



*FreightWatch Group*

*the leader in global logistics security solutions*

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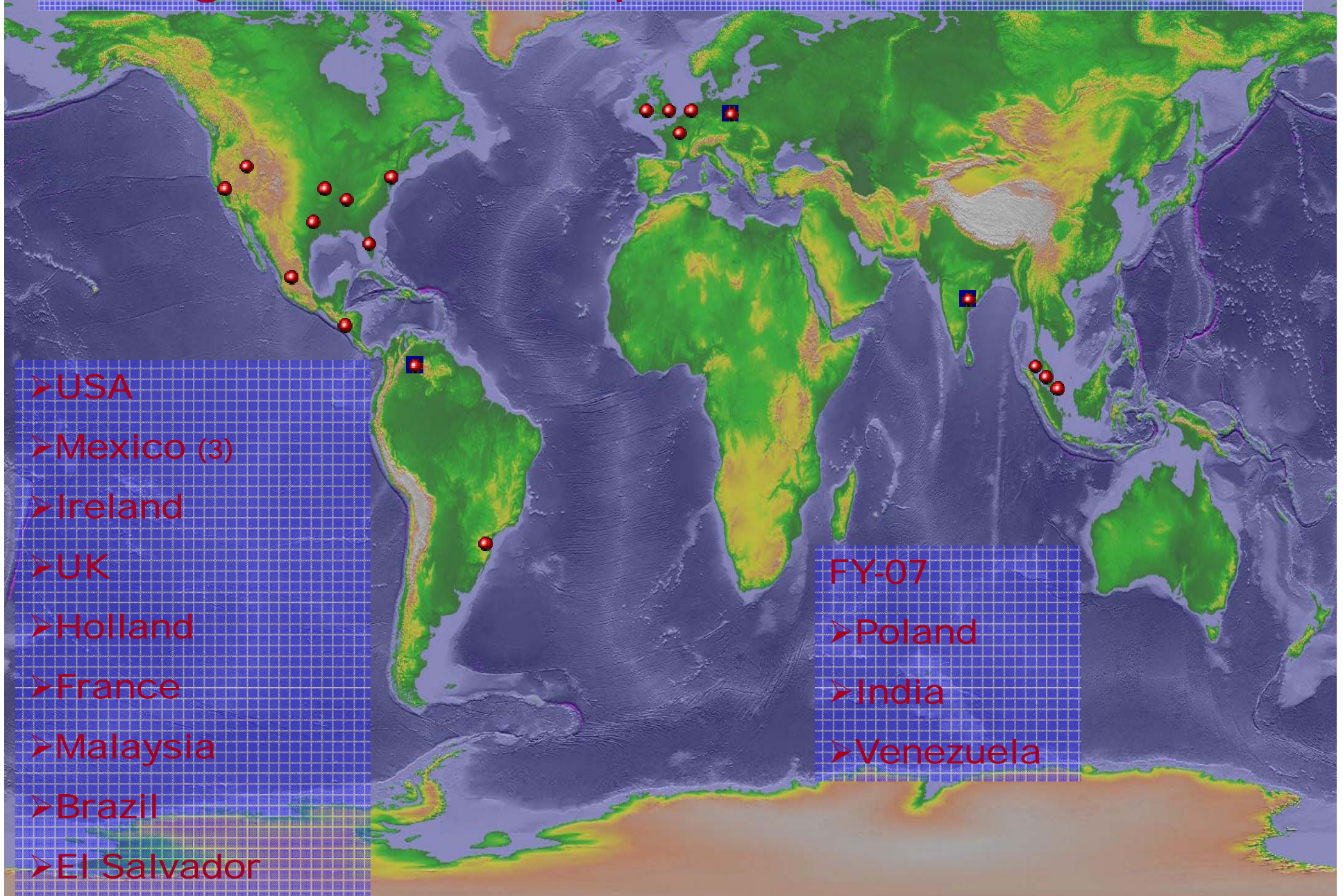


# **Cargo Security Global Threats & Best Practices**

**New York  
Mar - 07**

**Presented By:  
Barry Conlon  
FreightWatch USA**

# FreightWatch Group Worldwide Locations



- USA
- Mexico (3)
- Ireland
- UK
- Holland
- France
- Malaysia
- Brazil
- El Salvador

