



# WORKING TOGETHER TO ACHIEVE A RESILIENT SUPPLY CHAIN



**TAPA**  
Transported Asset Protection Association

# Steve Mchugh

Vice Chair  
TAPA EMEA

# THE INDUSTRY FIGHTBACK

# 800+

manufacturers, transport and logistics providers sharing intelligence, implementing industry standards and working with law enforcement agencies and legislators to attain supply chain resilience

- Reducing losses
- A forum on loss prevention
- Protects high value products
- Certified security standards
- Crime intelligence
- Training
- Networking
- Working with all stakeholders





**Organised crime** - theft/robbery of high value shipments



**Insider intelligence** provided or direct involvement in theft (suppliers, sub-cons, employees)



**Growing concern** around vulnerability to fraud to acquire cargo easily but illegally



**Security incident** (terrorism) in a major hub/geography where cargo cannot readily be diverted to safe routes (single point of failure)

**POLICE**

# SUPPLY CHAIN THREATS



**Reverse logistics** - a growing concern because of typically lower controls and monitoring vs. outbound cargo



**Terrorism:** IS aiming to attack aviation



**Regulations:** Incremental security measures taken by individual states creating a distortion across markets and industries



**Political:** Potential Brexit impacts value of GBP and raises questions on the future of a big intra-European trade lane





**Regional:** Illegal immigrants via Turkey/Greece and routes to the UK



**Global:** Shipments with unknown seals from terrorist areas entering our main site



# SUPPLY CHAIN THREATS

**Global:** Our supply chain in design-to-fabrication without security requirements, leading to IP issues



**Global:** Reverse logistics with unknown content (not checked until arrival in our reverse hub)

**Regional:** Impact of violence used in some parts on the world on our supply chain (Chile-Mexico-Brazil- South Africa)



**Global:** Bigger container ships leading to more cargo on 1 ship & potentially massive losses if lost at sea



## EXAMPLES OF ACTUAL LOSSES IN 2015

# €101,256

Average losses for crimes reported to TAPA EMEA in 2015

01/12



**€3,000,000**  
of pharmaceuticals stolen from a third party facility in Settala, Italy

22/05



**€2,491,777**  
of computers/laptops stolen from an origin facility in Dubai, UAE

26/04



**€2,038,522**  
loss of champagne after a theft from an origin facility in Basingstoke, UK

06/11



**€1,423,710**  
of hairdryers, hair straighteners and curling wands stolen in a violent truck hijacking in Enderby, UK

27/09



**€1,400,000**  
of postage stamps from an origin facility warehouse in Seine-et-Marne, France

25/11



**€1,085,923**  
of tobacco stolen from a vehicle in Nyköping, Sweden

17/11



**€977,331**  
shipment of headphones stolen from a truck at an unsecured parking location in Jönköping, Sweden

09/04



**€900,000**  
of clothing & footwear after the deceptive stop and hijacking of a truck en route in Nola, Italy

02/12



**€900,000**  
of designer clothing hijacked en route in Croissy-Beaubourg, France

14/11



**€668,323**  
of cosmetics products stolen from a truck at an unsecured parking location in Rostock, Germany

12/01



**€650,000**  
shipment on smartphones in a violent hijacking of a truck en route in Midrand, South Africa

12/07



**€635,234**  
of cosmetics & fragrances from a truck at an unsecured parking location in Rugby, UK

15/07



**€633,815**  
of phones, print cartridges and clothes stolen from a vehicle in Nakuru, Kenya

18/11



**€526,008**  
of computer tablets stolen in a truck hijacking in Heidelberg, South Africa

01/12



**€524,862**  
of cash stolen in a robbery while en route in Marble Hall, South Africa

# THE SUPPLY CHAIN CHALLENGE



**How** to make your goods secure?

**Which** security standards to adopt?

**What** problems are other businesses facing?

**What's** a credible source of intelligence?

**What** can be done to tackle the problem?

**How** and where do criminals operate?

# AN ASSOCIATION OF BUSINESS LEADERS





# NETWORKING & COMMUNICATIONS



## MAIN CONFERENCES

TAPA EMEA hosts 2 x 2-day conferences a year in a major city in Europe with 300+ security professionals per event



## REGIONAL CONFERENCES

Scheduled in key cargo crime 'hot spots, in EMEA throughout the year



## SPEAKERS & PANELISTS

- Governments
- Manufacturers
- Law enforcement agencies
- Insurers
- Logistics service providers
- Technology & equipment suppliers



## ONLINE

Public and password protected information & intelligence



## E-MAGAZINE

Every month, TAPA EMEA's Vigilant e-mag includes the latest crime data and incident news, case studies and regulatory updates



# COLLABORATING WITH PARTNERS

## WORKING WITH LIKE-MINDED PARTNERS

TAPA works closely alongside law enforcement agencies, regulatory bodies and other stakeholders that share a joint commitment to promoting supply chain security and reducing the threat of cargo crime

Collaboration and shared intelligence remains the best way to fight crime

TAPA is always looking for new partners

## INDUSTRY'S MESSAGE TO GOVERNMENTS

If you ignore the facts on cargo crime ....

