



COVID-19's Impact on Cargo Theft Activity

April 22, 2020

The cargo theft prevention and recovery network

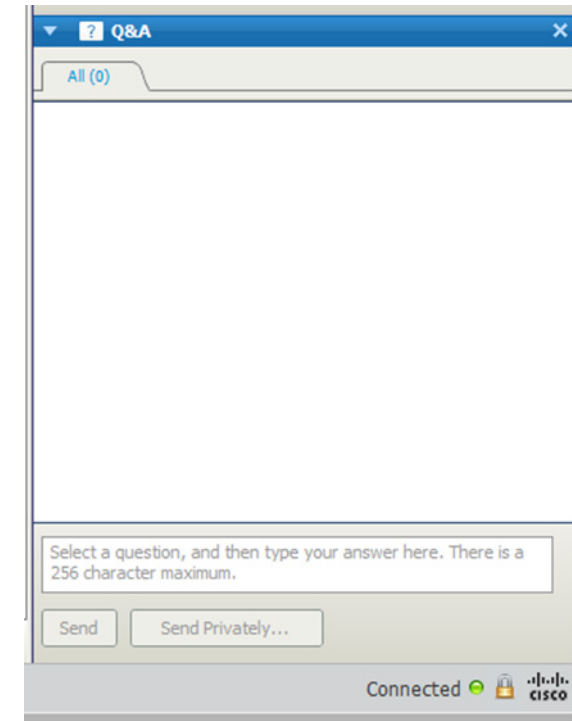
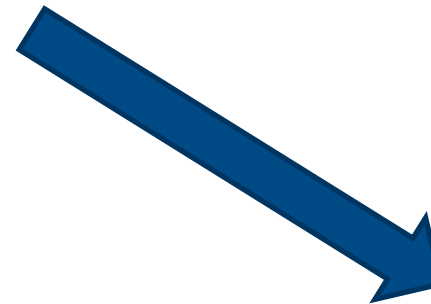
Sponsored by CargoNet's Associate Members



Reminders

Please make sure to place us on mute, if you have not done so already.

Questions, please submit your questions in the Q&A or chat section of the WebEx.



A Leading Data Analytics Partner to Our Customers



Insurance



Energy and Specialized Markets



Financial Services



Helping customers manage risk is at the heart of what we do

- Assess and price risk with more accuracy
- Improve and automate underwriting and claims outcomes
- Mitigate fraud
- Build resilience to extreme events

- Manage risk across the natural resources value chain
- Solve complex cost management challenges
- Improve environmental health and safety
- Analyze geopolitical and humanitarian risk

- Optimize portfolio performance
- Analyze consumer spend
- Identify fraud and abuse
- Manage regulatory, credit, and bankruptcy risk

Snapshot of additional Verisk brands/products you may be familiar with...



About CargoNet

CargoNet Strategies That Aid in Cargo Theft Prevention and Recoveries

- All Inclusive Cargo Theft Database
- Information Sharing & Collaboration
- Extensive Law Enforcement Network & Communication platform
- Unique Identifiers (Virtual Stolen Cargo Warehouse)
- Timely Intelligence (Thefts, Suspicious Activity, etc.)
- Theft Trend Analytics
- Education & Awareness
- Aiding Legislation Change
- Providing Needed Resources to Law Enforcement



Speakers

- Keith Lewis
 - CargoNet, Vice President of Operations

- Ralph Pepe
 - CargoNet, Senior Intelligence Analyst

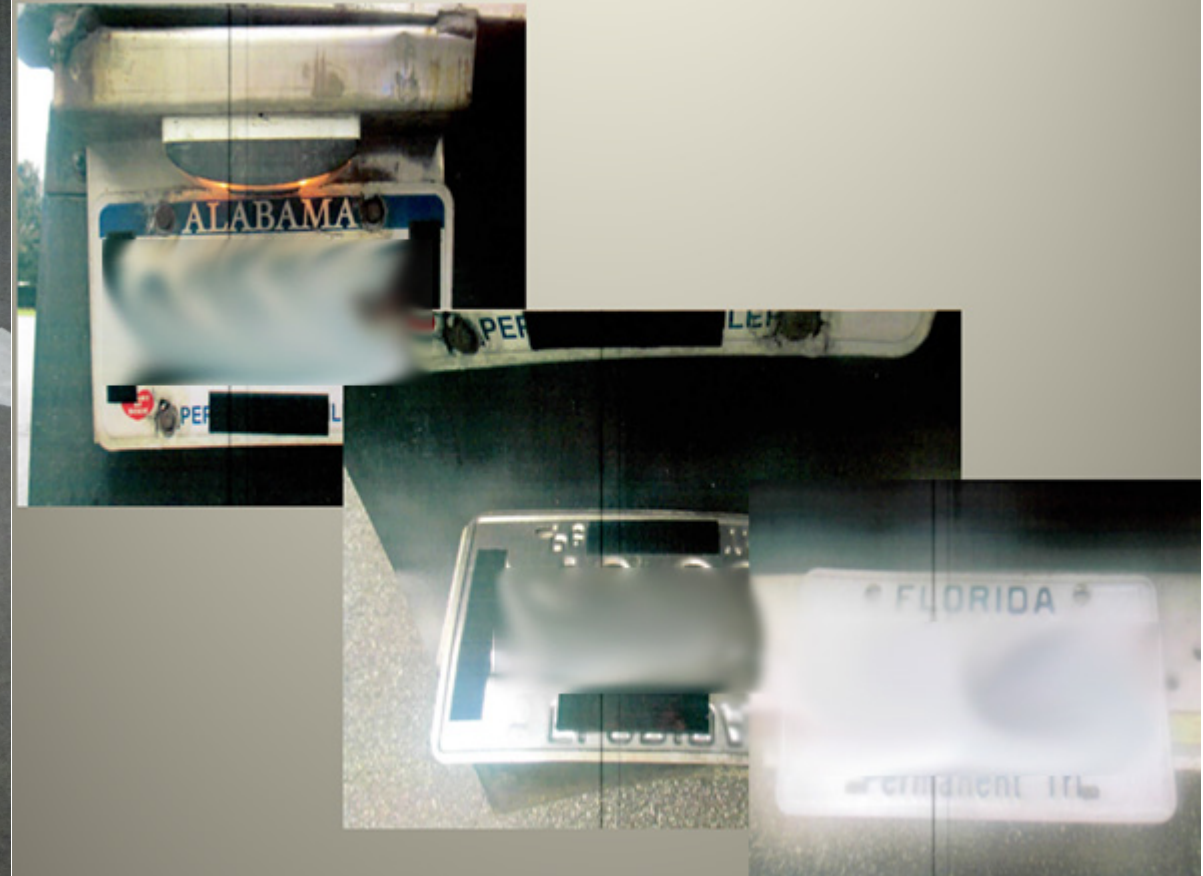
Primary Concerns

1. Cargo theft of a shipment of vital medical supplies.
2. Localized shortages of certain kinds of product, due to cargo theft hotspots.
3. Degradation of the safety of the supply chain due to the economic impact + civil unrest.

