



TT Club Loss Prevention

November 2022

# Supply chain security bulletin



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# Supply chain security bulletin

This bulletin considers all aspects of supply chain security. It highlights TT Club claims statistics along with a range of other industry data and provides an invaluable insight into the current risks facing those tasked with managing security through the supply chain. The Club has produced a number of reports and guidance documents related to this area of risk across numerous media platforms.

This bulletin gathers a selection of TT content and publications as well as highlighting collaborative work undertaken with other like-minded organisations in this space.

The entire library of TT's loss prevention guidance can be found at [www.ttclub.com/loss-prevention](http://www.ttclub.com/loss-prevention) and you are invited to email us at [riskmanagement@ttclub.com](mailto:riskmanagement@ttclub.com) or get in touch with your usual contact should you have any queries, ideas or suggestions.

## Foreword

The last several years have highlighted that challenges through the supply chain are dynamic and this is also true where security threats are concerned. Operators in the global supply chain need to be agile in building sufficient defences. As one aspect of the supply chain appears to normalise and associated threats decrease, other aspects are brought to the fore.

Developing and maintaining current knowledge of the threat landscape, target modes, cargoes and the most prolific modus operandi employed by the criminal fraternity is vital to defend your business and the industry against these crimes. Statistics in this bulletin demonstrate that these aspects are constantly evolving, year-to-date claims statistics illustrate that electronics (luxury) goods are the most targeted, with food and beverage not far behind.

As we approach the fourth quarter of 2022, typically the period when crime is at its most abundant, those managing risk through the supply chain must remain vigilant. The holidays unfortunately create increased demand and market opportunities for criminals to sell their stolen cargo – maintaining robust processes through this operationally peak period is critical in disrupting criminal activities.





# TT claims data for 2022

These infographics depict TT Club's global cargo theft data for the year to date as at 30 September 2022.

