



CARMAR
GROUP



SKYPOSTAL

Mexico City Security Challenges – Customs Clearance, Security & Investigations

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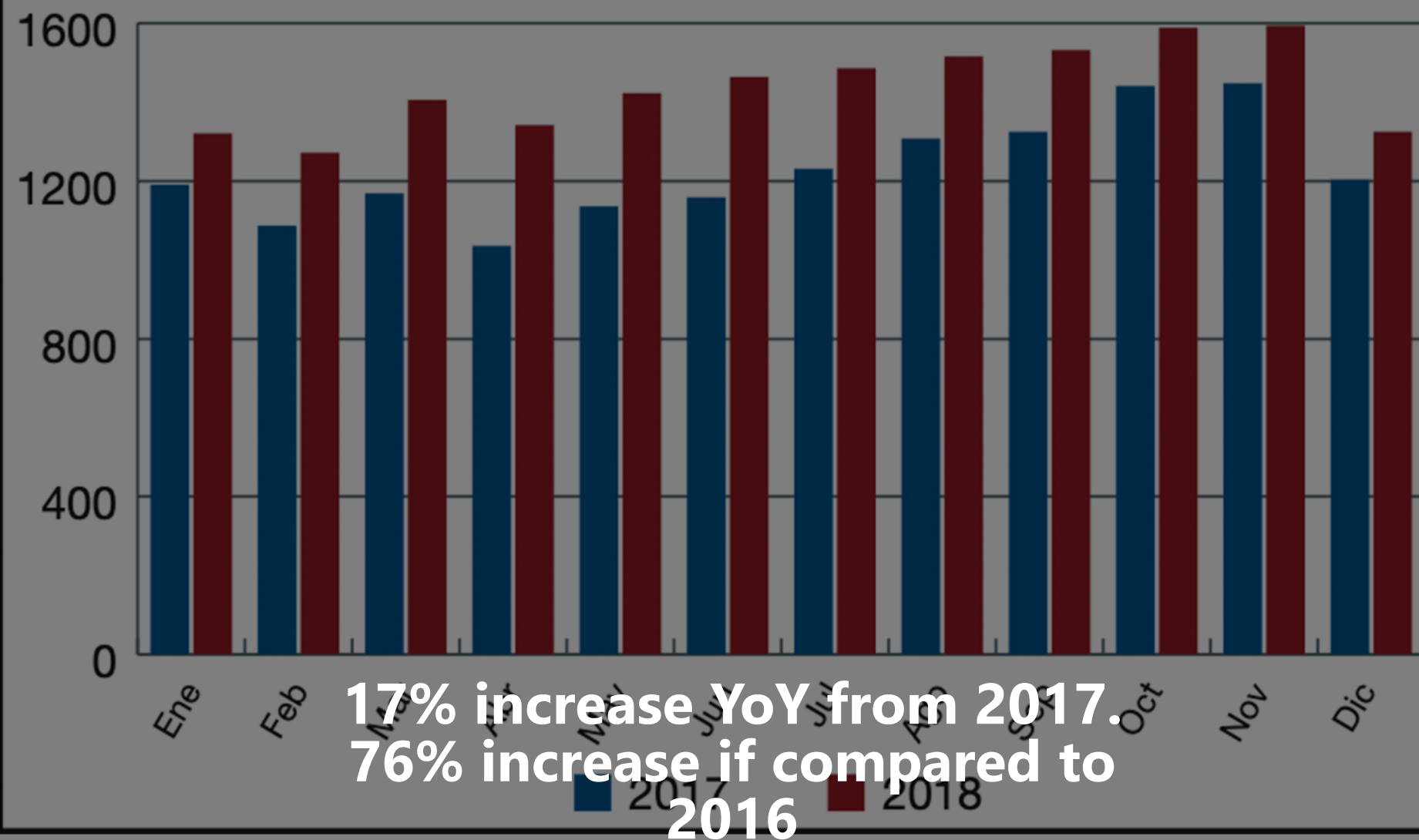
It was a cold, mid February evening