Professional Cargo Thieves - Threat Information

- Professional cargo thieves are truckers: they own trucks and are, of course, exempt from stay at home orders. Since they drive for a living, they think nothing of a 2,000 mile trip to get a free truckload of goods.
- At least semi-organized.
- Have access to a fence or buyers that they could sell a truckload (45k lbs.) of goods to.
- Know that motor carrier enforcement has come to a halt and property crime investigations are especially low-priority.
- Some of them are brazen enough to try to target sensitive commodities. Will be equipped with signal jamming devices and/or detecting devices.

Professionals - Disguising stolen trucks



Amateur Cargo Thieves - Threat Information

- Amateur cargo thieves could be truckers or in the supply chain somehow, but are inexperienced thieves and do not have a fence or buyer for a truckload.
- Most commonly, it's a person burglarizing a parked trailer at night. Street gangs, prostitute/drug dealers that deal with truckers.
- Usually armed/more prone to violence than professional thieves.
- A minor trailer burglary event, when the shipment needs seal integrity, can cause as much disruption as a full truckload theft.

Amateur



Our Concerns

- We're seeing increased targeting of in-demand commodities like household paper, beef/pork/poultry, and medical supplies.
- Pharmaceutical / medical shipment thefts remain low, but even one can have severe impact.

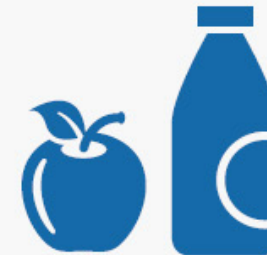
Top Targeted Goods



Medical Supplies



Essential Household Goods



Food and Beverage

Our Concerns

- One truckload amount may cause temporary, store-level disruption. For example, this theft of beef and lamb may cause problems for one or a few grocery stores for a few days while a replacement shipment is on the way.
- Multiple stolen truckloads cause a longer-lasting, wider-area disruption.
- Minor burglaries of shipments that need seal integrity like food or medicines can cause as much disruption as the truckload theft.

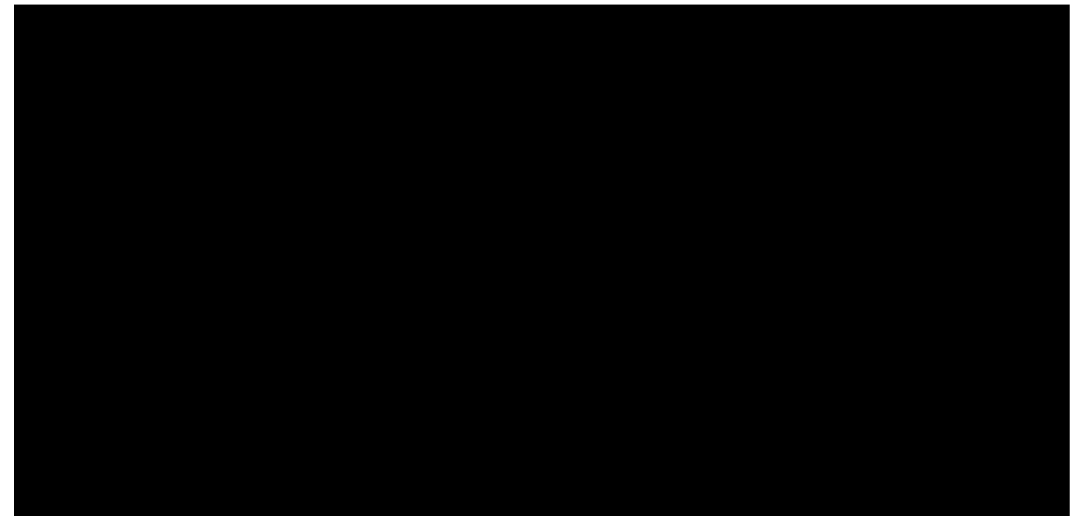


Incident Ref: CN-20-04-00028
Date Released: 4/9/2020

CONFIDENTIAL: LAW ENFORCEMENT SENSITIVE

Trailer Burglary – Truckload Theft of Lamb and Beef

Roscoe Blvd & Sheldon St, Los Angeles, CA



Description: Between 4/7/20 between 10:00 PM and 4/8/20 and 10:00 AM, a trailer was burglarized and its cargo of beef and lamb meat stolen while parked along Roscoe Boulevard near the intersection of Sheldon St in Los Angeles, CA.

The driver reported that he parked the tractor, trailer and cargo along Roscoe Boulevard and went home for the evening. When he returned the next day, he discovered that the tractor had been burglarized, the radio stolen and the entire shipment stolen from the trailer.

