

# Fraud - Carrier fraud

Do you know the red flags to look out for?

Workers in the global supply chain can easily become victims of fraud as they conduct day-to-day business. Carrier fraud is becoming increasingly prevalent and sophisticated. Today's digital business environment has enabled fraudsters to create fictitious companies, intercept legitimate business transactions and obscure their fraudulent activity more easily reducing their risk of getting caught.

In this document, we focus on three types of carrier fraud: fake carriers, fake delivery instructions and driver call diverting, as well as the preventative measures you can take to mitigate the risk.

## What are the risks?



# Which types of carrier fraud most commonly impact freight forwarders?

## FAKE CARRIERS

### Deception through imitation of a carrier

Fraudsters will invest time in profiling their target to ensure success and avoid being caught. They wait patiently for an opportune moment to strike, maybe during a busy period, over the holidays or when they know a delivery is becoming time critical in the knowledge that due diligence is less likely to be completed. They create a fictitious profile and advertise their capacity to collect and deliver the goods at an attractive rate.

## DRIVER CALL DIVERTING

### False instructions to the driver

Using a freight exchange site, a fraudster will pose as a freight forwarder, matching a trucking company to a shipper to move goods. The fraudster then acts as a "middle man" between these two legitimate companies. Once the trucker has collected the goods, the fraudster provides new instructions (supposedly from the shipper) to deliver to an alternative address where the cargo is stolen.

## FRAUDULENT COLLECTION

### Deception through fake identification

Often using a stolen vehicle and fake identification, a fraudster arrives at a distribution centre to collect a trailer/ cargo. They will have invested time into profiling the distribution centre and will know the busiest and most vulnerable times – when fewer checks will be made. They might have full or partial load details and will rely on those at the distribution centre to unwittingly fill the gaps. Having presented themselves as a sufficiently legitimate carrier, the distribution centre releases the cargo to the fraudster and the cargo is stolen.

To avoid becoming the victim of fraud, consider the following guidelines:

