

CargoNet®



The cargo theft prevention and recovery network

Trends in Cargo Theft

MARINE INSURANCE DAY 2012



Objective

- Provide a brief overview of :
 - Recent Cargo Theft Trends.
 - Cargo theft problem in the United States.
- Challenges
- Moving Forward
- Q&A



Cargo Theft in America

- Exact size of the problem is difficult to identify due to lack of reporting and fragmented information.
- FBI estimates a multi-billion dollar issue
- Nationwide issue.
- Impacts a wide range of products from apparel and electronics to food and pharmaceuticals.
- Closely related to diversion and counterfeiting.

Cargo Theft in America

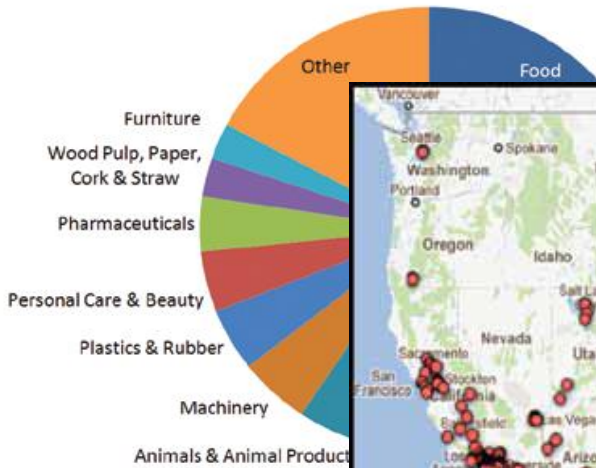
Overview

- 1,215 Reported Cargo Theft Incidents in 2011.
- Prepared Food, Electronics, Base Metals, Apparel were the most stolen commodities.
- Most theft incidents occurred between Friday to Monday.
- CA, TX, FL, NJ, IL had the most theft incidents.
- Truck Stops, Warehouses, Parking Lot and Carrier Terminals are where theft mostly took place.
- Most cargo theft incidents consisted of a \$100,000 - \$1,000,000 loss.