Status of Cargo Theft In Mexico

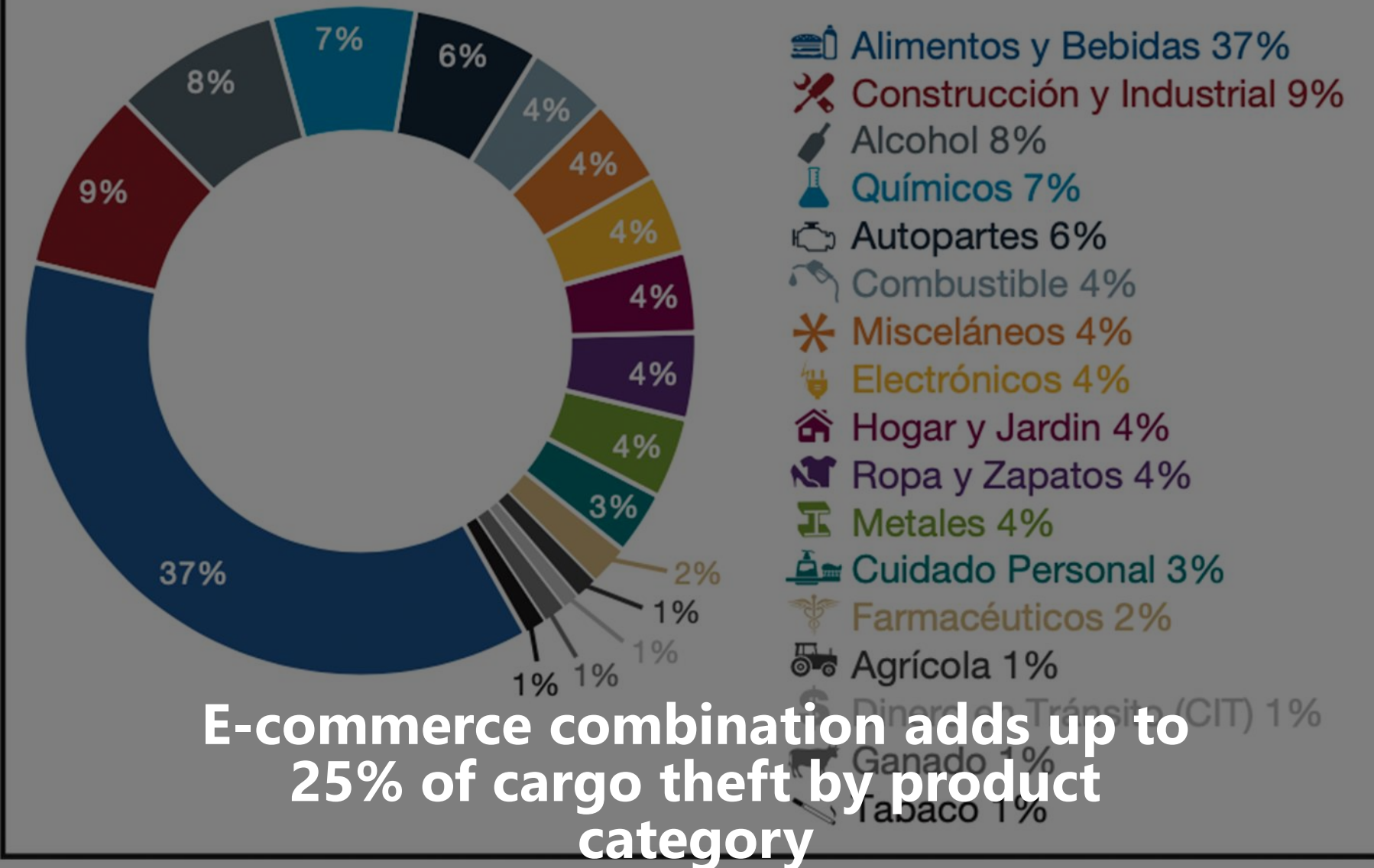
México—Robo de Carga por Mes 2017 & 2018

SensiGuard
SUPPLY CHAIN
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México—Robo de Carga Por Tipo de Producto, 2018

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Entidad	Robos	% Total
Puebla	4,373	25%
Estado de México	4,231	24%
Michoacán	1,822	11%
Tlaxcala	1,518	9%
Nuevo León	1,009	6%
Morelos	871	5%
Jalisco	838	5%
San Luis Potosí	636	4%
Veracruz	310	2%
Guanajuato	269	2%

49% of theft happens in the Mexico City and Puebla area.

