



Supply Chain - Information Sharing and Analysis (ISAC)

2008 SC ISAC Report of Cargo Theft Activity

With the completion of our first full year of operations, the **Supply Chain- Information Sharing and Analysis Center (SC-ISAC)** is providing our membership a review of the collected and analyzed supply chain incidents of 2008.

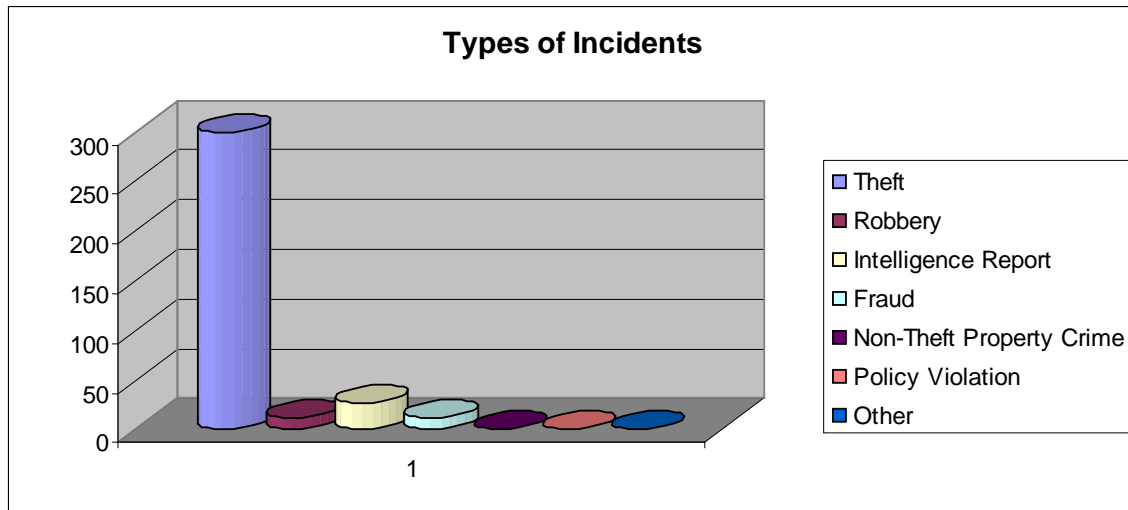
A primary mission of the SC-ISAC is to “Collect, analyze and disseminate actionable intelligence to help secure the global supply chain” and towards that end, a total of 92 Bulletins were published throughout 2008. Over 585 member organizations which represent industries including manufacturing, distribution, carriers, retailers, insurance, security/business services, associations and law enforcement, all dependent stakeholders on a viable global supply chain, have received a the bi-weekly publication of events that can impact the operations of industry and government. Many of the over 1500 users of the SC-ISAC have provided intelligence over the past year that has been shared. We greatly appreciate all of the contributions we received this past year and look forward to even greater participation from users of the system in 2009!

Activity

For 2008, a total of 353 incidents were collected in our database. As noted in the chart of Incident Types, Theft made up the majority of incidents (299) reported to us followed by Intelligence Reports (27). Both Robbery and Fraud incidents totaled 12 while the remaining three categories each had 1 incident reported.



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Cargo Theft

With Theft being the predominate activity reported, a review of which states had the most incidents was preformed. Reported theft activity occurred most often in Texas (68 incidents) followed by Georgia (53 incidents). Tennessee holds the third spot for reported cargo thefts with 18. California and Florida tie for the fourth most reported activity with 16 incidents apiece. Ohio had 10 incidents, most which have occurred in the later part of the year. Seasoned investigators have been surprised by the level of activity in Ohio, reminding us all that cargo thieves go where there is opportunity. Arkansas and New Jersey both reported 9 incidents, while Alabama and North Carolina round out the top 10 with 8 incidents apiece.

