Cargo Theft Report
United States

SensiGuard
SUPPLY CHAIN INTELLIGENCE CENTER

Introduction

The SensiGuard® Supply Chain Intelligence Center (SCIC) actively tracks and records cargo theft activity around the globe, categorizing stolen loads under twelve different product types, and tracking by date, location, *Modus Operandi* (M.O.), value, and specific product. This report summarizes the United States theft data collected in Q1-2020, and analyzes trends derived from database content, law enforcement information, and industry personnel. It also draws on observations by personnel in the field.

It is inherent that the reader understands that any cargo theft report is an indirect representation of the overall cargo theft footprint; it is not a direct reflection. SensiGuard Security Services records only those cargo thefts reported by reliable sources, such as transportation security councils, insurance companies, and law enforcement organizations. While this does not result in a 100% capture of incidents, it provides a sufficient cross-section of cargo thefts and allows the SCIC to identify trends and deliver in-depth, accurate analysis of the scope of cargo theft in the United States. Additionally, the SCIC only records incidents involving the theft of cargo, not standalone conveyances such as trailers, containers or bobtail tractors.

In an effort to refine available intelligence, *Last-Mile Courier* thefts have been removed from the following charts and analysis, as this is a completely different form of cargo theft, with highly distinct criminal elements, M.O.'s and security measures. Unless otherwise specified, the remainder of this report focuses on large-scale cargo thefts such as *Theft of Full Truckload*, *Fictitious Pickups*, *Hijacking*, *Pilferage,* and *Facility Thefts,* preserving the data and trends of thefts affecting full truckloads.

United States: Q1-2020 Cargo Theft Trends

In Q1-2020, the SensiGuard Supply Chain Intelligence Center (SCIC) recorded a total of 217 cargo thefts in the United States. During this time, 71 of these incidents occurred in January, 74 occurred in February, and 72 occurred in March. The average loss value per incident during this time was $105,659. Through a comparison with the previous quarter (Q4-2019), this represents an 11% decrease in volume but a 23% increase in value over the typically high volume and value fourth quarter. When comparing these figures to the same quarter last year (Q1-2019), this represents a 49% increase in volume with a 9% decrease in value. It should be noted that zero thefts valued at over one million dollars was recorded during Q1-2020, zero during Q4-2019, and one reported in Q1-2019 as of the publication of this report.

Delays in incident reporting typically cause measurable increases in theft volumes in the weeks following publication of SCIC quarterly reports. As suc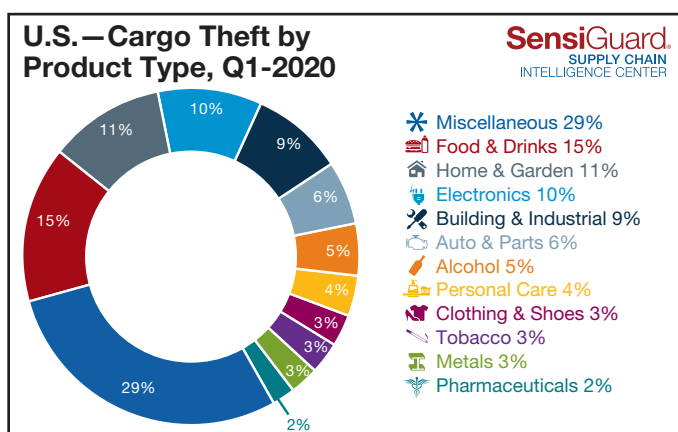h, totals for the most recent quarter are expected to rise above those recorded thus far. It is SCIC practice to use updated theft numbers for past quarters when comparing them to current three-month totals.