- Business will bypass countries with high crime rates
- Production sites may be relocated
- Leads to job losses
- Impacts local and national economies
- Deters new inward investment



EUROPEAN  
COMMISSION



# CERTIFIED STANDARDS



## CUSTOMERS UNDERSTAND THE VALUE OF PARTNERS WORKING TO UNIVERSAL STANDARDS

### FSR

Facility Security Requirements -  
securing warehouse facilities/DCs

### TSR

Trucking Security Requirements -  
protecting high value goods in transit

### TACSS

TAPA Air Cargo Security Standards -  
enhancing cargo handling at airports

### PSR

Parking Security Requirements -  
advancing security parking in Europe

### TRAINING

Free Standards training available for all  
TAPA EMEA members

### 475+

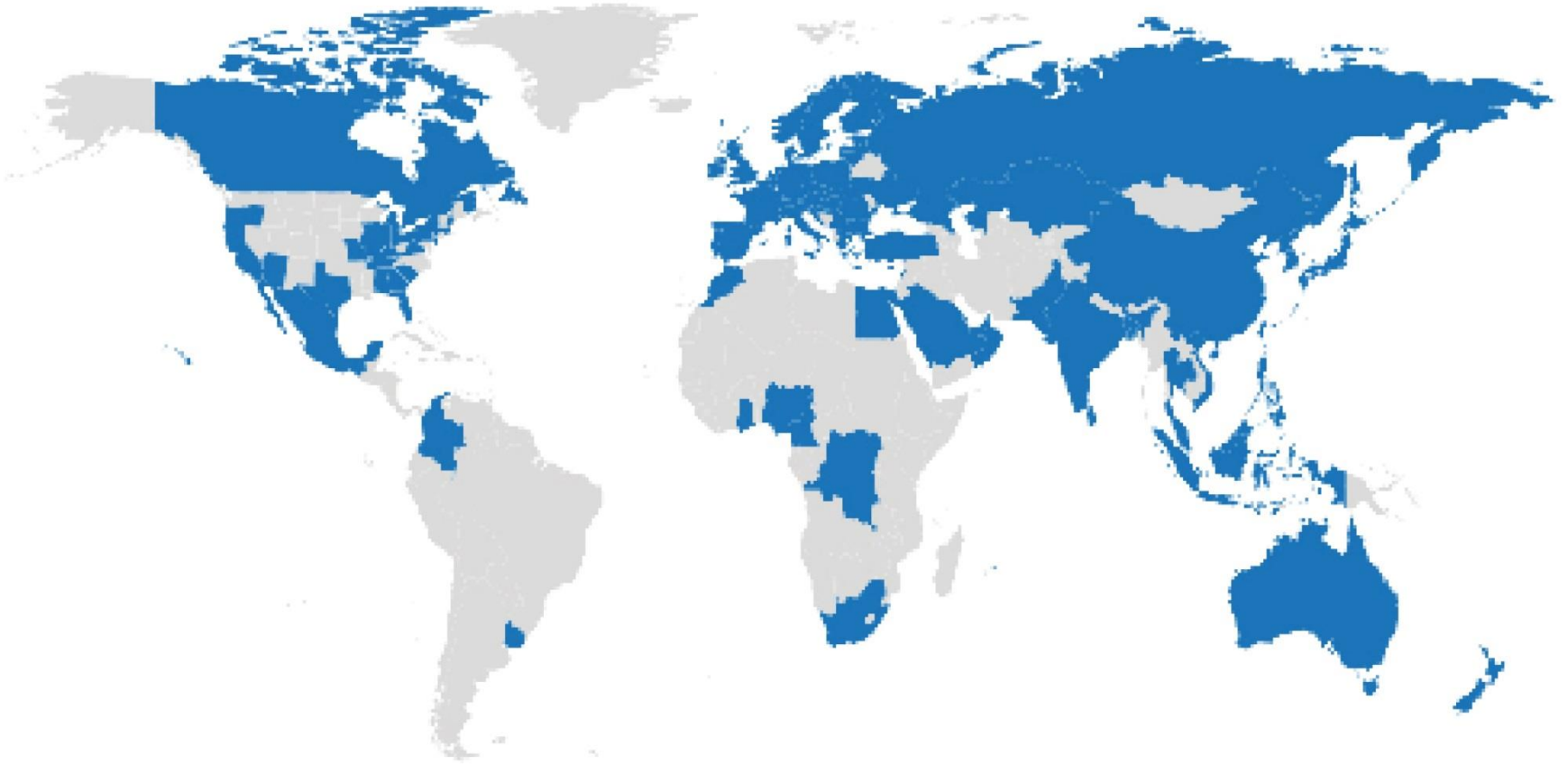
TAPA accredited facilities, trucking and  
airport operations in EMEA

# 3 years

TAPA Security Standards are  
developed by members and  
revised every three years to  
tackle emerging threats

MARCH 2015: Entry level self-certification programme launched for FSR and TSR Security Standards

# GLOBAL TAPA FSR COVERAGE



# TAPA CERTIFICATION CAMPAIGN

A three-year programme to double the number of TAPA FSR certified locations and to achieve a 'quantum leap' forward in TSR certifications.

