



Supply Chain - Information Sharing and Analysis (ISAC)

1st Quarter 2009 SC ISAC Report of Cargo Theft Activity

For the first three months of 2009, Supply Chain ISAC users and public source documents reported a total 101 criminal incidents impacting the global supply chain and entered into the SC-investigate® database. Of those incidents a vast majority (93) were incidents that involved the theft of transportation vehicles or cargo. The other categories included fraud (3) and intelligence reports of suspicious activity (5).

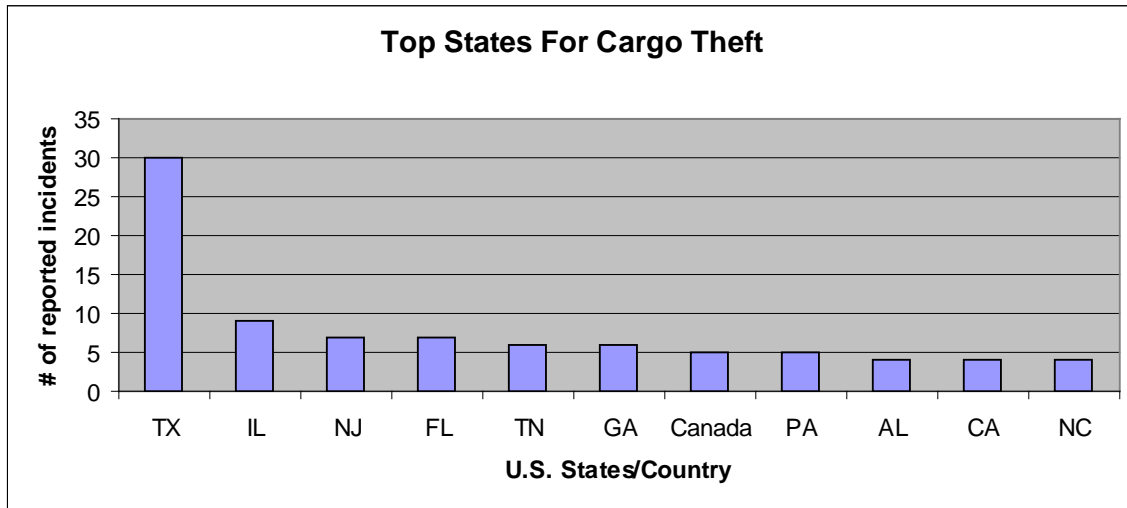
The data used for the following analysis is based off of the reported theft-related incidents only, because of the overwhelming number of incidents associated with this category of activity.

Activity by State/Country

The most reported state for cargo theft activity for the 1st quarter of 2009 is Texas, similar to our 2008 findings. As noted in our 2008 Annual Report this reported data is not necessarily representative of where actual cargo theft is occurring. Again our strong ties with public and private industry groups in Texas and Georgia may skew the overall data as these users may be supplying more reportable incidents than in other parts of the country. It is interesting to note however than Illinois reported the second highest activity (9) for the quarter when it did not even make the Top 10 listing of states for 2008. New Jersey and Florida tied for the third highest incidents (7), Tennessee and Georgia tied for fourth most reported incidents at (6), while Canada and Pennsylvania tied for fifth with (5) incidents apiece. The remaining top reported theft activity occurred in Alabama, California and North Carolina, all reporting (4) incidents apiece for the first three months of the year.



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The trend noted in the 2008 Annual Report with an end of year flurry of cargo theft activity in Ohio however has not been sustained during the first three months of 2009, as only (2) incidents were reported both in January. Unfortunately, the trend of vehicles/cargo ending up in Florida remains high, though much of this insight is based on anecdotal information as many contributors have not provided complete information regarding recovery of vehicles or cargo.

