# vigilant

THE MONTHLY CARGO CRIME UPDATE FOR TAPA'S GLOBAL FAMILY

# BREAKING BRIBERY

## Why are transport operations so susceptible to bribery and how can you minimise the risk of corruption?



TRANSPORTED ASSET PROTECTION ASSOCIATION

# welcome

## THE FUTURE MAY BE UNCERTAIN BUT ONE THING WILL NEVER CHANGE

**There are far more questions than answers for global supply chains right now and more uncertainties in the world of business than most of us can ever recall.**

Speculation is rife about how companies and governments will react to the lessons they have been forced to learn from a global pandemic that has taken the whole world by surprise. We read about a future of onshoring, near-shoring and even some bids for the acceleration of 3D printing technologies to make products locally. We can expect digitisation, artificial intelligence, robotics, automation or just plain old technology to reduce the dependency of businesses on humans who have proven to be so susceptible to a virus that has left entire workforces locked down at home or furloughed from their places of work. We should also expect to see long-term consequences on the modes of transport we need to move goods around the world, with airlines, shipping lines, road and rail businesses faced with high costs and very uncertain demand.

In some cases, the changes will be beneficial. The need to invest in new technologies will make sense to more and more business leaders so long as they can fund the investments required and motivate their employee groups to carry on performing vital roles until the day automation takes over. Jobs in factories and warehouses will be especially vulnerable to this shift while, surely, the case for autonomous vehicles has never been greater.

As supply chain resilience professionals, one thing we can be sure of is that these changes and uncertainties will bring risks for businesses and, almost certainly, new opportunities for organised crime groups and individuals who associate change with opportunities to penetrate security infrastructure. More than ever, we will all have to be at the top of our game.

Even during many weeks when entire communities around the world have been in lockdown and virtual isolation, cargo thieves have continued to operate freely. In the EMEA region alone, hundreds of new cargo thefts have been recorded at a time when most of us have been restricted to only leaving our homes to buy vital food and medical supplies, or for one form of daily exercise.

There will clearly be many lessons learned from this unsettling moment in history and we have to make sure that, from a supply chain security and resilience perspective, we emerge even stronger than before, whatever changes lie ahead. TAPA has proven its ability to stay ahead of the curve, to keep one step ahead of criminals, and is not afraid of change. We will do whatever is in the best interests of our members to help you manage future risks.

Intelligence sharing will be a key part of this process and we hope many of you will be willing to exchange your experiences, challenges and solutions with us for the greater benefit of the entire TAPA Family as we all move forward together. That's the power and value of one association that represents everyone in the supply chain.

Right now, we have to stay safe and well as well as safe and secure. With this uppermost in our minds, on behalf of TAPA, I am sending you all our very best wishes and hope you, your families and friends remain in the best possible health.

*'Even during many weeks when entire communities around the world have been in lockdown and virtual isolation, cargo thieves have continued to operate freely.'*

**MARCEL SAARLOOS**
Chair
TAPA EMEA


# SNAP's German industry survey reveals workers believe a lack of secure parking is 'main reason for increases in cargo crime'

**In 2019, Germany recorded the highest number of cargo crimes in TAPA's Incident Information Service (IIS) database – 2,905 incidents, up 1,945% year-on-year – with losses of goods worth more than €20 million, including 45 major thefts with an average value of €242,630.**

While this has a significant financial impact on businesses and the resilience and reputations of their supply chains, a new survey by SNAP, which operates a cashless payment at over 150 HGV parking sites across the UK as well as in France and Germany, highlights another 'real cost' of cargo crime; the negative impact on the health and wellbeing of drivers, and on the ongoing driver shortage.

**SNAP surveyed 350 people working in the Transport and Automotive sector in Germany on the causes, impact and solutions to rising cargo crime. Its key findings included...**

- 46.3% of those working in the industry have been affected by cargo crime or know someone affected
- Almost one-third of industry workers believe increasing crime is a major factor in the existing driver shortage
- One in three industry workers feel that crime in the industry negatively affects their mental health

"Not only are incidents of cargo crime increasing, but so too is the aggression in the methods. For example, 5% of those surveyed had been directly impacted or knew someone affected by theft involving the use of sleeping gas," SNAP reported.

**As well as investigating the impact of cargo crime on individuals, the survey also discovered what industry workers feel are the main reasons for the rise in cargo crime:**

- 61.7% believe a lack of secure parking is the main reason for increases in cargo crime - rising to 74.7% among those who have been victims of crime

This reflects the findings of TAPA's IIS intelligence. Last year, 2,003 or 68.9% of cargo thefts reported to the Association in Germany involved vehicles in unclassified parking locations, including the **€1.2 million** loss of a shipment of perfumes from a truck parked on the A2 in Möckern, Saxony-Anhalt. While TAPA already has secure truck parking sites in Germany supporting its new Parking Security Requirements (PSR), the level of demand vs. supply still needs addressing to offer greater security for more drivers, vehicles and loads.

*"Looking at the results of the cost of cargo crime survey, it is clear that the industry is calling out for increases in secure parking options to reduce cab and cargo theft."*

**SNAP Managing Director, Mark Garner**

# A PRICE TO PAY

**In this special report, Alexandra Wrage, President of TRACE, the anti-bribery business association, discusses bribery risk, COVID-19 and the susceptibility of transportation supply chains**

**Corruption has long pervaded transport operations. A 2014 Organisation for Economic Co-operation and Development (OECD) study found that the transportation and storage sector tied with the construction sector for the second-most foreign bribery cases. Of bribes involving public officials, 11% were paid to customs officials.**

A combination of factors make transport operations particularly susceptible to bribery. Frequent port calls, border crossings and customs checks involve routine and sometimes one-on-one interactions with government officials who have broad discretionary authority and may demand bribes. Transportation companies are often under strict time constraints, and delays can trigger penalties, drive up operational costs and compromise future business. Distance from the public eye can create an atmosphere where bribery seems like the simplest solution to address regulatory issues or expedite government formalities.

The COVID-19 pandemic amplifies opportunities for corruption, putting transportation companies and their clients at greater risk. As some companies are forced to pause operations, trade barriers are introduced, and established supply chains break down, the logistics industry must be agile and adapt quickly. Vigilance is essential in times of crisis, and the impact of COVID-19 on supply chains makes anti-corruption measures particularly important for companies that employ asset transportation services.

## TYPES OF BRIBES

Corruption in transport operations may range from a truck driver carrying perishable goods who pays off a border official to skip the queue, to a third-party agent who pays a bribe to a foreign official to help secure a long-term multimillion-dollar contract. Bribes come in many forms and are not always cash. Under the U.S. Foreign Corrupt Practices Act (FCPA) - which is known for the long arm of its extraterritorial jurisdiction - and most other transnational anti-bribery laws, a bribe is defined, in part, as "anything of value" offered to a public official.

In the transportation industry, the shipment of often valuable commodities raises the possibility that part of the cargo itself will serve as the bribe. For example, a government official might ask a truck driver carrying high-value electronics to "lose" a portion of the load to expedite customs clearance at a border crossing, passing the cost and potential liability onto his employer and possibly the client.

There is an exception for facilitation payments under the FCPA. These are typically small-value "grease payments" made to low-level government officials with the goal of expediting a service the payer is otherwise entitled to, but they are prohibited under all but a handful of anti-bribery laws. Few companies rely on the FCPA's facilitation payments exception. Most recognize that the risk of violating local law in the country they are paid, as well as strong anecdotal evidence that paying only invites more and larger demands, is not a sound compliance strategy. Clear guidance around facilitation payments should be conveyed to all employees and third parties in the supply chain, especially to those directly interacting with government officials, such as truck drivers and ship crew. Aside from the legal, financial and reputational risks, bribery undermines commercial and government relationships, employee morale, and public trust.

Bribery also enables piracy, theft and extortion. In the Gulf of Guinea, for example, which has the highest prevalence of piracy in the world, armed groups are believed to pay off police and other officials to share port schedules or look the other way. At its worst, this can lead to armed robbery, loss of cargo, kidnapping and hostage-taking. While this activity occurs mostly out of the control of commercial transport companies, there are precautions that may help, which are outlined later in this article.

## RISK CONSIDERATIONS WHEN ENTERING A NEW MARKET

A high-level risk assessment undertaken prior to entering a new market or opening a new route can identify where a company is most vulnerable to corruption, ultimately informing detection and monitoring processes:

*Geographic risk:* Some countries and regions present a greater likelihood that bribes will be demanded, and the nature of the risk can vary by locale. A good starting point for a geographical risk assessment is a corruption index such as the publicly available TRACE Bribery Risk Matrix. Decisions around compliance resource allocation can be informed by an examination of underlying factors that contribute to a higher-risk environment, such as the frequency and nature of government interactions, societal attitudes toward bribery, the government's willingness and ability to deter and prosecute corruption offenses, governmental transparency, and the role of civil society and the press. Monitoring insurgent or terrorist groups operating in the area is also useful, as they often supplement their income through "shakedowns" for protection money that can pose a threat to transport.

*'Bribery also enables piracy, theft and extortion. At its worst, this can lead to armed robbery, loss of cargo, kidnapping and hostage-taking. While this activity occurs mostly out of the control of commercial transport companies, there are precautions that may help.'*

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*Cargo-specific risk:* Different assets carry varied levels of exposure to bribery risk. For example, transport personnel moving perishable goods are under pressure to deliver to their destination in a timely manner, making them an obvious target for bribe demands at border crossings. A container ship of personal protective equipment or other medical supplies - a valuable commodity in the context of COVID-19 - may be an attractive candidate for in-kind bribe demands by customs officials. Considering the cargo-specific risk in concert with geographic and other risk can also point to vulnerabilities.