U.S.—Cargo Theft, Q1-2020

LOWEST RISK   HIGHEST RISK

SENSITECH
United Technologies
SUPPLY CHAIN VISIBILITY
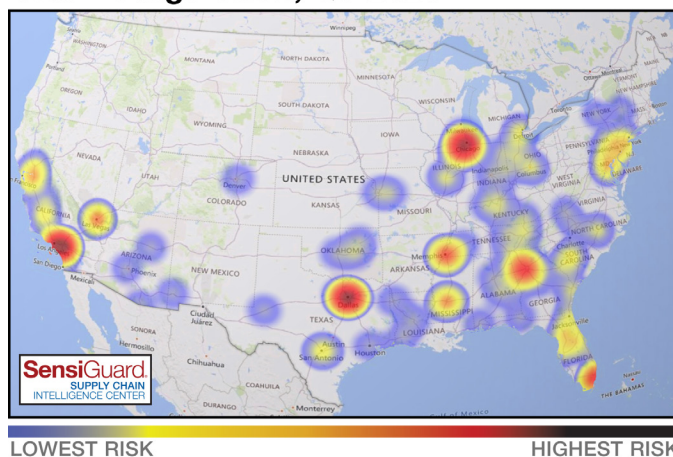
Cargo Theft by Product Type

In Q1-2020, *Miscellaneous* (29% of total) was the most stolen product type, just as it was in Q4-2019 and Q1-2019. *Miscellaneous* thefts were overwhelmingly comprised of *Mixed Load* (91%), which typically hold a variety of cargo for mixed retail stores. *Food & Drinks* claimed the second spot in Q1-2020 with 15% of total thefts, of which 18% were *Mixed & Miscellaneous*. With 11% of the total, *Home & Garden* was the third most stolen product type, led by *Appliances* (25%). In fourth place was *Electronics* with 10% of the total, primarily made up of *Televisions & Displays* (32%). Rounding out the top five, *Building & Industrial* accounted for 9% of the total, of which 37% were *Industrial Equipment*. The top three product types accounted for 55% of the total, the same as Q4-2019 and 17% higher than Q1-2019's 47%. This represents a continued indication that organized cargo thieves are focusing their efforts towards the most highly targeted products.

U.S.—Cargo Theft by Product Type, Q1-2020

- Miscellaneous 29%
- Food & Drinks 15%
- Home & Garden 11%
- Electronics 10%
- Building & Industrial 9%
- Auto & Parts 6%
- Alcohol 5%
- Personal Care 4%
- Clothing & Shoes 3%
- Tobacco 3%
- Metals 3%
- Pharmaceuticals 2%

In Q1-2020 there were several product types that experienced an increase in theft rate over both comparative quarters of Q4-2019 and Q1-2019. *Food & Drinks* thefts rose by 6% over both Q4-2019 and Q1-2019, with a majority of thefts in California (24%) closely followed by Illinois (21%). *Miscellaneous* rose by 35% and 72%, respectively, with more thefts in Texas (11%) than any other state. Although representing relatively small portions of overall theft, *Pharmaceuticals* (2%) and *Tobacco* (3%) each beat both comparative quarters as well. *Pharmaceuticals* beat Q4-2019 by 50% and Q1-2019 by 34% with no clear geographical trend, while *Tobacco* rose by 294% and 136%, respectively, and recorded 57% of its thefts in Florida.

Five separate product types recorded a decline from one comparative quarter but a rise over the other, such as *Alcohol*, which fell by 18% from Q4-2019 but rose 270% over Q1-2019, and recorded 36% of its thefts from Georgia. *Auto & Parts* decreased 4% from Q4-2019 but increased by 15% from Q1-2019, recording 33% of its thefts in Texas. *Building & Industrial* rose by 52% from Q4-2019 and fell by 33% from Q1-2019, with 36% in Illinois. Similarly, *Metals* rose by 12% and fell by 42%, respectively, while *Personal Care* rose by 200% and fell by 23%, respectively. *Metals* recorded 33% of thefts from

each Illinois and Indiana, while *Personal Care* recorded 50% in California.

Three other product types, however, recorded lower theft rates in the current quarter than both comparative quarters. *Clothing & Shoes* fell by 54% and 53% from Q4-2019 and Q1-2019, respectively. Likewise, *Electronics* fell by 41% and 36%, respectively, while *Home & Garden* dropped by 31% and 23%.