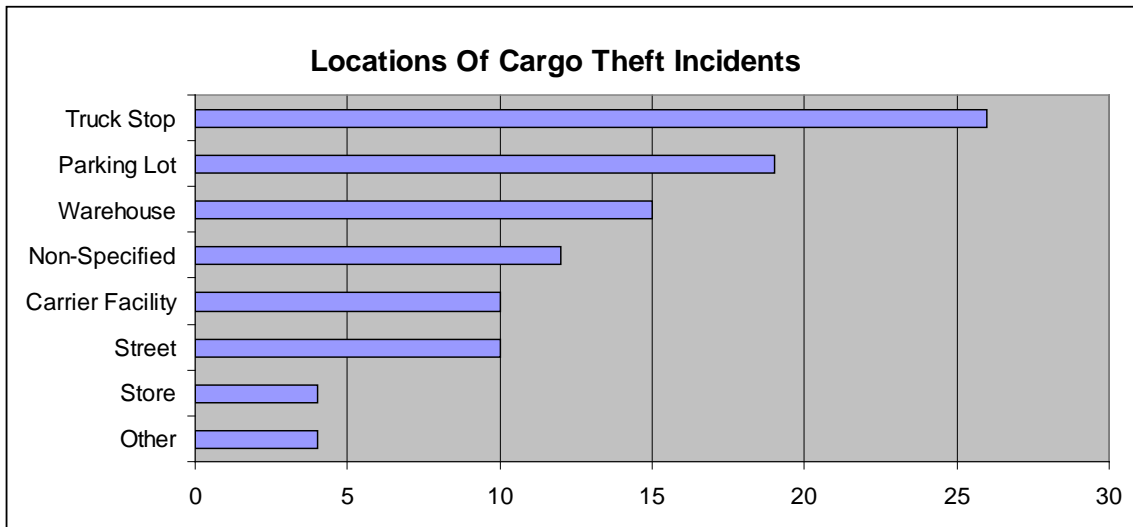
Where Thefts Occur

The data from reported incidents show that most cargo theft activity occurs at truck stops (26), followed by parking lots (including drop yards) with (19) incidents. These findings remain in line with the data from the 2008 Annual Report as well as many other publications on the cargo theft activity. Warehouse/ Distribution Center locations were the third highest area for theft (15) for the quarter. Eleven incidents were reported to have occurred on a street or roadway during the first three months, while carrier facilities reported (10) incidents. Store locations and Other (including rail yards, ports, airports and personal residence) had (4) incidents apiece. Of the 93 cargo theft incidents, only 12



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incidents failed to specify an exact type of location. This is an improvement in data reporting that we hope will continue throughout the year.



The vulnerability of leaving trucks/cargo unattended in areas such as truck stops, parking lots and on the street continues to be high for carriers. Unfortunately the data does not provide insight whether a tractor/trailer is targeted or the theft is a matter of convenience based on location, with casual observers expecting to see trucks coming and going.