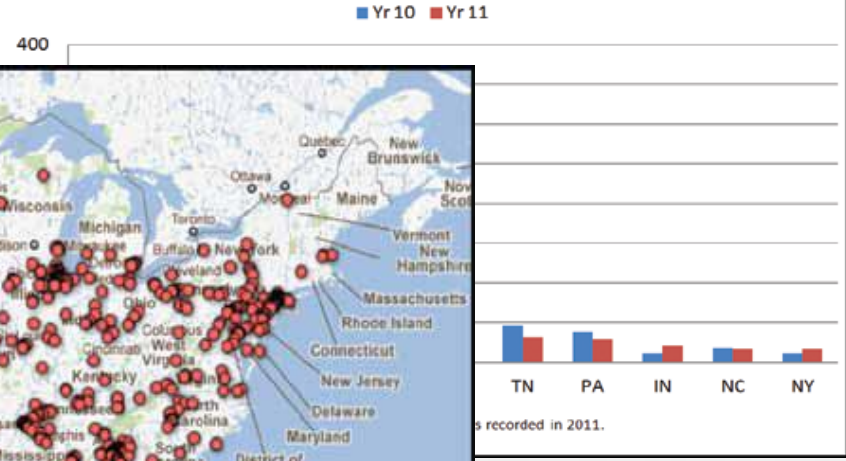


2011 Cargo Theft Incidents

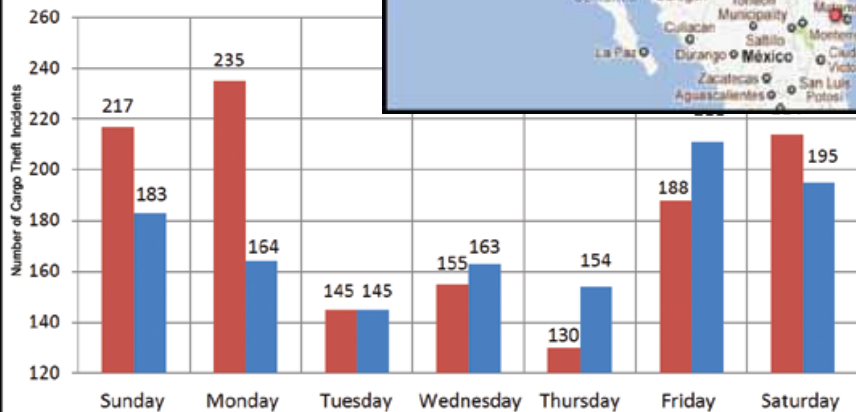
2011 Cargo Theft by Commodity Type