- FY-07
- Poland
- India
- Venezuela

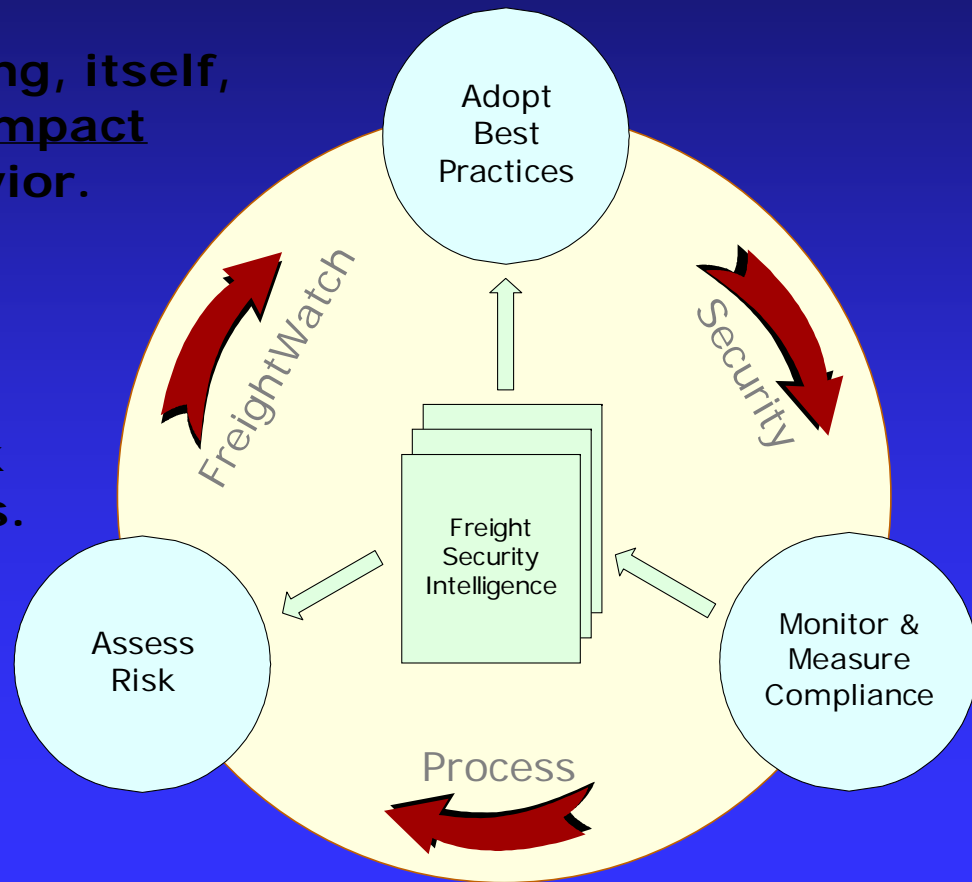


# FreightWatch Security Process

Best practice adoption  
+  
compliance monitoring, itself,  
has a corrective impact  
on driver behavior.

