



United States Q1-2023 Cargo Theft Report



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Executive Summary

Overhaul's US Q1-2023 Cargo Theft Report is meant to highlight the ways in which cargo theft events in the United States are evolving. This understanding is critical in order to help shippers and drivers prepare for and avoid risks.

To that end, Overhaul actively compiles data regarding cargo theft activity, categorizing stolen loads by product type, and tracking by date, location, *Modus Operandi* (M.O.), value, and specific product. This report summarizes the United States theft data collected in Q1-2023 and analyzes trends derived from database content, law enforcement information, and industry personnel. It also draws on observations by personnel in the field to provide an overview of national cargo theft activity as well as a deep dive into specific focus areas based on our findings. Specifically, we homed in on cargo theft activity related to *Deceptive Pickup*.

Cargo theft in the United States continues to show higher incidence near freight hubs and large cities, leading to hot spots in states such as California (54%) and Texas (17%), which ranked 1st and 2nd in terms of cargo theft risk. *Electronics* (24%) were especially at risk, followed by *Food & Drinks* (18%), *Auto & Parts* (13%), and *Building & Industrial* (12%).

These numbers show definitively that cargo theft is an ongoing risk that must be taken seriously, and the range of affected industries and times in which an attack may occur highlight how important it is to have the right tools and technology to keep your shipments safe.

We hope this report helps you better understand the cargo theft patterns observed in the United States during Q1-2023 so that you can effectively plan your shipping routes and outfit your carriers with the electronic security and real-time monitoring solutions to best protect your cargo.

United States: Q1-2023 Cargo Theft Trends

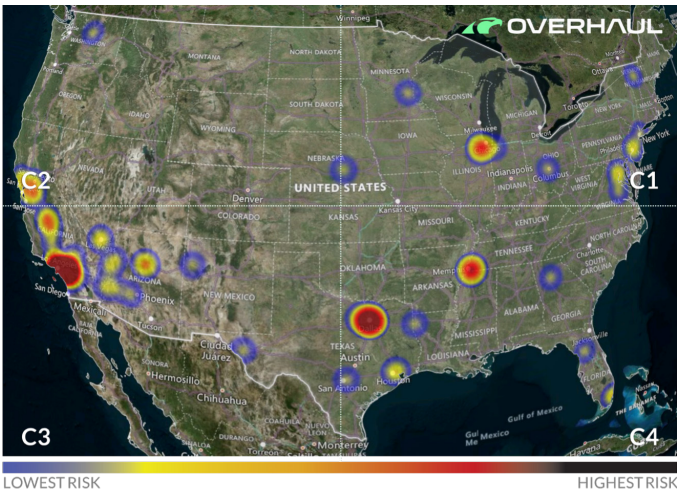
In Q1-2023, Overhaul recorded a total of 142 cargo thefts in the United States. While this would appear to represent a significant decrease versus previous quarters, the difference in volume is largely due to a shift in data sources. When comparing only similar sources across quarters, cargo theft volumes actually show an 11% increase versus Q4-2022 and a moderate decrease of 14% versus Q1-2022. The latter can partially be attributed to the drop in cargo volumes versus the same period in 2022, during which container ship queues at American ports were at their peak, and supply chain disruptions resulted in atypical amounts of cargo sitting idle. During Q1-2023, 43% of incidents occurred in January, 27% occurred in February, and 30% occurred in March. The average loss value per incident during this time was \$291,946, a value 1% lower than that recorded in Q1-2022 and 41% higher than in Q4-2022.