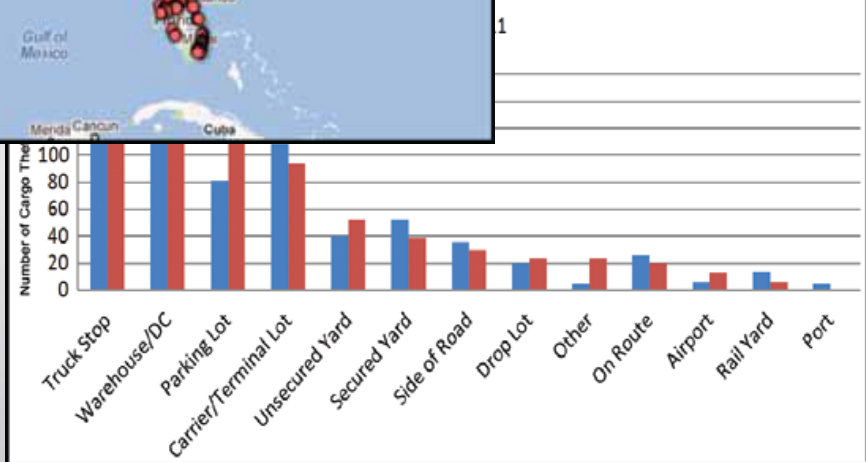
Cargo Theft By State - Top 10



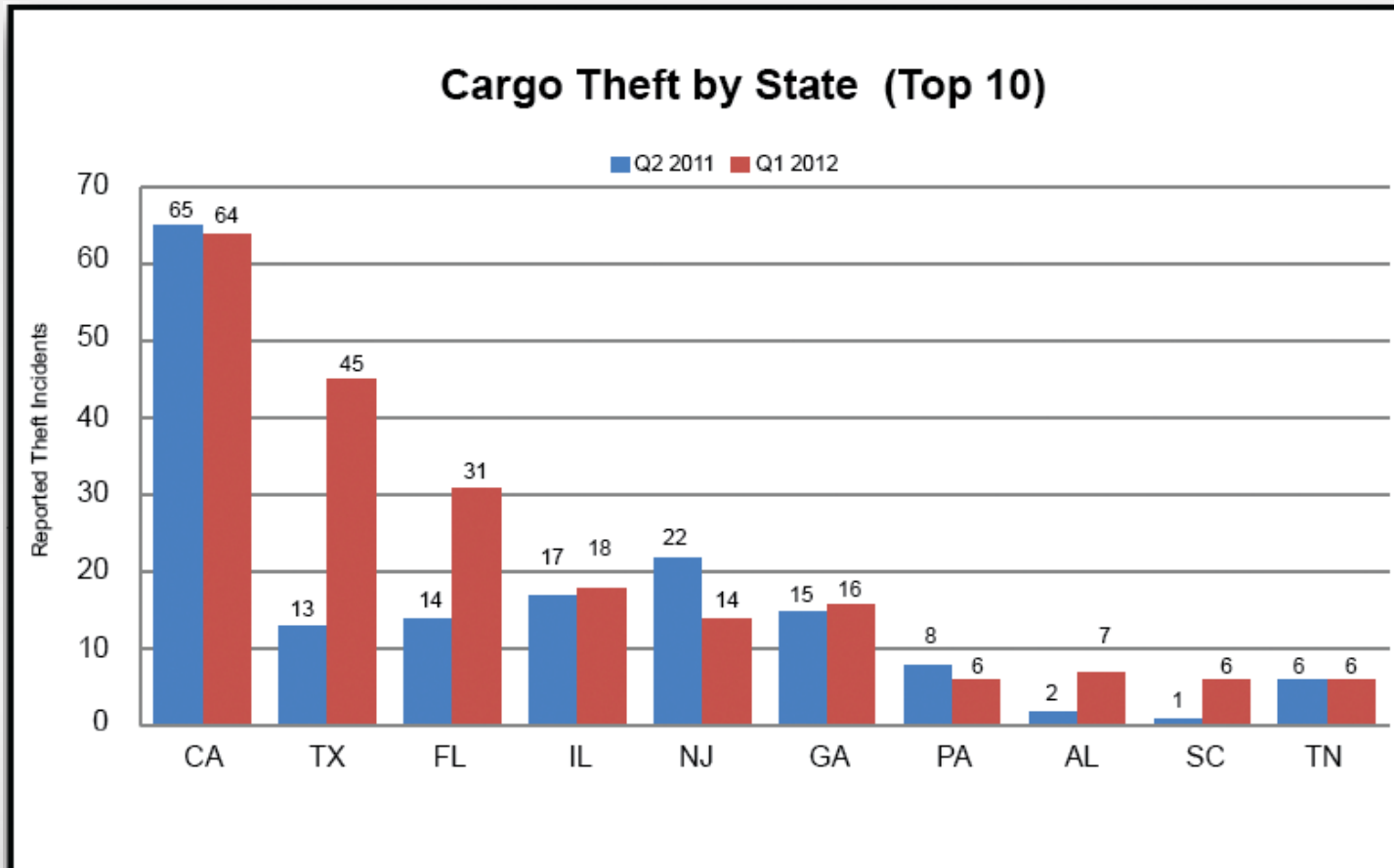