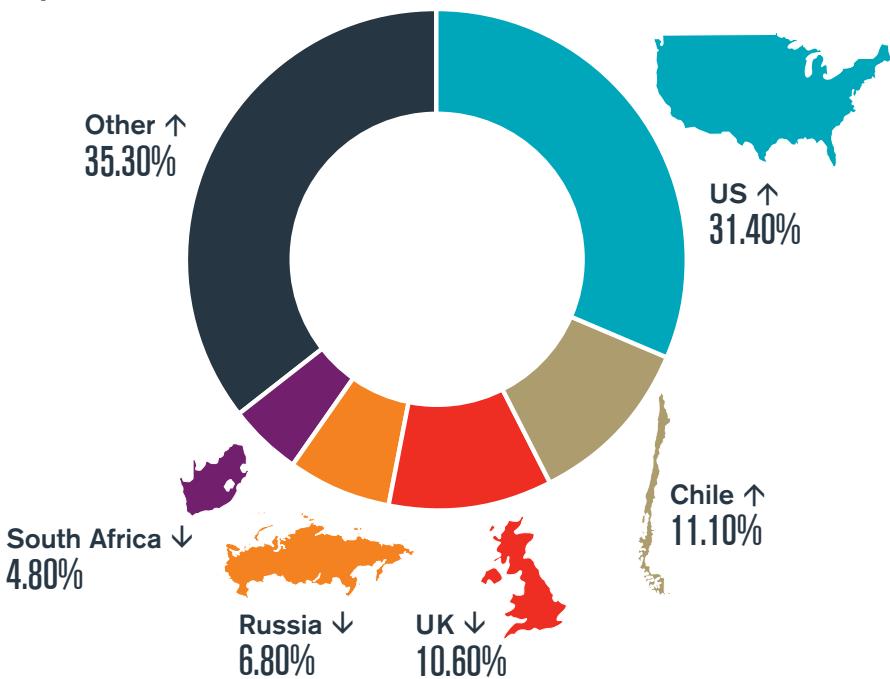
## Stage of transit when cargo stolen

In transit ↑  
**90.80%**

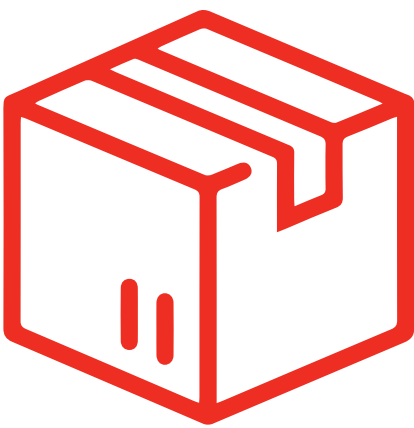
In storage ↓  
**9.20%**

Insider threat activity was suspected in approximately  
**23.00%**  
of cargo theft claims

