

# Cargo theft prevention

## Position Paper

### 1. Introduction

Cargo theft is a global challenge with a major negative impact on supply chains and economies around the world. Criminals' *modi operandi* are becoming increasingly innovative, going beyond direct theft from trucks and instead involving more sophisticated methods such as posing as legitimate transportation companies or jamming vehicle tracking systems. IUMI has an interest in preventing any theft of cargo and therefore encourages measures that reduce the risk of theft. While much is being done by shippers and the insurance industry, measures are also necessary from relevant authorities to help prevent these losses. This paper focuses on their role as well as suggestions for further steps for the prevention of cargo theft to be undertaken by industry stakeholders.

### 2. Cargo Crime

Throughout the Americas, Asia, Africa and Europe theft of cargo, alone or along with their conveyances, has reached alarming proportions. High-quality and high value goods are far from being the only target. Today, there seems to be a market for almost any kind of stolen merchandise. These are no longer traded in a separate "black market" but increasingly through open electronic trading platforms. This has a huge negative impact on the economy. According to an EU/Europol study based on Transported Asset Protection Association's (TAPA) figures<sup>1</sup> from 2008, the annual economic damage in Europe amounts to EUR 8.2 billion. Although there are no similar official studies in the Americas, Africa or Asia to confirm this figure, IUMI suggests there is also a huge negative economic impact across these continents.

Cargo crime is encouraged by a low risk of detection and limited law enforcement resources to stop the perpetrators. The punishments imposed are not a sufficient deterrent, especially when compared to the potential "profits" gained from the thefts. A number of initiatives such as "Project CARGO" in Germany, France, Czech Republic, Sweden, the Netherlands, Denmark and Austria<sup>2</sup>, "Operation Grafton" in the UK, the "fight against transport crime in the Netherlands" and the 2012 initiative in Colombia have proven successful.

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<sup>1</sup> Transport Asset Protection Association EMEA: <https://www.tapa-global.org/>

<sup>2</sup> <https://www.europol.europa.eu/newsroom/news/kick-of-project-cargo-putting-brakes-cargo-theft>

In 2019, the EU Commission published a study on safe and secure parking places for trucks<sup>3</sup> which emphasises the lack of sufficient numbers of such parking spaces across Europe. In response to these findings the Commission launched an expert group<sup>4</sup> which elaborates on how to tackle this problem and increase the number of secure and safe truck parking spaces. It is important to maintain and encourage initiatives by law enforcement agencies to combat cargo crime, and communicate their results, methods and best practices. “Project Roadsec”, an EU Commission funded initiative, provides a security toolkit for truck drivers offering hands-on guidance in various languages.<sup>5</sup>

In many cases, cargo crimes are not committed out of opportunity or as single incidents. The perpetrators or groups of perpetrators are proceeding in a well-organised and highly professional manner. The organisation of their operations often covers every detail from the gathering of information by insiders to sales planning in case of “theft to order”. The criminal structures behind the thefts are increasingly transnational and online communication is becoming fundamentally important for the planning and execution of these operations. The misuse of online freight exchange platforms is an example where criminals take on the identity of legitimate freight carriers, using their employees’ names, companies and logos to organise thefts of cargo offered for transport on those electronic freight platforms.

In most cases, such well-organised groups have committed other similarly serious thefts before. The perpetrators use different tactics such as direct thefts from trucks or storage facilities, robberies, hijacks and fraud or deception based on fake identities and social engineering. In the latter cases, cyber related tactics are often used to facilitate the theft.

Truck drivers are exposed to a particular risk since they are the first line of defence against cargo theft. They spend long days on the road and often struggle to find a secure spot to park their vehicles overnight and may become victims of cargo theft themselves. While violent cargo theft in Europe remains at a comparatively low level, truck drivers in hotspots across Africa and South America are much more likely to become victims of hijackings and robberies. However, the number of incidents involving physical violence against drivers have also multiplied in Europe. Increasing violence against truck drivers in countries around the world is a worrying trend as it puts the life and wellbeing of the drivers at risk and makes the occupation as such less attractive. This is particularly problematic in times when experienced and well trained drivers are in high demand.

Given that companies need to compensate for theft-related losses and additional expenses for security measures, the costs arising due to cargo theft eventually trickle down to the consumer via higher prices. The consequences of cargo theft are all-encompassing, affecting not only the stakeholders directly involved in the supply chain but also consumers, suppliers, as well as governments in the form of higher prices for consumer products and depleted tax revenues. This is highlighted by figures from Germany where in 2018 various business associations, including the German Insurance Association (GDV), estimated the direct losses caused by cargo theft from trucks at

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<sup>3</sup> EU Study on Safe and Secure Parking Places for Trucks:  
[https://ec.europa.eu/transport/modes/road/studies/road\\_en](https://ec.europa.eu/transport/modes/road/studies/road_en)

<sup>4</sup> EU Expert group on Safe and Secure Parking Areas for Trucks (E03642)  
<https://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetail&groupID=3642&news=1>

<sup>5</sup> <https://www.roadsec.eu/>

EUR 1.3 billion with an additional EUR 900 million on top due to penalties for delays in delivery, repair costs as well as lost sales and business interruption.<sup>6</sup>