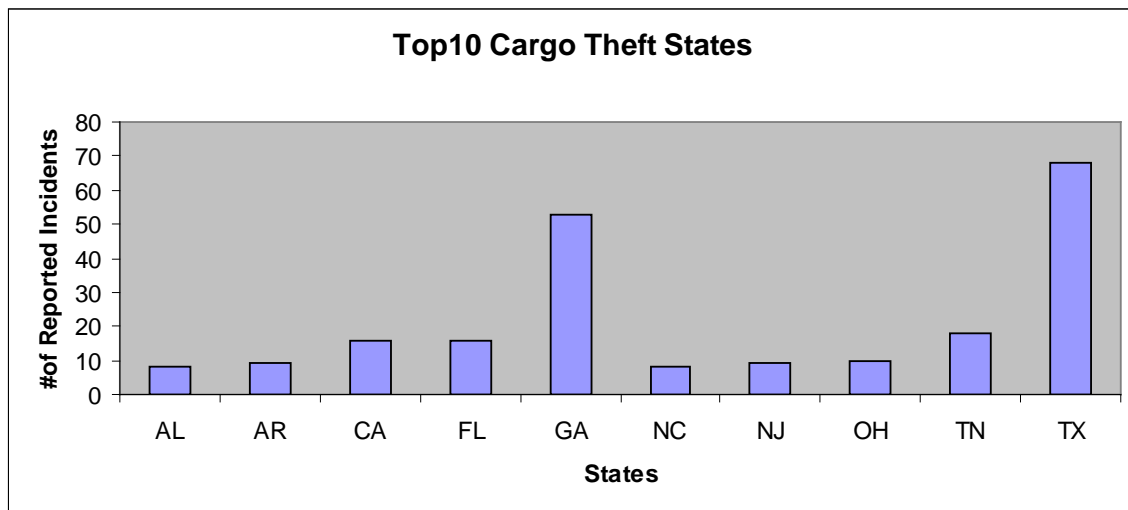
The data however is not necessarily representative of actual cargo theft activity, given that the information is based on reported activities. Throughout the year we have been fortunate to develop strong ties with public and industry driven groups who are primarily based in Texas and Georgia. These groups, like the SC-ISAC believe that sharing theft intelligence will assist in resolving current cases while offering preventative measures to



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reduce future disruption to the global supply chain. As our credibility and partnerships grow, we anticipate that this list of Top 10 States may change.

Though many contributors have not provided us with complete information regarding recovery of stolen vehicles or cargo, anecdotally many of the vehicles/cargo is reported to have ended up in Florida. This information is not included in the numbers previously provided.



Where Theft's Occur

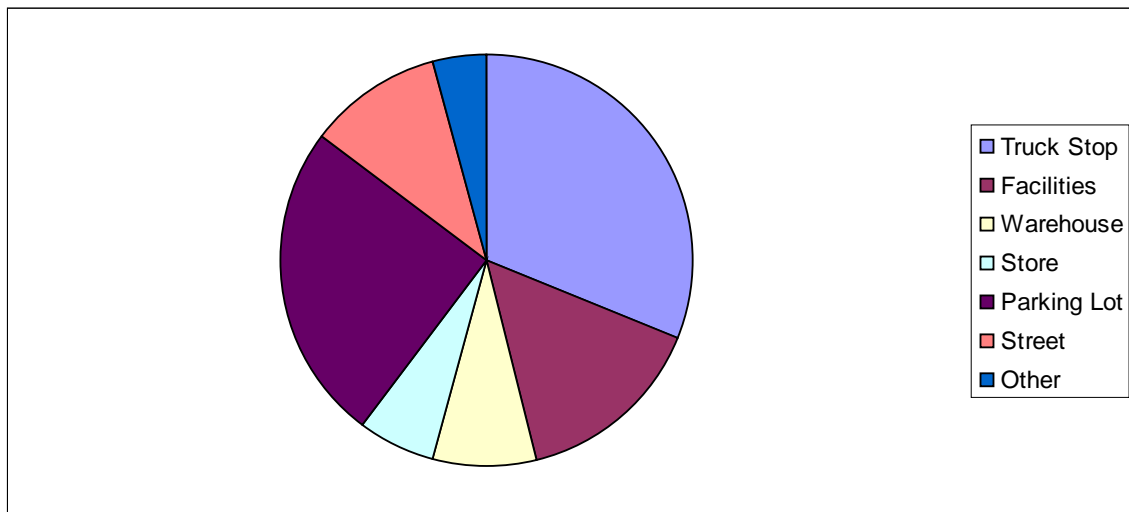
As noted in other recent publications the primary location for cargo theft activity is at truck stops, with 83 incidents reported to have occurred at one. Parking lots (including drop yards) also are vulnerable for theft activity with 67 incidents reported in this type of location. A total of 40 theft incidents were reported at Facilities and 28 incidents occurred while vehicles were parked on the Street. Warehouses reported 21 incidents throughout the year and Store locations reported a total of 16 incidents during the same time frame. Other locations, including airports, casinos, ports, hotels and cyberspace had a total of 11



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theft incidents. Unfortunately a significant number (87) of theft incident reports failed to identify the location of where the initial theft occurred. This lack of data could have an impact on any drawn conclusions though it is most likely that the same dispersal of locations would apply.

Recognizing the vulnerability of leaving vehicles unattended, especially in areas where the casual observer expects to see trucks coming and going offers stakeholders' opportunities to enhance communication and security protocols. Have you reviewed the steps employed by your driver's when they leave their vehicles for the weekend? Are you familiar with the protocols a contracted carrier has instituted when a vehicle is in need of repair or the driver is off the clock?