Additional Data

98% of thefts happen while cargo is in transit

89% of thefts include kidnapping of drivers

53% of thefts happen during daytime

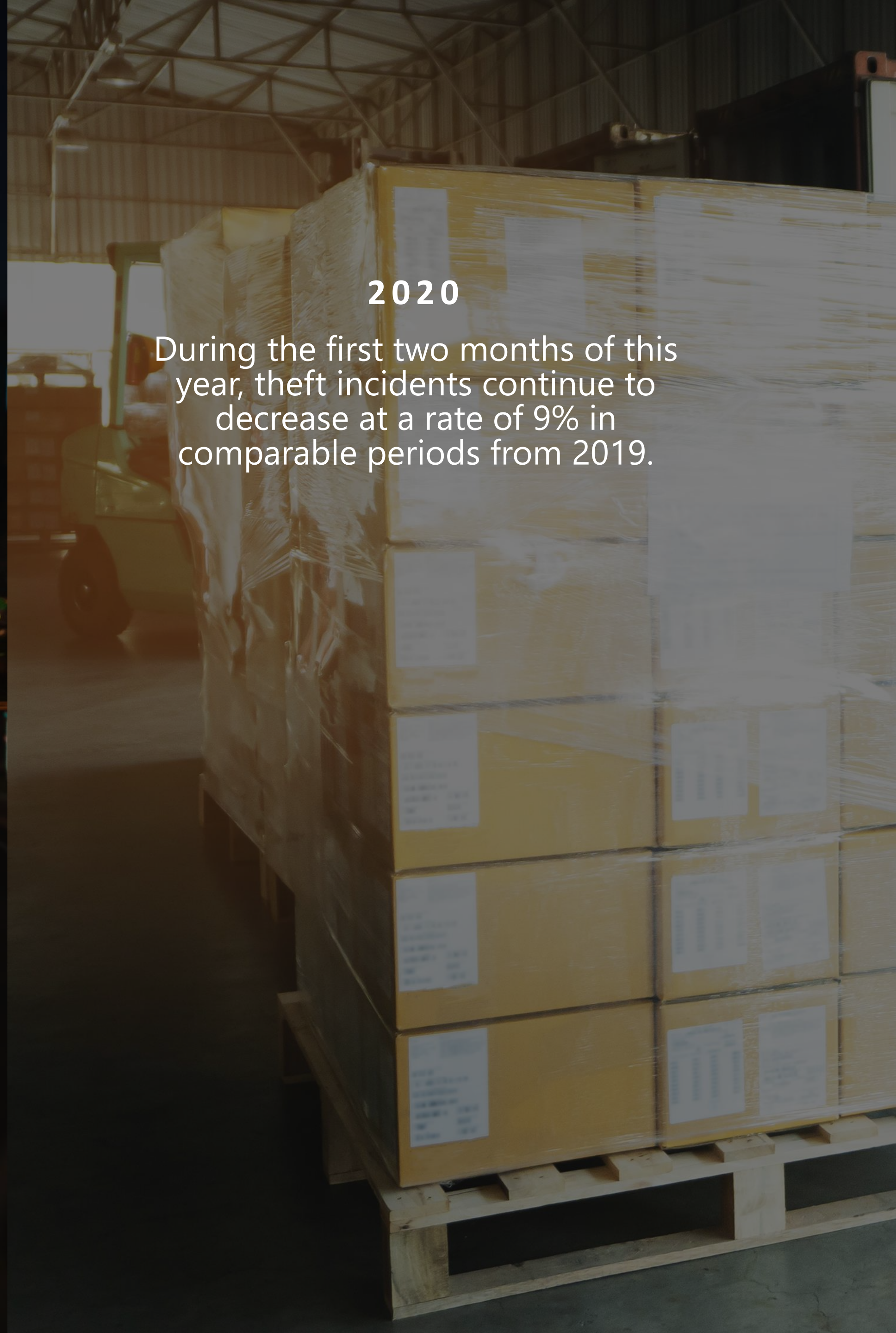
98% of theft include use of weapons and physical violence



2019

CANACAR informed that the first half of 2019 saw a 35% increase YoY in theft incidents.

ANERPV indicated in early February that the second half of 2019 saw an increase of 25.11% YoY.



2020

During the first two months of this year, theft incidents continue to decrease at a rate of 9% in comparable periods from 2019.



Case Study

Daily customs clearance of e-commerce merchandise at CDMX airport.

- First leg of transportation from customs to courier's station by the airport
- Second leg from courier's local station to their national HUB
- Third leg is nationwide dispersion through the network

First Stage



HIJACKING FROM CUSTOMS TO LOCAL OFFICE

Courier operated transport from customs to courier's local station is hijacked in transit.

Two armed men board the truck, kidnapping both driver and customs broker's agent.

Driver is released after three hours.

Corrective actions

Transportation Company

Replaced the transportation company for first leg out from customs.

Customs Broker

In cooperation with the customs broker, we changed all the personnel involved in the clearance of the merchandise, from coordinator to verification agents.

Courier Company

Courier partner changed the personnel at the local station, ensuring that only tenured agents with over 10 years at the organization would have access to our merchandise.

