



PRESENTS

LOOKING AT THE IMPACT OF
CARGO THEFT
AND POSSIBLE SOLUTIONS

We love to put order in your chaos.

Morai Logistics Inc. is a 3rd party logistics provider with an operating agency agreement representing Mode Transportation. We are a powerhouse logistics team based in the Greater Toronto Area and do business throughout North America, including Mexico. Our team is dedicated to our terrific clients and we strive to take the chaos out of your supply chain. We are always on the lookout to do exceptional work with remarkable people and companies!



Introduction

Cargo theft isn't anything new. From the days of bandits attacking caravans to pirates on the sea, if there is money to be made from stealing cargo and fencing it then attempts will be made to steal it. The real change is in the sophistication and planning that thieves utilize in their planning.

Globalization has also made the scope of the problem much larger. The ripples felt in one part of the world from stolen cargo can affect consumers and businesses on another side of the world. That's to say nothing of the highly organized, highly structured, gangs, cartels, and black markets which fence the items taken from stolen cargos whose networks can stretch time zones.





“ In today’s global economy, raw materials manufacturing and sourcing often occurs in one part of the world, while the finished product is warehoused and consumed in another. **Cargo can be stolen at any point in between, compromising product integrity and availability**” writes Jared S. Palmer from [Inbound Logistics Magazine](#).

A stylized map of the Americas, including North and South America, is rendered in a light blue color with a halftone dot pattern. The map is set against a solid dark blue background.

CARGO THEFT INTERNATIONALLY

In the United States alone, [an estimated \\$30 billion in cargo is stolen every year](#). Most of the shipments stolen are pharmaceuticals, consumer electronics, apparel, and food with the latter being an especially popular target.

Despite its smaller economy, Canada is also taking a major hit from cargo theft as it is estimated to be costing Canadian consumers [\\$5 billion annually](#).



The European Union isn't doing much better. A Freightwatch [report](#) estimated that in 2013, the EU lost around [€11.6 billion](#). The report also mentions high levels of cargo theft in countries such as Poland, Ukraine, and Russia.

China has seen a sharp increase in thefts as well. According to BSI's 2015 annual report on supply chain threats, these thefts "are mostly 'open sunroof thefts' because thieves in these incidents drive cars behind cargo trucks, jump on to the moving vehicles, cut a hole in the top of the soft-sided trailer, and toss cargo back to the car trailing behind" writes this [article](#) in SecuringIndustry.com.



As these figures, cargo theft is an international problem. Although the details and circumstances of the thefts differ case by case, the result is still the same—it negatively impacts both consumers and economies.

A stylized map of North America, including the United States and Mexico, is rendered in a dark blue color. The map is filled with a pattern of small, light blue dots. The text "LOOKING AT RECENT EXAMPLES" is centered over the map in a white, sans-serif font.

LOOKING AT RECENT EXAMPLES

The state of California, otherwise known as the Golden State, is unfortunately also regularly known in the news as the state with a staggering amount of film worthy cargo thefts.

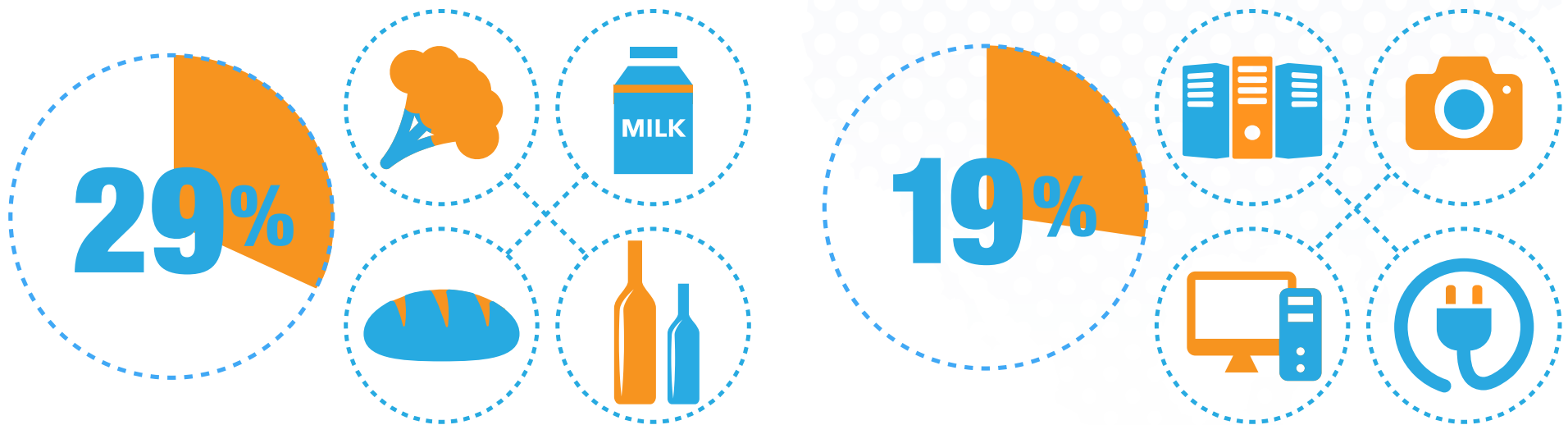
“Between the years 2012 and 2015, CargoNet® received and logged more than 992 incidents of cargo theft, vehicle theft, and identity theft for trucking companies in California. CargoNet received reported loss values totaling \$83,689,725. The average loss value per incident was calculated at \$112,767. If combined with the known loss value, we can estimate the value of stolen cargo in all 992 incidents to be \$111,639,330” writes the [American Journal on Transportation.](#)