The surge in criminal activities indicates that concerted efforts are necessary to improve security throughout the supply chain. Insurers are concerned that authorities in many countries are still not doing enough to support the fight against cargo crime; possibly because cargo theft is perceived as a victimless crime and there is a lack of public awareness. Investigations are often delayed due to a shortage of staff, lack of specialised knowledge, and inadequate cooperation between authorities and across borders. These delays are aggravated by ill-defined responsibilities of police and judicial authorities. Frequently it turns out that the place where the theft occurred cannot be determined which is preventing the application of the *lex loci delicti* (“law of the place where the delict or “wrong” was committed”) and the territorial principle. Experience also shows that stolen cargo may quickly be taken across borders in which case an immediate cross-border police intervention would be required.

### 3. Current measures for theft prevention

To improve the situation, the insurance industry and other commercial sectors concerned are focusing on prevention measures. For instance, security standards<sup>7</sup> have been developed and are made available by TAPA. Marine insurers are also attempting to maintain the insurability of certain groups of goods through prevention programmes. For example, the GDV has developed a manual for the construction and operation of high-security truck parks<sup>8</sup>, and the American insurance industry has developed recommendations on static and in transit cargo loss prevention<sup>9</sup> as well as data on truck stop thefts pinpointing the locations of facilities victimized.

Information about secure parking areas are available in several countries. A key issue to address is the low number of such secure parking places and the definitions of same. TAPA’s Parking Security Requirements (PSR) address this issue and establish thorough standards and a classification scheme for different levels of security at truck parking places. ESPORG (European Secure Parking Organisation) is another useful initiative providing a network of secure parking spaces across Europe<sup>10</sup>.

### 4. Recommendations on further measures

In addition to the current measures and continued theft prevention efforts by the industry, IUMI urges a variety of actions for the prevention of cargo theft.

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<sup>6</sup> “Diebe stehlen Waren im Wert von 1,3 Milliarden Euro aus Lkw”, <https://www.gdv.de/de/medien/aktuell/diebestehlen-waren-im-wert-von-1-3-milliarden-euro-aus-lkw-30604>

<sup>7</sup> FSR = Freight Security Requirements; TSR = Truck Security Requirements, PSR = Parking Security Requirements; multi-site certification for FSR; TAPA Supply Chain Cyber Security Standard, and TSR Modular standard are currently in the development phase

<sup>8</sup> [http://www.tis-gdv.de/tis\\_e/bedingungen/parken/parkplatz\\_gesichert/inhalt.htm](http://www.tis-gdv.de/tis_e/bedingungen/parken/parkplatz_gesichert/inhalt.htm)

<sup>9</sup> Available from the US Inland Marine Underwriting Association (IMUA)

<sup>10</sup> <https://www.esporg.eu/>

#### Law enforcement agencies:

- Relevant authorities should develop an overview of the cargo theft situation, including the theft of trailers and containers, in their respective country or region. Based on these findings and in discussion with insurers and other industry stakeholders, decisions should be made on how to deal with the aforementioned hotspots and future measures against cargo theft.
- Exchange of best practices across borders on local initiatives has proven to be successful and should be continued.
- Improve law enforcement through transnational coordination and cooperation between countries and national law enforcements. Dedicated cargo theft taskforces should be established to allow law enforcement agents to work with their peers in other states or countries to develop effective networks and to solve cross-jurisdictional cases. The private sector should be involved in such task forces.
- Create special police units and specialised departments of public prosecution dealing with cargo crime.
- As criminals use the internet, there should be specific attention given to cyber fraud, such as with bills of lading and permits as well as fake carriers.
- Increase police presence in commercial truck parking areas and cargo storage facilities, especially at night, weekends and during holidays.
- Create a network of high-security, accessible and affordable truck parks.

#### Industry:

- Identify security risks and implement countermeasures to lower those risks in the supply chain. Consider the implications of decisions taken in relation to the security of the cargo.
- Shippers, logistics/transportation companies need to ensure due diligence when selecting their agents and staff.
- Training with specific emphasis on cargo theft awareness and prevention should be offered to staff.
- Insurers should be working closely with shippers and transportation provider clients to develop viable loss prevention tactics focusing on the problems presented in this paper.

Introducing these measures would facilitate the safe and secure flow of goods within the global supply chain and increase the safety of people working in the transport sector.



#### Further information from

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**About IUMI** The International Union of Marine Insurance e.V. (IUMI) is a non-profit association established for the purpose of protecting, safeguarding and advancing insurers' interests in marine and all types of transport insurance. It also provides an essential forum to discuss and exchange ideas, information and statistics of common interest for marine underwriters and in exchange with other marine professionals. IUMI currently represents over 40 national and marine market insurance and reinsurance associations.

The roles of IUMI are to

- act as a focal point and representative voice on behalf of the marine and transport insurance industries in dialogue with all interested parties,
- share information and research that are non-commercially sensitive with regard to marine and transport insurance,
- bring together marine insurance practitioners to facilitate the exchange of technical information and best practice, and
- provide information on positions taken by IUMI.

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