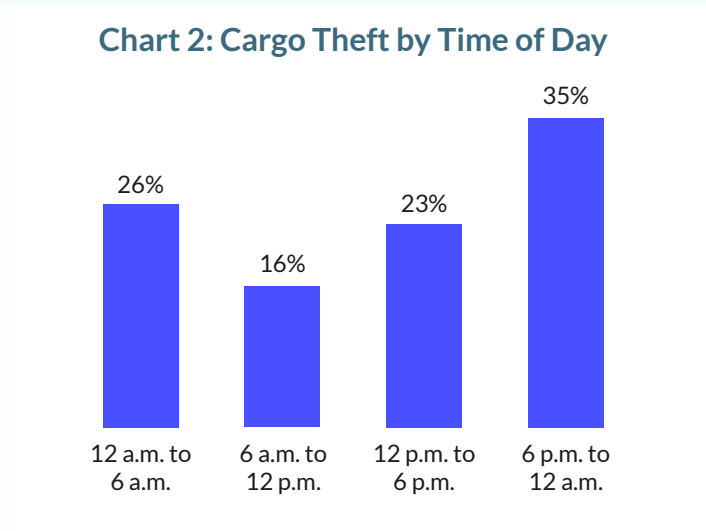
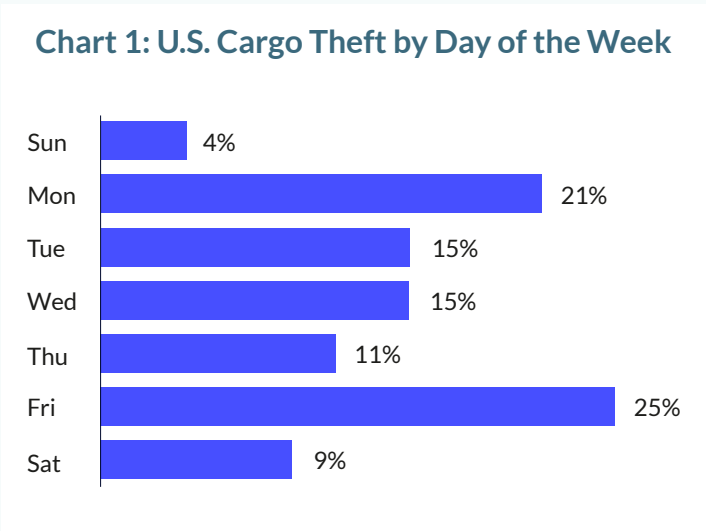
Spatial & Temporal Analysis of Cargo Theft in the United States

By dividing the country into quadrants as seen in the map to the right, it was identified that 63% of recorded cargo thefts occurred in Quadrant 3 (C3), in which the primary cargo theft hot spot is located in southern California. Put in other terms, the concentration of cargo theft in the third quadrant was 151% higher than average. Quadrant 4 (C4) recorded the second highest concentration of cargo theft incidents in the quarter at 24%, with Dallas and Memphis representing the highest risk.



Thefts Per Day & Hour

Unlike previous periods where weekends persisted as the most popular days of the week among thieves, in Q1-2023, Mondays and Fridays showed the highest concentration of cargo crime with a combined 46% of incidents.



As for timetables, 35% of all cargo theft events took place between 6 p.m. and midnight., an increase of 11 percentage points versus Q4-22 while events between the hours of midnight and 6 a.m. decreased from 36% in Q4-22 to 26% in Q1-23. Despite this displacement in hours, criminals continue to target cargo units during hours in which they are most likely to be left unattended.