*Nature of government touchpoints:* Anti-corruption efforts cannot be a one-size-fits-all response. Adapting controls and monitoring to different types of government touchpoints can minimize bribery risk. Consider routes to market, sales channels, border crossings, customs checks, licenses and permits to operate, tax-related interactions, and which contractors and subcontractors are conducting interactions on behalf of your company. Assessing which functions might require more scrutiny can help with efficient allocation of available compliance resources. Keep in mind that risks may be situational in nature. For example, China recently introduced extensive new customs regulations around personal protective equipment exports.

## MINIMIZING BRIBERY RISK

Bribery risk in transportation supply chains is variable, especially in the context of the COVID-19 pandemic, and anti-bribery compliance programs must follow suit. It is important to keep in mind that bribery can occur at any stage in a supply chain, and companies can be held responsible for violations by third-party service providers and intermediaries, and even subcontractors of those. Compliance programs must extend to all business partners to effectively minimize risk exposure. Companies should take precautions and adjust anti-corruption measures to the risks, but the following measures serve as a good foundation for a compliance program...

### Third party due diligence

Even in high-pressure crisis situations, vetting third parties - agents, consultants, distributors, customs brokers, freight forwarders - is critical. New business partners should be thoroughly vetted, including any subcontractors they employ. Additional precautions should be put in place for higher-risk relationships, including continued monitoring and spot audits.

When it is necessary to engage partners quickly, looking for pre-vetted third parties - including TRACE Certified entities that have undergone reputational checks, been screened against sanctions lists and completed required anti-bribery training - can help speed up the onboarding process.

### Local laws

When doing business in foreign markets, it is prudent to engage with local law firms to ensure a full understanding of local anti-corruption laws and other applicable regulations. Understanding the local legal environment can make it more difficult for government officials to find pretexts to extract bribes. But make sure to engage only with reputable firms, rather than lawyers offering to serve as local "fixers."

*'It is important to keep in mind that bribery can occur at any stage in a supply chain, and companies can be held responsible for violations by third-party service providers and intermediaries, and even subcontractors of those.'*

Alexandra Wrage, President of TRACE

### E-government services

Because the number of interactions with government officials positively correlates with the risk of encountering bribe demands, companies should take advantage of e-government services wherever possible. Using publicly available platforms such as the TRACE e-Gov Portal, a comprehensive database of links to country-level e-government services and resources in more than 100 jurisdictions, can reduce employees' and third parties' exposure to arbitrary demands by public officials.

### Training and company culture

On-the-ground decisions in response to bribe demands must be made quickly, and often in different time zones, making training and awareness of company policies critical for all employees and third parties in the field. Scenario-based training is ideal. An employee who has had the chance to work through a specific situation in training is more likely to respond appropriately. Online multilingual anti-bribery training makes it easy to get new employees and third parties up to speed quickly. While annual training should be standard, regular refresher courses can help to keep anti-bribery policies and best practices top-of-mind between training cycles.

A consistent culture of compliance can also help to mitigate the risk of violations, and maintaining a steady message of zero tolerance is especially important during times of crisis. The anti-bribery policy and code of conduct should be well understood throughout the organization and among third parties. Senior management should continue to emphasize the importance of compliance through frequent communication and unwavering commitment.

### Approval and recording processes

Anti-corruption laws often expressly require companies to keep accurate books and records, and there should be adequate approval and record-keeping procedures in place throughout the supply chain. Consider which areas might carry heightened risk and require more monitoring, how financial flows can be better accounted for, and where additional checks and balances might be beneficial.

### Reporting and helpline procedures

Adequate channels for asking questions and reporting concerns, bribe demands and compliance violations are critical to sound operations. All employees and third parties throughout the supply chain should be aware of reporting mechanisms, including helplines, hotlines and other channels of communication, and there should be express protections for whistleblowers.

## COMPLIANCE IN TIMES OF CRISIS

As the transport industry adjusts to the pressures of the COVID-19 pandemic, companies are wise to maintain vigilance and continue to prioritize anti-bribery compliance measures. The sudden need for greater flexibility, expedited new business relationships and quickly shifting supply chains may present additional risks, but adequate compliance measures undertaken now can prevent legal, financial and reputational damage later.

There is little reason to believe that anti-corruption enforcement authorities will be more lenient in light of the crisis. Some business operations are likely to be more closely scrutinized, given that many ongoing operations are benefiting directly or indirectly from a significant increase in government spending. Banking on enforcement authorities being too distracted to prosecute foreign bribery cases may prove to be a reckless business plan. Conducting high-level risk assessments before entering new markets or opening new routes, thoroughly vetting new business partners, promoting compliance throughout the organization, and installing additional precautions where necessary protects companies, individuals and communities.

Corruption contributes to lost cargo, lost revenue and lost trust. Given the increased and urgent demand for certain products like medical supplies, along with disrupted supply chains and the potential for closer scrutiny, adequate anti-bribery compliance measures are a critical part of any effective COVID-19 crisis response playbook.



*'On-the-ground decisions in response to bribe demands must be made quickly, and often in different time zones, making training and awareness of company policies critical for all employees and third parties in the field.'*

# TAPA Americas steps up its online continuing education program with *'Digital Enablers for a More Resilient Supply Chain'* webinar

**As part of TAPA Americas' commitment to delivering professional continuing education, its informative season of webinars provides significant value to the Association's members and wider supply chain community. During this time of meeting and conference cancellations to stem the spread of the coronavirus, TAPA Americas is increasing its number of web-based deliverables.**

This month, its latest webinar discussed *'Digital Enablers for a More Resilient Supply Chain: Introduction to the Interaction between Operations, Technology, and Processes.'*

## A time of rapid change

The presentation looked at how digitalization is revolutionizing many industries – and, notably, the exceptional transformation of supply chains. Across the globe, industries have changed rapidly due to multiple factors but especially under this unprecedented crisis due to COVID-19. Consequently, several lessons can be learned. The current disruptions highlight the relevance of supply chain agility and resilience in coping with all derived challenges.

This webinar analyzed the digital enablers that facilitate the development of crucial supply chain resilient capabilities, such as visibility, agility, collaboration, or omnichannel. It also discussed the balance between digital technologies, supply chain processes, and organizations, and how these dimensions have to be intertwined according to the idiosyncrasies of each supply chain.

The webinar was led by Dr. Maria Jesus Saenz (above), Director of the research area on Digital Supply Chain Transformation at the MIT Center for Transportation and Logistics. She also serves as the Executive Director of the MIT Supply Chain Management Blended Master Program. As an Associate Professor in the School of Engineering at the University of Zaragoza, she previously led the research institute MIT Zaragoza Logistics Center, as Executive Director. Dr. Saenz has researched for the European Commission, as well as for companies such as Dell, Lenovo, P&G, Carrefour, DHL, Leroy Merlin, and Caterpillar. She is co-author of more than 80 publications, including books and articles in leading international Journals.

## Learning objectives

The webinar helped to give its participants a better understanding of the following objectives:

1. Identify the key digital supply chain capabilities
2. Identify which digital enablers are implemented in resilient supply chains
3. Understand the balance between technology, processes, and organizations

TAPA Americas members who missed the webinar can access it by logging into the webinar archive on the Association's regional website.

# TAPA APAC and SIMM join forces to offer first Business Continuity & Recovery Plan webinar in Mandarin

**TAPA APAC and the Singapore Institute of Material Management (SIMM) have conducted the first certified Business Continuity and Recovery Plan (BCRP) webinar training in Mandarin to address the BCRP gap revealed in the region's Coronavirus Survey earlier this year.**

The webinar training was conducted online to facilitate companies' work-from-home, social distancing and self-isolation policies to help reduce the spread of the virus.

It was based on the findings of the study carried out by International Crisis Room 360 (ICR360) in January, in which 80% of respondents stated they had no BCRP plans for their China operations. Recognizing this significant gap in the ability of supply chains to recover from the Covid-19 disruption, TAPA & SIMM got together to produce the webinar course to support the requirements of the Association's members in China, and the industry as a whole. The Mandarin course has proven so popular that additional courses in English have also been arranged for TAPA members and their suppliers across the region.


Members found the course to be practical and useful for the implementation of business continuity tasks in their respective companies. Cheng Liang, a Manager from Sompo Insurance China, commented: "The training has provided great insights and detailed steps to implement BCRP using the 6R model. This will greatly increase service reliability for our clients amidst these uncertain times."

Ms Li Ping, responsible for Quality Assurance at JD-Link, added: "The webinar was very practical and will help my company step up and recover from the impact of the coronavirus. I have learned about the difference between BCRP and BCM (Business Continuity Management), and how both concepts interlink and affect different departments across the firm. I was also able to utilise the PDCA planning tool during the course."

"It is an important milestone for TAPA to engage our members in China and to offer this Chinese version of the Certificate in BCRP course, which is especially timely given the present supply chain turbulence. We all need to be vigilant and agile in this Covid-19 period and be prepared to ensure business continuity," said Tony Lugg, Chairman of TAPA Asia Pacific.