## WHY?

- Cargo crime is rising
- Manufacturers want a bigger choice of TAPA certified service providers
- The campaign will help to profile companies with TAPA certification
- It will help companies that want to 'STEP UP' to achieve certification

## KEY POINTS

- As professional LSPs and transport operators, TAPA EMEA members should already be close to complying with the entry-level and higher levels of the certification process
- TAPA provides free Security Standards training for members
- New entry-level for FSR and TSR allows self-certification
- TAPA's Standards team on hand to offer help and advice

Find out more at [certification@tapaemea.com](mailto:certification@tapaemea.com)

# STEP UP & STAND OUT

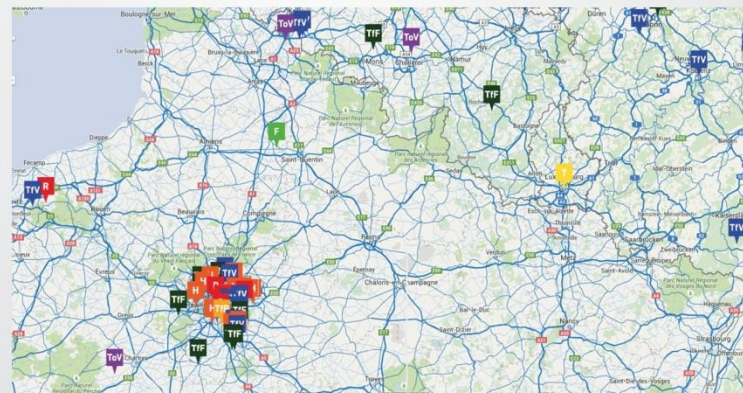
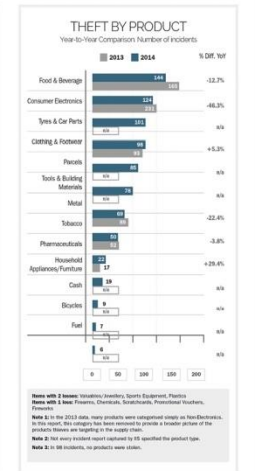
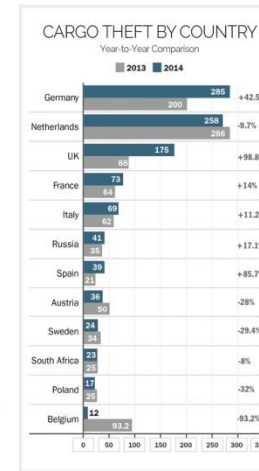
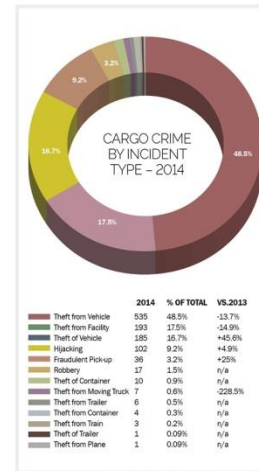
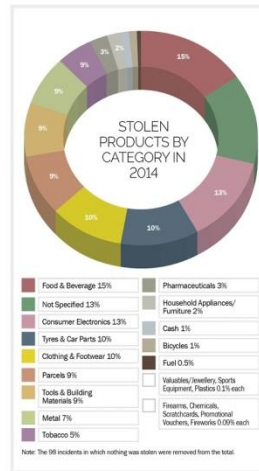


# CRIME INTELLIGENCE



## TAPA's Incident Information Service collates loss data and crime intelligence

- The database helps TAPA members plan their supply chains based on a clearer understanding of crime 'hotspots' and the modus operandi of criminals
- Cargo crime reports are supplied by members and law enforcement agencies, and gathered from media sources
- IIS issues crime alerts to members
- Insurers use IIS to assess risk
- IIS produces regular reports and an annual crime summary



Date	Origin	Material	Product Category	Location Type	Mode	Value	Quantity
15/08/2014	Spain	Iron	Construction	Construction Site	Truck	1000	1000
15/08/2014	Spain	Iron	Construction	Construction Site	Truck	1000	1000
15/08/2014	Spain	Iron	Construction	Construction Site	Truck	1000	1000



# 2015 CARGO CRIMES IN EMEA

# 341

TAPA was able to report a far more accurate picture of cargo crime in Belgium for 2015 thanks to data supplied by Belgian police. The 341 incidents in 2015 compared to 12 in 2014.

