



United States Q2-2023 Cargo Theft Report



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Executive Summary

Overhaul's US Q2-2023 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 and categorizes stolen loads by product type, date and location of theft, Modus Operandi (M.O.), value, and specific product. This report summarizes the United States' theft data collected in Q2-2023 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 activities taking place in Georgia.

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 (58%) and Georgia (12%), which ranked 1st and 2nd in terms of cargo theft risk. Electronics (32%) were especially at risk, followed by Home & Garden and Food & Drinks, each of which represented 11% of thefts, Building & Industrial (9%), and Auto & Parts (6%).

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 Q2-2023 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: Q2-2023 Cargo Theft Trends

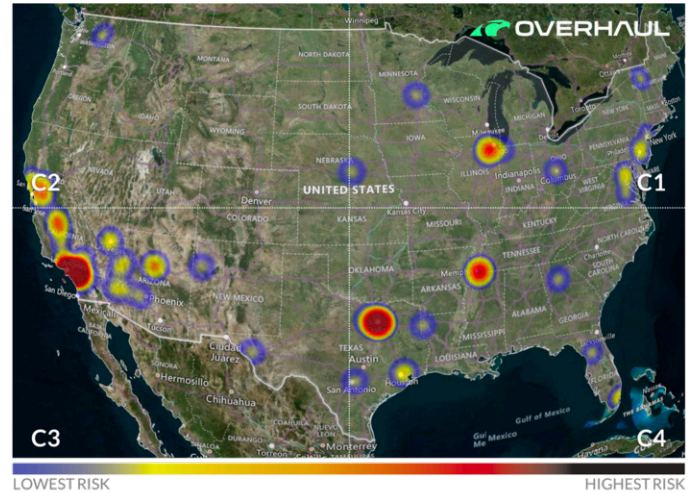
In Q2-2023, Overhaul recorded a total of 132 cargo thefts in the United States. When comparing only similar sources across quarters, cargo theft volumes show a 16% decrease versus Q1-2023 and an increase of 15% versus Q2-2022. During Q2-2023, 34% of incidents occurred in April, 33% occurred in May, and 33% occurred in June. The average loss value per incident during this time was \$428,409, a value 55% higher than that recorded in Q1-2023 and 13% lower than in Q2-2022.





Spatial and 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, similar to that observed in Q1-2023. Quadrant 4 (C4) recorded the second highest concentration of cargo theft incidents in the quarter at 28%, with Atlanta representing the highest risk in the quadrant.



Thefts Per Day & Hour

In Q2-2023, Thursdays and Fridays showed the highest concentration of cargo crime with a combined 40% of incidents.

Chart 1: U.S. Cargo Theft by Day of the Week

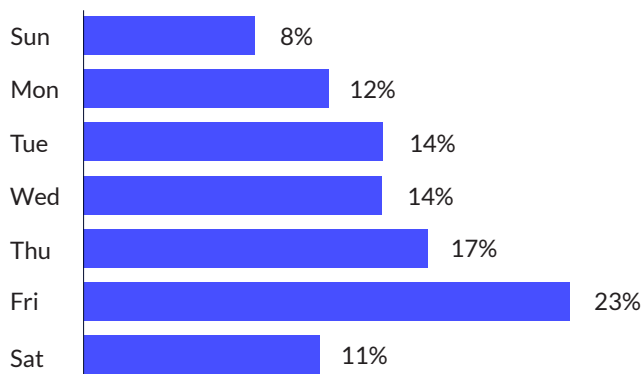
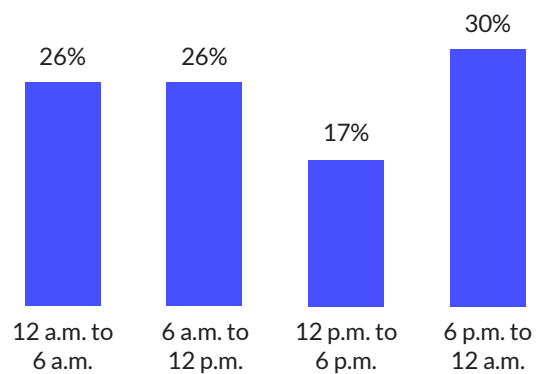


Chart 2: Cargo Theft by Time of Day



As for timetables, 30% of all cargo theft events took place between 6 p.m. and midnight, a decrease of five percentage points versus Q1-2023, while events between the hours of 6 a.m. and noon increased from 16% in Q1-2023 to 26% in Q2-2023. California and Georgia were the primary contributors to the increased volume of thefts between 6 a.m. and noon, with Pilferage and Theft of Full Truckload accounting for the majority of thefts, in equal proportions.

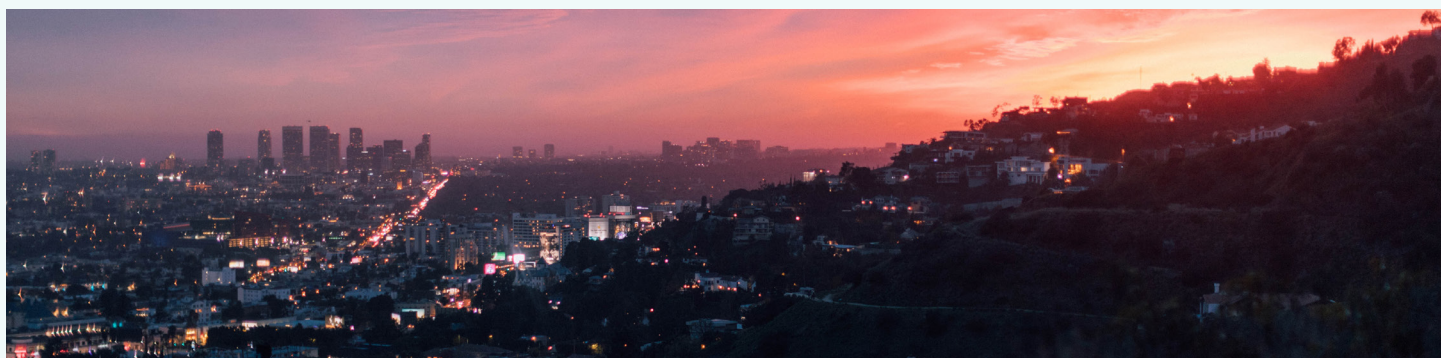
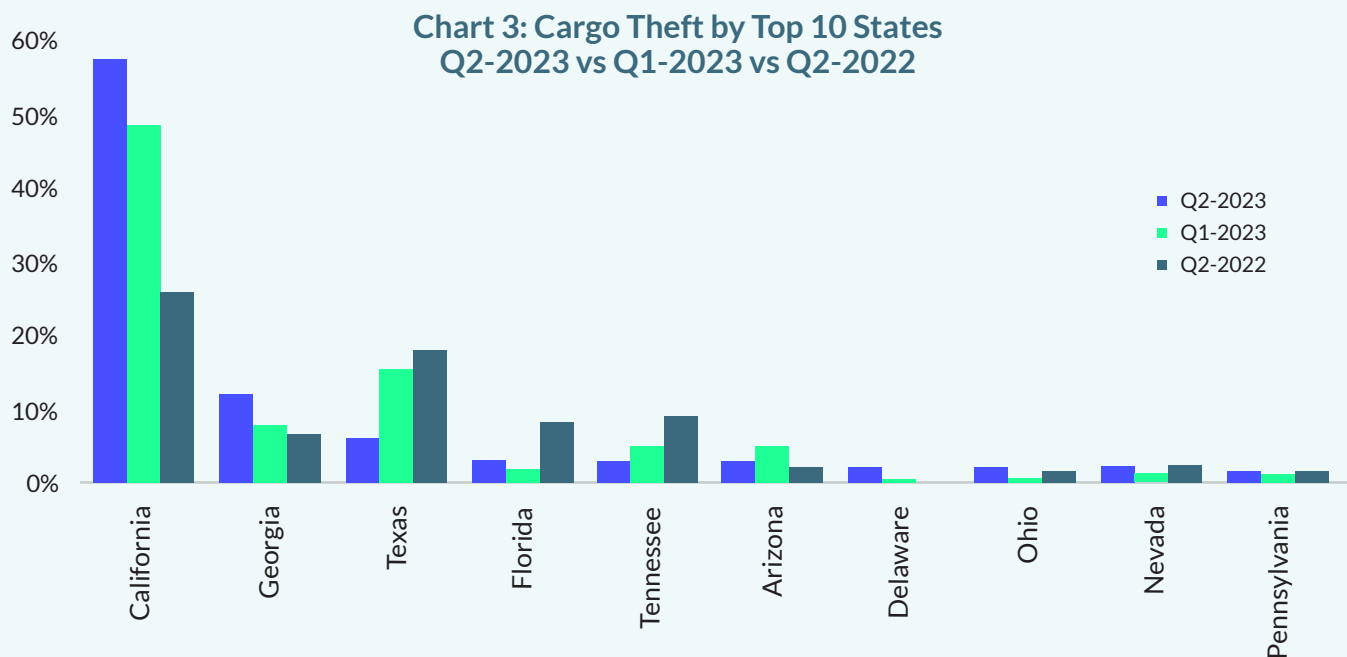


Analysis of the 10 States with the Highest Volume of Cargo Thefts

In Q2-2023, California remained at the top of the list of cargo theft by state with 58% of the total, increasing nine percentage points in proportion versus Q1-2023 and 32 percentage points from Q2-2022, when states like Texas and Florida were more representative. Thefts in the state of California were primarily comprised of *Electronics* (44%), followed by *Clothing & Shoes* and *Home & Garden*, each of which represented 10% of thefts, *Building & Industrial* (8%), and *Food & Drinks* (8%). These top five product categories represented a combined 80% of thefts in the state.

Georgia accounted for 12% 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, Georgia experienced an increase of 33% in cargo theft volume. *Home & Garden* and *Food & Drinks* each accounted for 33% of thefts in the state, ranking first in terms of product targeting in contrast to Q1-2023, during which cargo criminals focused primarily on *Auto & Parts* (25%) and *Building & Industrial* (25%) loads.

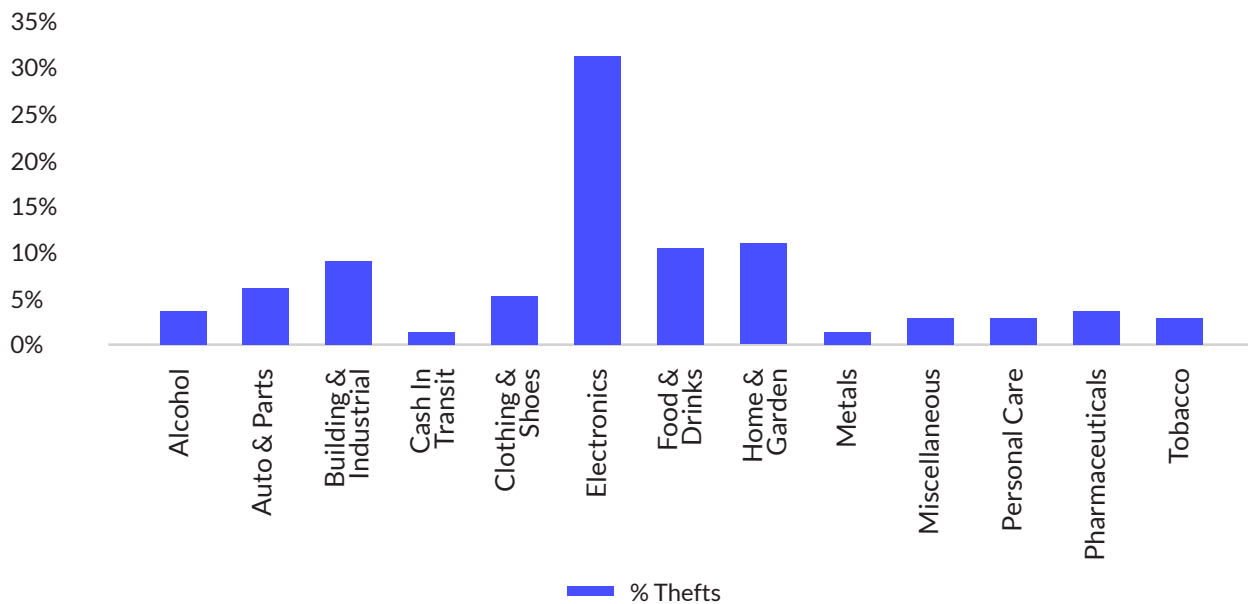
Texas dropped to third place with a decrease of 9 percentage points from Q1-2023. *Building & Industrial* (38%) remained the primary target for cargo thieves in the state. Florida, which concentrated 3% of cargo thefts, rose from seventh to fourth place with product targeting centered on *Food & Drinks*, *Pharmaceuticals*, *Building & Industrial*, and *Auto & Parts*.





Cargo Theft by Product Type & Value

Chart 4: Cargo Theft by Product Type - Q2-2023



In Q2-2023, *Electronics* products were targeted most frequently, representing 34% of thefts. Within this product category, Televisions & Displays represented the highest volume with 39% of thefts, followed by Computers at 25%.

Home & Garden, which ranked 5th in Q1-2023, rose to second place with 12% in Q2-2023. Thefts in this category were led by Appliances (38%). In third place, *Food & Drinks* represented 11% of thefts, comprised primarily of Meats (25%) and Seafood (25%). Totaled together, these top three product types concentrated 57% of total thefts.

Product Type	Q2-2023	% Change Q1-2023	% Change Q2-2022
Alcohol	4%	-2%	4%
Auto & Parts	6%	-53%	-34%
Building & Industrial	10%	-29%	-13%
Cash In Transit	2%	135%	-
Clothing & Shoes	6%	18%	94%
Electronics	34%	60%	14%
Food & Drinks	11%	-31%	-3%
Home & Garden	12%	18%	-22%
Metals	2%	-41%	-17%
Miscellaneous	3%	-61%	-70%
Personal Care	3%	135%	66%
Pharmaceuticals	4%	489%	315%
Tobacco	3%	57%	-

In Q2-2023 six product types experienced an increase in theft rate over both comparative quarters, Q1-2023 and Q2-2022 (highlighted in red). Among these, *Electronics* had the highest proportion of theft events, experiencing an increase of 60% and 14% over the respective comparative quarters. This change was driven primarily by California, which concentrated 74% of thefts within the product category. *Clothing & Shoes* had the next highest percentage at 6%, with increased incidence also attributed to California theft rates.



Five product types recorded lower theft rates in Q2-2023 than in both comparative quarters (highlighted in yellow). Among these product types was *Food & Drinks*, which were primarily involved in theft events in California & Georgia. Building & Industrial thefts also decreased, driven primarily by decreased incidence in Texas, which dropped from 50% of thefts in the product category in Q1-2023 to only 25% in Q2-2023.

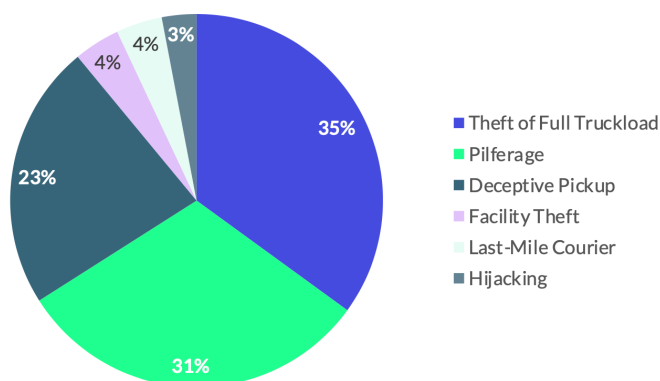
Average Loss Value

The average loss value across all incidents was \$428,409, which is 55% higher than the Q1-2023 average and 13% lower than Q2-2022. Four product categories recorded incidents in which the loss value exceeded US \$1 million: *Electronics*, *Personal Care*, *Home & Garden*, and *Cash in Transit*. These incidents occurred in California, Georgia, and Illinois. Overall, Georgia recorded the highest average loss value at US \$720,319. This is largely attributed to two incidents, the first being a *Facility Theft* and the second a *Full Truckload Theft*, in which the product stolen was valued at over US \$1 million. California followed with an average loss value of \$529,433. Unsurprisingly, Electronics topped the list in terms of product targeting as well as average loss value in the state.

Cargo Theft by Event Type & Location

Theft of Full Truckload (35%) was the most prevalent method of theft, despite recording a decrease of eight percentage points versus Q1-2023. *Pilferage* followed closely behind with 31%, remaining at the same proportion as the previous quarter. *Theft of Full Truckload* events saw a 45% increase in the average loss value when compared to Q1-2023. The average value of *Pilferage* thefts also increased from Q1-2023 by 66% as large-scale pilferage incidents continued to rise.

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* rates continue to increase, now representing 24% of incidents, up from just 8% in Q1-2023. In addition to the increase in volume of thefts, the category also recorded an increase of 79% in average loss value when compared to the previous quarter.

The most prevalent location for large-scale cargo thefts continued to be *Unsecured Parking*, though the location dropped from 40% in Q1-2023 to 25% in Q2-2023. *Company Yard/Premises* now rank second with an equal 25% in Q2-2023, up from just 7% in Q1-2023.

Quarterly Spotlight

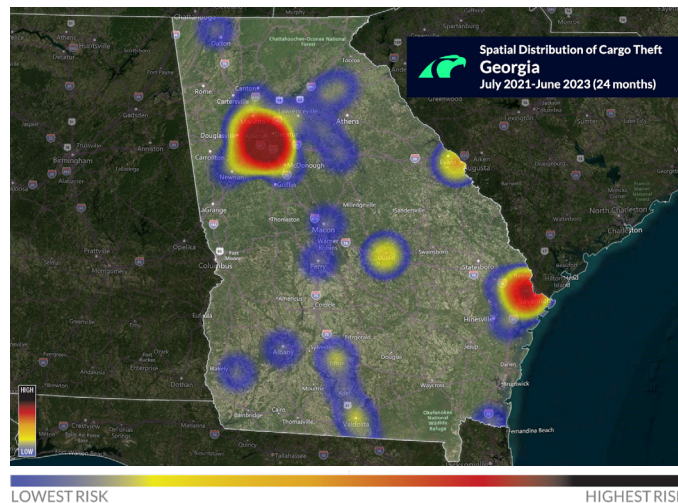
To better serve the security-minded logistics community, Overhaul spotlights one product category, theft type, geographical area, or trend in each US business quarterly report. This quarter's spotlight focuses on cargo theft risks in the state of Georgia. Unless otherwise specified, all data and analyses in this section will be from US thefts recorded between July of 2021 and June of 2023 (24 months).



Georgia

During the 24-month period, Georgia concentrated the third highest volume of thefts in the country at 10.2%, a proportion exceeded only by California and Texas. This averages to 6.6 thefts per month. The average loss value for thefts in the state was \$246,842, a value 27% lower than that recorded in the US as a whole, placing Georgia in 14th place in terms of loss value.

In terms of spatial distribution, the primary hot spot in Georgia occurs in the Atlanta area, with a second, less severe hot spot occurring in Savannah.



When broken down by every type, 55% of thefts in the state were *Theft of Full Truckload* incidents, which occurred at a rate 31% higher than across all states. These full truckload thefts were primarily carried out at *Unsecured Parking* (29%), *Truck Stops/Fuel Stations* (25%), and *Boarding Houses/Carrier Facilities* (22%). Similarly, *Pilferage*, which represented 25% of thefts in the state, occurred most frequently at *Unsecured Parking* locations, though at a higher rate of 41%, followed by *Secured Parking* at 21%.