He added: "TAPA wishes to thank the Singapore Institute of Material Management (SIMM) for producing the webinar course in conjunction with the Association as part of our corporate social responsibility response to the COVID-19 outbreak. We will continue to develop new courses to engage our members and to help attract new memberships."

You can view part of the webinar **here**

**More information on TAPA APAC membership and help with implementing BCRP at a company level, can be requested by contacting info@tapa-apac.org**

# LAST...

# BUT NOT LEAST

**Take a quick glance down the monthly TAPA Incident Information Service (IIS) data for the last two years and one of the most glaringly obvious new trends is the growing number of criminal attacks on Last Mile deliveries.**

**This raises many questions:**

- Having seen a major shift from criminal attacks on facilities in recent years to incidents targeting loads onboard trucks because they are easier and safer for offenders to enact, are smaller, less protected delivery vehicles now an even more appealing focus for cargo thieves?
- Is this the work of organised crime groups or are we seeing the re-emergence of a new generation of opportunist, ad hoc cargo thieves out to earn a 'quick buck'?
- Are companies doing enough to protect Last Mile delivery drivers and their vehicles?
- With the smaller loss values involved in these attacks, are the potential penalties for offenders seen as a sufficient deterrent?

The answers will vary from country to country and industry to industry but one fact is crystal clear; attacks on Last Mile supply chains are here to stay and are highly unlikely to do anything other than grow substantially in the coming years.

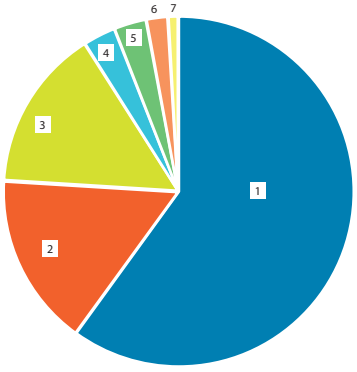
Last Mile is big business for all concerned – a fact being recognised more than ever in the current global 'lockdown' as businesses and consumers come to depend on home delivery revenues and goods respectively.

A new report this month estimates that the 'Europe Last Mile Delivery Market' will be worth US$2,491.8 million by 2027, a 16.1% compound annual growth rate.

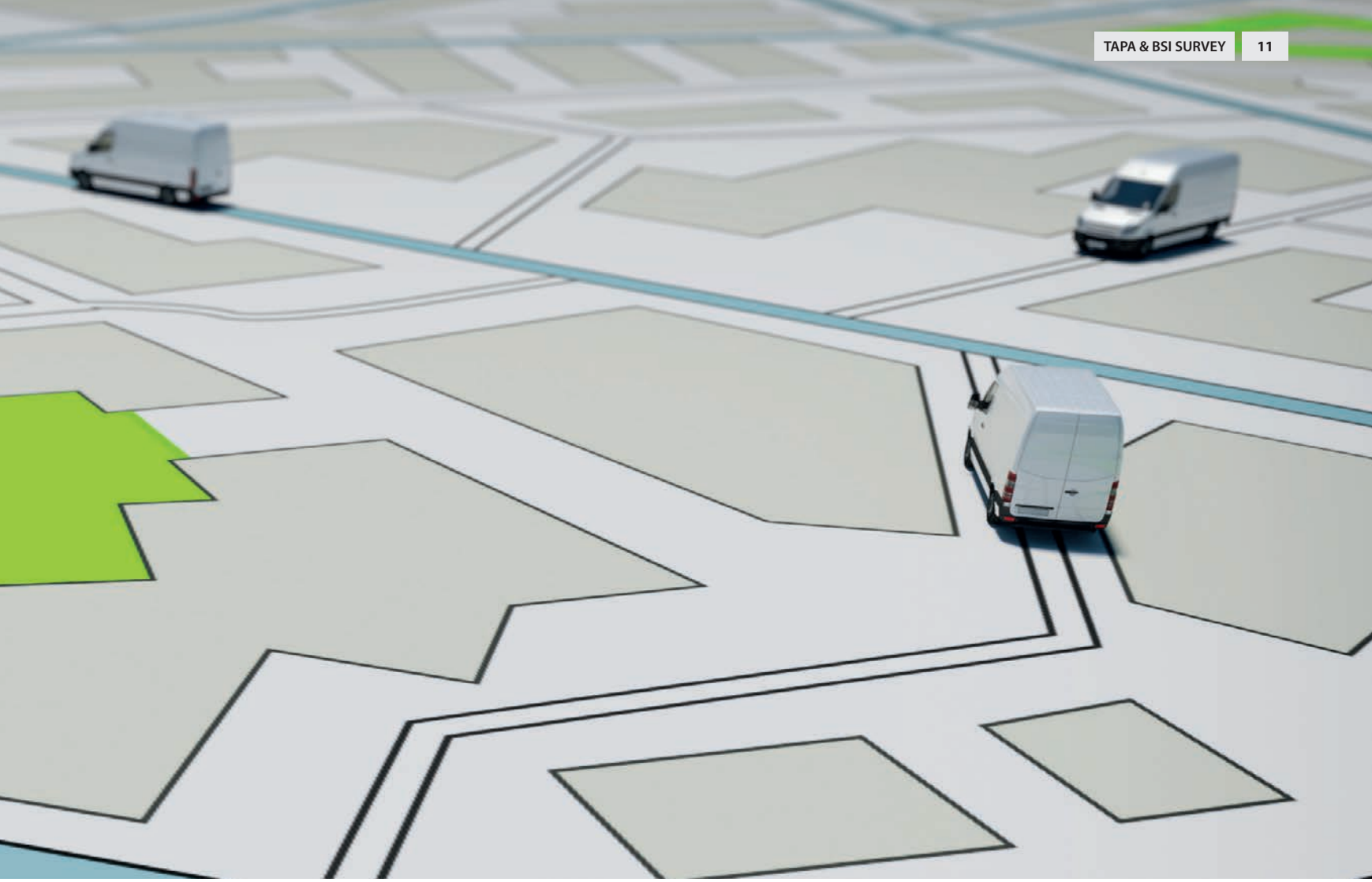
### *So, what do we currently know about Last Mile cargo thefts?*

To find out more, TAPA's IIS team joined forces with BSI's SCREEN Intelligence Team and BSI

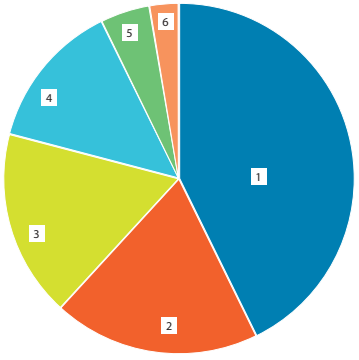
## Last Mile Cargo Thefts Counts by Product Category 2019




1. Miscellaneous 60%
2. Tobacco 16%
3. Unspecified 15%
4. Cash 3%
5. Other 3%
6. Food & Drink 2%
7. Cosmetics & Hygiene 1%



## Last Mile Cargo Thefts Counts by Modus Operandi 2019



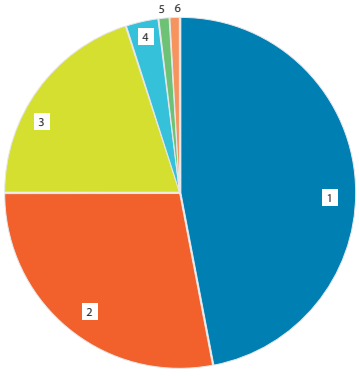

| | |
|---|---|
| 1. Intrusion | 47% |
| 2. Violence & Threat of Violence | 21% |
| 3. Unknown | 19% |
| 4. Deception | 15% |
| 5. Theft from Moving Vehicle | 5% |
| 6. Other | 3% |

Principal Consultant, David Fairnie, to conduct a survey of companies and provide a detailed breakdown of these new challenges and the risks associated with them. *Vigilant* looks at their findings…

While the definition of "last mile" varies throughout the logistics industry, the traditional definition involves a company shipping a full load of a product to a central distribution center, which then breaks down that load into shipments destined for distribution hubs in individual countries or regions which will breakdown those shipments into boxes of product to be delivered to individual storefronts.

Using this definition, "last mile" or "final mile" is the journey from the last distribution center in the chain to the storefront. The company and third-party logistics providers involved define the standards for ensuring the load is transferred securely and accounted for throughout each change of custody from company to distribution center and final distribution center to storefront.

## Last Mile Cargo Thefts Counts by Location Type 2019




| | |
|---|---|
| 1. Destination Facility | 47% |
| 2. En Route | 28% |
| 3. Unknown | 20% |
| 4. Non Secure Parking | 3% |
| 5. Origin Facility | 1% |
| 6. Other | 1% |

CONTINUED ON PAGE 12 >

So, a "last mile" cargo theft would be the loss of that shipment as it travels from the final distribution center to the storefront.