# 181

March 2015 was the highest month for cargo crime incidents with 181 reports to IIS, followed by November with 164 and May with 152.

# 22.5%

Number of recorded cargo crimes stating a loss value

# 60

Hijackings were reported to IIS, 4% of all incidents.

# 70

Number of cargo thefts with a loss value in excess of €100,000

# 29

The number of countries in the EMEA region reporting cargo crimes in 2015

# 4.4%

Or 67 of all 2015 crimes stated Violent or Threat with Violence as the criminals' M.O.

# 57.2%

Of all cargo crimes captured by TAPA EMEA in 2015 took place at unsecured parking locations, representing 866 of the 1,515 incidents

# €22,791

The equivalent average loss for all 1,515 cargo crimes reported to TAPA EMEA

# €3,000,000

The biggest single loss recorded by IIS in 2015 was the theft of pharmaceuticals from a Services 3rd Party Facility in Settala, Milan in Italy

# €101,256

Average loss for cargo crimes reporting a value

# 458

Most recorded cargo crimes in 2015 occurred in the Netherlands, accounting for 30.2% of all incidents and representing a rise on the 258 crimes reported in 2014.

# 9

 Theft from Moving Vehicle cargo thefts were reported to IIS in 2015

# 1,515

Total number of incidents recorded by TAPA EMEA's Incident Information Service in 2015

# €14,885,586

Combined loss for the top 10 reported cargo crimes in 2015, 43.1% of all thefts that stated a loss value

# €34,528,558

Total loss for the 22.5% of crimes reporting a value

# 139

Food & Drink was the product category with the highest number of recorded losses in 2015 featuring in 139 or 9.2% of incidents.

# 807

Or 53.3% of incidents during the year involved Theft from Vehicle, followed by 205 (13.5%) of Theft of Vehicle crimes, and 145 (9.6%) cases of Theft from Trailer.

# -55.4%

Reduction in the number of reported crimes with losses of more than €100,000

# 58.1%

Intrusion was the most frequently reported M.O. used by cargo thieves and was seen in a total of 880 crimes

# +37.4%

Rise in the number of cargo crimes reported to IIS vs. 2014

# -50.7%

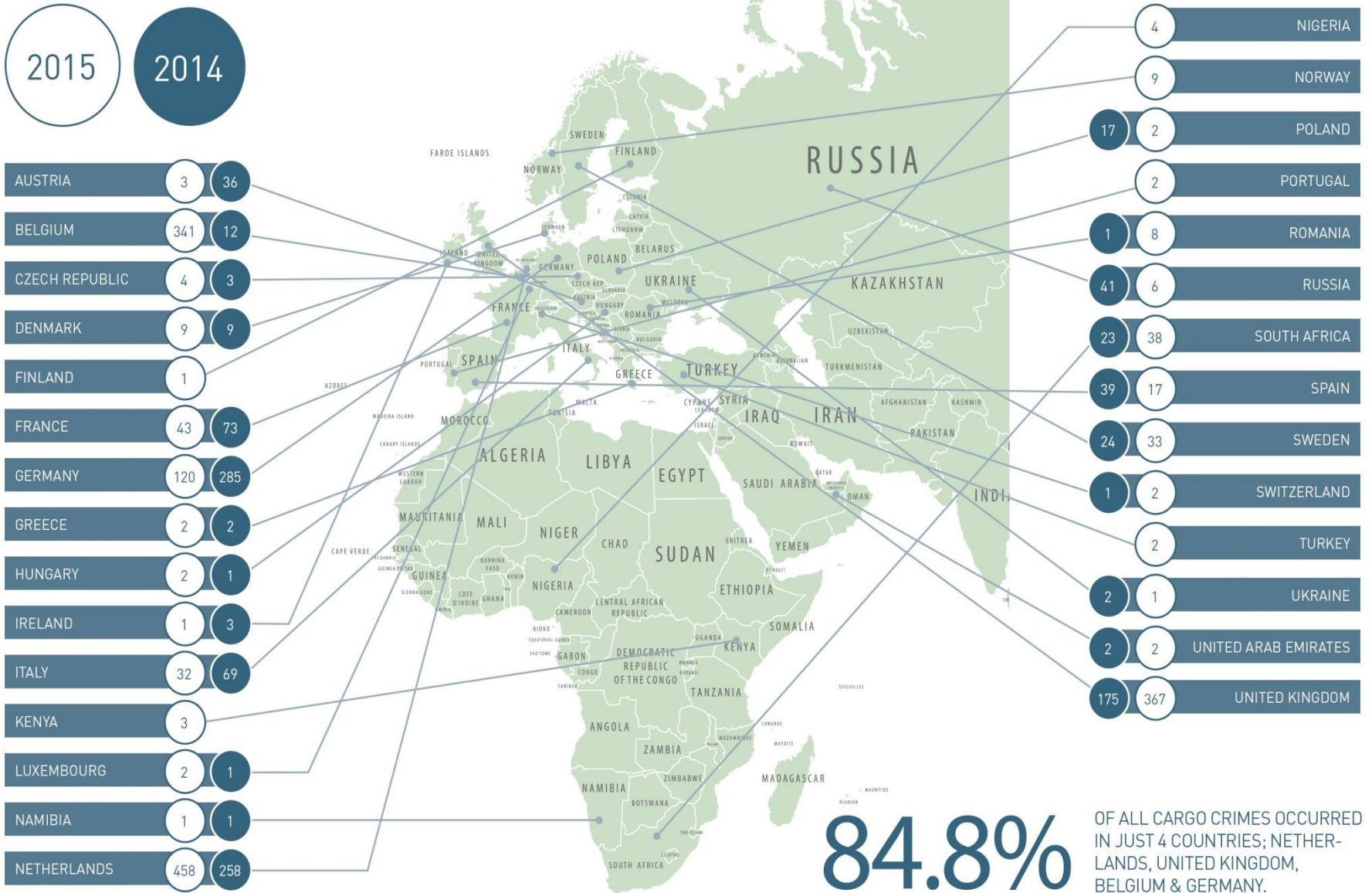
reduction in average losses in 2015 vs. 2014

