

# Best Practices to Prevent Theft



## Introduction

Truck, trailer and cargo theft has become a serious problem for the Ontario trucking industry. It is estimated that the losses in North America exceed \$10B annually. Canadian carriers have over \$1B in losses and claims each year alone. Until recently, most carriers were reactive as opposed to proactive in dealing with thefts. And, cargo insurance costs were relatively stable. However, there are now good indications that the loss ratio for cargo coverage exceeds 100%. As a result, carriers with major cargo losses can anticipate significant insurance price increases. Moreover, the number of truck hijackings has increased, endangering the lives of truck drivers.

The trucking industry has grown at a rapid rate in recent years. So much so, that in many cases, operational control has become difficult. Employees are quick to spot any weaknesses in a company's approach to security and some may be enticed into using this information to their own advantage.

## Theft Prevention: A Sound Business Investment

The implementation of effective theft control procedures is a sound business investment. It is far less costly to prevent a crime than to investigate it after the fact. The losses can include:

- The actual loss of the trailer (a cost that can be as high as \$40,000),
- The cost of the cargo stolen (perhaps in excess of \$100,000),
- The cost of the subsequent investigation, and
- The intangible cost resulting from a dissatisfied customer whose product was stolen and probably illegally distributed.

## There's A Market For All Types of Stolen Freight

Cargo thefts are no longer confined to traditional items such as cigarettes, alcohol and computer components. Today anything and everything is being stolen and subsequently sold – coffee, orange juice, clothes, toys, and the list goes on. This makes all carriers more vulnerable to cargo theft.

## The Thieves

There are two types of thieves – those who steal for personal use and those who steal for profit. Personal use thefts are probably not as extensive or expensive. But, the crime of cargo theft is now part of the arsenal of organized crime, which has increased the risk of major losses. Criminals are now more sophisticated, ingenious, and clever.

## Preventative Action: A Must

Everyone in the trucking industry must make every effort to combat the reality that vehicle and cargo theft is major issue. Proper security should become a full time activity. Preventative action, while of interest to law enforcement agencies, is not their primary function. This means, the trucking industry must develop more of an attitude that it has to do a better job of preventing thefts before they occur. The basic principle of any theft prevention program should be to make premeditated theft difficult and to keep an honest person honest.

## OTA Theft Prevention Initiatives

The Ontario Trucking Association has undertaken several initiatives to assist carriers to combat this increasing problem, including participating in Crime Stoppers and by joining forces with the American Trucking Association in the TIPS theft database program. These programs are designed to help recover the cargo and detect the thieves, but do not address the issue of what can be done to prevent a loss.

## Best Practices/Self Evaluation

There is no simple solution to eliminating the risk of a cargo and or vehicle loss. But, steps can be taken to minimize the risk. This pamphlet contains some principles or best practices carriers may wish to adopt. These best practices have been developed in consultation with law enforcement agencies, the insurance industry and take the form of a series of questions, the answers to which may seem obvious. But, many carriers have not asked these questions or have only asked them after a theft has occurred. The questions are designed to assist you to:

- Develop a corporate approach to theft prevention
- Protect information about your freight and its movement
- Take preventative action at your terminal facilities
- Take preventative action on the highway

## General Policy Issues

Avoiding the decisions and effort necessary to establish a security system exposes a carrier to significant risk and high costs when faced with a loss. All trucking companies should consider an overall corporate approach towards managing cargo theft, and ask the following questions:

1. Is someone directly responsible for implementing and maintaining cargo theft policies and procedures?
2. Do you have a written policy and procedures in place?
3. Does this policy demonstrate that theft and dishonesty will not be tolerated by anyone regardless of position or past service?

4. Is this policy based on past incidents and on the experiences of other similar trucking operations?
5. Was the policy developed with the assistance of recognized experts, including your insurance company?
6. Is the policy communicated to all employees; in particular, is it part of a new employee's orientation?
7. Are employees given any training in theft prevention to reinforce the program?
8. Are the policy and procedures periodically reviewed (at least once a year)?
9. If you have a theft, however small, is it investigated by an interdisciplinary team (drivers, operations staff, and maintenance personnel) and is corrective action taken and the program evaluated?
10. Are you aware of the potential value of the cargo you are handling and its attractiveness to thieves?
11. Are you and your employees aware that at certain times of the week and certain times of the year you are more vulnerable?
12. Have you established contact with the local police force to acquaint them with your operational procedures?
13. Do you have a policy to immediately notify the police and your insurance company, and is someone designated to be responsible for this?
14. Do you have a list of all necessary police and insurance contacts? (The sooner it is known that a theft has occurred, the sooner action can be taken to recover the vehicle and/or cargo and possibly apprehend the thieves.)
15. Do you know if the third parties you deal with (freight forwarders, load brokers, interlining carriers, shipping agents) have cargo theft policies and procedures?