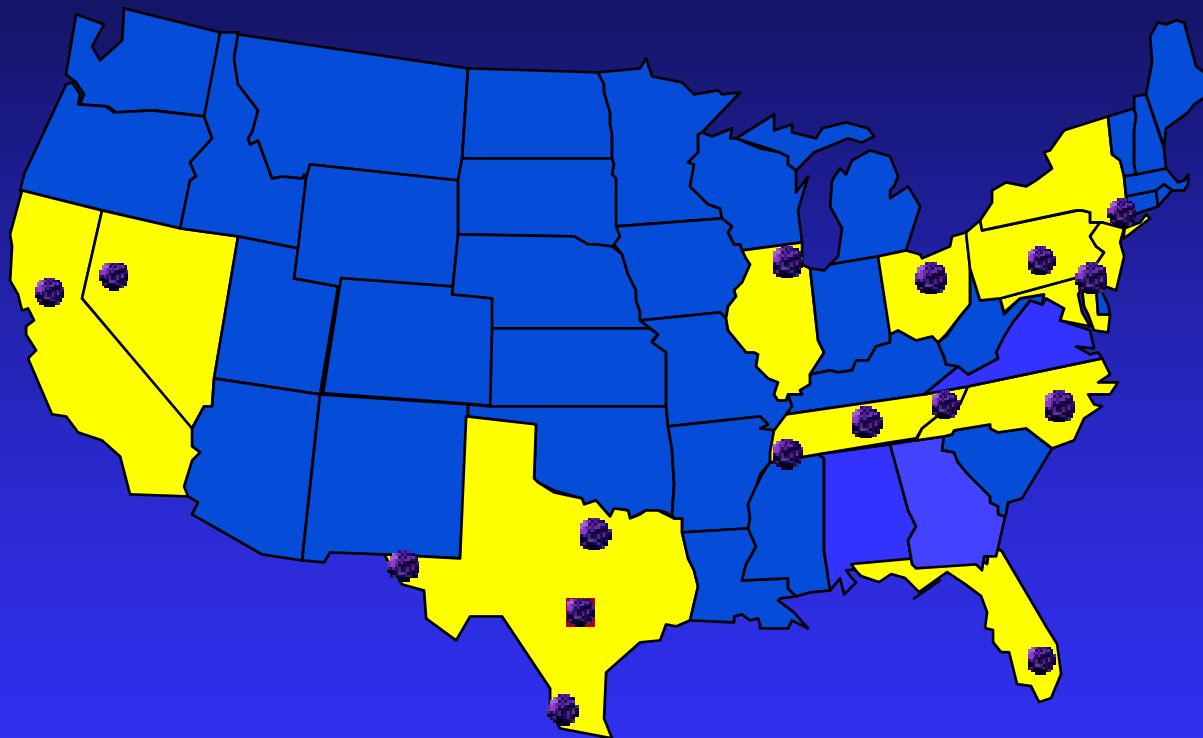


Reduces risk  
and theft loss.





## US Operational Deployment



US HQ - Austin Texas (established June 2000)



# CRP – Logistic Security Audit

- Soup-to-nuts logistic security audit designed to...
- Identify symptoms of loss within client supply chain and distribution network.
- Fact based assessment centered on risk.
- Each identified risk is accompanied with a Corrective Action (CA)
- Recommend CA's are best practice based on industry knowledge: *low cost but effective logistic security solutions.*
- Establish compliance criteria with client or industry bench-mark standards.





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# Europe

- UK still 1# regarding full truck theft.
- Mainland: France - Netherlands - Spain full truck theft common!
- Organized crime gangs have grown by approx. 33% to 4000 known crime groups (Europol)
- Belgium: 83 known crime groups – 29 from former Yugoslavia
- Multiple truck convoys are now being targeted
- Violence is common
- Use of gas
- Bogus Police stops
- Geographic spread is now widening – Slovakia, Turkey, Algeria



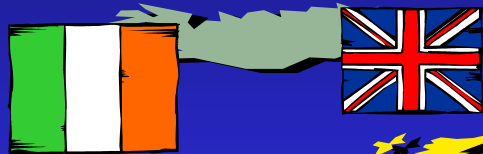
# Europe - MO

- **DECEPTION:** Flashing lights at drivers to gain their attention – indicate that something is wrong with their vehicle/trailer (lights, rear doors, tires etc). Use of a pre-made sign advising the driver of a problem with his vehicle tyre.
- **STATIONARY:** Attacking vehicles parked at service areas, lay-bys or outside delivery locations.
- Following vehicles departing from distribution centres known to dispatch high value goods.
- **IN-TRANSIT:** Hijacks / intercepting high value loads in transit.
- **FICTITIOUS PICK-UP:** Deception fictitious thefts (bogus drivers collecting loads, bogus personnel outside delivery locations, bogus personnel inside delivery locations).
- **BOGUS POLICE:** Bogus police or customs officials.
- **New MO – Southeast England:** A woman in a saloon drove alongside a truck. The interior lights were on and the driver could see that the women was not wearing any clothes and was signalling at him to follow her. Driver continued and a short time later another vehicle pulled alongside the driver and a firearm was produced. The driver was instructed to pull over but failed to do so and immediately contacted police.
- **BUYS/GIVE UP:** Offering substantial sums of money to drivers to redirect their load. Recently €15,000 Euro was offered to a driver for one load.