As theft patterns continue to fluctuate and advanced methods continue to resurface, high value product types that do not see much activity in one quarter may very well jump drastically in the next quarter. As such, relatively low theft volumes for high value merchandise should not be taken as an indication that thieves are no longer pursuing it.
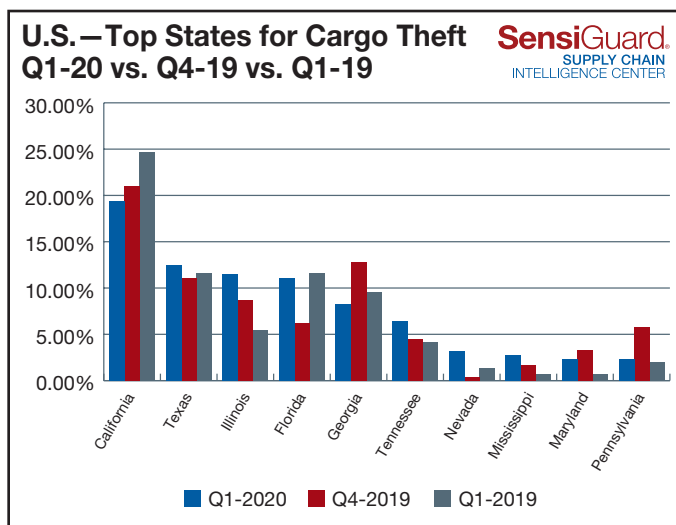
U.S.—Cargo Theft by Product Type Q1-20 vs. Q4-19 vs. Q1-20
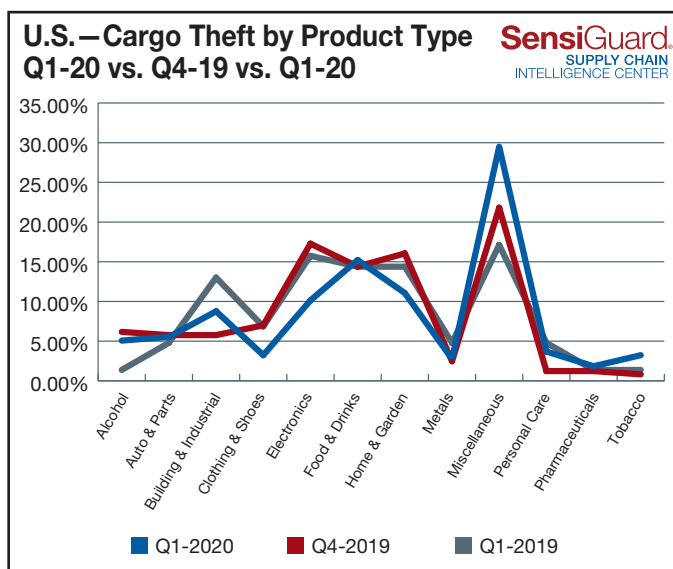
Cargo Theft by State

California remains the most stolen from state, although Q1-2020 saw the lead once again diminish. With 19% of total thefts this quarter, California dropped 8% from its Q4-2019 theft rate and 22% from its Q1-2019 rate. If container rates continue to drop on the West Coast, it is likely that the California theft rate will also continue to drop. California was led by thefts of *Electronics* (33%) and *Food & Drinks* (19%). **Texas** jumped one spot to claim the second rank with 12% of total thefts, beating the theft rates of both Q4-2019 and Q1-2019 by 12% and 7%, respectively. Thefts in Texas were primarily comprised of *Miscellaneous* (26%). **Illinois** also beat both comparative quarters (+33% and +110%) to place third this quarter with 12% of the total, and had 28% of its thefts come from *Food & Drinks*, with another 20% from *Building & Industrial*. **Florida**, which accounted for 11% of the total, placed fourth and had an even split between *Food & Drinks* and *Miscellaneous* (21% each) for the most stolen product type. **Georgia**, meanwhile, fell by 35%