Cargo Theft by Day of Week



Cargo Theft by Location

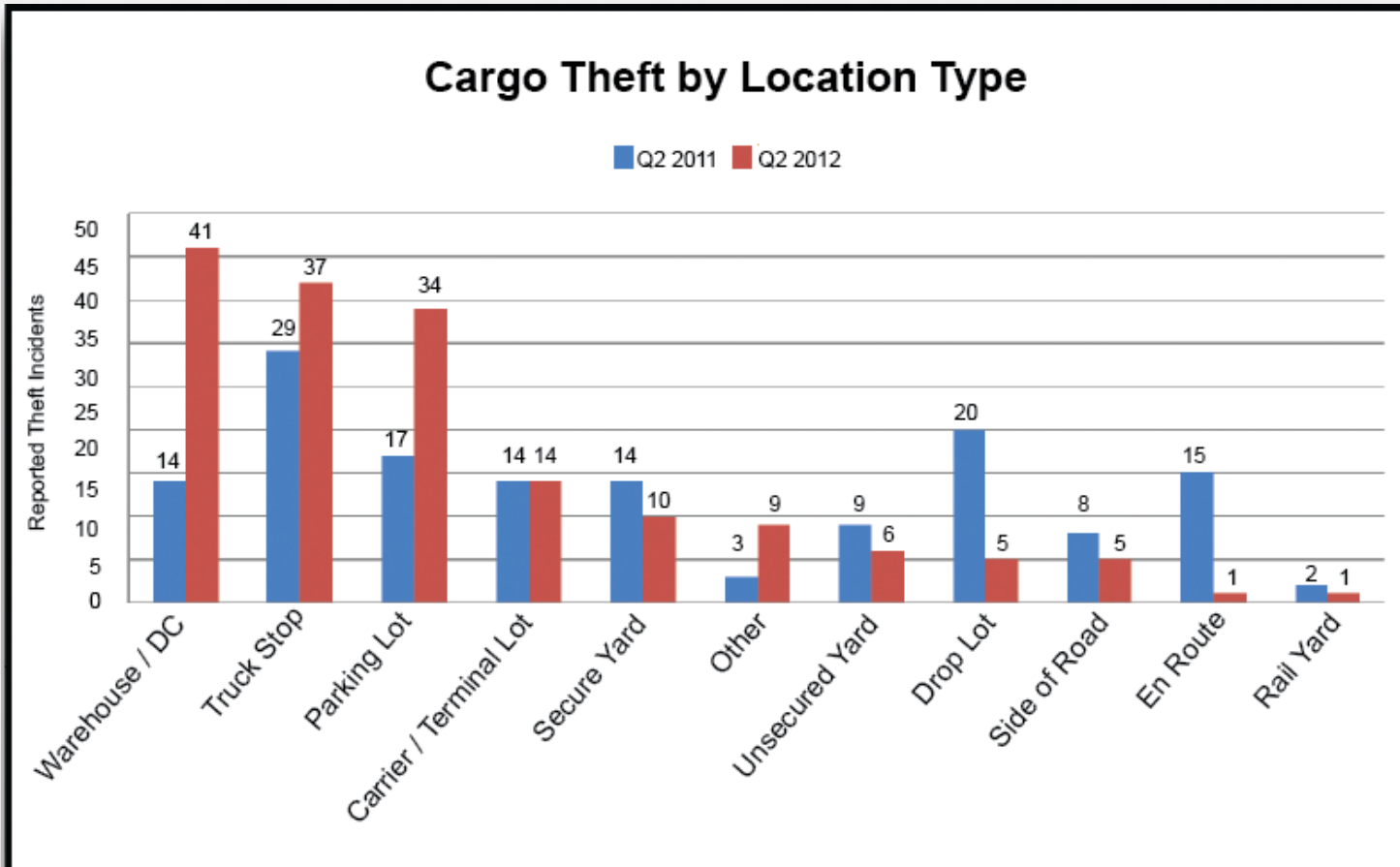


Q2 2012 Cargo Theft Incidents