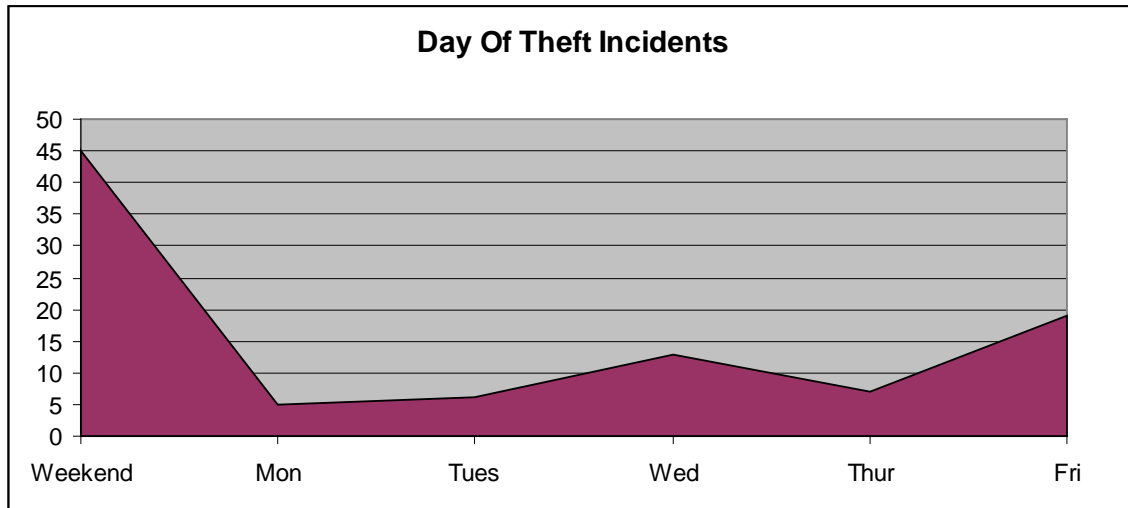
When Thefts Occur

Once again, the data for the first three months of 2009 mirrors the 2008 annual data reporting most cargo thefts incidents occur over the weekend (Friday/Saturday-Sunday/Monday). As illustrated in the chart below, Friday is the second most active day for cargo theft incidents (19), followed by Wednesday with (13) incidents. The fewest thefts reported in 2009 are on Monday (5) followed by Tuesday (6) and Thursday (7).



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The 1st quarter individual day's results are slightly different than those reported throughout 2008, which showed a flattening of activity.



Time will tell if this uptick of cargo theft activity on Friday and Wednesday will hold throughout the year. Regardless, we would encourage every effort be taken to protect company assets during these two days in addition to the weekends.

What's Stolen

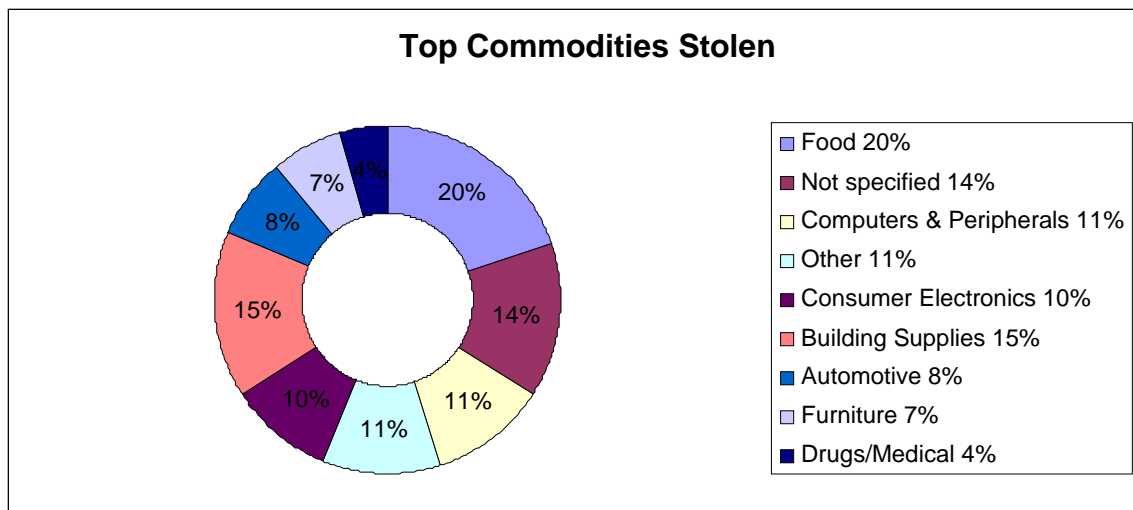
For the first three months of 2009, the following categories of goods were the most stolen based on the reportable incidents provided by ISAC members or public source documents. *Food* remains the top commodity of stolen goods with (18) incidents reported. The second most stolen category was *Building Supplies* with total of (14) incidents. The third category of goods is *Computers & Peripherals* tied with *Other* each reporting (10) incidents apiece. The fourth most stolen commodity with (9) incidents was identified as *Consumer Electronics*. Seven incidents were reported with *Automotive* items involved, while *Furniture*, *Drug/Medical* and *Health & Beauty* round out the Top 10 with (6), (4), and (2) reported incidents.



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The remaining categories of *Clothing & Accessories*, and *Music/Movies/Software* showed only (1), and (0) incidents containing these types of items.

During the quarter, contributors of reportable incidents provided more complete information, dropping the *Unknown* category to an overall rank of third with (13) incidents or 14% of the total incidents reported. This category had ranked first in 2008 with 17% of the incidents not offering the type of cargo stolen.



