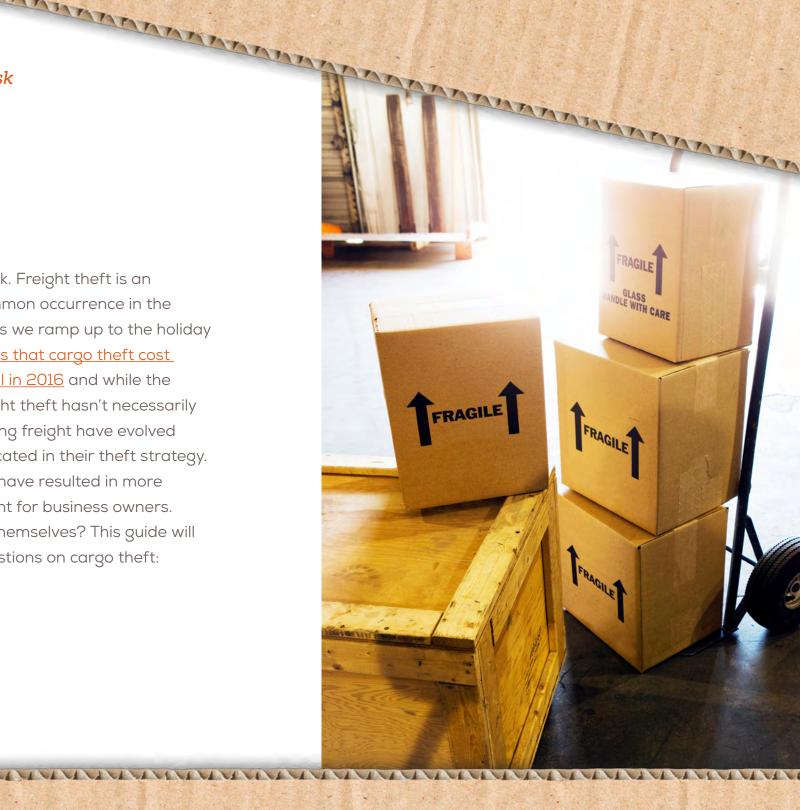
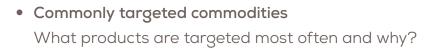


Cargo at rest is cargo at risk. Freight theft is an unfortunate but all too common occurrence in the shipping world, especially as we ramp up to the holiday season. CargoNet estimates that cargo theft cost businesses \$114 million total in 2016 and while the frequency of reported freight theft hasn't necessarily increased, criminals targeting freight have evolved and become more sophisticated in their theft strategy. The improved theft tactics have resulted in more expensive losses per incident for business owners. How can shippers defend themselves? This guide will help answer all of your questions on cargo theft:







- Hot spots for freight theft
 Where are the most common areas with high incidence of theft? What patterns and industries do we need to look at?
- How cargo theft tactics are changing What strategies and methods are being used by criminals?
- What you can do to protect yourself
 How can shippers deter cargo theft in
 warehouses, shipping yards, and during transit?

freight's most wanted list

It is important to understand what types of freight are being sought out and in what particular regions, as well as identify the methods freight thieves are using so you can establish best practices to protect yourself against theft.

Freight thieves know what sells and tend to target what they know they can dispose of quickly. 29% of all reported stolen loads are those containing food and beverage items. These commodities often contain no serial numbers or RFID tags hidden in packaging for tracking purposes. Frequently, the value of these loads fall short of meeting a company's requirements for heightened security, or additional insurance coverage, leaving them vulnerable. According to CargoNet, other commonly targeted commodities include:





- Home and garden items
- Raw metal materials (copper, etc.)
- Machinery
- Pharmaceutical products

Shippers who are manufacturing and moving freight that falls into any of these highly-targeted categories need to be <u>extra vigilant</u> in their safety and security protocol.

hot spots for theft

Commodity type often dictates where freight theft most often occurs, particularly in areas that specialize in a certain industry, such as food production, manufacturing, and pharmaceuticals.