# Case Study

At a truck stop in Northern France the driver and load are hi-jacked



20 hrs later English driver found abandoned in Belgium (unharmed)

Vehicle and empty trailer found abandoned in Holland



English vehicle collects HVG in Ireland



It is suspected that the HVG where moved through Germany to Poland for distribution in the FSR



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# Results



- Eight Nation involvement

- Who investigates ?

- Will this crime now be viewed as an Insurance

issue.....!





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# BRAZIL

Sao Paulo: high risk to Hijack

Route targeting!!! Airport distribution Targeted

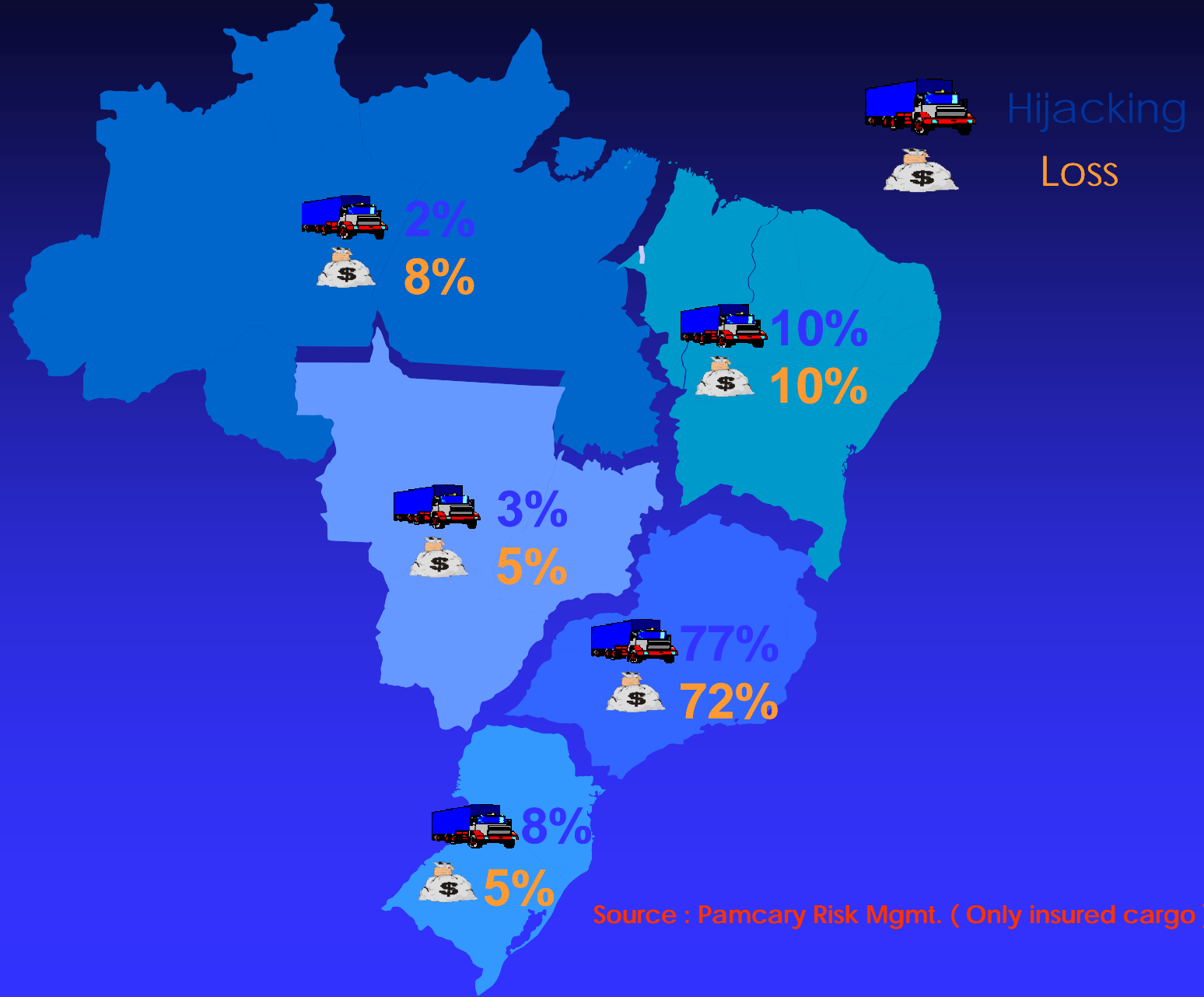
Cultural Tolerances !