**An analysis of BSI and TAPA last mile theft data reveals several significant trends;**

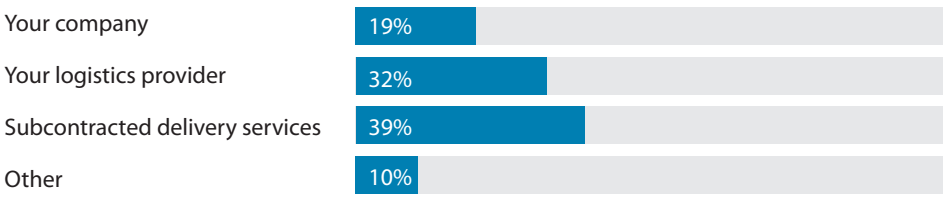
- In 2019, thieves involved in last mile thefts most frequently stole goods from mixed loads, highlighting the degree to which vehicles that are a part of the eCommerce supply chain are affected by the problem
- Tobacco products and food and beverages were among the most targeted goods, maintaining a trend seen in 2018 too
- In 2019, thieves participating in last mile theft most commonly pilfered goods from vehicles, representing about 46% of all recorded incidents
- In around 26% of incidents, thieves stole the entire vehicle
- Most cases, however, involved intrusion into vehicles
- In 21% of these crimes, thieves used violence or the threat of violence to carry out thefts
- In some 15% of crimes, some form of Deception was another common tactic

With the growth in eCommerce, the definition of "last mile" is shifting. Companies still send shipments to a distribution center, which in turn may ship those loads, broken down by country or region, to further distribution centers before delivering the individual product directly to the end customer. In this instance, thefts can occur not only while shipments are in-transit via delivery vehicles but also from the customer's doorstep.

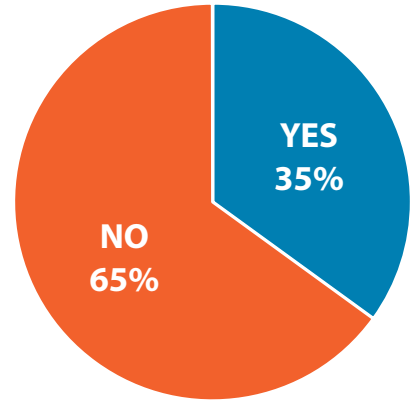
An increase in the volume of packages traveling directly to consumers has led to numerous stories of theft. Each holiday season, media outlets report on outbreaks of this brand of "last mile" theft with so-called 'porch pirates' - both individuals and gangs of thieves - opportunistically stealing packages from doorsteps. The scale of the problem is hard to quantify. Given the sporadic nature and the way that these thefts are typically reported, it is difficult to accurately gauge the scope and value of these types of "last mile" losses.

In the traditional logistics model, packages are generally tracked and controlled through the supply chain to the storefront, and losses are clearer to account for in each stage of the process. Whereas if an individual customer has a package stolen, that customer will typically complain to either the company it purchased the product from or the final delivery service that was ostensibly responsible for delivering the item. The customer will most likely lodge the complaint with customer service personnel and not necessarily security or loss-prevention personnel and, in most cases, the company will often quickly send another replacement package in order to retain the customer's loyalty. Often, such thefts are registered as simply isolated customer complaints.

## Who is responsible for last mile delivery?




## Does your company have internal measures for gauging what percentage of goods lost comes from "at/post-delivery" incidents




The following are a list of internal measures that our respondents have in place to gauge what percent of goods lost comes from "at/post-delivery" incidents:

- Incident reporting and databasing
- Percent loss ratio
- Monthly carrier follow up and analysis
- Liability of loss terms
- Procedures and work instructions
- Annual incident analysis
- Deviation management process
- Statistics
- Data capturing
- Incidents tracking on each leg of the supply chain and report to PSI
- Measurement of lost shipments from scanning data from carriers


Ostensibly, some companies, if receiving numerous complaints of lost packages from the same IP address or customer, have a fraud algorithm in place that will trigger the involvement of loss prevention personnel and stop more products from being sent to the same customer. Because of this phenomenon, it is likely that companies will not appreciate the amount and scope of losses in this final portion of the "last mile" supply chain at the doorstep of the consumer.

Taking meaningful steps to mitigate such losses is clearly important as a multitude of companies are reconfiguring their business models and how warehouses function in order to meet the demands of eCommerce customers.

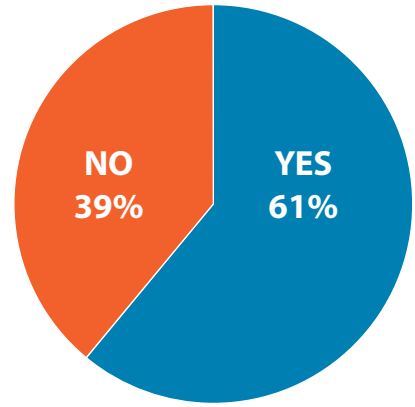
Typically, in a warehouse, cargo arrives in pallets and is broken down into boxes and shipped to individual stores. However, in the modern logistics era, cargo arrives in pallets and is broken down in boxes, but then those boxes are kept at lower levels of the warehouse and sometimes in specific areas of the warehouse to allow employees to configure individual orders for individual customers from the warehouse inventory. The order is then no longer shipped in bulk but as an individual order to an individual customer straight from the warehouse.

This reconfiguration is happening for individual companies as well as third party logistics providers (3PLs). Although not the product owner, 3PLs are acting on behalf of the product owner and have thus reconfigured their operations to provide that value-add and order fulfilment to the product owner, enabling the latter to focus on driving new orders.

In the traditional logistics model, if a load of a particular product is stolen somewhere within the supply chain, even during that "last mile" of travel from the final logistics hub or warehouse to a bricks and mortar storefront, that theft and loss is cataloged by loss prevention personnel and adjustments may be made to mitigate threats along that particular route or to those particular shipments. With the new eCommerce model, typically the delivery driver often leaves the package either on a doorstep or in a mailbox and there is no accounting for whether or not the intended recipient actually takes possession of the product. The only way that the company or delivery service knows of a loss is if a customer complains.

Not only that, but delivery services are frequently subcontractors, and possibly three or four links down a chain of subcontractors. It is not uncommon for a delivery driver to

## Do you or your logistics providers have standards in place to vet and audit sub-contracted delivery services and drivers?




The following are a list of standards that our respondents' logistic providers have in place to vet and audit subcontracted delivery services and drivers:

- Contractual requirements
- SLAs, SOPs, and periodical audits
- Full pre-employment checks and vetting
- Approval requests from LSPs prior to subcontracting regular routes to external certified or audited subcontractors
- Annex 4 document with security rules
- Logistics security requirements embedded in the contractual clauses which are audited mainly in severe/ high risk countries
- Notification and vetting confirmation when using subcontractors
- RFP and contract requirements stipulate security standards; pre-assessments conducted on all new business partners
- Supplier management tools and audit guidelines

*'Some companies, if receiving numerous complaints of lost packages from the same IP address or customer, have a fraud algorithm in place that will trigger the involvement of loss prevention personnel and stop more products from being sent to the same customer.'*

CONTINUED ON PAGE 14 >

transport goods in a van or personal vehicle, delivering 100 or so packages at a time within a small area. The delivery driver is paid per package delivered or at an hourly rate and it is frequently unknown what sort of due diligence is done to ensure the driver is reputable, as opposed to when shipments of goods are transported to storefronts and stricter transportation security standards are in place.

At this point in the chain, warehouses and logistics hubs generally are not tracking losses by these delivery drivers since responsibility is transferred once they have handed the packages to the delivery subcontractor. Once again, the only way that the logistics provider or the product owner will know about the loss is through a customer complaint. For many items bought online, especially more expensive products such as electronics, some procedures may be in place requiring a signature for delivery. However, subcontracted delivery drivers may not always ask for that method of verification. Further, there is rarely any verification of the signature against any sort of identification. Consequently, there are a number of possible holes within the chain of custody for the package once it is out for delivery to the individual customer.

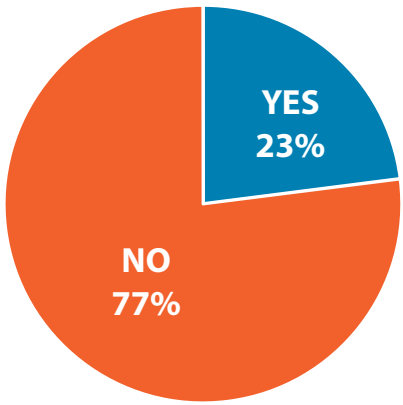
**In such cases, the lack of attention to these delivery subcontractors exposes companies to theft risks that they are most likely unaware of. With any subcontracting, measures must be put into place to ensure that delivery drivers are credible, reliable, and secure when handling and delivering packages and that they can effectively account for deliveries. From a contractual and standards point of view, it is important to address what obligations these delivery drivers are under:**

- Who within the supply chain takes on the responsibility for ensuring delivery subcontractors meet the standards set for distribution?
- What are those standards?
- How are those processes verified?
- What audit procedures are in place?

Typically, there may be only a minimum amount of due diligence, such as a background check upon employment, but the oversight likely decreases further down the subcontracting chain, putting companies at risk.

The big dilemma is how to effectively mitigate the risk of "last mile" theft. As of now, a principal challenge is understanding the size and scope of the problem. Examining how companies consolidate their customer complaint data and other loss prevention and security information in a manner that makes sense is key to shedding light on the issue. Data sharing and collation within a company and throughout a logistics chain from the customer service side to the security side is critical. With that information and understanding as a guide, professionals can then develop standards, measures, and logistics workflows to address the issue.

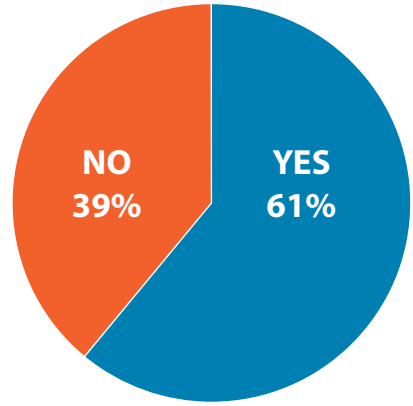
## Are you undergoing changes in warehouse facilities to accommodate the rise in eCommerce?




