

Cargo Tips:

Shipping Essential Items During a Pandemic

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Prior to the COVID-19 pandemic, ventilators, masks, gloves and gowns were considered specialty medical devices or industrial Personal Protective Equipment (PPE); hand sanitizers, disinfectants, other cleaning agents and toilet paper were innocuous consumer goods. Once the pandemic hit, these items were considered essential.

As a country, one glaring lesson we are learning is that our national stockpile of equipment, goods and materials that become necessities during a pandemic quickly became depleted and local municipalities, as well as states and the federal government, went on a global search for suppliers.

While many domestic companies have redirected some of their production capacity into manufacturing these commodities to assist in the pandemic response, the demand still outpaced supply. For that reason, buyers have looked more and more to new international sources for raw materials and finished goods.

Unfortunately, these creative efforts to obtain supplies from previously untapped sources have been met with criminal opportunism. Since March 2020, there has been a large number of thefts of what we formerly viewed as low-profile goods in transit. The following incidents have been reported to organizations such as CargoNet, Pharma Cargo Security Coalition (PCSC) and TAPA (Transported Asset Protection Association):

| Date | Location | Supply Type |
|------|-------------------|-------------------|
| 3/14 | Charleston, SC | Surgical Gloves |
| 3/20 | Dallas, TX | Toilet Paper |
| 4/8 | Dallas, TX | Toilet Paper |
| 4/1 | Mira Loma, CA | Toilet Paper |
| 4/1 | New York, NY | Face Masks |
| 4/1 | Iselin, NJ | Surgical Masks |
| 4/25 | Brooklyn, NY | Disinfectants |
| 4/25 | Carlisle, PA | Cleaning Products |
| 4/30 | Waxahachie, TX | Disinfectants |
| 5/4 | Portage, IN | Face Masks |
| 5/8 | N. Las Vegas, NV | Toilet Paper |
| 5/15 | Knoxville, TN | Cleaning Products |
| 5/17 | San Francisco, CA | Face Masks |
| 5/22 | New York, NY | Face Masks |
| 5/23 | N. Las Vegas, NV | Bleach |
| 5/25 | Miami, FL | Cleaning Products |
| 6/7 | Mansfield, TX | Toilet Paper |

While the companies making or sourcing these items may have import-export experience, they may not be as well-versed in protecting high-risk cargo.

Chubb's Marine Risk Management team offers the following security recommendations to help protect high-risk cargo in transit during a pandemic:

- Partner with knowledgeable transportation providers and intermediaries, such as freight forwarders and other third-party logistics providers (3PLs).
- Arrange or request direct routing between the origin and destination, eliminating as many transfers and additional handling as possible.
- Use special services that provide additional layers of protection throughout transit, including times when your goods are temporarily staged or stored. Airlines may offer placement of packages in secured areas that are under constant surveillance, and trucking companies may offer the opportunity to use their team of experienced drivers.
- Use a customs broker that can expedite clearance, so your packages do not dwell in cargo terminals during international shipments. The axiom "Cargo at Rest is Cargo at Risk" applies here.
- Pick up goods as soon as possible and ensure the destination is available to receive them upon arrival.
- Do not identify the contents of the packaging on its exterior; and as much as is practical, use an innocuous description of the cargo on the bill of lading and other shipping documents.
- Consider the use of covert tracking technology that allows remote monitoring of your assets point-to-point.
- Vet the trucking company; validate its credentials including insurance and verify the identity of all drivers through a license check.
- Establish a Service Level Agreement with the trucking company or freight broker that details protocols, such as never leaving loads unattended and requiring parking only at established facilities.

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