



Vol. 29 No. 5

ROAD TALK

Dec 2024

AN OFFICIAL PUBLICATION FOR TRUCKING PROFESSIONALS

Season's Greetings

Wishing you a joyful holiday season
and a prosperous New Year!



FRAUD

THEFT

in the supply chain

Cargo Theft/Identity Theft/Pilfering/Forgery

As the holiday shipping season progresses, the issue of fraud/theft demands urgent attention from every link in the supply chain. The peak shipping period typically sees increased security risks, making it essential for all stakeholders to remain attentive. Cargo theft is the most prevalent form of fraud within the trucking industry and has seen a dramatic increase, with sophisticated schemes such as strategic cargo theft becoming more common.

Recent statistics reveal a staggering 600% increase in cargo theft between November 2022 and March 2023, with experts predicting no signs of a slowdown. The Transportation Intermediaries Association and CargoNet report that California, Texas, and Illinois account for 73% and 57% of all cargo thefts in Q1 and Q2 of 2024, respectively.

Criminals increasingly rely on sophisticated methods to acquire sensitive shipment data that allow thieves to track and stalk those loads. This information can even be obtained from one's own employees. Recognizing this and the risks associated with not securing shipment details is vital for companies.

Thieves are employing sophisticated methods, such as email spoofing and phishing to acquire sensitive shipment details and personal data (identity theft) that allows them to exploit a company or individual. Once they have those details, you and your security protocols are the last layer of defense.

Three Key Preventive Strategies

Confidentiality: Educate your team about the sensitivity of shipment details and the importance of not divulging those details outside of trusted circles.

Route Variation: Regularly alter routes to disrupt any patterns that thieves might exploit.

Verification: Conduct due diligence when dealing with unfamiliar vendors. Confirm identities through direct contact with the company.

As the trucking industry becomes more technologically advanced, integrating security technology is vital. Tracking/security devices should be installed on each piece of equipment to help monitor, alert, detour and recover.

Example: Utilizing GPS tracking can provide real-time location updates, helping to deter thieves and recover stolen cargo more swiftly.

As criminal tactics become increasingly sophisticated, the need for constant vigilance and updated prevention strategies is paramount. Emerging technologies may soon revolutionize how the industry secures cargo but until then be ever watchful and do your part and protect your equipment and your data.

If you do not already have an anti-fraud/theft training process in place, it is time. Fraud/theft are tied to your reputation, your cost of doing business, your safety rating, your finances and so much more.

Below are some strategies that you can incorporate into your training programs.

- When encountering unfamiliar individuals claiming to be from a vendor, reach out to that vendor and confirm the legitimacy of the that individual before proceeding.
- If/when you receive a promise of an offer that is significantly generous, be skeptical and make the effort to understand the reason behind such offers.
- Refrain from responding to unsolicited



Claims Trend

From Claims & Loss Control

Daily driving safety is crucial, and it's vital to periodically revisit the basics to stay safe.

Lately, we've seen a rise in rear-end crashes linked to drivers looking away from their lanes for too long and failing to allow enough space to react to sudden stops in traffic.

When merging into another lane — especially when traffic is heavy, ensure you have enough time and space before looking away.

Drivers may be following too closely to the vehicle ahead or may simply be distracted. Regardless, exercise proper caution by maintaining a 4-second gap between your vehicle and the one in front.

Remember, staying alert and maintaining distance can save lives. Drive safely!

emails and clicking on links from unfamiliar sources.

- Monitor and verify carrier legitimacy. Check how long a carrier has been in business, confirm DOT registration, and ensure that phone numbers and email domains are valid.
- Maintain password confidentiality and strength. Regularly update passwords and close accounts or systems that are no longer needed.
- Regularly update training and security protocols to stay ahead of evolving threats.

Despite these extensive precautions, fraudsters adapt and find new ways to exploit vulnerabilities in the supply chain. Adding to the already long list of criminal strategies is a new form of fraud — document forgery which consists of the non-delivery of whole shipments. Assuming the role of a professional driver to fraudulently secure a load, criminals drive the load to its intended destination, partially unload it and then alter the bill of lading to show the complete load was delivered.

Freight fraud in the trucking industry represents an estimated \$800 million annually. There is no estimate for how much that costs a carrier or broker's business.

DIESEL FUEL UPDATE



The Brent crude oil spot price through the end of next year is expected to average \$78 per barrel (b) in 2025 compared to \$83/b in 2023. Although crude oil prices are forecast to be lower in 2025, price volatility remains likely due to escalating conflicts in the Middle East, raising the possibility of oil supply disruptions. The Energy Information Administration (EIA) expects U.S. price for retail diesel will average about \$3.50/gal in 2025. EIA also expects the U.S. retail gasoline price to average \$3.20/gal in 2025.