Respondents offered the following as examples of changes that their warehouse facilities are making in order to accommodate the rise in eCommerce:

- More efficient operations
- Expanding operations
- Adding 2D barcodes for post tracking
- Changing processes and order picking
- Performing dedicated stress tests on packages
- Increasing automation
- Developing smaller pick and ship operations

## Do you have security measures in place specifically to prevent theft along last mile delivery




The following are a list of security measures that our respondents have in place specifically to prevent theft along last mile delivery:

- Security requirements
- Driver must always check with home base, report any change to the delivery plan, and activate panic button if necessary
- Padlock, GPS, and, for HVTT, alarm on doors and engine block
- Standard operating procedures
- Variety of measures depending on the customer seals, including padlocks and slam locks
- All items sent require a delivery confirmation/POD
- Contractual security clauses which apply also for subcontractors and audits in locations based on TAPA Standards
- Standards based on commodity, value, and theft risk
- Minimum security standards
- Security instructions and staff training
- Routines, slam locks, and alternative delivery patterns
- LSP must comply with defined security measures independent of last mile or regular route
- CTPAT/TAPA TSR requirements
- Security locks
- Use only adequate transport companies
- High value shipment requires escorts & technology

# Shenzhen Bao Heng Tong in China certifies over 100 trucks to TAPA TSR Level 1

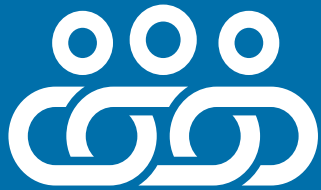
**Shenzhen Bao Heng Tong (BHT), a logistics company serving supply chains across Hong Kong, Macau and Taiwan, has achieved Level 1 certification for TAPA's Trucking Security Requirements (TSR) for its fleet of 101 trucks.**

The company said its decision to attain the TAPA TSR Standard certification demonstrates its commitment to "be a first class supply chain enterprise in China" by providing more resilient, secure and efficient supply chain services. To become TAPA TSR Level 1 compliant, Shenzhen BHT underwent an extensive company-wide audit reviewing its trucking fleet, security controls and processes applied to its entire freight trucking operations.

TAPA TSR enables Shenzhen BHT to have better visibility and certainty over supply chain reliability and will improve the operational performance of the company. With the implementation of TSR security measures, Shenzhen BHT says its trucking operations have become more robust and resilient in protecting their customers' assets against losses from cargo crime.

"TAPA TSR certified companies have a more resilient supply chain. Experience shows that their performance also helps to reduce operational wastage and other related costs. There is no doubt that Shenzhen BHT has achieved this goal with this prestigious certification," said Tony Lugg, TAPA APAC's Chairman.

# WELCOME TO OUR NEW MEMBERS



**Please join us in welcoming the latest members to join TAPA EMEA…**

| Company | Country | Website |
|---|---|---|
| Nouwens Transport Breda B.V. | NL | www.nouwens.com |
| Team for Logistics B.V. | NL | www.teamforlogistics.nl |
| Cityport Limited | UK | www.city-port.co |
| COTY | CH | www.coty.com |
| Trelleborgs Hamn | SE | www.trelleborgshamn.se |

**Please join us in welcoming the latest members to join TAPA AMERICAS…**

| Company | Country | Website |
|---|---|---|
| ZT Systems | USA | www.ztsystems.com |
| Quality Container Transport | USA | www.qualityct.com |
| World Courier | Canada | www.worldcourier.com |
| Polar Air Cargo / Atlas Air | USA | www.polaraircargo.com |

**Please join us in welcoming the latest members to join TAPA APAC...**

| Company | Country | Website |
|---|---|---|
| PT Uniair Indotama Cargo | Indonesia | www.uniaircargo.co.id |
| Samsung SDS Malaysia Sdn Bhd | Malaysia | www.samsungsds.com |
| Shenzhen Remex Logistics Co. Ltd | China | www.szremex.com |
| STATS ChipPAC Pte Ltd. (Woodlands) | Singapore | www.statschippac.com |
| Shenzhen Houde International Logistics Co., Ltd | China | N/A |
| Shanghai Datian W. International Transportation Co., Ltd | China | www.dtw.com.cn |

# BUILDING THE TAPA BRAND WITH EMEA REGION STAKEHOLDERS

**Thorsten Neumann, President & CEO of TAPA for the Europe, Middle East & Africa (EMEA) region, shares the latest update on some of his and the Association's latest activities aimed at accelerating TAPA EMEA's growth, development and influence, and delivering more benefits to our growing membership…**

## BUSINESS AS USUAL … EVEN IN A PANDEMIC

**Those of you who follow me on LinkedIn may have seen my recent post asking whether the lockdowns and social distancing in force across the globe to stem the spread of Covid-19 might also produce a reduction in cargo crime. With a heavier law enforcement presence and fewer people on the streets and vehicles on the road, surely this acts as a significant deterrent to cargo thieves?**

Clearly, however, it takes more than a global pandemic to stop offenders from targeting supply chains. Our Incident Information Service (IIS) has already received reports of 469 cargo crimes in February and March, while early data for April shows such major losses as:

- **€5,000,000** – the theft of 50 tractor units from a transport company in Almeria, Spain
- **€1,033,877** – the loss of a shipment of phones after thieves intercepted a truck en route from Kenya's Jomo Kenyatta International Airport
- **€140,000** - the theft of chocolate, food and cleaning products from a truck in Provence, France

We'll be looking closely at the data in the coming weeks… but I think this tells us everything we need to know.


## STANDARDS SUPPORT

**In EMEA, we have decided to keep to our original 1 July 2020 'go live' date for the new revisions of TAPA's Facility Security Requirements (FSR) and Trucking Security Requirements (TSR) despite all of the business disruption going on around us and the added pressure on global supply chains.**

We believe our 2020 FSR and TSR are the best Security Standards TAPA has ever produced and with no let-up in criminal activity, the sooner companies are able to implement them, the more resilient their supply chains will be. We recognise the schedules and plans of our members will vary but we will be ready when you're ready – and we're working hard behind the scenes to ensure you have all the training support you need too. Reach out when you need us.


## OUR TEAM IS GROWING

**Please join me in welcoming Satya Jiban Roy to our TAPA EMEA team in the new role of Standards Technical Assistant & TAPA EMEA Data Analyst.**

Satya has a tremendous Supply Chain Security, Data and Digital background, having previously worked for major high-tech manufacturers, and brings to TAPA EMEA rich experience in cybercrime and physical security as well as in administration, operating procedures, security audits and vendor management.

Reporting directly to me, Satya will work closely with our Executive Director Standards, Steve McHugh, to support our Standards Team as well as tasks linked to data analytics and our digital transformation. We wish Satya great success in his new post.

## THE QUESTION IS…

The coronavirus may well lead to a reinvention of global supply chains. As supply chain security professionals, what are the big questions you feel Covid-19 will force us to address? This is a topic we hope to explore in next month's *Vigilant*. If you have questions that need answering, send them to me at **Thorsten.Neumann@tapaemea.org**

## CALL TO ACTION

Don't forget, if you have a manufacturing customer or logistics partner you feel should consider joining the TAPA Family, I am always ready to make myself available to join a call with them to explain more about our Association or to answer any questions they may have about membership. Just let me know how I can help.


## INSIDE THE MIND OF A CARGO THIEF

**More than ever, the top priority for all of us currently is the health and wellbeing of our families but, as supply chain security professionals, we also know that there are plenty of others out there who see this moment in history as an opportunity to identify gaps or weaknesses in security for their own gain.**

On 6 April, we received a report of the theft of €5m of medical supplies, notably two million face masks, from a warehouse in north west Spain. The operators of the facility, which stored medical supplies such as masks, surgical gloves and personal protective equipment (PPE), are in bankruptcy and a local 'businessman' clearly saw the chance of a timely 'quick buck' after finding a buyer in Portugal for the stolen goods. Happily, he has since been arrested and, hopefully, will face the appropriate penalty for his actions.

I mention this not just because of the distasteful criminal intent but mostly because of the swift response of Spanish law enforcement. It is a welcome reminder that even in this time of new policing challenges, cargo crime remains a key focus – and this is true across the EMEA region. So, a big 'thank you' to our law enforcement partners.

## THE FINAL FRONTIER

**Thank you to all the TAPA members who participated in our survey looking at Last Mile Cargo Thefts, produced in association with BSI. You can read more on our findings in this issue. There is no doubt in my mind that this is a form of cargo crime which will rocket in the next 2-3 years. I also suspect it may breed a new generation of ad hoc offenders who are currently involved in other forms of petty crime.**

With the Last Mile delivery market in Europe expected to grow at an average of 16% a year in the next 6-7 years, and to be worth some $2,491.8 million by 2027, we have to expect, and be ready for, the risks that come with this.


## ADDRESSING FRONTLINE FEARS

**The shortage of truck drivers in Europe is well documented – 45,000 too few drivers to meet demand in Germany, 20,000 more needed in France, and similar stories in other countries across the region. In Germany, it is estimated that 30,000 drivers leave the profession every year.**

It is a situation that ultimately affects us all as business professionals and consumers. We all rely on trucks to bring us the goods we need. The current focus on international supply chains proves this more than ever.