Examples include:

- California/Los Angeles
- Northeast Texas
- Florida and Georgia
- South Jersey/Pennsylvania border

Each of these regions have heavy shipments of produce and manufactured machinery or electronics. Copper and other precious metals and raw materials are increasingly targeted in the Great Lakes region, with the loads oftentimes moving out to Chicago for speedy distribution. Regionalization within these areas and the creation of "shipping hubs" produces ideal targets and conditions to steal freight.





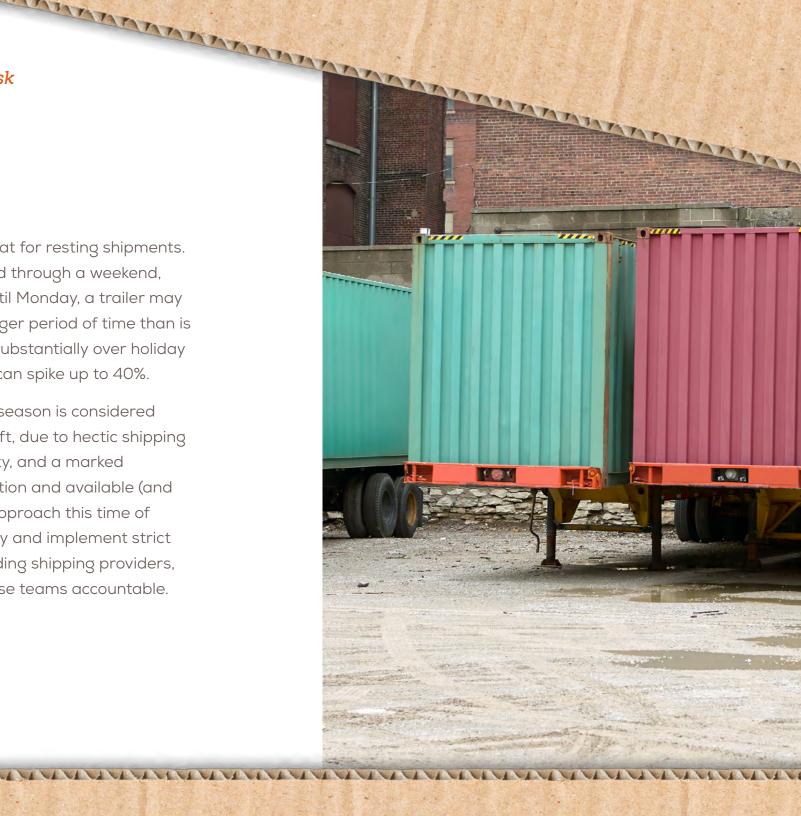


likely to strike

While it seems like common sense, shippers need to keep in mind what time of day, week, and year their freight is most vulnerable. The majority of trailers/ truck yard facilities are broken into between the hours of 3 a.m. and 5 a.m. These are the hours the truck may be left unattended or the driver is asleep. Reported incidents often show that cargo theft occurs within the first 200 miles of the shipment origin or the "red zone." Unplanned stops within this 200 mile run usually occur for rest breaks or refueling, so it is important that drivers have enough hours and fuel left in their 14 shift to make it out of the danger zone.

Weekends also pose a threat for resting shipments. If a driver has to hold a load through a weekend, unable to make delivery until Monday, a trailer may be left unguarded for a longer period of time than is typical. This risk increases substantially over holiday weekends, when incidents can spike up to 40%.

Unsurprisingly, the holiday season is considered peak season for freight theft, due to hectic shipping schedules, loosened security, and a marked increase in product production and available (and susceptible) loads. As we approach this time of year, shippers must be wary and implement strict security procedures by holding shipping providers, truck drivers, and warehouse teams accountable.





evolution of the freight thief

Methods used to track and target freight have also become more sophisticated. Susceptible loads are targeted and even followed. Routes are mapped out and predicted. Gone are the days when freight thieves would simply break into unattended vans at rest stops, cracking trailer locks by hand, rummaging through shipments, moving from trailer to trailer until the ideal type of freight is found.