When Thefts Occur

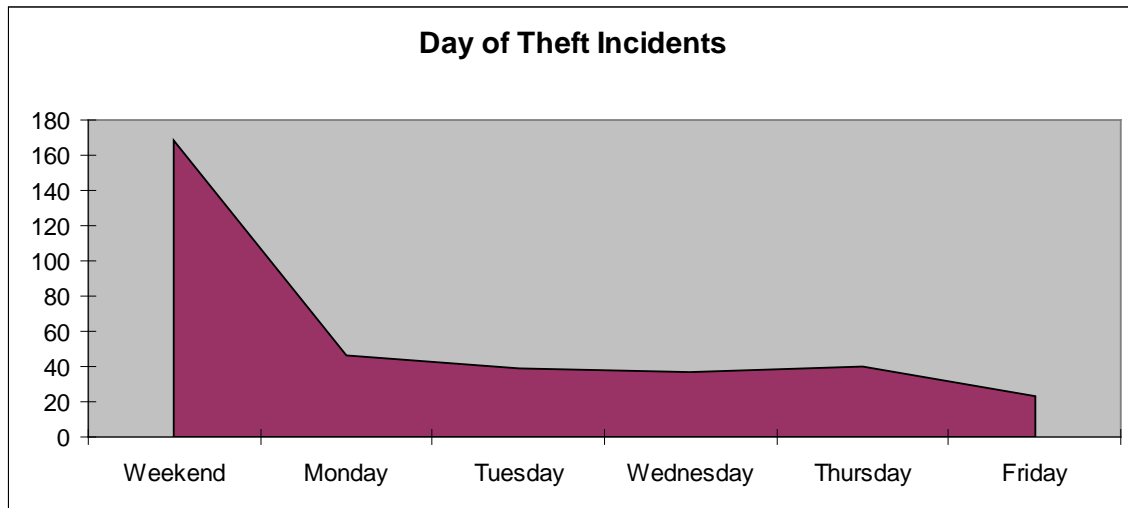
Not a surprise to law enforcement or most victims of theft, the weekends (Friday/Saturday- Sunday/Monday) see the most amount of activity, with 168 incidents occurring during this timeframe. Theft activity during the rest of the week is fairly close, with



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Monday leading with 46 reported incidents, followed by Thursday with 40, Tuesday at 39 and Wednesday with 37 reported incidents. Friday shows a drop off in activity with only 23 incidents reported for an individual day.

Every effort should be taken to protect vulnerable company assets during the weekend timeframe, especially vehicles parked at truck stops or other non-secured lots. Cargo thieves take advantage of the time delay reporting a stolen vehicle/cargo providing them the freedom to move vehicles and goods without fear of discovery.



What's Stolen

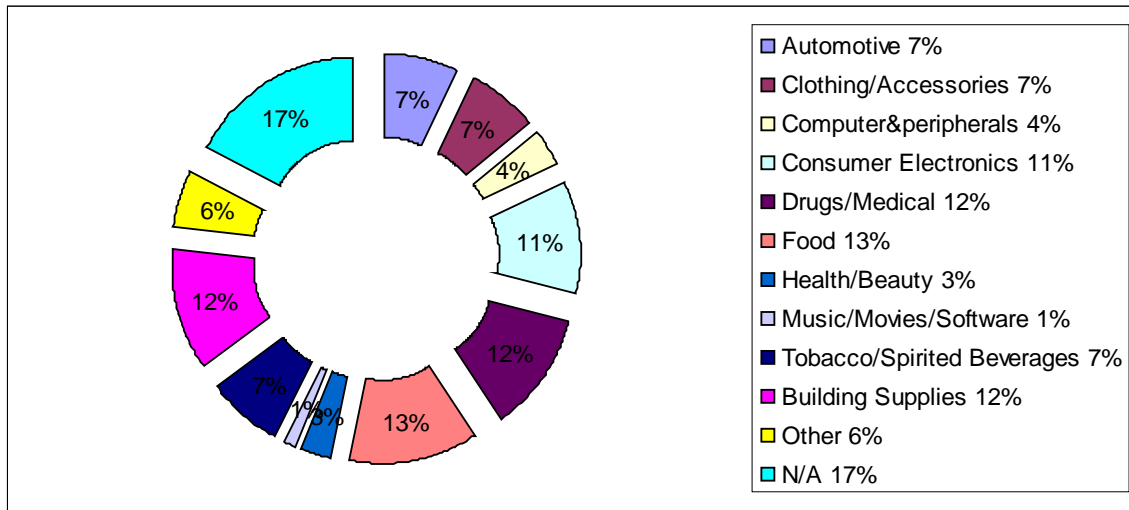
Of the 299 theft incident reported throughout the year, the top category of goods stolen was Food at 13%. Drugs/Medical and Building Supplies tied for second at 12% of the total reported losses. 11 percent of the losses reported for the year were categorized under Consumer Electronics. Three categories Automotive, Clothing/Accessories and Tobacco/Spirited Beverages tied for fourth at 7%. No information of the goods stolen took the top spot at 17%. The remaining categories all fell in the single digit percentage of goods stolen.