## Top countries



## Top commodities



Electricals ↑  
**31.90%**



Food & Beverage ↑  
**17.90%**



Metals ↓  
**9.70%**



Clothing ↓  
**9.20%**



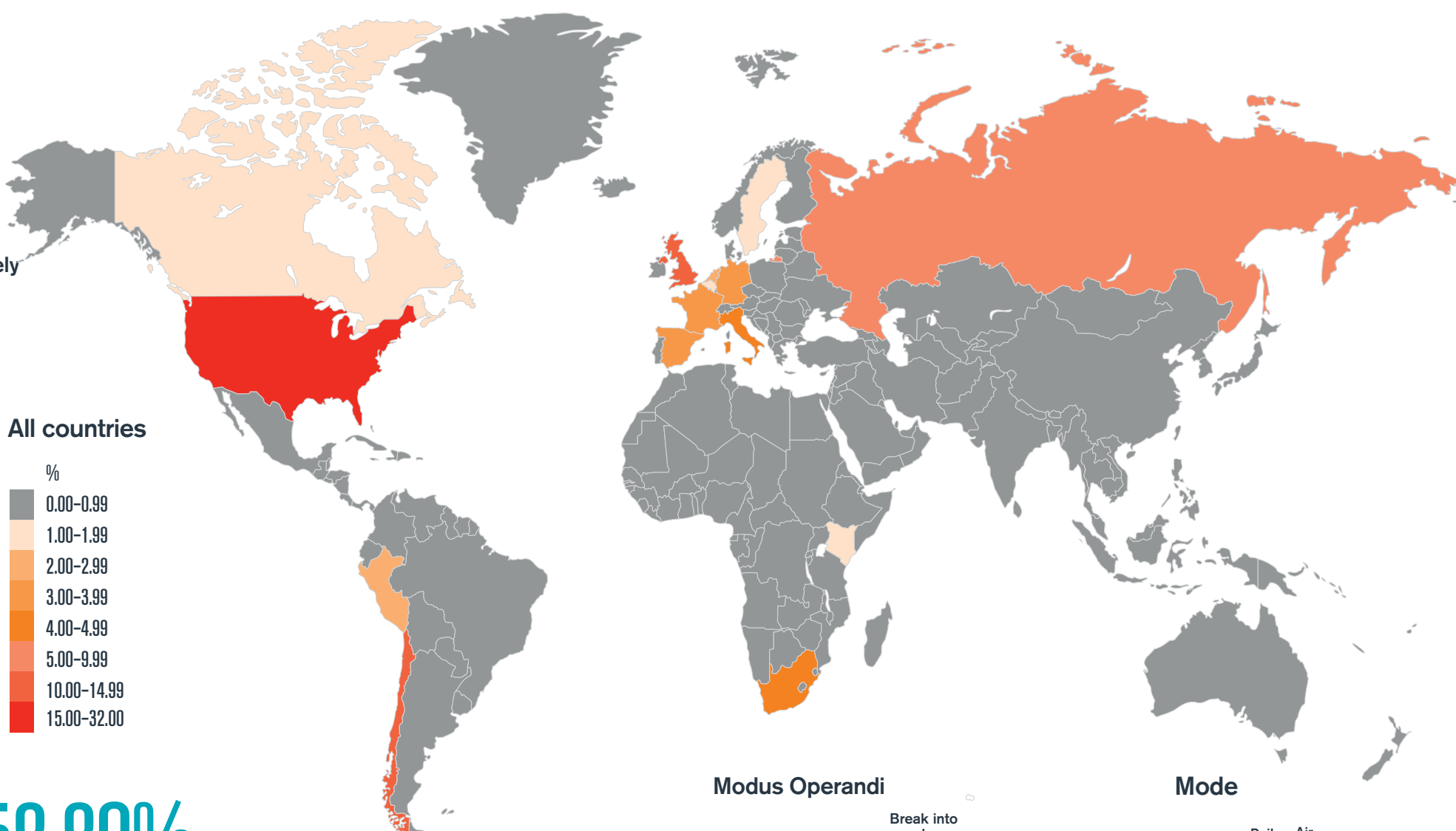
Vehicles & parts ↔  
**7.20%**

**71.40%**  
of all electronics theft claims recorded globally were recorded in the United States

**58.80%**  
of metal theft claims recorded globally were recorded in African countries

**40.50%**  
of all food and beverage thefts recorded involved cargoes of alcoholic beverages

## All countries

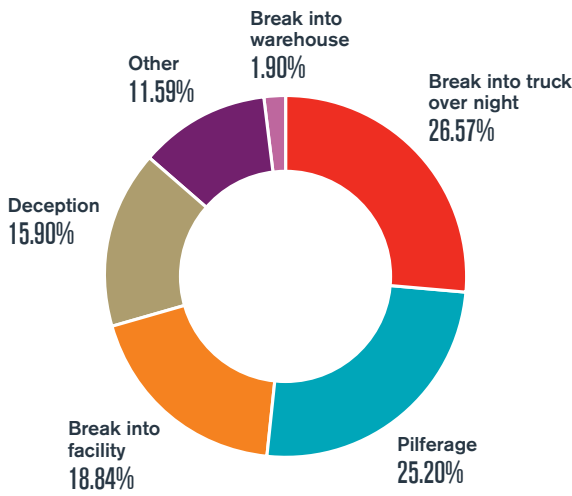


## Point of access to cargo

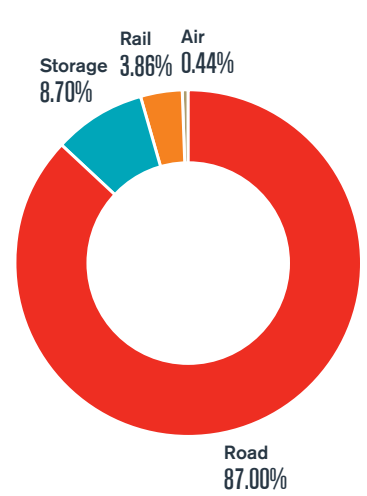
Theft from vehicle ↓  
**59.40%**

Theft from depot ↑  
**30.40%**

## Modus Operandi



## Mode



Year to date claims statistics show a significant leap in incidents recorded in the United States proportionally versus data from 2021. Recorded theft claims in the United States accounting for over 31% of the total globally so far in 2022. Unsurprisingly over 65% of recorded claims emanate from California, where electronic cargoes are the primary target. Interestingly around 50% of all recorded theft claims in the United States year to date raised suspicion of insider involvement.

The United Kingdom has proportionally reduced in claim frequency from 22.4% in 2021 to 10.6% year to date in 2022. The most notable shift so far in 2022 however has been recorded cargo theft claims in Chile. In 2021 claims data, thefts in Chile accounted

for just 2.7% by frequency; 2022 year to date data has seen this leap significantly to 11.1%.

Recorded thefts in Chile have involved a variety of commodities, including clothing, sportswear and electronics, but thieves appear primarily focused on food and beverage cargoes, in particular wine. TT claims data suggests that the threat is most prevalent in the north of the country around the cities of San Antonio and Valparaiso. Thieves are targeting depots and terminals where containers/cargo are held in transit, with a number of incidents involving false documents and fraudulent collections. Depot operators are encouraged to review security processes.



