



Check on unusual or out of routine bookings.

Genuine clients do not object to checks being made.

New customers are not always good for business.



In case of difficulties, consult a senior manager or director, or your regular claims contact at your TT Club office. Further information can be obtained from the TT Club's Regional Centres.

Container Loss

Inventory Control or Theft?

Containers go missing almost every day. In most cases the loss is not physical but caused by incorrect data entry in a container inventory. Such inventory or temporary losses may be difficult to identify, but at some point, the missing container number will be entered into the control system as having been physically located and the system will then start to account for that unit again.

Far more difficult to control is the calculated and deliberate physical theft of containers by well-organised groups. Theft has been occurring in large or small ways all over the world and often the container owners feel that it is impossible to combat. It is only when there is a concentration of container theft in a particular area that a need arises to do something about it.

As with inventory control, matters will not correct themselves, some checks and balances need to be put in place to help reduce the occurrence of theft. It is most likely that theft will occur prior to the export of a consignment as the boxes are empty and there is no cargo to account for. The items set out below are not exhaustive but may be of use in combating container theft. A genuine customer should not object to these checks.

Export cargo bookings

- Perform industry or financial checks on new customers through in-house channels or external industry/financial system operators or visit them to establish that they actually exist before supplying containers for loading. This will require collaboration between your commercial and operational departments.
- If customer checks have been performed or the customer is well known to you but the haulier is not, then contact the customer for verification of haulier. A combination of new customer and unknown haulier should be treated with suspicion.
- Treat large bookings for multiple containers, especially refrigerated units, with suspicion. Try to establish reasons for larger than normal bookings, if possible get permission to contact the actual shipper.
- Where multiple containers are requested, logistics departments should not arrange despatch of more

than one container at a time, and the subsequent units should be held until the earlier units have been returned loaded.

- If bookings specify "new" containers, advise the customer that you operate a strict "first come first use" policy and that the container supplied will meet the cargo/transit specifications but is not likely to be new.
- Charge for unusual extension of delivery period (free time), or be prepared to refuse extension.

If there is doubt about the customer or the haulier, then insist on receiving a bank guarantee for the value of the containers before releasing them. Most businesses, when accepting a new customer, perform checks or request deposits or guarantees against the supply of most types of equipment. Genuine customers should be ready to comply with your corporate requirements in order to establish their standing with you.

Be aware of customers who suddenly change their normal trade patterns. This may indicate a long-term fraudulent set up. If such a change is made, then carry out the check items above.

Import cargo delivery

Containers utilised for the delivery of import cargo are slightly less at risk of theft, but it is not always possible to make many checks and there is rarely the opportunity to obtain a guarantee or deposit against the return of the container.

- Where a through bill of lading has been issued there are some options to ensure return of the container. The shipping line should have control over the transport that can be used for the inland delivery, preferably utilising transport under direct control (either owned or contracted).
- Containers should not be off-loaded from the vehicle at customer's premises without special permission.
- Where the contents of a container are destined for more than one consignee, control of the deliveries should be put in place, ensuring the goods are removed whilst the container is still on the vehicle and with the driver in attendance.
- Where goods are cleared inland, this should be done through your own Inland Clearance Depot (ICD). If this is not practicable, then

utilising the services of long established ICD's should give some measure of security. Where newly established ICD's or de-consolidators are involved, insist upon bank guarantees before allowing containers to be delivered for unpacking.

- Where the delivery of the goods in the container is not within your direct control, the same checks on new customers and new hauliers recommended for export cargo should be performed before releasing the container into the care of an unknown company.

All container numbers should be properly recorded in a logistics system and the haulier and consignee details shown against the container for reference purposes. In the case of non-return of the container, this will provide the authorities with a sensible starting point for their enquiries. Computer system audit trails are essential to combat container theft.

Containers are a liner shipping company's life-blood. The loss of these units, even for a temporary period, will disrupt the proper logistical planning of the operation. This is just as important if the containers are not owned by you but are on lease, as the lessor expects you to control leased containers as if they were your own units.

Whilst the loss of an owned unit may result in a small annoyance, both operationally and financially, leased units are often required to be covered for their full replacement value, rather than on a diminishing value scale, and the tracing of them may cause more of a problem.

Theft should be simple to identify but what then is "mysterious disappearance"? As far as the Club is concerned, it is something for which there is no explanation. The most usual example is a shortage found on taking inventory: something which according to stock lists should be there but simply isn't. There is no record of the item having been removed from stock and there has been no occurrence, such as a break-in, which could explain the loss.

Limited cover may be available for mysterious disappearance - ask your local Club office for details.

Further information, and additional copies, can be obtained from the TT Club's regional centres:

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