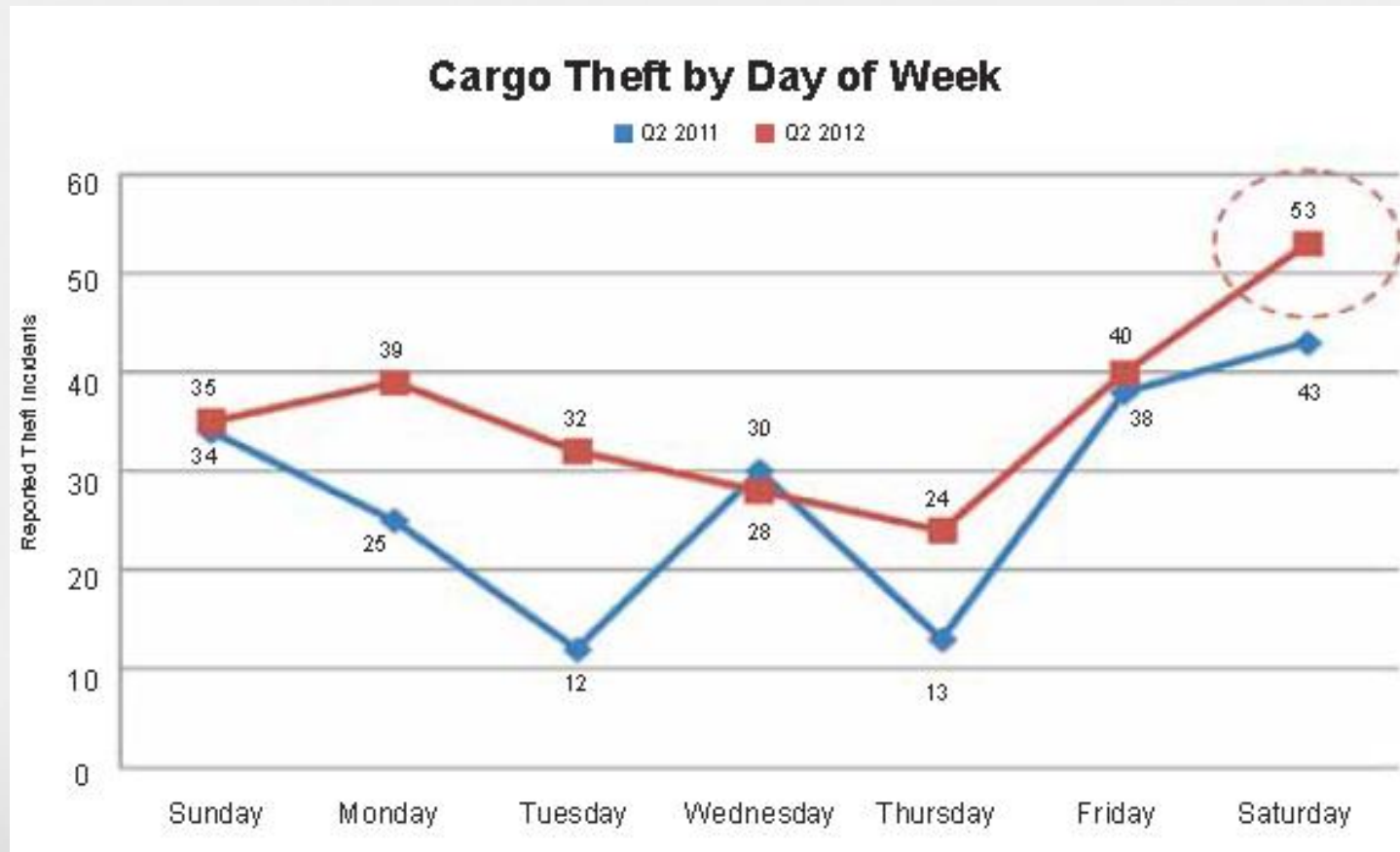


• In Q2 2012, 85% of the total reported cargo theft incidents, were from the Top 10 states.