# 4.6%

Of all incidents in 2015 were classed as major losses with a value over €100K



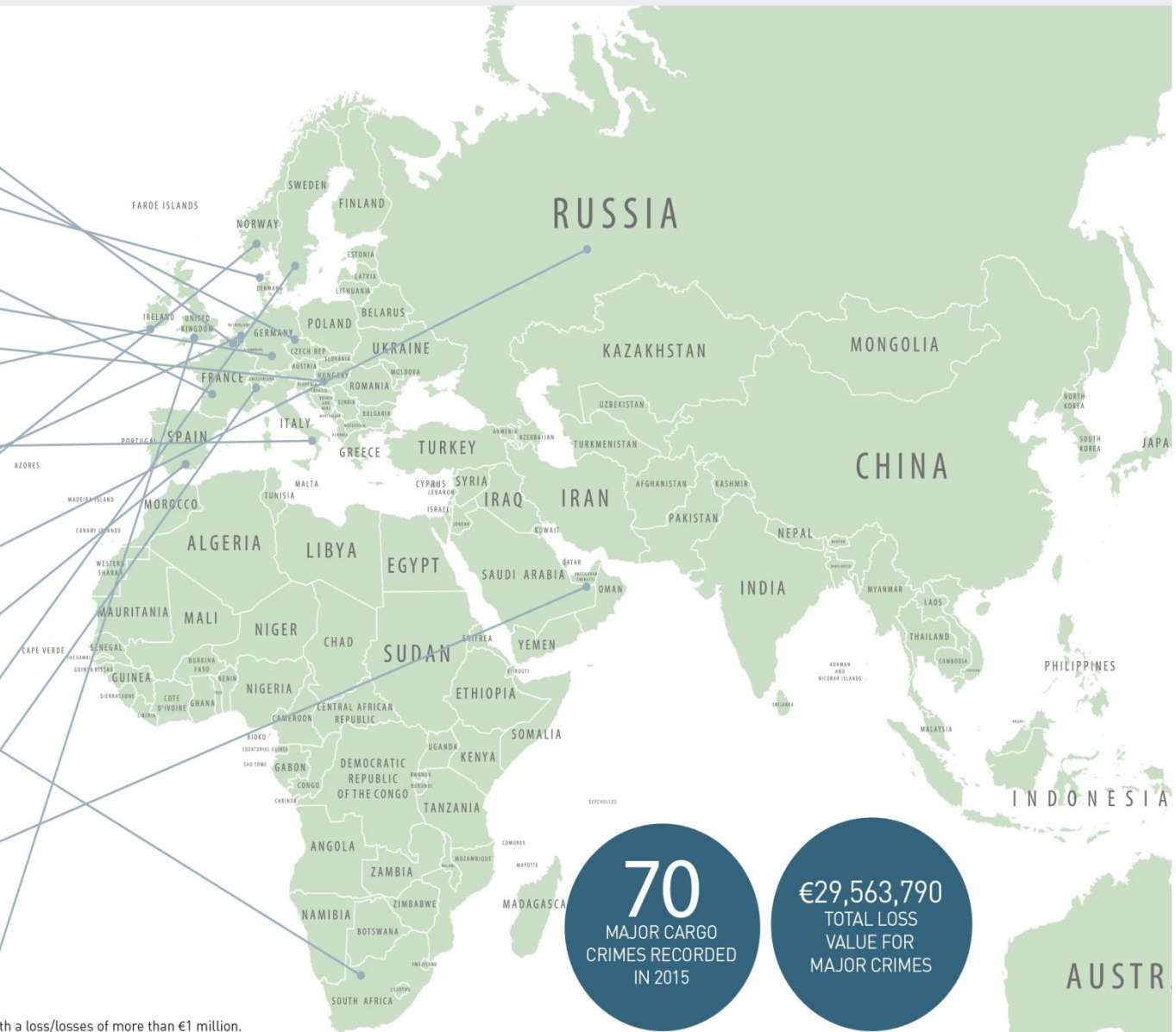
# TOTAL CARGO CRIME INCIDENTS IN THE EMEA REGION IN 2015 - BY COUNTRY





# COUNTRIES IN EMEA RECORDING MAJOR INCIDENTS WITH INDIVIDUAL LOSSES IN EXCESS OF €100,000

BELGIUM	2
CZECH REPUBLIC	1
DENMARK	2
FRANCE*	8
GERMANY	13
HUNGARY	1
IRELAND	1
ITALY*	7
NETHERLANDS	2
NORWAY	2
RUSSIA	3
SOUTH AFRICA	6
SPAIN	1
SWEDEN*	5
SWITZERLAND	1
UNITED ARAB EMIRATES*	1
UNITED KINGDOM *	13



**70**  
MAJOR CARGO  
CRIMES RECORDED  
IN 2015

**€29,563,790**  
TOTAL LOSS  
VALUE FOR  
MAJOR CRIMES

\* Indicates a country also reporting a crime or crimes with a loss/losses of more than €1 million.

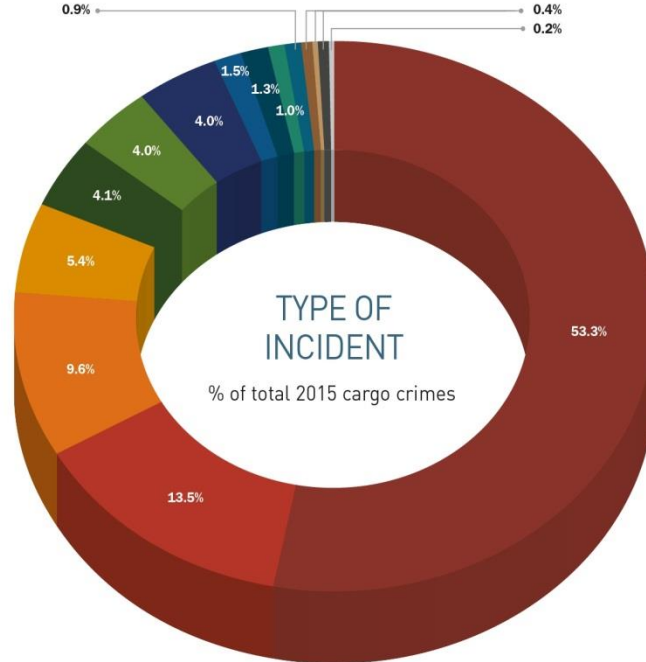
# 2015 IIS DATA

## THEFT BY PRODUCT

Product Category	Number of incidents	% of total
Food & Drink	139	9.2%
Clothing & Footwear	104	6.9%
Cosmetics & Hygiene	84	5.5%
Furniture/Household Appliances	80	5.3%
Computers/Laptops	77	5.1%
Tools/Building Materials	54	3.6%
Car Parts	49	3.2%
Tobacco	39	2.6%
Metal	34	2.2%
Phones	30	2.0%
Pharmaceuticals	18	1.2%
Toys/Games	13	0.9%
Tyres	8	0.5%
Cash	5	0.3%
Sports Equipment	3	0.2%
Agricultural Materials	3	0.2%
Bicycles	2	0.1%
Jewellery/Precious Metals	2	0.1%

0 50 100 150

**NOTE:** In 284 incidents (18.8% of the total) the types of products stolen were unspecified. In a further 254 cases (16.7%) the goods taken were classified as 'miscellaneous'. In 233 (15.4%) of the incidents reported to TAPA EMEA's Incident Information Service in 2015, no load was involved.