# Focus on theft in Papua New Guinea

Papua New Guinea (PNG) is comparatively well served by international shipping lines mainly in north-south services between Asia and Australasia. There are thousands of voyages per year between PNG, the Australian east coast ports and Asia. The traffic is mainly general/container cargo vessels and bulk carriers for petroleum, mineral and log exports. Many of the logistics providers in PNG transport high-value cargo such as petroleum and other commodities through road transport on the islands, and also through domestic shipping.

The crime index in PNG is significantly high (80.79) (World Population Review, 2022). The social, economic, and political changes in the country fuel a high crime rate.

The commodities targeted for theft in PNG are not dissimilar to other countries, high-value electronics, food and beverage and consumer goods all feature in the data.

There are many incidents of cargo theft reported and while losses associated with pilferage, robbery, hijacking and opportunism are recorded, TT's claims data evidences that there are security challenges in PNG that are different from other countries as we will highlight in this article.

One of the primary means of transport for fuel in the country is through road transport. Often the fuel needs to be transported to regional areas using difficult rural PNG roads. A recent incident involved a tanker that was negotiating an inclined road in rural PNG. Unfortunately the truck suffered a mechanical failure (resulting in the king-pin of the trailer parting from the truck's turn-table, resulting in a vehicle rollover). Fuel started to leak out from top hatches.

The local logistics operator contacted the relevant authorities and emergency response team who arrived at the site around an hour later. When the police finally arrived at the site, nearby villagers had already flocked in numbers, threatening the response team to burn out the truck. The villagers were seeking to steal the fuel. Despite the arrival of the police who fired warning shots, the villagers managed to loot a significant volume of the fuel.

In another event, a truck carrying two laden containers was driving to the specified delivery location, when the truck experienced mechanical failure. The brakes on the vehicle stopped working and to avoid a serious road traffic accident, the driver was able to steer the vehicle into a side of road drain valley, bringing the



Figure 1: Rollover of fuel Tanker



Figure 2: looted truck

vehicle to a stop. The local police were informed by the driver and duly attended the scene. Having identified the stricken truck, local villagers descended, broke the security seals on the containers and looted the cargo within. Components of the truck were also targeted by the local villagers.

A causal factor in both of these incidents was maintenance. The truck in the first example underwent regular maintenance however, the latest service failed to identify that there was a crack on the turn-table jaws. The truck in the second example had suffered an engine failure prior to the brakes failing. In both cases however, the truck and cargo were stricken in a rural location and exposed to risk.

Learning from these incidents, it would be prudent for trucks scheduled to run outside of the city limit to visit a workshop where a "once over" mechanical check could be made. The assigned driver could complete a thorough visual inspection and practical checks such as tug testing before using a semi-trailer.



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Robust emergency response procedures should be developed, maintained and practiced for such journeys. Speed of response to a road traffic accident or breakdown is critical. An emergency response plan could define specific roles when responding to incidents, such as crowd management roles or a security team that might assist local police. Regular awareness training for drivers could also assist, particularly in how to identify such risks and the procedures to follow immediately following an incident.

Like many regions of the world, the risk of cargo theft in PNG is high. Port congestion caused by the recent global pandemic, and the pandemic's subsequent effect on the supply chain has increased theft opportunities for criminals. More purposeful incidents of theft from containers and trailers held in transport yards appear on the increase.

Insider risk exists, where employees facilitate access and share valuable information about equipment, cargo and security provisions. Mitigating these risks requires both a physical and procedural approach. Conduct thorough employee checks prior to employment, review and improve facility security, including perimeter fencing, CCTV equipment and the employment of security personnel to monitor the yards. Information security is a critical element of mitigating insider risk, restrict valuable information such as the contents of containers or their destination

to a need-to-know basis. Improved container security with the use of heavy-duty locks, lock boxes or cross bar locks, will all serve to mitigate container yard thefts.

As PNG is a developing country and resources can be limited, local logistics operators need to improve methods in mitigating cargo theft by utilising so far as is reasonably practicable the resources at hand. Suggestions such as thorough fleet maintenance, driver awareness training, better equipped and role specific response teams and enhanced security systems can all be explored to manage cargo theft events.