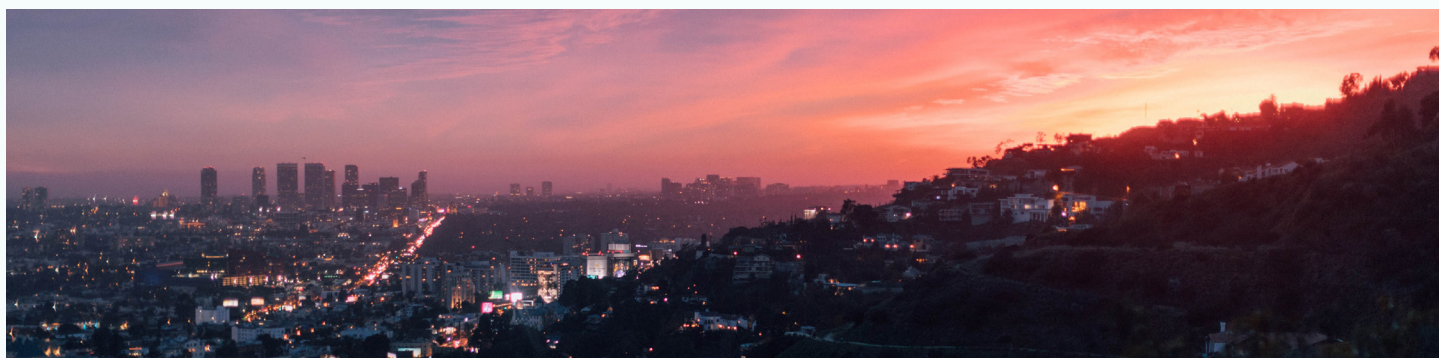
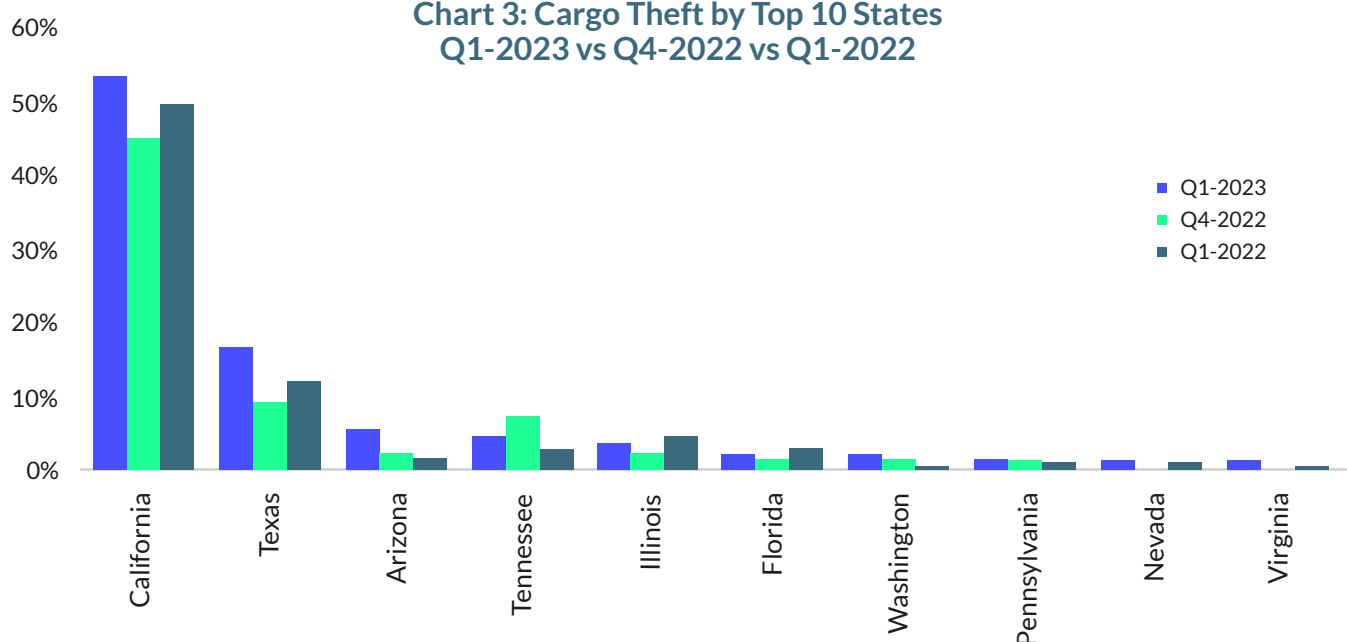
Analysis of the 10 States with the Highest Volume of Cargo Thefts

In Q1-2023, California remained at the top of the list of cargo theft by state with 54% of the total, increasing nine percentage points versus Q4-2022 and four percentage points from Q1-2022. Thefts in the state were primarily comprised of *Electronics* (26%), followed by *Food & Drinks* (22%), *Auto & Parts* (16%), *Home & Garden* (11%), and *Miscellaneous* (8%). These top five product categories represented a combined 82% of thefts in the state.