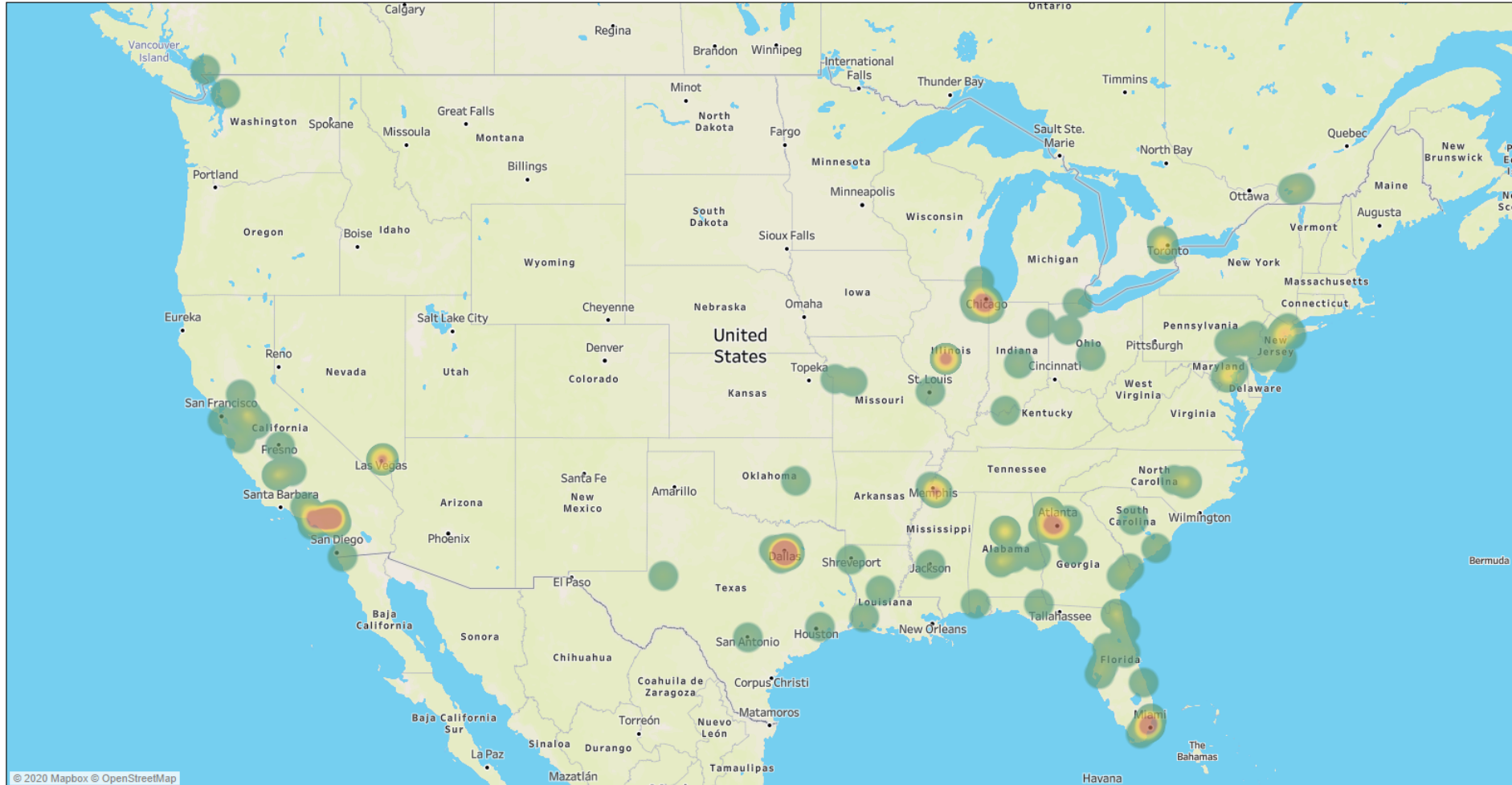
Cargo Theft Trends

Heat Map of Activity



Cargo Theft Locations

Analysis Period: 2019 - 2020 (Week 1-15)