Q2 2012 Cargo Theft Incidents



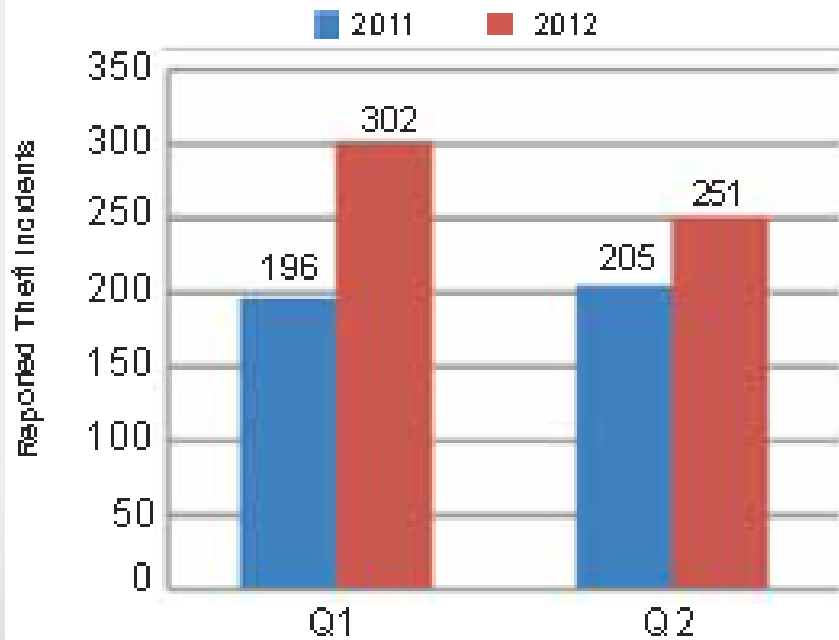
Q2 2012 Cargo Theft Incidents



***Evident Weekend Trend**

Q2 2012 Cargo Theft Incidents

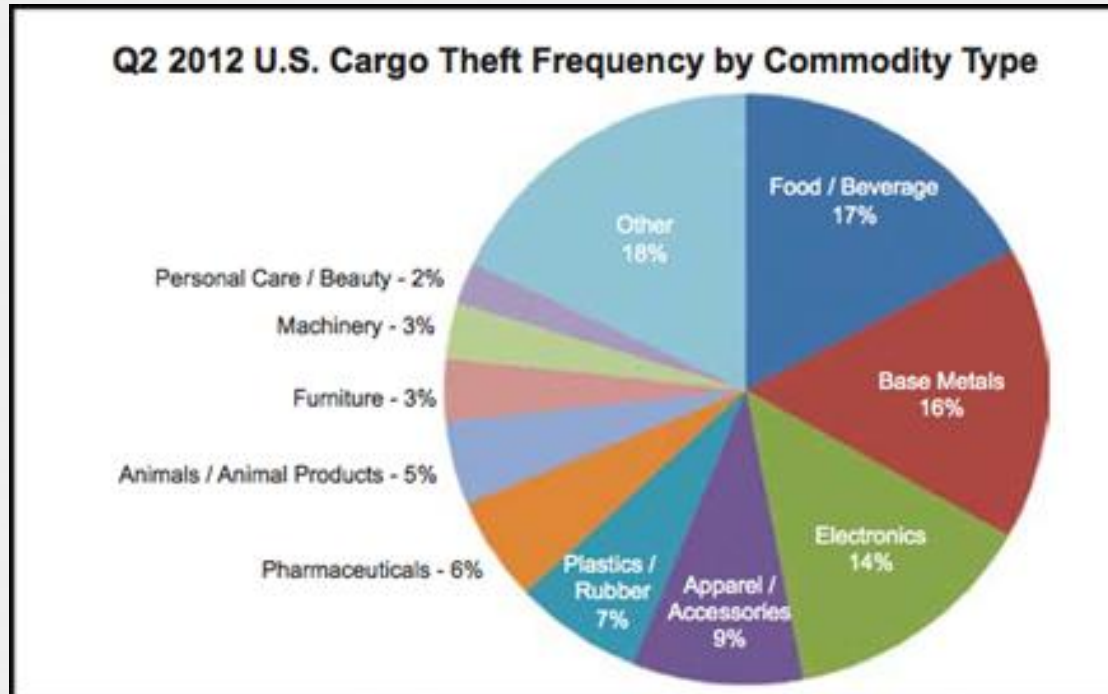
Cargo Theft by Quarter



Cargo Theft by Month



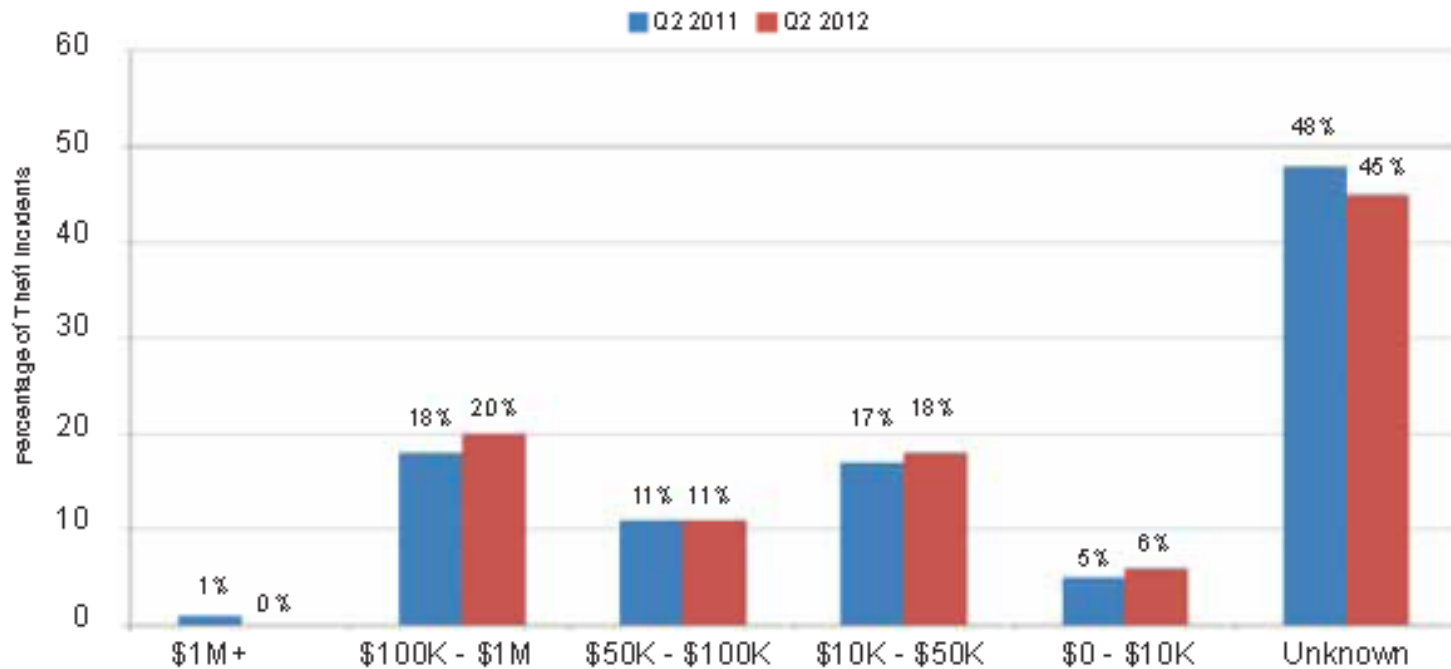
Q2 2012 Cargo Theft Incidents



- Prepared food and beverage products were the most stolen commodity on Q2 2012.
- Food, base metals, electronics, apparel, and plastic and rubber products represented 63% of all commodity types reported stolen in Q2 2012, versus 73% in Q1 2012.

Q2 2012 Cargo Theft Incidents

Percentage of Cargo Theft by Loss Value





Cargo Theft Challenges

- Cargo Thieves are highly sophisticated and organized
- The use of analytics can help identify theft trends and patterns
- Penalties for cargo thieves are not stringent enough
- Remain a problem, data support detail will help lobbyist
- Victims are hesitant to report thefts: fear of insurance costs or brand
- Masking victims data will encourage faster reporting
- Lack of collaboration and information sharing is fragmented
- Information sharing provides pro activity via theft, suspicious/fraud alerts.
- Inability to identify appropriate law enforcement contacts
- CargoNet's LE tentacles exceeds 10,000 and growing
- Limited awareness and training at the driver level
- Educate personnel through best tips/practices, podcasts, video's etc.



Cargo Theft Challenges

- Lack of consistent reporting both from LE and Industry
- Government UCR- Voluntary program
- Inconsistencies from State to State
 - State of incident or loss will determine reporting procedures
 - States UCR Coordinators interpretations of qualifying statutes or laws
 - Statutes : Part I vs. Part II
 - Crimes and their variations
- The government seeks to measure economic loss



Moving Forward

- Centralized and Standardized Reporting nationwide
- A secure, national alert system that is integrated with police systems
- Significant Public and Private Partnership
- Cargo Crime Law Enforcement training and awareness

Thank You

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