Texas accounted for 17% of total thefts this quarter, making it the state with the second highest concentration of incidents in the US. When compared to the previous period, Texas experienced an increase of eight percentage points in cargo thefts. *Building & Industrial* loads were targeted most frequently with 45%, followed by *Auto & Parts* (18%) and *Home & Garden* (14%).

Arizona increased from 2% in Q1 and Q4 of 2022 to 6% in Q1-2023. Most thefts consisted of *Electronics* (83%) likely due to targeted cargo theft risk spreading from California into Arizona, where shipments are likely to make the first authorized stop after departure from origins in southern California. Tennessee, which concentrated 5% of cargo thefts, dropped from third to fourth place with the top three product types representing 67% of thefts in the state: *Electronics* (33%), *Pharmaceuticals* (17%), and *Auto & Parts* (17%).

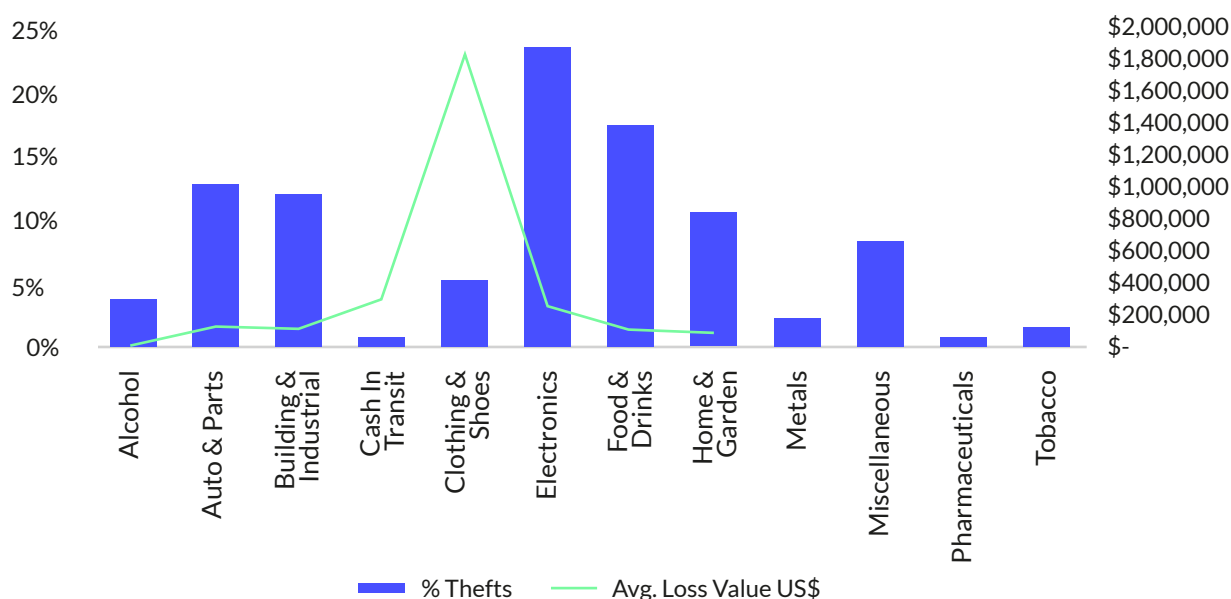
**Chart 3: Cargo Theft by Top 10 States
Q1-2023 vs Q4-2022 vs Q1-2022**





Cargo Theft by Product Type & Value

Chart 4: Cargo Theft by Product Type & Value - Q1-2023



In Q1-2023, *Electronics* products were targeted most frequently, representing 24% of thefts. Within this product category, Audio & Video represented the highest volume with 33% of thefts.

Food & Drinks, which ranked 5th in Q4-2022, rose to second place with 18% in Q1-2023. Theft in this category were led by Coffee, Energy & Sport Drinks (32%). In third place, *Auto & Parts* represented 13% of thefts, comprised primarily of Vehicle Parts & Fluids and Tires, each of which accounted for 41% of incidents in the category. Totaled together, these top three product types concentrated 54% of total thefts.

Product Type	Q1-2023	% Change Q4-2022	% Change Q1-2022
Alcohol	4%	12%	188%
Auto & Parts	13%	204%	96%
Building & Industrial	12%	-25%	105%
Cash In Transit	1%	-70%	-71%
Clothing & Shoes	5%	4%	-27%
Electronics	24%	-23%	-24%
Food & Drinks	18%	128%	165%
Home & Garden	11%	25%	34%
Metals	2%	168%	-31%
Miscellaneous	8%	-2%	-64%
Personal Care	0%	-100%	-100%
Pharmaceuticals	1%	-87%	-42%
Tobacco	2%	-70%	-23%

In Q1-2023 four product types experienced an increase in theft rate over both comparative quarters, Q4-2022 and Q1-2022 (highlighted in red). *Food & Drinks* thefts increased most significantly with +128% over Q4-2022 and +165% over Q1-2022. Within this product type, 70% of thefts took place in California. *Auto & Parts*, which followed *Food & Drinks* in overall theft volumes, increased 204% and 96% over Q4-2022 and Q1-2022 respectively. Theft within the category also took place primarily in California, which concentrated 71% of *Auto & Parts* thefts.



Six product types recorded lower theft rates in Q1-2023 than in both comparative quarters (highlighted in yellow). Among these product types was *Electronics*, which, despite recording a 23% decrease versus Q4-2022 and a 24% decrease versus Q1-2022, was still the most reportedly stolen product category.

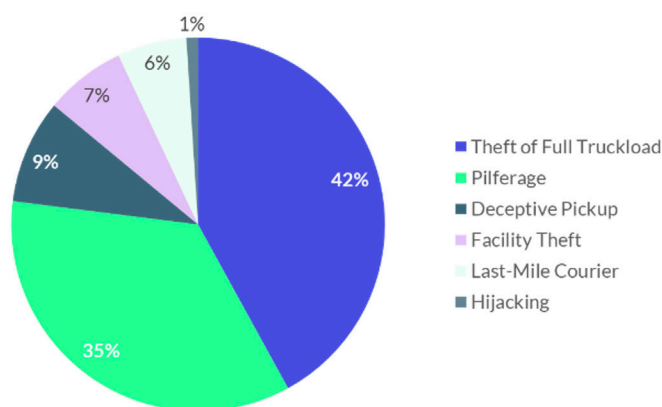
Average Loss Value

The average loss value across all incidents was \$291,946, which is 41% higher than the Q4-2022 average and only 1% lower than Q1-2022. Unlike previous quarters, *Clothing & Shoes* recorded the highest average loss value at \$1,854,968. This is a 1112% increase in average value versus Q4-2022 and a 598% increase over Q1-2022, due primarily to a single cargo theft incident of high-end apparel which exceeded US\$3 million in value. The only other category to record a higher average loss value over both comparative quarters was *Food & Drinks* which increased 23% over Q4-2022 and 35% over Q1-2022. Three product categories recorded increased loss values over Q4-2022: *Electronics* (+1%), *Auto & Parts* (+673%), and *Alcohol* (897%).

Cargo Theft by Event Type & Location

Theft of Full Truckload (42%) was the most prevalent method of theft, recording an 8% increase in theft rate versus the previous quarter. *Pilferage* followed closely behind with 35%, recording a 30% increase in theft rate versus Q4-2022. *Theft of Full Truckload* events saw a 44% increase in the average loss value when compared to Q4-2022. The average value of *Pilferage* thefts also increased from Q4-2022 by 37%, stemming from a rise in large-scale pilferage incidents and increased sophistication and organization among non-professional cargo thieves operating in local areas such as Southern California, Memphis, Atlanta, and Chicago.