We need to take action to improve this career choice. One of the ways we can do this is to make drivers feel safer when they are on the road. Within the driving community, the threat of cargo crime, and the violent attacks often associated with it, is a very real cause for concern. More secure parking for trucks - as highlighted by the SNAP survey of truck drivers in Germany reported in this issue - will be a positive step forward. Drivers are the frontlines of global supply chains and we need to support them in order to keep them. TAPA's Parking Security Requirements (PSR) are helping to create more secure parking places in Europe but we need many more and we need them now. If you think you can help us achieve this, get in touch.

EUROPE, MIDDLE EAST & AFRICA REGION

# CARGO CRIME MONITOR

## CARGO THEFT BY COUNTRY

### FEBRUARY & MARCH 2020

| | |
|---|---|
| Austria | 1 (0.2%) |
| Belgium | 7 (1.5%) |
| Burkina Faso | 1 (0.2%) |
| Benin | 1 (0.2%) |
| Côte d'Ivoire | 1 (0.2%) |
| Cyprus | 1 (0.2%) |
| Czech Republic | 1 (0.2%) |
| France | 18 (3.9%) |
| Gabon | 1 (0.2%) |
| Germany | 137 (29.3%) |
| Hungary | 1 (0.2%) |
| Italy | 18 (3.9%) |
| Kenya | 1 (0.2%) |
| Luxembourg | 1 (0.2%) |
| Macedonia | 2 (0.4%) |
| Malawi | 1 (0.2%) |
| Mozambique | 1 (0.2%) |
| Netherlands | 75 (16%) |
| Nigeria | 5 (1%) |
| Norway | 4 (0.8%) |
| Poland | 2 (0.4%) |
| Russia | 16 (3.5%) |
| Slovenia | 1 (0.2%) |
| South Africa | 10 (2.2%) |
| Spain | 41 (8.8%) |
| Sweden | 5 (1%) |
| Togo | 1 (0.2%) |
| Turkey | 2 (0.4%) |
| Ukraine | 1 (0.2%) |
| United Kingdom | 112 (23.9%) |


FEBRUARY & MARCH 2020


## €278,646

Average loss for the 6 major cargo crimes reported to TAPA's Incident Information Service (IIS) in February & March 2020

## €2,952,303

Total loss for the 120 or 25.5% of crimes stating a value

## 17

Number of TAPA IIS product categories recording losses in Feb/Mar 2020

# 469

**Number of new cargo crimes recorded by TAPA's IIS in February & March 2020**

# €400,000

**Biggest single loss** - The theft of unspecified products from a Services 3rd Party Facility in Stavenhagen, Germany, on 7 March

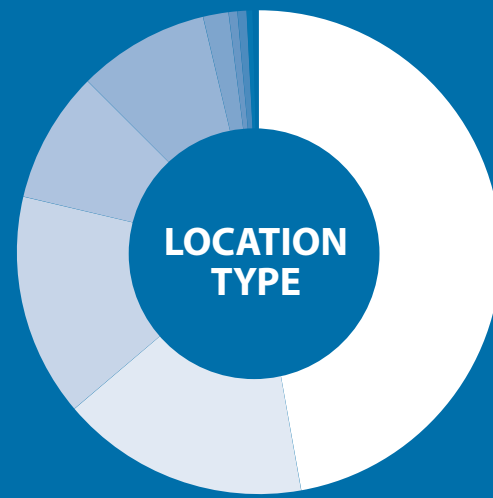
Number of countries in EMEA reporting incidents

# 30

## INCIDENT CATEGORY

| | |
|---|---|
| Theft from Vehicle | 269 (57.4%) |
| Theft from Trailer | 40 (8.6%) |
| Theft of Vehicle | 39 (8.3%) |
| Theft | 24 (5.1%) |
| Fraud | 17 (3.6%) |
| Clandestine | 15 (3.2%) |
| Theft from Facility | 15 (3.2%) |
| Theft of Trailer | 15 (3.2%) |
| Truck Theft | 13 (2.7%) |
| Hijacking | 7 (1.5%) |
| Robbery | 7 (1.5%) |
| Theft from Container | 6 (1.3%) |
| Theft of Container | 2 (0.4%) |

## LOCATION TYPE



| | |
|---|---|
| Unclassified Parking Location | 221 (47.2%) |
| Destination Facility | 78 (16.6%) |
| Unknown | 70 (14.9%) |
| En Route | 41 (8.8%) |
| Services 3rd Party Facility | 41 (8.8%) |
| Origin Facility | 8 (1.7%) |
| Aviation Transportation Facility | 3 (0.6%) |
| Maritime Transportation Facility | 3 (0.6%) |
| Authorised 3rd Party Facility | 2 (0.4%) |
| Railway Operation Facility | 2 (0.4%) |

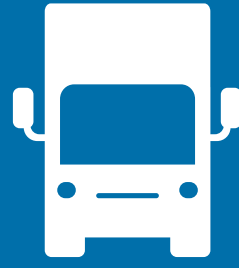
**10** Crimes in EMEA recording a loss value of between €50,000 & €100,000 produced a combined loss total of **€666,994**

## 6 – Number of major incidents with a loss value over €100k

# €24,602 AVERAGE LOSS VALUE IN FEB/MAR 2020

# 47.2%

**Or 221 of the recorded incidents took place in Unclassified Parking Locations**



| MODUS OPERANDI USED IN LATEST CARGO THEFTS: | |
|---|---|
| Intrusion | 261 (55.7%) |
| Unknown | 108 (23.1%) |
| Violent & Threat with Violence | 42 (9%) |
| Deception Other | 22 (4.7%) |
| Theft from Moving Vehicle | 13 (2.7%) |
| Forced Stop | 11 (2.3%) |
| Internal | 8 (1.7%) |
| Deceptive Pick-up | 2 (0.4%) |
| Deceptive Stop | 2 (0.4%) |


# GLOBAL PANDEMIC FAILS TO DETER CARGO THIEVES WITH 469 LOSSES RECORDED FROM SUPPLY CHAINS IN EMEA IN FEBRUARY AND MARCH WITH A VALUE OF MORE THAN €2.9 MILLION

## Cargo crimes spread across 30 countries in the Europe, Middle East & Africa (EMEA) region in February and March, according to the latest data reported to TAPA's Incident Information Service.

Any thoughts that cargo thieves would be less active as the coronavirus swept across international borders was quickly dispelled by the 469 thefts from supply chains recorded over the two months, with several countries most affected by the virus seeing some of the highest rates of cargo losses.

Only 120 or 25.5% of incidents recorded by TAPA's IIS in this period shared a loss value for the goods stolen, which resulted in a lower-than average number of major cargo thefts. Six were recorded overall, producing a total loss of **€1,671,876** or an average of **€278,646.** For all incidents with a value the total rose to **€2,952,303** or an average of **€24,602.**

Of the two-month total, 321 crimes were reported to TAPA EMEA in February and 148 in March.

**The five major losses *Vigilant* is able to report involved losses of...**

**€400,000**
Thieves broke into a Services 3rd Party Facility in Stavenhagen, Saxony-Anhalt, in Germany on 7 March and forced entry into several vehicles before loading them with unspecified goods from the warehouse and driving away.

**€287,000**

The forced stop and hijacking of a truck carrying a shipment of electronics which was en route in Başakşehir in Greater Istanbul on 6 March. The offenders used a vehicle to hit the truck from behind. After the driver stopped, the hijackers took the three people onboard hostage and drove the truck to a nearby street, offloading the cargo onto their own vehicle before releasing the captive staff.

**€200,000**
On 18 February, attackers smashed a window of an Origin Facility in Chauvugny in the Nouvelle-Aquitaine region of western France to gain access to the cargo stored inside, escaping with 1,450 items including lingerie, bathrobes and towels.

**€166,326**
26 pallets of beer were stolen on 24 March from a truck parked at a motorway service area near junction 25 of the M6 in Lymm, Cheshire, in the UK while the driver was asleep in his cab.

**€100,000**
The theft of a tractor unit and trailer as well as an excavator from a Railway Operation Facility in Ortona in Italy's Abruzzo region on 18 February. Police later recovered the vehicle.