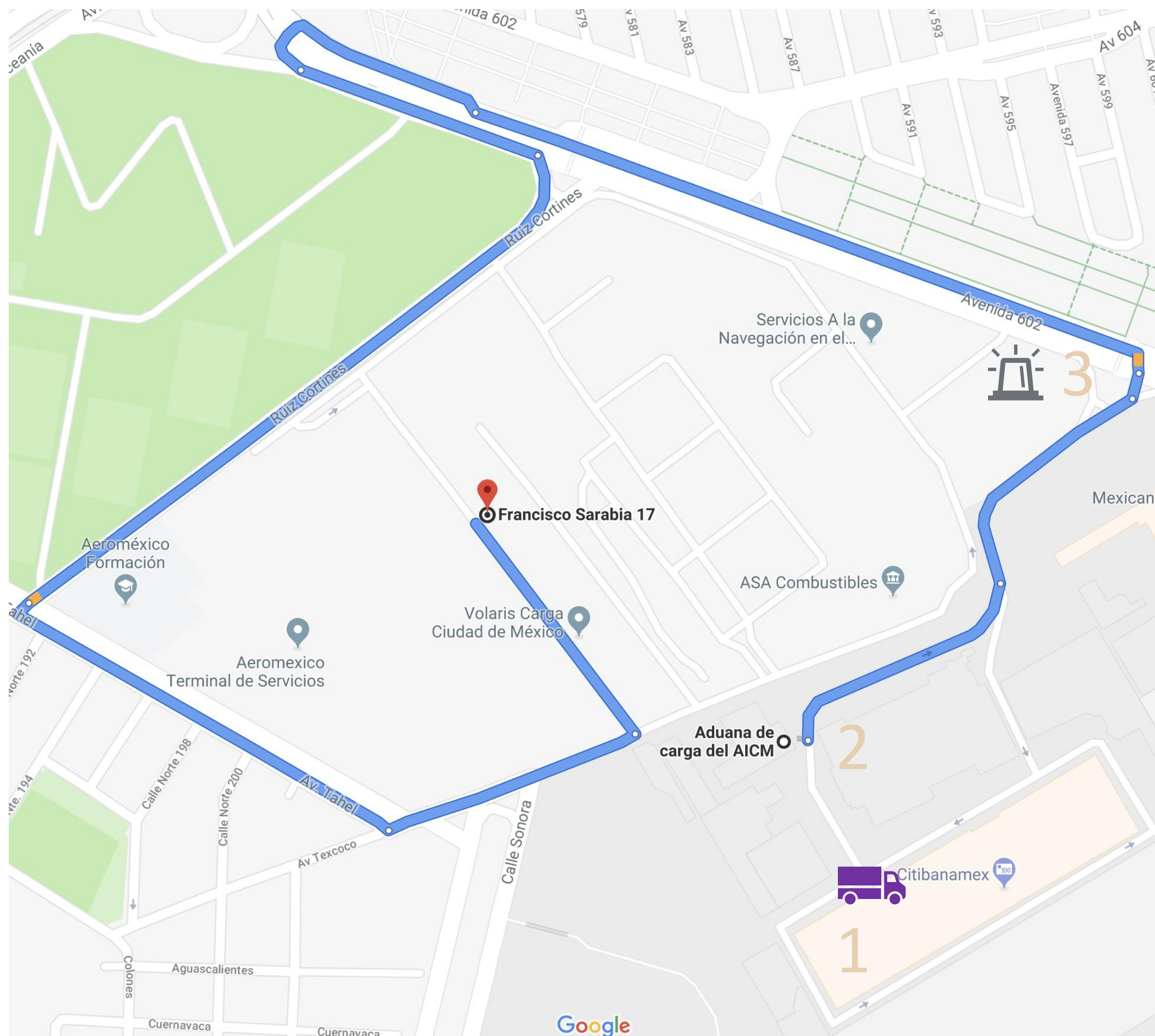
New Security strategy for first leg

Based on the discovery from the first instances, we developed and implemented a new security strategy.