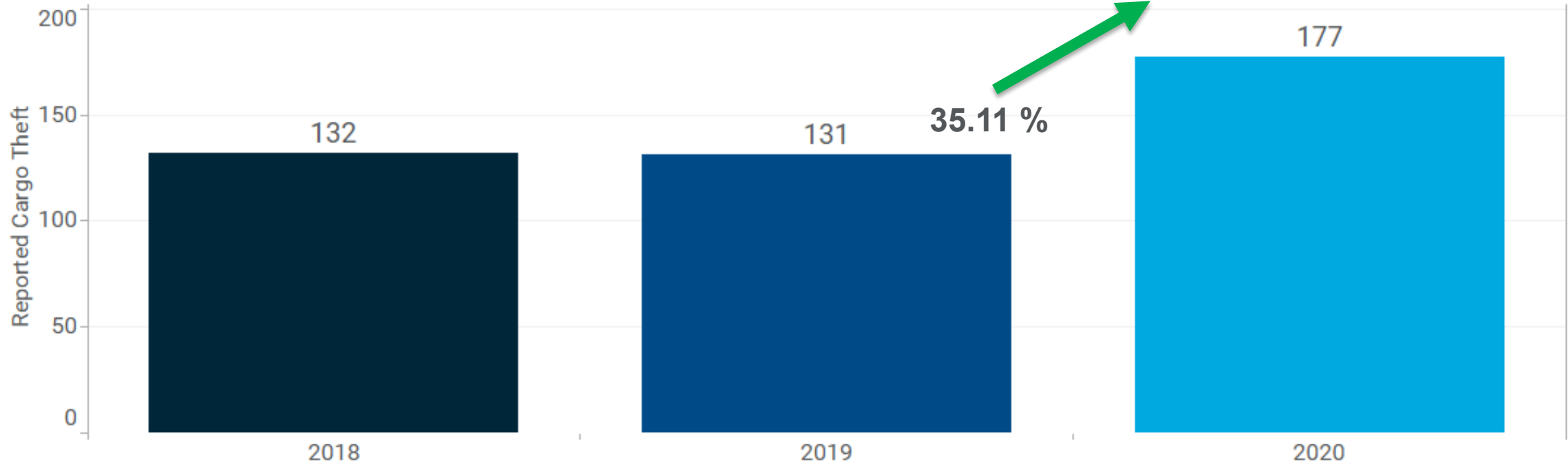


© 2020 Mapbox © OpenStreetMap

Year over Year



CARGO THEFT BY YEAR

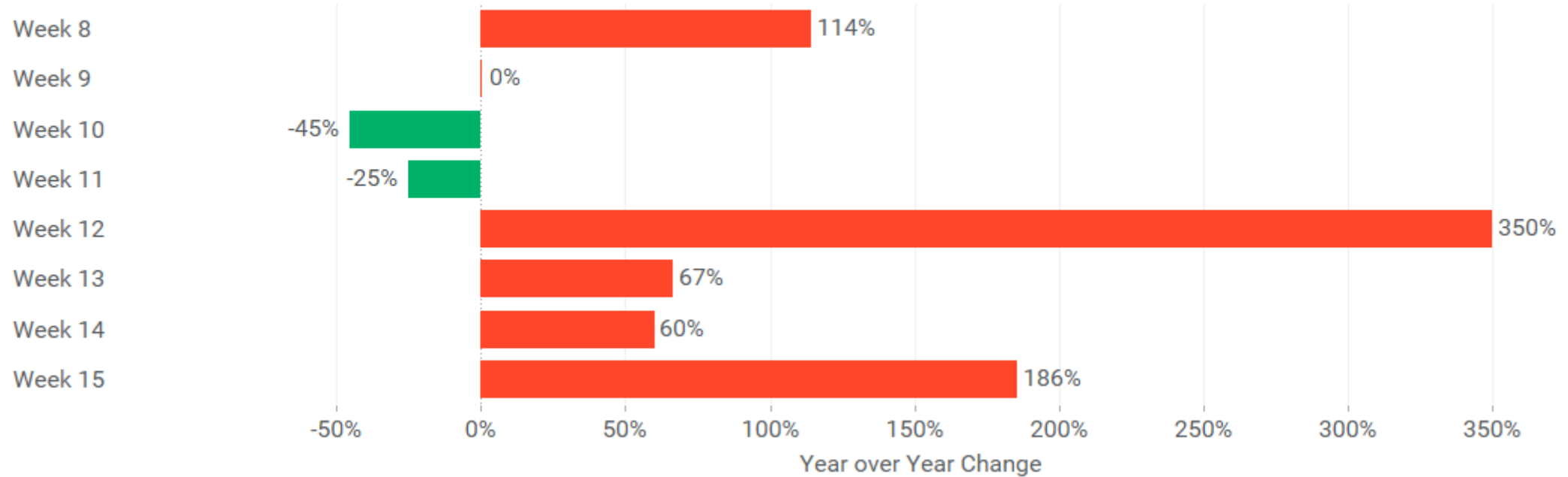


Baseline and Recent Activity



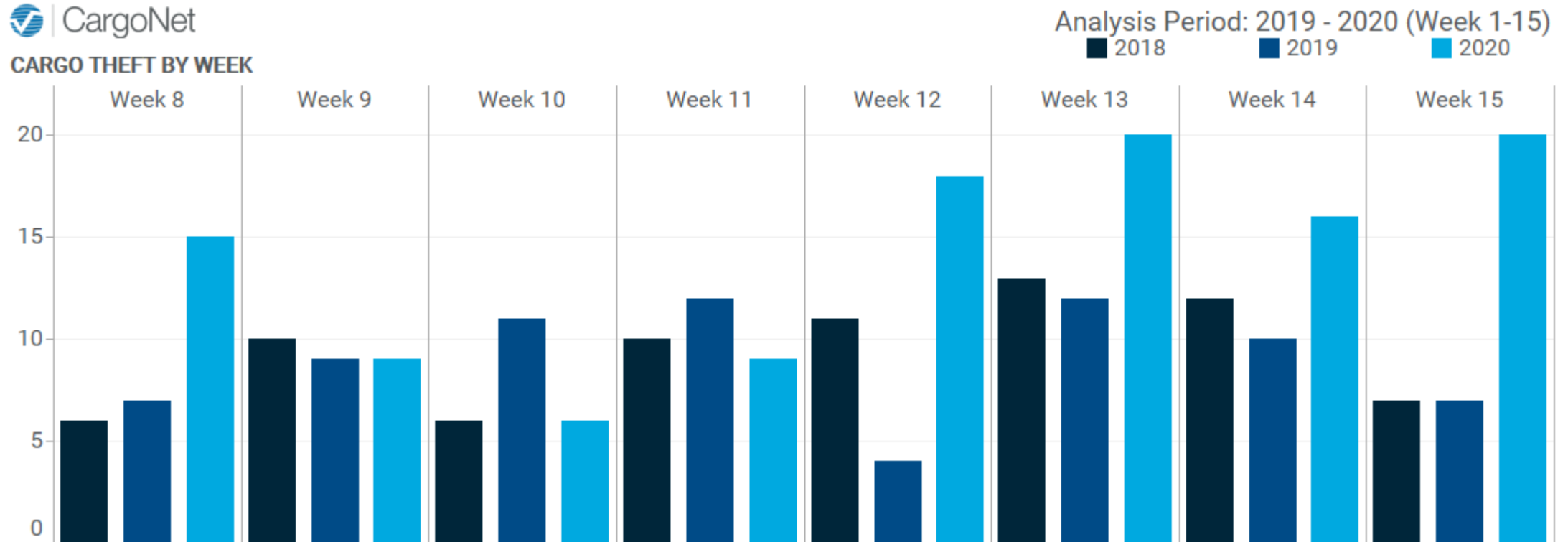
Analysis Period: 2019 - 2020 (Week 1-15)

