

Cargo Theft Prevention

Validation of Cargo Carriers and Prevention of Fictitious Pick-Ups

As incidents of cargo theft continue to rise, it's critical that businesses – and the third-party warehouse operators they partner with – take proactive steps to help prevent fictitious pick-ups and protect their shipments.

One of the most effective ways to reduce risk is to avoid brokering out loads or working with transportation companies that do so. Once a load is brokered out, it may get brokered out a few more times, increasing the risk of fraud and creating opportunities for illegitimate trucking companies to pose as legitimate carriers. Businesses should require in their contracts that shipments are not brokered out to additional carriers.

Beyond avoiding load brokering, businesses can adopt additional best practices to validate carriers and recognize potential threats. The following guidance outlines key steps to help strengthen cargo security and minimize exposure to theft.

What Businesses Can Do to Prevent Cargo Theft:

1. Verify Licensing and Insurance

- Confirm the company has a valid U.S. DOT Number and is registered with the Federal Motor Carrier Safety Administration (FMCSA).
- Check their Motor Carrier (MC) number for interstate operations.
- Request proof of insurance, including liability and cargo insurance coverage.
- Verify carriers' authenticity through direct communications (direct call to the carrier).

2. Review Safety Records

- Use the FMCSA's Safety and Fitness Electronic Records (SAFER) system to check:
 - Crash history
 - Out-of-service rates
 - Safety ratings (Satisfactory, Conditional, Unsatisfactory)
 - Patterns of violations or accidents

3. Evaluate Experience and Reputation

- Assess how long the company has been in business.
- Research online reviews and ratings on platforms like Better Business Bureau (BBB), Google Reviews or transportation forums.
- Request references from other shippers they've worked with.

4. Assess Compliance with Industry Standards

- Confirm compliance with Hours of Service (HOS) regulations.
- Ensure the company adheres to DOT and FMCSA regulations.
- Verify participation in drug and alcohol testing programs for drivers.

5. Inspect Equipment and Maintenance

- Ask for details about their fleet (age, condition and types of trucks).
- Confirm regular maintenance schedules and inspection records.

6. Check Driver Qualifications

- Confirm drivers hold valid Commercial Driver's Licenses (CDLs).
- Verify that drivers have undergone appropriate background checks and training.
- Review their driver retention rate as a measure of stability.

7. Analyze Financial Stability

- Conduct a credit check to ensure financial stability, especially if offering long payment terms.
- Verify their ability to handle claims and provide services without interruptions.

8. Review Contract Terms and Policies

- Examine their policies on liability for damaged or lost cargo.
- Ensure clear terms for delivery timelines, penalties and payment conditions.

9. Technology and Communication

- Check if the company uses modern technologies like GPS tracking, electronic logging devices (ELDs) and real-time updates.
- Evaluate their customer service and communication processes.

10. Training and Awareness

- Ensure all personnel handling pickups are properly trained to verify identity of drivers, confirm markings (no magnets or blatant secondary stickers) and cross-check DOT numbers.
- Create a culture of awareness and vigilance within the organization to help protect and prevent against fraudulent activities.
- Ensure a Site Operating Procedure (SOP) is in place, and a checklist is provided to the team verifying the driver and companies' information once the driver arrives at the location.

11. Request a Trial Run

- Before committing to long-term contracts, test their services with a smaller shipment to assess reliability and professionalism.



To learn more about how to prevent fictitious pick-ups and strengthen cargo security, connect with **CNA's Risk Control team** at RiskControl@cna.com.

Risk Control

Validation of Cargo Carriers and Prevention of Fictitious Pick-Ups



As incidents of cargo theft continue to rise, it's critical that businesses – and the third-party warehouse operators they partner with – take proactive steps to help prevent fictitious pick-ups and protect their shipments.

One of the most effective ways to reduce risk is to avoid brokering out loads or working with transportation companies that do so. Once a load is brokered out, it may get brokered out a few more times, increasing the risk of fraud and creating opportunities for illegitimate trucking companies to pose as legitimate carriers. Businesses should require in their contracts that shipments are not brokered out to additional carriers.

Beyond avoiding load brokering, businesses can adopt additional best practices to validate carriers and recognize potential threats. The following guidance outlines key steps to help strengthen cargo security and minimize exposure to theft.

