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# TAPPA

*THE QUARTERLY UPDATE FOR THE AMERICAS*



The Transported Asset Protection Association  
The Americas

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# CHAIRMAN'S MESSAGE



W. Allen Gear, Chair of The Americas

The last year-plus has demonstrated the importance of the global supply chain; its security and resiliency are paramount. As companies reevaluate their pre-pandemic security and business resiliency paradigms, the interest in TAPA membership grows. New memberships continue to exceed all expectations and historical trends.

This year, we aim to get more interest and membership outside of the United States and have seen renewed interest by many countries. TAPA Security Standards continue to provide a framework for many of these shifting paradigms and transcend borders.

## MEETING & CONFERENCES

2021 T1 Virtual Conference on June 15, 16, 17 was 3-days of seminars, panel discussions, and industry updates. Our theme of this year's event is PB&J - "Ports, Borders, and Jets."

This year's conference will explore the global supply chain and logistics concerns involving port operations and security, border and customs issues, and air cargo operations and regulations. We brought subject matter experts to each topic.

2021 T2 Meeting on the calendar for December 7-9 at the Peabody Hotel in Memphis, TN. We are planning the in-person meeting after over a year of limited travel, social distancing, etc. We are very much looking forward to being together in person. Please save the dates, more to come.

## STANDARDS & GUIDELINES

In the Americas, our members guide our direction and initiatives. Our new working group for Secured Parking Standards has been meeting and has finished reviewing the current standard. It is very region-specific, and they have some work ahead of them to get it to a point for the Americas. The Broker Standards team has been meeting as well and catching momentum as well.

We look forward to providing members with updates and solicit feedback through each development phase. The upcoming Cyber Security Standards are in their final development stages, and we are eager to bring those to the industry.

## EDUCATION & CONFERENCES

Our Education Committee continues to deliver ongoing professional education to our members and industry.

The bi-weekly episodes of "Trade School" presented by global trade and compliance expert Pete Mento remains a high-demand deliverable. Exploring timely topics and concerns around the global supply chain, logistics, geopolitical concerns, and the economy, "Trade School" is the 'must see' for industry professionals. Those who have missed Trade School episodes are recorded and located on our site to view.



The Committee continues to bring new webinars, daily news and alerts, and intelligence reporting to members. As our membership grows, so does the need for more inclusive, free access to web-based information. If you have ideas on any subjects or presenters for webinars, please reach out to our team.

#### **BOARD OF DIRECTORS**

In the Americas, our ongoing mission is to be the premier organization for supply chain security and business resiliency. We strive each day to listen to the concerns of our members and the industry at large. We are proud of our collaborations with other industry organizations, law enforcement, NGOs, and government agencies. We remain committed to developing tools and resources that respond to the needs of our members.

***"WE ARE PROUD OF OUR COLLABORATIONS WITH OTHER INDUSTRY ORGANIZATIONS, LAW ENFORCEMENT, NGOS, AND GOVERNMENT AGENCIES."***





## **TAPA SUPPLY CHAIN CYBER SECURITY STANDARD**

In 2018, the TAPA Worldwide Council reached out to Allen Gear, the Vice-Chair of The Americas region at the time, to create a TAPA Supply Chain Cyber Security standard. Shortly thereafter, a white paper was written, and a committee was established.

It has been a long road, but the vision is coming to fruition. Andrew Parkerson and Allen Gear started the committee. They solicited committee members from various TAPA member companies in all three TAPA regions. The committee started with more than 25 members contributing to the effort. As this initiative progressed, the number of committee members reduced to the current eight members.

The original goal of the committee was to release the new standard alongside the release of the 2020 Facility Security Requirements and Trucking Security Requirements.

The Worldwide Change Control Board (WWCCB) requested a delay of the release by 6-months.