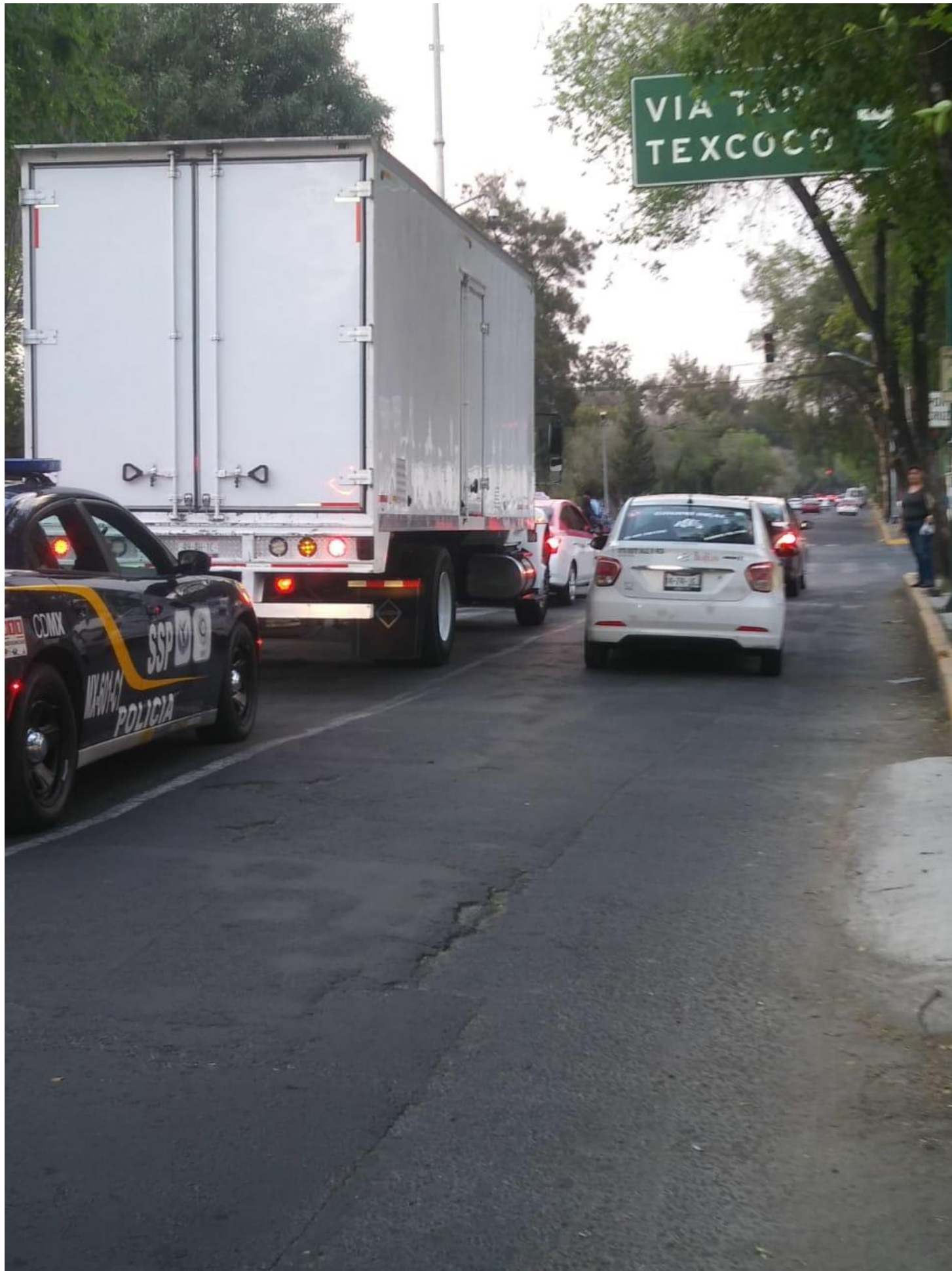


Customs clearance routing

1. Truck is loaded at the Airline's bonded warehouse to be cleared.
2. As the truck clears customs inspection, the driver calls for the security detail, which is waiting outside the Federal Zone.
3. Security detail arrives to the exit of the Federal Zone and escorts the truck to the local office.



Second Stage



HIJACKING FROM LOCAL OFFICE TO NATIONAL HUB

Courier operated transport from courier's local station to the national is hijacked in transit.

Four men, armed, intercept the truck aboard two cars. Driver is kidnapped.

Driver is released after four hours.

Corrective actions

Courier Company

Courier partner establishes a task force including the national head of security, the national head of intelligence and national head of operations. A threat analysis is conducted along the route from local office to national HUB. Personnel from the local office is replaced once again.

New Security strategy for second leg

Based on the threat analysis conducted, courier partner presents a comprehensive series of actions to enhance security for the local office operation to benefit our cargo.



Second leg routing

1. Head of Security calls in the beginning of the secure route and begins the advance scouting of the secure route
2. Truck is sealed at Local office, with decoy GPS package loaded
3. Escort unit follows sealed truck, initiating the route
4. Security Central at Main HUB follows the GPS units, keeping open communication with the driver and the Security Vehicles.

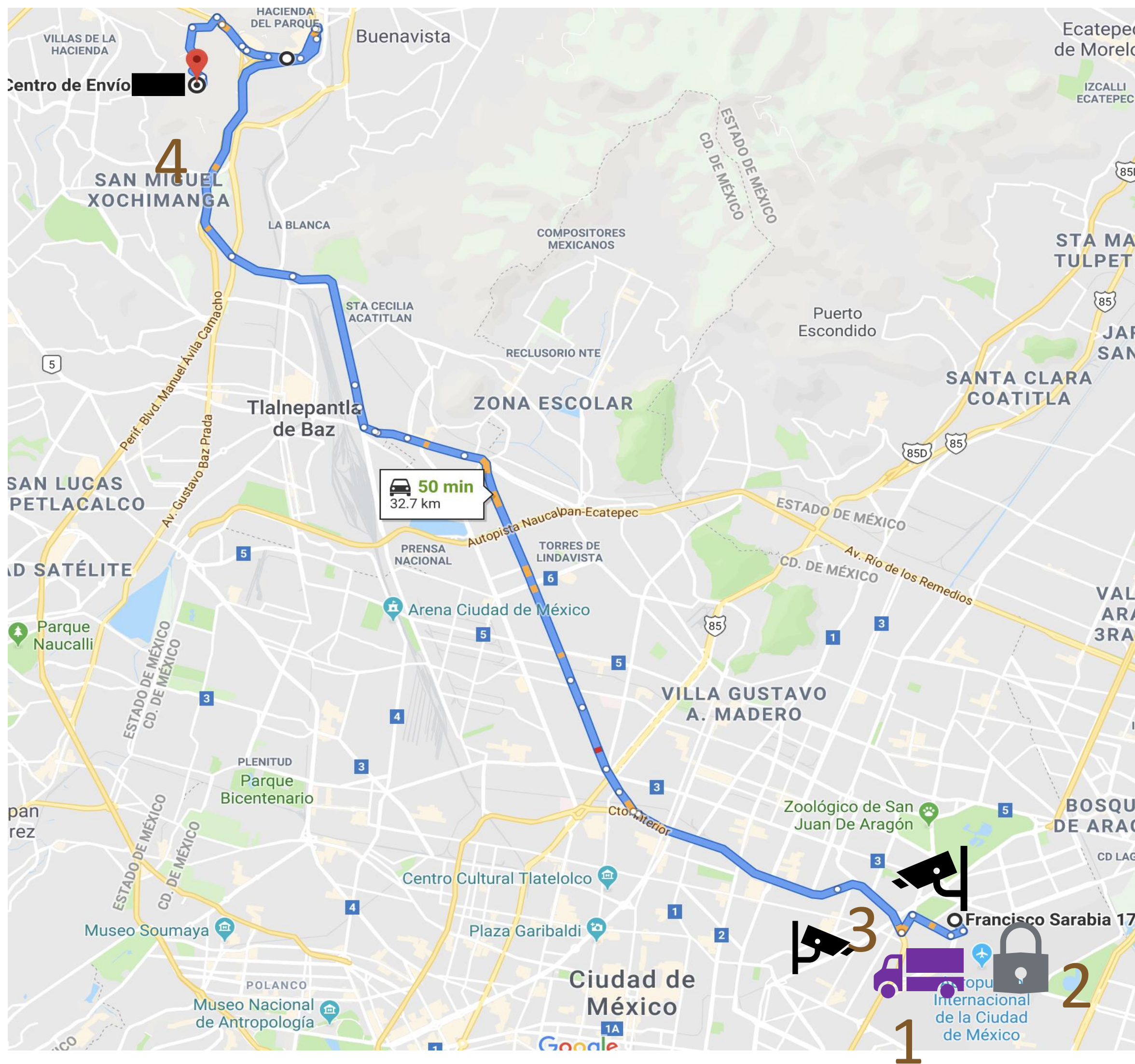


Photo evidence of process



Head of Security placing the GPS decoy into the cargo area



Security Agent closing the Custom Made Steel Lock with GPS unit



Screenshots from live video feed of Advance Security Vehicle



Screenshots from live video feed of Rear Guard Security Vehicle

Third Stage



HIJACKING INSIDE CUSTOMS

Once cleared from customs and while preparing to head out with the security detail, the customs' agent and the driver are boarded by armed individual disguised as customs workers.

Two armed men board the truck, kidnapping both driver and customs broker's agent.

Both individuals are released separately after three hours.

Corrective actions

New Security strategy for customs

We implement a new security process where lookouts are deployed before the clearance truck arrives at customs. The head lookout, stationed at the mooring area in customs, coordinates the arrival of the security detail which now includes a police car. There is no communication between the truck driver and the lookout. All communication is coordinated by the monitoring office, via open microphones with all units.



Enhanced Customs clearance routing

1. First security lookout waits at customs before truck arrival.
2. Truck is loaded at the Airline's bonded warehouse to be cleared.
3. Second security lookout is waiting at customs exit. Both units follow the truck.
4. Security detail is coordinated by first lookout upon truck's arrival to customs module.

