

Indications for carrying out a qualified verification of freight carriers appointed for transport of goods with high risk of theft or of high value.

The risk: phantom carrier / fraudulent cargo thefts

Dear Sir or Madam,

Due to an increase of fraudulent cargo thefts carried out by organized perpetrator groups in Europe, we recommend by way of precaution to apply qualified verification measures during scheduled cargo consignment.

Following our evaluation of the existing hazards, we would like to point out that:

Cargo with the below mentioned kinds of goods is currently assessed as high-risk commodity:

Copper and metals, vehicle parts (tyres, accessories, etc.), consumer products (TV sets, PC-technology, peripheral items, kitchen technology, washing machines, etc.), food products (chocolate, spirits, cheese, etc.).

Until now shell companies from the following countries have been used by organized perpetrators:

Slovakia, Hungary, Czech Republic, Poland, Germany, Lithuania, Russia, Ukraine, Belarus, Romania, Bulgaria, Italy, Spain, Netherlands, Serbia, Austria (order * frequency)

Modus Operandi – basic forms:

Identity misuse of an actually existing firm; acquisition of a shell company and feigning business activities.

The offender groups that have been active for years adapt to the logistic business situation and comply with the identified preventive measures using existing lack of security, such as:

- deficient identification at the loading site thus low risk of being detected
- lacking processing time for freight forwarders due to high transport volumes
- inadequate knowledge regarding offenders' deceptive and adapted approach

Red Flags – critical initial indications, which require an unequivocal identification

Over 600 analysed cargo thefts were often, but not generally, associated with the listed characteristics and make for key characteristics of the offences:

- the contact is always made actively through the group of offenders with reference to the region or factual transports to be awarded
- exclusive use of gmail address (no subsequent identification possible)
- exclusive use of mobile phones (no subsequent identification possible)
- notified vehicle plate numbers are from other countries (not the seat of the carrier)
- lack of comprehensive legal information in the formal communication
- used documents (insurance confirmation, transport license, commercial register disclosure) are not quite legible, include divergent data and are not certificated with PDF-Data
- increasing use of counterfeit driver's documents from Ukraine, Poland, Romania, Hungary

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- use of counterfeit vehicle documents from the Czech Republic, Slovakia, Hungary, Poland, Romania
- nonexistent credentials from previous transports at least 3 months prior to the transport application
- fraudulent cargo takeovers are repeatedly aimed at (with reference to the region and transport capacity)

Due to the repeated increase of fraudulent cargo thefts, the below listed audit measures and fundamental items have to under the above mentioned aspects (Red flags, cargo types, national origin) be implemented without exception:

- Provision of landline number or collection of the order confirmation by fax
- Requesting a high-resolution copy of the registered managing director's/company owner's ID (digital picture, copy of documents)
- Examination of the insurance cover
- Verification of minimum two transport credentials (> 3 months prior to transport application, verifiable existent companies, only through landline numbers, which can be linked to this company)
- Provision of driver's document (driving licence, ID)
- Provision of vehicle units documents (tractor unit, trailer)
- Submission of registry information in regard to the company/commercial enterprise (verification of identity, personal data, registry information against supplied document of the owner/managing director)
- Exclusively only one cargo award to a new carrier within 14 days
- Content-related comparison of available data (search for contradictory data)
- Examination of the freight exchange membership (compare communication data + personal data)
- Comparison of data with available Internet search entries

In the case the statements are inconsistent or negative behavior is observed when asked for information an award of contract must not take place.

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Following documents are recommended for the implementation of work and procedure instructions regarding due examination and cargo awarding to new carriers:

- Checklist of the GDV (German Insurance Association)
- Chart for verification of applicants/cargo carriers