What Businesses Can Do to Prevent Cargo Theft:

1 Verify Licensing and Insurance

- Confirm the company has a valid U.S. DOT Number and is registered with the Federal Motor Carrier Safety Administration (FMCSA).
- Check their Motor Carrier (MC) number for interstate operations.
- Request proof of insurance, including liability and cargo insurance coverage.
- Verify carriers' authenticity through direct communications (direct call to the carrier).

2 Review Safety Records

- Use the FMCSA's Safety and Fitness Electronic Records (SAFER) system to check:
 - Crash history
 - Out-of-service rates
 - Safety ratings (Satisfactory, Conditional, Unsatisfactory)
 - Patterns of violations or accidents

3 Evaluate Experience and Reputation

- Assess how long the company has been in business.
- Research online reviews and ratings on platforms like Better Business Bureau (BBB), Google Reviews or transportation forums.
- Request references from other shippers they've worked with.

4 Assess Compliance with Industry Standards

- Confirm compliance with Hours of Service (HOS) regulations.
- Ensure the company adheres to DOT and FMCSA regulations.
- Verify participation in drug and alcohol testing programs for drivers.

5 Inspect Equipment and Maintenance

- Ask for details about their fleet (age, condition and types of trucks).
- Confirm regular maintenance schedules and inspection records.

One of the most effective ways to reduce risk is to avoid brokering out loads or working with transportation companies that do so.

6 Check Driver Qualifications

- Confirm drivers hold valid Commercial Driver's Licenses (CDLs).
- Verify that drivers have undergone appropriate background checks and training.
- Review their driver retention rate as a measure of stability.

7 Analyze Financial Stability

- Conduct a credit check to ensure financial stability, especially if offering long payment terms.
- Verify their ability to handle claims and provide services without interruptions.

8 Review Contract Terms and Policies

- Examine their policies on liability for damaged or lost cargo.
- Ensure clear terms for delivery timelines, penalties and payment conditions.

9 Technology and Communication

- Check if the company uses modern technologies like GPS tracking, electronic logging devices (ELDs) and real-time updates.
- Evaluate their customer service and communication processes.

10 Training and Awareness

- Ensure all personnel handling pickups are properly trained to verify identity of drivers, confirm markings (no magnets or blatant secondary stickers) and cross-check DOT numbers.
- Create a culture of awareness and vigilance within the organization to help protect and prevent against fraudulent activities.

11 Request a Trial Run

- Before committing to long-term contracts, test their services with a smaller shipment to assess reliability and professionalism.

Stability and Financial Strength

CNA is one of the largest U.S. commercial property and casualty insurance companies. Backed by more than 125 years of experience, CNA provides a broad range of standard and specialized insurance products and services for businesses and professionals in the U.S., Canada and Europe.



To learn more about how to prevent fictitious pick-ups and strengthen cargo security, connect with **CNA's Risk Control team** at RiskControl@cna.com.

Risk Control

Validation of Cargo Carriers and Prevention of Fictitious Pick-Ups



As incidents of cargo theft continue to rise, it's critical that businesses – and the third-party warehouse operators they partner with – take proactive steps to help prevent fictitious pick-ups and protect their shipments.

One of the most effective ways to reduce risk is to avoid brokering out loads or working with transportation companies that do so. Once a load is brokered out, it may get brokered out a few more times, increasing the risk of fraud and creating opportunities for illegitimate trucking companies to pose as legitimate carriers. Businesses should require in their contracts that shipments are not brokered out to additional carriers.

Beyond avoiding load brokering, businesses can adopt additional best practices to validate carriers and recognize potential threats. The following guidance outlines key steps to help strengthen cargo security and minimize exposure to theft.

What Businesses Can Do to Prevent Cargo Theft:

1. Verify Licensing and Insurance

- Confirm the company has a valid U.S. DOT Number and is registered with the Federal Motor Carrier Safety Administration (FMCSA).
- Check their Motor Carrier (MC) number for interstate operations.
- Request proof of insurance, including liability and cargo insurance coverage.
- Verify carriers' authenticity through direct communications (direct call to the carrier).

2. Review Safety Records

- Use the FMCSA's Safety and Fitness Electronic Records (SAFER) system to check:
 - Crash history
 - Out-of-service rates
 - Safety ratings (Satisfactory, Conditional, Unsatisfactory)
 - Patterns of violations or accidents

One of the most effective ways to reduce risk is to avoid brokering out loads or working with transportation companies that do so.

