

FREIGHT CRIME IS ON THE RISE

The transportation industry is facing severe repercussions as freight fraud and freight heists reach record-high levels. While double brokering has been around for years, fraudsters have evolved, making identity theft their new scheme. ⁽¹⁾

FRAUD & IDENTITY THEFT

- Entities use another motor carrier's assigned USDOT number, when not authorized to do so, or when someone acts as a broker and is not registered with FMCSA
- Includes fraud schemes, such as entire truckloads picked up and never delivered or delivered with digitally altered paperwork to hide the theft from the customer



AVOID FREIGHT CRIME WITH OUR CHECKLIST ON THE NEXT PAGE!

DOUBLE BROKERING

- Double brokerage occurs when a carrier accepts a load from a broker and re-brokers it to another carrier without the original broker's consent
- Allows fraudulent carriers/brokers to steal entire truckloads at a time

IN Q1 OF 2024,

\$154.6M

ESTIMATED TOTAL VALUE OF GOODS STOLEN ⁽²⁾

MOST SIGNIFICANT SPIKES IN

TX, CA, IL

+22%

+72%

+126%

YEAR-OVER-YEAR INCREASE ⁽²⁾

THESE THREE STATES MADE UP **57%** OF ALL Q1 CARGO THEFT

THEFT ACTIVITY IN Q1

+46%

DECREASE IN Q2

-10%

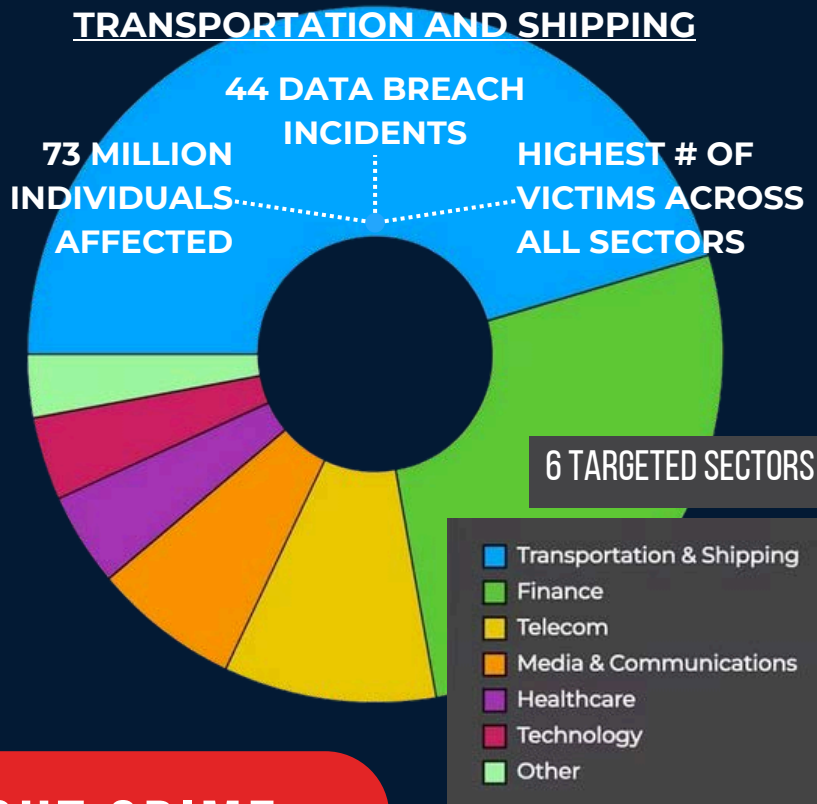
⁽³⁾

COMMONLY TARGETED ITEMS ⁽²⁾

- ENERGY DRINKS
- LIQUOR
- SMALL APPLIANCES
- COPPER

WHAT TO EXPECT IN UPCOMING QUARTERS

- Experts predict that high levels of non-delivery thefts and strategic shortages will continue in the foreseeable future. ⁽²⁾
- The frequency and intensity of data breaches may discourage the transition to electric vehicles. ⁽²⁾
- Thieves' propensity to steal a wide array of goods poses an ongoing threat to industries nationwide. ⁽⁴⁾
- Data breaches in the transportation industry have doubled, making transportation and shipping the most vulnerable sector. ⁽⁴⁾



WAYS TO AVOID FREIGHT CRIME

THOROUGHLY VET EVERY CARRIER

- ✓ At time of booking, verify:
 - Authority
 - DOT/MC number
 - Physical location or asset activity
 - Insurance coverage
 - Contact information
- ✓ Is the above information consistent across multiple sites?
- ✓ At pickup, verify the carrier by matching the driver's documents with the provided information

DOES YOUR CARRIER

- ✓ Plan routes to avoid high-risk areas
- ✓ Leverage advanced track and trace technologies with real-time analytics
- ✓ Collaborate and communicate with you and/or its carriers to strengthen partnerships

(1) Sharkey, Grace. "How freight fraud became the perfect crime." FreightWaves, 25 July 2024; <https://www.freightwaves.com/news/how-freight-fraud-became-the-perfect-crime>

(2) "2024 First Quarter Supply Chain Risk Trends Analysis" by CargoNet; <https://www.cargonet.com/news-and-events/cargonet-in-the-media/2024-q1-theft-trends/>

(3) Wolf, Connor. "Trucking Weathers Another Increase in Cargo Theft for Q2." Transport Topics, 18 July 2024; <https://www.ttnews.com/articles/trucking-cargo-theft-q2-2024>

(4) Washington, Jerome. "Cyber Attacks Surge in Transportation Industry" Freight Caviar, 22 July 2024; <https://www.freightcaviar.com/cyber-attacks-surge-in-transportation-industry/>

(4)

SECURE YOUR SUPPLY CHAIN

- » Dedicated & OTR
- » Truck Brokerage
- » Power Only
- » Intermodal
- » Asset Drayage

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