

# Union Pacific steps up security as container thefts spread from LA-LB port



*Despite freight moving across states and multiple jurisdictions, thefts are prosecuted at the local level. Photo credit: Hit1912 / Shutterstock.com.*

**Michael Angell, Senior Editor | May 24, 2024, 3:28 PM EDT**

A rash of container thefts and break-ins that began during COVID-19 along the railroad tracks out of the ports of Los Angeles and Long Beach has spread to the US hinterlands, railroad and shipper executives say. While both groups are responding with higher security, the incidents are pointing to increasingly sophisticated criminal networks operating within the supply chain.

Rachel DeRosier, export manager for Wisconsin-based sausage company Johnsonville, said during the Agricultural Transportation Coalition's (AgTC's) annual meeting in Tacoma, Wash., last week that six of its approximately 300 refrigerated containers shipped during 2023 experienced a break-in.

While it didn't appear much product was stolen, the container breaches — some of which lasted 10 days before the container could be resealed — caused Johnsonville to destroy products and submit a claim to its insurer. DeRosier said that insurance claims as a percentage of export spending reached 20% because of the break-ins.

"They're opening the doors and — maybe they don't want the sausage — so they're leaving it for another container," DeRosier said.

Johnsonville is looking at using "goliath locks," which wrap around the top of the containers in addition to regular container seals, she added. But it requires workers in the consolidation center to get on top of the container, an added step and cost.

DeRosier detected the break-ins through remote temperature monitoring via sensors placed on the containers. She said that most of break-ins happened near their Midwest origin rather than near the Southern California ports.

"My assumption was that they were happening in Los Angeles-Long Beach," DeRosier said. "But the temperature checkers indicated they were actually happening near Chicago."

No national statistics exist on cargo thefts as they are not prosecuted at the federal level, something many of the AgTC attendees say needs to change as one way to address the problem.

DeRosier said the Johnsonville thefts happened across both West Coast Class I railroads.

A shipper who asked not to be identified said during the AgTC meeting that a shipment of soybeans from Fargo, ND, was loaded on Union Pacific and routed through Minneapolis for the ports in the Pacific Northwest.

When the container reached Asia, the consignee found only one-fourth of the original shipment was intact.

## **'Organized crime at its finest'**

Gene Seroka, executive director of the Port of Los Angeles, said container thefts are "organized crime at its finest" due to their planning and organization. He said the port has stepped up cooperation with local law enforcement to investigate the cases and expects more theft prosecutions.

"Seals are ripped, doors are hit," Seroka said. "It's products that [criminals] can fence quickly"

Hassan Hyder, Union Pacific's director of international intermodal, told the AgTC that the railroad has been stepping up enforcement in the Southern California basin, including the addition of 62 surveillance cameras and building 10-foot-high concrete walls topped with razor wire along vulnerable tracks.

The railroad's own police reported 2,000 incidents of chasing people away from railcars and 1,100 arrests for theft in Southern California. Even so, he said theft is cropping up further afield in Union Pacific's network, which has some 32,000 miles of "open air" network to police.

"It's much more than just LA-Long Beach," Hyder said. "We saw the first issues pop up there during the COVID crisis. Unfortunately, this has happened around other places in the network."

Hyder said Union Pacific worked with one shipper whose goods were being stolen from containers along the railroad's Southern California to Memphis network, including deploying drones to monitor its railcars. The customer claims its shipments are being targeted specifically for their high value, Hyder said, and that the thefts appear to be coordinated throughout the shipper's supply chain.

"The customer believes its containers were being tagged at a specific port terminal, and those shipments are being tracked along the way," Hyder said. "People downstream look for the containers when they stop, then they unleash people to go after these containers."

"All this individual theft got replaced with large-scale operations," he added. "It is interesting and fascinating, and scary, quite honestly. This has turned into a major crime."

The ability of thieves to sell goods on third-party e-commerce platforms or websites also fuels the problem, Hyder said, urging online shoppers to be aware of potentially stolen merchandise.

"If you see a good selling at 30% or 40% at what retail price should be, it's probably a stolen good," he said.

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