

Supply Chain Theft

An Overview of Loss

What is it and what's the cost?

- **Cargo Theft.** Merchandise that is stolen at any point in between—highway, truck stop, storage facility, warehouse, terminal, pier, etc.
- Domestically – Estimated \$25 billion
- Realistically - \$60 billion
 - Replacement Costs of Product
 - Production/Transportation
 - Insurance Premiums

These are Phantom Numbers.....

Different Types

Organized Crime does not mean its mafia.

- Warehouse Thefts
- Truck High-Jacking's

Warehouse

- Out-of-State & Local Groups
- Use the same tactics but the degree of sloppiness determines which group you're dealing with

Warehouse

MO of OOS

- Domiciled out of state
- Cuban's (South FL), Ecuadorian's (Northeast)
- 5-7 in group
- Willing to travel to a city and stay 30-45 days.
- Holiday periods targeted.
- Rent mini-van (blue/white) from low budget carriers.
- Stay in paid-weekly motels.
- Drive through distribution parks searching for brand names on outside of DC's.
- Fence is contacted with targeted company's and gives the green light on entry.
- Product heads to port of Miami – South America

Case Study - Phoenix, AZ

- Surveillance started 7 days prior to Thanksgiving weekend.

Day of Burglary

- Van with flashing yellow strobe, ladder, workers in safety vests/hard hats.
- Phone lines cut in exterior phone room, then wait for the response.
- Pointed all exterior cameras downward.
- Methodical in work (9 hours of pre-work).

Case Study - Phoenix, AZ cont.

The Burglary

- Break-In is done by 1-2 people, 12am. Once inside motions are activated, they leave, wait for a response. Did this twice in 3 hours.
- Main group comes in (runners and forklift operator).
- Specific product targeted.
- Product loaded on stolen truck (plates & numbers constantly changed).
- Walked the warehouse floor with a note pad.
- Will normally take the DVR.

Case Study - Phoenix, AZ cont.

Round Two

- Surveillance is done the next two days after the theft to see physical security response.
- The note pad!
- Hit #2 within 7 days.
- Blow torched hole through OHD at area.
- Same guys, same truck.

Case Study - Phoenix, AZ cont.

The Aftermath

- \$500,000 Toner Cartridges
- Paranoia, “It has to be an inside job”
- Lock the place down at all cost
- Break downs
 - No Cell Back Up
 - Cameras low but one
 - Gaps in security
 - Poor management response all around
 - Got lucky with DVR
- Could have been worst!

Warehouse

MO of Local Groups

- Someone will be employed as a temp.
- 4-5 in group
- Personal vehicles used.
- Surveillance will start 2-4 hours on the same day of the burg.
- Same tools/method employed to get in.
- They are not patient crooks.