They delayed the cyber standards release to mitigate any potential confusion during the 2020 FSR-TSR Standards rollout. When the committee was re-established, the WWCCB delayed the rollout once again. Since the inclusion of a “cyber option” was included in the FSR and TSR, there was some concern as to the “value” and “adoption” of the Supply Chain Cyber Security standard. Therefore, it was decided that they would evaluate the adoption of the new “Cyber option” and proceed accordingly.

However, membership and industry demand in the Americas was high. There was a significant desire for our region to release the TAPA Supply Chain Cyber Security Standard. Given the demand, the Americas restarted the effort from where the global team left off. The Americas team has been working and meeting almost weekly since October 2020 and advising the TAPA Worldwide Council. The team updated its milestones and will release the new standard in the Fall of 2021.





## BRAZIL CARGO THEFT SUMMARY

In The Sensitech Supply Chain Intelligence Center (SCIC) recorded 1,004 cases of cargo theft throughout Brazil in March. Of these incidents, 42% involved the theft of Miscellaneous products, which has consistently been the product type most frequently stolen in the country in recent years. This is due to the large volume of mixed load shipments across the country. Thefts of this type of product usually occurs in the morning, having accounted for 49% of known cases, and in urban areas (83% of known data).

In terms of geographic concentration, the states of São Paulo and Rio de Janeiro recorded the largest volume of cargo thefts, which is a recurring trend. According to the latest data published by NTC & Logística, these two states together accounted for 77% of thefts recorded in the country in 2020.

A significant increase was identified in the volume of thefts of Pharmaceutical and Electronic products. In general, pharmaceutical products tend to vary between 2% and 3% of the incidents recorded by the SCIC. However, in March, this type of product accounted for 6% of the events. Electronic products, which usually represent approximately 8% of events, reached 11% in March. In the context of a pandemic, pharmaceutical products have become more attractive and the demand for electronics has increased due to the demands of adapting to carrying out activities (work, study, etc.) online.

Despite the elevated risk observed in Brazil, the increasingly integrated actions of the police have yielded positive results in combating cargo theft. Authorities have dismantled several cargo theft gangs across the country, especially in the Southeast, Midwest and South regions. In the state of Rio de Janeiro, for example, members of a large cargo theft gang were arrested in Mountain Region (Região Serrana).

The gang, composed of at least 15 members, operated in Região Serrana and in Baixada Fluminense - particularly in the municipalities of Petrópolis, Itaipava and Duque de Caxias - and was responsible for more than 15 cargo thefts in 2020 alone, totaling a loss of at least R \$ 2.1 million, between stolen vehicles and cargo.

Another joint police operation, carried out in the states of Paraná, Minas Gerais, Mato Grosso and São Paulo, resulted in the arrest of 6 members of a gang specialized in cargo theft. In a major action, the police carried out 28 court orders, including six temporary arrest warrants, 16 search and seizure warrants and six other vehicle arrest warrants.

Four other members of a cargo theft group were arrested in the Campinas region. The gang operated in the states of São Paulo, Goiás, Minas Gerais and Bahia States, using violence to intercept drivers on the highways, steal the truck with the cargo, and release the driver only after the cargo was in a safe place. The group reportedly handled approximately R \$ 5 million in stolen cargo.



### ABOUT SENSITECH

Sensitech Inc. is a global leader in delivering supply chain visibility solutions. Our innovative monitoring products and services help to maintain the quality, integrity and security of our customers' valuable products at every step in their journey, all around the world. For 30 years, leading companies in the food, pharmaceutical, industrial, consumer goods and other industries have relied on Sensitech to help protect their products—and their bottom lines.







## KEY CONSIDERATIONS FOR CARGO THEFT INSURANCE ...Q&A

Scott Cornell, Transportation Lead, and Crime and Theft Specialist, at Travelers, is recognized as one of the nation's foremost cargo theft experts and has more than two decades of experience. He serves as the vice chair of the TAPA Americas board of directors, and recently joined us for a discussion about selecting a cargo insurance carrier.

**TAPA AMERICAS:** What are some things to consider when selecting a cargo insurance carrier?

**Scott Cornell:** One of the most critical considerations when selecting a cargo insurance carrier is industry experience. Those that are newer to the market may not be sophisticated enough to understand the different types of customers within transportation and the exposures that are specific to their roles.

For instance, a reefer hauler shipping food or beverage items may be concerned about potential contamination. An insurance carrier with a history of supporting refrigerated transportation is more likely to understand the related risks, such as temperature control and seal integrity, that are critical to this category of transported goods.

It's also important to make sure you understand when you're covered – and when you're not. Some carriers only protect you against specific instances of loss, while others use broad forms that cover any direct physical damage to cargo when you are legally liable. Broad coverage can help prevent gaps, because you may experience a loss that is not explicitly listed on other types of forms.

**TAPA AMERICAS:** Is there anything that's commonly overlooked when shopping for insurance coverage?

**Scott Cornell:** It's important to take the time to carefully review and understand the policy language, going over it with your agent or broker to make sure the coverage best meets your needs.

Here's an example of the importance of this step. Since a freight broker is not usually held liable for loss or damages because they don't physically transport cargo, they may not think to make sure contingent coverage is included in their policy. Contingent coverage protects them and their customers from loss when the carrier does not have the necessary insurance to cover it.



For example, if cargo goes missing and the carrier's insurance doesn't cover it, or excludes it, the freight broker's primary policy might not cover the loss. In this situation, contingent coverage could kick in and cover it, while helping the freight broker preserve their relationship with the shipper.

Another commonly overlooked consideration is the claim team that will help you in the event of a loss. Are they available to you 24/7/365? This is critical because stolen loads are much more likely to be recovered in the first 48 hours after a theft. Having a team in place, and ready to help you no matter when or where an incident occurs, can make all the difference.

**TAPA AMERICAS:** In addition to the insurance coverage itself, is there anything else to keep in mind while shopping for a carrier?

**Scott Cornell:** Transportation companies that look for an insurance carrier that can help them before a loss may be better positioned to manage their risk. Carriers can be valuable partners to help provide education, such as on-site and virtual risk consultations, along with training materials designed to help everyone from transportation novices to industry veterans.

For example, at Travelers, we have robust fleet safety training materials that help our transportation customers improve driver screening and selection, driver education, accident management and more. This comprehensive approach provides our customers with resources to help them create safe and reliable teams, while protecting their businesses.



**About Scott Cornell:**

Scott Cornell, Transportation Lead, and Crime and Theft Specialist, at Travelers, has more than 25 years of experience in the transportation industry. He helped create Travelers' Special Investigative Group, the industry's first and only dedicated cargo theft unit, and is the vice chair of the TAPA Americas board of directors.



# **CARGO SECURITY: WHAT IS THE COST OF INDECISION?**

The pandemic has had a devastating and multifaceted impact experienced around the globe for more than a year. With many countries ramping up their vaccination rollouts and businesses, present-day start to get their feet back underneath them. Many additional challenges are facing them as a result of the coronavirus.

Undeniably cargo theft continues to be a significant issue, intensifying logistics challenges, especially in getting products through ports and even obtaining containers it's predicted to be a challenging year ahead as the global economy struggles to recover.

Compounding matters are significant cost increases in logistics and input materials for manufacturers. Additionally, the price increases manufacturers' faces cascading through the supply chain and beginning to show up for the end consumer. What is clear from all these disruptions and cost increases is the continued vulnerability of one's cargo. So, how do we be proactive and mitigate cargo losses?

## **Proactive vs. Reactive**

It is clear that at the heart of any change is the individual. As leaders in our respective industries, our responsibility is to promote and enact proactive cargo security strategies. The strategies we implement are designed to mitigate cargo losses, improve the customer experience, enhance our company culture, prevent counterfeit products.