from Q4-2019 and 14% from Q1-2019, to land at fifth with 8% of the Q1-2020 total. Thefts in Georgia were primarily comprised of *Miscellaneous* (33%) with *Alcohol* in second (22%). Together, the top five states accounted for 63% of total thefts in Q1-2020, up from 60% on Q4-2019 and matching Q1-2019.
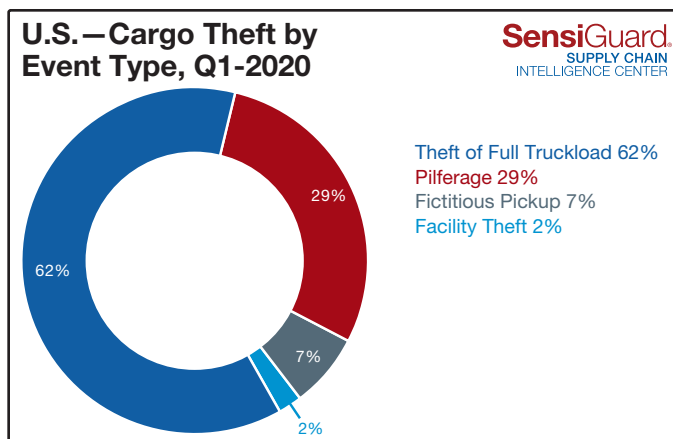
The most prevalent location for large-scale cargo thefts continued to be in *Unsecured Parking*, identified in 93% of incidents in which a location type was declared. Thefts from *Secured Parking* recorded 5% of the total and location types described as *Warehouse/DC* recorded 2%.
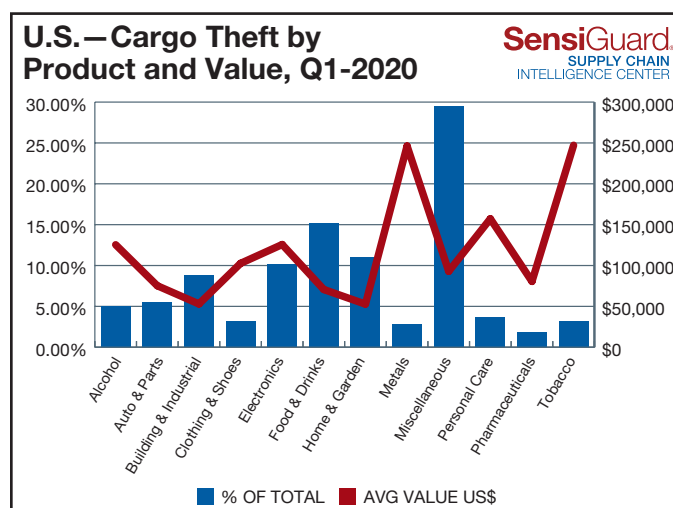
U.S.—Top States for Cargo Theft Q1-20 vs. Q4-19 vs. Q1-19

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Legend: ■ Q1-2020 ■ Q4-2019 ■ Q1-2019

Cargo Theft by Event Type

Theft of Full Truckload incidents continued to be the most prevalent method of theft during Q1-2020 with 62% of all reported thefts and recorded an average loss value of $101,114. This rate represents an increase of 36% from Q4-2019 and an increase of 6% from Q1-2019 while the average value dropped 3% and rose by 23%, respectively. This increase in *Theft of Full Truckload* was made possible by the drop in *Pilferage* rate, which at 29% in Q1-2020, was 38% lower than Q4-2019 and 6% lower than Q1-2019. This is unsurprising, given that *Pilferage* has been continuously breaking quarterly records for the previous two years, it would have to decline eventually. The average value of *Pilferage* was $44,485, which is 12% higher than in Q4-2019 but is far off of the highest values recorded for *Pilferage*, as seen in Q1-2019 at $147,910 (-70%). *Pilferage* was most prominent in Georgia and Illinois (16% each). At 7% of the total and an average value of $165,728, *Fictitious Pickups* saw its rate beat both comparative quarters by 29% and 102% respectively, while its average value beat both quarters again by 208% and 60%, respectively. More *Fictitious Pickups* were recorded in California (47%) than anywhere else, and primarily targeted *Food & Drinks* (33%) as well as *Electronics* and H*ome & Garden* (20% each). *Facility Theft* (2%) dropped by 11% from

Q4-2019 and 73% from Q1-2019, and recorded an average loss value of $257,500 (+522% and -38%, respectively). *Hijacking* was not recorded in any of the quarters examined in this report.