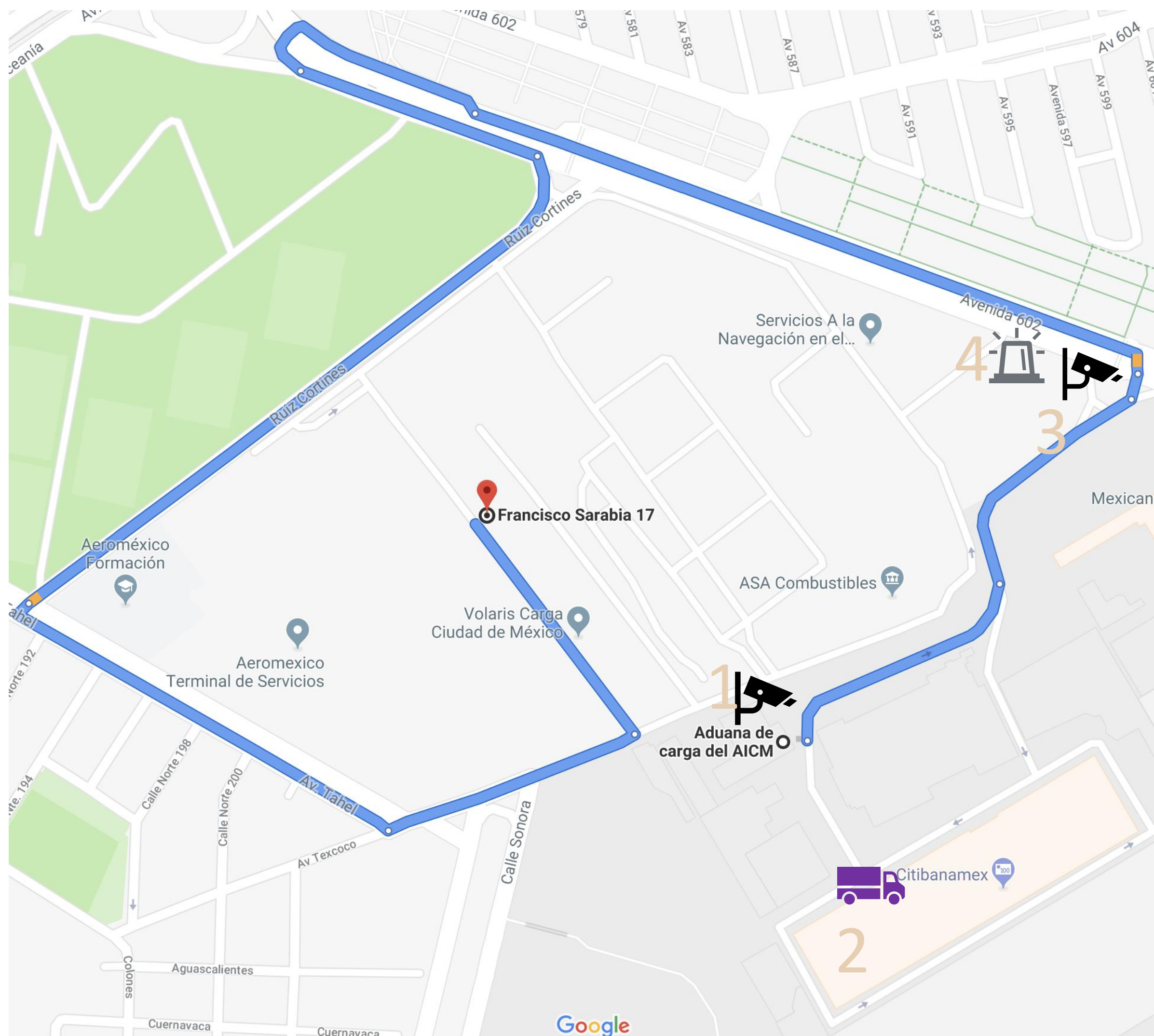
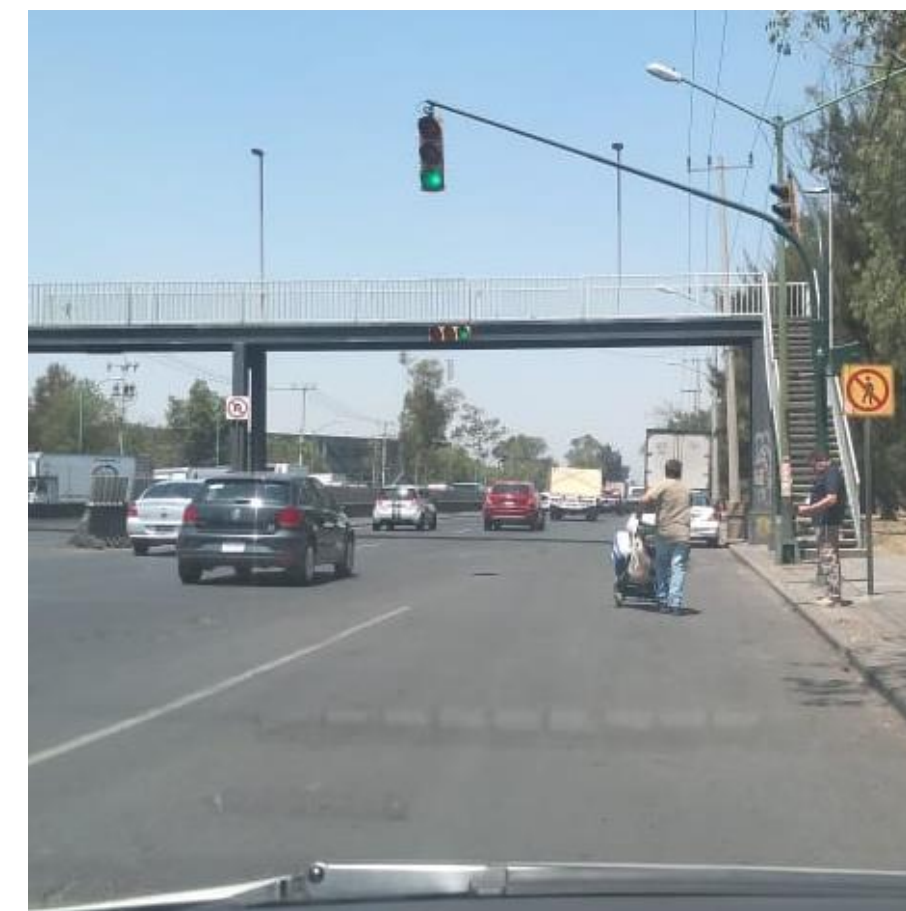