CARGO THEFT BY WEEK



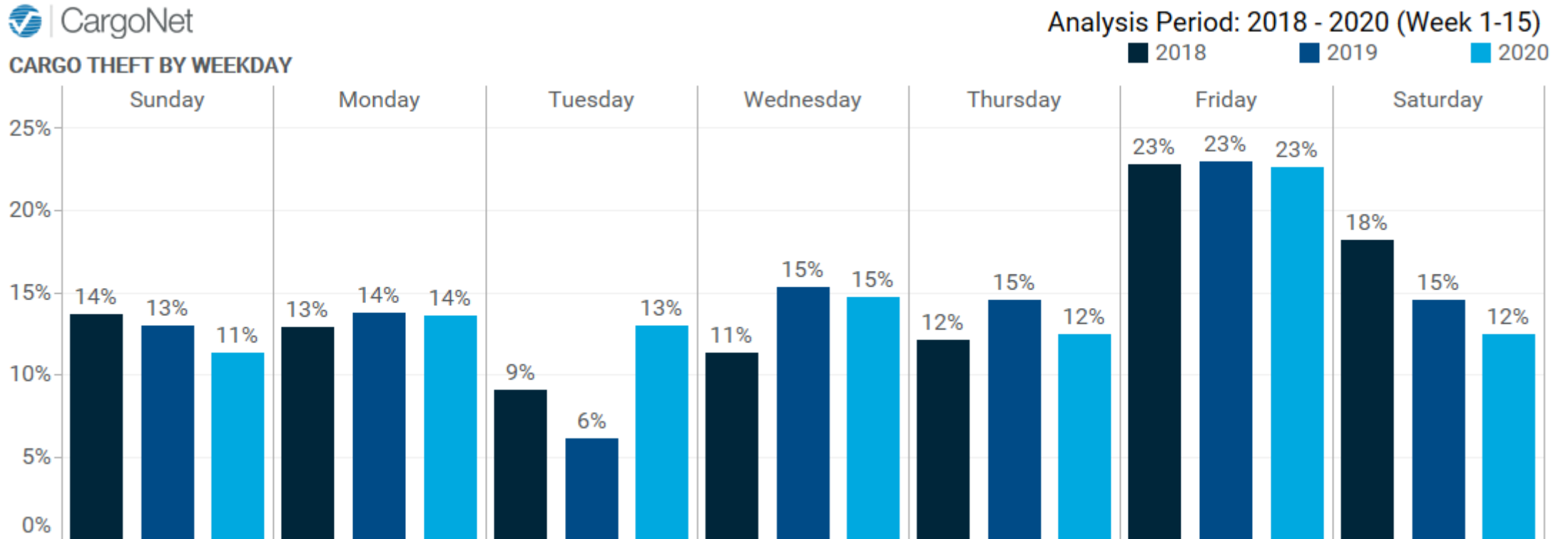
- **Week 12: Starting March 16, 2020**

Baseline and Recent Activity



- **Week 12: Starting March 16, 2020**

Baseline and Recent Activity



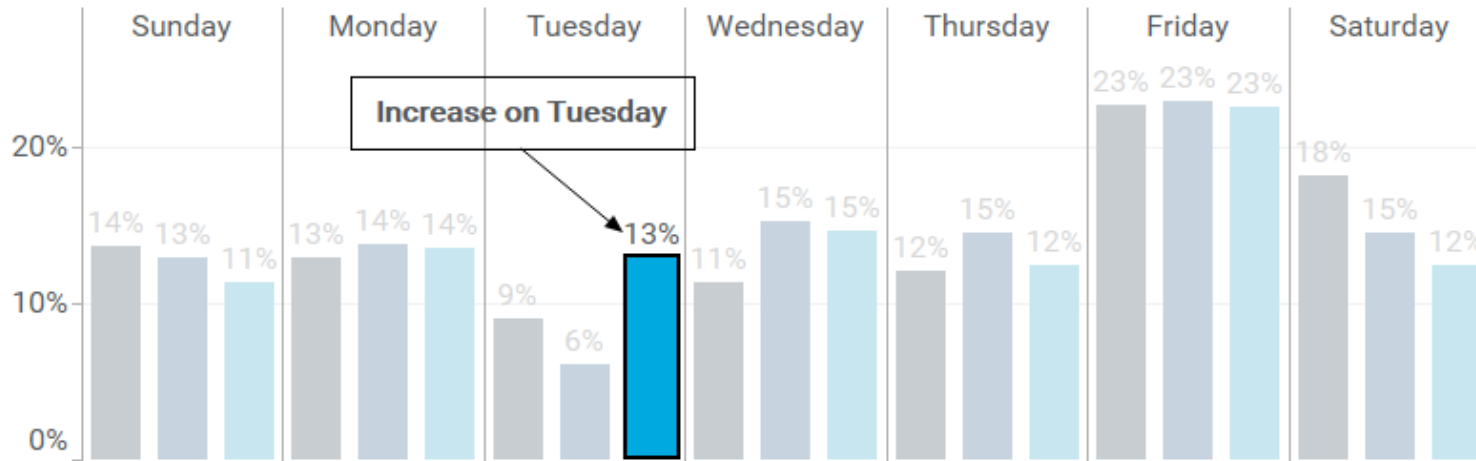
- Full truckload theft is most common on Friday because thieves know that truckers have parked for the weekend and will not return until Sunday or Monday.

Cargo Theft on Tuesday

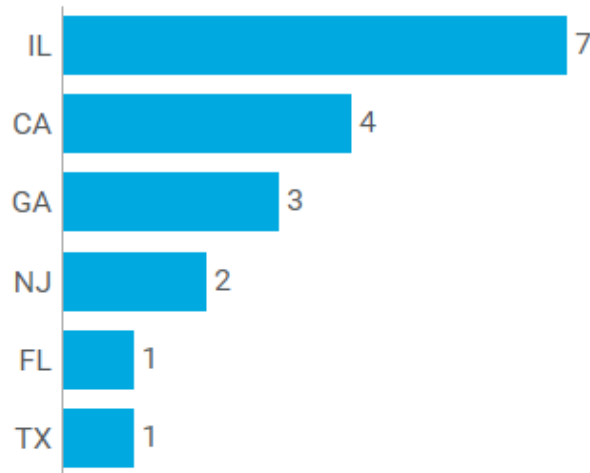


Analysis Period: 2018 - 2020 (Week 1-15)

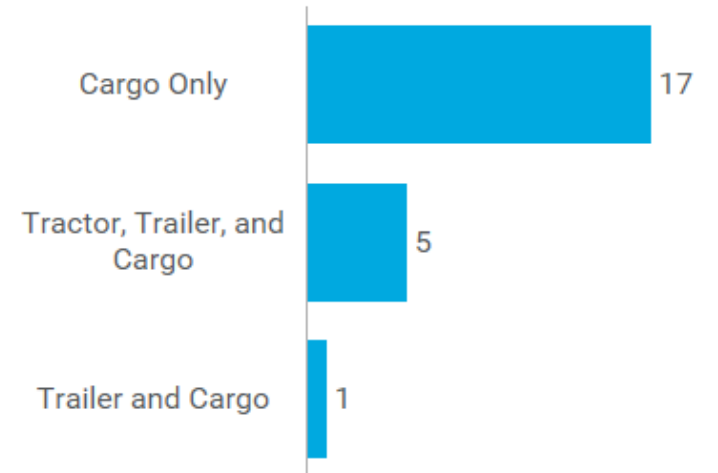
CARGO THEFT BY WEEKDAY



CARGO THEFT BY STATE



CARGO THEFT BY INCIDENT SUBTYPE



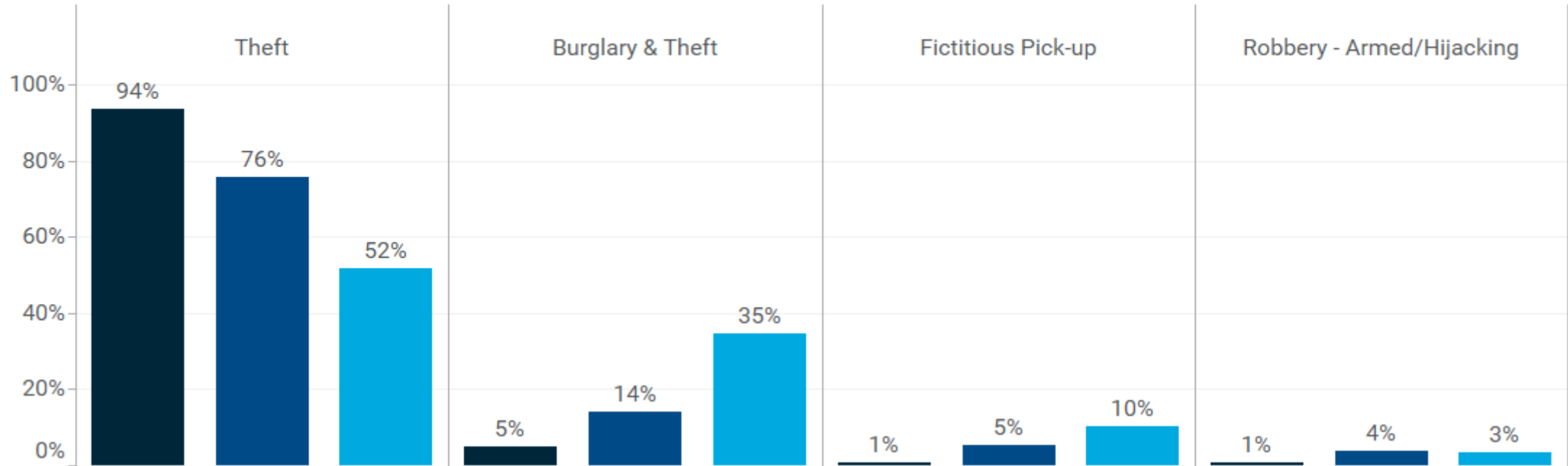
Baseline and Recent Activity



CARGO THEFT BY INCIDENT TYPE

Analysis Period: 2018 - 2020 (Week 1-15)

■ 2018 ■ 2019 ■ 2020



- Increase in trailer burglary (burglary & theft incidents).
- Increase in fictitious pickup activity – identity theft of trucking carriers and using their identities to pickup legitimate shipments.