**992
INCIDENTS**



“Of the cargo theft incidents **CargoNet** received, **29% involved the theft of food and beverage products**. This was significantly higher than the next most stolen commodity, electronics, coming in at 19% of the total reported cargo theft incidents. Though electronics come in second to food and beverage, they have an average reported value of \$178,322 per theft compared to food and beverage with an average reported value of \$66,727 per theft.”



A stylized map of North America, including the United States, Canada, and Mexico, is rendered in a dark blue color. The map is filled with a pattern of small, light blue dots. The text "LOOKING AT RECENT EXAMPLES" is centered over the map in a white, sans-serif font.

LOOKING AT RECENT EXAMPLES

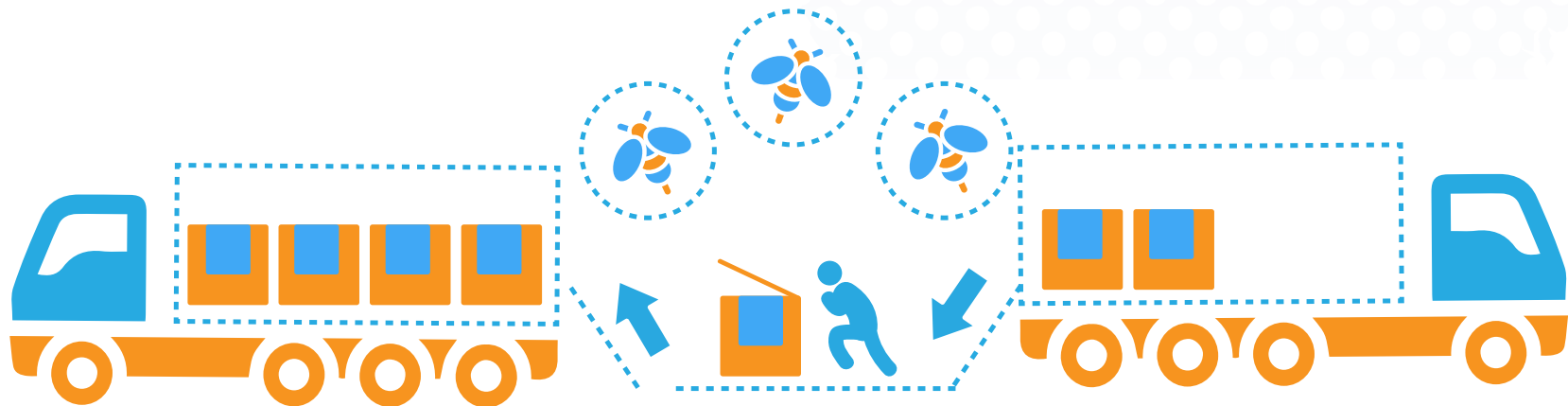
As mentioned earlier, the cargo thefts that make the news related to California would make for interesting movies due to the nature of items being stolen.



[For example, the states was in the news recently for having lost an estimate of \$4.6 million due to thieves targeting their trucks. A total of 31 cases have been reported within a span of one year with the thefts costing from \$150,000 to \$500,000 per shipment. Losses for all four years combined reached nearly \$7.6 million. **]**

California bees and their hives have also been targeted by thieves. As the US bee population continues to decline, the hives have become much more valuable.