**Chart 5: US Cargo Theft by Type of Event
Q1-2023**



While *Theft of Full Truckload* and *Pilferage* continue to represent the majority of cargo theft incidents, *Deceptive Pickup* and *Facility Theft* rates increased versus Q4-2022 to represent a combined 15% of incidents in Q1-2023.

The most prevalent location for large-scale cargo thefts continued to be *Unsecured Parking*, identified in 42% of incidents in which a location type was declared. In Q1-2023, however, *Warehouse/DC* replaced *Truck Stop/Fuel Station* as the second most common location, with 21%, up from just 5% in Q4-2022.

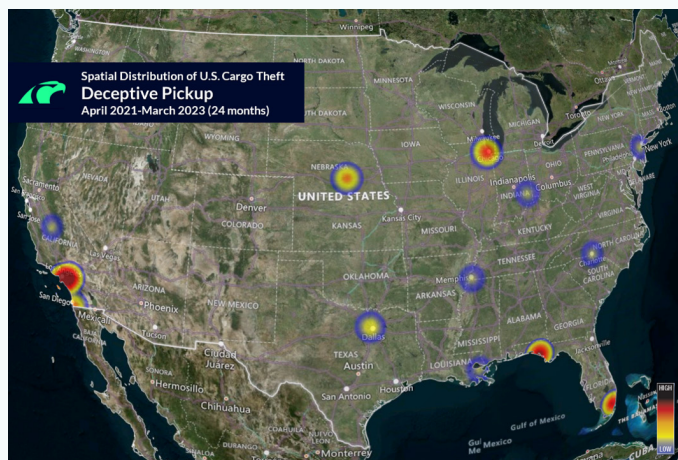
Quarterly Spotlight

To better serve the security-minded logistics community, Overhaul spotlights one product category, theft type, geographical area or trend in each US business quarter report. This quarter's spotlight focuses on *Deceptive Pickup* thefts. Unless otherwise specified, all data and analysis in this section will be from US thefts recorded between April of 2021 and March of 2023 (24 months).



Deceptive Pickup

In Q1-2023, *Deceptive Pickup* ranked third among all theft types, representing 9% of incidents. On average, 6.4 thefts were classified as *Deceptive Pickup* each quarter over the 24-month period analyzed. As double brokering becomes standard practice, the rate of *Deceptive Pickup* is expected to show an upward trend, and such strategic/fraudulent theft methods will become increasingly common outside of the typical hotspot in California, spreading towards the East Coast.



In terms of spatial distribution, the primary hot spot for *Deceptive Pickup* has consistently been in California, which concentrated 43% of incidents over the 24-month period. Florida recorded the second highest concentration at 27%.

The most stolen product type among *Deceptive Pickup* thefts was *Electronics* at 35% with an average loss value of \$320,538, which was the second highest figure recorded across all product types. *Metals*, which represented 20% of thefts and ranked third in terms of theft volume, recorded the highest average loss value of \$382,995.

Deceptive Pickup Modus Operandi

In order to help you better understand *Deceptive Pickup* practices, we have outlined a thief's typical MO. To begin, the driver at origin is either legitimate but short haul OR utilizing a fraudulent carrier identity and possibly fraudulent driver information. After pickup from the origin, loads are brokered to a different driver, tractor, or carrier. The cargo is then transloaded into a different trailer, often with the same seal, via tamper prone seal hasps (nut/bolt vs rivet). At this point, remote monitoring and fleet management devices are disabled or moved to a different vehicle, and the cargo is moved to a storage location before being fenced.