Now, these individuals are regularly targeting shipping facilities by surveying truck yards and tracking arrival and departure times as well as warehouse coverage, shift changes, and break periods.

ghost trucks and fictitious pick-ups

Any time that freight may be left unmoving and unattended there is an increased threat of theft from break-ins or hijacking, but how have freight thieves changed their tactics over time? Through the internet and other tech advancements. an entirely new set of tools are available to thieves wanting to steal your freight.

• Ghost loads/Fictitious pick-ups Freight thieves can intentionally mislead shippers by posing as fake transportation companies, arriving and receiving available shipments and oftentimes targeting companies that advance freight payments by commercial wire transfer fraud.



Counterfeit documents

Finding the information necessary to create fictitious documents has never been easier. Company contact information and operating hours, driver names, and insurance policies can all be found online on company websites, allowing thieves to more easily forge bills of lading, packing slips, and other important paperwork.

• Inside jobs

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Unfortunately, the trucking industry witnesses an above average level of internal involvement in regard to freight theft. Dock workers and drivers have been known to participate, trade shipment information, or even stage their own hijackings in order to collect money from losses.

let's save our freight

So what can a shipper do to ensure the safety and security of their freight? There are several proactive measures that shippers can take to protect themselves from cargo theft. From security technologies and lowtech devices to monitoring shipping yard best practices, there are tactics that can decrease cargo freight loss.

• Start with the basics. A traditional lock and alarm system is still the best defense deterring freight theft. It's shocking to note how frequently this simple theft preventative is overlooked, simply because it can be a hassle when drivers are in a hurry on long hauls. Lock technology has vastly improved in deterring freight theft. Apply several varieties of locks, from king pin locks, air brake valve locks, and glad hand locks as back up measures to improve freight security.





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• High Tech Solutions. GPS tools can help trace shipments and provide real-time tracking on the progress and route your carrier is taking. Radio frequency identification systems and cell phone tracking are other tools shippers can use to be sure drivers are staying on route. Geo-fencing solutions and software can send an alert if the vehicle travels outside of a planned route or if it enters into a high risk area. Vehicle immobilization technology can be used to disable a stolen vehicle and help direct law enforcement to recover it.

• Foster a culture of security within your company. Carefully select your transportation partners and facilitators. Thoroughly screen potential employees and shipping providers. Many instances of freight theft have found contain inside involvement. Educate employees and carriers on hijack awareness and prevention. Plan shipping routes according to freight security, and educate yourself on high-risk lanes in order to avoid travelling these routes. Conduct security audits periodically to be sure your company and team is up to speed on best practices, and be sure to execute basic safety procedures. Keep trucks locked and keep them organized while parked in a well-lit truck yard. Test alarm systems regularly and stay on top of maintenance and repair. Hire teams of drivers and make expectations clear that the truck cannot be left unmonitored at any time.







• Respond promptly when you suspect foul play. Freight thieves move quickly to deliver stolen goods to their distribution channels, so shippers must be vigilant when reporting hijacked loads. In the event of suspicious activity, it's best to be cautious and contact authorities as soon as possible. Unfortunately, under reporting theft incidents is common, mostly out of fear of damage to the company image or insurance complications.

know your allies

The National Cargo Theft Task Force or NCTTF is a coalition made up of transportation professionals, insurance providers, and law enforcement agencies with the common goal to reduce cargo theft. In order to increase cargo theft awareness and improve the accuracy of theft statistics, the NCTFF emphasizes the importance of timely reporting and tracking. The NCTFF urges shippers to invest in a risk management information system (RMIS) that helps to collect data and identify patterns related to time of theft, location, point in haul, product, or even carriers associated with the theft. RMIS also assist in claim reporting and filing, making it easier for drivers to proactively and accurately submit data as soon as possible.





Being informed of current freight theft trends and understanding the criminals who want to steal your shipments are vital in protecting yourself against theft. Becoming familiar with the tracking technologies and systems available are important ways to vigilantly secure your shipments. Even then, you're not alone. At PartnerShip, we only work with vetted carriers with proven track records that will safely deliver your freight. We offer tracking and follow-up through your entire shipment transit time, to be sure everything is moving smoothly and on schedule. We have your back.



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