Karim joined the TT Club in March 2022, as part of the claims team based in Sydney. He graduated from The University of Sydney with a Bachelor of Chemical and Biomolecular Engineering degree. Prior to joining TT, Karim began his career in insurance in 2019 as a commercial property claims consultant at Insurance Australia Group.



# The power of social media

Earlier this year a small trucking company was the subject of a cargo theft incident. In this instance, the thieves managed to steal not only the cargo, but also the truck and trailer from its parked location. Here, David Thompson of Signum Services looks at the incident in detail to understand what went wrong, and how similar incidents might be avoided.

After the theft occurred, the incident was appropriately reported to the local authorities in the UK and an investigation commenced. The trucking company was small and consequently, the impact of not having the truck and trailer available was severe on operational capacity.

While the official investigation was underway, the owner of the company decided to post on his social media accounts, seeking assistance from whom ever might have seen something around the time and location of the theft. The request for assistance in this way was a long shot, but the response was impressive to say the least.

The owner had posted about the incident, providing high-level details, time, location, details of the truck and trailer and appealed for any information. Respondents were many, offering both sympathy but also key information and evidence of the theft.

Within a matter of days, the trailer was identified and located abandoned at a local industrial estate. The tractor unit was similarly discovered, at least placing the business back in a position to operate effectively.

The responses however kept coming. A small local shop owner recalled seeing the truck passing at an unusual time and on checking, the passing of the truck had been captured on their CCTV equipment. The footage was passed to the authorities who were able to ascertain the likely destination of the truck and cargo.

In the days that followed, a warrant was issued to search a premises of interest and within the premises the stolen goods were located along with other stolen goods. Within a small number

of days following the theft, the truck, trailer and cargo were all recovered in full.

The reporting of all cargo theft incidents through the appropriate channels is vital in mapping trends, understanding the threat landscape and managing risk. Signum and TT Club implore all victims of cargo theft to report the details of the incident to the local police force to ensure that the data is accurately collated and appropriate action can be taken.

While not seeking to overestimate the potential of social media nor undermine official investigations in such circumstances, in this instance the response that the individual received from his social media community was extremely helpful. In combination with an engaged local police force the property was duly recovered and the criminals behind the crime swiftly brought to justice.



David Thompson joined Signum Services in January 2013 following his retirement from the Metropolitan Police. Signum Services is the in-house investigative team that conducts criminal investigations on behalf of the Members of the TT Club, UK P&I Club, the UK Defence Club and ITIC. David most recently participated in the second season of TT's podcast "TT Live" discussing supply chain security.



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# Investigating the threat imposed by fake carriers through Europe

In the last few years, the supply chain has been confronted with a significant increase in cargo thefts by so-called “fake” or “bogus” carriers. Here, Wim Dekeyser of international loss adjuster BVBA Wim Dekeyser, looks at this threat facing the global supply chain.

BVBA Wim Dekeyser's statistics show that approximately 25% of all major cargo thefts through the supply chain are linked to “fake carriers” and there are several modus operandi (M.O.) that these criminals implement.

For example, criminals purport to be existing transport companies by slightly changing the legitimate contact details, sometimes changing only one character to reduce the risk of a busy planner under pressure noticing the error. For instance, [info@wimtransports.com](mailto:info@wimtransports.com) instead of [info@wimtransport.com](mailto:info@wimtransport.com).

A more worrying M.O. is where criminals take over small haulage companies in financial distress and, once in control, use the recognised brand as a tool to organise fraudulent pick-ups and swindle unwitting customers. This has been witnessed for instance in Romania, Bulgaria and Southern Italy.

One thing these scenarios have in common is that they are arguably facilitated by the existence and use of electronic freight platforms. Typically, the operators of such platforms claim to screen every new candidate haulier, but in reality, these screenings are largely insufficient.