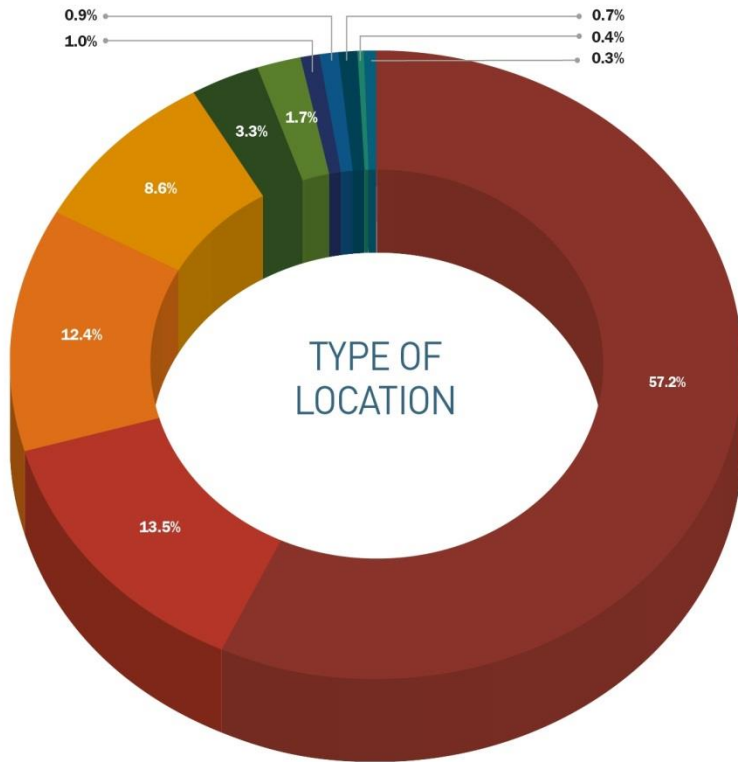


Number of incidents

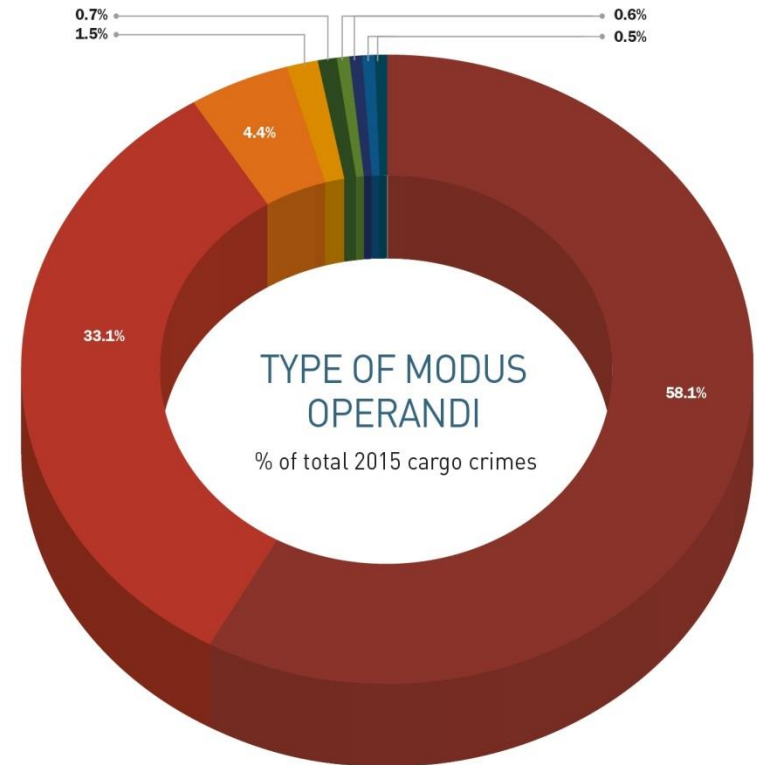
Theft from Vehicle 807 (53.3%)	Theft 19 (1.3%)
Theft of Vehicle 205 (13.5%)	Robbery 15 (1.0%)
Theft from Trailer 145 (9.6%)	Clandestine 13 (0.9%)
Truck Theft 81 (5.4%)	Fraud 7 (0.4%)
Theft from Facility 62 (4.1%)	Theft from Train 7 (0.4%)
Theft of Trailer 61 (4.0%)	Theft of Container 7 (0.4%)
Hijacking 60 (4.0%)	Unknown 3 (0.2%)
Theft from Container 23 (1.5%)	



# 2015 IIS DATA



Unsecured Parking 866 (57.2%)	Aviation Transportation Facility 15 (1.0%)
Origin Facility 205 (13.5%)	Destination Facility 13 (0.9%)
Unknown 188 (12.4%)	Railway Operation Facility 10 (0.7%)
En Route 130 (8.6%)	Authorised 3rd Party Facility 7 (0.4%)
Secured Parking 50 (3.3%)	Maritime Transportation Facility 5 (0.3%)
Services 3rd Party Facility 26 (1.7%)	



Number of incidents

Intrusion 880 (58.1%)	Deceptive Pick Up 9 (0.6%)
Unknown 501 (33.1%)	Theft from Moving Vehicle 9 (0.6%)
Violent & Threat with Violence 67 (4.4%)	Internal 8 (0.5%)
Forced Stop 22 (1.5%)	Deceptive Stop 8 (0.5%)
Deception Other 11 (0.7%)	