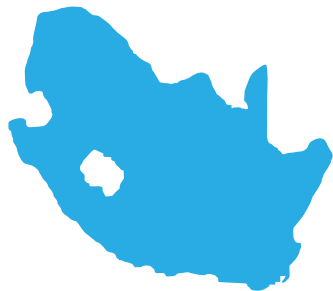
“**The state’s hundreds of thousands of acres of almond orchards – which produce about 80% of the world’s almonds – are served by hives that are rented and trucked in on easy-to-steal pallets by beekeepers from all over the US. Mobile hives are increasingly important, and valuable, as the bee population in the US has decreased rapidly in recent years**” writes [RT News](#) on the California ‘bee bandits’ issue.

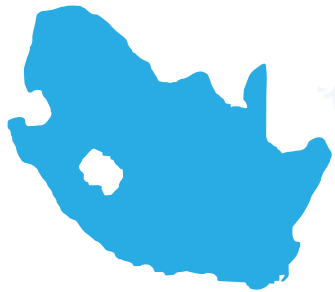


Around the world there are different techniques that thieves use to steal cargo. [Securing Industry](#) highlights some of these techniques:



- In India the prevailing trend is towards more sophisticated cargo theft techniques. These include the **diversion of shipments to locations where the contents of a truck are removed – generally by cutting panels – whilst leaving customs seals intact.**
- Other trends in cargo theft around the world include reductions in cargo thefts in some western European countries – **including the Netherlands and the UK** – while in South Africa robberies seem to be becoming increasingly violent.





- Last year, most of the incidents in South Africa **“were believed to be perpetrated by current or former police or security officers, often involving highly sophisticated tactics to carry out very high-value thefts,”** according to BSI.
- In Latin America thefts **have decreased in some countries** — notably Colombia — and markedly increased in others such as Chile where on average three trucks are stolen every day.

X3



A dark blue background featuring a light blue map of North America. The landmasses are filled with a pattern of small, light blue dots.

COMBATING CARGO THEFT

There is no such thing as a single solution answer to cargo theft. Because of the scope and scale of the problem, along with the diversity of cargo, every case will be different. However, there are some general practices that can help in mitigating the frequency of theft.

If a cargo has any value, someone will want to steal it.

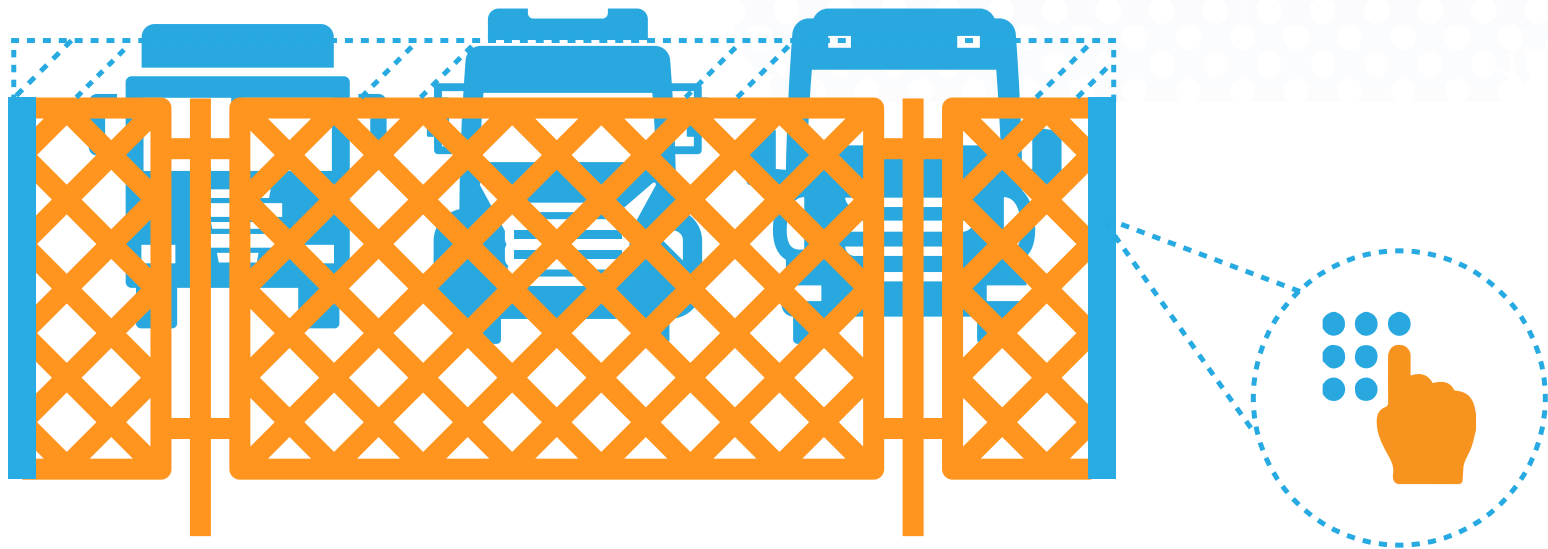
The lesson learned in the California nut heists, is that assuming that because your trucks are not carrying money, then they won't be targeted.

