

TRANSPORTATION FOCUS

With tough economic times come more attempts at cargo theft, it appears, as various sources continue to show 2009 was a tough year for those charged with protecting freight.

Last August, for example, LoJack Supply Chain Integrity reported that its analysis found that the number of thefts at carrier facilities increased more than 300 percent during the second quarter from the first quarter of this year.

Now, a new report from FreightWatch International finds that finds truck cargo thefts in the US increased substantially in 2009, just as they did in 2008.

According to FreightWatch, 859 US truckloads were stolen in 2009, up from 767 loads in 2008 and 672 in 2007. That works out to an average of 72 thefts per month, most of them full truckload thefts.

The rise in the value of those thefts was even higher, as truckloads containing \$487 million of goods were stolen in the U.S. in 2009, an incredible 67% increase over the \$290 million worth of products swiped a year earlier.

The reporting of such incidents is far from standardized, so many thefts may be missing from the numbers. Companies almost always try to keep freight theft incidents quiet so as not to encourage more attempts

This means other groups may come up with somewhat different totals. A similar analysis by insurer Chubb, for

Logistics News: Cargo Thefts up Substantially in 2009

72 Incidents in US per Month, FreightWatch Says

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example, found that its own insurance claims and data from other sources show 725 cargo thefts in 2009, up 6.6% from 680 in 2008, and up 23% from 592 cargo thefts recorded for 2007.

Whatever data is considered, the rate of growth in theft attempts is even more astounding given the near freight depression in 2009, meaning there a lot less loads being moved last year. So, the percent of incidents versus total loads moved rose significantly from 2008.

"In the past two months, we've just seen such an increase that it's to the point where criminals are just wreaking havoc," Sandor Lengyel, a detective sergeant and squad leader in New Jersey State Police's cargo-theft

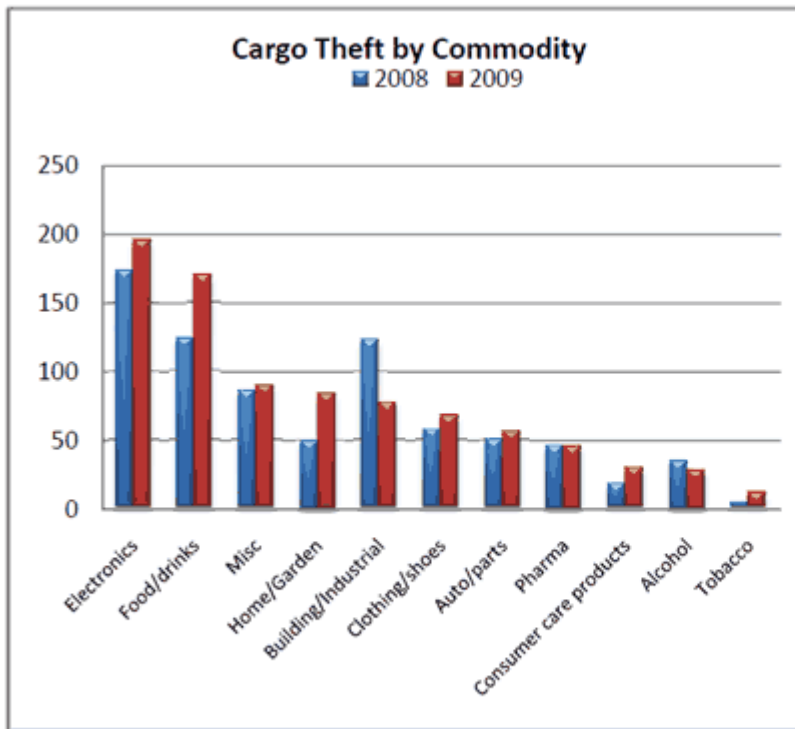


unit. "They'll pretty much steal anything," he added.

LoJack says overall trends imply that organized crime rings are becoming increasingly bold in their pursuit of cargo, even stealing from secure areas with monitoring and surveillance systems.

FreightWatch agrees, saying that organized theft gangs are now frequently stealing trailers and then leaving them hidden and unattended for several days to see if the loads have hidden tracking devices.

The good news for US shippers and drivers is that at least the thefts here tend to be non-violent; of the 859 incident, just 13, or about 2%, were hijackings. In many other parts of the world, including some parts of



Commodity	2008	2009
Electronics	174	196
Food/Drinks	124	170
Misc	86	90
Home/Garden	49	84
Building/Industrial	123	77
Clothing/Shoes	58	68
Auto/Parts	50	56
Pharma	46	46
Consumer care products	18	30
Alcohol	35	29
Tobacco	4	12

Source: FreightWatch International

Western Europe, truck hijackings are much more prevalent.

Electronics is the Number 1 Target

Not surprisingly, electronics is the number 1 target of thieves, representing about 23% of all incidents in 2009. The 196 incidents for electronics were up from 174 in 2008.

Thefts involving food and beverage (excluding alcohol) were up even more in 2009 though, rising from 124 incidents in 2008 to 170 in 2009 – an increase of 37% year over year. Certain electronics sub-sectors were especially lucrative. FreightWatch reports, for example, that there were 23 incidents involving cell phones with an average loss per incident of over \$2 million.

Food and beverage thefts now represent 20% of the total incidents, moving passed theft in the building products/industrial sector for number 2

behind electronics. Average loss in food/beverage incidents came to over \$100,000 worth of product.

Building products and industrial thefts were actually down substantially in 2009, likely in part because the prices of commodities such as copper were way down, and because the tremendous drop in activity meant there were simply a lot fewer of those types of loads on the road.

The graph above illustrates theft by product type for the past two years.

California led the list of states with the most incidents, with an incredible 251 of the 859 incidents in 2009. Following California were Florida, Texas, Georgia, New Jersey, Illinois, Tennessee and Pennsylvania. After that, the numbers really start to drop off.

Everyone seems to agree that unprotected loads are the easiest and most frequent target for thieves. While that has often meant trailers left unguarded at truck stops, the FreightWatch report found a big increase in thefts from unsecured and even supposedly secured lots or distribution centers. In fact, FreightWatch found 31 incidents at secured lots/DCs in the first half of 2009, with that number doubling to 62 incidents in the second half of the year. That was only four less than the 66 incidents involving truck stops during that same period.

Are you seeing more danger for truckloads on the move or at rest? Have you have an incident? What are you doing to increase freight security? Let us know your thoughts at the Feedback button below.

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