

Alexandria 3T07 Conference - Meeting Minutes

Copies of PowerPoint presentations will be placed on the web site (members only section) once approval is obtained from all presenters.

Day #1: November 6

Welcome And Agenda Review (Glenn Nilsson)

1. Introduction of attendees
2. Overview of agenda
3. Total attendees = 54 for TAPA meeting

Supply Chain Security Program - Mexico Case Study (Brad Elrod, Pfizer)

1. Mexico is extraordinarily challenging environment
2. Photos of theft at Pfister location in Mexico
3. Video of truck theft in Mexico (local police were the thieves)
4. Several large theft amounts by major companies in Mexico
 - a. Schering-Mexicana 13M peso
 - b. Pfizer 12M peso
 - c. Sanofi 10M peso
 - d. Schering-Plough 8M peso
 - e. Laboratorios grossman 6M peso
5. Largest percentages of loss (60-65%) in Mexico City and Federal District
 - a. Approx 70% are employee collusion
 - b. 102 gangs operate in Mexico City region
 - c. Significant police corruption issues
6. Pfizer has stringent carrier requirements and conducts several compliance audits
 - a. Also includes Freightwatch as escorts on many shipments
 - b. Use armed escorts for shipments over \$15 million
7. What is the possibility of getting a local Mexico TAPA chapter?

TAPA Board of Director Updates

1. Chairman report (Glenn Nilsson)
 - a. WWC meeting in Amsterdam – several good discussions on critical topics
 - b. 1T meeting will be in San Jose and will be hosted by AIG
 - c. In process of identifying a specific person for Vice Chairman
2. Freight Forwarder (Rick Delapaz)
 - a. Screening proposal before congress is big issue
 - b. Certified (known) shipper program has expired as of October 31st
3. Manufacturer (Gary Alton)
4. Insurance (Tom Deist) - top three items of interest for insurance members
 - a. Execution and fulfillment of TAPA goals
 - b. Expand info beyond just Americas geography
 - c. Expand membership – especially beyond high tech focus
 - d. Expand IIS user base
5. Membership expansion committee (Shelly Sherven)
 - a. Newsletter – three per year tied to trimester meeting
 - b. Expand topical speakers for meetings
 - c. Participation in other related organization to publicize TAPA via standardized presentation
 - d. Worldwide networking and coordinate website and yearbook
 - e. Membership expansion – targeted solicitation
 - f. Possible decline of ICSC may generate more interest in TAPA

6. Incident Information System (Brandon Stroud)
 - a. Incident reporting has been inconsistent and contributions are from very few companies
 - b. Need closer liason to FBI and LEA's – more proactive

Air Cargo Security (Bas van Goch, KLM)

1. Two airlines (Air France and KLM) intergrated the commercial operations
 - a. One AF/KL strategy with revenue of 2.1 bln euro
 - b. Hubs in AMS and CDG
 - c. Traffic of 10 billion revenue ton kilometers
2. Anticipate that Emerates and Korean Air will eventually be biggest cargo carriers
3. Air cargo regulations
 - a. EU 2320/622/831
 - i. "Chain responsibility" – KC (known consignor) + RA (regulated agent) + airline
 - ii. 100% screened cargo by KLM for all flights
 - b. AOSSP and MSP
 - i. Screening 30% on airway bill
 - ii. Registration of screened cargo
 - iii. PreAdvice to TSA
 - c. EA's
 - d. IATA
4. Menzies warehouse in AMS is a problematic location

Technology Update – Electronic Security (Brian Havekost, Stanley)

1. HSN was purchased last year (Electronic Security Services)
2. Credentials
 - a. TWIC – Transportation Workers ID Card
 - b. FIPS – Federal Government ID
 - c. FRAC – First Responder Authentication Credential
3. Intelligent video (video content analysis of IP video)
 - a. Improved algorithms – fewer false alarms and better facial capture
 - b. Content analysis "at the edge" (IP video only upon events)