Corruption



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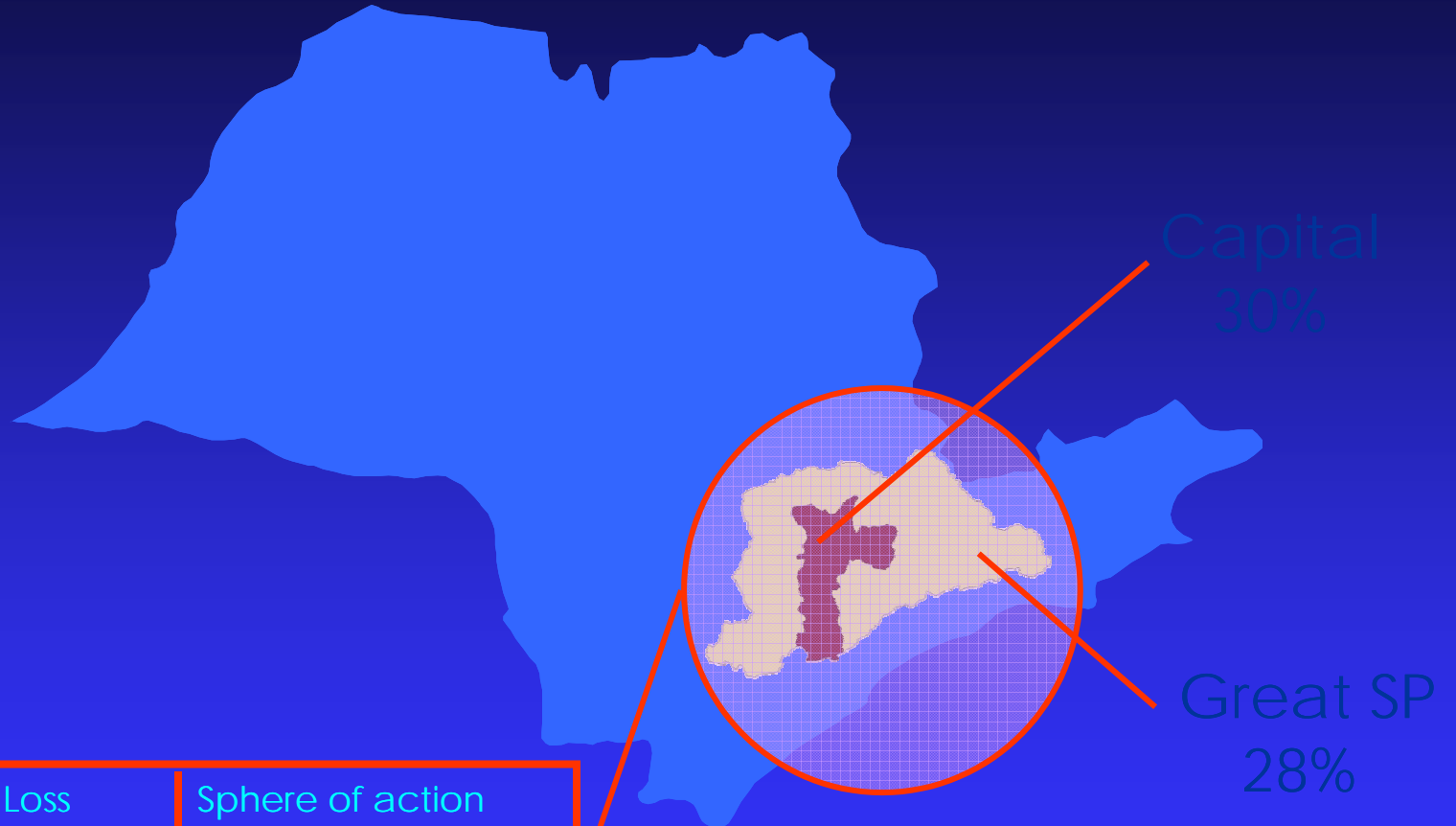
# Cargo Theft / Truck Hijacking by Region



Source : Pamcary Risk Mgmt. ( Only insured cargo )