However, our decisions can and sometimes do bring a host of potentially devastating consequences to the forefront. These may include everything from lost customers and profits to staff reductions and even office closings. Frequently, companies become so caught up in the anxiety of making the right decision that they fail to decide at all, endlessly weighing the same options repeatedly. Companies can become so fearful of making the wrong decision that they mistakenly take comfort in the safety of not deciding at all—a futile attempt to put off the inevitable.

Your teams are doing what they can with the resources they have. Yet, it is well-known that cargo theft is a lingering and severe problem and hurts the company. It, therefore, gets down to the cost of indecision – what is the actual cost of doing nothing?

## **A Look on the Bright Side**

Conversely, from conversations with supply chain security professionals and my personal experience in cargo security, I continue to hear strategies identifying cargo security as a priority. With a clear roadmap and set of guiding principles, we need to take the actions we need to take and not create a practical hands-on approach to achieve our desired goals.

Improving communication about expanding and leveraging efforts globally by employing multiple layers of mechanical and technical security solutions is refreshing. With today's rapid changes in technology, the leading cargo theft prevention and deterrence gurus advise companies to utilize a broad range of cargo security solutions.

By having GPS installed on their power units and embedded within the cargo, they can drastically reduce their cargo losses. That with real-time diversion alerts, authorities can be much more effective in recovering stolen cargo and equipment. Still, it also allows them to respond when a theft takes place proactively.

So, by putting this into practice, companies develop a preemptive security program that focuses not only on reducing cargo pilferage but also on providing valuable insights into their cargo condition. With several companies offering solutions that can alert shippers of everything from temperature and humidity variations to shock and movement, the ability to make an immediate impact is now more possible than ever before.

## **Takeaways**

Some clear takeaways from the past year and the effect of the pandemic are that our world is an ever-changing place and possibly more vulnerable than we may have once believed. And while we cannot control every minute of every day, we have to keep creating and not take things for granted as it usually does not turn out well.

We also recognize that it is vital for companies to listen to and encourage their teams to share thoughts, ideas, and concerns. The greater the communication, the more advanced and adaptive an organization becomes.

So, each year when a new modus operandi emerges from bad actors, we will be better prepared to pivot and implement new strategies because being proactive has become a part of our DNA.



## **AUTHOR**

Jeremy Westcott, Manager, Marketing Communications for TydenBrooks. TydenBrooks is committed to producing competitively priced, high-quality security seals, tapes, labels, and other security devices with a commitment to customer service and support. TydenBrooks has manufacturing, sales, and marketing presence in over 50 countries, providing a broad range of security solutions to a wide group of industries, including transportations, retail, agriculture, petrochemical, pharmaceuticals, healthcare, commercial airlines, manufacturing, and many other industries.



# Upcoming Events

## July 2021

Friday, July 16, 2021 11:00 AM - 12:00 PM EDT  
**Trade School**

Friday, July 30, 2021 11:00 AM - 12:00 PM EDT  
**Trade School**

## August 2021

Tuesday, August 10, 2021 - Friday, August 13, 2021 8:00 AM - 5:00 PM EDT  
**HDA 2021 Distribution Management Conference**

Tuesday, August 10, 2021 - Wednesday, August 11, 2021 9:00 AM - 5:00 PM EDT  
**FSR Standards Training**

Thursday, August 19, 2021 - Friday, August 20, 2021 9:00 AM - 5:00 PM EDT  
**TSR Standards Training**

Friday, August 20, 2021 11:00 AM - 12:00 PM EDT  
**Trade School**

## September 2021

Tuesday, September 14, 2021 - Wednesday, September 15, 2021 12:00 PM - 8:00 PM EDT  
**FSR Standards Training**

Thursday, September 23, 2021 - Friday, September 24, 2021 12:00 PM - 8:00 PM EDT  
**TSR Standards Training**

## December 2021

Tuesday, December 07, 2021 - Wednesday, December 08, 2021 8:00 AM - 5:00 PM EDT  
**TAPA T2 Conference & Cargo Theft Summit**

# THANK YOU TO OUR SECURITY SERVICE PROVIDERS (SSP) MEMBERS!