**TAPA's IIS also received reports of a further 10 incidents in February and March will loss values of between €50,000 and €100,000. The total loss value for these crimes produced an overall total and average value of €666,994 and €66,699 respectively. The individual incidents involved losses of:**

**€98,431** – 20 tonnes of pharmaceuticals stolen from a Services 3rd Party Facility in Schelkovo, Russia, on 7 February

**€83,336** – Household appliances taken from a Services 3rd Party Facility in Chekhov in Russia's Central Region on 3 February

**€74,558** – Another loss from a Services 3rd Party Facility in Russia, this theft of 20 tonnes of butter was reported in Muslumovo in the Volga Region on 6 February

**€72,000** – 180 coffee machines stolen after thieves cut a hole in the tarpaulin side of a truck parked at a rest area on the A8 in Rutesheim, Baden-Württemberg, Germany, on 5 February

**€60,676** – A truck driver reportedly conspired with three others to steal a vehicle and shipment of cosmetics from a Services 3rd Party Facility in Ciftalan, Istanbul, Turkey, on 18 February

**€60,000** – Police arrested a Polish truck driver in Neubrandenburg, Mecklenburg-Vorpommern, in Germany on 1 March as he was in the process of stealing a refrigerated truck

**€57,352** – This case of fraud and deception recorded in Bekasova, Moscow, on 6 February resulted in the loss of a shipment of toys

**€56,453** – A truckload of pharmaceuticals was stolen from a Services 3rd Party Facility in Moscow on 7 February after the driver unloaded the cargo in an unauthorised location at the request of an unknown individual

**€54,188** – 20 tonnes of food and drink products, also stolen from a Services 3rd Party Facility in Moscow, on 5 February

**€50,000** – An armed gang using a car and van targeted a vehicle delivering cigarettes to a Destination Facility in Busto Arsizio in the Lombardy region of Italy on 25 February. Three men carrying firearms attacked the driver before stealing 25 boxes of cigarettes

**Germany recorded the highest number of cargo thefts in the IIS database in February and March with 137 crimes, followed by the United Kingdom with 112. Six other countries saw double-digit incident rates:**

- Netherlands – 75 incidents
- Spain – 41
- France – 18
- Italy – 18
- Russia – 16
- South Africa – 10

In addition to South Africa, TAPA was notified of cargo losses from supply chains in a further nine countries in Africa during this two-month period: Burkina Faso, Benin, Côte d'Ivoire, Gabon, Kenya, Malawi, Mozambique, Nigeria and Togo.

**Overall, 17 TAPA IIS product categories recorded cargo thefts in February and March, including six with double-digit losses:**

- Tobacco – 42 thefts
- Food & Drink - 30
- Clothing & Footwear – 16
- Furniture/Household Appliances – 15
- No Load (Theft of truck and/or trailer) – 15
- Tools/Building Materials – 12

**The majority of losses in this period involved Theft from Vehicle incidents, which accounted for 267 or 57.4% of all cases. Eight other types of incident recorded 10 or more crimes:**

- Theft from Trailer – 40 crimes or 8.6% of the Feb/Mar total
- Theft of Vehicle – 39 or 8.3%
- Theft – 24 or 5.1%
- Fraud – 17 or 3.6%
- Clandestine – 15 or 3.2%
- Theft from Facility – 15 or 3.2%
- Theft of Trailer – 15 or 3.2%
- Truck Theft – 13 or 2.7%

**Once again, unclassified parking was the IIS location featuring in the highest number of incident reports – 221 in total or 47.2% of the two-month total. The next three known locations were:**

- Destination Facility – 78 crimes or 16.6% of the total
- En Route – 41 or 8.8%
- Services 3rd Party Facility – 41 or 8.8%

Over half of cargo crimes recorded Intrusion as the modus operandi used by thieves, typically involving cutting the tarpaulin curtains or breaking open the rear door locks and seals of parked trucks. Also noticeable was the statistic for crimes with the M.O. of Violent or Threat with Violence, with the 42 incidents in this category representing 8% of the February-March total.

TAPA members can find more intelligence on these and other cargo crimes over these two months in the password-protected Incident Information Service (IIS) database.

| PRODUCT CATEGORY | No | % |
|---|---|---|
| Unspecified | 143 | 30.5% |
| Miscellaneous | 138 | 29.5% |
| Tobacco | 42 | 9% |
| Food & Drink | 30 | 6.5% |
| Clothing & Footwear | 16 | 3.5% |
| Furniture/Household Appliances | 15 | 3.2% |
| No Load (Theft of truck and/or trailer) | 15 | 3.2% |
| Tools/Building Materials | 12 | 2.5% |
| Cosmetics & Hygiene | 9 | 1.9% |
| Metal | 9 | 1.9% |
| Cash | 8 | 1.7% |
| Pharmaceuticals | 7 | 1.5% |
| Car Parts | 6 | 1.3% |
| Bicycles | 5 | 1% |
| Computers/Laptops | 4 | 0.8% |
| Phones | 4 | 0.8% |
| Tyres | 3 | 0.6% |
| Toys/Games | 2 | 0.4% |
| Agricultural Materials | 1 | 0.2% |

# Reducing the threat of counterfeit drugs is the latest topic for TAPA APAC's supply chain resilience podcast series

**TAPA APAC has launched a Supply Chain Resilience Podcast focusing on trending topics relating to supply chain resilience and sustainability. Each episode will feature exclusive discussions with guest speakers from leading supply chain and logistics providers, offering listeners key insights, strategies and updates.**

The latest podcast featured Ramesh Raj, Regional Manager of the Pharmaceutical Security Institute (PSI), who shared his views and supply chain resilience knowledge on the highly topical issue of reducing the growing threats posed by counterfeit drugs.

With the surge in demand for pharmaceutical products to contain the spread of coronavirus, there have been multiple reports of counterfeit drugs and thefts of healthcare products across the world. Ramesh Raj highlighted the impact of coronavirus and the challenges faced by the pharmaceutical industry in terms of product thefts, security issues and counterfeit products. "Having an end-to-end supply chain visibility system which helps to avoid infiltration and security breaches is the key fundamental strategy. Companies must align anti-counterfeiting strategies to their corporate supply chain strategies while focusing on supply chain monitoring," he stated.

Tony Lugg, Chairman of TAPA APAC, added: "We couldn't be more excited to share meaningful insights from industry experts and to bring further awareness to supply chain resilience. The podcast will allow TAPA to start engaging our members and listeners on-the-go worldwide in a more interactive way. Our next two episodes are already in production."


New podcast episodes will be released on TAPA APAC's website and members can listen to all episodes at any time. To listen to the latest episode, click **here**


**Members can provide feedback and ideas for future podcast topics, or offer to become a guest contributor by contacting marketing@tapa-apac.org.**

# STEP UP & STAND OUT

# TAPA'S LATEST FSR & TSR SECURITY CERTIFICATIONS

## In each issue of this newsletter, we publish a list of the TAPA members that have most recently gained TAPA Supply Chain Security Standards certifications.

The following companies and locations were audited by one of TAPA's approved Independent Audit Bodies (IABs) or, in the case of Class 'C' or Level 3 certifications, may have been completed by an in-house TAPA-trained person.

**EUROPE, MIDDLE EAST & AFRICA REGION**

| FSR | Company Name | Country | City | Class |
|---|---|---|---|---|
| FSR | CHI Deutschland Cargo Handling GmbH | DE | Frankfurt | A |
| FSR | Clipper Logistics Group Plc | GB | Rotherham | A |
| FSR | DHL Express (Slovakia) spol.s.r.o. | SK | Bratislava | A |
| FSR | DHL Express (Slovakia) spol.s.r.o. | SK | Trencin-Zablatie | A |
| FSR | DHL Global Forwarding (Netherlands) B.V. | NL | Schiphol | A |
| FSR | Geodis Freight Forwarding Belgium NV | BE | Machelen | C |
| FSR | Geodis Freight Forwarding Belgium NV | BE | Schoten | C |
| FSR | Kuehne + Nagel Ltd | GB | Feltham | A |
| FSR | Naeko Handling Madrid S.L.U. | ES | Madrid | A |
| FSR | Schenker AS | EE | Harjumaa | A |
| FSR | Poste Italiane S.p.A | IT | Brescia | A |
| FSR | Poste Italiane S.p.A | IT | Milan | B |
| TSR | Company Name | Country | Category | |
| TSR | Clipper Logistics Group Plc | GB | Level 1 & 3 / Category Medium | |
| TSR | Lorenc Logistics s.r.o. | CZ | Level 1 / Category Small | |
| TSR | OOO Primway | BY | Level 1 & 3 / Category Large | |
| TSR | PRS Logistics Ltd | GB | Level 1 & 3 / Category Medium | |

**ASIA PACIFIC REGION**

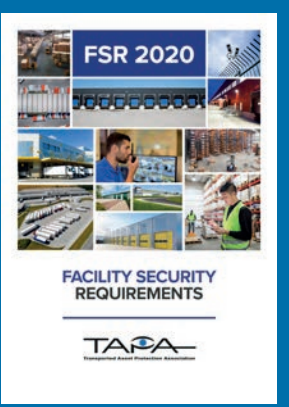
| FSR | Company Name | Country | City | Class |
|---|---|---|---|---|
| FSR | SJ Logistics Limited | China | Guangdong | B |
| FSR | Kwai Bon Transportation Limited | Hong Kong | New Territories | A |
| FSR | Keppel Logistics Pte Ltd | Singapore | Singapore | C |
| FSR | Myanmar Euro Pac Forwarding Co., Ltd | Myanmar | Yangon | C |
| FSR | Powertech Technology Inc. | Taiwan | Hsinchu | C |

**AMERICAS REGION**

| FSR | Company Name | Country | City | Class |
|---|---|---|---|---|
| FSR | Geodis, LLC. | USA | Lebanon | A |
| FSR | Arrow Electronics, Inc. | USA | Reno | A |

# NEED HELP WITH YOUR TAPA FSR & TSR CERTIFICATION PROGRAMMES?

TAPA's Standards Teams in each region are ready and willing to provide you with help and support to begin or increase your FSR & TSR certification programmes. Talk to us about your plans or ask us to answer any questions you have about the new 2020 versions of the Association's Security Standards. We're here to help. Contact us **here**




# How TAPA members can help us deliver more member benefits...


**2020 is another exciting year of growth and development for TAPA as our teams in the Americas, Asia Pacific and Europe, Middle East and Africa deliver more benefits to help improve the resilience of our members' supply chains.**

## You too can make a difference.

Please take a moment to think about what you can do to support our work and to progress our role as the world's leading Security Expert Network for everyone in the supply chain.

## TAPA - AT THE HEART OF THE WORLD'S MOST RESILIENT SUPPLY CHAINS

TAPA
Transported Asset Protection Association

# EYE-ON-TECH


## The role of physical identity access management during a pandemic

As COVID-19 strengthens its grip across the globe with over 3 million cases of infected people and the World Health Organization (WHO) declaring it a pandemic, it's important for us to have a conversation about how and where technology can support enterprise efforts to protect its workforce. In this article, AlertEnterprise looks at three considerations on how a Physical Identity Access Management (PIAM) platform can help to:

- Identify intelligence and risk score
- Modify visitor experience
- Extend security beyond the lobby

**Click here to read more**

## Genetec releases access control feature to help organisations identify people who are at increased risk of being in contact with contaminants or contagious individuals

Genetec Inc. has released a new reporting function for its Security Center Synergis™ access control system that is designed to help organisations find all people who went through a door in close proximity to someone thought to be contagious. Developed at the request of McCormick Place in Chicago, North America's largest convention center, the reporting function correlates physical proximity of an infected individual with other employees and badged visitors based on the use of the access control system. A report can quickly be generated to correlate access events by time window to identify people who are at increased risk of being in contact with contaminants or contagious individuals. This will allow enterprises to proactively advise individuals of their potential contamination and take the necessary hygienic precautions, as outlined by health and safety procedures and regulations. With Synergis, any organisation can produce a detailed report that shows exposure metrics for employees and visitors utilising existing access control data.

**Find out more here**

## How can video analytics help businesses to reopen after COVID-19 restrictions?

In this article, Uri Guterman, Head of Product & Marketing for Hanwha Techwin Europe, highlights some of the ways in which the latest advances in video surveillance may be able to help businesses safely reopen after the restrictions caused by COVID-19 are eased.

**See more here**

## Johnson Controls contact tracing and risk assessment

With the onset of COVID-19, Johnson Controls says its Location Based Services can help organisations reduce the risk and impact of this unprecedented threat on both individuals and businesses. It was created to provide strategic indoor location insights in relation to people, space, and equipment across a range of high-value industries. These industries include life sciences, technology, hospitals and medical facilities, financial institutions, data centres, and smart commercial office buildings.

In the unfortunate event of an individual testing positive for COVID-19, the company says Location Based Services contact tracing reports will quickly identify...

- Individuals – within the monitoring space – who are potentially at the highest risk of contracting the virus, from a person or persons who tested positive, or who used the space in the preceding days and weeks.
- Individuals with a lower risk of being infected.
- The areas and equipment that are most likely to be contaminated with the virus and must be decontaminated.

**Read more here**

Registration is open for IFSEC International, which claims to be Europe's leading integrated security event. It is due to take place in London on 8-10 September and gives visitors the chance to discover solutions and see real products put to the test across access control, video surveillance, cybersecurity and more. Learn how to keep people and assets safe, enhance your knowledge, keep up-to-date with legislation, source products and grow your network.

**Find out more here**

## Abloy and "the next generation of keyless access control"

Pip Courcoux, who heads up the Digital Transformation team at Abloy UK, talked to IFSEC Global about the company's latest Bluetooth padlock launch, as well as his thoughts on the uptake of mobile technology in the sector and why it marks an important next step for the protection of critical national infrastructure sites.

**Read his comments here**

*Please note that none of the items covered in this section are endorsed by TAPA.*

**Want to contribute to Eye-on-Tech? Let us know at info@tapaemea.org. Our objective is to bring you information that really matters to Supply Chain Security Experts.**

# STANDARDS FAQs #32


Mark Gruentjes


Steve McHugh

## A monthly update by TAPA EMEA's Standards Lead, Mark Gruentjes, and Executive Director Standards, Steve McHugh

After receiving a steady stream of questions about TAPA's Security Standards from Audit Bodies and our members, we feel it will be beneficial to share some of the questions received and the responses given by the TAPA EMEA Standards Team. We aim to cover 3-5 questions in *Vigilant* each month.

**The spread of the Covid-19 virus has obviously impacted our members' and auditors' certification and recertification plans. We can only hope that health and safety continues to be everyone's priority and that we begin see a return to normal as soon as is reasonably possible.**

In this extremely challenging environment, TAPA is being very flexible with requests to defer recertification audits. If you need assistance, please contact your Audit Body or regional TAPA office for help and advice. We can confirm that the TAPA APAC and EMEA regions still plan to introduce the new versions of FSR and TSR 2020 on 1 July as originally planned. We recognise that audit scheduling and travel will mean very few or no audits will be possible, but training and preparations for the revised Security Standards can continue. To help our members which are early adopters of the new versions, we intend to offer web-based training options.

TAPA Americas, based on regional advice, has decided to defer the introduction of the 2020 Standards until 30 September. The Americas region will continue with the current 2017 Standards until then.

Notwithstanding the challenges we all have, TAPA continues to work on preparing for the introduction of the new FSR and TSR Standards revisions. This month's FAQs article, therefore, focuses on questions we have received on the new TSR requirements.

**If you would like to raise a new topic for discussion or ask questions about one of our published responses, please contact us at https://www.tapa-global.org/contact.html.**


### Question 1.

***I am moving containers by road and then internationally by sea. Can I use TSR to cover the security requirements with my Logistics Service Providers?***

**Answer:** TSR 2020 offers more options for container transport with the introduction of a "Sea Container Road Transport" solution. The road segments of the container transport at origin and destination are now perfectly suited to the use of TSR. Setting up the appropriate measures and agreements with the Logistics Service Providers who understand TAPA's TSR should not be a complicated task.

In reality, the TSR container movement will be transported under the required TAPA security level by road to the origin port. Once the container is handed over, the TAPA TSR requirements can no longer be applied or considered appropriate. Existing container port and seagoing security measures come into force at this point. At the destination, the reverse process requires the container to be handed over to a TSR certified Logistics Service Provider for the continuing transport by road.

Working with the original or alternative Logistics Service Provider, it should be possible for an agreement for the containers to be collected and be prepared for ongoing transport by road using TAPA TSR. It may take time for the industry to adjust to using TSR with sea containers but we believe TAPA has introduced an important change to the Standards that addresses a number of concerns.

## Question 2.

***It's clear from reading the TSR 2020 that Auditors will look for evidence of compliance before and during the certification. I note that the TSR Vehicle Register is a critical record for auditors (assessing compliance) and the LSP (managing compliance). How can both auditors and the LSPs use the Vehicle Register to assist in the certification audit?***

**Answer:** The Vehicle Register is described in the glossary as "A document listing the vehicles (with identifying details) which are subject to the TAPA TSR certification". As a minimum, the Vehicle Register must list all vehicles covered in the certification, so they are identifiable and have a reference to an inspection or audit by the LSP within the last 12 months. The purpose of the inspection is to assess their compliance with the appropriate TSR security level. The auditor, in agreement with the LSP, will use the vehicles listed in the Vehicle Register to select which ones will be sampled for conformance during the certification audit.

The TSR requires "Thirty days in advance, the LSP/Applicant must provide to the AA the Vehicle Register of vehicles to be certified". Therefore, it is normal for the auditor to ask for a copy of the Vehicle Register some weeks before the audit date.

Working with your auditor to explain the details they can see in the Vehicle Register, and ensuring the vehicles mutually selected for sampling are compliant and available, is the best use of this document when preparing for an audit.

## Question 3.

***Does TAPA have any other advice for creating and maintaining a TSR Vehicle Register?***

**Answer:** Having a Vehicle Register system for TSR compliance purposes is in itself a positive achievement from a security perspective. However, we find that many LSPs go far beyond the TAPA requirements for the Register and, by expanding their scope, have provided many additional benefits to their businesses and clients. These include:

- Digital and/or "online" versions of the Vehicle Register, allowing near real-time information to be recorded and tracked
- Full vehicle/trailer maintenance records
- Test records
- Vehicle/trailer security and safety features, including those that go beyond the TSR requirements (temperature sensors etc.)
- Truck/trailer suitability for the transport or client preferences
- Vehicle/trailer incidents or unexplained damage

If you have ideas for improving the use of a Vehicle Register, we would be happy to hear from you.

# STOP CORONA VIRUS

# PUBLIC HEALTH ADVICE

**TAPA asks all of its global members, their families and friends to carefully follow the advice of your national and local governments and health authorities, as well as the World Health Organization (WHO), to stay safe and well, and to restrict the outbreak of the coronavirus (COVID-19)**

**For the latest advice from the WHO click here**

## Basic protective measures against coronavirus

**Most people who become infected experience mild illness and recover, but it can be more severe for others. Take care of your health and protect others by doing the following:**

- wash your hands with soap and water often – do this for at least 20 seconds
- use hand sanitiser gel if soap and water are not available
- stay at home to prevent the spread of coronavirus
- If you have to go out for essential necessities, wash your hands as soon as you get back home
- cover your mouth and nose with a tissue or your sleeve (not your hands) when you cough or sneeze
- put used tissues in the bin immediately and wash your hands afterwards
- do not touch your eyes, nose or mouth if your hands are not clean
- social distancing - maintain at least 2 metres distance between yourself and anyone who is coughing or sneezing
- Stay informed and follow advice given by your healthcare provider

## STAY SAFE EVERYONE

TAPA
Transported Asset Protection Association