# São Paulo State (50% Brazilian losses)



Loss	Sphere of action
72%	50 Km
84%	100 Km
90%	150 Km

Source : Pamcary Risk Mgmt. ( Only insured cargo )



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# Brazilian Highway Main Targets

BR  
116

9%

BR  
101

SP  
330

BR  
381

SP  
280

BR  
153



Source : Pamcary Risk Mgmt. ( Only insured cargo )



# Mexican Trends & Techniques

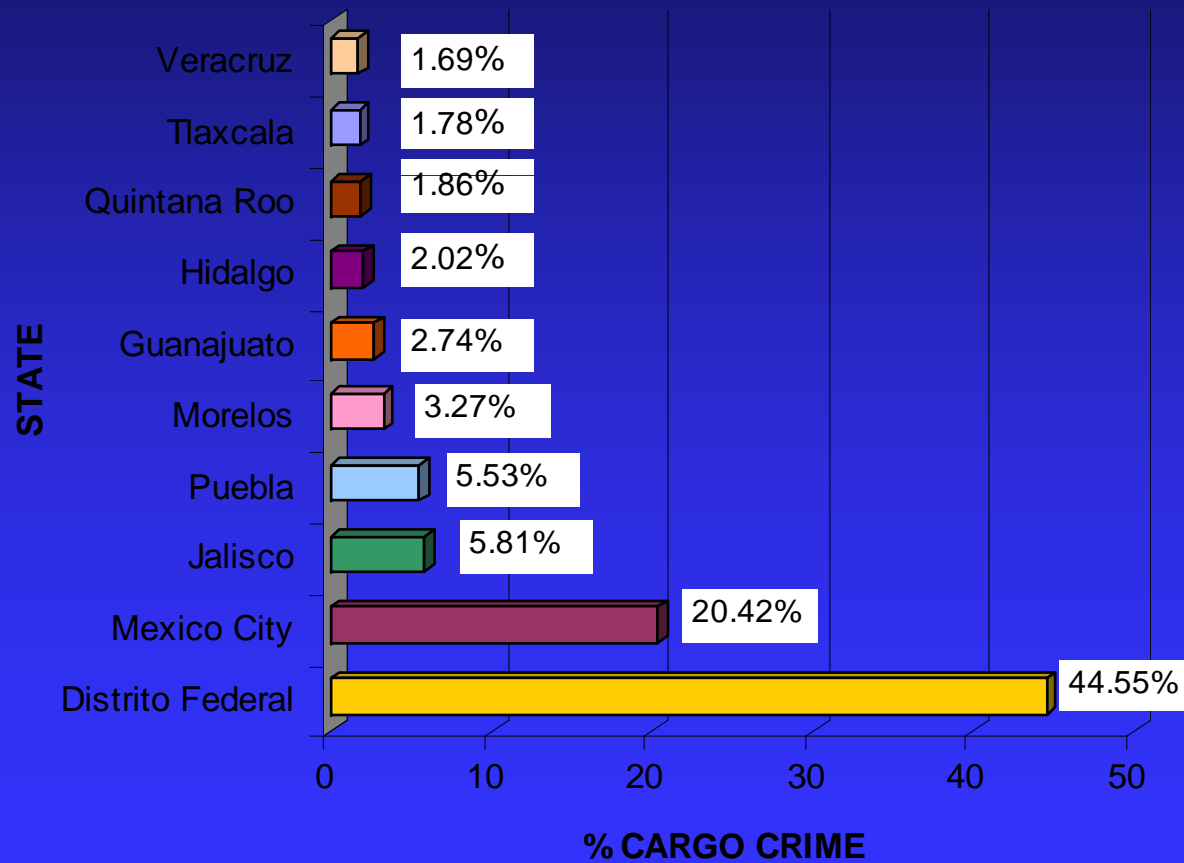
- Latest statistics indicate that cargo crime continues to grow. (2005 vs. 2006) + 1.5%
- A large number of hijackings continue to occur daily along the main access roads to México City.
- It is estimated that 70% of Mexican Cargo crime involves some form of employee collusion.
- **PGJ** estimates that there are over 102 organized gangs operating in Mexico City specifically targeting cargo.
- Corrupt Police Officers may be part of organized gangs targeting trucks with high value merchandise such as computers, pharmaceuticals and clothing.