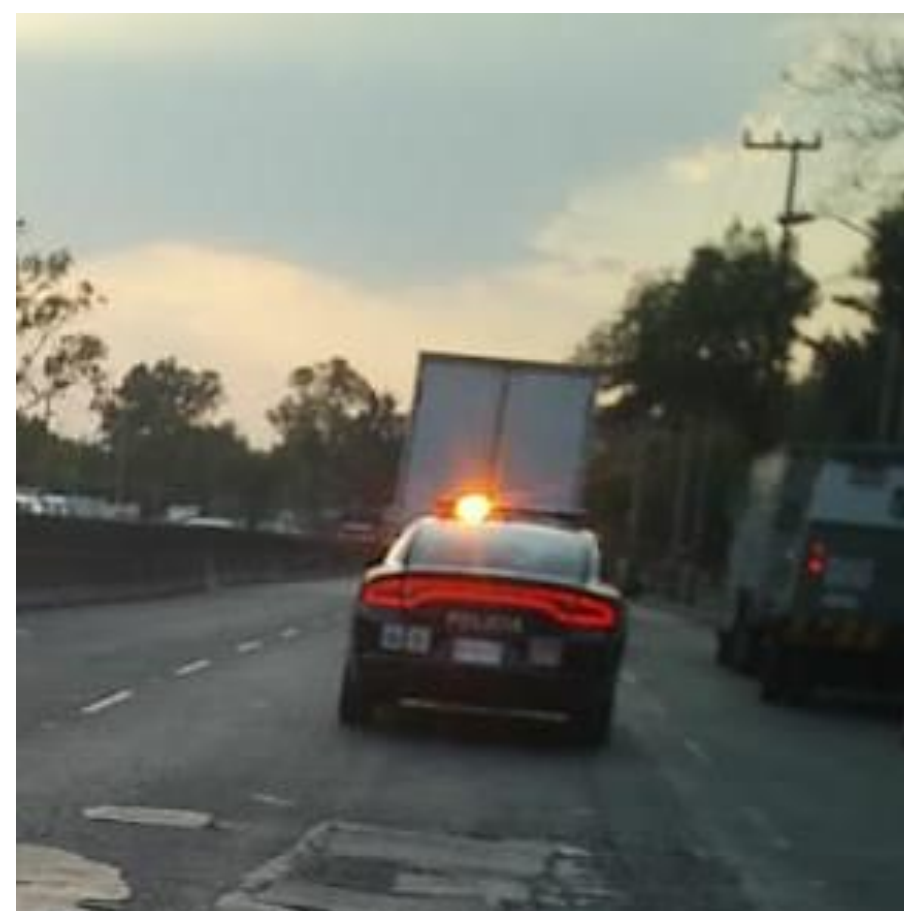
Photo evidence of process



First Unit at Customs Module mooring area, waiting for truck clearance



Second Unit at Customs exit, waiting for armed security escort to be in position



Armed Security Detail escorting truck from Customs to local office



Truck arriving at local station, ready to ramp and unload

Lessons learned

It's all inside customs

A 10-month investigation showed that our cargo was being targeted by a criminal group operating inside customs.

Compartmentalization

It's best if we don't let the one leg know what the other is doing.

Advance scouting work works

Provides clarity of traffic, routes and threats. It also allows to maintain discipline of communication and reaction protocols.

Intelligence alone is dumb

What we know is vastly overshadowed by what we don't expect.



Challenges

Organized crime

Over a year into the new administration has not seen a deep impact in organized crime combat in CDMX. Coordinated efforts at the Federal level show promise.

Bureaucratic mentality

Second stage could have been minimized if the large courier companies had less red tape to cut through in security implementation.

Law enforcement participation

One of Mexico's biggest concerns: Is law enforcement in it? Not at all levels, not at all states. Best bet is to work in coordination with Federal law officers.

Rapid changing environment

E-commerce is on the rise. So is the demand for hybrid services and the need to minimize risk to reduce claims.



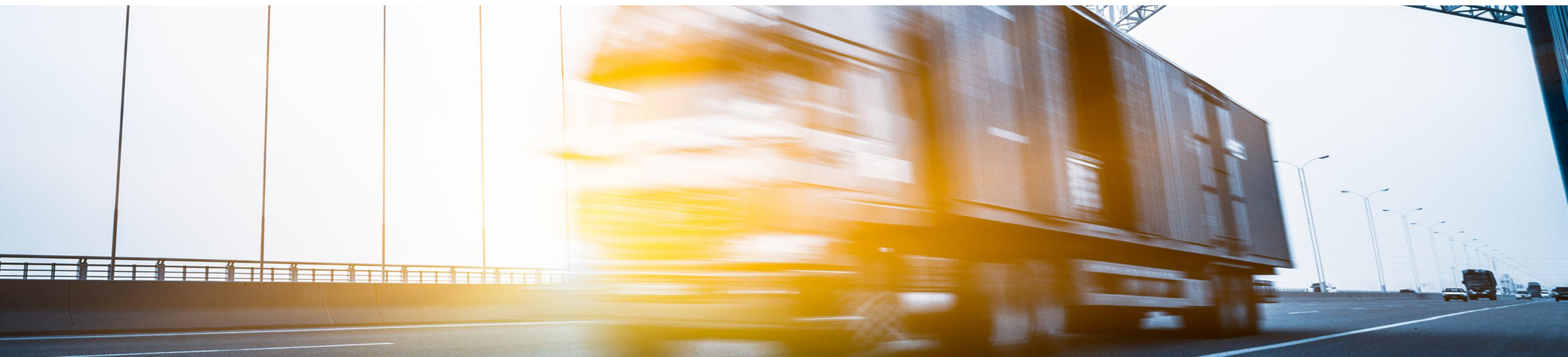
What is the industry doing?

If it works, work it.

From changing routes and schedules, to invest in overhauling the ground fleet with newer equipment. Different companies have seen varying levels of success in Mexico.

The most common formula: enhance on board technology to have separate GPS tracking of cabin and cargo door. Install remote access locks based on GPS position. Use of panic buttons for drivers.

Increased investment in security processes and infrastructure. A top international courier disclosed an investment of 85MMUSD in 2018.



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Q & A
SESSION

THANK YOU