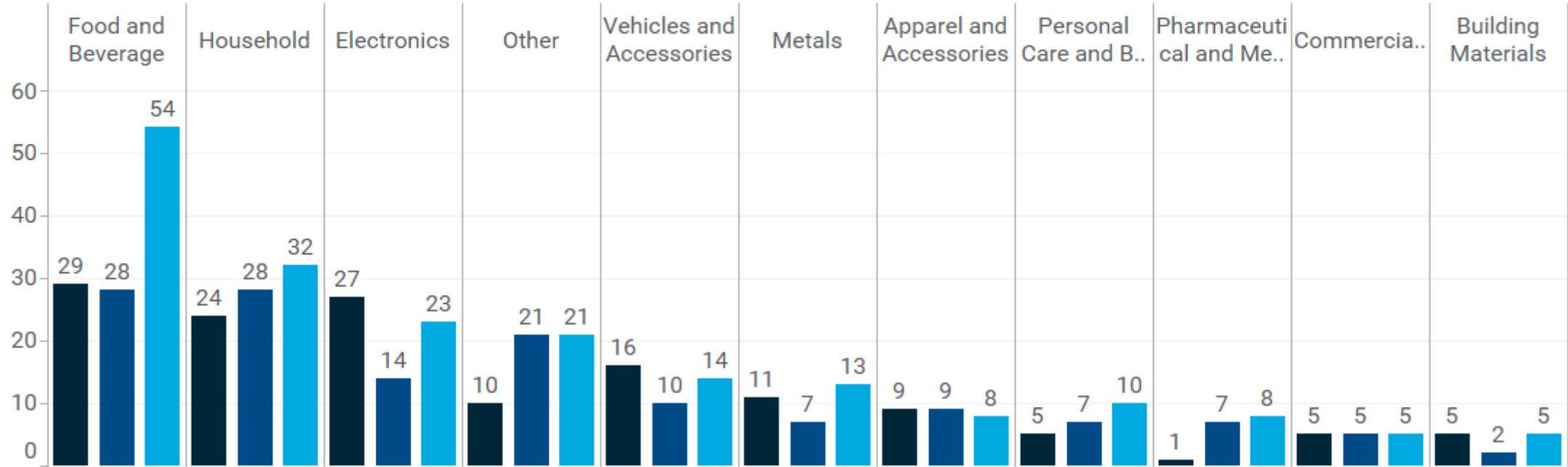
Baseline and Recent Activity



CARGO THEFT BY COMMODITY

Analysis Period: 2018 - 2020 (Week 1-15)

■ 2018 ■ 2019 ■ 2020

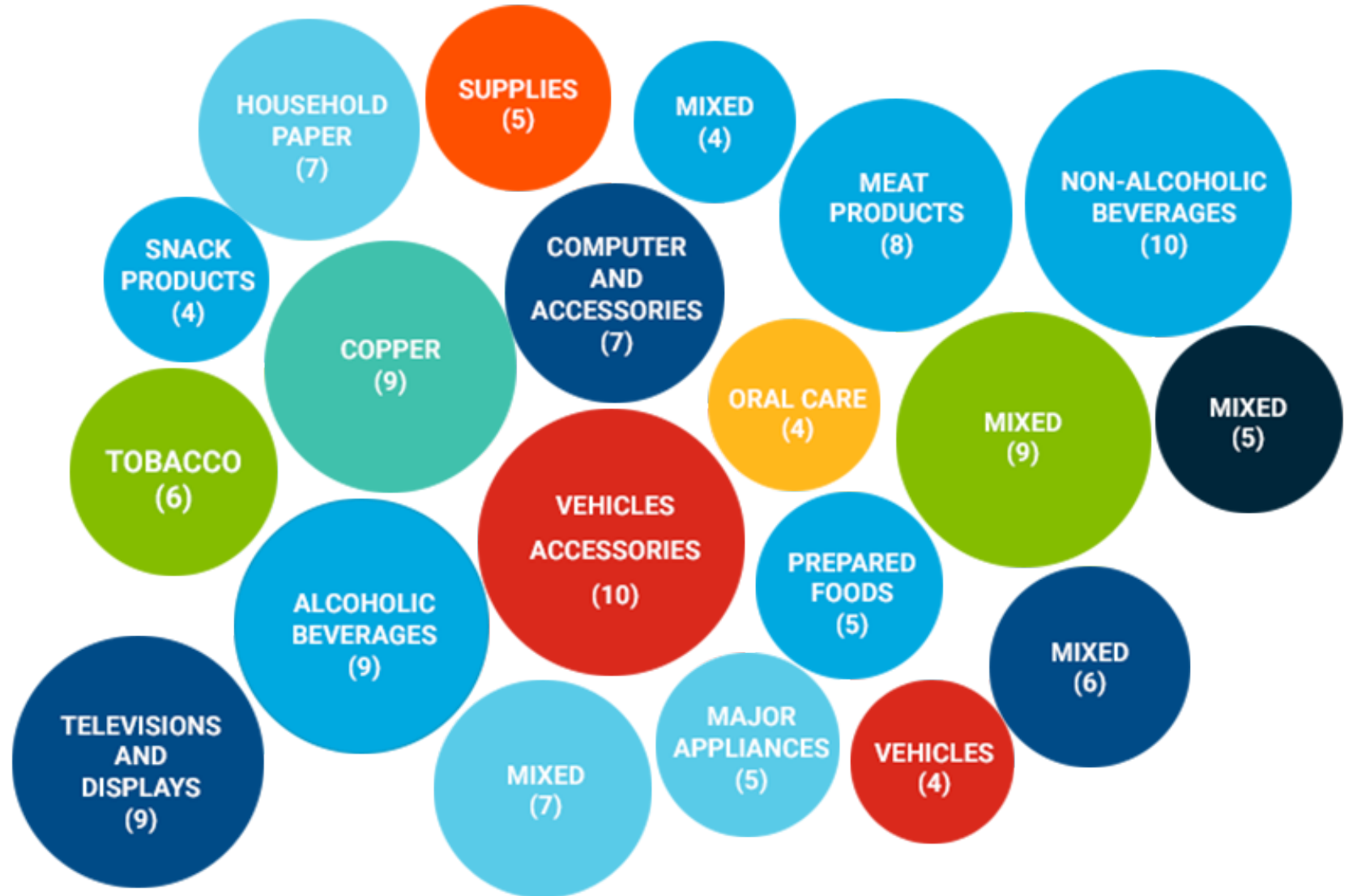


- Increased targeting of:
 - Food and beverage shipments, especially mixed food and beverage products going into the grocery supply chain and liquor.
 - Household paper products – toilet paper and paper towel.
 - Medical supplies – masks, exam gloves.

