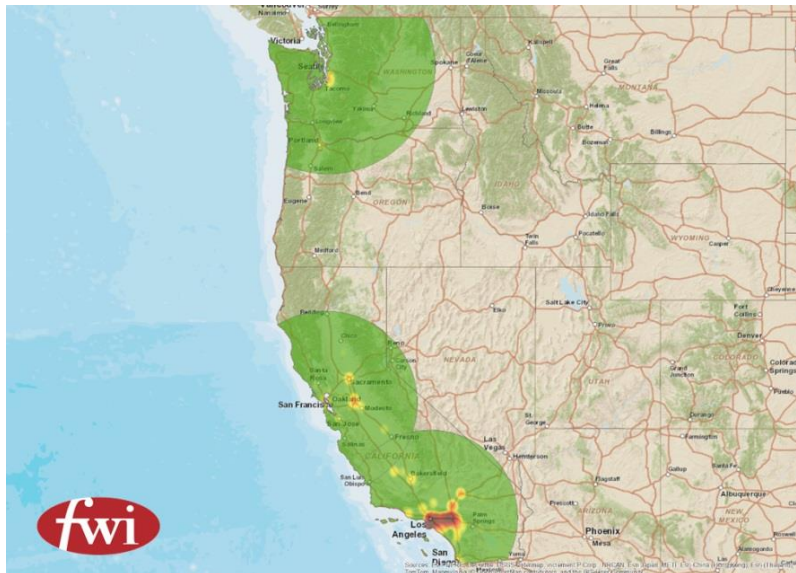


Event: West Coast Ports Threat Assessment

Date: February 26, 2015

Location: West Coast, United States

Description: This alert is not intended to serve as an update to the contract agreement brokered by Labor Secretary Tom Perez between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA). Rather, the intent is to provide insight into the current cargo threat footprint and illustrate the criminal opportunities presented by the situation. Wolves will be waiting as droves of unsuspecting sheep exit the paddock and wander the prairie.



The center of gravity for west coast port operations focuses primarily in Los Angeles, San Francisco, and Seattle. From 2013 to 2014, 25% of all recorded cargo theft in the United States occurred within 200 miles of these three ports. These crimes posted theft rates higher than the national average: 81% for *Clothing & Shoes*, and 47% for *Electronics*. As the massive backlog of cargo begins to release into the supply chain, the frenetic situation will be rife with opportunity for cargo criminals. Supply Chain Security Professionals must be ready for what is about to come.

The requirement to move this enormous surge of cargo coupled with the systemic lack of driver assets yields a decreased quality of available carriers moving the cargo through the volatile terrain. Fewer and fewer drivers have experience with or awareness of proper in-transit security protocols. Those who do will already be tasked, leaving the remaining heavy burden of cargo to be transported by any available asset. Shippers and carriers will have demanding requirements to move product, often overriding necessity for following best practices for transportation security. Dedicated team drivers, vetted carriers, and planned and approved staging areas and routes are all instrumental during this capricious period.

The situation also allows for complacency in security practices as the focus will be on the efficient movement of backlogged cargo and the restoration of normal port operations and capacity. In the last two years, *Fictitious Pickups* in the three port regions discussed were 100% higher than the national average. This target rich environment coupled with the tumultuous situation creates the perfect storm for organized cargo criminals proficient in the myriad of identity theft techniques.



Recommendation: The FreightWatch International Supply Chain Intelligence Center (FWI SCIC) will continue to monitor the port situation throughout its return to normal operations. We recommend shippers take precautionary measures as cargo will remain vulnerable throughout this process. Layered security programs, including covert GPS tracking and active monitoring, are essential to ensure that proper protocol is being followed and can be invaluable during the recovery process should a theft occur.

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