## Protecting Information About Your Freight and its Movement

It is widely held view that many thefts are aided by the fact that information about a company's freight and its movement is deliberately or accidentally leaked. There are many examples of employees discussing a company's freight in social surroundings and drivers discussing the freight over the CB network. Ask yourself the following:

1. Do you screen the criminal records of all employees, not just drivers, and is this procedure part of the overall company policy?
2. Do you check the employment record of all employees, not just drivers?
3. Does your policy demand that your employees not discuss the freight, its value or its destination with anyone?
4. Is paperwork left in the full view of third parties who may or may not have legitimate business to be on your property?
5. Do you have a procedure in place to restrict the access to the property of strangers who may get access to valuable information?
6. Does your policy hold operations personnel responsible for the control of those documents containing details of freight movements?

## Preventative Action – Terminal/Yard Facilities

Most cargo thefts occur when trailers are stolen from a carrier's property. Do you have:

1. A procedure to restrict the access of strangers to the property and are the conditions for entering and leaving the property prominently displayed (e.g., signs posted clearly indicating that access to the terminal property and the terminal facilities is restricted), and that there is surveillance?
2. A policy to restrict the access of independent contractors to specific areas?
3. A procedure in place to authorize employees to question any stranger on the property?
4. A procedure in place to question when vehicles not owned by the company are on the property, in particular rental units or vehicles of interlining carriers, and a procedure to inspect other carrier's vehicles before they leave your facility?

5. A system to monitor the movement of your equipment using current technology?
6. Awareness of the many devices that can be used to immobilize your equipment, and do you have such devices and are they used all the time. (In some cases these devices will be a major deterrent and in other cases just an inconvenience, but a deterrent nonetheless)?
7. An extra secure compound for cargo of high value or cargo that is attractive to thieves (for example, a chain link fence of 9-gauge material at least 8 feet high and topped with barbed wire and properly anchored)?
8. A policy to ensure materials that could be used to allow entry (e.g. pallets, skids and picnic tables) are not placed near a secure compound?
9. Adequate fencing, whether it be boundary fencing (the first line of defence), barrier fencing designed to obstruct entry, safety fencing to meet a statutory obligation, or security fencing designed to keep out intruders? Is the fence inspected regularly for damage? Are the fences protected and strong enough to deter thieves driving through them? (Do not assume that unfriendly terrain at the perimeter of the property will be a deterrent to thieves).
10. A system of adequate and programmable lighting of the property? (Lighting is a strong deterrent, lighting should be directed not only at the fence and the trailers, but be designed to bathe the complete terminal property with few shadows).
11. A policy for parking trailers in the yard – up to the dock, back to back, etc? And, are private vehicles separated from the commercial vehicle loading and parking areas, and as far from the terminal buildings as possible?
12. A policy of locking trailers after loading, using quality locks (multiple pin tumblers, dead locking bolts, interchangeable cores) marked with your company identification?
13. A policy in place to require every vehicle to obtain permission to leave the property?
14. A policy of frequently (e.g., 24 hours/day and 7 days/week) conducting a yard check? (Bearing in mind that a disproportionate number of thefts occur at weekend and holidays). Do you conduct a regular complete inventory of your fleet?

15. A policy dealing with the use of a reputable third party security service? If so, who has the authority to engage such a third party? Are the duties of the third party clearly outlined including the requirement that guards must be rotated on a regular basis?
16. Knowledge of electronic security systems – e.g., closed circuit television with video recording perhaps using “smart” technology to only record when there is movement; intrusion detection devices that monitor the perimeter; and access control systems? (The addition of extra staff is not necessarily the most effective prevention measure. Usually a combination of electronic monitoring and personnel will provide the best protection)

### Preventative Action - On The Road

More and more trucks and cargo are being hijacked on the road. Do you:

1. Have an anti-hijacking policy?
2. Have devices that can immobilize your equipment and are they used?
3. Have a procedure in place to require a vehicle to be locked at all times, using quality locks?
4. Demand that drivers lock the power unit and remove the keys when it is left unattended?
5. Demand that your drivers do not discuss the freight, its value or its destination, with anyone while on the road?
6. Park trailers in unsupervised areas or have approved drop off sites?
7. Have route planning with scheduled stops, and are different routes selected so that a routine pattern is not established?
8. Advise drivers to report anything that is suspicious, particularly strangers asking questions about the load or destination?
9. Adequately identify your vehicle with your company name and unit number?

### Summary

The list of questions posed is in no particular order of importance or significance, nor is it claimed to be an exhaustive list.

Clearly, no carrier should rely on one device or operating practice, and not every carrier is going to implement all of the principles or best practices described. But, it must be understood that most thefts occur because it has been made easy for the thief. There is an old saying – “Lead us not into temptation, but show us the way and we will go ourselves”.

This initiative is supported by the following leading insurance companies:



555 Dixon Road, Toronto, ON M9W 1H8

Phone: (416) 249-7401 Fax: (416) 245-6152

E mail: [info@ontruck.org](mailto:info@ontruck.org) • Web Site: <http://www.ontruck.org>