

MONTHLY **Motorfleet**

North American Transportation Management Institute

Cargo Security: You Can't Afford Not to Do It

With CSA2010 on the minds of motor carrier executives and drivers, it is important to pay close attention to an equally important topic – cargo security. Cargo and equipment theft has had a profound impact on our supply chain, so much so that while the economy went downhill for most of us, business was up for cargo thieves! Companies that are not practicing effective security management are risking their current assets and future earnings to the profiteering criminals. Although there is no single solution to the problem, a variety of considerations can help you manage your security risks in the long haul.

The Problem

The top states for cargo theft are California, Florida, Texas, Georgia, and New Jersey. Targeted products include electronics, food and beverages, clothing, pharmaceuticals and cigarettes. In 2009, an average of 72 cargo theft incidents per month was recorded by FreightWatch International, a security management and consulting firm. That is equivalent to one theft every 10 hours.

The Cost

The worldwide cargo theft cost approaches a staggering \$50 billion. It is the costliest crime in America, with costs exceeding all burglaries, robberies, cyber thefts, and identity thefts combined. Actual costs may be greater when the indirect costs are considered and because some businesses are reluctant to report thefts due to concern about reputation and insurance premiums. The average loss per motor carrier theft ranges from \$200,000 - \$350,000 (not including theft of vehicle equipment).

How Theft Occurs

A variety of strategies are employed by thieves, but the most common ploy is to seek out unattended trucks or trailers. Unattended trailers can be found at truck stops - where drivers might leave a truck to refuel, eat, or shower - and at truck terminals, warehouses, and manufacturing plants, where trailers might be staged and preloaded for delivery. Equipped with their own power units, the crooks know which carriers haul high-value goods and can steal a trailer within one minute. A second strategy is to look for a disgruntled driver at a truck stop and offer to exchange the whole rig for money or fuel, and then the driver falsely reports the rig as stolen.

Finally, a third strategy involves organized gangs conducting surveillance of facilities. They may plant a person as an employee at the targeted company, and this person provides reconnaissance on facility layout and security. Details are provided on the whereabouts of a high-value load so it can be hijacked and stolen later. Fortunately, hijacking is rare, with most crimes involving non-violent truckload thefts during weekend hours. Soon after the trailer is stolen, the company decals are removed, painted over, or changed to conceal the identity so law enforcement has a difficult time locating it. The trailer may be taken somewhere and monitored for several days to ensure it is not being tracked by a hidden tracking device. During this time, they are also watching the trailer against theft by other cargo thieves! When ready, they will take the trailer to their destination for unloading and distribution of stolen contents.

Your Knowledge is Power

One challenge in crime-fighting is that everyone thinks it is the exclusive realm of law enforcement, but nothing could be further from the truth. Whether a crime involves burglary, assault, or vehicle theft, law enforcement relies on **information** for the investigation. This information can be gathered from evidence left at the scene as well as information gathered by victims and eyewitnesses before, during, and after the crime. Without information, the investigation becomes extremely difficult.

If you are not already concerned about cargo and equipment theft, now is the time because sooner or later you may become a victim, or you may be able to provide useful information about a theft that you can help resolve. Begin arming yourself with information by seeking guidance from a security professional, either from within your organization, from an outside consulting firm, or from your insurance agency or carrier. A professional will be able to provide you with a security evaluation along with recommendations for improvement. Contact your state trucking association to learn what efforts are underway with local law enforcement agencies.

Get Involved

By getting to know the law enforcement officers who are on the front lines against cargo theft, you can stay informed about local trends, subscribe to theft alerts, and maintain a steady stream of knowledge that will help protect your company. Motor carriers can give direct feedback to law enforcement about changing business practices, questionable vehicles and persons observed in the area, and concerns they might have. It is this information-sharing process, achieved by business working together with law enforcement that helps to increase recoveries of stolen cargo and deter future theft.

Identify an association you might like to join – one with both trucking and law enforcement members - and get involved. There are many to choose from, including your state's cargo theft task force, ATA's Supply Chain Security and Loss Prevention Council, the American Society for Industrial Security, CargoNet, National Insurance Crime Bureau, National Commercial Vehicle and Cargo Theft Prevention Task Force, and the Technology Asset Protection Association.

Can Technology Solve the Problem?

The three principles of cargo security are 1) Secure the truck, 2) Secure the facility, and 3) The less who know, the better. This being said, a layered approach is what works when implementing a security program, one that includes elements such as written procedures, good hiring practices, employee training, and the use of technology components for your facility and vehicles. Your facility can be fitted with perimeter fencing, lighting, locks, security system, surveillance system, limited access areas, and a protected computer network. Your drivers can make use of air cuff locks, kingpin locks, tamper detection devices, and tracking devices.

However, technology is merely an ingredient, not the ultimate solution, in the battle against theft. Relying on GPS truck tracking or hiding a tracking device inside the cargo does not prevent a theft. Finally, none of these tools are effective if they are not used consistently. The one Friday afternoon that someone decides not to use air cuff and kingpin locks will be the day you lose a \$500,000 load – along with the entire rig!

The Bottom Line

Motor carriers have enough to deal with these days aside from CSA2010 and fulfilling demanding business needs in a challenging economy. Cargo thieves do not care if you are a for-hire motor carrier, a private motor carrier, or an owner operator. If you have trucks and cargo, you have a theft risk, because ***anything worth delivering is worth stealing***. Review your security practices and determine what is needed to manage your current assets and future earnings... and beat the crooks at their game!

Michael Nischan, CDS, CCSP
The McCart Group
Risk Control Consultant
Michael.Nischan@mccart.com

References

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