Winter Outlook - EIA assumes this winter will be colder than the last winter across much of the country, especially in the Midwest. The assumption is that this winter will be closer to average following a very mild winter last year.

Winter weather can lead to higher fuel prices due to increased demand for heating, refinery issues, and transportation challenges. Diesel fuel and home heating oil are both obtained from the distillates in the middle layers of oil.



TIMELY REPORTING OF CLAIMS

If/when you are involved in a crash or an incident of liability occurs, that incident should be reported to your insurance company as soon as possible.

Following a crash, several important steps must be taken. First, gather witness statements and their contact information. Next, collect the insurance details of all parties involved, including license plate numbers, and photos/videos of the scene. Finally, report the incident to your insurance company, regardless of the damage involved. Failing to do so could jeopardize your claim and leave you vulnerable to unexpected legal action.

Commercial trucking operations often become targets for claims. Personal auto limits in California are \$15,000 for injury/death to one person; \$30,000 for more than one person; and \$5,000 for damage to property. Vehicles with a USDOT or a CA state serial number are subject to a \$750,000 minimum, but most carry \$1 million. That limit unfortunately has incentivized people to target truckers regardless of actual damage/injury and there's no shortage of lawyers willing to help them.

Why Timeliness Matters - When you purchase insurance you enter into an agreement to share the cost of any claims with the insurer. That agreement specifies certain conditions that must be met for coverage to apply. Conditions such as reporting claims and lawsuits to the insurance company in a timely manner and your cooperation throughout the claim process are high atop that list. You should read your policy for specifics as contracts differ. However, if your insurer believes that any delay or breach indicates a false claim or has caused them harm, they may deny your claim or drop your coverage.

Risks of Delayed Reporting - Waiting to report a claim can be risky. The other party might initially agree not to pursue the claim but could later change their mind. Example: It's now a month or more after the incident and the other party has decided to file a claim. They've hired an attorney and are threatening a lawsuit. You're now at a serious disadvantage as any witnesses (if you have any that can be contacted), may not remember details of the incident as clearly. It's now more difficult to gather evidence such as video from nearby businesses. You may be less successful in defending that any damages or injuries weren't the direct result of that crash.

Protect Yourself - When you're involved in a crash or any incident that could lead to liability, protect yourself by documenting as much as you can with evidence and witnesses. It's crucial to report it to your insurance company as soon as possible to protect your rights, strengthen your defense and ensure that you remain covered under your policy. Be sure to review your insurance policy to understand your obligations. When in doubt, reach out to your agent for guidance.

National On-highway Prices - 11/04/24



On-highway Diesel Fuel Prices

Region	11/4/2024	10/07/2024	11/6/2023
East Coast	3.590	3.563	4.294
New England	3.753	3.765	4.523
Central Atlantic	3.792	3.821	4.588
Lower Atlantic	3.500	3.447	4.163
Midwest	3.517	3.587	4.334
Gulf Coast	3.184	3.266	4.032
Rocky Mtns	3.583	3.620	4.489
West Coast	4.190	4.261	5.258
California	4.681	4.742	5.816



AMERICAN HIGHWAY
CARRIERS ASSOCIATION
P.O. BOX 3190
CERRITOS, CA 90703-3190

S
I
G
N
U
P
T
O
D
A
Y
F
R
E
E

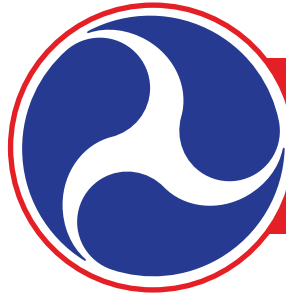

working
advantage

www.workingadvantage.com

More perks, more savings, more happy! Working Advantage brings big time benefits to AHCA members.

Members can save big on theme parks, attractions, hotels, rental cars, concerts, sports, live events, electronics, appliances, apparel, gift cards, movie tickets, and so much more. It's all a part of your AHCA membership, *so start saving today!*

Members simply need to sign up on workingadvantage.com using the Company Code listed here (AHCPERKS). *There is no additional cost to AHCA members!*



NEW FMCSA Registration System for 2025

The Federal Motor Carrier Safety Administration (FMCSA) is developing a new registration system to streamline the registration process for new applicants and existing registered entities. The new system will be rolled out in phases beginning in 2025.

The new system is intended to streamline the registration process by addressing the following:

- Consolidation of FMCSA forms into a single online system.
- Issuing a suffix to USDOT numbers for all regulated operating authority registrants. The suffix will be used to designate the type of authority granted instead of receiving a separate MC or FF Docket Number. USDOT number suffixes will not be a vehicle marking requirement.
- Deployment of new identity verification software and user account roles to protect and control system access.

For more information, visit: www.fmcsa.dot.gov/registration