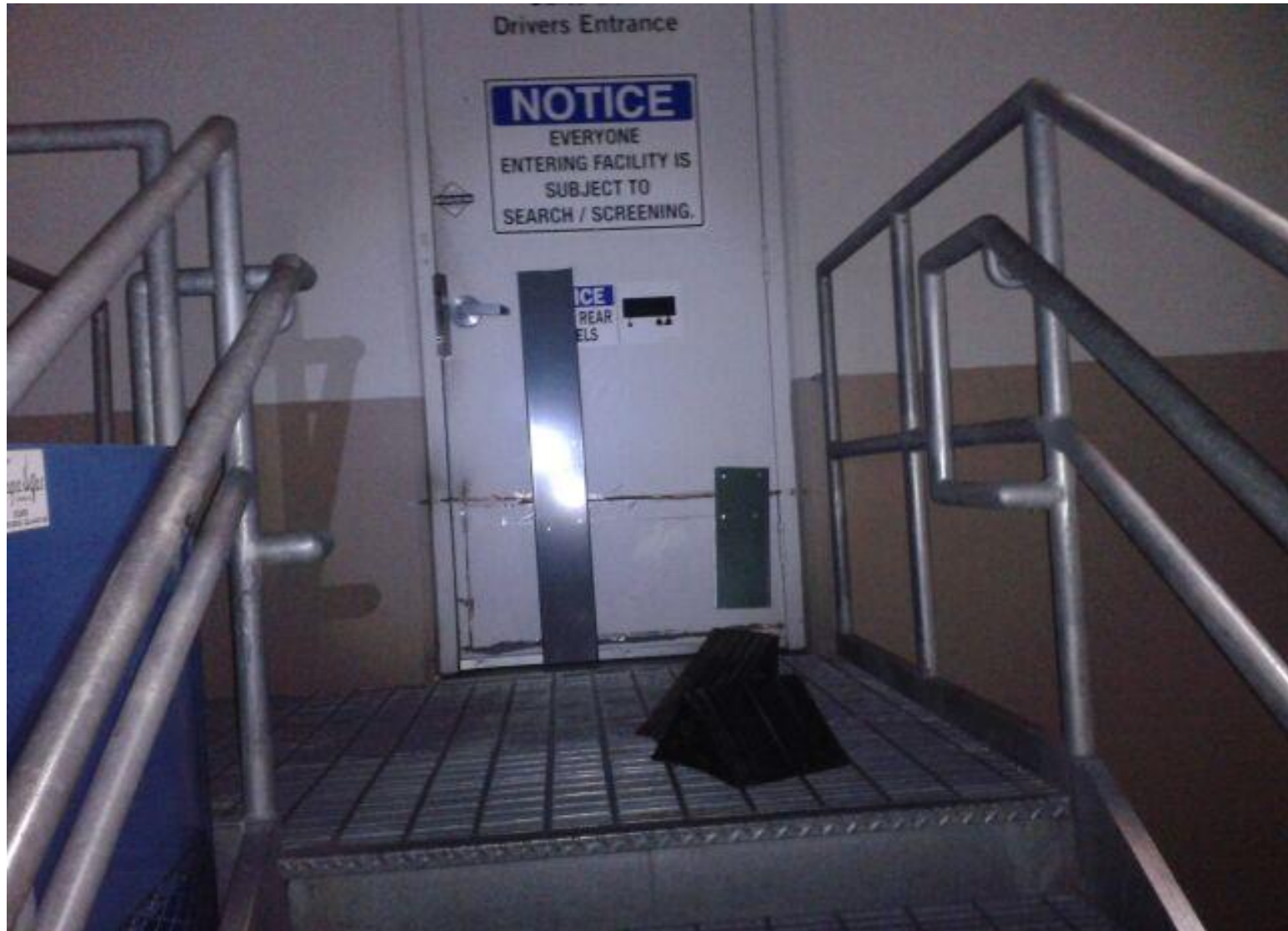
Case Study - Atlanta

- January 1st
- Surveillance started 1.5 hours before break-in, 6am.
- Hydraulic saw used on fire exit.
- Got in, took a look around at product and left.
- Police Response....
- Suspects back in an hour.

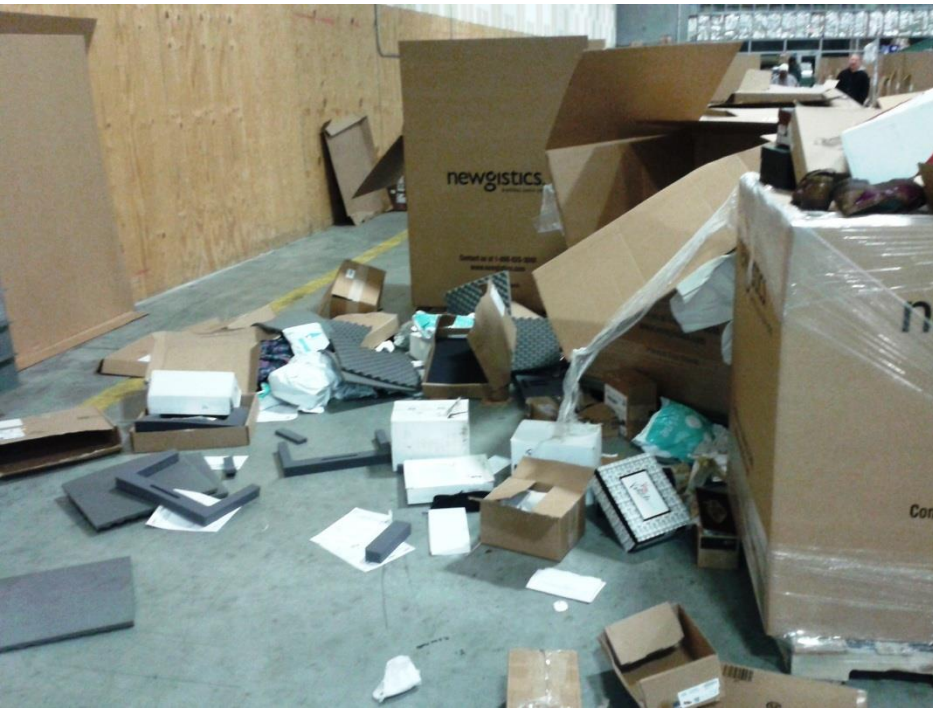
Case Study - Atlanta

- Suspects covered in blankets and crawling on the floor.
- Boxes pushed out the door and cars filled.
- Spent 30 min inside the building.

Fire Exit Entry



Cont.



Case Study - Atlanta

The Aftermath

- \$13,000
- Had eyes remotely on the theft as it was occurring.
- Management response almost got him killed.
- Jurisdiction break down occurred in police response.
- Not allot taken and security worked.

Truck High-Jacking's

- Cuban's - main groups
- Employees working for truck company's gaining info on shipping routes & schedules
- 2-3 man team will tail a driver up to 500 miles
- Entire truck will be stolen at stop; plates switched out and trailer numbers changed.
- Product will identified and communicated to the fence.
- GA & KY hot beds being targeted.
- Recent Case Study out of KY
- Cargo task forces/communication

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Questions