Most Stolen Products in 2020

Commodity Category

- Apparel and Accessories
- Electronics
- Food and Beverage
- Household
- Metals
- Other
- Personal Care and Beauty
- Pharmaceutical and Med..
- Vehicles and Accessories

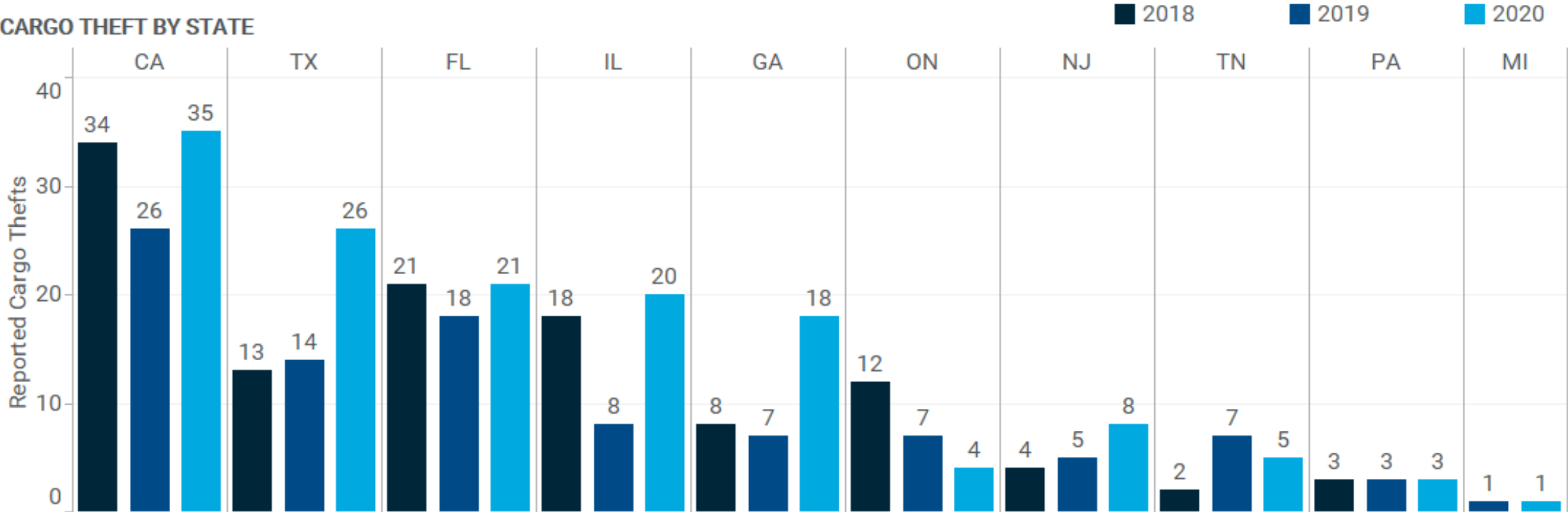


Baseline and Recent Activity



Analysis Period: 2018 - 2020 (Week 1-15)

CARGO THEFT BY STATE



Regions with Most Activity:

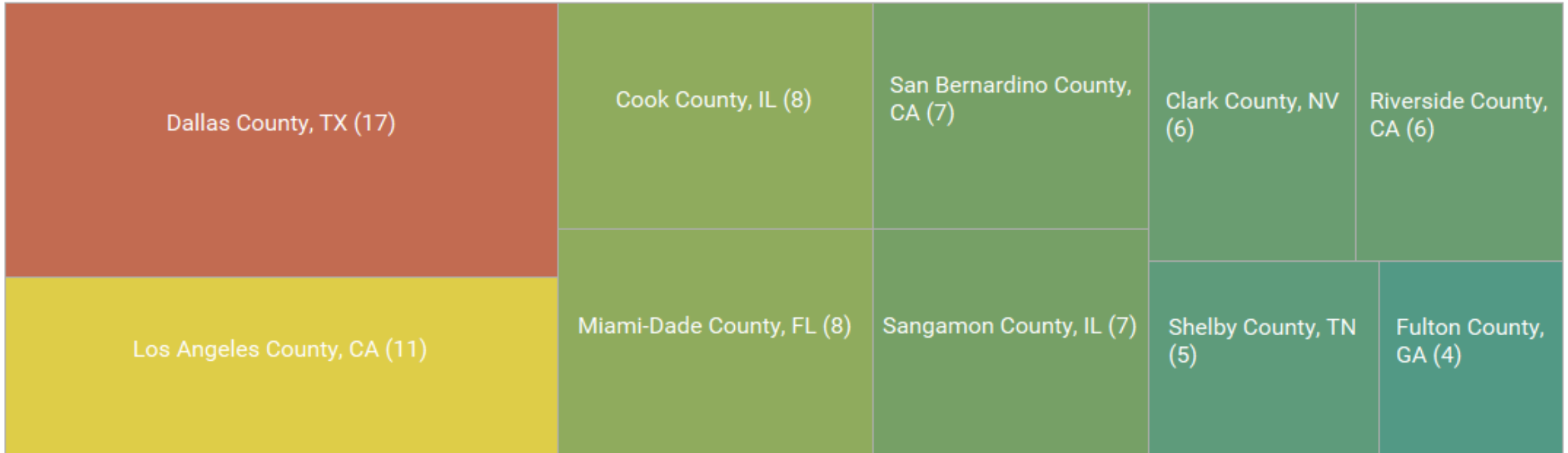
- SoCal – Los Angeles, Riverside, San Bernardino Counties
- Dallas-Fort Worth
- Atlanta Metro
- South Florida
- Chicagoland
- North New Jersey

Baseline and Recent Activity




Analysis Period: 2020 (Week 1-15)

TARGETED COUNTIES IN 2020



Our Concerns

- Supply chain disruptions have cascading effects.
- One disruption like a theft or driver shortage may cause additional disruptions.

 CargoNet Fictitious Pick-Up

Fictitious Pick Up Alert

Incident Description
Between 3/23/20 and 3/24/20, unknown suspects acted as representatives of a legitimate carrier, bid on, and were tendered 7 shipments of Copper Flake from a shipper located on Overpass Road in Riverton, IL and 1 shipment of Copper Chop from a second shipper located on Solomon Road in Troy, IN.