Complacency is the easiest problem to fix as all it requires is planning and preparation.



[The American Journal of Transportation](#) has excellent advice on protecting loads at rest, which are statistically the mostly likely to be stolen.

“**Utilize secure lots that provide sufficient barriers to prevent theft or unauthorized access.** For example, the compound should have a chain link fence of 9-gauge material at least 8 feet high and topped with barbed wire and it should be properly anchored.”





“ Keep trucks locked and park them in an organized manner on a well-lit facility lot. Ensure alarm systems are functioning properly, and are monitored by a central station that has updated contact information.

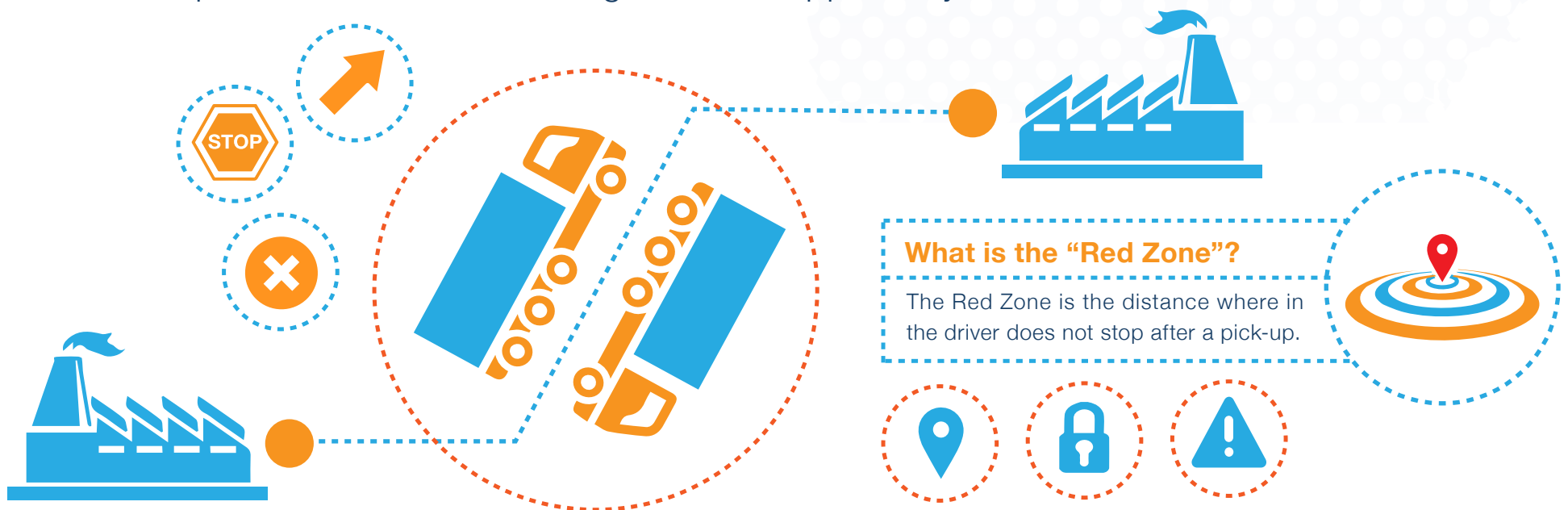
Communicate to driver teams that one person must remain with the vehicle at all times. Review security at your site regularly and quickly address maintenance and repair issues.”

Ensure that a “Red Zone” of at least 250 miles is implemented.

Consider a no drop policy keeping the trailer married to the tractor so that the tractor and trailer can be secured.

Use effective access control equipment to maintain integrity while the shipment is in transit. This includes electronically monitored locks that include a tamper detection alarm system and GPS tracking affixed to the trailer doors.

Although this advice won’t prepare supply chains against every scenario, it is a strong start. It’s better to have a plan in place to measure and improve instead of assuming it won’t happen to you.



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