U.S.—Cargo Theft by Event Type, Q1-2020

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Theft of Full Truckload 62%
Pilferage 29%
Fictitious Pickup 7%
Facility Theft 2%

Cargo Theft by Product and Value

U.S.—Cargo Theft by Product and Value, Q1-2020

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Legend: ■ % OF TOTAL ■ AVG VALUE US$

| Product Type	Avg. Value U.S.
Alcohol	$125,440
Auto & Parts	$75,251
Building & Industrial	$52,976
Clothing & Shoes	$102,638
Electronics	$125,710
Food & Drinks	$70,635
Home & Garden	$52,757
Metals	$246,200
Miscellaneous	$92,881
Personal Care	$157,201
Pharmaceuticals	$80,519
Tobacco	$247,185
Total	**$105,679**

With 43% of thefts reporting a loss value in Q1-2020 (down from 44% in Q4-2019 and 73% in Q1-2019), the average loss value across all incidents was $105,679, which is 23% higher than Q4-2019 and 9% lower than Q1-2019. *Tobacco* recorded the highest average value in this quarter with $247,185, followed closely by *Metals* at $246,200. *Tobacco* beat Q4-2019 by 851% and Q1-2019 by 358%, while *Metals* increased by 190% and 197%, respectively. The sharp rise in two less stolen product types indicates that organized thieves are shifting targets in order to minimize risk associated with high security loads while still obtaining valuable freight. Similarly, *Alcohol* also beat both comparative quarters by a large margin, increasing 307% and 402%, respectively.

Quarterly Spotlight: Fictitious Pickups

To better serve the security-minded logistics community, the SCIC is spotlighting one product category, theft type, geographical area, or trend in each business quarter report.

This quarter's spotlight focuses on the type of event *Fictitious Pickups* (FPUs). Unless otherwise specified, all data and analysis in this section will be from U.S. thefts recorded between April 2018 and March 2020 (24 months). During this time, FPUs accounted for 4.5% of total thefts with an average loss value of $115,255.
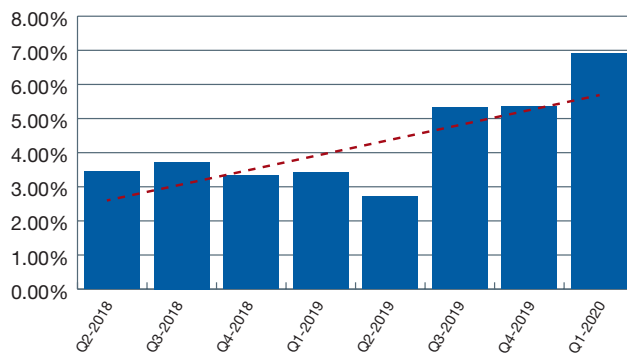
U.S.—*Fictitious Pickups*
April 2018–March 2020

LOWEST RISK   HIGHEST RISK
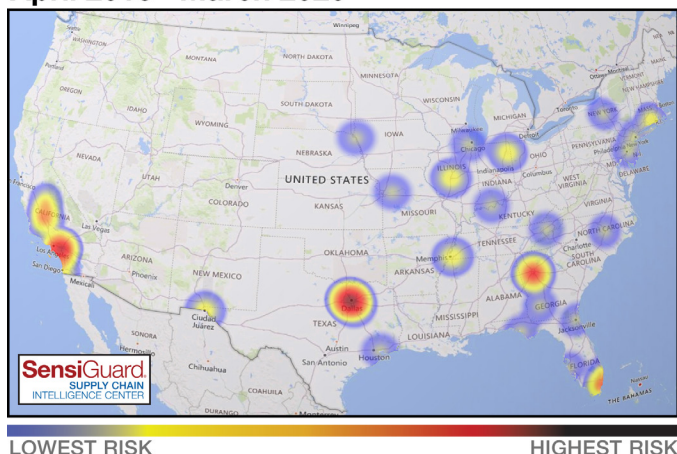
Fictitious Pickups (FPUs) are most common in California, which logged 27% of all FPUs during this timeframe. Texas was close behind with 22%, with Florida following at 13% and Georgia at 11%. This is generally in line with overall cargo theft trends, albeit with a heavier focus on California.

### U.S.—*Fictitious Pickups* by Quarter, Q2-2018 to Q1-2020

Fictitious Pickups (FPUs) have been gaining in popularity again since Q3-2019. While this method never fully faded, it had become less popular in previous years, as many of those involved in its implementation were arrested. It is a popular method of theft as it typically provides the greatest amount of lead time escaping with the cargo before the theft is discovered, as well as the ability to target specific cargo types or manufacturers. As some of these criminals have been released, the new guard of organized cargo thieves appear to be learning the finer points of this theft type.

