companies.

4. In-Transit Security

Consider in-transit security when deciding on shipment routing. Cargo theft can be pre-planned or opportunistic. It can involve an inside informant who stakes out and follows the truck or an experienced thief, organized crime or fence who will quickly dispose of the goods. Cargo thieves routinely wait outside known shipping points (e.g., plants, warehouses and distribution centers) and follow trucks as they depart, waiting for the drivers to stop. A good rule of thumb is to ask drivers not to stop within the first 200 miles (or four hours), use secured lots and to avoid hot spots. Also, don't give

expensive loads to new drivers who are less than 30 days on the job.

5. Countersurveillance

Include countersurveillance in the duties of your security guards. Have them patrol away from the perimeters, and look for people looking at you. Trucks and cargo are most vulnerable to theft when sitting idle. Additional security measures for drivers include parking in well-lit secure lots, limiting the time their trailers and loads are unattended, and observing or evaluating their surroundings for potential dangers.

6. Take Advantage of Technology

When it makes sense, install alarm-surveillance systems, and respond to every alert. Ensure the perimeter, entrances, building doors and windows are well lit. Vehicle and cargo tracking, vehicle immobilizers, including anti-theft heavy duty locking devices and advanced security seals, are now available at lower costs. No matter what you purchase and install, combine it with a viable escalation and response plan.

7. Conduct Audits

Conduct periodic supply chain audits, and look for gaps in shipment protection. Cargo criminals are always coming up with new ways to defeat security devices and systems. By assessing your own system first, you'll have the opportunity to close the gaps in your supply chain. It is better to anticipate criminals' moves than have to react to them.

Educate your employees should the worst happen and your cargo, trailer or truck is stolen. In these situations, how your drivers react is of the essence.