FBI Law Enforcement And Terrorism (Ron Koziol, FBI)

1. FBI focus has changed substantially in post-9/11 environment
2. Major theft subprogram
 - a. Staffing was 225 agents (handling 2200 cases) is now down to 75 agents (1280 cases)
 - b. Cargo crime is part of the major theft subprogram
 - c. Burglary, larceny, and cargo theft
3. Counterterrorism Joint Initiatives
 - a. Al Qaeda and Al Qaeda-inspired
 - b. Major focus for domestic infiltration by terrorists
4. Task forces are a major approach to focus on critical issues
5. LERPnet: law enforcement retail partnership network
 - a. Legislation passed in 2006 for the formulation of a retail theft database
 - b. Incident database (MS Access) is used to capture data input via website

Certified Cargo Screening Program (Douglas Brittin, TSA)

1. TSA multi-pronged security and risk assessment philosophies
 - a. Vetting to ensure entities and people meet security standards
 - b. Screening cargo using approved screening methods and technologies
 - c. Targeting c
 - d. Cargo shipments for risk-based and random secondary screening

- e. Assess regulated entity compliance with security requirements
- 2. Legislation mandates 100% screening by August 2010 for all cargo on passenger aircraft
 - a. Screening needs to be done at the box level – so pallets will need to be broken-down and done on a box-by-box basis
 - b. Airlines are not currently equipped for this level of screening

EuroWatch – Cargo Theft Issues In Europe (Mrk Schwartz, EuroWatch)

- 1. Case studies of recent thefts/hijacks indicate best-in-class security methods should be implemented
 - a. Driver education
 - b. Driver call-in protocol (intervals determined)
 - c. Tracking system could have raised alarm and possible to call police
- 2. Current issues
 - a. Increasing use of standards
 - b. Definition of precautions
 - c. Sub-contracting
 - d. Safe parking
 - e. Who pays?
 - f. Market forces putting squeeze on rates
 - g. Many insurers remain “soft”
- 3. General trend is that manufacturing is “moving east” to Eastern European countries

TAPA Benchmark Update (Glenn Nilsson)

- 1. After 2005 benchmark, it was decided to repeat the process annually
- 2. 2006 study to be conducted within the next 3 weeks and 2007 study to be completed in during 1Q08
- 3. Key success factor is to get participation
 - a. Data integrity – individual data is confidential
 - b. Accuracy of results is more important than “looking good”
 - c. Timeliness of retrun of the data is very important

Day #2: November 7

Agenda Review (Glenn Nilsson)

Warehouse Theft Activity (Ed Petow, FreightWatch)

- 1. Recent warehouse activity – what MO's are they doing differently?
 - a. Thieves will find company vulnerability and exploit across the country at other locations
 - b. Most thefts are based on pre-ordered
 - c. Thieves do extensive research (internet based) and surveillance
- 2. Theft methods-of-operations
 - a. Drive or fly to distant locations
 - b. Stay in local economy motels
 - c. Extensive surveillance
 - d. Aquire tools locally
 - e. Use radios and cellphones
 - f. Carry false ID's
 - g. Local rental vehicles
 - h. Always have a pre-planned exit strategy
- 3. Identification of targets
 - a. Internet search

- b. Talk to drivers
- c. Dumpster dives
- d. Check with local dealers
- 4. Methods of penetration
 - a. Cut phone lines and observe response
 - b. Violate the perimeter and observe response
 - c. Enter the facility, recon and disable video, backup alarm and components
- 5. Cellular backup as of February 16, 2008
 - a. FCC rule that cellular companies do not have to support analog
 - b. Alarm companies are using this as a marketing process for upgrades
- 6. Precautionary steps - prevention
 - a. Test alarm system
 - b. Have cellular or radio backup
 - c. Don't ignore trouble signals
 - d. Key holders need specific steps
 - e. Lock the dumpsters