Fictitious Pickups (FPUs) were most commonly reported as thefts of *Food & Drinks* (37%), and the low security around food in general may have spurred the thefts of this product type as thieves relearn the finer points of this type of theft. Nonetheless, thieves have made it worth their while as *Food & Drinks* FPUs have an average loss value of $102,516. *Metals* (24%, $139,506) was the second most stolen product within FPUs, while *Electronics* was third with 14%. *Electronics* also logged the highest average value within FPUs at $176,676.

U.S.—FPUs by Product Type and Value, Q2-2018 to Q1-2020
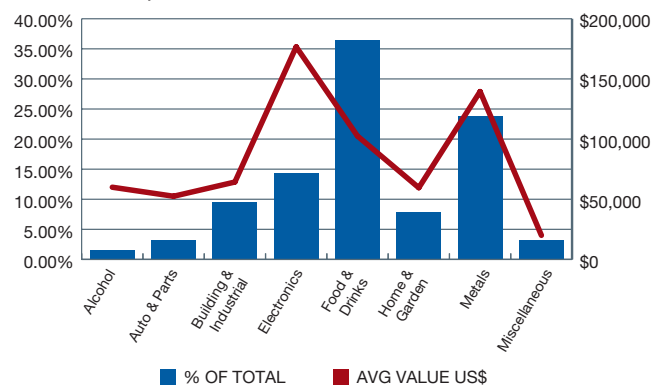
Conclusion

As volumes and values continue to change, the organized cargo thief is still shifting tactics to evade capture, as evidenced by the surge in *Fictitious Pickups*.

As cargo thieves continually adapt to the evolving logistical security landscape, new threats will take shape in the form of new theft methods and new targeted products in new regions. High value or low security will not be the only determining factors in theft risk to cargo as thieves will adjust to the increased risk and modify their efforts accordingly.

For more information on Sensitech or our logistics security services please contact: securelpm@sensitech.com

About SensiGuard Security Services Data

Unless otherwise noted, the theft statistics in this assessment are derived from data collected by the SensiGuard Supply Chain Intelligence Center and other information collected from reliable sources. The Intelligence Center captures cargo theft and supply chain risk data from numerous sources across the globe. These include, but are not limited to, the databases of SensiGuard Security Services, its customers, law enforcement agencies, industry organizations, insurance industry sources, and news reports. This report offers an analysis of the data collected during Q1-2020, providing insight into cargo theft and supply chain risk across the globe.

Please note that cargo theft goes largely unreported; as such, total theft figures for a particular country or region are likely higher than stated. In addition, global cargo theft circumstances and risks change, sometimes frequently and quickly, and in ways that may make the facts and opinions expressed here no longer valid. Therefore, the extent to which organizations rely on the information provided in this assessment should be solely at their discretion.

About SensiGuard Security Services

SensiGuard Security Services is a leading provider of **global logistics security services**, offering tracking and monitoring solutions that provide organizations with cargo security, **transparency** and **supply chain integrity** from origin to destination. Using real-time visibility technology and layered solutions, organizations can actively monitor their cargo anywhere in the global supply chain to mitigate the risks associated with theft, spoilage, counterfeiting and more. With operations across the globe, SensiGuard is uniquely positioned to deliver services regionally across diverse supply chains.

SensiGuard Security Services is part of **Sensitech Inc.**, a leading provider of supply chain visibility solutions. Sensitech is focused on delivering supply chain visibility solutions that track, monitor and protect products for global leaders in the food, life sciences, consumer goods, and industrial markets. Our solutions are focused in three key areas: **quality and compliance**, **supply chain security**, and **logistics performance management**. Quality and compliance solutions address temperature-sensitive, complex supply chains focused on delivering the highest quality possible, while our supply chain security solutions help to mitigate risks associated with theft, diversion and chain of custody. Sensitech's logistics performance solutions deliver origin-to-destination, real-time transparency to any in-transit journey. Sensitech Inc. is an ISO 9001:2015 company, headquartered in Beverly, Mass., with over 35 sales, service and distribution locations around the world. Sensitech is a **Carrier** company, a leading provider of heating, air conditioning and refrigeration systems, building controls and automation, and fire and security systems leading to safer, smarter, sustainable and high-performance buildings.

More information about Sensitech is available at **www.sensitech.com**

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