# MEXICO - LOSS BY STATE

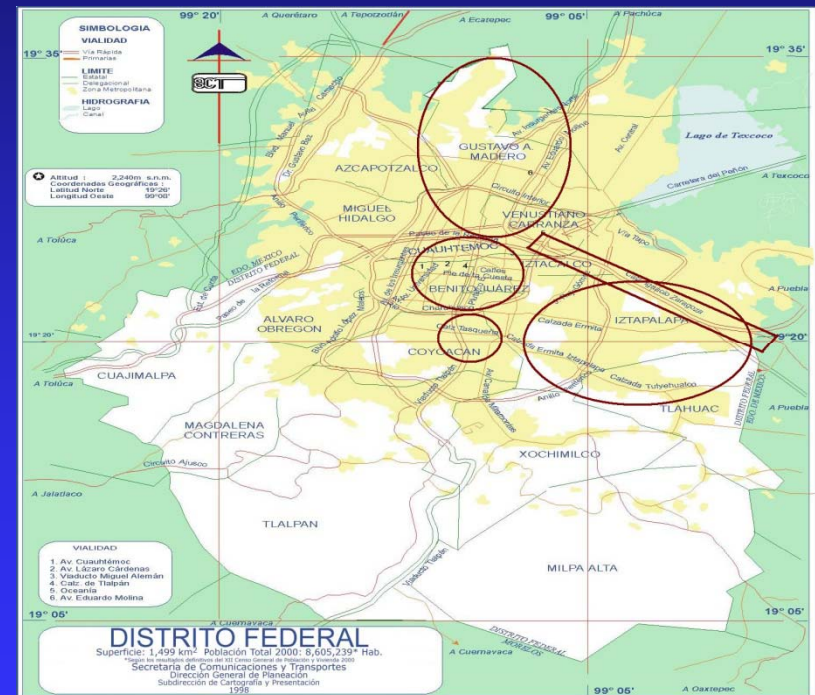
## MEXICO CARGO CRIME





# Mexico City Red-Zones

- District - Gustavo A. Madero
- District - Iztapalapa
- District - Cuahutemoc
- District Benito Juarez
- District - Coyoacan





# ASIA - Malaysia

- **USD\$8-12 million**
- **Malaysian Police (Op's Cargo) cargo crime operates, within organized, trans-national structures.**
- **Stolen goods exported to: Thailand, Indonesia and Philippines.**
- **Largest receiver of exported stolen goods – is China.**
- **Organized/semi-organized - 70-80% of all in country hijacks are masterminded by the same syndicate.**
- **Criminal Gangs operate from Penang and Kuala Lumpur, There is a specific focus along the North South Highway from Ipoh, heading south.**
- **Selangor still remains the hardest hit state in terms of line haul theft.**





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# OP'S CARGO

## CASES REPORTED

YEAR	2003	2004	2005	2006 (JAN-JUNE)
HIJACK	64	95	162	109
WAREHOUSE / FACTORY ROBBERIES	96	58	50	42
WAREHOUSE / FACTORY BREAK-INS	200	12	4	22
THEFT OF LADEN LORRIES	30	17	11	11
TOTAL	390	182	227	184



# US HVG THEFT GANGS





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# HIGH VALUE THEFT GROUPS

- **Truckload / Intermodal Thefts**
- **Warehouse Burglaries**
- **Leakage**



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# DEFEAT SEAL

- Super Glue
- Ratcheting
- Picking
- Freezing
- Replace Bolt Seal Head
- Driver Install