Deceptive Pickup Cargo Recovery

At the end of Q4-2022, Overhaul recovered a load of televisions that had been fraudulently stolen through a double brokering scheme. The shipment was double brokered to a carrier who had fraudulently assumed the identity of a legitimate carrier. When the driver arrived to pick up the shipment, there were several red flags, including the tractor information placard being simply a piece of printed paper taped to the tractor door, as well as the tractor being a day cab for a cross country trip. This would indicate at the very least that this tractor and driver would not be the ones delivering to the final destination over 2,600 miles away.

The Overhaul GSOC noticed the indicators of a fraudulent theft in progress and within three minutes escalated to the carrier. The carrier requested a response as they expected the original driver and tractor to proceed to the final destination.

The Overhaul GSOC activated the LE Connect team, who initiated the response and deployed our local, on the ground response team to investigate the condition of the shipment. The response team found the cargo had been removed from the trailer at a warehouse location in Chino, CA.

The LE Connect team then initiated a Law Enforcement response, coordinating with the San Bernardino Sheriff's Office, Chino PD, and Overhaul's on the ground response team to facilitate a full recovery of the full truckload of cargo, totaling USD\$200K of televisions.



Overhaul Q1-2023 Cargo Recovery

February 2023, Doswell, Virginia, Clothing & Shoes

\$3.5 Million Recovery

Overhaul technology enabled the recovery of a stolen container in Doswell, Virginia. When the shipment was picked up from North Carolina, the container had different unit number markings on the inside of the container versus the outside. This led to the inner number being recorded at origin while the doors were open, blocking the exterior numbers. While checking their Overhaul remote monitoring device on their self-monitoring platform, the client noticed strange activity indicating a theft and enacted a location-based recovery of the container, which contained \$3.5 million in high-end apparel. Enabled by location data, law enforcement was able to locate the container and chassis, despite it having different unit numbers to what was recorded at origin.

Recommendations

Overhaul considers the threat of cargo theft in the United States to be HIGH and on the rise due to the continued increase in the level of organization and sophistication of criminal groups focusing on high-value cargo, as evidenced by the ongoing upward trend observed in atypical theft types such as Deceptive Pickup and Facility Theft and the increase in average loss values.

Steps should be taken to verify the authenticity of all shipment related activity, particularly any entity which has been engaged to either move or store a shipment. Driver and business verification, prior to releasing any shipment, is paramount. Overhaul recommends that shippers be extremely diligent in vetting all carriers and drivers, particularly those operating out of the Southern California and/or those handling highly targeted products such as Electronics. Thorough documentation should be kept that includes photos from origin of the driver, his CDL, the back of the trailer with seal affixed (seal number visible), tractor and trailer identifying markings and license plates, and BOL. In addition, origin personnel should be on the lookout for red flags such as temporary placards or logos, as well as recently painted-over logos, paper/missing license plates, and drivers not matching their CDL photo. Red flags should disqualify any offending driver from departing with a load. An immediate escalation with a path to effective law enforcement engagement is critical to recovering stolen cargo.

In all cases, tracking technology should be used to its fullest extent on the conveyance power unit, the cargo area (when separate), and within the cargo itself. This will allow shippers to maintain visibility of the shipment to identify suspicious route deviations, unauthorized stops, and separation of the cargo from the conveyance.

Disclaimer

It is inherent that the reader understands that any cargo theft report is an indirect representation of the overall cargo theft footprint; it is not a direct reflection. Overhaul records only those cargo thefts reported by reliable sources, such as transportation security councils, insurance companies, and law enforcement organizations. While this does not result in the 100% capture of incidents, it provides a sufficient cross section of cargo thefts and allows Overhaul to identify trends and deliver in-depth, accurate analysis of the scope of cargo theft in the United States and Canada. Additionally, Overhaul only records incidents involving the theft of cargo, not standalone conveyances such as trailers, containers, or bobtail tractors. It should be noted that delays in incident reporting typically cause measurable increases in theft volumes in the weeks following publication of Overhaul reports. As such, the most recent totals for the year are expected to rise above those recorded thus far. It is Overhaul's practice to use updated theft numbers for past timeframes when comparing them to current totals.