We were surprised with the high number of cargo thefts involving Furniture, especially during the month of January and decided to make this a separate category. At this point we do not know if this category will have sustainability or the reported thefts were an anomaly.

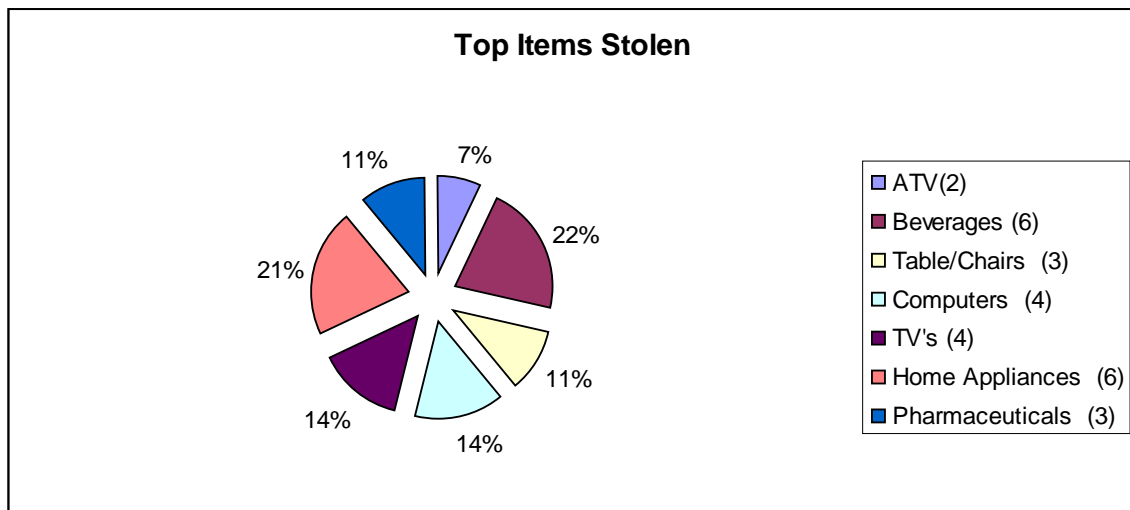


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Drilling down within the product category we identified the most common items stolen per category:

Category	Items
Automotive	ATV's
Food	Beverages
Furniture	Tables/Chairs
Computers& peripherals	Computers
Consumer Electronics	TV's
Building Supplies	Home Appliances
Drug/Medical	Pharmaceuticals
Health/Beauty	Razors

Once again, computers, TV's, pharmaceuticals and drinks/beverages were identified as the most stolen item per their specific category. It will be interesting to see if these items retain this dubious distinction throughout the year.



The number next to the item in the Legend represents the number of reported theft incidents.



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Summary

The first Quarter of 2009 report continues to give us more information about cargo theft and verify many things we saw in the 2008 end of the year report. The information sharing is growing and the database is maturing in a way which allows us to use this data in our everyday planning and operations. The SC-ISAC will continue to provide news, advisories and information pertinent to shippers, carriers, insurers, security providers and law enforcement involved in the supply chain.

As we closed our 2008 Annual Report with the adage “Information is knowledge and knowledge is power”, the users of the Supply Chain Information Sharing and Analysis have responded by submitting more incident data and offering more complete information. We would ask you to refer the SC-ISAC to industry and involved law enforcement sources for their participation in the program. We thank you for your submissions and encourage continued use of this network to identify and resolve incidents that impact the global supply chain.

Recommendations for Cargo Theft Protection

Establish a Company Security Group/Team
Develop security plans that include facilities, supply chain and in-transit operations
Establish minimum security requirements for transportation partners – contractually
Implement specific programs in response to HV Shipper security requirements
Evaluate using shipment security devices like HV Security Tape, HV locking devices, covert cargo tracking AGPS systems, and vehicle immobilization devices
Use a layered security protection plan that includes physical barriers, process barriers, and technology barriers to deter theft
Participate in industry regional councils.
Participate and Network at Law Enforcement/Cargo Theft functions.
Participate in National Transportation Security Organizations.
Participate in the Supply Chain-Information Sharing and Analysis Center (SC-ISAC).