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The surprise was Building Supplies made up so much of what was stolen this year, while Music/ Movies and Software barely registered with 1% or a total of 4 incidents for the entire year. The rise in copper prices and a lack of oversight on where scrap material comes from may have been the impetus for the rise in this category. Recently enacted laws addressing ownership of materials for recyclers may help to reduce this current theft trend.

These results, however, may be skewed because contributors may not have had the information available of what was stolen or chose not to share the information. Once again this highlights the value of providing as much available information as possible.

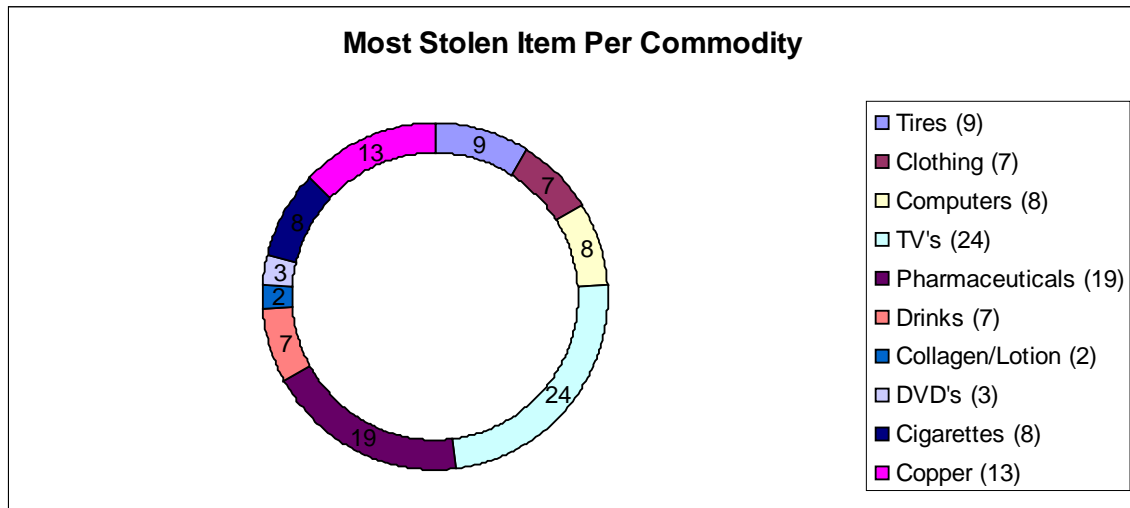




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We also looked at the specific items stolen within a given category and found the most reported theft items included:

<u>Category:</u>	<u>Item:</u>
Automotive	Tires
Clothing/Accessories	Clothing
Computer & peripherals	Computers
Consumer Electronics	TVs
Drugs/Medical	Pharmaceuticals
Food	Drinks
Health/Beauty	Collagen/Lotion (tied)
Music/Movies/Software	DVD's
Tobacco/Spirited Beverages	Cigarettes
Building Supplies	Copper



The number next to each specific item represents the number of reported theft incidents.



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Summary

Please use this aforementioned information in the best way to protect your assets and operations. Cargo Theft continues to be a very profitable activity for organized criminals and the more we know about it the better we, as an industry, can deal with the issues. The SC-ISAC will continue to grow and mature its database through collection of incidents and information. 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.

The SC-ISAC, as a viable tool of information sharing, analysis and providing actionable intelligence, requests that all members participate to their fullest by providing incident and pertinent data. This information sharing will provide supply chain participants with a quickly maturing database that will identify trends, methods and cargo theft activity which will be of great value to supply chain operators and managers everywhere. The SC-ISAC currently provides users the ability to research the database by location, commodity and other means to assist you with your operations planning.

The SC-ISAC plans for further service upgrades in the not too distant future include the publishing of current alerts and BOLOs, incident mapping technology, a web-based security incident management system, and access to a comprehensive law enforcement recovery database service.

As the SC-ISAC matures, we who have the privilege of being involved in its operation are starting to realize the results we set out to achieve through sharing information with our law enforcement and supply chain industry partners.

Remember, information is knowledge and knowledge is power. Let's keep sharing and learning. If you know someone that would benefit from SC-ISAC membership, please refer them to our website, www.sc-isac.org.