



The Rise of Nut Theft in the U.S.

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It is widely known in the insurance community that food and beverage products have become the most commonly targeted cargo for thieves. According to Freightwatch International's U.S. Cargo Theft Report for Q1 2016, food and beverages accounted for twenty percent of cargo theft during that period. According to the Associated Press, 31 truckloads and about \$4.6 million worth of nuts were stolen via fraudulent means in California alone last year.

Why Nuts?

Not only are they difficult to trace back to their source, but nuts are expensive. Freightwatch's Theft Report reminds readers: "With a high value density per truckload and typically low security protocols in place, nuts have been a sought after commodity for organized cargo theft."

Top 5 States Where Nut Thefts Occur

California – 81%
Michigan – 7%
New Jersey – 6%
Arizona – 3%
Nevada – 3%

Fictitious Pickup and Fraud

Organized criminals are doing more than stealing these trucks the "old-fashioned" way - through force. In California, where nut theft is most prevalent, authorities are finding that quite the opposite is happening. Criminals are infiltrating the supply chain through more sophisticated means,

Through hacking web-based databases or simply accessing the DOT website, they are able to secure information regarding what carriers are transporting what goods to what locations. By creating a "shell" company, they can forge documentation, purchase "burner" phones, and might even create a fake website. This way, they look legitimate when the driver arrives to pick up a shipment.

In other cases, the thieves may pose as the shipper. By contacting drivers, they are able to divert shipments to other warehouses. The driver may never know that they were complicit in a criminal act. What is certain is that in both scenarios, the shipments never arrive to their planned destinations.

These masterminds are tech savvy. They are able to use data and holes in the system to manipulate the supply chain in order to steal high-value goods nearly undetected. This is a huge concern for shippers of not only nuts but all difficult-to-trace products. The only way to truly defend one's company from this kind of loss is creating a protocol to vet carriers and to purchase All-risk Cargo Insurance.

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The Role of Insurance

No matter what product you are shipping, providers should absolutely consider obtaining Cargo Insurance. Avalon Risk Management offers an “All-Risk” Cargo policy which offers the broadest form of coverage. Our flexible policies allow our customers to insure most commodities immediately and those requiring special quotes within a 24-hour turnaround time. With Avalon’s Cargo Insurance program, you’ll receive competitive rates, marketing support and exclusive Web Merlin™ technology to streamline certificate issuance.

For more information on Cargo Insurance, contact marketing@avalonrisk.com or visit our [cargo insurance product page](#). To read about another fictitious pickup claim, click [here](#).