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# TRACKING TECHNOLOGIES

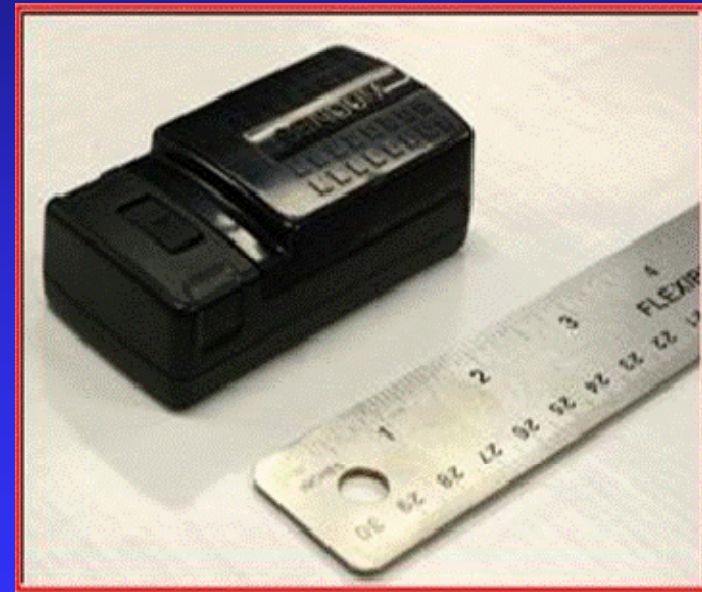
- **GPS** (Tractor)
- **AIDED GPS** (Trailer)
- **ASSISTED GPS** (Cargo)



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# PT200 Tracking Device

- Sprint PCS CDMA
- A-GPS
- Small
- Good Battery Life
- Location Performance Possible Inside Trailers & Containers





# FTL HIGH VALUE THEFT/RECOVERY – #1

- Departed DC in North Carolina at 4PM.
- Stolen From Truck Stop (I-95, exit 3) in Kingsland, GA (a few miles from Florida border) at 11:30PM. (440 miles)
- FW PT200 device indicated it was just south of Jacksonville, FL, entering St Johns County on I-95.
- FW PT200 device indicated it had stopped for a few minutes at a truck stop in St Johns County (stolen tractor recovered at that location) then continued south on I-95.
- St Johns County Deputies and FHP Troopers, while being provided continuous location updates located and stopped the trailer (being pulled by a different tractor), recovered the full load and arrested the driver.
- Subject had shipper and trucking company address information in his tractor when arrested.
- Product was delivered on time, as scheduled.



# FTL HIGH VALUE THEFT/RECOVERY

## - #2

- **Departed DC in North Carolina at 5PM.**
- **Stolen From Truck Stop in Spartanburg, SC at 8:00PM. (160miles)**
- **FW PT200 device indicated it was stopped behind a gas station in Laurens County, SC.**
- **FW PT200 device also indicated it had stopped for a few minutes at a location in Spartanburg, SC several miles from theft site.**
- **Laurens County Deputies found the trailer parked behind an abandoned gas station, and recovered the full load after being provided the exact location from a satellite map. A check of the Spartanburg location revealed the stolen tractor.**
- **Product was delivered on time as scheduled.**



# FTL HIGH VALUE THEFT/RECOVERY – #3

- Departed DC in North Carolina at 1:30PM and taken to trucking company's local terminal approximately 10 miles away.
- Trailer discovered missing by the trucking company at 6:00PM.
- FW PT200 device indicated trailer had departed the trucking company yard at 2PM and was stopped at a location in York, SC
- York PD found the trailer at the location indicated by the tracking device. The trailer's company logos had been painted over. A tractor parked next to trailer had two Miami subjects hiding in sleeper. The subjects were identified as the subjects observed painting the trailer. Painting equipment and burglary tools were found in the tractor. Also found were seals and blank Bills of Lading
- Product was delivered on time, as scheduled.



# In-transit Security – Best Practice

- Establish a standard (SOC).
- Preventative in nature.
- Comprehensive
  - ◆ Forwarder – Carrier - DRIVER
- Minimum standard
  - ◆ Cannot hinder logistics
  - ◆ Compromise on what works!
- Communicate – full disclosure to stakeholders
- Expectation should be binding!
  - ◆ Reward good performance



# Best Practice

- Monitor compliance.
- Compliance within 200-mile Red Zone most critical!!
- Confirm compliance to SOC prior to load departure – Driver screening?
- Keep the freight moving.
- At rest is at risk. Be aware of red zones?
- Require driver sign-off.
- Inform driver he may be monitored for compliance – then do it!!
- Escalate issues of non-compliance – next time it could be a theft.



# Best Practice

- Establish and enforce a penal code for non-compliance.
- Intelligence – know how they will hit you. Tailor your SOC to the threat.
- FTL-Theft: if it happens have a plan.
- Complexity of Law Enforcement response
  - ◆ Who calls who?
  - ◆ Who files the police report?
- Issue cheat cards.
- Audit your process – regularly.



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