## IIS CARGO CRIME DATA

### YEAR-ON-YEAR ANALYSIS

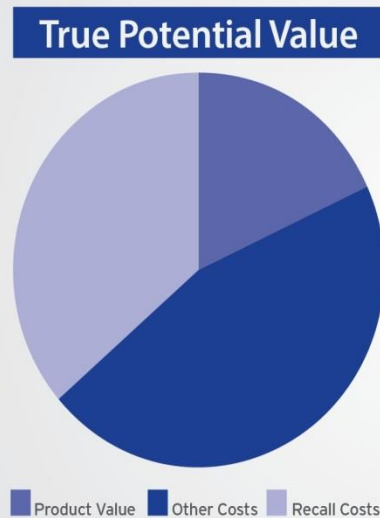
	2015	2014
Total number of cargo crimes reported to IIS	1,515	1,102
% of crimes stating a loss value	22.5%	33%
Loss total of crimes reporting a value	€34,528,558	€74,847,422
Number of crimes with losses over €100,000	70	157
Average loss for the year	€101,256	€205,624
% of crimes classed as major incidents	4.6%	14.2%
Country with most recorded cargo crimes	Netherlands – 458	Germany – 285
Most recorded type of incident	Theft from Vehicle – 53.3%	Theft from Vehicle – 48.5%
Most recorded location type	Unsecured Parking – 57.2%	Unsecured Parking – 46.6%
Most reported modus operandi	Intrusion – 58.1%	Intrusion – 49.6%
Number of countries reporting incidents	29	29
Biggest single loss	€3m of pharmaceuticals in Italy	€17m of scratchcards and electronics in Italy

# PHARMA SECTOR: THE TRUE COST OF LOSS



To gain a greater insight into the real value of a theft, this study used a hypothetical scenario outlining a theft of pharmaceutical product valued at \$200,000 to establish a measure of the associated indirect costs.

Factor	Employed Cost Value (Median)
Replacement Product Costs	\$200,000
Loss of Sales	\$200,000
Public Relations Costs	\$50,000
Investigational Costs	\$20,000
Drug Inspection and Testing	\$20,000
Product Disposal	\$20,000
Communication with Providers	\$20,000
Added Security Costs	\$10,000
Outreach to Client Costs	\$10,000
Quarantine Costs	\$10,000
Added Transportation Costs	\$6,000
Increase in Insurance Cost	Unknown
Recall Process Costs	Unknown
Estimated Total Cost	\$566,000



# 5x the value of the stolen product

*Study conducted by Marv Shepherd, Ph.D., Professor and Director of the Center for Pharmacoeconomic Studies, College of Pharmacy, University of Texas at Austin, Texas.*

When the cost of the lost product is added in, the true cost of this potential loss adds up to \$766,000 - without any added costs for the recall process. A recall could add in another \$500,000 conservatively, for a total of \$1.3 million in losses, or over five times the value of the stolen product.

# IT PAYS TO BE PROACTIVE



**-3X**

Adopting TAPA security standards as part of their supply chain security programmes means losses incurred by TAPA members are three times lower than the industry average

*'Amgen's mission is to serve patients and since joining TAPA, Amgen has derived significant benefit to its overall Supply Chain Security programme which is aimed at ensuring the integrity of the products that we deliver. We are now in the process of adopting TAPA Standards for use in our assessment and auditing of suppliers.'* Amgen

*'We value the opportunities TAPA offers to share information and best practice with other manufacturers, the freight industry and key law enforcement partners in the countries in which we operate.'*  
**AstraZeneca**

*'The networking opportunities that being a TAPA member brings are priceless'*  
**P&G**

*'Since the introduction of TAPA Facility Security Requirements (FSR) into relevant Supplier contracts, indicators show a significant decrease in the number of theft incidents'*  
**INTEL**

TAPA is a **not-for-profit** association that reinvests all income into delivering more benefits that help its members achieve supply chain resilience

# TAPA Future Direction

- More collaboration
  - EU DG MOVE/DG HOME -active participation
  - UK Government/Home Office - Clandestine Intrusion – listen, support, advise
  - Europol - Data & intelligence sharing
  - Interpol - Mutual co-operation initiatives
  - WCO - Discussions on harmonising AEO/TAPA standards
  - IRU – Driver Training, Secure Parking

# TAPA Future Direction

- Reduce complexity
  - Seek mutual recognition across private/public sectors
- Improve partnerships with regulatory bodies, business groups, suppliers security, industry security and Law Enforcement Agencies.
- Improved data
  - Focus on benefits v penalties for non-compliance
  - Supply chain loss/disruption impact analysis

**Ideal State – Supply Chain Security a deal maker  
not a deal breaker!**



**SETTING THE STANDARD  
FOR SECURE SUPPLY CHAINS**

[www.tapaemea.org](http://www.tapaemea.org)