Of the 7 shipments originated in Riverton, IL, 6 were destined for delivery in New Haven, IN and 1 destined for delivery in Port Huron, MI. The other shipment that originated in Troy, IN was destined for delivery in New Haven, IN. The broker received 3 proof of delivery documents from the carrier which were determined to be forgeries. When the broker realized they were forgeries, dispatcher "Darius" provided a name and phone number for each shipment's driver and claimed that the loads were being kept in Markham, IL and would deliver ASAP. None of the eight shipments ever arrived. CargoNet researched the phone numbers and all appear to be burner phones from a mix of VOIP providers, "second number" apps, and cellular service providers.

It is known that for at least three of the shipments, the suspects hired legitimate, local trucking carriers to pick them up and deliver them to a location in Joliet, IL. The shipments were unloaded there and it is believed they were then moved again from this location. CargoNet is still researching if all the shipments were delivered to this location.

CargoNet researched the carrier's FMCSA registration details further. The carrier's address is a mail drop location. The incorporation records for the carrier were filed in November of 2019 to a Mindaugas Trinkskis. Trinkskis does not appear to be a valid person. CargoNet believes that the suspects incorporated this business using false identity information with the intent to steal the shipments they were tendered.

Our Reaction

- Remove the barrier to report.
 - We sent out information to the public sector and private industry, reiterating our concerns and provided instructions on how to report theft to CargoNet.
 - This message was further distributed by industry partners like ASIS International, TIA, EPIC Insurance, Trucker Tools, etc.

COVID-19 Message to the Industry

As the COVID-19 pandemic continues to grow, crimes related will continue to increase as well. **CargoNet expects to see an uptick in cargo theft and looting of businesses nationwide over the next several weeks.** Medical supplies such as surgical masks and gloves as well as food and beverage and essential household items are likely to be targeted. CargoNet is coordinating with local, state, and federal authorities to enhance their ability to respond to theft of special, sensitive shipments and it is imperative that information about new thefts or other kinds of supply chain crime are reported to us in an expeditious manner.

To this end, CargoNet will be providing complimentary cargo theft response services. That means supply chain professionals can report a cargo theft event and will gain access to CargoNet's 24/7/365 command center and subject matter experts which includes our cargo recovery network and award-winning investigative support.

Top Targeted Goods

Medical Supplies

Essential Household Goods

Food and Beverage

How to Report a Cargo Theft to CargoNet

If you are the victim of a theft:

- 1 Get to a safe location.
- 2 Call local law enforcement and report the theft.
- 3 **Call: 1-888-595-CNET (2638)**

Useful information in the event of a theft

<p>→ Trailer Info:</p> <ul style="list-style-type: none"> • Trailer No. • Make/Model • License Plate 	<p>→ Tractor Info:</p> <ul style="list-style-type: none"> • VIN • Make/Model • License Plate 	<p>→ Incident Info:</p> <ul style="list-style-type: none"> • Date • City/State • Location 	<p>→ Load Info:</p> <ul style="list-style-type: none"> • Owner • Description • Origin Date
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Conclusion

- We hope that by removing the barrier to report and stressing the need to report theft, we'll have indicators of emerging cargo theft hotspots.
- If we have detect emerging patterns/activity, we can release information to help mitigate future thefts.

Other Verisk COVID-19 Resources

<https://www.verisk.com/resources/COVID-19/>



CargoNet

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• Trailer No.	• VIN	• Date	• Owner
• Make/Model	• Make/Model	• City/State	• Description
• License Plate	• License Plate	• Location	• Origin Date
• Description	• Color	• Description	• Destination

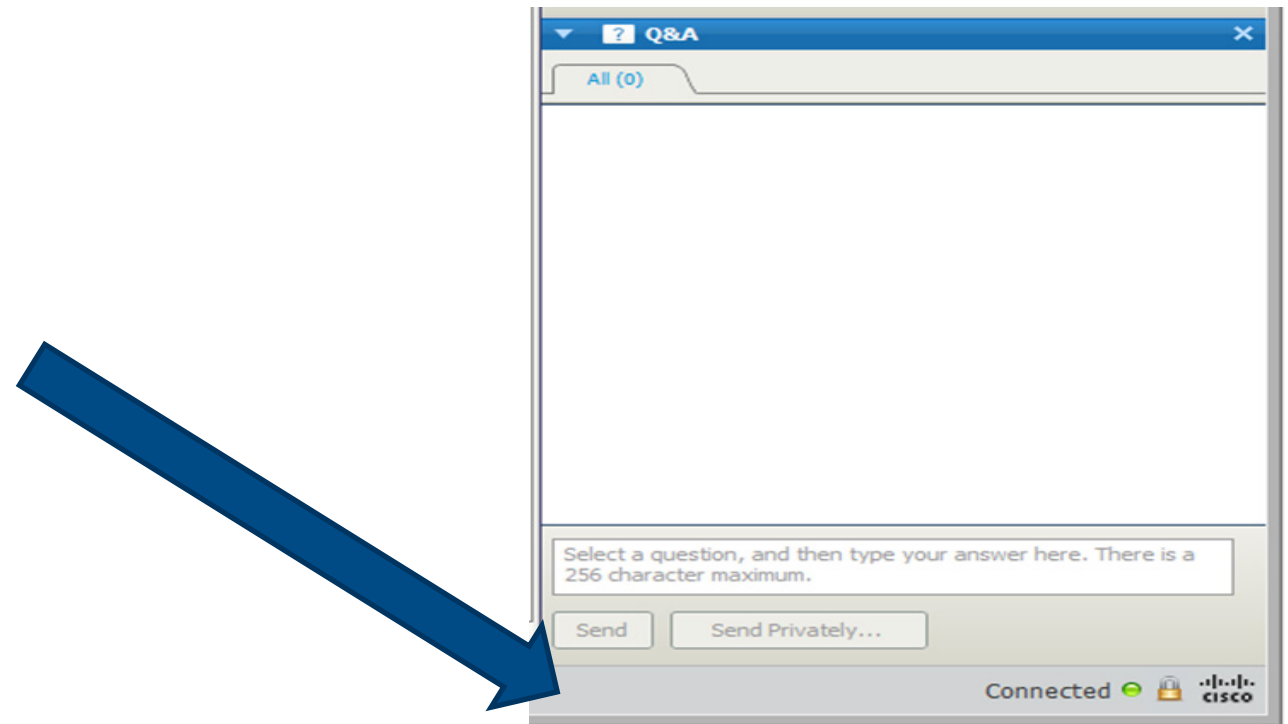
www.cargonet.com

Verisk



Questions?

- If you have any questions throughout the board meeting please submit them in the Q&A or chat section and we will try and portion.





Thank You!

Submit your questions now.

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