Among thefts recorded in Georgia, product targeting was distributed almost equally among *Building & Industrial* (19%), *Auto & Parts* (18%), and *Home & Garden* (18%). These top three categories represented a combined 55% of incidents, though the highest average loss value was recorded by *Electronics*.

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 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.



Overhaul Q2-2023 Cargo Recoveries

April 2023, Southern California, Electronics

Overhaul recovered two separate loads of consumer electronics in Southern California. Both shipments contained the same brand of product, and had a total value of over US \$533,000. One theft was interrupted while in progress, with the Overhaul GSOC responding quickly to sensor readings indicating the shipment had been compromised in Fontana, CA, only 20 miles from its origin in San Bernardino. The Fontana Police Department were able to stop the theft as the cargo was being transloaded into another trailer. The shipment was returned to origin intact.

Another theft, this one also transloading, was discovered when the trailer arrived at delivery short of product. Overhaul was able to investigate device data and determine the current location of the cargo that was separated from the trailer, still in Southern California. The Overhaul Response Team (OHRT) was deployed. However, attempts to investigate the yard were unsuccessful. Onsite personnel denied access to investigators without police presence. The California Highway Patrol, Cargo Theft Interdiction Program (CHP-CTIP) arrived and were allowed to search the yard with the OHRT but were unable to locate the product in a trailer.

The following day, after continued monitoring, the cargo was observed moving locations. The CHP-CTIP in addition to OHRT were engaged to the new location. Using device data and readings, the OHRT identified the product in a new trailer at the new location and was able to visually confirm the contents. Visual contact with the trailer containing the new cargo was maintained until arrival of the CHP-CTIP, who were able to execute a warrant and recover the product. The recovered cargo was then returned to origin.

While both shipments were from the same victim, these incidents are not currently considered connected, which shows how product and brand targeting is consistent across various crews.

May 2023, Southern California, Electronics

Overhaul recovered a third load of consumer electronics in Southern California of the same brand as both previous April recoveries. This latest full recovery had a total value of over US \$158,000.

The shipment had deviated from the expected route after departing origin, and when the driver became unresponsive while stopped at the same location as a previous recovery, Overhaul's GSOC activated the LEConnect Team.

Upon noting signs from origin of recent trailer remarking, combined with other contextual intelligence, the LEConnect Team activated Overhaul's Response Team (OHRT) to secure the shipment.

The OHRT was able to quickly ascertain that the original trailer was not onsite, despite consistent geographical data indicating it was nearby. LEConnect was able to coordinate with the OHRT on the ground to identify which trailer the cargo had been cross docked to.

With confirmation of stolen property, Fontana PD was able to secure the shipment, allowing it to be returned to the origin fully intact. This incident is considered connected to one of the previous recoveries, and shows that organized thieves are undeterred in aggressively targeting their desired products.



May 2023, Kentucky, Electronics

Overhaul LE Connect assisted federal, state, and local law enforcement in the recovery of three separate loads of consumer electronics and arrest of five members of an organized cargo theft crew.

All three loads had originated out of Louisville, KY, and were stolen by straight theft, where the legitimate driver had their entire tractor and trailer stolen with the cargo while it was unattended. The trailers were then repowered with different tractors and remarked to cover and replace the original trailer markings. The Overhaul LE Connect team provided equipment photos, location data, inventory details, and more to law enforcement to assist with investigations and recovery, resulting in three recovered shipments and the arrest of five individuals.

One of the loads was recovered near origin in Hillview, KY, while the other two loads were recovered in Miami, FL, illustrating the level of organization involved on the part of the thieves. Overhaul's LE Connect team continues to communicate and assist with law enforcement investigations into this incident and others.



Disclaimer

It is inherent that readers understand 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. 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.