Tackling this type of transport crime is not easy when all the information and contact data are false. In one example, Dekeyser identified a Moldavian “fake carrier” where in fact the organising criminal was French.

Together with industry organisations such as Transported Asset Protection Association (TAPA) and the Fake Carriers Intelligence Group (FCIG), Dekeyser strives to assist law enforcement agencies and EUROPOL in the investigation and prevention of such instances of cargo theft. The international dimension of these organised crimes of course often increases the complexity of

this endeavour; a common and collaborative approach typically provides the greatest possibility of success.

At Dekeyser, we focus on preventative measures. We have developed a system of warning emails, and as soon as a new fraud is reported to us, an email is generated and distributed to our entire contact list. The goal is to raise awareness of the fake carrier names used and provide sanitised data relating to the threat. This information, in combination with a list of identities used by fake carriers, will help to empower legitimate operators to mitigate the risk of becoming victim to this type of crime.

This type of criminality has become a plague for the logistics and insurance industry, Dekeyser remains laser focused in exposing the criminals behind these crimes and collaborating with like-minded organisations to build resilience through the supply chain.

If you would like to sign up to receive Dekeyser's fake carrier warning emails and fake carrier listing, please email [wim@wimdekeyser.be](mailto:wim@wimdekeyser.be), the service is provided free of charge.



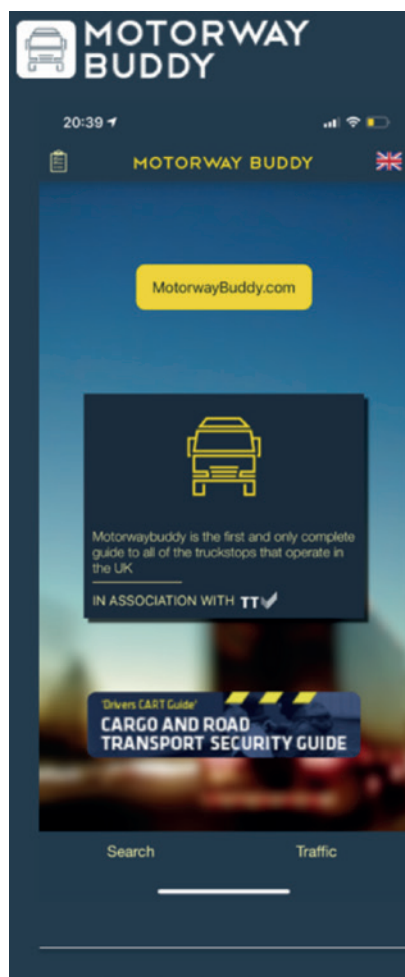
**Wim Dekeyser**  
International Loss Adjusters  
Website: [BVBA Wim Dekeyser](https://www.bvba-wim-dekeyser.be)  
and [BVBA International Tracing & Technology](https://www.bvba-international-tracing-technology.be)



“At Dekeyser we focus on preventative measures. A key offering to the industry being a system of warning emails.”








## The complete freight crime solution

The Motorwaybuddy system is a suite of products recognised by UK trade organisations as the go-to truck-stop locator for the UK and European driver.

An application that has evolved from truckstop locator to complete freight crime solution, Motorwaybuddy takes cleansed data from UK police forces to assist UK and European hauliers remain vigilant and make educated decisions when considering their overnight parking.



ttclub.com

# Help prevent cargo crime

## NaVCIS Freight | Membership




**NaVCIS Freight members receive:**

- 26 fortnightly bulletins
- 12 monthly reports
- Four quarterly reports
- Our annual freight crime bulletin

**Annual fees\* based on size of your organisation:**

- Small business £700
- Medium business £2,500
- Large business £4,500

\*Size of organisation determined according to published annual revenue. Fees correct as of September 2021. NaVCIS hopes to reduce the cost of fees in the future, as membership numbers increase.

For further details, contact us: [freight@navcis.pnn.police.uk](mailto:freight@navcis.pnn.police.uk) | 07388 859423



NATIONAL VEHICLE CRIME INTELLIGENCE SERVICE

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