3. Evaluate Experience and Reputation

- Assess how long the company has been in business.
- Research online reviews and ratings on platforms like Better Business Bureau (BBB), Google Reviews or transportation forums.
- Request references from other shippers they've worked with.

4. Assess Compliance with Industry Standards

- Confirm compliance with Hours of Service (HOS) regulations.
- Ensure the company adheres to DOT and FMCSA regulations.
- Verify participation in drug and alcohol testing programs for drivers.

5. Inspect Equipment and Maintenance

- Ask for details about their fleet (age, condition and types of trucks).
- Confirm regular maintenance schedules and inspection records.



6. Check Driver Qualifications

- Confirm drivers hold valid Commercial Driver's Licenses (CDLs).
- Verify that drivers have undergone appropriate background checks and training.
- Review their driver retention rate as a measure of stability.

7. Analyze Financial Stability

- Conduct a credit check to ensure financial stability, especially if offering long payment terms.
- Verify their ability to handle claims and provide services without interruptions.

8. Review Contract Terms and Policies

- Examine their policies on liability for damaged or lost cargo.
- Ensure clear terms for delivery timelines, penalties and payment conditions.

9. Technology and Communication

- Check if the company uses modern technologies like GPS tracking, electronic logging devices (ELDs) and real-time updates.
- Evaluate their customer service and communication processes.

10. Training and Awareness

- Ensure all personnel handling pickups are properly trained to verify identity of drivers, confirm markings (no magnets or blatant secondary stickers) and cross-check DOT numbers.
- Create a culture of awareness and vigilance within the organization to help protect and prevent against fraudulent activities.

11. Request a Trial Run

- Before committing to long-term contracts, test their services with a smaller shipment to assess reliability and professionalism.



CNA Highlights

125+

Years of
experience

7th

Largest U.S.
commercial insurer*

Financial
Strength
Ratings

A+

S&P

A

A.M. Best

A2

Moody's

A+

Fitch



To learn more about how to prevent fictitious pick-ups and strengthen cargo security, connect with **CNA's Risk Control team** at RiskControl@cna.com.

Risk Control

Validation of Cargo Carriers and Prevention of Fictitious Pick-Ups



As incidents of cargo theft continue to rise, it's critical that businesses – and the third-party warehouse operators they partner with – take proactive steps to help prevent fictitious pick-ups and protect their shipments.

One of the most effective ways to reduce risk is to avoid brokering out loads or working with transportation companies that do so. Once a load is brokered out, it may get brokered out a few more times, increasing the risk of fraud and creating opportunities for illegitimate trucking companies to pose as legitimate carriers. Businesses should require in their contracts that shipments are not brokered out to additional carriers.

Beyond avoiding load brokering, businesses can adopt additional best practices to validate carriers and recognize potential threats. The following guidance outlines key steps to help strengthen cargo security and minimize exposure to theft.

What Businesses Can Do to Prevent Cargo Theft:

1 Verify Licensing and Insurance

- Confirm the company has a valid U.S. DOT Number and is registered with the Federal Motor Carrier Safety Administration (FMCSA).
- Check their Motor Carrier (MC) number for interstate operations.
- Request proof of insurance, including liability and cargo insurance coverage.
- Verify carriers' authenticity through direct communications (direct call to the carrier).

2 Review Safety Records

- Use the FMCSA's Safety and Fitness Electronic Records (SAFER) system to check:
 - Crash history
 - Out-of-service rates
 - Safety ratings (Satisfactory, Conditional, Unsatisfactory)
 - Patterns of violations or accidents

One of the most effective ways to reduce risk is to avoid brokering out loads or working with transportation companies that do so.

3 Evaluate Experience and Reputation

- Assess how long the company has been in business.
- Research online reviews and ratings on platforms like Better Business Bureau (BBB), Google Reviews or transportation forums.
- Request references from other shippers they've worked with.

4 Assess Compliance with Industry Standards

- Confirm compliance with Hours of Service (HOS) regulations.
- Ensure the company adheres to DOT and FMCSA regulations.
- Verify participation in drug and alcohol testing programs for drivers.

5 Inspect Equipment and Maintenance

- Ask for details about their fleet (age, condition and types of trucks).
- Confirm regular maintenance schedules and inspection records.